



28 February 2019

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

**APPENDIX 4D AND HALF-YEAR REPORT FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

Please find attached Appendix 4D – Half-Year Report and the Company's Half-Year Financial Report for the period ended 31 December 2018.

The half-year financial report does not include all the notes of the type normally included in an annual financial report and accordingly the financial report should be read in conjunction with the annual financial report for the year ended 30 June 2018.

The financial report for the half-year ended 31 December 2018 incorporates a review of operations.

By Order of the Board

For further information contact:

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Company Secretary

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APPENDIX 4D

for the half-year ended 31 December 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons are to the half-year ended 31 December 2017

Revenue from Ordinary Activities:	929,417
Previous Corresponding Period:	222,907
Percentage Change:	317%

Net Loss from ordinary activities Attributed to Members:	(2,511,814)
Previous Corresponding Period (Restated):	(2,299,988)
Percentage Change:	9%

Net Comprehensive Loss Attributed to Members:	(2,965,324)
Previous Corresponding Period (Restated):	(2,296,844)
Percentage Change:	29%

For a discussion on the items above refer to the Review of Operations section contained in the Directors' Report.

There is no proposal to pay a dividend.

Net Tangible Assets Per Security:	0.0068
Previous Corresponding Period (Restated):	0.0071



ABN: 52 143 416 531

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Ed Clarke
Managing Director

Jason Marinko
Executive Director

Shannon Robinson
Non-Executive Director

Ray Lee
Chairman

COMPANY SECRETARY

Sonu Cheema

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STOCK EXCHANGE LISTING

Australian Securities Exchange (ASX)
ASX Code: YOJ

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DIRECTORS' REPORT

The Directors of Yojee Limited and its subsidiaries (the "Group") submit herewith the consolidated financial report of the Group for the half year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names and details of the Company's Directors at any time during or since the end of the financial period are outlined below. Unless otherwise disclosed, all Directors held their office from 1 July 2018 until the date of this report.

Mr Ray Lee – Chairman

Mr Lee is a well-respected port development, port management and operations executive, with over forty years international industry experience. He established Portside Solutions in 2007 and has successfully consulted on significant projects for global companies including and currently, APM Terminals and DP World Australia. Portside Solutions has been engaged in examining pit to port solutions for multiple mining companies throughout Africa, South America and Australia. With offices in Dubai, Canada and Australia, Portside Solutions delivers a broad portfolio of services globally.

Mr Edward Clarke – Managing Director

Mr Clarke is an experienced technology entrepreneur with a background in taking innovative blue ocean technology platforms to market in areas such as real-time communication, big data marketing and e-commerce. As Vice President of Sales for Temasys Communications Pte Ltd, Mr Clarke was part of a team that IBM recognised as a "Top 5 global start-up to watch in 2014". More recently Mr Clarke has been working as Vice President of Sales and Marketing with Silicon Valley and Asia venture capitalist backed marketing technology platform Ematic which, within its first 12 months, now has over 200 of South East Asia's leading e-commerce retailers as clients.

Ms Shannon Robinson - Non-Executive Director

Ms Robinson is an experienced director specialising in providing corporate and strategic advice in relation to acquisitions, M&A, capital raisings, listing of companies on stock exchanges (ASX & AIM), due diligence reviews and legal compliance. Ms Robinson is currently also a director of HomeStay Care Limited (ASX: HSC).

Mr Jason Marinko – Executive Director

Mr Marinko has extensive senior corporate executive and equity capital markets experience. He previously held senior positions at investment banks, where he managed equity capital raisings for private and public companies and advised on small and mid-cap mergers and acquisitions. Mr Marinko was formerly the CEO of Little Creatures Brewing and has held corporate strategy roles with Qantas and SingTel Optus. Mr Marinko is a Fellow of the Financial Services Institute of Australasia (FINSIA), a graduate of the Australian Institute of Company Directors (AICD) and has an MBA from INSEAD Business School in France.

Mr Sonu Cheema - Company Secretary

Mr Cheema holds the position of Accountant and Company Secretary for Cicero Corporate Services Pty Ltd with experience working with public and private companies in Australia and abroad. Roles and responsibilities conducted by Mr Cheema include completion and preparation of management & ASX financial reports, investor relations, Initial Public Offer (IPO), mergers & acquisitions, management of capital raising activities and auditor liaison. Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a CPA member.

REVIEW OF OPERATIONS

Yojee Limited ("Yojee" or the "Company") is a company focused on developing a sharing-economy based logistics technology through the creation of the Yojee delivery network and secure blockchain technology platform ("Platform"), initially targeting the Asia-Pacific region. The Platform will be an international collaborative economy technology platform aiming to provide seamless and efficient, on-demand movement of goods and services where and when they are needed. Yojee was founded on the basis that opportunities in e-commerce are growing at a rapid rate, the global population is embracing the sharing-economy and the traditional logistics model provides an opportunity for implementation of these newer technologies, in particular in jurisdictions with immature transport networks.

The Company achieved the following operational, financial and strategic activities during the period ended 31 December 2018:

- In July 2018, the Company completed a share placement of \$8,000,000 to sophisticated and institutional investors (Placement). The Company issued 80 million fully paid ordinary shares at an issue price of \$0.10 per share. The Placement included the issue of 26,666,667 free attaching one-for-three unlisted options (Placement Options) exercisable at \$0.15 expiring eighteen months from date of issue. The proceeds from the capital raising exercise will be used to further the Company's operations, which includes building a stronger foothold in the Asia-Pacific market and enhance its proprietary logistics software.
- Yojee announced on 18 July 2018 that it had signed a 2-year agreement (via its wholly owned subsidiary, Yojee Solutions Pte Ltd) with Riverwood Pte Ltd (Riverwood) to provide Yojee's logistics software to Riverwood (Agreement), which the parties anticipated will enable Riverwood to create greater efficiencies, and simplify and improve user experience across Riverwood's operations. The software will be used 'off the shelf' by Riverwood, and a partnership program is in place to further optimise and innovate between the two parties. Any custom innovation beyond what has already been agreed between the parties will be paid, while Riverwood will offer its freight services as a partner to the Yojee freight network.
- On 14 November 2018, Yojee announced a material upgrade to its existing relationship with customer Aero Line Services Sdn Bhd (Aero Line Services), a leading logistics service provider to the finance industry in Malaysia. The upgrade sees Yojee act as the exclusive technology partner to Aero Line Services for fleet and delivery management during the term of the agreement (being 36 months commencing on 15 November 2018). This exclusive arrangement enables Yojee to provide the logistics technology for a digital transformation project for the country's second largest financial institution, marking a first step into providing its software solutions for the financial industry and supporting Aero Line Services' rapid growth.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the Corporation Act 2001 in relation to the review of the half year is included on page 5.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Ray Lee
Chairman

28 February 2019

Auditor's Independence Declaration

To the Directors of Yojee Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Yojee Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner - Audit & Assurance

Melbourne, 28 February 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Half Year Ended 31 December 2018 \$	Half Year Ended 31 December 2017 \$
Trade revenue	3	368,026	204,819
Other income	4	561,391	18,088
Depreciation and amortisation expense		(16,682)	-
Employee benefits expense		(1,418,471)	(771,063)
Consultant fees		(300,514)	(85,401)
Other expenses		(1,172,422)	(1,143,623)
Share based payment expense		(532,900)	(522,808)
Profit/(loss) before income tax expense		(2,511,572)	(2,299,988)
Income tax expense		(242)	-
Profit/(loss) attributable to members of the parent entity		(2,511,814)	(2,299,988)
Other comprehensive income			
Exchange differences on translation of foreign operations		(453,510)	3,144
Total comprehensive income/(loss)		(2,965,324)	(2,296,844)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(453,510)	3,144
Earnings/(loss) per share	9	Cents per Share	Cents per Share
Basic earnings/(loss) per share		(0.30)	(0.43)
Diluted earnings/(loss) per share		(0.30)	(0.43)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	As at 31 December 2018 \$	As at 30 June 2018 \$
Current Assets			
Cash and cash equivalents		6,004,940	2,039,192
Trade and other receivables		109,370	152,538
Contract assets		17,269	28,458
Other current assets		120,250	88,913
Total Current Assets		6,251,829	2,309,101
Non-Current Assets			
Property Plant and Equipment		33,816	46,253
Intangible assets	5	4,146,671	3,181,139
Total Non-Current Assets		4,180,487	3,227,392
Total Assets		10,432,316	5,536,493
Current Liabilities			
Trade and other payables		305,348	530,018
Contract liabilities		122,250	94,449
Provision for employee entitlements		73,798	19,094
Total Current Liabilities		501,396	643,561
Net Assets		9,930,920	4,892,932
Equity			
Share capital	6	25,097,376	17,497,376
Share-based payment reserve		2,027,899	1,494,999
Foreign currency reserve		(782,586)	(329,076)
Accumulated losses		(16,411,769)	(13,770,367)
Total Equity		9,930,920	4,892,932

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Share capital \$	Foreign currency reserve \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2017	12,943,320	(92,983)	78,918	(8,078,503)	4,850,752
Loss for the period	-	-	-	(3,513,215)	(3,513,215)
Exchange differences arising on translation of foreign operations	-	3,144	-	-	3,144
Total comprehensive loss for the period	-	3,144	-	(3,513,215)	(3,510,071)
Share Placement (net of expenses)	4,187,389	-	-	-	4,187,389
Share-based payments options and rights	1,499,500	-	236,535	-	1,736,035
Balance at 31 December 2017	18,630,209	(89,839)	315,453	(11,591,718)	7,264,105
Restatement of share-based payment expense for prior period (note 7)	(1,499,500)	-	286,273	1,213,227	-
Adjusted balance at 31 December 2017	17,130,709	(89,839)	601,726	(10,378,491)	7,264,105

	Share capital \$	Foreign currency reserve \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2018	17,497,376	(329,076)	1,494,999	(13,770,367)	4,892,932
Adjustment from adoption of AASB15 (note 2)	-	-	-	(129,588)	(129,588)
Adjusted balance at 1 July 2018	17,497,376	(329,076)	1,494,999	(13,899,955)	4,763,344
Loss for the period	-	-	-	(2,511,814)	(2,511,814)
Exchange differences arising on translation of foreign operations	-	(453,510)	-	-	(453,510)
Total comprehensive loss for the period	-	(453,510)	-	(2,511,814)	(2,965,324)
Share placement, net of issuance costs	7,600,000	-	-	-	7,600,000
Share-based payments options and rights	-	-	532,900	-	532,900
Balance at 31 December 2018	25,097,376	(782,586)	2,027,899	(16,411,769)	9,930,920

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Note	Half Year Ended 31 December 2018 \$	Half Year Ended 31 December 2017 \$
Cash Flows From Operating Activities		
Interest received	24,896	18,088
Receipts from customers	254,391	204,819
Payments to suppliers and employees	(2,981,465)	(1,848,391)
Net cash used in operating activities	(2,702,178)	(1,625,484)
Cash Flows From Investing Activities		
Payments for intangible assets	(965,532)	(700,141)
Payments for property, plant and equipment	(2,631)	(8,078)
Net cash used in investing activities	(968,163)	(708,219)
Cash Flows From Financing Activities		
Proceeds from issue of equity securities (net of costs)	7,600,000	4,187,389
Net cash from financing activities	7,600,000	4,187,389
Net change in cash and cash equivalents	2,039,192	1,853,686
Cash and cash equivalents at beginning of period	3,929,659	3,105,520
Realised currency gain/(loss) on bank balances	36,089	-
Cash and cash equivalents at the end of period	6,004,940	4,959,206

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2018 and are presented in Australian Dollars, which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and Corporations Act 2001.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of interim financial statements. The nature and effect of changes arising from these standards are summarised in the section below and in Note 2.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 28 February 2019.

New standards adopted as at 1 July 2018

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

Under AASB 15, the Group must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources; and
- it is 'separately identifiable' (i.e. the Group does not provide a significant service integrating, modifying or customising it).

The adoption of AASB 15 has mainly affected contracts with software customisation services. The Group has two main revenue streams as disclosed in note 2.

(a) Contracts with software customisation services

As at 1 July 2018, the Group has several contracts that comprise a variety of promised goods or services including, but not limited to, Yojee Software-as-a-Service ("SaaS") software, post-contract customer support services ("PCS"), set-up services and elements of customisation.

Typically, these contracts would require the Group to perform significant levels of integration, modification and/or customisation to the software, followed by the provision of right to access to the customised software (i.e. software subscription licence) to the customer over the period of subscription. The Group has assessed that the customisation services are not distinct from the provision of the subscription licence to the customised software due to the significant customisation work required. In addition, the customised software and right to access the customised software are inputs to a combined output – subscription to a customised platform. Accordingly, consideration received from the customer will be deferred and recognised over the period of subscription (performance obligation satisfied over time), which is the period of actual usage of the customised software.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018**1. GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)***(b) Standard software contracts (without customisation services)*

The majority of contracts related to software sales do not include software customisation services. The Group identifies such contracts as 'standard software contracts'. The adoption of the new guidance did not have a significant impact on the timing or amount of revenue recognised by the Group during the year.

On the date of the initial application of AASB 15, 1 July 2018, the impact to retained earnings of the Group is as follows:

Impact area	Other equity	Accumulated losses	Total Equity
Contracts with software customisation services	-	105,774	105,774
Contracts without software customisation services	-	23,814	23,814
Total	-	129,588	129,588

The tables below highlight the impact of AASB 15 on the Group's statement of profit or loss and other comprehensive income and the statement of financial position for the interim period ending 31 December 2018. The adoption of AASB 15 did not have a material impact on the Group's statement of cash flows.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract)	Amounts under AASB 118	Adjustments	Amounts under AASB 15
Trade revenue	326,916	41,110	368,026
Profit/(loss) before income tax expense	326,916	41,110	368,026
Total comprehensive profit/(loss)	326,916	41,110	368,026

Consolidated Statement of Financial Position (Extract)	Amounts under AASB 118	Adjustments	Amounts under AASB 15
<i>Current Asset</i>			
Contract assets	38,363	(21,094)	17,269
<i>Current Liabilities</i>			
Contract liabilities	(56,158)	(66,092)	(122,250)
<i>Equity</i>			
Accumulated losses	16,323,291	88,478	16,411,769
Foreign currency reserve	783,878	(1,292)	782,586

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Group has applied transitional relief and elected not to restate prior periods. The adoption of the new standard did not have an impact on the Group's financial statements.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2018, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments (2014)* became effective for periods beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the interim period ended 31 December 2018. Changes to the Group's accounting policies arising from these standards are summarised below:

2.1 Revenue

Software revenue

Revenue arises mainly from the provision of software subscription and related services including, but not limited to, Yojee SaaS software, PCS, set-up services and software customisation.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The Group typically enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Software subscription

Revenue from software subscription is recognised when (or as) the benefit of the software subscription is consumed by the customer. Typically, customers are billed in advance of their monthly subscription cycle. The relevant payment due dates are specified in each contract and in all invoices.

Software subscription is a series of distinct performance obligations comprised of the following promises for goods or services.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Revenue (continued)

Promises for goods or service	Description
Account set-up	One-time account creation and access key provision to the customer and downstream partners. This set-up pertains to standard software without customisation.
Right to access Yojee Software	Right to access the Yojee software, standard or customised, for the duration of the subscription period.
PCS – including unspecified software product updates and technical support	Unspecified product updates/enhancements to the Yojee software. All updates are compulsory to customers using the Yojee Software and are critical to the continued utility of the software. Technical support by Yojee in-house technology team on customer use of the Yojee software to ensure software is functioning as promised.
Cloud hosting	Hosting the Yojee platform and customer operation and data on the cloud. Yojee controls the cloud hosting.

The above promises for goods and services are inputs to a combined output, i.e. software subscription, thus, they are not capable of being distinct or separately identified under AASB 15. The promises are highly integral in the provision of software subscription to the customer and, respectively, they do not have stand-alone value.

The Group allocates the transaction price between the software subscription and other performance obligations identified in a contract on a relative stand-alone selling price basis.

Revenue for software subscription is recognised over time over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion. As the customer simultaneously receives and consumes the benefits provided with access to the Yojee software, time-elapsed provides a faithful depiction of the transfer of goods and services to the customer.

Included in the series of distinct performance obligations are support services to customer that ensure the software is functioning as promised. There is no cash settlement relating to the assurance-type warranty. The Group determined that such support services are assurance-type warranties and have accounted for them under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

White-labelling services

White-labelling services are services provided to visually rebrand the Yojee software to present the platform based on the customer's specifications. The customer can purchase the service as an add-on to the main software subscription at inception of the contract or during the period of subscription. The customer is also able to use the Yojee software with no significant decline in functionality or utility without white-labelling services. Thus, the Group has identified white-labelling services as a distinct performance obligation.

Revenue from white-labelling services is recognised when (or as) the benefit of the software subscription is consumed by the customer. Typically, customers are billed in advance of the monthly period to which white-labelling services are provided to them. The relevant payment due dates are specified in each contract and in all invoices. Revenue for software subscription is recognised over time over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Revenue (continued)

Software customisation services

(a) With subscription to customised software

The Group enters into contracts for the modification and/or customisation of the Yojee software in exchange for a fixed fee. Contracts for a customised software are often accompanied by customers' purchase of right to access the customised software. Due to the significant customisation performed as well as the high degree of interdependence between the various elements of these projects, software customisation services and the eventual subscription to the customised software are accounted for as a single performance obligation.

The transaction price allocated to this performance obligation based on relative stand-alone selling prices is recognised as revenue over the period of customers' subscription to the customised software. This is because the customisation service and subscription to the customised software are inputs to a combined output, i.e. right to access a customised software. Revenue should therefore be recognised over the time where the customer has access to the customised software that is functioning as per agreed specifications.

Revenue is recognised over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion. As the customer simultaneously receives and consumes the benefits provided with access to the customised software, time-elapsed provides a faithful depiction of the transfer of goods and services to the customer.

Consideration received prior to the actual delivery and customer usage of the customised software is deferred until such event. However, consideration received under contract with customisation service that is terminated prior to delivery and actual usage by the customer is recognised as revenue to the extent that it is non-refundable.

(b) Without subscription to customised software

Contracts may be negotiated solely for customisation service, i.e. without eventual subscription to the customised software. Such contracts may relate to customisation of booking pages that is hosted on a customer-controlled platform. As such, the main performance obligation would be the customisation work and the ultimate delivery of the customised product to the customer.

To depict the progress by which the Group transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation by determining the percentage of completion as of measurement date, usually by comparing actual hours spent to date with the total estimated hours required to customise the product. The hours-to-hours basis provides the most faithful depiction of the transfer of goods and services to each customer. The performance obligation is fully satisfied upon customer acceptance or a reasonable time of usage by the customer without adverse feedback.

Such arrangements may include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under contract liabilities.

The Group receives a fixed fee for its software contracts. There was no variable consideration noted in its contract with customers.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Revenue (continued)

Network revenue

Network revenue relates to revenue arising from delivery services in Singapore. Deliveries are split into various categories such as express, same day and next day deliveries. Revenue is recognised upon successful delivery thus, performance obligation is satisfied at a point in time. The adoption of the new standard did not have a material impact on network revenue.

The Group recognises contract liabilities for consideration received or billed in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives or bills the consideration, the Group recognises either a contract asset in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Satisfied performance obligations that are received or billed are recognised as receivables. Impairment assessment for contract assets are described in note 2.2.

2.2 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Except for those trade receivables and contract assets under AASB 15 that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs, where applicable.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables, contract assets and most other current assets fall into this category of financial instruments.

The Group makes use of a simplified approach in accounting for trade and other receivables and contract assets under AASB 15 and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group considers its historical experience, external indicators and forward-looking information, if available, to calculate the expected credit losses.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. The Group's financial liabilities were not impacted by the adoption of AASB 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2.3 Estimates

When preparing the interim financial statements, the Group undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2018. The only exception is the estimate of revenue recognition policy (see note 2.1).

3. TRADE REVENUE

	31 December 2018 \$	31 December 2017 \$
Software revenue	234,371	142,375
Network revenue	133,655	62,444
Total revenue	368,026	204,819

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

Six months to 31 December 2018			
	Software	Network	Total
Transferred at a point in time	-	133,655	133,655
Transferred over time	234,371	-	234,371
Total	234,371	133,655	368,026

Six months to 31 December 2017			
	Software	Network	Total
Transferred at a point in time	-	62,444	62,444
Transferred over time	142,375	-	142,375
Total	142,375	62,444	204,819

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied.

	31 December 2018	30 June 2018
Revenue expected to be recognised	583,691	444,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

4. OTHER INCOME

	31 December 2018 \$	31 December 2017 \$
Foreign currency gain	478,921	-
Interest income	24,896	-
Government grants	3,916	-
Other	53,658	18,088
Total other income	561,391	18,088

5. INTANGIBLE ASSETS

	31 December 2018 \$	30 June 2018 \$
Carrying value of Software Development Costs		
Balance at beginning of period	3,181,139	1,728,115
Additions	965,532	1,453,024
Amortisation	-	-
Carrying amount at the end of the period	4,146,671	3,181,139

6. ISSUE OF EQUITY SECURITIES

	31 December 2018 \$	30 June 2018 \$
Fully paid ordinary shares	25,097,376	17,497,376
Number of ordinary shares		
Balance at the beginning of the reporting period	767,440,000	440,000,000
Exercise of stock options	-	83,000,000
Placement securities	80,000,000	43,000,000
Conversion of performance shares	-	200,000,000
Conversion of performance rights	-	1,440,000
Balance at reporting date	847,440,000	767,440,000

During the half year ended 31 December 2018, the following movements in equity securities and reserves have taken place. Yojee raised \$8,000,000 of capital (before costs) through the issue of 80,000,000 Placement Shares at \$0.10 per share. All Placement recipients received a 26,666,667 free attaching one for three unlisted options (Placement Options) exercisable at \$0.15 expiring 18 months from date of issue. The free attaching options were issued pursuant to its existing 15% capacity under Listing Rule 7.1.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018**7. SHARE-BASED PAYMENTS**

In total, an amount of \$532,900 has been recognised as an employee remuneration expense (all of which related to equity-settled share-based payment transactions) and has been included in profit or loss for the period ended 31 December 2018 (and a portion credited to share-based payment reserve).

In accounting for the share-based payment expense during the year ended 30 June 2018 some adjustments were noted which have prior period effects on the 31 December 2017 comparatives. A restatement has been made to the affected accounts for the financial period ended 31 December 2017. The restatement had no impact on the audited numbers at 30 June 2018. The following changes were made:

31 December 2017			
Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract)	Previous amount	Adjustments	Restated amount
Share based payment expense	1,736,035	(1,213,227)	522,808
Profit/(loss) before income tax expense	(3,513,215)	1,213,227	(2,299,988)
Profit/(loss) attributable to members of the parent entity	(3,513,215)	1,213,227	(2,299,988)

31 December 2017			
Consolidated Statement of Financial Position (Extract)	Previous amount	Adjustments	Restated amount
Accumulated losses	(11,591,718)	1,213,227	(10,378,491)
Share-based payment reserve	315,453	286,273	601,726
Share capital	18,630,209	(1,499,500)	17,130,709
Net effect on equity balances	7,353,944	-	7,353,944

8. RELATED PARTY DISCLOSURES

The company undertakes transactions with related parties in the normal course of business. In the current period, arrangements with related parties continue to be in place, consistent with those reported in the 30 June 2018 annual financial report.

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

9. EARNINGS PER SHARE

	31 December 2018	31 December 2017
	Cents Per Share	Cents Per Share
Basic earnings/(loss) per share	(0.30)	(0.43)
Diluted earnings/(loss) per share	(0.30)	(0.43)

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

	\$	\$
Earnings*	(2,511,814)	(2,299,988)

*Earnings are the same as the profit/(loss) after tax in the statement of profit and loss and other comprehensive income

	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share:	837,874,783	531,421,739
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share:	837,874,783	531,421,739

Diluted Earnings per Share

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purpose of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share".

10. CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 31 December 2018.

11. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters or circumstances that have arisen since 31 December 2018 that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

12. OPERATING SEGMENTS

All revenues and costs are handled centrally and management reviews financial information on a consolidated basis. The group is currently developing a sharing-economy based logistics technology platform targeting the Asia-Pacific region. On this basis it is considered that there is only one operating segment, the details of which are disclosed within this financial report.

DIRECTOR'S DECLARATION

In the Director's opinion:

- a. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- b. the attached financial statements and notes thereto, are in accordance with the Corporations Act 2001, including compliance with AASB134 and the Corporations Regulations 2001; and give a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Ray Lee
Chairman

28 February 2019

Independent Auditor's Review Report

To the Members of Yojee Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Yojee Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Yojee Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Yojee Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner - Audit & Assurance

Melbourne, 28 February 2019