

30 April 2020

Yojee March 2020 Quarter Activity Report

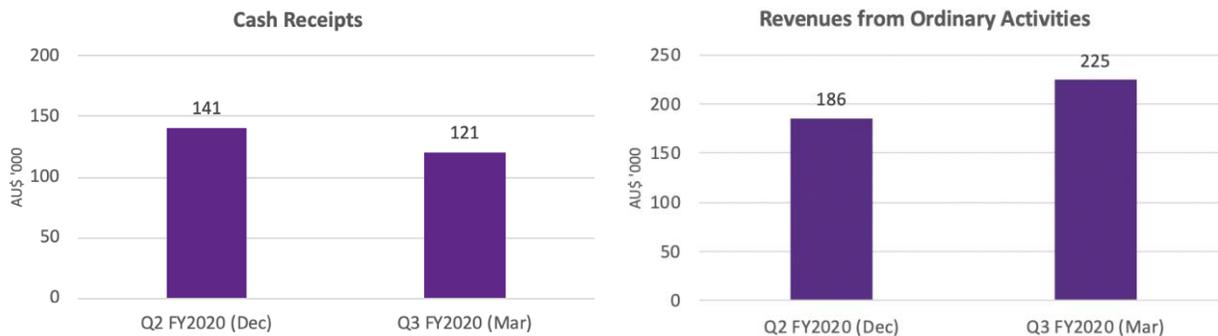
HIGHLIGHTS

- Revenues from Ordinary Activities for the March ended quarter, Q3 FY2020, up 21% on the prior quarter at AU\$225k¹, compared to AU\$186k
- Cash receipts for the March ended quarter, Q3 FY2020, of AU\$121k, compared to AU\$141k in the prior quarter
- Platform adoption: signing of two new Dispatch SaaS platform module customer agreements
- Yojee Board strengthened: new Chairman and Non-executive Director, David Morton, appointed
- Yojee Board voluntarily reduces Non-Executive Director fees by 50% for a period of up to 6 months
- AU\$3.2m capital raise completed in early February 2020 (Share Purchase Plan and top-up placement)
- Cash at bank of AU\$5.49m at 31 March 2020; strong funding position and cash runway

Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), a cloud based (SaaS) logistics platform that seamlessly and uniquely manages, tracks and optimises freight movements along the entire logistics chain, is pleased to provide commentary regarding its activities during the March ended quarter, Q3 FY2020.

REVENUE AND CASH RECEIPTS

Revenues from Ordinary Activities for the March ended quarter, Q3 FY2020, were AU\$225k¹, up 21% on the prior quarter of AU\$186k. Cash receipts for the March ended quarter, Q3 FY2020, were AU\$121k compared to AU\$141k in the prior quarter.



Yojee Managing Director Ed Clarke said, “We have maintained a strong and productive focus on sales over recent months, despite impacts of Covid-19, which has seen interest convert into sales on our platform in new verticals and in new use cases, one such use case is recently signed Magic Hand Car Wash, an Australian car washing franchisor. A number of pipeline clients are developing positively and nearing finalisation in the Small and Medium Enterprise sector.

We are hopeful of announcing further significant contract wins to the Yojee’s Dispatch SaaS platform module during the current quarter, continuing on our path of becoming the premier emerging technology in global supply chain. I’m now more positive than ever about the enormous opportunity ahead for us and the revenue upside of our current and pipeline clients.

We are in an exciting space and time. The logistics industry is at an early stage of technology adoption and logistics providers are keenly looking to digitise their operations and create decentralized supply chains after the lessons learned so far of Covid-19, which is well beyond the capabilities of incumbent transaction management systems. The whole ecosystem from logistics operators, shippers to end customers are increasingly demanding Visibility, Accountability and Control of goods movements.

¹ Unaudited.

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This can only be solved using new technology solutions such as Yojee's platform which can work across entire supply chains and can work through enormous complexity such as solving for tracking multi-sector goods movements and optimising fixed asset capacity utilisation."

YOJEE PLATFORM ADOPTION

During the quarter, Yojee continued to receive strong interest from customers for its platform in light of the Covid-19 operating environment, with companies increasingly looking to support rapidly evolving and decentralized supply chains. Visibility, Accountability and Control have become pillars of modern operations and is where Yojee provides tremendous value, demonstrated through the signing of new agreements including (see ASX announcement, 1 April 2020):

- **Hub Express Singapore Pte Ltd**, an established Singapore logistics operator; Yojee's platform will support its industry- leading clients (2-year Dispatch SaaS agreement)
- **Magic Hand Car Wash Franchisor Pty Ltd**, washing over 350,000 cars per year, based in Australia; Yojee's platform is streamlining a number of business processes including areas of automation and optimisation powered by Yojee's AI capabilities (12-month Dispatch SaaS agreement)

The Yojee platform Dispatch module SaaS customer agreements are based on monthly subscription and transaction volume fees which are tailored to the business model of the relevant customer. Yojee notes that these agreements are not individually material.

MAJOR CONTRACTS UPDATE

Send Yojee

Send Yojee is Yojee's standalone business offering in Singapore, although used primarily as a technology test bed. Send Yojee continued to attract clients seeking a viable solution to cater for increased freight network volumes during the quarter.

Send Yojee had 4,061 deliveries logged in Singapore on the platform by the company and its downstream partners (3,920 prior quarter).

The Send Yojee business continues to partner with some of Singapore's leading retailers via an Omni-Channel retail strategy. Send Yojee offers great synergy and transparency to the SaaS offering and the 'connected marketplace'.

Major multinational clients

During the quarter, Yojee has not been able to expand its footprint and build transactional volume with its cross-border network solution in SE Asia for a major client, following its launch in the December quarter.

This is due to expansion of hubs within the region being slowed as a result of Covid-19 travel bans affecting project plans around hub expansion and implementations and implementation teams. The attractiveness of the solution for the major client by shippers is expected to increase as further hubs and wider use cases across the business are added, generating a network strengthening effect and single regional solution with great potential transaction volume than initially expected.

Further to our March 27 market update announcement, ramp-up activities and further implementation opportunities for the Yojee platform in other business areas continue to gain momentum. The strong engagement has seen business plans identified and implementation plans created. Partnerships are progressing positively and the Company will keep the market updated as appropriate.

CORPORATE

Capital raise

An AU\$3.2m capital raise was successfully completed in early February 2020 consisting of an oversubscribed Share Purchase Plan raising AU\$2.2m and a top-up placement (Thorney Investment Group) raising AU\$1.0m.

This followed a share placement in December 2019 raising AU\$3.5m from institutional and sophisticated investors.

Total funds raised under the December 2019 and February 2020 capital raising amounted to AU\$6.7m (before costs). All funds were raised at an offer price of AU\$0.05 per Yojee share.

Yojee maintains a strong funding position and cash runway of AU\$5.49m cash at bank (31 March 2020).

Board changes

During the quarter, key changes were made to strengthen the Yojee Board with the appointment of a new Chairman and Non-executive Director, David Morton, retirement of Ray Lee from Chairman to a Non-executive Director role and transition of existing Non-executive Director Shannon Robinson to Yojee's Advisory Board.

David initially joined Yojee's Advisory Board in May 2019. He is an experienced Corporate Banker with a successful career spanning 40 years at Westpac and HSBC with a focus in the APAC region. He recently returned to Australia after 12 years working in Asia in a number of pan Asian roles including Managing Director, Head of Corporate, Financials and Multinationals Banking, Asia-Pacific.

Ray Lee retired as Chairman of Yojee's Board after 3 years in the role and remains on the Board as Non-executive Director, having led Yojee's technology platform development and initial commercialisation growth phases.

Non-Executive Director Shannon Robinson retired from Yojee's Board. Shannon has joined Yojee's Advisory Board thereby seeing Yojee retain her deep governance and capital markets experience and understanding of Yojee while having served in as a Non-executive Director since 2016.

Non-Executive Directors' fee reduction

The Yojee Board will voluntarily reduce Non-Executive Director Fees by 50% for a period of up to 6 months. The measure has been taken to prudently manage cash during the current period of financial market uncertainty.

Yojee Chairman, David Morton said, "The Board's decision to reduce Non-Executive Director fees is a sign of our responsiveness to the current global financial market volatility as we closely monitor potential impacts to our business. Our Remuneration Committee is also monitoring remuneration in the context of global financial market developments. During my many years in banking including with HSBC across Asia, I have experienced numerous economic cycles and global events. I remain optimistic that financial markets globally will make the necessary key adjustments to moderate the impact of Covid-19 and see an economic rebound however, as a young growth company, we have also initiated further contingency measures for potential implementation depending on how events unfold."

This announcement is authorised by the Board of Yojee Limited.

-ENDS-

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About Yojee Limited (ASX: YOJ). Yojee is a cloud based (SaaS) logistics platform that seamlessly and uniquely manages, tracks and optimises freight movements along the entire logistics chain, from sender to end customer, across borders and between logistics providers (land, sea, air), with subcontractors and for multi-leg journeys. Rarely is a single carrier servicing an entire goods journey from sender to end customer, or exclusively using one type of transportation

method. Yojee ensures connectivity and more efficient planning along the entire journey.

Yojee's customers are predominantly third-party logistics providers (3PL) and logistics subcontractors (2PL) who benefit from:

1. **Managing, Tracking and Auditing goods movements.** All job and location data is made easily accessible and can be shared with up and down stream providers end to end. Customers experience improved delivery windows.
2. **Route and schedule optimisation.** Tracking data allows 2PL and 3PL operators to generate cost savings through Yojee's powerful optimisation capability across vehicle selection, utilisation and routing.

Yojee's solution is flexible and integrates seamlessly through API's into existing logistics provider systems to access and share key data across part or all of the goods journey. The more segments that use Yojee, the more powerful it becomes. Yojee's business is focused on Asia and is expanding rapidly. Yojee's platform has evolved through recent technological developments in cloud-based computing and information processing capability. Future steps now under development will see Yojee further advance logistics its connectivity and route optimisation through distributed ledger blockchain technology. This will see smart information access and activation, providing logistics companies and agencies information such as location, size and weight data, and customs requirements, that is timely, contextually accessible and highly secure.

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 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	121	418
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(189)	(604)
(c) advertising and marketing	(316)	(633)
(d) leased assets	(18)	(60)
(e) staff costs	(235)	(494)
(f) administration and corporate costs	(705)	(1,917)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	4	17
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	2	2
1.8 Other (provide details if material)	(6)	(31)
1.9 Net cash from / (used in) operating activities	(1,342)	(3,302)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(3)	(3)
(d) investments	0	0
(e) intellectual property	(273)	(896)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets	0	0
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
2.6 Net cash from / (used in) investing activities	(276)	(899)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	3,200	6,700
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(103)	(319)
3.5 Proceeds from borrowings	0	0
3.6 Repayment of borrowings	(42)	(125)
3.7 Transaction costs related to loans and borrowings	(4)	(12)
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	0	0
3.10 Net cash from / (used in) financing activities	3,051	6,244

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,017	3,406
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,342)	(3,302)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(276)	(899)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,051	6,244
4.5	Effect of movement in exchange rates on cash held	41	42
4.6	Cash and cash equivalents at end of period	5,491	5,491

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	5,491	4,017
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)	5,491	4,017

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

108

0

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

Payments of current and accrued Director remuneration/fees, superannuation and provision of administration/consulting services.

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7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

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.

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8. Estimated cash available for future operating activities**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,342)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,491
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	5,491
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.1

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: N/A

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: N/A

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: N/A

Statement in relation to December 2019 year to date reclassification

In accordance with ASX listing rule changes effective 1 December 2019 and pursuant to the ASX's new Appendix 4C format, effective 31 March 2020, the classification for a portion of the of '(b) product manufacturing and operating costs', '(d) leased assets' and '(e) staff costs' previously classified under '1. Cash flows from operating activities' in the Dec 2019 quarter filing year to date Appendix 4C have been reclassified to '2. Cash flows from investing activities' and '3. Cash flow from financing activities' (refer to Table 1 below for details). There is no financial impact to overall cash flows as previously lodged with ASX for the Dec 2019 quarter.

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Table 1

	December Year to Date \$A'000	December Year to Date (Revised) \$A'000	Revision Amount \$A'000
1. Cash flows from operating activities			
1.2 Payments for:			
(b) product manufacturing and operating costs	(1,017)	(415)	602
(d) leased assets	(130)	(42)	88
(e) staff costs	(280)	(259)	21
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(d) intellectual property	-	(623)	(623)
3. Cash flow from financing activities			
3.6 Repayment of borrowings	-	(83)	(83)
3.7 Transaction costs related to loans and borrowings	(3)	(8)	(5)

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:30/4/20.....

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.