

30 October 2018

YOJEE SEPTEMBER 2018 QUARTER ACTIVITY REPORT



HIGHLIGHTS

- Dispatch and Driver App Release sees introduction of downstream partners to Yojee network by existing customers achieving a major milestone of customer validation.
- Successful raising of A\$8m completed in July 2018 via placement to sophisticated investors.
- 87% increase in cash receipts and 7% revenue growth from the prior audited quarter.
- 8 new customer contracts signed - 2 National Operators and 6 SMEs across three countries.
- Yojee now has 32 SaaS customers and development partners across the Global, Enterprise and SME space.
- Ongoing trials with UPS and DB Schenker using Yojee technology continue to progress positively.
- Strong growth in freight network following release of partner network software. (This is the functionality whereby Yojee's clients can easily work with downstream partners to supplement their fleet).

Yojee Limited (**Yojee** or the **Company**) (ASX: **YOJ**), a 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 September 2018.

During the September quarter, Yojee recorded revenue of A\$173k (a 7% quarter-on-quarter increase) and cash receipts of \$118k (up 87% quarter-on-quarter). This growth follows recent upgrades to the platform with release of version 3 of the dispatcher platform 'Kairos', and increased sales activity with eight new companies signing contracts during the period.

The Kairos platform release - led by Head of Technology, Vivek Gudapury - further demonstrates Yojee's unique selling proposition of seamless end-to-end logistics across a \$US9 trillion global industry, potentially adding significant value to companies across the supply chain.

Yojee Managing Director Ed Clarke said: *"It's been an exciting quarter where we continue revenue growth and contract wins and we look to build on this throughout the year. The new version of the dispatcher platform has not only strengthened our position with our existing clients, but I believe has enabled us to add numbers and breadth to our client base."*



"It is extremely difficult as a technology company to sign on the first 20-30 customers and our company has now achieved this. We have also begun securing partner referrals from customers to begin the creation of virtual networks which is unique through the Yojee Software. The result of this is more rapid growth of new customers, lower cost of customer acquisition and more stickiness between the company and its customers."

UNIQUE TECHNOLOGY - CONNECTING THE LOGISTICS INDUSTRY LIKE NEVER BEFORE

CONNECTING THE SUPPLY CHAIN: THE NETWORK

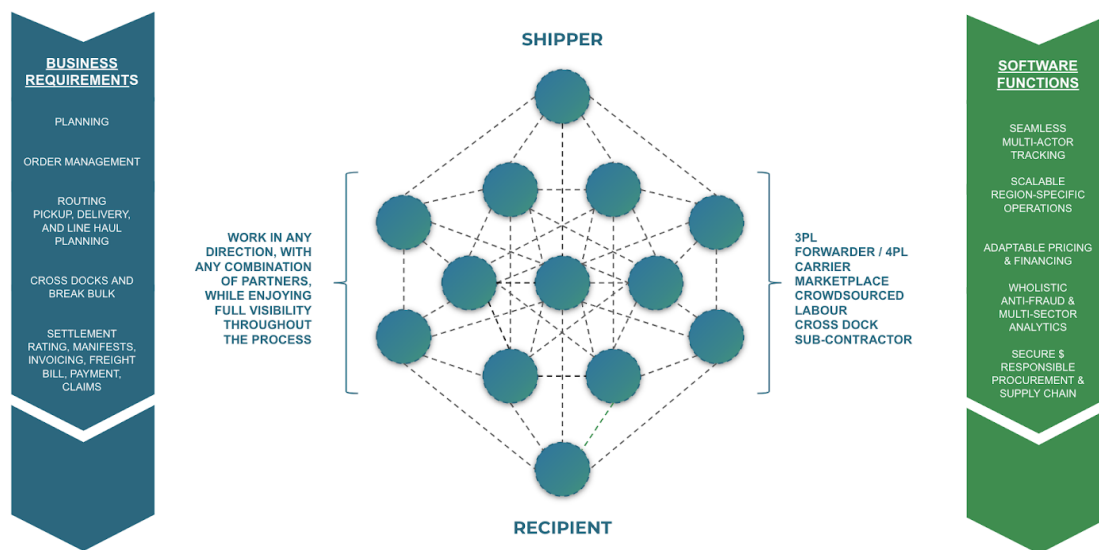


Image 1: Yojee software enables shippers to use any combination of logistics providers, while maintaining full visibility on their shipments.

PRODUCT ADVANCEMENT

During the quarter and following the recent release of its new 2.0 infrastructure, Yojee released the third version of its dispatcher platform 'Kairos' which includes AI backed supply chain management desktop and mobile applications. The learnings from Yojee's major projects and pilots have been integrated into the latest version of the platform to create significantly enhanced product capabilities across a diverse range of use cases. This reduces deployment time and customisation activity.

Key Customer Benefits:

- Very simple to learn, use and fast to deploy - web browser and app based.
- Handles the challenges of freight volume fluctuations created by e-commerce whilst maintaining low fixed cost operating models.
- Integrate or push down into a partner company seamlessly in under 30 seconds.
- No cost barriers to entry, scalable to users performing millions of jobs a month.



- Reduced administration and customer service calls due to visibility gains.
- Increased efficiency through Artificial Intelligence routing which is available to all, ensuring Service Level Agreements can be met even when a tier one carrier which is using a less than capable sub-contractor.

Key Commercial Benefits:

- Suits a wider range of out-of-the-box logistic verticals from Financial Logistics, to Food and Beverage.
- Ability to push jobs to partners and push the software along the supply chain creating new customers and exponential growth in transactions, with a lower cost of acquisition.
- Uniquely positioned to provide more than simply last mile and delivery software.
- Provides enterprise level capabilities on a Software as a Service monthly payment model, reducing customer capital expenditure and providing an easy way to 'adopt and expand' rather than spend years on project development.
- Enables growth via new customer acquisitions as well as the 'snowball' effect of the partner program.



Image 2: Yojee software enables Dispatchers have full control over assigning tasks to driver with the help of our assign algorithm, which suggests the most suitable driver, and the ideal sequence for drivers to complete their tasks.

These upgrades and partner capabilities have been adopted with positive feedback from companies of various sizes, from line haul firms to express couriers.

Simon Pepper, Director - Customs and Logistics at Sila said: *"Yojee is assisting our company to provide more visibility and efficiency within our supply chain with real time information and smart technology. Using the technology helps us to deliver a better experience to our customers and foster future growth. The team is extremely responsive to our questions and feedback and we look forward to a long-term partnership."*





SALES

During the September quarter, eight new companies - comprising of six SME's and two National enterprises - signed contracts to start using Yojee's innovative software.

Yojee now has 32 SaaS customers and development partners across the Global, Enterprise and SME space. The Company continues to progress its SaaS business unit and pricing model to efficiently and effectively facilitate logistics and commerce for its customers and partners. As demonstrated below (Image 3: Yojee SaaS Pricing Model), Yojee is able to cater for organisations of all sizes and types.

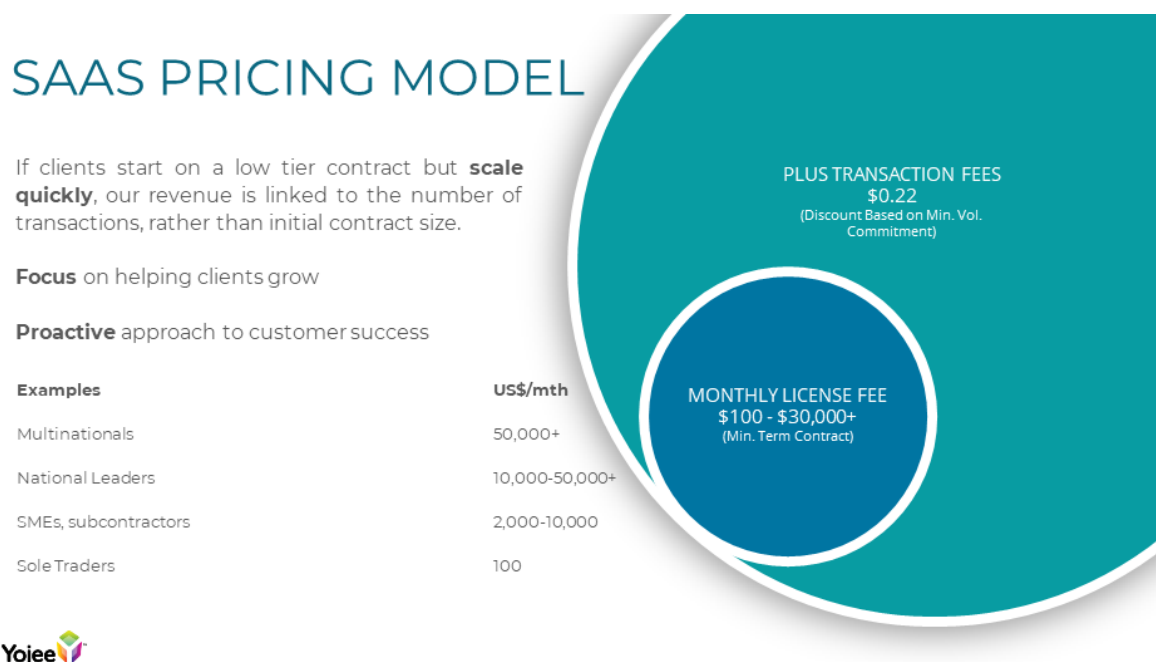


Image 3: Yojee SaaS Pricing Model

New Clients: Overview

During the quarter, the Company on-boarded several express couriers, a freight forwarder, a Food & Beverage wholesale distributor, a food delivery service, and a logistics operator that handles wharf cartage, local and long haul, dealing with containers, palletised and bulk freight.

The range of customers, locations, and cargo type underscores the versatility and adaptability of the software, and its ability to add value across the supply chain. Companies utilise Yojee's software to move anything from large format containers, to individual express flower deliveries.

The Company is also pleased with achieving a major milestone with first signings during the quarter of its partner referral and 'push down' program where new customers are signed on through an existing Yojee customer. The



Company sees a dual opportunity for growth this way through the existing customer base and through its customer pipeline.

PARTNERSHIPS

UPS

Yojee continues to work with UPS to refine the product offering to improve and complement operational performance with the UPS regional team. The Company has successfully completed pilots and is encouraged by the performance of its technology.

DB Schenker

The Company has performed well across complex use cases and maintains a good relationship with all stakeholders. Whilst the initial program on commercial terms is complete, there are continued discussions on potential next steps.

SEND YOJEE

Send Yojee delivered a strong quarter, with its network of drivers experiencing rapid growth with approximately 1,000 more deliveries than the previous quarter. In addition to this, 299 new customers used the Yojee network. The addition of the 'Partner' feature to the new version of the software has enabled increased volume due to seamless movements between Yojee's partners.



BLOCKCHAIN UPDATE

The Company continues to educate the business on its blockchain program, with a number of developers ready to execute on blockchain projects within the Company's sales pipeline. The more difficult parts of blockchain implementations relating to data capture and integrity, where Yojee's technology is excellent, with simple integrations into technologies such as Ethereum and IBM's Hyperledger providing the distributed ledger back end.

CORPORATE

Since Carl Hemus - a former executive at DHL and E-commerce and Supply chain success story Brandpath, joined the Company as COO on 1st September 2018, Yojee has been able to initiate a greater focus on internal operations and sales growth as well as implement some key hires in programming and data science.

-ENDS-

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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

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.

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 Yojee Limited or any of its related bodies corporate (together, Yojee) 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 Yojee 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 Yojee.

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 Yojee) provided to you by or on behalf of Yojee;
- 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 Yojee (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. Yojee, 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 Yojee; and
- d. any liability of Yojee and its directors, employees and contractors for breach of a warranty or condition given in conjunction with services supplied by Yojee 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 Yojee 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 ordinarily 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 Yojee network.

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 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers and other income	118	118
1.2 Payments for		
(a) research and development	(77)	(77)
(b) product manufacturing and operating costs	(625)	(625)
(c) advertising and marketing	(324)	(324)
(d) leased assets	(62)	(62)
(e) staff costs	(233)	(233)
(f) administration and corporate costs	(780)	(780)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	3	3
1.8 Other (GST Provision)	(54)	(54)
1.9 Net cash from / (used in) operating activities	(2,020)	(2,020)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 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	(1)	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares (inclusive of transaction costs)	8,000	8,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	(400)	(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	-	-
3.8	Dividends paid	-	-
3.9	Other (refund of replacement prospectus application monies)	-	-
3.10	Net cash from / (used in) financing activities	(7,600)	(7,600)

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	2,039	2,039
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,020)	(2,020)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,600	7,600

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	20	20
4.6	Cash and cash equivalents at end of quarter	7,638	7,638

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	7,638	2,039
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)	7,638	2,039

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

142

-

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

- 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

**Current quarter
\$A'000**

-

-

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	(59)
9.2 Product manufacturing and operating costs	(754)
9.3 Advertising and marketing	(272)
9.4 Leased assets	(63)
9.5 Staff costs	(238)
9.6 Administration and corporate costs	(680)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,067)

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:30 October 2018.....

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.