



31 January 2019

## YOJEE DECEMBER 2018 QUARTER ACTIVITY REPORT



### HIGHLIGHTS

- Large volumes handled by Yojee network on behalf of one of the world's largest parcel delivery companies, proving scalability of network and applicability to companies of all sizes.
- 9 new software customer contracts signed which includes 2 National Leaders and 7 SMEs across three countries plus a major contract upgrade out of Malaysia.
- SendYojee has realised a record quarter with 8,793 deliveries being logged in Singapore between Yojee and their downstream partners (6,200 in previous quarter).
- Yojee demonstrates its ability to service the Finance Logistics industry, through its commercial partnership with Aero Line.

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 December 2018 (**Q2**).

In the latter half of 2018 Yojee experienced strong operational performance through the development and release of new capabilities, features and optimisation tools, namely the Q1 release of its new 2.0 infrastructure and the release of third version of its dispatcher platform 'Kairos'. Yojee believes these advancements, which it continues to enhance, together with the growing client base, will position it for a strong 2019.

During Q2, Yojee continued to grow customer and delivery numbers, along with the pipeline of global key accounts. Yojee recorded cash receipts of \$136k (up 15% quarter-on-quarter) during Q2 and recognised revenue of A\$153k as it continues to focus on growing its SaaS recurring revenue streams over bespoke projects.



Commenting on the December Quarter, Yojee Managing Director Ed Clarke said, “The December quarter was a great momentum building period in Yojee’s short history, in which we achieved a strong uptick in new software customers, strong growth out of the freight business, while achieving an 18.5% reduction in total operating spend.

We are continuing to build efficiencies into our business, with the operational and technical upgrades and improvements implemented in the previous two quarters resulting in faster time to market and increased stability, which has enabled us to operate with a leaner structure.

The company delivered successfully to businesses of all sizes, added client supporting features at unprecedented velocity and embraced the elixir technology”.

### **SOFTWARE, SALES AND PARTNERSHIPS**

During the quarter 9 new Software customer contracts were signed, this included 2 National Leaders and seven SMEs across three countries and a major contract upgrade out of Malaysia.

The Yojee business model was further validated through the four downstream partners added by an existing national leader. This allows seamless end to end operations and visibility, material reductions in time to invoicing and reduced operating costs.

Peruvian logistics operator Scharff has started utilising the software for their domestic services in Peru, using the Yojee platform to support their business operations across the country.

The growth in downstream partner adoption underscores the value and scalability of the software partner network capability. This provides significant value for existing clients as well as being attractive to new clients moving forward. The deployment of dedicated Customer Success Teams help to support adoption and partner acquisition along with enabling integrations into ERP and Warehouse systems to create seamless, fully digital operations.

During the quarter Yojee welcomed customers across long haul, freight forwarding, ecommerce focused final mile start-ups, and specialists in moving financial documentation with ultra-tight time windows. This proves the Yojee business model can be deployed across businesses of all sizes in all sectors of logistics.

The Company has continued to perform well across complex use cases and maintains a good relationship with all stakeholders, including two previously announced global leaders to which there are advanced ongoing commercial discussions.

**SENDYOJEE**

SendYojee continued to attract clients seeking a viable solution to cater for increased freight network volumes during this period. SendYojee has realised a record quarter with 8,793 deliveries being logged in Singapore between Yojee and their downstream partners (6,200 in previous quarter).

These results also serve to further lend strength to the downstream partner network concept. Key partnerships such as those with world leading parcel delivery companies have contributed to this growth, in particular during the high volume period that encompasses Black Friday, Singles Day, Christmas and other dates significant to the eCommerce and thus logistics industries.

The quarter saw 28% of network volume contribution in the final month of the quarter through it's ongoing partnership with one of the world's largest parcel delivery companies, proving scalability of network and applicability to companies of all sizes.

**OTHER PROGRESS AND UPDATES**

During the quarter Yojee successfully onboarded Aero Line (Malaysia), developing bespoke functionality to facilitate its multi-leg / multi-day delivery. This has created transactional growth in Malaysia and represents the movement of product documents to branches, legal partners, vendors, and sorting houses that make up Kuala Lumpur's finance logistics industry.

Asia's ecommerce industry has seen record numbers, with sources such as the Google & Temasek projecting continuing growth. Yojee is ideally placed to provide its software solution to the ever-growing logistics market.

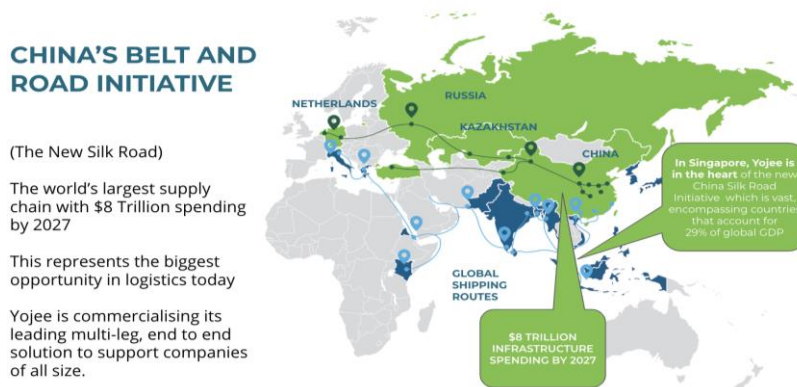


Image 1: Asia Road and Rail Network - The New Silk Road

The Asia road and rail network presents a complex challenge for the logistics industry, with many borders and languages creating difficult operating environments. Yojee's enables logistics players to work simply across border on a secure platform with end to end visibility.

## TECHNOLOGY AND PLATFORM DEVELOPMENT

Yojee has developed a number of user experience enhancing features, through its desktop and mobile application and its artificial intelligence. The company's continuous engagement with existing and potential customers produces a well defined product roadmap directly aligned to revenue growth.

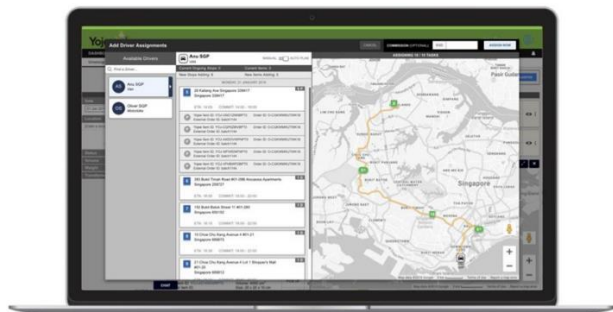


Image 2: Toggle Between Auto-Plan and Manual-Plan



Image 3: Interactive Job & Map Interface

## SUBSEQUENT EVENTS

### Advisory Board

As announced on 29 January 2019, Yojee launched an Advisory Board through the appointment of Peter J F McLean and Christopher Logan. The founding advisory board members have world class global experience with USD \$4 billion dollar plus annual revenue businesses at board level with expertise in supply chain and logistics along with technology, sales and marketing.

Commenting on his appointment, Christopher Logan said, "The global logistics industry is at a turning point where technology and efficiency are key for both profitability and customer acquisition and retention. Yojee has an industry leading end to end solution and I look forward to working closely with the team in areas build strategies for sustainable rapid expansion and adoption."

Commenting on his appointment, Peter J F McLean said, "Yojee represents the type of innovation and efficiency that the industry is looking for, to both improve bottom line and provide a great customer experience. I'm looking forward to working alongside the quality people across the company's board and employees to assist in scaling the business and supporting in new opportunities across global markets."

-ENDS-

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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.



## Transforming the Logistics Economy, Digitally



ARTIFICIAL  
INTELLIGENCE



MACHINE  
LEARNING



BLOCKCHAIN



AUTONOMOUS

### **FORWARD LOOKING STATEMENT AND DISCLAIMER**

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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:

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- (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.

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The nature of the services delivered by Yojee include the provision of information and advice on matters that are incapable of precise determination, subject to subjective interpretation, rapidly changing conditions and other factors beyond the control of Yojee.

Subject to anything to the contrary stated in a Service Agreement:

- a. no representation or warranty of any kind (whether implied, express or statutory, and including without limitation, warranties for non-infringement of third party rights, ownership, fitness for purpose, accuracy, completeness, reliability or currency) is given in conjunction with any advice, data, information, estimates, projections, statements, forecast or forward-looking statements, materials or services (including content derived from or produced by a person unrelated to Yojee) provided to you by or on behalf of Yojee;
- b. no representation, guarantee or warranty is given as to the accuracy, completeness, or likelihood of achievement or reasonableness of any forecasts, projections or forward-looking statements made by or on behalf of Yojee (including such forecasts and projections that relate to changes in the development costs, the prices of other types of products, and the amounts of charges and taxes imposed by the government on logistics retailers, logistics distributors or other logistics industry participants or your logistics-related expenses or anticipated cost savings). Forecasts, projections and forward-looking statements are, by their nature, subject to significant

- uncertainties and contingencies, and they should not be taken as implying that the assumptions upon which the projections have been prepared are correct or exhaustive;*
- c. *Yojee, its employees, agents and independent contractors are not liable for any loss, expense or cost (including without limitation, any consequential or indirect loss) that you incur directly or indirectly as a result of or in connection with advice, data, information, estimates, projections, forecasts or forward-looking statements or services provided to you by or on behalf of Yojee; and*
  - d. *any liability of Yojee and its directors, employees and contractors for breach of a warranty or condition given in conjunction with services supplied by Yojee which cannot be excluded by law is limited, as far as the law permits, to re-supplying the services or paying the cost of re-supplying the services and the choice to be made by Yojee in its sole discretion.*

**GLOSSARY**

TERMS	DEFINITION
SaaS	Software as a service
SME	Small to medium enterprise
AI	Artificial Intelligence: A computer program capable of learning and adapting
3PL	Third-party logistics providers typically specialize in integrated operation, warehousing and transportation services which can be scaled and customized to customers' needs based on market conditions, such as the demands and delivery service requirements for their products and materials.
4PL	4PL was ordinarily defined by Accenture as a trademark in 1996 and defined as "A supply chain integrator that assembles and manages the resources, capabilities, and technology of its own organization with those of complementary service providers to deliver a comprehensive supply chain solution."
Cross Dock(ing)	Where shipments are broken down and reorganised, typically at a warehouse, however the goods are not stored there. For example a container being probe down to individual pallets to be taken on in various different vehicles.
UX	User Experience: The look and feel of an interface or software
CIP	A number assigned to a company in order to identify them when handling the transfer of tasks from partner to partner on the Yojee network.

## 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 December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date 6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers and other income	136	254
1.2 Payments for		
(a) research and development	(13)	(90)
(b) product manufacturing and operating costs	(779)	(1,404)
(c) advertising and marketing	(194)	(518)
(d) leased assets	(79)	(141)
(e) staff costs	(253)	(486)
(f) administration and corporate costs	(532)	(1,312)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1	4
1.8 Other (GST)	54	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,648)</b>	<b>(3,668)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(3)</b>

<b>3. Cash flows from financing activities</b>		
<b>3.1</b> Proceeds from issues of shares (inclusive of transaction costs)	-	8,000
<b>3.2</b> Proceeds from issue of convertible notes	-	-
<b>3.3</b> Proceeds from exercise of share options	-	(400)
<b>3.4</b> Transaction costs related to issues of shares, convertible notes or options	-	-
<b>3.5</b> Proceeds from borrowings	-	-
<b>3.6</b> Repayment of borrowings	-	-
<b>3.7</b> Transaction costs related to loans and borrowings	-	-
<b>3.8</b> Dividends paid	-	-
<b>3.9</b> Other (refund of replacement prospectus application monies)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>7,600</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
<b>4.1</b> Cash and cash equivalents at beginning of quarter/year to date	7,638	2,039
<b>4.2</b> Net cash from / (used in) operating activities (item 1.9 above)	(1,648)	(3,668)
<b>4.3</b> Net cash from / (used in) investing activities (item 2.6 above)	(2)	(3)
<b>4.4</b> Net cash from / (used in) financing activities (item 3.10 above)	-	7,600



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date 6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	16	36
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>6,004</b>	<b>6,004</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	6,004	7,638
5.2	Call deposits	-	-
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>6,004</b>	<b>7,638</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	102
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	(6)
9.2 Product manufacturing and operating costs	(619)
9.3 Advertising and marketing	(123)
9.4 Leased assets	(65)
9.5 Staff costs	(276)
9.6 Administration and corporate costs	(503)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,592)</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

