

30 April 2018

## YOJEE MARCH 2018 QUARTER ACTIVITY REPORT



### HIGHLIGHTS:

- Introducing Yojee's version 2.0 back end infrastructure using Elixir and Erlang technology.
- Completing integration of blockchain to software products and running successful proof of existence testing.
- Collaborating with UPS to successfully test Yojee's blockchain technology in the UPS supply chain.
- Tracking to deliver Scharff domestic freight module on schedule.
- Adding depth and capability to the technology team to deliver industry leading product pipeline.
- Increasing the total number of signed, minimum spend, SaaS contracts.
- Growing Singapore freight network deliveries by nearly 20% compared to peak Christmas period.

### MARCH QUARTER OVERVIEW:

Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), the technology company utilising artificial intelligence (AI) and blockchain technology to create a seamless regional freight network and best in class software as a service product for businesses of all sizes, is pleased to provide the following commentary regarding its activities during the three months ended 31<sup>st</sup> March 2018.

The first quarter of 2018 has been a transformational quarter for Yojee with the foundations laid for the rollout of multiple industry leading products and scaled delivery to enterprise customers in 2018. Based on the level of interest in Yojee's product roadmap from leading industry participants, the Board and management agreed to embark on projects to position itself for the expected demand for Yojee's services.

As such, the focus for the quarter was on upgrading the back-end infrastructure to make it capable of mass utilisation and faster custom deployments, rapidly expanding our tech team to deliver Yojee's software and blockchain roadmap and advancing discussions with global leaders to build our pipeline and refine our product offering.

### **Yojee Introduces Version 2.0 Infrastructure**

After conducting a market review and strategic analysis of future requirements, the Company undertook a version 2.0 build of its infrastructure using Elixir and Erlang technology which redefined stability and speed per transaction, created new capabilities in at-scale tasks and a delivered a large reduction in errors.

The modular concurrent programming used in the product rebuild allows Yojee to deploy a white-labelled, individually branded application for a customer in a matter of hours and all the customisations are now more easily implemented.

The significant upgrade to the back end infrastructure adds value to Yojee's existing projects and across the wide range of opportunities in the sales pipeline. The ongoing investment in technology is consolidating our leadership in the areas of speed, reliability, functionality and project delivery time and is especially useful for managing the large masses of data required to support the requirements of global logistics industry leaders whilst greatly reducing errors and system downtime.

### **Yojee Completes Blockchain Integration and Successful Pilot with UPS**

The freight and logistics industry is investing heavily in blockchain technology to deliver a cheaper, more efficient, transparent and secure system to manage the enormous growth expected in global logistics over the next decade. Yojee is an industry leader in blockchain technology with deep in-house experience in the technology and during the quarter, Yojee outlined its blockchain development roadmap and successfully tested its first blockchain product – Proof of Existence – which included hashing the status of the database to the blockchain in real-time.

Later in the quarter, Yojee entered into a pilot services agreement with UPS Asia Group Pte Ltd (**UPS**) (a subsidiary of global logistics leader, United Parcel Service, Inc.), to establish a proof of concept for the use of Yojee's blockchain technology in the UPS specific supply chain environment. The blockchain pilot with UPS was very successful and completed in April, and both companies are in now is discussions over next steps.

### **On Track to Deliver Scharff Domestic Freight Module**

The company is on track to deliver the first phase of the project to Scharff with deliveries going live within weeks. The solution will digitise and optimise its domestic freight fleet and provide an enhanced user and customer experience. The new platform enables end to end digitization of a series of manual processes and provide a much higher level of visibility and efficiency.

### **Yojee Adds Depth and Capability to Tech Team**

To manage customer demands and the development of our ambitious product roadmap, Yojee has added a number of highly experienced software engineers across South East Asia during the quarter and in the process added significant new capabilities to the Company.

The Company now has in place a technology organisational structure that can rapidly scale and a clear technology roadmap to enable it to continue to grow across industry with increasing volumes of delivery transactions.

### **Continued Software Sales Momentum**

The focus this quarter has been on establishing sales teams in new cities and on the signing up and onboarding of enterprise clients and their partner networks. Software sales have continued to show solid growth during the quarter despite the Company no longer focusing on its version 1.0 product and now transitioning to its version 2.0 product. New customers were signed up and implemented in multiple countries, with a significant increase in interest from companies outside of South East Asia. Armed with the new product and its intelligent capabilities, the sales team will now be able to capitalise on the enormous inbound interest in Yojee's technology platform.

During the first three months of the year five new SaaS clients have been signed-up across multiple geographies and one client has renewed their contract. The total minimum contractual value of these contracts represent meaningful revenue to the company over the next 24 months, once fully rolled out. The majority of the new clients will immediately be onboarded on to the Yojee 2.0 product in May and June.

Of particular note during the quarter was the partnership announced with Sinotrans Integrated Logistics Australia ("SILA"), part of the Sinotrans and CSC international network, China's largest shipping and logistics company.

SILA provides customers export and import global door to door logistics services for FMCG, steel products, chemical hazardous and non-hazardous, ISO tank containers, project and heavy lift cargo and contracted Yojee for an initial two-year term to be their logistics software partner to maximise delivery visibility, optimise their dispatching capabilities and manage their third-party partners with the use of Yojee's Control Tower.

SILA has now completed its testing phase and is beginning its preparation for a full scale roll out across its delivery network. Yojee believes that there is potential over the coming months or a number of new opportunities to arise via the network effect of the technology and also the large number of companies looking for a similar product. Yojee's market research suggests there are hundreds of companies in Australia alone that could utilise this specific product.

### **Singapore Freight Network Consolidates After Peak Christmas Period**

A new record was set in the first quarter of 2018 of nearly 6,000 deliveries completed over Yojee's Singapore Freight Network split across Express, Same Day and Next day services. The orders have been completed across Singapore by Yojee freelance drivers and downstream last mile partners. The result constitutes nearly 20% growth over the Q4 2017 Christmas quarter where seasonality sees a huge rise in orders.

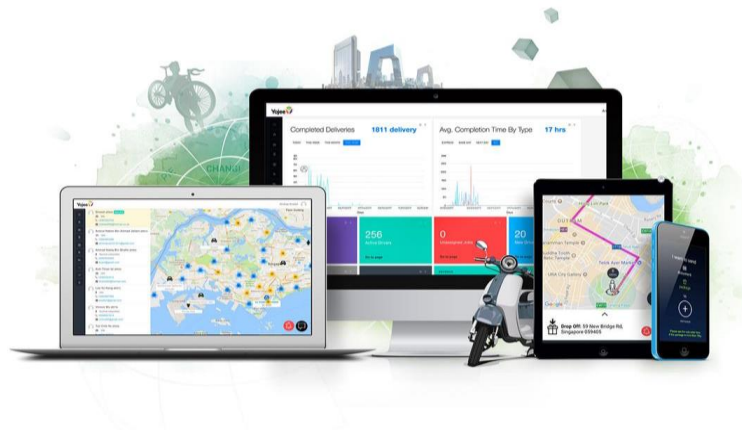
Mr Ed Clarke, Managing Director of Yojee said, “Yojee took a significant leap forward in the March quarter, successfully identifying and securing key talent, deploying an all new platform and signing some key strategic accounts along with successfully pilot blockchain technology with global express freight giant, UPS. We continue focusing on converting our world class customer book into long term customers and enabling our technology and processes to increase the number of and speed in which new companies can adopt our technology.”

**For Investor Enquiries, please contact:**

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**About Yojee Limited (ASX: YOJ)**, a new, future ready platform technology company developing powerful logistics and supply chain management capabilities via its world-class blockchain secured software and expansive partner network across South East Asia and Australia.

[www.yojee.com](http://www.yojee.com)



## Transforming the Logistics Economy, Digitally



ARTIFICIAL  
INTELLIGENCE



MACHINE  
LEARNING



BLOCKCHAIN



AUTONOMOUS

**FORWARD LOOKING STATEMENT AND DISCLAIMER**

Please note that images used in the Company's ASX announcements are to illustrate concepts only and are not intended to represent commercial Yojee images.

Certain statements contained in this ASX release, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and

*(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise.*

*The words "believe", "expect", "contracted", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "planned" and similar expressions identify forward looking statements. All forward looking statements contained in this ASX release are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.*

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

YOJEE LIMITED

**ABN**

52 143 416 531

**Quarter ended ("current quarter")**

31 March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date 9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers and other income	100	300
1.2 Payments for		
(a) research and development	(413)	(1,090)
(b) product manufacturing and operating costs	(356)	(826)
(c) advertising and marketing	(60)	(256)
(d) leased assets	(70)	(198)
(e) staff costs	(484)	(1,046)
(f) administration and corporate costs	(325)	(867)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST Provision)	-	64
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,602)</b>	<b>(3,895)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(20)	(43)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date 9 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(20)</b>	<b>(43)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares (inclusive of transaction costs)	-	2,899
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	380	1,661
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (refund of replacement prospectus application monies)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>380</b>	<b>4,560</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,969	3,105
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,602)	(3,895)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(20)	(43)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	380	4,560

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date 9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>3,727</b>	<b>3,727</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,375	512
5.2	Call deposits	1,352	4,457
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,727</b>	<b>4,969</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	112
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments of current and accrued Director remuneration/fees, superannuation and provision of administration/consulting services.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	



8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

NA

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	452
9.2 Product manufacturing and operating costs	354
9.3 Advertising and marketing	68
9.4 Leased assets	77
9.5 Staff costs	489
9.6 Administration and corporate costs	270
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,710</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	NA	NA
10.2 Place of incorporation or registration	NA	NA
10.3 Consideration for acquisition or disposal	NA	NA
10.4 Total net assets	NA	NA
10.5 Nature of business	NA	NA

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .......... Date: .....30 April 2018.....  
(Company secretary)

Print name: .....Sonu Cheema.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.