



25 January 2023

## **Yojee December Q2 FY2023 Activity Report**

### **Streamlined Business, Increased Runway, Strong Top Global Forwarder Pipeline**

#### **HIGHLIGHTS**

- Implementation of a refined go-to-market strategy with solid growth prospects for existing enterprise customers and an improving sales pipeline signals a progressive year in 2023 for the Company
- Early action anticipating challenging capital market conditions prompted a review in calendar Q3 2022 focused on increasing the funding runway which saw a 43% reduction in net cash outflows to \$485k (Sep v Dec 2022), providing stability for future growth
- By streamlining operations and focusing on growing enterprise clients - while in an environment of adverse macro factors, the Company maintained 4% Revenue (trade) growth over the same quarter in the prior year
- Tier-1 enterprise shipping company client of Yojee is showing stronger operational adoption across all freight movements in Indonesia and other APAC countries
- Digitising the forwarder-transport partner ecosystem is a top priority for major freight forwarders and the Company is strongly positioned to capitalise on this opportunity

Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), is a cloud-based software as a service (**SaaS**) logistics platform that is creating a new world for customers that bridges borders and brings freight forwarders and the road freight community on to a platform focused on sustainable, efficient and predictable delivery is pleased to provide commentary for the quarter ended 31 December 2022, Q2 FY2023.

#### **MANAGING DIRECTOR'S UPDATE AND OUTLOOK**

Managing Director Ed Clarke said, "We are pleased to share that following our review in the September quarter, our refined focus on the top global forwarders has resulted in a solid sales pipeline for the coming year. Our go-to-market strategy has been fine-tuned to better serve our existing enterprise customers and we are now moving through the pipeline much faster. In the short period since launching this refined plan, we have approached and moved at least half a dozen top forwarders through multiple sales stages with some now in advanced stages. This represents a rate much faster than we could achieve before.

While this review did result in the removal of some revenue in non-core business, it enabled us to flex faster and towards profitability through higher gross margin operations. By honing in on higher margin areas like large enterprises, we are able to improve our bottom line and position ourselves for long-term success. The 43% reduction in operating costs will pay off in the future creating runway as we continue to execute on our plans and drive growth.



From a macro perspective, the logistics industry is increasingly digitizing in an effort to provide high-quality services to all clients, not just those seeking premium services. Due to a slowing global demand, capacity utilization is lower, which means end customers have the bargaining power back in their hands to select their preferred logistics provider based on differences in service levels, such as best customer experience and lowest cost to serve. This trend is driving more customers towards our platform, as they are looking for ways to win amongst the competition in the logistics industry.

Yojee's foresight into these trends along with the broader market conditions means we can take our platform which is now plug and play for most use cases to market cheaper, faster and with more impact than we could before, across Asia Pacific."

## **CURRENT PIPELINE, IMPLEMENTATION AND ROLL-OUT**

### **New Enterprise Customer Pipeline Update**

The Company's refined messaging and its impact-based approach directed at the freight forwarder and partner market has demonstrated positive early results, with salespeople utilizing targeted lists of accounts and utilizing a strategic, intensive daily approach with support and monitoring from management.

Through this, over the last 3 months, Yojee has advanced discussions with a number of prospective enterprise clients for deployment of its platform solution as follows:

- 3 top 10 global freight forwarders in APAC for various sized initial deployments
- American headquartered leading global freight forwarder for a multi country initial deployment
- Top global manufacturer moving over 1,000,000 containers (TEU\*) per year domestically for full deployment across domestic operations
- Leading Australian industrial parts company

\* Twenty-foot equivalent unit as shared by customer

### **Existing Enterprise Update**

Yojee and its existing enterprise clients have workshops scheduled in January with decision makers to define calendar 2023 joint growth plans. The Company's platform continues to be delivered in line with implementation schedules set out by its base of existing tier-1 global enterprise clients, which total 4 global top 10 logistics groups (freight forwarders and shippers).

Additionally, the Company expects an extension into last mile for the tier- 1 global enterprise shipping client in the March quarter of this year.

### **Yojee Platform Demonstrating Impact and Changing Domestic Networks**

A tier-1 enterprise shipping company client of Yojee is showing stronger operational adoption across all freight movements in Indonesia, Thailand and Vietnam. This includes mandating full adoption across their downstream land-based partners in some countries, which includes downstream trucking vendors, to support the client's growth objectives in 2023.

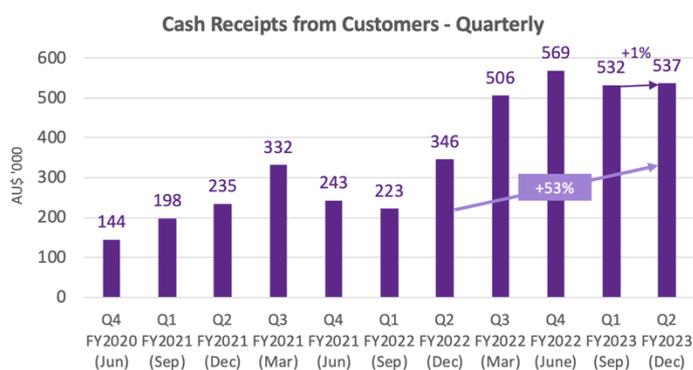
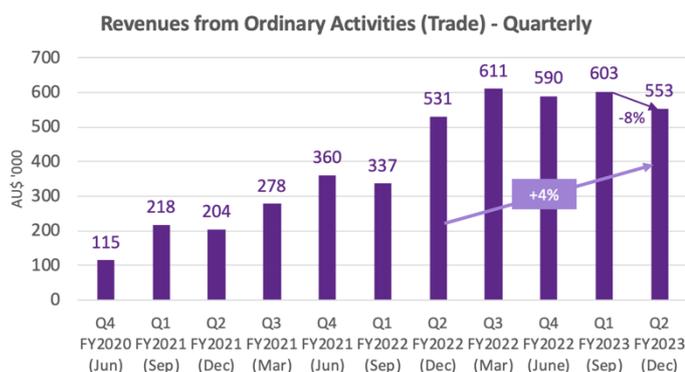
## **FINANCIAL RESULTS<sup>1</sup>**

The Company has a cash position of \$6.4 million and zero debt at the end of December 2022. The Company has also seen a significant decrease in its cash burn rate, with a 43% decrease in its monthly net cash outflows to \$485k in December compared to September.

This improving position means our pro forma cash balance and burn rate indicate a longer runway for the Company with ample reserves. Additionally, we have improved our sales pipeline within this period, a positive sign for our future prospects and growth potential.

**Revenue (trade)** was AU\$553k up 4% on the same quarter in the prior year (Q2 FY2022), and down 8% on the prior quarter (Q1 FY2023).

**Cash receipts** were AU\$537k, up 53% on the same quarter in the prior year, and up 1% on the prior quarter.



## CORPORATE

### Market engagement:

- **TechKnow Invest Roadshow:** Yojee presented at the conference on Monday 7 November at (Grand Hyatt, Melbourne) and on Wednesday 9 November (Radisson Blu Plaza Hotel, Sydney). View the presentation by Ed Clarke [here](#).
- **AGM investor presentation by CEO Ed Clarke (9 November 2022):** View the investor presentation [here](#).

**Cash position:** The Company has a strong cash position of \$6.4 million and zero debt at the end of December 2022. The Company has also seen a significant decrease in its cash burn rate, with monthly net cash outflows decreasing 43% to \$485k in December compared to September.

**Related party payments:** As required by ASX Listing Rules, Yojee notes that the amount disclosed in the Appendix 4C under Section 6, Payments to related parties of the entity and their associates, relates solely to the payments during the quarter of salaries and wages to members of the Board of Directors amounting to AU\$152k.

**Operating expenditure:** Expenditure in the December ended quarter relating to the ongoing roll-out of the Yojee Platform amounted to cash outflows of AU\$1.99m (Section 1.2, Appendix 4C), resulting in a Net Cash from Operating Activities outflow of AU\$1.44m (Section 1.9, Appendix 4C). Cash outflows related to ongoing operating expenditures to run business operations which include the key items of Product manufacturing and operating costs, Advertising and marketing, Staff costs and Administration and Corporate costs.

This announcement is authorised by the Board of Yojee Limited.

<sup>1</sup> Unaudited

-ENDS-

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**About Yojee Limited (ASX: YOJ)**. Yojee is a company that aims to improve the road freight transportation market in the Asia Pacific region, valued at hundreds of billions of dollars annually. We use technology to connect forwarders and the road freight community on a sustainable, efficient, and transparent platform. Our customers can now easily and efficiently deliver their products with the lowest emissions and highest visibility to happy and informed customers all at the click of a button.

**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 cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

YOJEE LIMITED

**ABN**

52 143 416 531

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

31 December 2022

<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	537	1,069
1.2 Payments for		
(a) research and development	0	(5)
(b) product manufacturing and operating costs	(817)	(1,656)
(c) advertising and marketing	(297)	(711)
(d) leased assets	(19)	(45)
(e) staff costs	(226)	(443)
(f) administration and corporate costs	(632)	(1,485)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	45
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(50)	(55)
1.7 Government grants and tax incentives	29	66
1.8 Other (mainly payments for indirect taxes)	15	(264)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,438)</b>	<b>(3,484)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(23)
(d) investments	-	-
(e) intellectual property	(750)	(1,443)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	3	3
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(750)</b>	<b>(1,463)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(58)	(115)
3.7	Transaction costs related to loans and borrowings	(3)	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(61)</b>	<b>(120)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,656	11,442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,438)	(3,484)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(750)	(1,463)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(61)	(120)
4.5	Effect of movement in exchange rates on cash held	(29)	3
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,378</b>	<b>6,378</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	6,378	8,656
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>6,378</b>	<b>8,656</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	152
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	-	
N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,438)
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,378
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,378
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	4
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

Date: .....25/1/23.....

Authorised by: .....By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.