

22 January 2018

YOJEE COMPLETES BLOCKCHAIN INTEGRATION



HIGHLIGHTS

- Yojee completes integration of blockchain to software products and runs successful proof of existence testing within its simple to use solution for global supply chains.
- First blockchain software product expected to be released commercially this quarter.
- Blockchain has enormous applications in the fast growing USD 8.1 trillion dollar freight and logistics industry.
- International supply chains are prone to inefficiencies and fraud and incapable of managing forecast growth.
- Blockchain solves the systemic lack of efficiency, transparency and security across global networks.
- Yojee's blockchain roadmap addresses the key areas of procurement, processing and provenance.

Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), the technology company utilizing 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 announce that the Company has successfully completed its first round of live testing of its blockchain solution.

Yojee is an industry leader in blockchain technology with deep in-house experience in the technology and a clearly defined development roadmap to meet the future demands of the global supply chain. The Company is well advanced along this path and will be releasing its first blockchain product this quarter. Testing of the proof of existence feature has proven successful after initial tests, which included hashing the status of the database to the blockchain in realtime.

Whilst world economies are becoming more dependent on international supply chains for goods and services, with Transparency Market Research forecasting in October 2016 that global logistics market revenues will almost double from USD 8.1 trillion in 2015 to USD 15.5 trillion by 2023, international supply chain infrastructure is not prepared for the enormous growth and is currently prone to systemic inefficiencies and fraud.

As such, the freight and logistics industry is investing heavily in blockchain technology to deliver a cheaper, more efficient, transparent and secure system to manage the enormous growth expected in global logistics over the next decade.

Yojee's home market, the Asia Pacific region, is by far the largest market in the global logistics industry. However, the enormous rate of growth and local hurdles of operating in many of the developing economies in this region bring challenges that operators in other more developed regions are incapable of adequately managing.

Yojee's in-house team of supply chain, technology and blockchain experts are using their regional knowledge to develop a market leading, sector agnostic, product utilizing artificial intelligence and blockchain technology that will be able to meet the future challenges of the logistics industry in any region.

Mr Ed Clarke, Managing Director of Yojee said, " This is a very significant milestone for us, as it has always been a focus of Yojee to have an operational blockchain and not just a transactional one. This means the benefits can be much simpler to access as it is straight out-of-the-box and available on simple to use applications. We know that the global majors along with the rest of the market are all looking at ways to add efficiency and value with blockchain, and we feel this is an incredible offering to instantly add value not just in shipping but all the way down to the last mile.

Blockchain systems provide an unprecedented opportunity to transform logistics and supply chains with huge benefits to business and customers. Yojee is now in a unique position to lead this movement with our in-house team of supply chain and blockchain experts and we're well advanced along our development roadmap."

Central to Yojee's future ready supply chain solution is its blockchain technology and the Company has identified three key areas of focus:

1. Procurement – to enable new ways to source, agree, insure and pay using smart contracts and coins.
2. Processing – to streamline processes to be single document, single entry, multi-party.
3. Provenance – to indisputably prove the movement of an object across a supply chain and it's participants.

To address these three key areas of focus, Yojee is actively developing its blockchain solutions to cover the following use cases that the logistics industry is seeking solutions for to overcome the issues of efficiency, transparency and security facing the industry:

- a) **Proof of Existence** – creating value and trust by providing irrefutable proof that a certain piece of information or product existed at a given time, enables a company and its stakeholders, such as customers and customs, to operate in confidence, even after a cyber-attack which is become more prevalent for global companies. Proof of Existence is a highly desirable operating function for global logistics as it becomes an expectation of

stakeholders to ensure trust and accountability as well as enabling a company to protect themselves from hacking or tampering.

Yojee has begun live testing this service and expects to commercially offer this service this current quarter.

- b) **Proof of Origin** – enabling stakeholders to view the history of the item at any point in time. If the item is legitimate or as intended then the history will match. For example, it will show that it was created and originated in a certain country at a certain date, sold to a retailer in another country, and then sold to someone in another country at a certain date along with the GPS details to validate this. As such, Proof of Origin is a very strong tool against counterfeiting, proof and validation of expectations whether from luxury items and organic food to responsible supply chain and many more use cases. Counterfeit goods and fraud is increasingly becoming a problem as global trade increases with the OECD estimating in 2013 that imports of counterfeit and pirated goods was worth nearly half a trillion dollars a year.
- c) **Distributed Clearing House** – making every transaction very accountable by keeping solid audit trails as every stage of the transaction is recorded and cannot be changed. The system can utilise identity management systems and other advanced technology and safeguards meaning once identity is established, payments between entities will clear within seconds. Consequently, it can be used to process payments between different parties in the Yojee ecosystem, as well as significantly reduce business transaction costs which currently include credit card and clearance technology fees, foreign exchange fees, credit check costs and costs of losses from bad debt or illegal business practice.
- d) **Document Management** – facilitating the creation, management and signage of shipping documents on the system by the appropriate parties. This, again, creates an irrefutable proof of when a document was created, by whom, and with what content. Every time the document is endorsed or amended, all these actions and the identity of the actor is recorded on the ledger. This provides unprecedented accountability and significantly reduces risk of fraud making it likely that customs authorities and other agencies will engage with blockchain backed platforms directly. Considering that a single shipping container can involve hundreds of physical documents that can be mis-recorded or tampered with, a blockchain solution can save millions of hours of labour each year and create far more efficient and secure global freight movements.
- e) **Next Level Collaboration: Autonomous Entities** – To date there are no real collaborative economies that exist due to the lack of trust amongst industry participants to openly share data. With a blockchain platform, it is now possible to design an autonomous entity as a set of smart contracts, that can mathematically prove that it cannot abuse the data shared with it, and that it makes decisions purely based on known and auditable data and algorithms. Autonomous Entities can create the possibility to fundamentally change how business is being done and enable stronger, more efficient supply chains. A Yojee autonomous entity can also become a highly valuable solution to solve the ‘subcontractor problem’ where major logistics companies seek highly efficient, secure networks to fulfil work where visibility and ethical supply chain management is becoming more and more difficult to attain.

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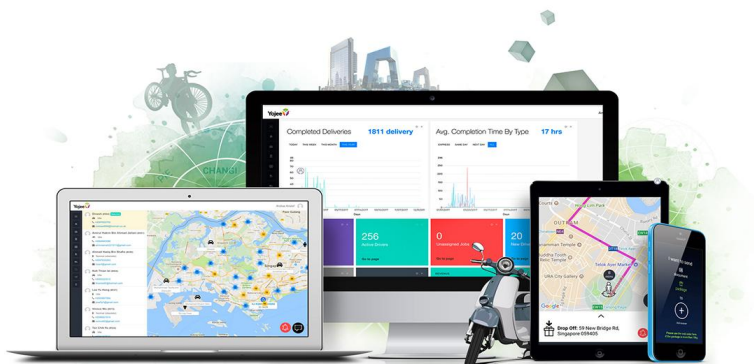
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About Yojee Limited (ASX: YOJ), a new, future ready platform technology company developing powerful logistics and supply chain management capabilities via its world-class blockchain secured software and expansive partner network across South East Asia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

www.yojee.com



Transforming the Logistics Economy, Digitally



ARTIFICIAL
INTELLIGENCE



MACHINE
LEARNING



BLOCKCHAIN



AUTONOMOUS

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