



26 July 2023

Yojee June Q4 FY2023 Activity Report

Significant Continued Reduction in Cash Burn Extending Runway as New Enterprise Sales Strategy Shows Promising Results

HIGHLIGHTS


- Cash receipts was up 34% for the full year FY2023 at \$2.2m; in the June Quarter, Cash receipts was \$562k down 3% on the prior quarter and down 1% on the same quarter in the prior year
- Revenue (trade) was up 7% for the full year FY2023 at 2.1m; in the June Quarter, Revenue was down 4% on the prior quarter and down 13% on the same quarter in the prior year
- Net operating cash outflows for the quarter was \$710k, a decrease of 29% compared to the prior quarter as a result of streamlining measures, extending cash runway and aiding a pathway to profitability
 - The Company has reduced its operating cash burn by circa 30% over each of the prior 3 quarters or 65% in total; \$2.0m in Q1 FY2023 down to \$710k in Q4 FY2023
- 3-year agreement signed with Cargo Compass SA, a national enterprise logistics leader in South Africa, delivered under Yojee's partner program
- Strong Enterprise pipeline in advanced stages combined with engagement with multiple of the world's leading Supply Chain Systems Integrators including SAP and Cargowise Partners following transition to enterprise sales
- Cash position of \$3.58m at the end of June 2023 and no debt

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 30 June 2023 and for the full year FY2023.

MANAGING DIRECTOR'S UPDATE AND OUTLOOK

Managing Director Ed Clarke said, "despite continued challenging market conditions, our enterprise strategy is yielding positive progress and results, albeit at a slower pace due to these conditions. Key factors contributing to this include partnerships we have formed with world-leading system integrators for SAP and Cargowise, as well as promising advanced stage deals.

Our collaboration with leading system integrators has enhanced our capabilities in SAP and Cargowise integrations, positioning us as a trusted partner to address the challenges the industry faces in integrating various dimensions of land, air and ocean freight networks into a single cohesive system. These partnerships have bolstered our market presence and enabled us to expand our sales pipeline.



We are also making headway in securing advanced stage deals. While negotiations are ongoing, the outlook is promising, and we are confident in our ability to convert them into successful deployments with new customers.

We see that productivity and customer experience benefits are critical to the future of land transport and we remain committed to executing our strategic initiatives and achieving sustainable growth. Ongoing research and development continue to drive innovation, and we are refining our go-to-market strategies to capitalize on these emerging opportunities.

We continue to very closely monitor our cash burn which has been significantly reduced over recent quarters. Following further initiatives, we expect cash burn to again reduce further.”

MAJOR CONTRACTS SIGNED

A 3-year agreement signed with Cargo Compass SA, a national enterprise logistics leader in South Africa.

Yojee’s Platform will be used across all business segments for the whole of South Africa. Revenue will be generated under a usage based revenue model with no fixed fees.

This agreement forms the second Partner Program enterprise sale for Yojee and first outside of Asia, demonstrating the requirement for visibility and execution from a cross border platform to the land transport market globally. See ASX announcement [1 June 2023](#).

ENTERPRISE STRATEGY UPDATE

Customer Pipeline

During the quarter, Yojee added multiple enterprise deals with new prospective customers into the sales pipeline. Below are highlights from the current pipeline:

- American headquartered leading global freight forwarder for a multi country initial deployment moving into onboarding processes
- Top global manufacturer moving over 1,000,000 containers (TEU*) per year domestically for full deployment across and manufacturing country operations continues to progress
- 13 country deployment for freight forwarder
- Major Australian wine group for Australian distribution and export
- Asia focused shipping line
- Cambodian conglomerate for domestic and cross border visibility for forwarders and truckers

* Twenty-foot equivalent unit as shared by customer

The Company notes there continues to be pressure on these sales cycles from increased Cyber aware IT teams by prospective customers, along with market pressures creating more cautious buyer behaviour, however money is available for digital transformation that increases productivity, supports ESG initiatives and overcomes labour shortages.

With strong signals of market need for our solution, the Board and leadership team remain very optimistic about the Company's growth trajectory despite market conditions. Calendar 2023 is expected to end strongly for the Company.

Enterprise Partner Program

The company has continued to develop its enterprise partner program, over a dozen opportunities identified for near term closure. Following ongoing market research, it is clear that there is additional scope

for deployment for SAP and Cargowise (and other) users across Europe, with 3 partners engaged with Yojee in Europe and initial customer engagements already underway in this region to support the 4 partners in Asia Pacific.

These opportunities span across Brands and Manufactures as well as Freight Forwarders and shipping lines, further expanding the addressable market.

FINANCIAL RESULTS¹

The Company has a cash position of \$3.58m and zero debt at the end of June 2023.

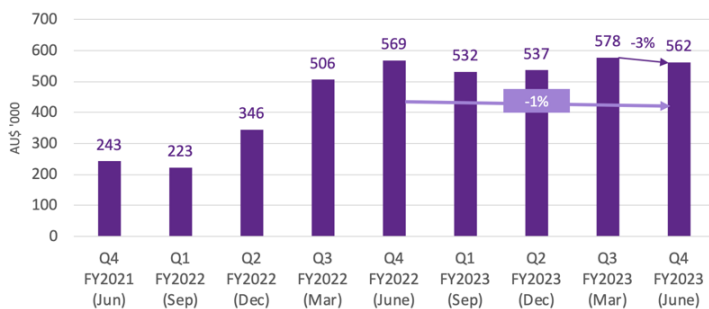
Cash burn: The Company has also seen a continued significant decrease in its cash burn rate, with a 29% decrease in its monthly net operating cash outflows compared to the prior quarter, March 2023.

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

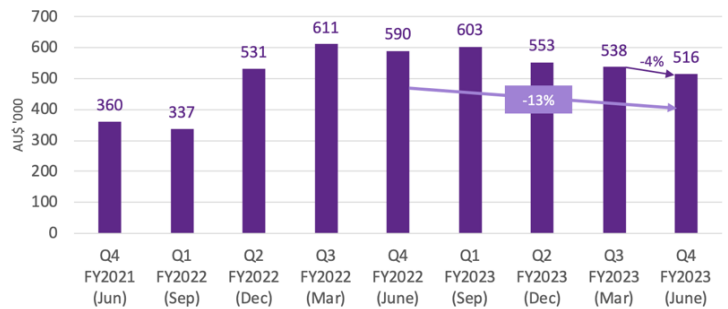
Cash receipts were AU\$562k, down 3% on the prior quarter, and down 1% on the same quarter in the prior year. FY2023 Cash receipts were up 34% on FY2022.

Revenue (trade) was AU\$516k, down 4% on the prior quarter (Q3 FY2023), and down 13% on the same quarter in the prior year (Q4 FY2022). FY2023 revenue was up 7% on FY2022.

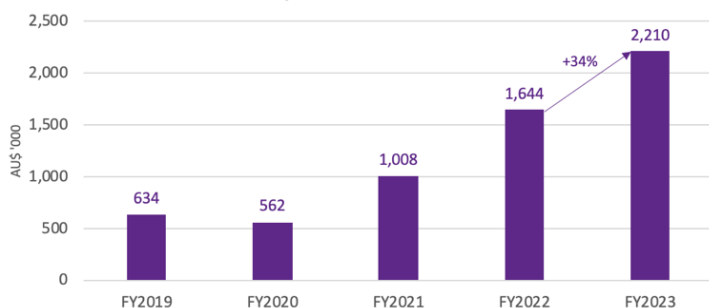
Cash Receipts from Customers - Quarterly



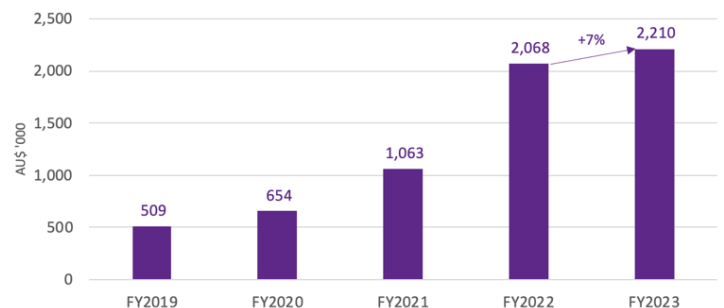
Revenues from Ordinary Activities (Trade) - Quarterly



Cash Receipts from Customers - Annual



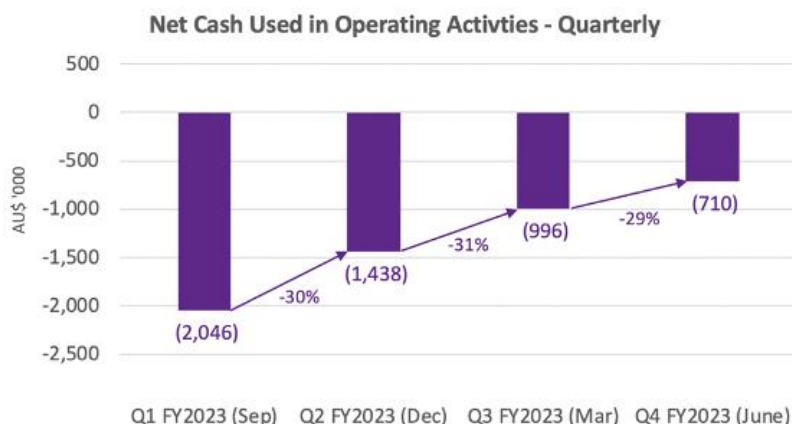
Revenues from Ordinary Activities (Trade) - Annual



Net Operating Cashflow Outflows: The Company has seen a continued significant decrease in its cash burn rate, with a 29% decrease in its Net cash used in operating activities compared to the prior quarter (positively impacted by a GST refund in Singapore). In the prior 3 quarters, the Company has reduced its operating cash burn by circa 30% in each quarter, from \$2.0m in Q1 FY2023 down to \$710k in Q4 FY2023 or 65% in total.

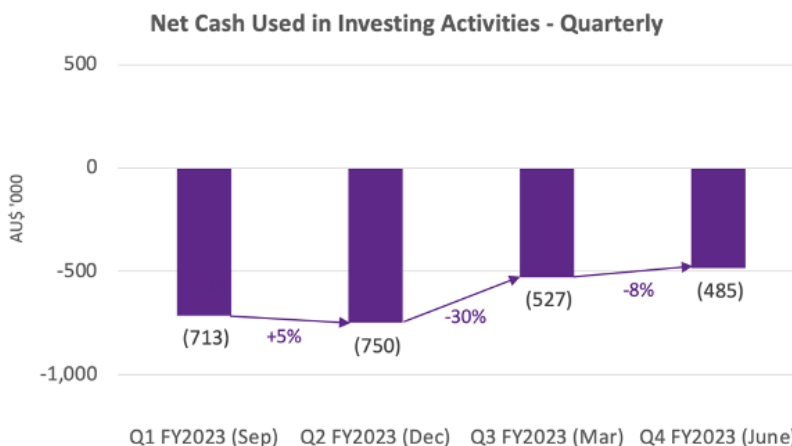
This has resulted in maintaining the runway with estimated quarters of funding available (Appendix 4C, Section 8.5) at the end of the June quarter is 5 quarters (5 quarters in March quarter).

The Company continued to implement initiatives to reduce its cost base late in the June quarter which will become visible over the coming quarters.



Net Cash Used in Investing: The Company has also seen a material reduction in cash used in investing activities over FY2023. This is in line with the new Enterprise Strategy and steps taken to maximise historic investment made in its platform pointed at Enterprise customers (movements away from Small and Medium Enterprise).

The Board is closely monitoring capital expenditures in the context of managing the Company's cash runway.



CORPORATE

Market engagement: An investor presentation – Company Update was lodged with the ASX on [8 June 2023](#).

Board: Non-Executive Director Gary Flowers retired from the Yojee's Board and has joined Yojee's Advisory Board. Rob van Es and Lynn Mickleburgh retired from Yojee's Advisory Board. See ASX announcement [18 May 2023](#).

Cash position: The Company has a strong cash position of \$3.58 million and zero debt at the end of June 2023.

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 June ended quarter relating to the ongoing roll-out of the Yojee Platform amounted to cash outflows of AU\$1.61m (Section 1.2, Appendix 4C), resulting in a Net Cash from Operating Activities outflow of AU\$996k (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-

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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")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	562	2,209
1.2 Payments for		
(a) research and development	(17)	(44)
(b) product manufacturing and operating costs	(581)	(2,956)
(c) advertising and marketing	(223)	(1,248)
(d) leased assets	(4)	(58)
(e) staff costs	(184)	(716)
(f) administration and corporate costs	(567)	(2,506)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	74
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(3)	(61)
1.7 Government grants and tax incentives	16	117
1.8 Other (mainly payments for indirect taxes)	274	(1)
1.9 Net cash from / (used in) operating activities	(710)	(5,190)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(32)
(d) investments	-	-
(e) intellectual property	(497)	(2,462)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	12	19
	(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	(485)	(2,475)

3.	Cash flows from financing activities		
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	(55)	(216)
3.7	Transaction costs related to loans and borrowings	(3)	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(58)	(163)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,824	11,442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(710)	(5,190)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(485)	(2,475)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(58)	(221)
4.5	Effect of movement in exchange rates on cash held	10	25
4.6	Cash and cash equivalents at end of period	3,581	3,581

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	3,581	4,824
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)	3,581	4,824

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	149
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)	(710)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,581
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,581
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
	<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:26/7/23.....

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.