

Transport management for contracted road carrier networks

25 January 2024

Yojee December Q2 FY2024 Activity Report

HIGHLIGHTS

- **Revenue (trade)** was \$177k in the December quarter.
- **Revenue (trade)** and **cash receipts** reductions from the prior quarter are mainly a result of the discontinuation of SendSingapore Logistics Business as announced on 12 September 2023, which was loss making in FY2023.
- **Net operating cash outflows** for the quarter was \$610k; the Company continues to tightly manage cash outflows and move towards a pathway to profitability.
- **Senior management changes:** Darren Palfrey, former Yojee Chief Revenue Officer, took over the role of Chief Executive Officer from Co-founder Ed Clarke on 26 October 2023.
- **Capital raising** announced on 15 November 2023 to raise \$4,512k consisting of a two-stage placement and an entitlement issue. Proceeds from the first placement (\$331k) and the entitlement issue including shareholder shortfall participation (\$2,489k) have been received in December 2023 and January 2024 respectively. The remaining shortfall from the Entitlement Issue (\$133k) and the second placement (\$1,549k) are ongoing and subject to shareholder approval.
- **Cash position** of \$1,692k at the end of December 2023 and no debt; includes \$331k of proceeds from the first placement (from the ongoing capital raising) received in December 2023.


Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), Yojee is a leading developer and provider of software solutions to the Asian Pacific contracted road transportation industry. Our customers include leading third-party logistics providers and early-regional transport management technology adopters.

Yojee's mission is to enable Asian Pacific contract road transportation networks to be the world's most reliable, efficient and sustainable. The Yojee Transport Management System (TMS) enables third-party logistics providers to assign loads, manage shipments, and track contracted road carriers' vehicles and drivers in real-time as they deliver their customers' freight.

CEO'S UPDATE AND OUTLOOK

CEO Darren Palfrey said, "It is recognised that we have much work ahead of us to deliver on the mission of Yojee. However, the opportunity for the Company grows every day. With a renewed focus and discipline, I am excited to partner with the team, the board and our shareholders to further build out a transport management solution that enables Asia Pacific's contracted road transportation networks to become the most reliable, efficient and trusted in the world.

To this end, we have completed the exit from the non-core business lines SendSingapore and Connected Warehouse and ended software agreements and partnership referrals with several non-profitable customers this quarter.



As a result, whilst our quarterly trade revenue was reduced, we have a feasible pathway to increasing the transactional volumes managed in the Yojee TMS. Solid business fundamentals and a simplified but compelling value proposition underpin this pathway in a significantly sized market, and my focus is solely on executing these.

We continue to manage our costs with rigorous discipline while ensuring that we invest appropriately in the key drivers of transactional volumes, our product's continuous development and our enterprise sales and marketing execution.

The \$4,512k capital raise we announced in November 2023 is ongoing. However, I am pleased to note the strong support we have received so far, for which we thank our shareholders. The funds raised in addition to our existing cash position will provide a meaningful extension to our runway and the flexibility to execute our focused strategy, which has received a positive response from our stakeholders.”

MAJOR CONTRACTS UPDATE

Existing customer update: Our enterprise customers continue to operate in a challenging regional logistics market, with many undergoing organisational efficiency drives with a renewed focus on costs. Despite this and our intentional exit from several agreements and partnership referral agreements, our transport management software transactional volumes showed a single digit increase quarter on quarter.

In line with many macro forecasts, we expect the growth of the region's logistics market to remain subdued, impacting our enterprise customers as they continue to align their business to the current economic environment.

Other – Discontinuation of SendSingapore Logistics Business and Connected Warehouse Product: The SendSingapore Logistics Business and Connected Warehouse Product has been successfully discontinued, and there are no anticipated additional financial implications.

PIPELINE

This quarter saw us progressing opportunities with a renewed focus and discipline in our target market.

Our early-stage direct sales pipeline is strong as we enter calendar year 2024, and whilst we are seeing an increase in sales cycle length due to the state of the industry, we are confident that the investments we are making in our product and enterprise sales execution capabilities will enable us to manage this.

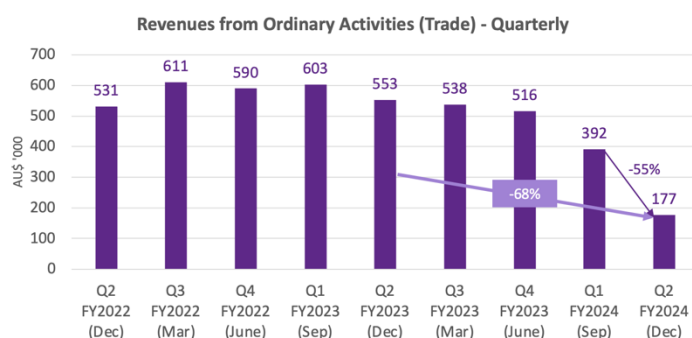
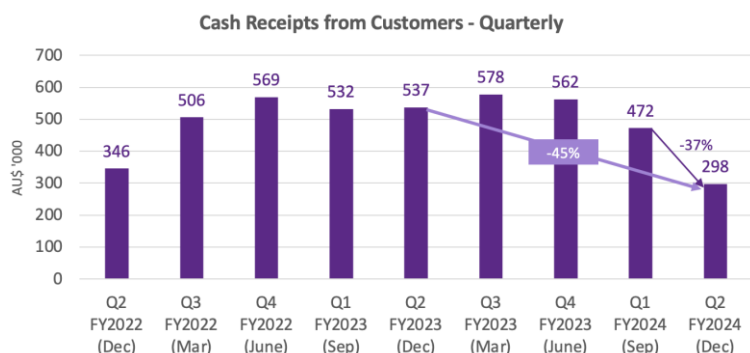
We refined our partnership channel program in the quarter to work with a smaller number of higher-quality and relevant partners who complement our concentration on the region's third-party logistics providers contracted road network segment. This has begun to yield a greater velocity of qualified early-stage leads than previously.

FINANCIAL RESULTS¹

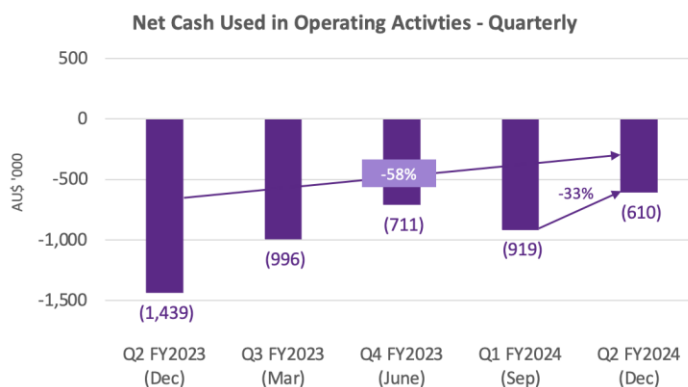
Cash receipts from customers were AU\$298k, down 37% on the prior quarter (Q1 FY2024), and down 45% on the same quarter in the prior year (Q2 FY2023).

Revenue (trade) was AU\$177k, down 55% on the prior quarter, and down 68% on the same quarter in the prior year.

Revenue (trade) and **cash receipts** reductions are mainly a result of the discontinuation of SendSingapore Logistics Business as announced on 12 September 2023, which was loss making in FY2023.



Net Operating Cashflow Outflows: The Company has seen a continued significant decrease in its cash burn rate. Net Cash used in operating activities was \$610k in Q2 FY2024, a significant 33% reduction over Q1 FY2024 and a 58% reduction compared to Q2 FY2023. Over recent quarters, the Company has significantly reduced its operating cash burn.



CORPORATE

Cash position: The Company held a cash balance of \$1,692k at the end of December 2023 and no debt.

This balance includes \$331k received in December 2023 from the first placement with the balance of the proceeds targeted under the recent \$4,512k capital raising to be received in Q3 2024. See further information below relating to the capital raising.

The Company has been tightly managing its cash outflows. A significant decrease in cash burn has been achieved in recent quarters.

Capital raising: The Company announced a capital raising, consisting of a two stage placement and an entitlement issue, to raise an aggregate of \$4,512k under a share Placement and Entitlement Issue. See ASX announcement [15 November 2023](#). Components of the capital raise are:

- **First placement:** \$340,561 was raised through the issue of 170,280,684 fully paid ordinary shares at an issue price of 0.2 cents per share on 22 November 2023, under the Company's existing placement capacity.
- **Entitlement Issue:** The Company has completed a 1 for 1 non-renounceable entitlement issue of 762,231,465 shares at 0.2 cents per share, raising \$1,524k together with a further 477,326,428 shares from shareholder participation in shortfall raising \$965k received in January 2024, totalling \$2,489k. The remaining shortfall of \$133k will be placed in February 2024. See ASX announcement [18 January 2024](#).
- **Second Placement:** The Company intends to raise a further \$1,549k through the issue of 774,249,500 fully paid ordinary shares at an issue price of 0.2 cents per share. The Placement is subject to shareholder approval which will be considered at a shareholder meeting (EGM) to be held on 31 January 2024. The Company intends to complete this second placement in February 2024.


Share consolidation: The Company intends to undertake a share consolidation of its capital on a 1 for 15 basis, subject to shareholder approval. Post consolidation trading is to commence on a deferred settlement basis on 2 February 2024. See ASX announcement [22 December 2023](#) and Entitlement Issue Prospectus announced [30 November 2023](#).

General Meeting of Shareholders: The Company will hold a General Meeting on 31 January 2024. See ASX announcement [22 December 2023](#).

Senior Management Changes: Darren Palfrey, former Yojee Chief Revenue Office took over the role of Chief Executive Officer from Co-founder Ed Clarke and was appointed to the Board as an Executive Director. See ASX announcement [26 October 2023](#).

Marketing: The Company undertook business development marketing activities in conjunction with OrangeLime Consulting. The event was well attended by industry operators. A recording of the webinar titled 'Optimizing for Productivity and Profitability in Land Side Operations' can be viewed [here](#).

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 and consultant fees to members of the Board of Directors amounting to \$115k.



Operating expenditure: Expenditure in the December ended quarter relating to the ongoing roll-out of the Yojee Platform amounted to cash outflows of \$918k (Section 1.2, Appendix 4C), resulting in a Net Cash from Operating Activities outflow of \$610k (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.

¹ Unaudited

This announcement is authorised by the Board of Yojee Limited.

-ENDS-

For enquiries, please contact

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More on Yojee

Website - Yojee.com
[Investor centre](#)

About Yojee Limited (ASX: YOJ). Yojee is a leading developer and provider of software solutions to the Asian Pacific contracted road transportation industry. Our customers include leading third-party logistics providers and early-regional transport management technology adopters.

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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 Dec 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	298	770
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(283)	(856)
(c) advertising and marketing	(66)	(201)
(d) leased assets	(4)	(8)
(e) staff costs	(127)	(303)
(f) administration and corporate costs	(438)	(955)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(5)	(8)
1.7 Government grants and tax incentives	-	-
1.8 Other (mainly payments for indirect taxes)	13	(1)
1.9 Net cash from / (used in) operating activities	(610)	(1,529)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(282)	(563)
(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	-	2
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(282)	(561)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	331	331
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	(13)	(13)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(25)	(71)
3.7	Transaction costs related to loans and borrowings	(1)	(3)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	292	244

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,352	3,581
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(610)	(1,529)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(282)	(561)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	292	244
4.5	Effect of movement in exchange rates on cash held	(60)	(43)
4.6	Cash and cash equivalents at end of period	1,692	1,692

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,692	2,352
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,692	2,352

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	119
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>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(610)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,692
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,692
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3
	<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:25/1/24.....

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.