

31 July 2019

YOJEE JUNE 2019 QUARTER ACTIVITY REPORT



HIGHLIGHTS

- Pivotal quarter for self-growing, recurring revenue versus sales and marketing costs.
- In-quarter sales and marketing contribution tipped to greater than a 1:1 ratio against the cost of sales and marketing activities, a strong health indicator of a SaaS monthly recurring revenue business and testament to the self-growing network sales accumulation effect of the software.
- Continued cash receipts growth with 10 new significant software customer contracts signed, and cash outflows down 40% since the first quarter of the financial year.
- Announcement of foundational SaaS agreement with global top 10 logistics company, Geodis.
- Omni-channel agreement with global retailer, Landmark, validating business model and technology.
- The Company continued to strengthen its board and advisory board, with strategic additions for an experienced well-rounded group of experts positioning the company for scale.

Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), the technology company utilising artificial intelligence (**AI**) and blockchain technology to create a seamless regional freight network and best in class software as a service product for businesses of all sizes, is pleased to provide the following commentary regarding its activities during the three months ended 30 June 2019 (**Q4**).

Following the release of the 2.0 infrastructure, Yojoee continued to grow new customer and delivery numbers, along with growing the pipeline of global key accounts.

Yojoee recorded cash receipts of A\$192,000 (up from \$188,000), the highest for any quarter to date, with onboarding and recurring revenue from new major clients signed in the quarter now commencing to flow in the current quarter.

Commenting on the June Quarter, Yojoee Managing Director Ed Clarke said, "This quarter was a pivotal quarter where our efforts to create a lean, agile business with scalable global platform were validated. The acquisition of new customers such as global leader Geodis and another nine customers shows the platform heading quickly towards critical mass. Additionally, delivery of the self-growing network model with cost of sales and marketing hitting a milestone \$1:1 ratio of cash receipts to cost of sales, laying the foundations for a strong and sustainable growth engine which we can increase in size as we require."

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SOFTWARE, SALES AND PARTNERSHIPS

During the quarter 10 new software customer contracts were signed, this included a Global Top 10 Forwarder and 8 SMEs across 4 countries. The momentum and validation provided by groups across the global supply chain, retail and omni-channel and passenger transportation have strengthened Yojee's position in the market. Additionally, with two of these companies reporting multi-billion-dollar revenues, there are vast opportunities for growth within these accounts.

Yojee signed a 3 year agreement with Geodis to govern multiple projects across Asia Pacific setting out standard commercial terms, as announced on 15 May 2019. Pursuant to which Yoje will provide its SaaS logistics and supply chain management technology on a project by project basis with applicable setup; subscription; professional service; and transaction fees. The company has received first payments of setup and subscription fees during the quarter and is actively implementing the technology and applicable integrations. The company sees significant opportunity and commercial upside achievable by working closely with the customer, along with other opportunities with multi-nationals in the pipeline. The Company will continue to provide market updates on current and new projects as applicable.

The Company is pleased to share that whilst reducing its total outflows, in-quarter sales and marketing contribution tipped to greater than a 1:1 ratio against the cost of sales and marketing activities. This is a strong health indicator of a SaaS monthly recurring revenue business. The partner capabilities of the software or 'network effect' is key to this achievement as shown by delivery of the self-growing network model.

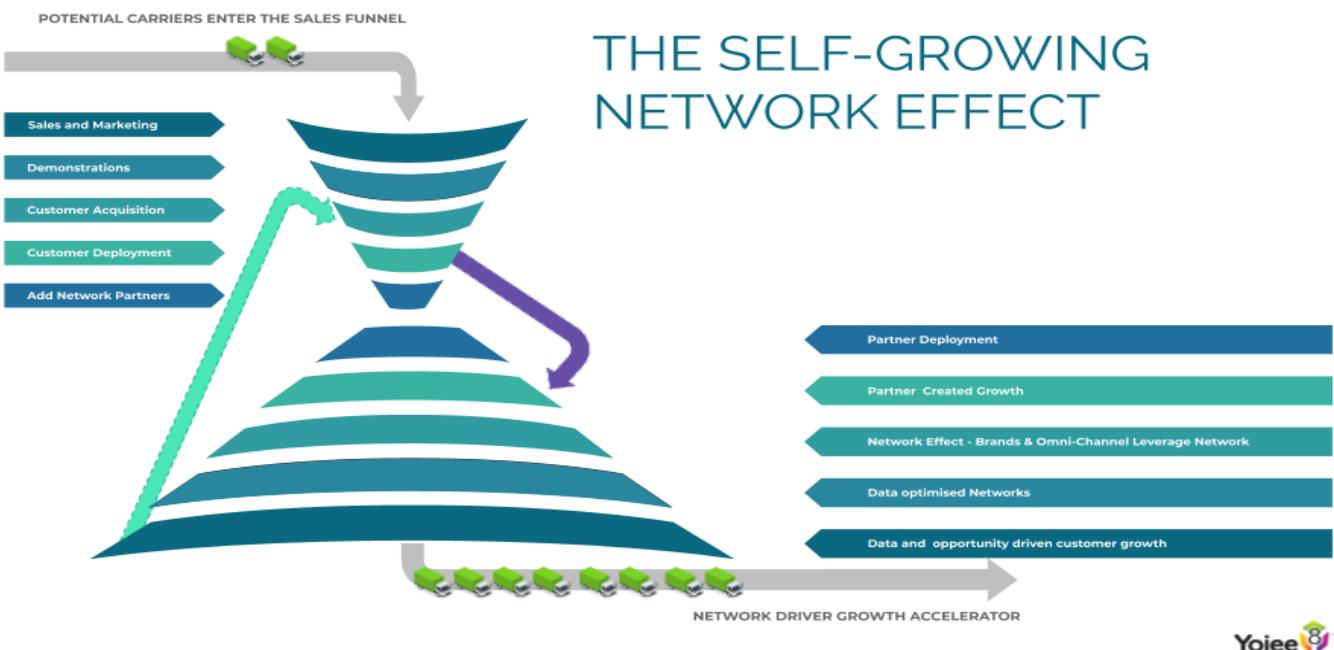


Figure 1: Yoje Product Offering and key features

SENDYOJEE

SendYojee continued to attract clients seeking a viable solution to cater for increased freight network volumes during this period. SendYojee saw 4,866 deliveries being logged in Singapore between Yojee and its new group of downstream partners as the company moves away from sole-trader operations thanks to the networking effect of the software.

The SendYojee Freight network has now converted an outstanding 6 traditional logistics companies to SaaS customers. This enables their seamless participation as carriers for the network, resulting in reduction of their operating cost and risk, whilst providing visibility on par with any sharing economy platform. SendYojee has transformed to become a virtual network, similar to the Landmark project in Malaysia as announced on 11 July 2019. This is a much lower cost, higher margin and more scalable, self-growing model.

TECHNOLOGY

During the quarter the company released a new optimization product called Yojee Powerplan. The Product empowers dispatchers to make intelligent allocations, combining multiple orders into optimal routes both as simulations and in real-time.

It is a powerful visual interface and an alternative way to dispatch mass jobs in seconds. Powerplan is integrated with other parts of Yojee eco system. With just a few clicks, anyone of any skill level can optimize and allocate routes across complex operating environments with many business rules, whilst managing capacity and focusing on cost reduction.

CORPORATE

Board and Advisory Board Appointments

Mr Gary Flowers has extensive listed company experience and is widely recognised for transforming organisations where culture is valued as a sustainable advantage; engaging staff, stakeholders and the public. Mr Gary Flowers has been integral in establishing brands on a global stage across Australia, New Zealand, Asia, Europe, Middle East and the USA, primarily across three distinctive industry sectors, Professional Services, Sports & Media, and Property. Mr Gary Flowers currently serves in the capacity of Chairman for Mainbrace Constructions Pty Ltd, NSW Institute of Sport and EMM Consulting.

Yojee announced the appointment of Ms. Lynn Mickleburgh to its Advisory Board. Ms. Lynn Mickleburgh's appointment to the Advisory Board rounds out the strategic and operational growth focus of the Company for 2019. Yojee benefits immensely from this appointment particularly in relation to technology leadership, monetization strategy, channel and new markets along with Ms. Lynn Mickleburgh's expertise in mergers and acquisitions.

Mr David Morton was also appointed to Yojee's Advisory Board. Mr David Morton is an experienced Corporate Banker with a successful career spanning 40+ years at Westpac and HSBC. He has recently returned to Australia after 12 years working in Asia (Vietnam, Malaysia, Hong Kong) in a number of pan Asian roles including Managing Director, Head of Corporate, Financials and Multinationals Banking, Asia-Pacific. Mr David Morton is a Graduate of the Australian Institute of Company Directors and holds a Business Studies degree (Accounting) from Victoria University. He also attended the Advanced Management program at INSEAD, Fontainebleau, France.

PERSONAL USE ONLY

SUBSEQUENT EVENTS AND OUTLOOK

Subsequent to the end of quarter, Advisory Board member Mr Christopher Logan, was approached to take a role as Managing Director, Freight and Logistics Lead for Asia Pacific, Middle East and Africa at Accenture, a global consulting leader whose clients include 92 of the Fortune Global 100 and more than three-quarters of the Fortune Global 500. Upon accepting this role Mr Christopher Logan was unable to continue in his formal advisory role with the Company. Mr Christopher Logan wishes Yojee well and continues to be in touch with management on a general and personal level. This is a testament to the quality of the advisory group the Company has attracted.

-ENDS-

For Investor Enquiries, please contact:

investor@yojee.com

About Yojee Limited (ASX: YOJ), a new, future ready platform technology company developing powerful logistics and supply chain management capabilities via its world-class blockchain secured software and expansive partner network across South East Asia and Australia.



Transforming the Logistics Economy, Digitally



ARTIFICIAL
INTELLIGENCE



MACHINE
LEARNING



BLOCKCHAIN



AUTONOMOUS

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.

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CONTRACT AND ADMINISTRATION

This General Disclaimer (Disclaimer) shall take effect to the full extent permitted by law. If the terms of this Disclaimer are inconsistent with the terms of an agreement for services under which Yojoee Limited or any of its related bodies corporate (together, Yojoee) has provided you with advice, data, information, estimates, projections, forecasts or forward-looking statements (Service Agreement), then the terms of that agreement prevail over this Disclaimer to the extent of the inconsistency.

The nature of the services delivered by Yojoee include the provision of information and advice on matters that are incapable of precise determination, subject to subjective interpretation, rapidly changing conditions and other factors beyond the control of Yojoee.

Subject to anything to the contrary stated in a Service Agreement:

- a. no representation or warranty of any kind (whether implied, express or statutory, and including without limitation, warranties for non-infringement of third party rights, ownership, fitness for purpose, accuracy, completeness, reliability or currency) is given in conjunction with any advice, data, information, estimates, projections, statements, forecast or forward-looking statements, materials or services (including content derived from or produced by a person unrelated to Yojoee) provided to you by or on behalf of Yojoee;
- b. no representation, guarantee or warranty is given as to the accuracy, completeness, or likelihood of achievement or reasonableness of any forecasts, projections or forward-looking statements made by or on behalf of Yojoee (including such forecasts and projections that relate to changes in the development costs, the prices of other types of products, and the amounts of charges and taxes imposed by the government on logistics retailers, logistics distributors or other logistics industry participants or your logistics-related expenses or anticipated cost savings). Forecasts, projections and forward-looking statements are, by their nature, subject to significant uncertainties and contingencies, and they should not be taken as implying that the assumptions upon which the projections have been prepared are correct or exhaustive;
- c. Yojoee, its employees, agents and independent contractors are not liable for any loss, expense or cost (including without limitation, any consequential or indirect loss) that you incur directly or indirectly as a result of or in connection with advice, data, information, estimates, projections, forecasts or forward-looking statements or services provided to you by or on behalf of Yojoee; and
- d. any liability of Yojoee and its directors, employees and contractors for breach of a warranty or condition given in conjunction with services supplied by Yojoee which cannot be excluded by law is limited, as far as the law permits, to re-supplying the services or paying the cost of re-supplying the services and the choice to be made by Yojoee in its sole discretion.

GLOSSARY

TERMS	DEFINITION
SaaS	Software as a service
SME	Small to medium enterprise
AI	Artificial Intelligence: A computer program capable of learning and adapting
3PL	Third-party logistics providers typically specialize in integrated operation, warehousing and transportation services which can be scaled and customized to customers' needs based on market conditions, such as the demands and delivery service requirements for their products and materials.
4PL	4PL was originally defined by Accenture as a trademark in 1996 and defined as "A supply chain integrator that assembles and manages the resources, capabilities, and technology of its own organization with those of complementary service providers to deliver a comprehensive supply chain solution."
Cross Dock(ing)	Where shipments are broken down and reorganised, typically at a warehouse, however the goods are not stored there. For example a container being probe down to individual pallets to be taken on in various different vehicles.
UX	User Experience: The look and feel of an interface or software
CIP	A number assigned to a company in order to identify them when handling the transfer of tasks from partner to partner on the Yojoee network.

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

YOJEE LIMITED

ABN

52 143 416 531

Quarter ended (“current quarter”)

30 June 2019

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 and other income	192	634
1.2 Payments for		
(a) research and development	-	(90)
(b) product manufacturing and operating costs	(623)	(2,676)
(c) advertising and marketing	(109)	(776)
(d) leased assets	(51)	(244)
(e) staff costs	(160)	(871)
(f) administration and corporate costs	(508)	(2,322)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	59
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	10
1.8 Other (GST Provision)	(1)	3
1.9 Net cash from / (used in) operating activities	(1,254)	(6,272)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	-	(3)
 3. Cash flows from financing activities		
3.1 Proceeds from issues of shares (inclusive of transaction costs)	-	8,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	(400)
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(1)	(1)
3.8 Dividends paid	-	-
3.9 Other (refund of replacement prospectus application monies)	-	-
3.10 Net cash from / (used in) financing activities	(1)	(7,599)
 4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,656	2,039
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,254)	(6,273)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1)	7,599

+ See chapter 19 for defined terms

1 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 12 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	5	44
4.6 Cash and cash equivalents at end of quarter	3,406	3,406
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	3,406	4,656
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)	3,406	4,656
6. Payments to directors of the entity and their associates	Current quarter \$A'000	
6.1 Aggregate amount of payments to these parties included in item 1.2	149	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		
Payments of current and accrued Director remuneration/fees, superannuation and provision of administration/consulting services.		
7. Payments to related entities of the entity and their associates	Current quarter \$A'000	
7.1 Aggregate amount of payments to these parties included in item 1.2	-	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2		

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
NA			
9. Estimated cash outflows for next quarter		\$A'000	
9.1	Research and development	-	
9.2	Product manufacturing and operating costs	(570)	
9.3	Advertising and marketing	(130)	
9.4	Leased assets	(58)	
9.5	Staff costs	(192)	
9.6	Administration and corporate costs	(645)	
9.7	Other (provide details if material)	-	
9.8	Total estimated cash outflows	<b">(1,595)</b">	

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)		Acquisitions	Disposals
10.1	Name of entity	NA	NA
10.2	Place of incorporation or registration	NA	NA
10.3	Consideration for acquisition or disposal	NA	NA
10.4	Total net assets	NA	NA
10.5	Nature of business	NA	NA

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.

Sign here: 
(Company secretary)

Date: 31 July 2019.....

Print name: Sonu Cheema.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.