



ANNUAL REPORT
FY2019

wameja





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MESSAGE FROM THE CHAIRMAN

JOHN CONOLEY

CHAIRMAN

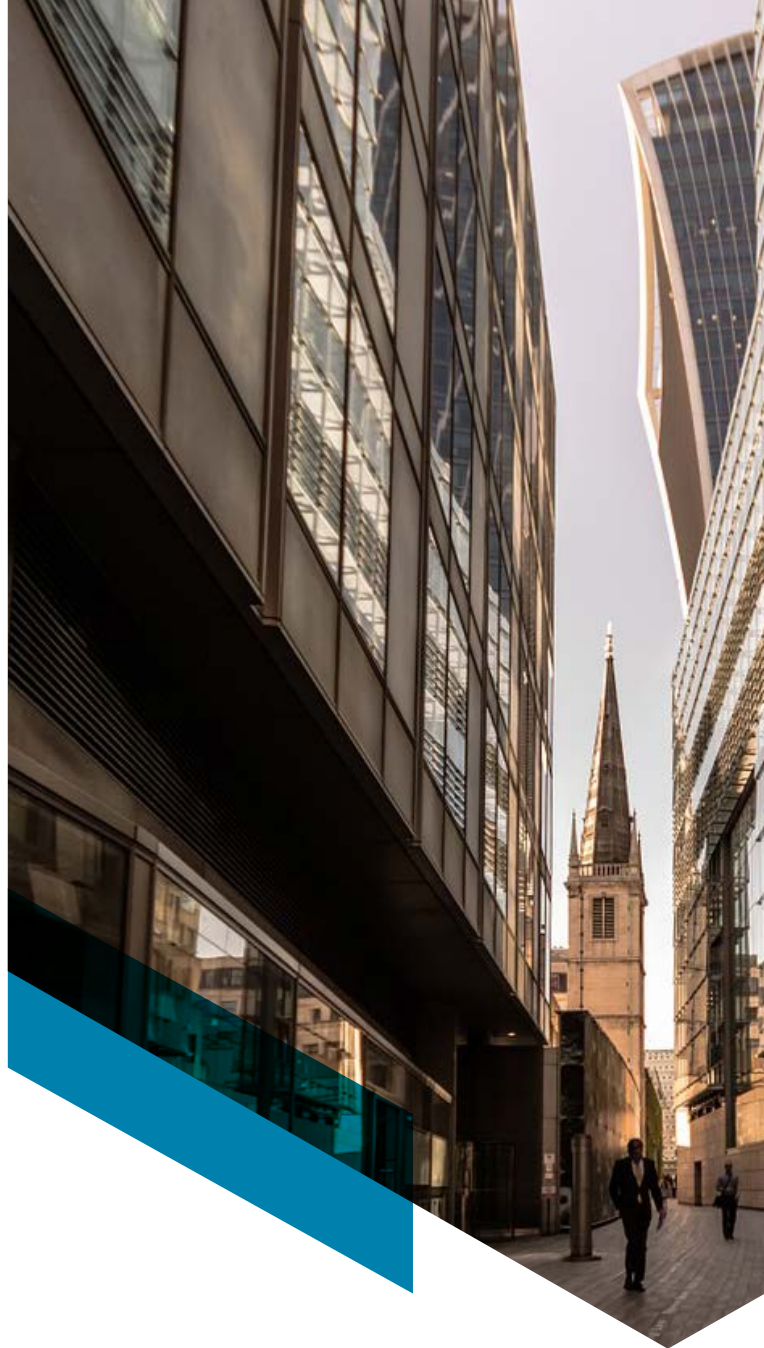


Today, the sole business of Wameja (formerly eServGlobal), is to work with its partner Mastercard, to maximize the value of the HomeSend cross-border payments JV, of which we hold 35.68%. There are no operational activities outside of that.

During 2019, we were pleased to deliver on our strategy to sell the legacy software business. Following completion of the sale on 25 July 2019, the Company changed its name to Wameja Limited. We had reshaped the business around a cluster of high-value, long-term customers, while drastically lowering the cost base, creating a robust entity capable of attracting a buyer. The Board was satisfied with the sale result as it allowed Wameja to focus its resources on the HomeSend JV.

The HomeSend JV reported excellent growth during the first half of 2019, with gross value flows up 20% in Q1 2019 (over previous quarter), and then a further 28% increase on that figure over Q2 2019. We also saw encouraging growth in the average transaction value.

The growth rate flattened somewhat to 6% in Q4 2019, however we were pleased that the growth curve remained on an upward trend throughout the year. The slightly slower growth in H2 was largely attributed to notable implementations taking longer than expected. The significant increase in gross value flows and average transaction value in Q1 2020 is proof that the HomeSend strategy is working.



By the end of 2019 HomeSend had established and validated reach in 68 key destination markets. These are markets representing more than 50% of global trade flows and greater than 70% of global remittances.

The Board of Wameja is pleased with the number of banks that went live during the year. The percentage of gross value flows across the HomeSend platform terminating to a bank account, grew from 32% in December 2018, to 55% in December 2019, representing a 72% increase over 12 months.

The disposal of the legacy software business resulted in some Board changes during the year. The Board welcomed James Hume as a Non-Executive Director on 23 October 2019. James is also a Director of HomeSend, he previously held the executive roles of COO and CTO at eServGlobal. Andrew Hayward stepped down as CFO and Finance Director on 25 July 2019, following the successful sale of the legacy business.

The Company exited last year with AU\$11.6M in cash. In order to maximize the effectiveness of our cash, we have lowered the ongoing Board costs and operating expenses for the business and are continually pursuing cost-saving measures.

The Board notes a very strong start to 2020 by HomeSend in terms of growth in volumes and average transaction values. We will continue to track and report HomeSend KPIs. The Board of Wameja continues to have confidence in the long-term future of HomeSend.

On behalf of the Board of Directors, I would like to thank our shareholders for their continued support.

JOHN CONOLEY
Chairman



BOARD OF DIRECTORS

The directors of eServGlobal Limited submit herewith the financial report for the financial period ended 31 December 2019.

The names and particulars of the directors of the Company who served during or since the end of the financial year are shown on this page. The directors held office during the whole of the financial year except as noted.

JOHN CONOLEY

Chairman

John's wide experience spans the software, hardware, IT services, telecommunications and energy markets. Recent roles include: Chief Executive Officer of mobile device Company Psion PLC, an international Company listed in the UK. From 2016 to 2017, he was a Non-executive Director of London listed human capital management software Company NetDimensions (Holdings) PLC. Since 27 April 2017, he is also Non-Executive Chairman of AIM listed Parity, a professional recruitment and IT services company and since August 2020 also became Executive Chairman of Aim listed FireAngel Safety Technology Group PLC.

John was appointed as a Director and a member of the Audit Committee of eServGlobal on 1 May 2013. He was appointed Executive Chairman of Wameja on 20 April 2015, and serves on the Board of the HomeSend Joint Venture based in Belgium. He ceased his executive role with Wameja on 29 January 2020 but remained on the Board as Chairman.

STEPHEN BALDWIN

Non-executive Director

Stephen has over 35 years of business experience. Having trained as a chartered accountant he commenced his career with Price Waterhouse (now PwC) and had a decade with the firm in three different countries. He was subsequently employed in the funds management industry for many years, initially with Hambro-Grantham and then with Colonial First State (where he was that group's Head of Private Equity).

Other current roles include representing one of Australia's larger superannuation funds as a nominee director for three of their investments.

Stephen was appointed to the Wameja Board in November 2011 and chairs the Audit Committee and chaired the Remuneration and Nomination Committee until its dissolution in January 2020.

JAMIE BROOKE

Non-executive Director

Jamie has over twenty years of quoted small cap and private equity experience. He is a qualified ACA, has a Mathematics degree from Oxford University and an MSC from UCL.

Jamie was most recently lead Portfolio Manager for the 1798 Volantis Catalyst Funds and also led the team's active engagement capability. He was appointed to the Board in October 2018 and previously sat on the Board between 2010 and 2013.

TOM ROWE

Non-executive Director and Company Secretary

Tom Rowe has served as Company Secretary of Wameja since 6 April 2011. He is a Corporate and Commercial Lawyer practicing with Capital Corporate Law in Sydney with a specialty in corporate transactions, corporate governance and capital raising.

Tom holds a BA LLB (Hons) from the University of Adelaide and Graduate Diplomas in both applied corporate governance and applied finance and investment.

Tom was appointed to the Board in March 2014 and was a member of the Remuneration and Nomination Committee from 20 July 2015 until its dissolution in January 2020.

JAMES HUME

Non-executive Director

James has extensive experience in developing and delivering commercial enterprise software for the telco and financial services worlds. With more than 15 years industry experience, James has strong end-to-end project management skills, encompassing the proven implementation of quality systems and processes.

James' background includes customer facing roles in various international markets working closely with multiple stakeholders to deliver strategic and dynamic technology solutions.

James was appointed to the Board of Wameja in October 2019 and is also a Board Member of the HomeSend Joint Venture based in Belgium.

He holds a Bachelor of Science with Honours from the University of Nottingham.

ANDREW HAYWARD

CFO & Executive Director

Andrew is an experienced finance executive with senior strategic advisory and investor relations experience. He is committed to increasing the long-term shareholder value and providing strategic insight and direction to the Company. Prior to joining eServGlobal, Andrew held the role of Head of Finance at Hurricane Energy PLC. Before this, he worked in various roles at PwC, latterly within the Corporate Finance Lead Advisory practice with a focus on Technology, Media and Telecommunications.

Andrew joined eServGlobal as Chief Financial Officer on 10 October 2016 and was appointed to the Board as an Executive Director on 21 December 2016 until his resignation on 25 July 2019.

DIRECTOR'S REPORT

The Directors of Wameja Limited (the Company) submit herewith the financial report of Wameja Limited and its controlled entities (the Group) for the year ended 31 December 2019. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

The names of the Directors of the Company during or since the end of the year are:

| | |
|-----------------|---|
| John Conoley | Non-Executive Chairman |
| James Brooke | Non-executive Director |
| Stephen Baldwin | Non-executive Director |
| James Hume | Non-executive Director (appointed on 23 October 2019) |
| Thomas Rowe | Company Secretary and non-executive Director |
| Andrew Hayward | Executive Director (resigned 25 July 2019) |

Company Secretary

Thomas Rowe has served as Company Secretary of Wameja Limited (formerly eServGlobal) since 6 April 2011.

Principle activities

Prior to the sale of its core operating business to Seamless Distribution Systems in 2019, Wameja Limited (formerly eServGlobal) was a pioneering digital financial transactions technology company, enabling financial and telecommunications service providers to create smoother transactions for their customers through deep technical expertise and rapid implementation.

Together with Mastercard, Wameja Limited is a joint venture partner of the HomeSend global payment hub, enabling cross-border transfer between bank accounts, cards, mobile wallets, or cash outlets from anywhere in the world.

Review of Operations

This report is to be read in conjunction with other reports issued contemporaneously.

Wameja Limited is a public company listed on the Australian Securities Exchange (ASX: WJA) and the London Stock Exchange (AIM) (LSE: WJA).

The Company is partnering with Mastercard to build the HomeSend global payments hub. HomeSend enables cross-border transfer between bank accounts, cards, mobile wallets, or cash outlets from anywhere in the world. As a founding partner in the HomeSend hub, Wameja helped conceive and bring the opportunity to market. HomeSend is a joint venture of Wameja (35.68%) and Mastercard (64.32%).

The Group entered into a conditional share purchase agreement on 4 June 2019 to sell the core operating business to Seamless Distribution Systems. This agreement was conditional upon shareholder approval which was obtained on 22 July 2019. Effective 25 July 2019, the sale was completed, and the Group disposed its core business eServGlobal SAS and its controlled entities. As such, as at 31 December 2019, part of the Group was considered as a discontinued operation. The remaining part of the Group (namely the HomeSend Joint Venture and all UK and Australian operations) remains intact and is presented as continuing operations.

The net result of the consolidated entity for the year ended 31 December 2019 was a loss after tax and minority interest for the period of \$13.2 million (2018: loss after tax and non-controlling interest of \$19.7 million). Loss per share was

1.09 cents (2018: loss per share 2.1 cents).

The operating cash flow for the period was a net outflow of \$4.8 million (2018: net outflow \$9.9 million). Cash balance as at 31 December 2019 was \$11.6 million.

Changes in state of affairs

Effective 25 July 2019, the Group disposed its core business eServGlobal SAS and its controlled entities.

DIRECTOR'S REPORT

Subsequent events

(a) Extension of HomeSend Liquidity Facility

HomeSend has requested that the current loan facility agreement ("the Facility") provided by the Company to HomeSend be extended from 31 March 2020 to 15 August 2020. The Company has indicated that it will agree to the extension on the proviso that no further draw-downs will be made on the Facility and HomeSend uses best endeavours to procure alternative funding of the Facility. At the date of this report, final agreement has not been reached between the parties but negotiations are continuing. Accordingly, the Company does not expect the Facility to be repaid on 31 March 2020.

(b) COVID-19

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and global economic activity. The Group considers this to be a non-adjusting post balance date event and accordingly the financial effects of COVID-19 have not been reflected in the Group's financial statements at 31 December 2019.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of COVID-19 on the Group's consolidated financial statements cannot be reasonably estimated for future financial periods. This includes the Group's investment in the HomeSend associate.

Based on the information available to the directors as at the date of this report, there are no significant factors identified which would impact on the carrying value of the Group's investment in associate due to COVID-19.

However, the Director's consider that prolonged general economic impacts arising from COVID-19 may have a negative impact on the operations of the Group's associate. This in turn may impact the recoverability of the Group's carrying value of the investment in associate going forward.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the entity in subsequent financial years.

Future developments

To the extent that the disclosure of information regarding likely developments in the operations of the Group in future financial years, and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity, such information has not been disclosed in this report.

Environmental regulations

The consolidated entity operates primarily within the technology and telecommunication sector and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, customers, employees and suppliers.

During the year under review, the Directors are not aware of any particular or significant environmental issues which have been raised in relation to the consolidated entity's operations.

Dividends

No dividends were declared or paid during the financial year (2018: nil).

DIRECTORS' REPORT

Share Options

Wameja Limited Employee Share Option Plan

The Company has an ownership-based remuneration scheme for executive directors, key management personnel and employees. In accordance with the provisions of the scheme, executive directors and employees may be granted options to acquire ordinary shares in the Company. The exercise of any share options is not dependent on any performance criteria, however, is dependent on a period of service relative to the vesting dates.

Share options granted to directors and senior management

During the financial year and up to the date of this report the Company granted 5,000,000 performance options at \$0.16 (£0.09) to the directors and senior management of the entity and its controlled entities (2018: 15,000,000). Further details of the executive and employee share option plan are disclosed in Note 6 to the financial statements.

Details of unissued shares under option as at the date of this report are:

| Issuing Entity | Number of shares under option | Class of shares | Exercise price of option | Expiry date of options |
|---------------------|-------------------------------|-----------------|--------------------------|------------------------|
| eServGlobal Limited | 2,350,000 | Ordinary | \$0.21 | 14 Mar 2021 |
| eServGlobal Limited | 5,225,000 | Ordinary | \$0.21 | 08 Aug 2021 |
| eServGlobal Limited | 6,000,000 | Ordinary | \$0.21 | 13 Mar 2022 |
| eServGlobal Limited | 4,000,000 | Ordinary | \$0.21 | 24 Nov 2022 |
| eServGlobal Limited | 15,000,000 | Ordinary | \$0.16 | 31 Oct 2022 |
| eServGlobal Limited | 5,000,000 | Ordinary | \$0.16 | 31 Oct 2022 |

During the financial year and up to the date of this report, there were no options exercised, expired or lapsed during the year.

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the company (as named above), the Company secretary, and all officers of the Company and of any related body corporate against any liability incurred as a director, secretary or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability cover and the amount of the premium.

The Company has agreed to indemnify the directors of the Company for any liability incurred as a director or officer, to the extent permitted by the Corporations Act 2001.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate, against any liability incurred by such an officer or auditor.

Directors' attendance at Board and Committee meetings held during the financial year

| | Board of Directors | | Audit Committee | | Remuneration and Nomination Committee | |
|-----------------|--------------------|----------|-----------------|----------|---------------------------------------|----------|
| Directors | Held * | Attended | Held* | Attended | Held* | Attended |
| Stephen Baldwin | 8 | 8 | 3 | 3 | 1 | 1 |
| John Conoley | 8 | 8 | 3 | 3 | - | - |
| Andrew Hayward | 5 | 5 | - | - | - | - |
| Tom Rowe | 8 | 8 | - | - | 1 | 1 |
| Jamie Brooke | 8 | 8 | - | - | - | - |
| James Hume | - | - | - | - | - | - |

*Held during term of director's appointment to Board, Audit or Remuneration and Nomination Committees.

DIRECTORS' REPORT

Non-audit services

The directors are satisfied that the provision of non-audit services, during the financial year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Audit Committee assesses the provision of non-audit services by the auditors to ensure that the auditor independence requirements of the Corporations Act 2001 in relation to the audit are met.

Details of amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 7 to the financial statements.

The directors are of the opinion that the services as disclosed in Note 7 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration is included on page 13 of the financial report.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with this Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

DIRECTORS' REPORT

Remuneration Report (Audited)

Determining remuneration policy for directors and key management personnel, and its relationship to Wameja's performance

The Company is listed on both the Australian Securities Exchange and the London Stock Exchange (AIM). It is an international group which is faced with all of the market pressures that flow in such circumstances. It must compete successfully with other international organisations that are substantially larger and which have the ability to draw on enormous resources. Our employees are based in diverse parts of the globe and regularly must travel to work in remote locations. The remuneration policies must be appropriate to these circumstances.

In determining the appropriate remuneration policies for the Group, the Board believes that the salary packages must be sufficient, in the international marketplace in which the Group operates, to attract, retain and motivate high calibre, hard-working, dedicated employees, who have the knowledge and skills appropriate for the business. In this regard, a component of the salary package for employees may be paid after the results of a financial year are completed, and the entitlement is based primarily on the results achieved by the Group. The Board's broad policy is implemented through its Remuneration and Nominations Committee.

The Board has significantly reduced its cost base since July 2019 and had no executive management by 29 January 2020 (with all directors being non-executive from that date).

Director and other key management personnel details

The following persons acted as key management personnel of the Company and the Group during or since the end of the financial year:

- John Conoley (Executive Chairman until 29 January 2020; now non-executive Chairman)
- Stephen Baldwin (Non-executive director)
- Jamie Brooke (Non-executive director)
- Tom Rowe (Company Secretary and non-executive director)
- Andrew Hayward (Chief Finance Officer until 30 June 2019 and Executive director until 25 July 2019) –
- James Hume (Chief Operational Officer until 29 January 2020; now non-executive director) – appointed as a director on 23 October 2019

Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year.

Elements of key management personnel remuneration

Non-executive directors are paid directors' fees. The Board reviews the level of fees from time to time and sets individual non-executive directors fees based on the levels of fees for comparable listed companies in the appropriate parts of the world.

The non-executive directors are appointed by either the Board or shareholder vote and any appointment is subject to re-election on retirement required at Annual General Meetings.

Executive directors and other key management personnel remuneration comprise both Short Term Incentive (STI) and Long-Term Incentive (LTI) components. The STI takes the form of a cash bonus and the LTI comprises the issue of share options under the Wameja Limited Employee Share Option Plan.

- a) No STI payments were made in 2019 or up to the date of this report.
- b) The LTI (share option) component contains an element of reward to incentivise loyalty and continuity of service to the Company through the vesting of options over a defined period with eligibility being dependent on continued employment and performance of the Group.

DIRECTORS' REPORT

Elements of remuneration which are dependent on Company performance

The performance options granted to the key management personnel are subject to the achievement of certain performance hurdles linked to the company's volume weighted average share price. These performance options have been granted to the Non-Executive Chairman and certain other management personnel and is in accordance with the Group's remuneration policy

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to 31 December 2019.

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 | 31 December 2017 \$'000 | 31 December 2016 \$'000 | 31 December 2015 \$'000 |
|-----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue * | 6,531 | 11,185 | 12,240 | 21,577 | 25,866 |
| Net profit/(loss) after tax | (13,190) | (19,747) | (37,167) | (21,742) | (32,374) |

* Continuing and discontinued operations

| | 31 December 2019 | 31 December 2018 | 31 December 2017 | 31 December 2016 | 31 December 2015 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Share price at start of year | \$0.08 | \$0.19 | \$0.10 | \$0.12 | \$0.66 |
| Share price at end of year | \$0.08 | \$0.08 | \$0.19 | \$0.10 | \$0.12 |
| Continuing and discontinued operations: Earnings/(loss) per share (cents) – Basic and Diluted | (1.1) | (2.1) | (5.5) | (6.0) | (12.3) |
| Continuing operations: Earnings/(loss) per share (cents) – Basic and Diluted | (0.9) | (0.9) | n/a | n/a | n/a |

DIRECTORS' REPORT

The group's key management personnel received, or will receive, the following amounts as compensation for their services as directors and key management personnel of the Group during the financial year:

| 2019 | Short-term employee benefits | | | Post Employment benefits | Share based payments | Termination Benefits \$ | Total \$ | Percentage of remuneration related to performance % |
|-----------------|------------------------------|---|------------------------|--------------------------------|-------------------------|-------------------------------|-------------|---|
| | Salary & fees \$ | Bonus and commission (incl. variable pay component) \$ | Non- monetary \$ | Superannuation \$ | Options \$ | | | |
| Directors | | | | | | | | |
| S Baldwin | 62,791 | - | - | - | - | - | 62,791 | - |
| J Conoley (i) | 220,132 | - | 11,920 | 13,218 | 154,506 | - | 399,776 | - |
| T Rowe (ii) | 124,630 | - | - | - | - | - | 124,630 | - |
| A Hayward (i) | 144,575 | - | 7,009 | 7,260 | 71,017 | 37,635 | 267,496 | - |
| J Brooke (i) | 44,095 | - | - | - | - | - | 44,095 | - |
| J Hume (i)(iii) | 353,134 | - | 17,834 | - | 67,605 | 72,907 | 511,480 | - |
| Total | 949,357 | - | 36,763 | 20,478 | 293,128 | 110,542 | 1,410,268 | - |

(i) Paid in GBP and subject to foreign exchange fluctuations at Group level.

(ii) The fee disclosed relates to payments made to Capital Corporate Law (\$124,630) where Tom Rowe has practised as a sole practitioner since 1 January 2017. The amount paid is for services provided by Tom Rowe in his capacity as company secretary, Non-executive Director and public officer of Wameja Limited, director and company secretary of Wameja Investments Pty Ltd and for legal services provided in Australia. Mr Rowe receives a non executive director fee, in accordance with the fees approved by the Board. All other services are invoiced on a time spent basis and on normal commercial terms. Fees for legal services comprise \$26,891 of the total fees disclosed.

(iii) Includes salary for January 2020 which was paid in December 2019 together with all entitlements under his contract of employment and for loss of employment.

DIRECTORS' REPORT

The group's key management personnel received, or will receive, the following amounts as compensation for their services as directors and key management personnel of the Group during the financial year:

| 2018 | Short-term employee benefits | | | Post Employment benefits | Share based payments | | Total \$ | Percentage of remuneration related to performance % |
|---|------------------------------|---|------------------------|--------------------------------|-------------------------|-------------------------------|-------------|---|
| | Salary & fees \$ | Bonus and commission (incl. variable pay component) \$ | Non- monetary \$ | Superannuation \$ | Options \$ | Termination Benefits \$ | | |
| Directors | | | | | | | | |
| S Baldwin | 87,284 | - | - | - | - | - | 87,284 | - |
| J Conoley (ii) | 450,158 | - | 6,941 | 9,777 | 175,360 | - | 642,236 | - |
| T Rowe (iii) | 149,913 | - | - | - | - | - | 149,913 | - |
| A Hayward (i) (ii) | 265,782 | - | 4,263 | 7,157 | 62,485 | - | 339,687 | - |
| J Brooke (ii) | 17,097 | - | - | - | - | - | 17,097 | - |
| Group's other Key Management Personnel | | | | | | | | |
| J Hume (i) (ii) | 295,313 | - | 3,521 | - | 84,057 | - | 382,891 | - |
| S Ben Lassoued (i) (iv) | 202,005 | 88,838 | 11,203 | - | - | 8,006 | 310,052 | 29% |
| Total | 1,467,552 | 88,838 | 25,928 | 16,934 | 321,902 | 8,006 | 1,929,160 | |

- (i) Key management personnel are remunerated on a salary package basis that includes an appropriate portion that is a variable component which is dependent on Group's performance. Variable pay components are confirmed based on achievement of sales performance plan or corporate performance plan (earnings before interest, tax, depreciation and amortisation targets) established during the financial year. For A Hayward and J Hume, the variable component-based performance was 22% and 23% of the total benefit respectively. For J Conoley, the variable component is based on 100% of his fixed remuneration less the value of his LTI benefit for FY2018. The corporate performance plan was not met and accordingly no bonus was payable in respect of this variable pay component. The payment of sales commission to S Ben Lassoued is based on achievement of sales performance plan target.
- (ii) Paid in GBP and subject to foreign exchange fluctuations at Group level.
- (iii) The amount paid is for services provided by Tom Rowe in his capacity as company secretary and Non-executive Director and for legal services. All services are invoiced on a time spent basis and on normal commercial terms.
- (iv) Paid in AED and subject to foreign exchange fluctuations at Group level, resignation received on 21 Nov 2018.

DIRECTORS' REPORT

Directors' shareholdings

The following table sets out each director's or a related body corporate's relevant interest in shares of the Company or a related body corporate as at the end of the financial year.

| | Balance as at 31 December No. | Received on exercise of options No. | Share issues No. | Acquired on market during the year No. | Balance at final year end No. |
|---|--|--|------------------------|---|--|
| Year to 31 December 2019 | | | | | |
| Andrew Hayward [#] | - | - | - | - | - |
| Stephen Baldwin | 1,695,634 | - | - | - | 1,695,634 |
| John Conoley | 2,233,228 | - | - | 393,464 | 2,626,692 |
| Tom Rowe | - | - | - | - | - |
| Jamie Brooke | - | - | - | - | - |
| James Hume * | 922,459 | - | - | - | 922,459 |
| Year to 31 December 2018 | | | | | |
| Andrew Hayward | - | - | - | - | - |
| Stephen Baldwin | 1,554,332 | - | 41,302 | - | 1,695,634 |
| John Conoley | 2,233,228 | - | - | - | 2,233,228 |
| Tom Rowe | - | - | - | - | - |
| Jamie Brooke | - | - | - | - | - |

[#]Andrew Hayward resigned as a director on 25 July 2019.

*James Hume was appointed a director on 23 October 2019.

Share-based payments granted as compensation

During the financial year, the following share-based payment arrangements were in existence.

| Option series | Grant date | Expiry date | Exercise price of options | Grant date fair value |
|---|------------|-------------|------------------------------|--------------------------|
| Issued 07 Apr 2016 ⁽ⁱ⁾ | 07-Apr-16 | 2021 | \$0.21 | \$0.0468 |
| Issued 08 Aug 2016 ⁽ⁱⁱ⁾ | 08-Aug-16 | 2021 | \$0.21 | \$0.0383 |
| Issued 12th April 2017 ⁽ⁱⁱⁱ⁾ | 12-Apr-17 | 2022 | \$0.21 | \$0.0331 |
| Issued 24th November 2017 ^(iv) | 24-Nov-17 | 2022 | \$0.21 | \$0.0538 |
| Issued 15th June 2018 ^(v) | 15-Jun-18 | 2022 | \$0.16 | \$0.0268 |
| Issued 5 th September 2019 ^(vi) | 5-Sep-19 | 2022 | \$0.16 | \$0.0059 |

(i) Options issued in this series are executive options which vested on 14 March 2018 and expire on 14 March 2021.

(ii) Options issued in this series are executive options which vested on 08 August 2018 and expire on 08 August 2021.

(iii) Options issued in this series are executive options which vest on 13 March 2019 and expire on 13 March 2022.

(iv) Options issued in this series are executive options which vest on 24 Nov 2019 and expire on 24 Nov 2022.

(v) Performance options issued are executive options which vest on the 'testing date', subject to achievement of certain performance conditions and satisfaction of the tenure conditions. The testing date is the earlier of 30 September 2020 or the date determined by the Board within 30 days following the occurrence of a change in control of the company or the sale of the substantial part of the business. These options will expire on 31 October 2022.

(vi) Performance options issued are executive options which vest on the 'testing date', subject to achievement of certain performance conditions and satisfaction of the tenure conditions. The testing date is the earlier of 30 September 2020 or the date determined by the Board within 30 days following the occurrence of a change in control of the company or the sale of the substantial part of the business. These options will expire on 31 October 2022.

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date. There have been variations to the expiry date following the resignation or termination of employment of some option holders, in accordance with the rules of the scheme.

DIRECTORS' REPORT

Options issued to directors and key management personnel

Key management personnel receiving options are entitled to the beneficial interest under the option only if they continue to be employed with the Group at the time the option vests. Any exposure in relation to the risk associated with the movement in the underlying share price rests with the key management personnel.

During the financial year no options were forfeited as a result of a condition required for vesting (other than continuing employment with the Company) not being satisfied.

No options granted to key management personnel expired or lapsed during the year (2018: 1,050,000). A total of 8,500,000 options vested during the year (2018: 6,650,000).

| | Balance at 1 January | Granted as compen- sation | Exercised | Share Issues | Balance at 31 December | Balance vested at 31 December | Vested but not exercisable | Vested and exercisable at report date | Vested during the year |
|-------------------------------------|-----------------------------|---------------------------------|-----------|--------------|---------------------------|-------------------------------------|----------------------------------|--|------------------------------|
| | No. | No. | No. | No. | No. | No. | No. | No. | No. |
| Year to 31 December 2019 | | | | | | | | | |
| J Conoley | 20,500,000 | - | - | - | 20,500,000 | 8,500,000 | - | 8,500,000 | 3,500,000 |
| A Hayward | 5,500,000 | - | - | - | 5,500,000 | 2,500,000 | - | 2,500,000 | 2,500,000 |
| J Hume | 4,150,000 | 4,000,000 | - | - | 8,150,000 | 4,150,000 | - | 4,150,000 | 2,500,000 |
| | Balance at 1 November | Granted as compen- sation | Exercised | Share Issues | Balance at 31 December | Balance vested at 31 December | Vested but not exercisable | Vested and exercisable at report date | Vested during the year |
| | No. | No. | No. | No. | No. | No. | No. | No. | No. |
| Year to 31 December 2018 | | | | | | | | | |
| J Conoley | 8,500,000 | 12,000,000 | - | - | 20,500,000 | 5,000,000 | - | 5,000,000 | 5,000,000 |
| A Hayward | 2,500,000 | 3,000,000 | - | - | 5,500,000 | - | - | - | - |
| J Hume | 4,550,000 | - | - | (400,000) | 4,150,000 | 1,650,000 | - | 1,650,000 | 1,650,000 |
| S Ben Lassoued | 650,000 | - | - | (650,000) | - | - | - | - | - |

Each executive share plan option converts into one ordinary share of Wameja Limited when the option is exercised and the exercise price paid. When options are issued, no amounts are paid or payable by the recipient of the option (refer Note 6). Options may be exercised at any time from the date of vesting to the date of expiry.

DIRECTORS' REPORT

The following table discloses the number and value of performance options granted during the financial year in relation to options granted to key management personnel as part of their remuneration:

| Name | Number of options granted | Value of options granted \$ | Number of options exercised | Value of options exercised \$ |
|------------|---------------------------|-----------------------------|-----------------------------|-------------------------------|
| James Hume | 4,000,000 | \$23,499 | - | - |

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Board



John Conoley
Chairman

31 March 2020

The Board of Directors
Wameja Limited
Level 2, Pier 8/9
23 Hickson Road,
Millers Point NSW 2000

31 March 2020

Dear Board Members,

**Auditor's Independence Declaration to Wameja Limited
(formerly eServGlobal Limited)**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Wameja Limited.

As lead audit partner for the audit of the financial report of Wameja Limited for the year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



John Bresolin
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Wameja Limited (formerly eServGlobal Limited)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wameja Limited (the "Entity"), and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How the Key Audit Matter was addressed in the audit |
|--|---|
| <p>Carrying value of equity accounted investment in HomeSend SCRL</p> <p>As at 31 December 2019, the carrying value of the Group's equity accounted investment HomeSend SCRL ("the associate") totalled \$25.463 million as disclosed in Note 21.</p> <p>For the year ended 31 December 2019, the Group has recognised an equity accounted share of the associate's loss of \$6.596 million.</p> <p>Significant judgment is required in determining whether facts and circumstances indicate that the equity accounted investment should be tested for impairment in accordance with the relevant accounting standards.</p> | <p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing whether there were indicators of impairment by: <ul style="list-style-type: none"> ◦ making enquiries of the directors as to the current performance of the associate and the projected revenue growth and profitability; ◦ reviewing the actual performance of the associate compared to the budget; ◦ reviewing the financial position of the associate as at balance date; ◦ reviewing the business plan of the associate for the financial years 2020 to 2024; ◦ reviewing the value in use model presented by the directors and assessing the reasonableness of key inputs including forecast performance and discount rate; and ◦ determining the implied fair value of the equity accounted investment based on the latest capital raising by the associate. • assessing the appropriateness of disclosures made in Note 1(n), (o) and Note 21 to the financial statements. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 financial report 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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 the directors, we determine those matters that were of most significance in the audit of the financial report 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.

Report on the Remuneration Report

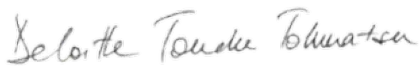
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 12 of the Directors' Report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Wameja Limited, for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Wameja Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



John Bresolin
Partner
Chartered Accountants
Sydney, 31 March 2020

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Wameja Limited (formerly eServGlobal), the directors of the Company declare that:

- 1. the financial statements and notes, as set out on pages 19 to 55, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards applicable to the Entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Consolidated Group;
- 2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed.



Director

John Conoley
Non-Executive Chairman

.....

Dated this 31st day of March 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

| | 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 | | (2,789) | (3,361) |
| Restructure and transaction related costs | | (1,412) | - |
| Share of profit/(loss) of associate | | <u>(6,596)</u> | <u>(6,232)</u> |
| Loss before tax | | (10,570) | (9,593) |
| Income tax expense | | <u>-</u> | <u>(1,044)</u> |
| Loss for the year from continuing operations | | <u>(10,570)</u> | <u>(10,637)</u> |
| Discontinued operations | | | |
| Loss for the year from discontinued operations | 4 | <u>(2,620)</u> | <u>(9,110)</u> |
| Loss for the year | 2 | <u>(13,190)</u> | <u>(19,747)</u> |
| 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) | | (135) | 6,308 |
| Items that have been reclassified to profit or loss: | | | |
| Transfer from foreign exchange reserve on disposal of subsidiary | | <u>(891)</u> | <u>-</u> |
| Total comprehensive income/(loss) for the year | | <u>(14,216)</u> | <u>(13,439)</u> |
| Equity holders of the parent | | (13,190) | (19,863) |
| Non-controlling interest | | <u>-</u> | <u>116</u> |
| | | <u>(13,190)</u> | <u>(19,747)</u> |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the parent | | (14,216) | (13,555) |
| Non-controlling interest | | <u>-</u> | <u>116</u> |
| | | <u>(14,216)</u> | <u>(13,439)</u> |
| Loss per share: | | | |
| From continuing and discontinued operations | | | |
| Basic (cents per share) | 18 | (1.1) | (2.1) |
| Diluted (cents per share) | 18 | (1.1) | (2.1) |
| From continuing operations | | | |
| Basic (cents per share) | | (0.9) | (0.9) |
| Diluted (cents per share) | | (0.9) | (0.9) |

Notes to the Financial Statements are included on pages 29 to 61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

| | | Consolidated | |
|---|-------------|-------------------------------|-------------------------------|
| | Note | 31 Dec 2019 \$'000 | 31 Dec 2018 \$'000 |
| Current Assets | | | |
| Cash and cash equivalents | 24 | 11,636 | 27,451 |
| Trade receivables and contract assets | 8 | - | 4,159 |
| Inventories | | - | 28 |
| Current tax assets | 3 | - | 37 |
| Other current assets | 10 | - | 973 |
| Other financial assets | 12 | 4,239 | - |
| Total Current Assets | | 15,875 | 32,648 |
| Non-Current Assets | | | |
| Investment in associate | 21 | 25,463 | 25,791 |
| Property, plant and equipment | | - | 257 |
| Deferred tax assets | 3 | - | 673 |
| Other intangible assets – capitalised development costs | 11 | - | 3,294 |
| Total Non-Current Assets | | 25,463 | 30,015 |
| Total Assets | | 41,338 | 62,663 |
| Current Liabilities | | | |
| Trade and other payables | 13 | 271 | 4,085 |
| Current tax payables | 3 | - | 1,046 |
| Provisions | 14 | - | 1,112 |
| Contract liabilities | 9 | - | 595 |
| Total Current Liabilities | | 271 | 6,838 |
| Non-Current Liabilities | | | |
| Provisions | 14 | - | 717 |
| Total Non-Current Liabilities | | - | 717 |
| Total Liabilities | | 271 | 7,555 |
| Net Assets | | 41,067 | 55,108 |
| Equity | | | |
| Issued capital | 15 | 212,326 | 212,326 |
| Reserves | 16 | 4,922 | 5,653 |
| Accumulated losses | 17 | (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 |

Notes to the Financial Statements are included on pages 29 to 61

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | 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 |
|---|-----------------------------|---|---|---------------------------------|--|---|-----------------|
| Consolidated | | | | | | | |
| Balance at 1 January 2019 | 212,326 | 1,905 | 3,748 | (162,991) | 54,988 | 120 | 55,108 |
| Loss for the year | - | - | - | (13,190) | (13,190) | - | (13,190) |
| Exchange differences arising on translation of foreign operations | - | (135) | - | - | (135) | - | (135) |
| Transfer from foreign exchange reserve on disposal of subsidiary | - | (891) | - | - | (891) | - | (891) |
| Total comprehensive income/(loss) for the period | - | (1,026) | - | (13,190) | (14,216) | - | (14,216) |
| Derecognition of Non-Controlling Interest on disposal | - | - | - | - | - | (120) | (120) |
| Equity settled payments | - | - | 295 | - | 295 | - | 295 |
| Balance at 31 December 2019 | 212,326 | 879 | 4,043 | (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 year | - | - | - | (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 | - | (19,863) | (13,555) | 116 | (13,439) |
| Issue of new shares, net of share issue costs (note 15) | 31,974 | | | | 31,974 | | 31,974 |
| Payment of dividends | - | - | - | - | - | (123) | (123) |
| Equity settled payments | - | - | 411 | - | 411 | - | 411 |
| Balance at 31 December 2018 | 212,326 | 1,905 | 3,748 | (162,991) | 54,988 | 120 | 55,108 |

Notes to the Financial Statements are included on pages 29 to 61

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | | Consolidated | |
|--|-------------|--|--|
| | Note | Year Ended 31 Dec 2019 \$'000 | Year Ended 31 Dec 2018 \$'000 |
| Continuing and Discontinued Operations | | | |
| Cash Flows from Operating Activities | | | |
| Receipts from customers | | 7,198 | 13,046 |
| Payments to suppliers and employees | | (10,705) | (23,567) |
| Refund of research and development credits | | - | 764 |
| Interest and other costs of finance paid | | - | (277) |
| Income tax (paid)/refund | | <u>(1,316)</u> | <u>96</u> |
| Net cash used in operating activities | 24 | <u>(4,823)</u> | <u>(9,938)</u> |
| Cash Flows from Investing Activities | | | |
| Investment in HomeSend joint venture Company | | (6,480) | (3,506) |
| Payment for property, plant and equipment | | (78) | (247) |
| Cash Flow from disposal of subsidiaries, net of cash disposed | | 1,485 | - |
| Advances to HomeSend joint venture company | | (4,239) | - |
| Software development costs | | <u>(1,367)</u> | <u>(2,180)</u> |
| Net cash used in investing activities | | <u>(10,679)</u> | <u>(5,933)</u> |
| Cash Flows from Financing Activities | | | |
| Payment of dividends to non-controlling shareholder in subsidiary | | - | (124) |
| Proceeds from issue of shares | | - | 33,440 |
| Payment for share issue costs | | <u>-</u> | <u>(1,466)</u> |
| Net cash used in financing activities | | <u>-</u> | <u>31,850</u> |
| Net (decrease)/increase in Cash and Cash Equivalents | | (15,502) | 15,979 |
| Cash at the beginning of the period | | 27,451 | 10,801 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | | <u>(313)</u> | <u>671</u> |
| Cash and Cash Equivalents at the end of the period | | <u>11,636</u> | <u>27,451</u> |

Notes to the Financial Statements are included on pages 29 to 61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements include the consolidated financial statements of the Group, comprising Wameja Limited (the Company/ Parent) and the entities it controlled at the end of, or during, the year. For the purposes of preparing the consolidated financial statements the Company is a for-profit entity. A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the directors on 31st March 2020.

Basis of preparation

The financial statements have been prepared on the historical cost basis, unless otherwise stated below. Historical cost is based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a Company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with this Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and in banks, deposits held at call with banks and financial institutions and investments in money market instruments with original maturities of three months or less from the date of acquisition.

(b) **Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and retirement benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

For defined benefit retirement plans, the cost of providing benefits is determined by way of actuarial valuations being carried out at the end of each annual reporting period. Remeasurement is reflected in the statement of financial position with the charge or credit recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(c) *Financial assets*

All recognised financial assets that are within the scope of AASB 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets classified as held-to-maturity and loans and receivables under AASB 9 that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Trade and other receivables

Trade and other receivables are recognised initially at fair value including transaction costs and subsequently measured at amortised cost, less any Expected Credit Losses ("ECL"). Trade receivables are due for settlement no more than 30 days from the date of recognition.

The credit loss allowance in accordance with the simplified approach adopted by the Group is recognised.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same characteristics as the trade receivables for the same types of contracts. A provision matrix is determined based on historic credit loss rate for each group of customers, adjusted for any material expected changes to the customers' future credit risk.

Trade receivables and contract assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. The total credit loss allowance on trade receivables and contract assets include certain specific customers which the Group assessed as non-recoverable in the prior periods.

(d) *Financial instruments issued by the Group*

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, recognising interest expense on an effective yield basis.

Derecognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

Trade payables

Trade payables are initially measured at fair value including transaction costs and are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(e) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) **Foreign currencies**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income/(loss) and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income/(loss) and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income/(loss).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(g) *Impairment of assets*

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the synergies of the business combination.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

With the exception of goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(h) *Income tax*

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior year is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are only recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(h) *Income tax (continued)*

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited to other comprehensive income (loss) or directly to equity, in which case the deferred tax is also recognised in other comprehensive income (loss) or directly in equity. Where it arises from the initial accounting for a business combination it is taken into account in the determination of goodwill.

(i) *Intangible assets*

All intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

The expenditure capitalised includes cost of materials, direct labour and a proportion of directly attributable overheads. Other development expenditure is recognised in profit or loss as an expense as and when incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(j) *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as 'the Group' in these financial statements). Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries acquired or disposed of during the year are included in consolidated profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(j) Basis of consolidation (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interest in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable AASB Standards).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(k) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(l) Revenue recognition Sale of goods and services

The Group applies the following 5-step model for revenue recognition related to contracts with customers:

- a. Identify the contract(s) with customer
- b. Identify the performance obligation in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligation in the contract
- e. Recognise revenue when or as the entity satisfied its performance obligations.

The Group recognises sales revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer, which is when the customer receives the product upon delivery. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled in exchange for those goods or services. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled and only to the extent that it is highly probable that a significant reversal of revenue will not occur.

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs;
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and –
- there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time. The Group recognises revenue predominantly from the following services:

Rendering of Software Solution Services

The Group is generally responsible for the overall management of the contract and to provide services to integrate the License into the customer's network. These processes and activities tend to be highly inter-related and the Group provides a significant service of integration for these assets under the contract and as such is treated as a single performance obligation. The performance obligation is fulfilled over time because the customer simultaneously receives and consumes the benefits and as such revenue is recognised over time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Revenue from Support and Maintenance Services

Revenue from support and maintenance contracts is recognised over time. This is due to the fact that the customer simultaneously receives and consumes the benefits provided by the Group's performance of the support and maintenance services. The services are made available to the customer throughout the term of the contract.

Customers are typically invoiced on a monthly basis for an amount that is calculated on a schedule of rates that is aligned with the stand-alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.

Revenue from Hardware

Revenue from hardware is recognised when the control of the underlying goods is transferred to the customer at a point in time.

(m) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of either a Black-Scholes or binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

(n) Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 9 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(o) Critical accounting judgments and key sources of estimation uncertainty

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The following is the key assumption concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Carrying value of equity accounted investment in HomeSend SCRL

The Group assesses impairment of investment in associate whenever the events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Recoverable amount is measured at the higher of the fair value less cost of disposal or value in use.

Significant judgment is required in determining whether facts and circumstances indicate that the equity accounted investment in associate should be tested for impairment in accordance with the relevant accounting standards.

In assessing the carrying value, the directors have considered the performance of HomeSend SCRL compared to the budget for the current financial year, the current financial position, and the forecast future performance of the associate.

Based on the directors' assessment there were no indication of impairment in the carrying value of the Group's investment in associate as at 31 December 2019.

The directors have also considered the impact of COVID-19 on the associate. Refer Note 27 'Subsequent Events'.

(p) New, revised or amending Accounting Standards and Interpretations adopted:

Initial application of AASB 16

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 January 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

Applying AASB 16, for all leases (except as noted below), the Group:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

The adoption of AASB 16 did not result in recognition of any material right-of-use asset or lease liability for the Group.

The adoption of AASB 16 did not result in recognition of any material right-of-use asset or lease liability for the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(q) *Going Concern*

The consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2019 reflects a loss after tax of \$13.19 million (2018: \$19.75 million), and the consolidated statement of cash flows reflects net cash outflows from operations of \$4.823 million (2018: \$9.938 million). The cash and cash equivalents balance of \$11.636 million (2018: \$27.451).

The Directors have prepared the cash flow forecast for the period through to 31 March 2021. The cash flow forecast indicates that the Group will have sufficient funding to operate as a going concern during the forecast period, and on this basis the Directors have prepared the financial statements on the going concern basis.

2. LOSS BEFORE TAX

| | Consolidated | |
|---|---|---|
| | Year Ended 31 December 2019 \$'000 | Year Ended 31 December 2018 \$'000 |
| Loss before tax has been arrived at after charging the following: | | |
| Restructure and transaction related costs (continuing operations) | 1,412 | - |
| Employee benefit expense (continuing operations): | | |
| Other employee benefits | 2,398 | 1,948 |
| Equity settled share-based payments | 295 | 411 |
| Total employee benefits expense | 2,693 | 2,359 |
| Loss from discontinued operations | 2,620 | 10,154 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. INCOME TAXES

| | Year Ended 31 December 2019 \$'000 | Year Ended 31 December 2018 \$'000 |
|---|---|---|
| (a) Income tax recognized in profit/(loss) | | |
| Tax (benefit)/expense comprises: | | |
| Current tax (benefit)/expense | - | 928 |
| Adjustments recognised in the current year in relation to the current tax of prior years | - | (63) |
| Deferred tax (income)/expense relating to the origination and reversal of temporary differences and tax credits | - | 398 |
| Income tax expense | - | <u>1,263</u> |

The prima facie income tax expense on pre-tax accounting profit/(loss) from operations reconciles to the income tax (benefit)/expense in the financial statements as follows:

| | | |
|---|----------|--------------|
| Loss from operations | (13,190) | (18,485) |
| Income tax benefit calculated at 27.5% (2018: 30%) | (3,627) | (5,546) |
| Non-deductible expenses | 863 | 160 |
| Foreign withholding tax credits not utilised | - | 209 |
| Deferred tax assets not recognised | 2,764 | 7,417 |
| Effect of different tax rate in foreign operations | - | (1,415) |
| Under/(over) provision of income tax in previous year | - | (63) |
| Income tax expense | - | <u>1,263</u> |

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law. No income tax was recognised directly in equity or in other comprehensive income (loss) during the financial year.

Consolidated

| | Year Ended 31 December 2019 \$'000 | Year Ended 31 December 2018 \$'000 |
|---|--|--|
| (b) Current tax assets and liabilities | | |
| Current tax assets: | | |
| Tax refund receivable | <u>-</u> | <u>37</u> |
| Current tax payables: | | |
| Withholding and Income tax payable | <u>-</u> | <u>1,046</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. INCOME TAXES (cont.)

Deferred tax balances

Deferred tax assets arise from the following:

| | Opening balance \$'000 | Reclassified (i) \$'000 | Consolidated (Charged) / credited to profit or loss \$'000 | Closing balance \$'000 |
|---|------------------------------|-------------------------------|---|------------------------------|
| 2019 | | | | |
| Deferred tax assets: | | | | |
| Research & development tax credits | 435 | (435) | - | - |
| Foreign tax credits and other tax offsets | <u>238</u> | <u>(238)</u> | <u>-</u> | <u>-</u> |
| | <u>673</u> | <u>(673)</u> | <u>-</u> | <u>-</u> |

(i) Represents reduction resulting from disposal of business.

| | Opening balance \$'000 | Reclassified \$'000 | Consolidated (Charged) / credited to profit or loss \$'000 | Closing balance \$'000 |
|---|------------------------------|------------------------|---|------------------------------|
| 2018 | | | | |
| Deferred tax assets: | | | | |
| Research & development tax credits | 673 | | (238) | 435 |
| Foreign tax credits and other tax offsets | <u>398</u> | <u>-</u> | <u>(160)</u> | <u>238</u> |
| | <u>1,071</u> | <u>-</u> | <u>(398)</u> | <u>673</u> |

Tax consolidation

Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Wameja Limited. The other member of the tax-consolidated group is Wameja Investments Pty Limited.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Wameja Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognized in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. DISCONTINUED OPERATIONS

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 \$1.485 million (net of cash disposed) was received by the Company on the completion date. There was no material gain/(loss) on disposal of the core business.

Financial Information relating to the discontinued operation to date of sale is set out below.

The financial performance of the discontinued operation to the date of sale, which is included in profit/(loss) from discontinued operations per the statement of comprehensive income, is as follows:

| | Note | 31 Dec 2019 \$'000 | 31 Dec 2018 \$'000 |
|--|------|-----------------------|-----------------------|
| Revenue | | 6,531 | 11,185 |
| Expenses (*) | | <u>(9,120)</u> | <u>(20,076)</u> |
| Loss before tax | | (2,589) | (8,891) |
| Income tax expense | | (31) | (219) |
| Loss attributable to the owners of the parent entity | | <u>(2,620)</u> | <u>(9,110)</u> |

(*) Included in the total expenses for the current year is the impairment charge of \$2,814 thousand which was recognised on re-measurement of disposal group to fair value less costs to sell.

The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:

| | |
|---|----------------|
| Net cash flow from operating activities | (168) |
| Net cash flow from investing activities | (1,396) |
| Net cash flow from financing activities | <u>(120)</u> |
| Net cash flows from discontinued operations | <u>(1,684)</u> |

5. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation policy

The Remuneration and Nominations Committee reviews the remuneration packages of all key management on an annual basis and makes recommendations to the Board. The Board's approach on Remuneration Policies is set out in the Remuneration Report which forms part of the Directors' Report.

The aggregate compensation made to key management personnel of the Group is set out as follows:

| | Consolidated | |
|------------------------------|---|---|
| | Year Ended 31 December 2019 \$'000 | Year Ended 31 December 2018 \$'000 |
| Short-term employee benefits | 986,120 | 1,582,318 |
| Post-employment benefits | 20,478 | 16,934 |
| Termination benefits | 110,542 | 8,006 |
| Share-based payments | <u>293,128</u> | <u>321,902</u> |
| | <u>1,410,268</u> | <u>1,929,160</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. SHARE BASED PAYMENTS

Executive and Employee Equity-Settled Share Based Payments

The Group has an ownership-based remuneration scheme for executive directors, key management personnel and employees of the Group. In accordance with the provisions of the scheme, directors and employees may be granted options to acquire ordinary shares in the Company. The vesting of any share options is dependent on a period of service relative to the vesting dates, and in the case of performance options, it is also dependent on performance criteria.

Under the Wameja Limited Employee Share Option Plan which was established 4 August 2000 to assist in the attraction, retention and motivation of employees and Directors of the Company and its related corporate bodies, as at 31 December 2019, certain key management personnel and employees (past and present) are entitled to purchase an aggregate of 37,575,000 (2018: 32,575,000) ordinary shares of the entity at an average exercise price of \$0.19 (2018: \$0.219) per ordinary share. During the current year, total of 9,350,000 options had vested. The options may be exercised at various times up until 31 October 2022. The holders of such options do not have the right, by virtue of the option to participate in any share issue or interest issue of any other corporate body or scheme, and do not participate in any dividends declared.

During the financial year, the Company issued 5,000,000 performance options under its executive and employee share option plan (2018: 15,000,000).

The following executive and employee share-based payment arrangements were in existence during the year:

| Option Series | Grant Date | Expiry Date | Exercise Price \$ | Fair value at grant date | Number Vested at year end | Contractual life at year end (days) |
|-------------------------------------|------------|-------------|-------------------|--------------------------|---------------------------|-------------------------------------|
| Issued 07 Apr 2016 ⁽ⁱ⁾ | 07-Apr-16 | 2021 | \$0.21 | \$0.0468 | 3,000,000 | 439 |
| Issued 08 Aug 2016 ⁽ⁱⁱ⁾ | 08-Aug-17 | 2021 | \$0.21 | \$0.0383 | 5,225,000 | 586 |
| Issued 12 Apr 2017 ⁽ⁱⁱⁱ⁾ | 12-Apr-17 | 2022 | \$0.21 | \$0.0331 | 6,000,000 | 803 |
| Issued 24 Nov 2017 ^(iv) | 24-Nov-17 | 2022 | \$0.21 | \$0.0538 | 3,350,000 | 1,059 |
| Issued 15 Jun 2018 ^(v) | 15-Jun-18 | 2022 | \$0.16 | \$0.0268 | Nil | 1,035 |
| Issued 05 Sep 2019 ^(vi) | 05-Sep-19 | 2022 | \$0.16 | \$0.0059 | Nil | 1,035 |

In accordance with the terms of the Employee Share Option Plan:

- (i) Options issued in this series are executive options which vested on 14 March 2018 and expire on 14 March 2021.
- (ii) Options issued in this series are executive options which vested on 08 August 2018 and expire on 08 August 2021.
- (iii) Options issued in this series are executive options which vested on 13 March 2019 and expire on 13 March 2022.
- (iv) Options issued in the series are executive options which vested on 24 November 2019 and expire on 24 November 2022.
- (v) and (vi) Performance options issued are executive options which vest on the 'testing date', subject to achievement of certain performance conditions and satisfaction of tenure conditions. The testing date is the earlier of 30 September 2020 or the date determined by the Board within 30 days following the occurrence of a change in control of the company or the sale of the substantial part of the business. These options will expire on 31 October 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. SHARE BASED PAYMENTS (cont.)

The fair value of the options was derived by an appropriately qualified expert using the Hull-White model. Expected volatility is based on the historical share price volatility over the past period. The risk-free rate is sourced from the Reserve Bank of Australia.

Key inputs into the models for the series of options:

| Issue Date | Share price at grant date | Risk free rate of return to expiry (p.a.) | Years to expiration/ exercise | Exercise price | Volatility |
|------------|---------------------------|---|-------------------------------|----------------|------------|
| 5-Sep-19 | 0.16 | 0.80% | 3.2 | 0.16 | 78% |

The following reconciles the outstanding share options granted under the executive share option plan at the beginning and the end of the financial year:

| | 31 December 2019 | | 31 December 2018 | |
|--|-------------------|------------------------------------|-------------------|------------------------------------|
| | Number of Options | Weighted average exercise price \$ | Number of Options | Weighted average exercise price \$ |
| Balance at the beginning of the financial year | 32,575,000 | 0.219 | 18,725,000 | 0.214 |
| Granted during the year | 5,000,000 | 0.16 | 15,000,000 | 0.16 |
| Expired/ lapsed during the year | - | - | (1,150,000) | 0.285 |
| Balance at the end of the financial year | <u>37,575,000</u> | <u>0.19</u> | <u>32,575,000</u> | <u>0.219</u> |
| Exercisable at the end of the financial year | <u>17,575,000</u> | | <u>8,225,000</u> | |

7. REMUNERATION OF AUDITORS

| | Consolidated | |
|--|--------------------------------|----------------------------------|
| | Year Ended 31 December 2019 \$ | Period Ended 31 December 2018 \$ |
| Auditor of the Parent Entity | | |
| Auditing or review of the financial report | 162,500 | 196,000 |
| | <u>162,500</u> | <u>196,000</u> |
| Other Auditors | | |
| Auditing or review of the financial report | - | 136,673 |
| Other services – Taxation | - | - |
| | <u>-</u> | <u>136,673</u> |
| | <u>162,500</u> | <u>332,673</u> |

The auditor of Wameja Limited is Deloitte Touche Tohmatsu in Australia and the Other Auditors are all affiliated firms of Deloitte Touche Tohmatsu. Fees paid to other auditors are charged in respective foreign currencies and are subject to exchange rate fluctuations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. TRADE RECEIVABLES AND CONTRACT ASSETS

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|----------------------------------|-------------------------------|-------------------------------|
| Current trade receivables | | |
| Trade receivables | - | 2,934 |
| Less: Credit loss allowance | - | (945) |
| | <hr/> - | <hr/> 1,989 |
| Contract assets | - | 2,527 |
| Less: Credit loss allowance | - | (357) |
| | <hr/> - | <hr/> 2,170 |
| TOTAL | <hr/> - | <hr/> 4,159 |

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors and the general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|---------------------------|-------------------------------|-------------------------------|
| Ageing of past due | | |
| By up to 30 days | - | 439 |
| 30 - 90 days | - | 504 |
| 90 - 120 days | - | - |
| 120 + days | - | 296 |
| | <hr/> - | <hr/> 1,239 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. CONTRACT ASSETS AND CONTRACT LIABILITIES

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|---|-------------------------------|-------------------------------|
| Contract assets | - | 6,802 |
| Progress billings and advances received | - | (5,227) |
| | <u>-</u> | <u>1,575</u> |
| Contract assets | | |
| Current (Note 8) | - | 2,170 |
| Contract liability: | | |
| Current | - | (595) |
| | <u>-</u> | <u>1,575</u> |

10. OTHER ASSETS

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|---------------------------|-------------------------------|-------------------------------|
| Current | | |
| Prepayments | - | 552 |
| Deposits and other assets | - | 421 |
| | <u>-</u> | <u>973</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. INTANGIBLE ASSETS

| | Consolidated | | |
|------------------------|---|--|-------------------------|
| | Software acquired \$'000 | Software development \$'000 | Total \$'000 |
| Net Book Value | | | |
| As at 31 December 2018 | <u>71</u> | <u>3,223</u> | <u>3,294</u> |
| As at 31 December 2019 | <u>-</u> | <u>-</u> | <u>-</u> |

12. OTHER FINANCIAL ASSETS

| | Consolidated | |
|-------------------------------|--|--|
| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
| Advances to HomeSend SCRL (i) | 4,239 | - |

- (i) 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 15 August 2020.

As at balance date, the company has provided its proportionate share in total drawdowns with Mastercard amounting to \$4.2 million.

13. TRADE AND OTHER PAYABLES

| | Consolidated | |
|-----------------------------|--|--|
| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
| Trade payables (i) | - | 1,131 |
| Accruals and other payables | 271 | 2,954 |
| | <u>271</u> | <u>4,085</u> |

- (j) The average credit period on purchases of goods is 60 days (2018: 60 days). No interest is charged on overdue payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. PROVISIONS

| | Employee provisions \$'000 | Retirement benefit provision (i) \$'000 | Total \$'000 |
|--|----------------------------------|--|-----------------|
| Consolidated | | | |
| Balance as at 31 December 2018 | 1,112 | 717 | 1,829 |
| Reductions resulting from disposal of business | — | (1,112) | (1,829) |
| Balance as at 31 December 2019 | — | — | — |
| Current | — | — | — |
| Non-current | — | — | — |
| Balance as at 31 December 2019 | — | — | — |

| | Employee provisions \$'000 | Retirement benefit provision (i) \$'000 | Total \$'000 |
|---------------------------------------|----------------------------------|--|-----------------|
| Consolidated | | | |
| Balance as at 31 December 2017 | 999 | 777 | 1,776 |
| Additional provisions recognised | 353 | — | 353 |
| Utilised during the year | — | (60) | (300) |
| Balance as at 31 December 2018 | — | 1,112 | 1,829 |
| Current | 1,112 | — | 1,112 |
| Non-current | — | 717 | 717 |
| Balance as at 31 December 2018 | — | 717 | 1,829 |

(i) The retirement benefit provision is a provision for statutory termination obligations due to eligible employees in France who remain employed with the French entity until their statutory retirement date. The amount of the statutory lump sum retirement payment is dependent on the employee's length of service with the Company and their salary on retirement. No entitlement accrues to employees who terminate their employment prior to retirement date. The Group's obligations are unfunded and covered by the recorded provision. The cost of providing the benefit is determined by way of actuarial valuation carried out at the end of each annual reporting period (Refer to Note 1(b)).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. ISSUED CAPITAL

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|---|-------------------------------|-------------------------------|
| 1,210,850,662 fully paid ordinary shares (2018:1,210,850,662) | 212,326 | 212,326 |

| | 31 December 2019 | | 31 December 2018 | |
|--|------------------|------------|------------------|------------|
| | No. '000 | \$ '000 | No. '000 | \$ '000 |
| Fully Paid Ordinary Shares | | | | |
| Balance at the beginning of financial year | 1,210,851 | 212,326 | 906,851 | 180,352 |
| Issue of new shares in the Company | - | - | 304,000 | 33,440 |
| Costs of share issue | - | - | - | (1,466) |
| Balance at the end of financial year | 1,210,851 | 212,326 | 1,210,851 | 212,326 |

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| Reconciliation of new shares issued: | | |
| Issue of shares | - | 33,440 |
| Less: Share issue costs | - | (1,466) |
| Net value of share capital issued | - | 31,974 |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Share Options

In accordance with the terms of the executive and employee share option plan as at 31 December 2019, employees are entitled to exercise options granted and thus acquire shares in the Company. Details of the executive and employee share option plan are contained in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. RESERVES

| | Consolidated | |
|--|--|--|
| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
| Foreign currency translation reserve (a) | 879 | 1,905 |
| Equity-settled benefits reserve (b) | <u>4,043</u> | <u>3,748</u> |
| | <u>4,922</u> | <u>5,653</u> |

(a) Foreign currency translation reserve

| | | |
|--|--------------|--------------|
| Balance at beginning of financial year | 1,905 | (4,403) |
| Translation of foreign operations | (135) | 6,308 |
| Transfer from foreign exchange reserve on disposal of subsidiary | <u>(891)</u> | <u>-</u> |
| Balance at the end of the financial year | <u>879</u> | <u>1,905</u> |

Exchange differences relating to the translation from the functional currency of foreign subsidiaries into Australian dollars, and translation of inter-company monetary items which settlement is neither likely nor planned to occur in the foreseeable future, are recognised in other comprehensive income/(loss) and accumulated in the foreign currency translation reserve.

(b) Equity-settled benefits reserve

| | | |
|--|--------------|--------------|
| Balance at beginning of financial year | 3,748 | 3,337 |
| Employee equity-settled benefits (i) | <u>295</u> | <u>411</u> |
| Balance at the end of the financial year | <u>4,043</u> | <u>3,748</u> |

(i) The employee equity-settled benefits reserve arises on the grant of share options to key management personnel and employees under the executive and employee share option plan. Further information about equity-settled benefits is contained in Note 6 to the financial statements.

17. ACCUMULATED LOSSES

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|--|--|--|
| Balance at beginning of the financial year | (162,991) | (143,128) |
| Loss for the year attributable to equity holders of the parent | <u>(13,190)</u> | <u>(19,863)</u> |
| Balance at end of financial year | <u>(176,181)</u> | <u>(162,991)</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. EARNINGS PER SHARE

| | Consolidated | |
|--|--|--|
| | Year Ended 31 December 2019 | Year Ended 31 December 2019 |
| Basic earnings per share (cents per share) | <u>(1.1)</u> | <u>(2.1)</u> |
| Diluted earnings per share (cents per share) | <u>(1.1)</u> | <u>(2.1)</u> |

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

| | Year Ended 31 December 2019 \$'000 | Period Ended 31 December 2018 \$'000 |
|--|---|---|
| Earnings – being the (loss)/profit for the year attributable to equity holders of the parent | <u>(13,190)</u> | (19,863) |
| | 31 December 2019 No '000 | 31 December 2018 No '000 |
| Weighted average number of ordinary shares | <u>1,210,851</u> | <u>958,631</u> |

Diluted earnings per share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

| | Year Ended 31 December 2019 \$'000 | Year Ended 31 December 2018 \$'000 |
|--|---|---|
| Earnings – being the (loss)/profit for the year attributable to equity holders of the parent | <u>(13,190)</u> | (19,863) |
| | 31 December 2019 No '000 | 31 December 2018 No '000 |
| Weighted average number of ordinary shares and potential ordinary shares (a) | <u>1,210,851</u> | 958,631 |

(a) Weighted average numbers of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

| | | |
|---|------------------|---------|
| Weighted average number of ordinary shares and potential ordinary shares used in the calculation of basis and diluted (loss)/earnings per share | <u>1,210,851</u> | 958,631 |
|---|------------------|---------|

There are no instruments in the current or prior year that are considered dilutive

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. DIVIDENDS

No dividend has been declared in respect of the current or previous financial year

20. SUBSIDIARIES

| COUNTRY OF INCORPORATION | Ownership Interest and voting power | |
|-------------------------------------|--|---------------------------------------|
| | 31 December 2019 % | 31 December 2018 % |

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Parent Entity

| | |
|----------------|-----------|
| Wameja Limited | Australia |
|----------------|-----------|

Material Subsidiary

| | | | |
|--------------------------------|----------------|-----|-----|
| eServGlobal SAS | France | - | 100 |
| Wameja Investments Pty Limited | Australia | 100 | 100 |
| Wameja UK Limited | United Kingdom | 100 | 100 |
| Wameja Singapore Ltd | Singapore | 100 | 100 |
| WamejaGlobal | Netherlands | 100 | 100 |
| Wameja Hongkong | Hong Kong | 100 | 100 |

The Group lost control of eServGlobal SAS upon the completion of sale on 25 July 2019. The results of the discontinued operations is disclosed in Note 4. Until its sale on 25 July 2019, the Group's principal operating activities were carried out by eServGlobal SAS which is based in France; its administrative activities are carried out by Wameja UK Limited which is based in London; and its ultimate listed holding Company is Wameja Limited which is based in Australia. The Group's investment in its associate HomeSend SCRL is held by Wameja Investments Pty Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

21. INVESTMENT IN ASSOCIATES

Details of the material investment in associates 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% |

The associate is accounted for using the equity method in these consolidated financial statements. Refer to Note 1(n).

- a) 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.

Reconciliation of the above summarised financial information to the carrying amount of the interest in HomeSend SCRL recognized in the consolidated financial statements:

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|---|-------------------------------|-------------------------------|
| Net assets of the associate | 71,364 | 72,264 |
| Proportion of the Group's ownership interest in HomeSend SCRL | — 35.68% | — 35.68 % |
| | <u>25,463</u> | <u>25,791</u> |

Reconciliation of the carrying amount of the investment in associate:

| | 31 December 2019 \$000 | 31 December 2018 \$000 |
|--|------------------------------|------------------------------|
| Opening balance | 25,791 | 26,319 |
| Investment in associate | 6,480 | 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 | <u>25,463</u> | <u>25,791</u> |

During 2019, the Company participated in two HomeSend capital raises to maintain its 35.68% holding in the Joint Venture. The Company contributed €4.0 million (A\$6.5 million) towards the total capital raises.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

21. INVESTMENT IN ASSOCIATES (continued)

Summarised financial information in respect of HomeSend SCRL is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Belgium GAAP, adjusted to align with the Australian Accounting Standards and to reflect other required notional equity accounting adjustments.

| HomeSend SCRL | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|------------------------|-------------------------------|-------------------------------|
| Current assets | 44,067 | 26,767 |
| Non-current assets (i) | 63,463 | 65,196 |
| Current liabilities | (36,166) | (19,699) |
| Net assets | 71,364 | 72,264 |

(i) Includes notional intangible assets arising on acquisition.

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|---------------------------------------|-------------------------------|-------------------------------|
| Revenue | 6,841 | 8,051 |
| Loss from continuing operations | (18,486) | (17,461) |
| Loss for the year | (18,486) | (17,461) |
| Total comprehensive loss for the year | (18,486) | (17,461) |

Credit Facility Guarantee to HomeSend SCRL

On 11 May 2017, the Group agreed to guarantee a €5 million (\$8 million) credit facility to be provided by KBC Bank SA to HomeSend SCRL (the Guarantee). The loan facility has been obtained by the associate to support the growth of its business by supplementing the working capital reserves, as and when required, to facilitate transfer settlements.

The Guarantee is provided by all the shareholders of the associate. Based on the pro-rata proportion to its shareholding in HomeSend SCRL, the Group's share of the Guarantee is €1.8 million (\$2.8 million). The Guarantee is unsecured and may be withdrawn, in respect to future credit, on three months' notice.

HomeSend SCRL has agreed to reimburse the guarantors for any payment made under the Guarantee. If HomeSend SCRL issues share capital either to reimburse a Guarantor or to satisfy monies owing under the credit facility following a Guarantor failing to meet a demand made against them under the Guarantee, it has been agreed that the capital in HomeSend SCRL will be issued at fair market value and a defaulting Guarantor will not participate in the capital raising.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

22. SEGMENT INFORMATION

The Group operates in a single segment being the provision of telecommunications software solutions to mobile and financial service providers on a global basis. Information reported to the chief operating decision maker (Board of directors) for the purposes of resource allocation and assessment of segment performance focuses on the telecommunication software solution business as a single business unit.

The results and financial position of this single segment are shown in the statement of profit or loss and other comprehensive loss and the statement of financial position respectively.

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing and discontinued operations from its major products and services.

| | Year Ended 31 December 2019 \$'000 | Year Ended 31 December 2018 \$'000 |
|--|---|---|
| Hardware | - | 207 |
| Software Solution Services | 3,014 | 4,142 |
| Support and Maintenance Services | 3,517 | 6,836 |
| Total revenue from continuing operations | <u>6,531</u> | <u>11,185</u> |

Geographical information

The Group's revenue from continuing and discontinued operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

| | Revenue from external customers | | Non-current assets | |
|--------------|--|--|--|--|
| | 31 December 2019 \$'000 | 31 December 2018 \$'000 | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
| Middle East | 2,613 | 7,102 | - | - |
| Asia Pacific | 1,306 | 1,090 | 25,462 | 25,791 |
| Europe | - | 243 | - | 3,551 |
| Africa | <u>2,612</u> | <u>2,750</u> | <u>-</u> | <u>-</u> |
| Total | <u>6,531</u> | <u>11,185</u> | <u>25,462</u> | <u>29,342</u> |

Non-current assets exclude deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

23. RELATED PARTY DISCLOSURES

a) Equity Interests in Related Parties

Equity Interests in Controlled Entities

Details of the percentage of ordinary shares held in material subsidiaries are disclosed in Note 20 to the financial statements.

b) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 5 to the financial statements.

c) Key management personnel equity and option holdings

Information on key management personnel interests in shares and options is detailed in the Directors' Report.

d) Other related party transactions

| | Year Ended 31 December 2019 \$ | Consolidated Year Ended 31 December 2018 \$ |
|---|--------------------------------------|--|
| Mr Rowe's Director's Fees, as detailed in the Directors' Report, are paid to him as a sole legal practitioner | 124,630 | 149,913 |
| Mr Baldwin's Director's Fees, as detailed in the Directors' Report, are paid to his private Company | 62,791 | 87,284 |
| Mr Brooke's Director's Fees, as detailed in the Directors' Report, are paid to his employer. | 44,095 | 17,097 |

e) Parent Entities

The parent and ultimate parent entity in the Group is Wameja Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. NOTES TO THE STATEMENT OF CASH FLOWS

| Consolidated | |
|--------------|----------|
| Year Ended | Year |
| 31 | Ended 31 |
| December | December |
| 2019 | 2018 |
| \$'000 | \$'000 |

a) Reconciliation of cash

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

| | | |
|---------------------------|--------|--------|
| Cash and cash equivalents | 11,636 | 27,451 |
|---------------------------|--------|--------|

b) Reconciliation of loss for the year to net cash flows from operating activities

| | | |
|---|----------------|----------------|
| Loss for the year | (13,190) | (19,747) |
| Depreciation of non-current assets | - | 87 |
| Amortisation of non-current assets | 1,367 | 2,883 |
| Foreign exchange (gain)/loss, including changes in foreign currency net assets and liabilities and other non-cash items | (1,043) | 3,270 |
| Equity settled share-based payments | 295 | 411 |
| Share of loss of associate | 6,596 | 6,232 |
| Impairment charge on re-measurement of disposal group to fair value less cost to sell | 2,814 | - |
| Movements | | |
| Decrease in trade receivables and contract assets | 382 | 329 |
| Decrease in inventories | 28 | 111 |
| Decrease in current tax assets | 37 | - |
| Decrease in other current assets | 322 | - |
| Decrease in deferred tax assets | (276) | 398 |
| Decrease in trade and other payables, and provisions | (1,324) | (4,601) |
| (Decrease)/increase in current tax payables | (1,046) | 1,054 |
| Increase/(decrease) in contract liabilities | 215 | (365) |
| Net cash used in operating activities | (4,823) | (9,938) |

25. FINANCIAL INSTRUMENTS

a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

b) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group includes cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. Operating cash flows is used to maintain and expand the Group's assets as well as to pay for operating expenses, tax liabilities and software development activities (until the date of disposal of the Group's subsidiary, eServGlobal SAS).

c) Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and exchange rate markets and seeks to minimise potential adverse effects on the Group's performance. A risk management framework, including the policy on use of financial derivatives is governed by the Board of Directors. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

d) Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and changes in market interest rates. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risks from the previous period.

e) Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies that are different to the functional currency of the respective entities undertaking the transactions, hence exposures to exchange rate fluctuations arise which are recorded in profit or loss. The group may use foreign currency exchange contracts to hedge these risks. No such contracts were entered into during the current year (2018:nil).

The material carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date that are denominated in a currency that is different to the functional currency of the respective entities holding the monetary assets and liabilities are as follows:

| | Assets | | Liabilities | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 31 December 2019 \$'000 | 31 December 2018 \$'000 | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
| External Group Exposure | | | | |
| US Dollars | - | 1,696 | - | 239 |
| Euro (Functional currency – Australian Dollars) | 15,706 | 25,722 | - | - |
| UK Pounds (Functional currency – Australian Dollars) | 52 | 1,365 | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL INSTRUMENTS (continued.)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency against the relevant foreign currencies, which represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (arising from monetary assets and liabilities held at balance date in a currency different to the functional currency of the respective entities holding the assets or liabilities) and adjusts their translation at year end for a 10% change in foreign currency rates.

| Currency | Profit or loss Consolidated | |
|--------------------------------|--------------------------------|-------------------------------|
| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
| External Group Exposure | | |
| US Dollars | - | 181 |
| Euro | 1,571 | 2,572 |
| UK Pounds | - | 152 |

The sensitivity includes external receivables and payables as well as inter-company balances with foreign operations within the Group where the denomination of the receivable or payable is in a currency other than the functional currency of the respective entity and the balance is expected to be repaid in the foreseeable future.

For assets, a positive number indicates an increase in profit with the functional currency weakening against the respective currency. For a strengthening of the functional currency against the respective currency there would be an equal and opposite impact on the profit, and the amounts above would be negative. For liabilities, the opposite would apply.

In management's opinion, the above sensitivity analysis reflects the foreign currency risk changes as at reporting date.

In addition, the Group includes certain subsidiaries whose functional currencies are different to the Group's presentation currency. As stated in the Group's Accounting Policies Note 1(f), on consolidation the assets and liabilities of these entities are translated into Australian dollars at exchange rates prevailing on the balance date. The income and expenses of these entities are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and are transferred to a foreign exchange translation reserve. The main operating entity outside of Australia is based in France. The Group's future reported profits could therefore be impacted by changes in rates of exchange between the Australian Dollar and the Euro.

f) Interest Rate Risk Management

The Group's exposure to interest rate risk at 31 December 2019 is in respect of interest generated on deposits balances invested during the course of the year and interest incurred on variable rate external borrowings. Cash deposits yielded a weighted average interest rate of 0.001% for the financial year (2018: 0.001%).

Interest rate sensitivity analysis

The Group's sensitivity to interest rates is on surplus cash placed on short-term deposit or drawings on variable rate borrowing facilities. The Group's net sensitivity to interest rate movements is not considered to be material to the Group.

g) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both principal and interest cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL INSTRUMENTS (continued)

| | Less than 1 month \$'000 | 1-3 months \$'000 | 3 months – 1 year \$'000 | 1-5 years \$'000 |
|---------------------------------------|--------------------------------|----------------------|--------------------------------|---------------------|
| Consolidated | | | | |
| 31 December 2019 | | | | |
| Trade payables - Non-interest bearing | - | - | - | - |
| Other payables – Non-interest bearing | 271 | - | - | - |
| Total | 271 | - | - | - |
| 31 December 2018 | | | | |
| Trade payables - Non-interest bearing | 565 | 566 | - | - |
| Other payables – Non-interest bearing | 118 | 1,034 | 1,329 | 473 |
| Total | 683 | 1,600 | 1,329 | 473 |

The following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period based on the earliest date on which the Group can expect to receive payment. The table includes both interest and principal cash flows.

| | Weighted average effective interest rate % | Not Overdue | Less than 1 month \$'000 | 1-3 months \$'000 | 3 months – 1 year \$'000 | 1-5 years \$'000 | 5+ years \$'000 |
|--|--|----------------|-----------------------------------|-------------------------|-----------------------------------|---------------------|-----------------------|
| Consolidated | | | | | | | |
| 31 December 2019 | | | | | | | |
| Cash and cash equivalents | 0.001% | - | 11,636 | - | - | - | - |
| Deposits - Non-interest bearing | | - | - | - | - | - | - |
| Trade receivables - Non-interest bearing | | - | - | - | - | - | - |
| Other financial assets | 1.916% | - | - | - | 4,239 | - | - |
| Total | | - | 11,636 | - | 4,239 | - | - |
| 31 December 2018 | | | | | | | |
| Cash and cash equivalents | 0.001% | - | 27,451 | - | - | - | - |
| Deposits - Non-interest bearing | | - | - | - | 856 | - | - |
| Trade receivables - Non-interest bearing | | 916 | 380 | 436 | 257 | - | - |
| Total | | 916 | 27,831 | 436 | 1,113 | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

25. FINANCIAL INSTRUMENTS (continued)

h) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Trade receivables have consisted of a relatively small number of closely managed customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable as part of the overall client management process. The carrying amount of the financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

The Group assesses the expected credit loss on receivables using a provision matrix to measure the Group's estimated impairment losses.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

None of the Group's other financial assets and financial liabilities are measured at fair value as at 31 December 2019 (31 December 2018: nil).

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

26. PARENT ENTITY INFORMATION

(a) Financial position

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|------------------------------|-------------------------------|-------------------------------|
| Assets | | |
| Current assets | 120 | 26,888 |
| Non-current assets | <u>41,218</u> | <u>28,704</u> |
| Total assets | <u>41,338</u> | <u>55,592</u> |
| Liabilities | | |
| Current liabilities | (271) | (484) |
| Non-current liabilities | <u>-</u> | <u>-</u> |
| Total liabilities | <u>(271)</u> | <u>(484)</u> |
| Net Assets | <u>41,067</u> | <u>55,108</u> |
| Equity | | |
| Issued capital | 212,326 | 212,236 |
| Accumulated losses | (175,302) | (160,880) |
| Reserves | | |
| Equity-settled benefits | 4,043 | 3,752 |
| Foreign currency translation | <u>-</u> | <u>-</u> |
| Total equity | <u>41,067</u> | <u>55,108</u> |

(b) Financial performance

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|--------------------------|-------------------------------|-------------------------------|
| Loss for the period | <u>(14,422)</u> | <u>(13,476)</u> |
| Total comprehensive loss | <u>(14,422)</u> | <u>(13,476)</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

26. PARENT ENTITY INFORMATION (continued)

c) Guarantees entered into by the parent entity

Wameja Limited has not provided any guarantees in relation to any of its subsidiaries.

d) Contingent liabilities of the parent entity

There are no contingent liabilities for the parent entity.

e) Commitments for the acquisition of property, plant and equipment by the parent entity

There are no material commitments for the acquisition of property, plant and equipment by the parent entity.

27. SUBSEQUENT EVENTS

a) Extension of HomeSend Liquidity Facility

HomeSend has requested that the current loan facility agreement ("the Facility") provided by the Company to HomeSend be extended from 31 March 2020 to 15 August 2020. The Company has indicated that it will agree to the extension on the proviso that no further draw-downs will be made on the Facility and HomeSend uses best endeavours to procure alternative funding of the Facility. At the date of this report, final agreement has not been reached between the parties but negotiations are continuing. Accordingly, the Company does not expect the Facility to be repaid on 31 March 2020.

b) COVID-19

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and global economic activity. The Group considers this to be a non-adjusting post balance date event and accordingly the financial effects of COVID-19 have not been reflected in the Group's financial statements at 31 December 2019.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of COVID-19 on the Group's consolidated financial statements cannot be reasonably estimated for future financial periods. This includes the Group's investment in the HomeSend associate.

Based on the information available to the directors as at the date of this report, there are no significant factors identified which would impact on the carrying value of the Group's investment in associate due to COVID-19.

However, the Director's consider that prolonged general economic impacts arising from COVID-19 may have a negative impact on the operations of the Group's associate. This in turn may impact the recoverability of the Group's carrying value of the investment in associate going forward.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the entity in subsequent financial years.

28. ADDITIONAL COMPANY INFORMATION

Wameja Limited is a listed public company, incorporated in Australia and operating in Australia, Europe, the Middle East, North Africa, Asia/Pacific and the Americas.

Registered Office

c/o Simpsons Solicitors
Level 2, Pier 8/9
23 Hickson Road
Millers Point Sydney NSW 2000
Australia

ADDITIONAL SECURITIES EXCHANGE INFORMATION

AS AT 15 APRIL 2020

Corporate Governance

The Corporate Governance Statement of the Company may be found at <http://wameja.com/investors/cgs/>

Ordinary share capital

1,210,850,662 fully paid ordinary shares are held by 881 individual shareholders on the Australian Securities Exchange (including the depository interest holder nominee) and 133 individual depository interest holders on the London Stock Exchange (AIM).

All issued ordinary shares carry one vote per share.

Options

6 individual option holders hold a total of 6,575,000 employee options at an exercise price of \$0.21 per option.

2 individual option holders hold a total of 11,000,000 executive options at an exercise price of \$0.21 per option.

4 individual option holders hold a total of 20,000,000 performance options at an exercise price of £0.09 per option.

Options do not carry a right to vote.

Distribution of Holders of Equity Securities

| | Fully Paid Ordinary Shares listed on ASX | Depository Interests Listed on LSE (AIM) | \$0.21 Employee Options | \$0.21 Executive Options | £0.09 Performance Options |
|-----------------------------|---|--|-------------------------------|--------------------------------|---------------------------------|
| 1-1,000 | 151 | 1 | - | - | - |
| 1,001-5,000 | 284 | 1 | - | - | - |
| 5,001-10,000 | 135 | 6 | - | - | - |
| 10,001-100,000 | 235 | 30 | 1 | - | - |
| 100,001 and over | 76 | 95 | 5 | 2 | 4 |
| Total | 881 | 133 | 6 | 2 | 4 |

Holding less than a marketable parcel - 483

Substantial Shareholders

| | Number |
|---|-------------|
| Killick & Co LLP | 62,020,510 |
| Legal & General Investment Management Limited | 66,183,975 |
| M&G Plc | 120,629,158 |
| Mitsubishi UFJ Financial Group/Carol Australia Holdings Pty Limited | 61,314,453 |
| Lombard Odier Asset Management (Europe) Limited | 296,636,144 |
| Canaccord Genuity Group Inc / Hargreave Hale Limited | 130,193,152 |

AUSTRALIAN SECURITIES EXCHANGE

Computershare Clearing Pty Ltd holds 1,033,560,096 ordinary fully paid shares
on behalf of the Depository Interest Holders comprising 85.36 % of issued capital.

| Ordinary Shareholders | Number | % of capital | Depository Interest (DI) Holders | Number | % of DI |
|---|------------|--------------|--|-------------|---------|
| CITICORP NOMINEES PTY LIMITED | 62,388,691 | 5.15 | AURORA NOMINEES LIMITED <2234100> | 232,036,432 | 22.45 |
| UBS NOMINEES PTY LTD | 30,000,000 | 2.48 | HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED <944287> | 138,775,000 | 13.43 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 12,364,387 | 1.02 | STATE STREET NOMINEES LIMITED <OM04> | 120,629,158 | 11.67 |
| MR DANIEL BARON DROGA + MRS LYNDELL DROGA <DROGA FAMILY SUPER FUND A/C> | 10,000,000 | 0.83 | PLATFORM SECURITIES NOMINEES LIMITED <KKCLT> | 59,817,675 | 5.79 |
| BNP PARIBAS NOMS PTY LTD <DRP> | 8,318,961 | 0.69 | HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED <667656> | 34,866,862 | 3.37 |
| BT PORTFOLIO SERVICES LIMITED <MCMANAMEY SUPER FUND A/C> | 6,256,984 | 0.52 | NORTRUST NOMINEES LIMITED <SLEND> | 32,505,400 | 3.14 |
| PAUA PTY LTD <THE PAUA A/C> | 4,355,812 | 0.36 | HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED <896177> | 30,753,164 | 2.98 |
| MR BRENDAN THOMAS BIRTHISTLE | 3,010,181 | 0.25 | BNY (OCS) NOMINEES LIMITED <HIT> | 25,314,908 | 2.45 |
| MR JOHN JOSEPH RYAN | 2,419,209 | 0.20 | ISI NOMINEES LIMITED <ADMAGT> | 22,491,251 | 2.18 |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 2,395,184 | 0.20 | HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED <941346> | 22,165,838 | 2.14 |
| CONNAUGHT CONSULTANTS (FINANCE) PTY LTD <SUPER FUND A/C> | 2,145,333 | 0.18 | W B NOMINEES LIMITED | 20,775,924 | 2.01 |
| PATRICK MCGRORY | 1,730,426 | 0.14 | GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED <ILSEG> | 19,372,361 | 1.87 |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 1,668,475 | 0.14 | SOCIETE GENERALE S.A. <PRNCIPAL> | 19,259,215 | 1.86 |
| MR STEPHEN JOHN BALDWIN + MRS ANDREA MAREE BALDWIN <THE STEVE BALDWIN SF A/C> | 1,545,453 | 0.13 | HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM> | 14,931,609 | 1.44 |
| RYAN CONSTRUCTIONS PTY LIMITED <JOHN RYAN SUPERFUND A/C> | 1,391,333 | 0.11 | FOREST NOMINEES LIMITED <GC1> | 14,641,934 | 1.42 |
| MR ALAN FRANCIS WYLDE | 1,065,927 | 0.09 | HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942> | 13,579,893 | 1.31 |
| MR ROSS DONALD WHITEMAN | 800,000 | 0.07 | BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1> | 13,097,663 | 1.27 |
| NEDROW HOLDINGS PTY LTD <RICHARD NG P/L STAFF S/F A/C> | 700,000 | 0.06 | NOMURA NOMINEES LIMITED <PRIN> | 12,800,000 | 1.24 |
| RADROB PTY LTD | 666,666 | 0.06 | HANOVER NOMINEES LIMITED <UBS03> | 12,746,951 | 1.23 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 652,051 | 0.05 | NORTRUST NOMINEES LIMITED <TDS> | 12,556,903 | 1.21 |

Company Secretary

Tom Rowe

Registered Office & Principal Administration Office

C/o Simpsons Solicitors Level 2, Pier 8/9
23 Hickson Road
Millers Point Sydney NSW 2000
Australia

Share Registry

Computershare Registry Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
Australia

Stock Exchange listings

Wameja Limited's ordinary shares are quoted on the Australian Securities Exchange Limited and on the London Stock Exchange (AIM) as Depository Interests under the ticker "WJA".

Date of Annual General Meeting

27 May 2020



wameja