Yojee
Industry-defining software riding the coat-tails of logistics leaders

Event: Initiating coverage
Yojee (YOJ) is an Australian-founded, Singapore-based logistics software provider to 4 of the top 10 global logistics enterprises. Yojee’s AI-powered end-to-end fleet management solution connects a globally fractured industry with greater supply-chain visibility and control. The company is poised for exponential sales growth under current APAC contracts and new ones beyond.

Expanding blue-chip contracts reassures 126 hub rollout target
YOJ’s 3-year target to rollout 126 revenue-generating hubs has been bolstered by 6 expansion requests across 3 enterprise clients to a total of 19 countries in APAC. Clients benefitting from 30% routing efficiency and 89% delivery efficiency improvements, continue to expand contracts amidst lockdowns, confirming YOJ’s value, and setting a platform for an exponential rollout.

Imminent high-margin recurring revenue as SaaS-model scales globally
As client contracts continue to expand, and transactional volumes increase through hubs at a proven value of ~AUD$300k/hub, YOJ is uniquely positioned to capitalise on a substantial addressable revenue base under current contracts of ~$43.5m, expected to be achieved in FY25. This represents a 158% 4-year revenue CAGR forecasted to deliver 85%+ GP margin and 63% NPAT margin.

Industry network effect to drive blue-sky potential
For an industry estimated to account for ~12% of global GDP, Yojee’s engrained relationships with blue-chip logistics firms operating in 160+ countries with $100bn+ in combined revenue, sets up a strong opportunity to expand beyond APAC. With an already-contracted expansion in Europe, and R&D in warehouse IoT underway, we think there is significant upside risk to our forecasts.

Valuation summary
We have valued YOJ using a 5 year DCF. Our analysis suggests a 12-month fair valuation range of $0.40-$0.50 per share. Given our baseline forecasts do not factor in any further rollout outside of current contracts, there is valuation upside risk should YOJ continue their rollout into Europe.

This is a research publication of CCZ Equities Pty Limited ABN 97 085 277 881 as a Corporate Authorised Representative reference number 273728 of CCZ Statton Equities Pty Ltd ABN 16 104 843 370 AFS Licence 239946.

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Yojee (YOJ.AX)

<table>
<thead>
<tr>
<th>Market Capitalisation</th>
<th>197m</th>
<th>Index</th>
<th>ASX All Tech.</th>
<th>Year End Shares on Issue</th>
<th>Reporting Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Price (AUD/share)</td>
<td>0.18</td>
<td>Sector</td>
<td>Packaged Software</td>
<td></td>
<td>AUD</td>
</tr>
</tbody>
</table>

Segment Performance 2021A 2022 2023 2024 2025
Sales Mix
Software 0.2 2.0 7.5 27.0 47.1
Network 0.2 0.2 0.2 0.2 0.3
Total Revenue 1.1 2.2 7.8 27.3 47.3

U-EBITDA Profile
U-EBITDA (9.2) (5.4) (1.9) 14.3 30.7
Capitalised Cost (2.6) (2.5) (3.1) (3.5) (2.7)
True U-EBITDA (10.8) (7.9) (5.0) 10.9 28.0

Growth & Margin Metrics
Software Sales Growth 97.7% 132.2% 277.5% 258.7% 74.0%
U-EBITDA Margin (862.4%) (245.4%) (23.8%) 52.6% 64.8%
True U-EBITDA Margin (1,015.9%) (316.7%) (63.8%) 39.8% 59.1%

Hub Rollout
2021A 2022 2023 2024 2025
Avg. Revenue per Hub (AUD$k) 268.9 165.3 200.2 282.7 311.9
Cumulative Hubs (x) 8 20 58 132 145

Sales Mix
2021A 2022 2023 2024 2025
Software 80.9% 90.2% 97.1% 99.1% 99.5%
Network 19.1% 9.8% 2.9% 0.9% 0.5%

Capitalized Cost Model
2021A 2022 2023 2024 2025
Total Employee Cost (incl Capitalised) 4.5 6.3 7.7 8.7 9.0
Capitalised / Total Employee Cost 35.8% 40.0% 40.0% 40.0% 40.0%

liquidity Metrics
2021A 2022 2023 2024 2025
Net Cash / (Debt) 24.1x 14.5x 5.4x 5.6x 3.8x
Current Ratio 5.4x 11.1 6.0 15.0 41.2

Summary 2021A 2022 2023 2024 2025
PE (16.6x) (25.9x) (48.7x) 17.4x 7.3x
EV/EBITDA (15.5x) (15.3x) (103.5x) 22.7x 5.1x
EV/EBIT (15.8x) (15.8x) (24.9x) 15.7x 5.7x
Sales Growth 62.6% 108.1% 250.9% 251.3% 73.4%
U-EBIT Growth (35.8%) 38.5% 44.7% 379.4% 157.5%
U-EBIT Margin (1,064.4%) (338.6%) (53.9%) 42.5% 58.3%
ROE (49.4%) (45.9%) (32.9%) 47.1% 53.0%
Gearing (ND/ND+E) 0.0% 0.0% 0.0% 0.0% 0.0%
ND/EBITDA 0.0x 0.0x 0.0x 0.0x 0.0x
Dividend (AUD cps) 0.0 0.0 0.0 0.0 0.0
Yield 0.0% 0.0% 0.0% 0.0% 0.0%
Franking 0.0% 0.0% 0.0% 0.0% 0.0%

Income Statement 2021A 2022 2023 2024 2025
Revenue 1.1 2.2 7.8 27.3 47.3
U-EBITDA (9.2) (5.4) (1.9) 14.3 30.7
D&A (2.1) (2.1) (2.3) (2.7) (3.1)
U-EBIT (11.3) (7.5) (4.2) 11.6 27.6
Net Interest 0.1 0.1 0.1 0.2 0.2
U-PBT (11.2) (7.4) (4.1) 11.7 27.8
U-Tax (0.5) 0.0 0.0 0.0 0.0
U-NPAT (11.3) (7.4) (4.1) 11.7 27.8
One-offs 0.0 0.0 0.0 0.0 0.0
NPAT (11.3) (7.4) (4.1) 11.7 27.8
U-EP5 (cps) (1.06) (0.65) (0.36) 1.00 2.39
Basic EPS (cps) 1.06 0.65 0.36 1.00 2.39
Wtd Avg Dil (cps) 1,069.9 1,137.7 1,146.7 1,161.7 1,164.2

Balance Sheet 2021A 2022 2023 2024 2025
Cash & Equivalents 18.4 11.1 6.0 15.0 41.2
Trade Receivables 0.2 0.4 1.3 4.3 6.2
Inventories 0.0 0.0 0.0 0.0 0.0
PPE 0.1 0.1 0.2 0.4 0.6
Right of Use Assets 0.0 0.0 0.0 0.0 0.0
Goodwill 0.0 0.0 0.0 0.0 0.0
Other Intangibles 4.9 5.4 6.3 7.2 7.0
Other 0.0 0.0 0.0 0.0 0.0
Total Assets 23.7 17.1 14.2 28.3 57.1
Trade Payables 0.4 0.5 0.6 0.8 1.0
Debt 0.0 0.0 0.0 0.0 0.0
Lease Liabilities 0.0 0.0 0.0 0.0 0.0
Total Liabilities 0.9 0.9 1.6 3.8 5.2
Net Assets 22.8 16.2 12.6 24.5 51.9
Contributed Equity 52.5 53.2 54.1 55.3 55.5

Cash Flow Statement 2021A 2022 2023 2024 2025
Cash EBITDA (1.8) (5.8) (3.3) 9.4 27.7
Change in Working Capital 0.1 (0.1) (0.5) (1.9) (1.3)
Net Interest Paid 0.1 0.1 0.1 0.2 0.2
Tax Paid (0.0) 0.0 0.0 0.0 0.0
Other (0.1) 0.4 1.2 4.0 2.4
Operating Cash Flow (1.7) (5.5) (2.6) 11.5 29.1
Capital Expenditure (0.1) (0.1) (0.2) (0.3) (0.5)
Acquisitions 0.0 0.0 0.0 0.0 0.0
Payments for Intangibles (1.6) (2.5) (3.1) (3.5) (2.7)
Other 0.0 0.0 0.0 0.0 0.0
Investing Cash Flow (1.7) (2.6) (3.3) (3.8) (3.2)
Change in Debt 0.0 0.0 0.0 0.0 0.0
Change in Equity 19.7 0.8 0.9 1.2 0.3
Dividends Paid 0.0 0.0 0.0 0.0 0.0
Lease Payments (0.2) 0.0 0.0 0.0 0.0
Other 0.0 0.0 0.0 0.0 0.0
Financing Cash Flow 19.5 0.7 0.8 1.2 0.2
Net Cash Flow 14.1 (7.3) (5.1) 9.0 26.2
Free Cash Flow (5.1) (8.0) (5.8) 7.8 26.2

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INVESTMENT THESIS

Yojee is an AI-powered end-to-end fleet management SaaS provider to global blue-chip logistics enterprises, poised to capitalise on a re-opening global logistics industry demanding greater visibility and control of supply chains. Contracts with 4 of the Top 10 global logistics leaders achieved in the last 18 months, and 6 expansion orders across 20 countries in APAC and Europe received since, posits customer confidence, and positively supports Yojee’s bold 126 hub rollout target by FY24.

Post Covid-19 recovery in logistics to be driven by a reliable, land-based, APAC-led boom in e-commerce...

... dominated by 10 key global logistics enterprises of which Yojee have signed and expanded contracts with 4

... which together should contribute to Yojee’s 126 revenue-generating hub rollout target by FY24...

...in turn creating a substantial, high-margin revenue pipeline in APAC with significant upside from Europe.

Source: GSCI, IHS Markit

Source: Factset, Statista

Source: Company Data, CCZ Analysis

Source: Company Data, CCZ Analysis
DASHBOARD

Semi-Annual Hub Rollout & Revenue Forecasts

Source: Company Data, CCZ Analysis

Revenue Composition Forecasts

Source: CCZ Analysis

Annual Revenue & GP Margin Forecasts

Source: Company Data, CCZ Analysis
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COMPANY OVERVIEW

The Company

Yojee (YOJ.ASX) derived from the Mandarin ‘Yóujì’ meaning ‘send fast by post’, is best described by the company as:

“a cloud-based software as a service (SaaS) logistics platform that facilitates the flow of freight movements into a single ecosystem, making the complex process of managing land transport simple and reducing carbon emissions for a greener planet” – Yojee Annual Report 2021

Global logistics firms operate extensive supply chain networks through multiple countries, on various modes of transport, often outsourcing delivery legs to sub-contracted fleets. These firms rely on their fleet network to complete delivery jobs as timely and cost-efficiently as possible, risking customers moving to competing providers if supply chain bottlenecks arise. Yojee empowers both Enterprise and SME logistics clients with their proprietary software that optimises the routing, visibility, and integrity of the entire connected supply chain network. Yojee currently have 4 leading contracts in APAC, enabling regional logistics hubs with their SaaS platform that connects to an easy-to-use phone app for individual drivers.

What problems are this company addressing? The global logistics industry has been slow to digitise, still steeped in legacy-systems and paper-based administration. As cross-border consumption has exploded with 30-100k orders transiting through a single location each day, both enterprise and SME logistics providers are struggling to effectively capture and synthesise this volume via traditional methods. Inefficient delivery routes, fractured fleet management, and poor supply chain visibility are hindering the growth and competitiveness of logistics firms.

How is the company solving it? Yojee’s software, built on Elixir technology, is a modular platform that connects driving fleets to logistics management hubs. Logistics managers can optimise daily delivery routes on Yojee’s AI-powered platform, seamlessly assign them to in-house or partnered drivers, and visualise their full network of orders whilst effectively managing delivery complications. At an enterprise level Yojee’s software is easily rolled out across broader supply chain networks, giving greater visibility, exceptional efficiency gains and cost savings.

Figure 1: Traditional Logistics Management vs. Yojee’s Superior Alternative

[Diagram showing traditional logistics management vs. Yojee’s seamless SaaS platform]
Chronological History

Foundation + Software Development

- Contract Signed: 2-yr agreement with Scharff (FedEx Provider) in South America
- Scharff agreement extended and integrated blockchain capabilities in software

Product Testing and Project Contracts

- Signed project agreement with DB Schenker
- Enterprise Signing – GEODIS 3-yr SaaS agreement
- Enterprise Expansion – GEODIS SoW to include SaaS in 3 SEA countries

Enterprise Signings

- Capital Raise – $20m Placement @ $0.20
- Enterprise Signing – CEVA Logistics SaaS agreement in Singapore
- Enterprise Signing – Maersk SaaS agreement in 3 SEA countries
- Contract Expansion – K+N to include 1x European country

Network Effect Expansion

- SWR acquired Yojee and re-listed as YOJ @ $0.02 per share
- Singapore last-mile logistics network had 700% delivery growth in last 6 months
- Enterprise Signing – K+N to include 18 new APAC countries
Operating Segments

### Key Revenue Segments

<table>
<thead>
<tr>
<th>Revenue Segments</th>
<th>Overview</th>
<th>Revenue Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>SaaS agreements with Enterprise Clients with:</td>
<td>FY21 Actual</td>
</tr>
<tr>
<td></td>
<td>• Recurring subscription fees</td>
<td>$860.2k</td>
</tr>
<tr>
<td></td>
<td>• Variable transaction fees and;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• One-off customisation fees.</td>
<td></td>
</tr>
<tr>
<td>Network</td>
<td>SendSingapore last-mile delivery:</td>
<td>$203.2k</td>
</tr>
<tr>
<td></td>
<td>• Upfront delivery payments</td>
<td></td>
</tr>
</tbody>
</table>

### The Yojee Product

Yojee’s logistics solution that drives both Software and Network revenue is split between two core products:

1. **Dispatch Software (DS)** – Fleet management software with the following capabilities:
   - Intuitive customer booking platform where managers can receive and assign orders to drivers
   - Delivery route and schedule optimisation powered by AI and Machine Learning
   - Modular Elixir-based platform that allows drag and drop adjustments to schedules
   - Comprehensive Data Dashboard to fuel data-driven improvements
   - Social media like platform to connect and communicate with both in-house and partnered drivers

**Figure 2: Dispatch Software Interface – Route Optimisation and Delivery Allocation**

Source: Yojee 2021
2. **Driver App (DA)** – Powerfully simple phone application for delivery drivers at all stages of supply chains with:
   - Clear visualisation of delivery schedule
   - Optimised routing and navigation platform
   - Instant messaging platform connected to logistics managers

**Figure 3: Dispatch Software Interface – Operational Data Dashboard**

**Figure 4: Driver Application Interface**

Source: Yojee 2021
How does it fit together?

Refer to Figure 5 (following the diagram from merchant warehouse to end customer) - Yojee’s solution allows logistics firms to access full visibility of their operations. Under a simplified logistics supply chain, logistics firms utilise Yojee’s Dispatch software to visualise, coordinate and manage in-house and contracted fleets on their driver apps via the following steps:

1. **Receive Order on DS** – Merchant places delivery order to an outsourced logistics manager (Logistics Hub 1)
2. **Optimise with DS** – Logistics firm’s aggregate and allocate deliveries to their driving fleet with optimised delivery routes
3. **Action with DA** – Drivers arrive at merchant warehouses, scan all items via the app, begin delivery route from Step 2 with all essential location and invoice data
4. **Complete Delivery Leg with DA** – Drivers deliver to ports or transit warehouses, taking photos and signatures for Proof of Delivery (PoD) which is sent to logistics hubs and merchants
5. **Cross-border software integrates with DS** – Software integration allows order to appropriately clear customs and cross borders to move to the next transit leg
6. **Order transferred on DS** – Receiving Hub undergoes Step 1 and 2
7. **Transfer Data on DA** – Driver on next delivery leg of supply chain follows Step 3

**Figure 5: Logistics Supply Chain flow using Yojee** (simplified – see note below diagram)

**NOTE:** Supply chains as above are in practice far more complicated with various additional delivery legs involved (Figure 10). In this case enterprise clients will benefit even more from Yojee’s platform in visualising, managing, and controlling more extensive and fractured supply chains. Whilst Yojee also benefits from greater transaction revenues and more possible software subscriptions.
How does Yojee generate revenue?

Software Revenue

Yojee’s primary source of revenue and an area with significant growth prospects is through Subscription-as-a-Service (SaaS) agreements with enterprise logistics conglomerates such as GEODIS, Maersk and Kuehne+Nagel. These enterprises sign ‘Statement of Work’ contracts detailing the countries they plan to roll out the software and are charged on a per hub basis. This means for each regional division of a logistics conglomerate Yojee generate revenue from the following:

1. **Fixed Platform Subscription Fees** – for the provision of both Yojee’s Fleet Management Software and each connected driver application
   - USD$4,000+ per hub/month

2. **Variable Transaction Fees** – charged when each parcel/pallet/container is transferred between drivers under the Yojee platform i.e. revenue variable to delivery volume
   - USD$0.20/parcel
   - USD$0.40/pallet
   - USD$1.20/Container

3. **Customisation and Service Fees** – additional software customisation fees charged on a bespoke basis

**Example - Figure 5:** Yojee would generate 2x subscription fees from each logistics hub, and transaction fees for each parcel/pallet/container delivered at each checkpoint

Network Revenue (SendSingapore)

SendSingapore is a software that facilitates last mile movement across a network of subcontractors in Singapore and has traditionally acted as a testing bed for their enterprise-focused software above. Yojee generate upfront revenue based on job types and market supply for individual delivery jobs similar to an Uber-based model of subcontractors accepting work on their platform.
## Competitive Advantage

Where does Yojee excel right now?

<table>
<thead>
<tr>
<th>Where?</th>
<th>What does this mean?</th>
<th>Supporting Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Technology</strong></td>
<td>Yojee’s proprietary platform powered by Artificial Intelligence and Machine Learning empowers logistics managers with <strong>instantaneous route and schedule optimisation</strong>, creating substantial cost and time efficiencies versus manually performing this.</td>
<td>• 30% improvement in routing efficiency</td>
</tr>
<tr>
<td></td>
<td>Their software capabilities extend to include <strong>real-time communication</strong> and vehicle <strong>tracking</strong> for both in-house and partnered drivers, giving <strong>end-to-end visibility</strong> of cross-border supply chains. This empowers Yojee’s clients with greater capacity for risk management and accountability across the supply chain.</td>
<td>• 89% increase in delivery efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 30% reduction in distance travelled</td>
</tr>
<tr>
<td><strong>Data Capabilities</strong></td>
<td>Yojee’s ecosystem has tens of thousands of deliveries fulfilled through the software. This generates a substantial array of <strong>insightful data</strong> that logistics firms can use to identify bottlenecks and strategically improve operations. Yojee’s Software Dashboard aggregates and synthesises this data with a clear presentation for logistics managers to utilise. This data becomes increasingly valuable over time for <strong>predictive modelling and visualising comparable data series</strong>.</td>
<td>• Driver and contractor fulfilment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fulfilment volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Driver capacity i.e. idle time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Driver speed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Waiting times</td>
</tr>
<tr>
<td><strong>Software Compatibility</strong></td>
<td>Cross-border logistics networks involves several delivery, accounting, legal and administration processes all captured under different software. As Yojee focus on end-to-end optimisation, tracking and management rather than point-in-time steps like customs clearance, Yojee’s software <strong>seamlessly integrates with world-leading ERPs</strong> and cross-border platforms like Cargowise and Containerchain. This ensures greater ease of use and essential compatibility to add value to clients supply chain, rather than add more complexity. This also contributes to the <strong>stickiness</strong> of Yojee’s clients.</td>
<td>• Connects and with the full scope of API, EDI and webhook support.</td>
</tr>
<tr>
<td><strong>Cash Cycle Improvements</strong></td>
<td>For logistics firms to receive cash receipts from deliveries they must produce proof of delivery invoices which with hard-copy or legacy software can take upwards of 30 days. Yojee’s software provides instantaneous proof of delivery through the driver app, consequently stimulating <strong>shorter order to cash cycles</strong> i.e. faster cashflows for clients.</td>
<td>• 60 to 90 day cash cycle improvement</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td>Yojee’s software facilitates significant efficiency gains for logistics firms, such as increasing the utilisation of vehicles and more efficient delivery routes. This <strong>reduces the no. of vehicles</strong> and their distance travelled, resulting in a <strong>significant reduction in CO2 emissions</strong>. Using Yojee also significantly <strong>reduces paper</strong> and other waste.</td>
<td>• Clients to go paperless</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 30% reduction in costs and carbon emissions associated to travel distance reductions</td>
</tr>
</tbody>
</table>
How will Yojee remain sustainably competitive?

<table>
<thead>
<tr>
<th>How?</th>
<th>What does this mean?</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modular Technology</td>
<td>As the logistics industry is slowly maturing and digitising, traditional manual methods or legacy software used to manage networks are becoming far less compatible, with some rendered useless. Legacy software used in the logistics industry has usually been built on one-level of dependency code, i.e. specific for one use-case making it incredibly difficult to update and improve as use-cases progress.</td>
<td>Other benefits of Elixir:  • Less code required = less opportunity for error  • Reliable and fast  • Quick and easy to deploy  • Highly scalable</td>
</tr>
<tr>
<td></td>
<td>In order to remain relevant and sustainably valuable, Yojee’s Software 2.0 was built on the Elixir programming language. This language is renowned for its modularity and ease of implementation, whilst still having the robust capability of enterprise-grade architecture. Companies such as Facebook and WhatsApp are known for using this programming language which is a testament to its scalability and reliability. This language ensures Yojee can remain agile responding to customer-led requests for software additions such as providing the software in all customer languages or connecting seamlessly to complementary logistics API’s.</td>
<td></td>
</tr>
<tr>
<td>Network Effect</td>
<td>Global Logistics conglomerates are built on a fractured network of partnered first mile, haulage, freight forwarders, contractors, and last mile networks. Once Yojee’s contracts with enterprise clients mature, these firms then deploy Yojee across their broader network of up and downstream partners to standardise and optimise their network and create an even greater depth of connection. As the network slowly engrains itself in a Yojee ecosystem, it becomes very difficult to shift fleets to any alternative management platforms. This means Yojee has started and will continue to develop a long-term self-enforcing moat of sticky customers at a compounding rate.</td>
<td>• 100+ leading trucking companies  • Global Top 10 Client approached Yojee off the back of network recommendation  • Across 4 global clients, there have been ~6 expansions across client networks</td>
</tr>
<tr>
<td>Client Base</td>
<td>The key to sustain a competitive advantage in any B2B industry is targeting and developing relationships with industry leaders. Companies such as Wisetech generally start out selling to smaller industry players as an easier method to accumulate experience and reputation to reach larger players. Yojee have taken the more challenging approach, proving their quality and competitive edge early, signing 4 of the 10 largest logistics companies within the first 6 years of operations. Whilst rolling their service across global conglomerates will take slightly longer than smaller players, it could well be a more effective, sustainable, and profitable approach if achieved early.</td>
<td>• Yojee achieved first long-term enterprise contract within 4 years (GEODIS) vs. Wisetech taking 9 years  • Enterprise clients have $100bn+ in combined annual revenue, with a global network spanning over 160 countries</td>
</tr>
</tbody>
</table>
Customer Base

NOTE: Information regarding specific client contract signings and expansions are assumptions derived from CCZ Analysis.

Most start-up B2B tech companies target smaller industry players when establishing themselves in the market. Whilst Yojee have spent time testing and developing their software in Singapore for SME projects, they have achieved global enterprise client contracts early. Figure 6 below analyses the logistics industry, placing enterprises in the context of strategic vision and ability to execute on it. Yojee’s 4 clients Kuehne+Nagel, GEODIS, CEVA Logistics and Maersk (circled in red) are all recognised for their execution. It is also important to note Yojee have done various small project work in the past with UPS and DB Schenker whom are also recognised in the leadership quadrant.

These enterprises compete for global contracts by creating supply chains that are efficient, sustainable, and resilient to disruption. These conglomerates are showing early signs of recognising the value that Yojee can offer to enhance their competitive edge and using Yojee to win contracts, Kuehne+Nagel in particular is leading the rollout of Yojee software in 20 countries across APAC and more recently Europe.

Figure 6: Gartner Magic Quadrant – Third Party Logistics Worldwide

= Current Yojee clients
= Previous Pilot customers who helped shape the platform

Source: Gartner / June 2021
GEODIS

GEODIS is a leading global supply chain operator with a focus on supply chain optimisation, freight forwarding and contract logistics among other offerings. They have a direct presence in 67 countries and a global network spanning 120 countries, contributing to a #7 business ranking in global logistics. GEODIS were the first global logistics enterprise that signed with both Wisetech and Yojee revealing their industry leadership in technology-adoption and a reputable source for Yojee’s value. Yojee’s relationship with GEODIS started in May 2019 with a project-based contract for their operational rollout of the ‘GEODIS Road Network’. The success of this project led to a Statement of Work addition to roll out Yojee’s solution across first and last mile delivery in Singapore, Malaysia, and Thailand, with another 11 addressable countries yet to roll out in APAC.

"GEODIS’ strategy of growth and innovation in this region focuses on creating robust Freight Forwarding solutions for our customers... this has proven to be especially important to our customers during this pandemic. This new extended partnership with Yojee will ensure we continue to bring maximum benefit to our customers as they work to de-risk their supply chains." – Rene Bach-Larsen (GEODIS Managing Director for ASEAN)

Kuehne + Nagel

Kuehne+Nagel (K+N) is another global leader in logistics with a strong market position in Road, Air and Sea Logistics. They operate in 109 countries and as per Figure 6 are recognised by industry analysts as market leaders. K+N’s reputation flagged earlier is reflected in their fast adoption and contract expansion with Yojee. They first signed an enterprise agreement with Yojee in May 2020 specific to an E-commerce project in the Philippines, and similar to GEODIS the success of this contract led to an additional 18 countries being signed in June 2021. Most recently a country in Europe was also signed, marking Yojee’s entry into an attractively large European market, bringing the total countries signed by K+N to 20.

“Supply chains continue to digitise to drive efficiency and meet the increasing demands of customers. We aim to create a seamless digital experience and enable our customers to realise market opportunities, converting them into fruitful businesses. We look forward to working with Yojee to achieve this purpose.” - Kuehne+Nagel Regional Distribution Director for APAC

Siam Shoreside Services – A Maersk Subsidiary

Siam Shoreside Services (SSS) is a Thailand-based subsidiary of APM Terminals (an A.P. Moller-Maersk group company) with a comprehensive port and integrated inland services network. The broader Maersk network operates across 130 countries, whilst the more immediate port of APM Terminals operates 76 Terminals across 42 countries globally, 17 of which are in Asia. Yojee first signed with SSS in September 2020 for use across all freight and containerships initially in Thailand and later Indonesia was added, which contributes most of Maersk’s current volume. This contract was expanded again to include Vietnam, Cambodia, Laos, and Philippines over the course of 2021.

“Yojee is the standout solution in the region now, with its ability to handle powerfully and efficiently any use case thrown at it. The system is scalable, user-friendly and quick to implement, making it perfect for our purposes in this fast-growing region to fast track the growth and improve cost efficiencies while providing greater visibility to our clients.” – Rupesh Jain (SSS Director)

CEVA Logistics

Paris-based CEVA Logistics is another world leader in third-party logistics (3PL), providing transportation and supply-chain solutions for large to medium-sized companies. Similar to GEODIS they focus on contract logistics and freight management, operating 1,000 facilities across 160 countries. CEVA’s core strategy is to build an end-to-end network of multiple service types, which Yojee’s core capabilities perfectly facilitate. As CEVA expands and negotiates customer contracts, they can also utilise Yojee as a core value driver when pitching their business. Yojee first signed with CEVA in August 2021 to deliver its solution in Singapore, which was implemented and revenue-generating by September 2021.
### Figure 7: Client Country and Hub Rollout Assumptions as at 28/10/2021

<table>
<thead>
<tr>
<th>Client</th>
<th># Of Countries Signed¹</th>
<th>Countries Signed</th>
<th>Hubs Implemented</th>
<th>Remaining Addressable Hubs²</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEODIS</td>
<td>3</td>
<td>Singapore, Malaysia, Thailand³</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Kuehne + Nagel</td>
<td>20</td>
<td>Philippines, Australia, Bangladesh, Cambodia, Laos, India, Indonesia, Japan,</td>
<td>2</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Malaysia, Maldives, Myanmar, New Zealand, Pakistan, Singapore, South Korea,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sri Lanka, Taiwan, Thailand, Vietnam, and 1x European Country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSS (Maersk)</td>
<td>8</td>
<td>Thailand, Indonesia, Vietnam, Cambodia, Myanmar, Philippines, and 2 other</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>APAC countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEVA Logistics</td>
<td>1</td>
<td>Singapore</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td></td>
<td><strong>8</strong></td>
<td><strong>88</strong></td>
</tr>
</tbody>
</table>

Source: CCZ Assumptions

Notes:
1. Only refers to those contracted and therefore excludes full APAC rollout potential of 14 countries per client.
2. Refers to hubs not yet implemented in countries already contracted, assuming each country delivers 3 hubs each.
3. Master Services Agreement for APAC similar to Kuehne+Nagel but Statement of Work only signed for these countries so far.
# Growth Strategy

<table>
<thead>
<tr>
<th>Strategic Focus</th>
<th>Model</th>
<th>Description</th>
</tr>
</thead>
</table>
| **APAC Expansion**       | Organic | • In FY21, Yojee set a 3-year goal to roll-out 126 hubs across APAC under the current client contracts with 3 of the top 10 (exc. CEVA) leading logistics enterprises. This 126-hub target is based on the ambition to roll out 3 Yojee Hub platforms across each country that their first 3 clients operate in for APAC (14 per client).  
  
  i.e. 3 hubs x 3 clients x 14 countries = 126 hubs.  
  
  • It is assumed the first hub in each clients country (~14-20) will roll out steadily and beyond this hurdle rate it is expected the network effect will drive the rollout exponentially faster and cheaper as client networks are better equipped  
  
  • An additional contracts with CEVA Logistics (new client signed after 126 hub target announced) and expansion of K+N to 20 countries total supports potential for more than 126 hubs as per Figure 8. |
| **New Market Entry**     | Organic | • Yojee have the opportunity to drive high margin organic growth into new regions beyond APAC on Yojee’s current and future customer base. This will be driven via 2 means:  
  1. **Network effect** of Yojee’s top-down network means they can scale regions through current clients adding partners and subcontractors up and downstream into other regions  
  2. **New Enterprise Signings** with remaining global logistics leaders  
  
  • This is already underway after signing a contract expansion into 1 European country. |
| **Technology R&D**       | Organic | • Recently announced an R&D team for ‘Yojee Labs’ to target the unprecedented demand for greater warehouse visibility and connectedness in supply chains.  
  • Plan to develop **warehouse and truck IoT** to maximise utilisation and increase inventory efficiency (Figure 9). As well as further opportunity in working capital financing capabilities.  
  • Opportunity to commercialise this within current and future client contracts |
| **SME Business Growth**  | Organic | • Substantial longer term opportunity once heavily engrained in large scale Enterprise contracts, to develop a more **standardised off the shelf software for small to medium businesses** |
Figure 8: Hub Rollout Forecasts - based on addressable market of current contracts

Source: CCZ Forecasts

Figure 9: Yojee Labs Visualisation

Source: Yojee Presentation
INDUSTRY OVERVIEW

Industry Size & Characteristics

As previously noted, the global logistics network is incredibly fractured with multiple legs, partnered fleets and contract networks. Yojee’s Software-as-a-Service model seeks to capitalise on this, offering an end-to-end software solution for both in-house and contracted fleets, empowering logistics conglomerates with complete visibility and control over their supply chains. Yojee’s clients operate across a variety of logistics sub-sectors (Figure 10) in Asia, with the region estimated to account for 60% of trade flows globally, and the global logistics industry estimated to account for 12% of global GDP.

Figure 10: Logistics sub-sector global market sizes

<table>
<thead>
<tr>
<th>Sub-sector</th>
<th>Global Market Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-Commerce, First Mile &amp; Last Mile</td>
<td>$580 bn mkt</td>
</tr>
<tr>
<td>3PL - Distribution</td>
<td>$1,216 bn mkt</td>
</tr>
<tr>
<td>Forwarding</td>
<td>$254 bn mkt</td>
</tr>
<tr>
<td>Haulage</td>
<td>$3,891 bn mkt</td>
</tr>
<tr>
<td>Contract Logistics</td>
<td>$440 bn mkt</td>
</tr>
<tr>
<td>4PL</td>
<td>$56 bn mkt</td>
</tr>
</tbody>
</table>

Source: Yojee Annual Report

Amongst Yojee’s current customer base and software use cases, the key sub-sectors that drive Yojee’s earnings currently include the following:

- **E-commerce – First & Last Mile**: Yojee estimates that Global E-Commerce is a ~$580bn market, whilst other estimates suggest APAC alone generates ~USD$1.1tn in annual revenue with an expected CAGR of 18.5%. Evidently, the region Yojee currently operate in, particularly through their Kuehne+Nagel contract in 19 APAC countries, is leading the global e-commerce revolution with 12% of retail sales occurring online compared to 8% in Europe and North America. With relevance to Yojee, it is important to note the growth in cross-border e-commerce sales was up 7% in APAC in 2018 to ~USD$404bn. Business-to-business (B2B) sales which Yojee’s clients focus on accounts for 80.9% of this, whilst the faster growing business-to-consumer (B2C) segment accounts for the remaining 19.1%, for which Yojee’s growing SME contracts with profit from in the future.

- **3PL – Distribution**: Some firms perceive their supply chain as integral to their business and therefore operate their own fleet and warehousing. However most multinationals outsource this, particularly if operating across borders, to logistics conglomerates, such as GEODIS, whom manage regional and global networks of third-party logistics warehousing and distribution services. At an estimated market size of $1.2tn, the 3PL sub-sector is expected to have a CAGR of 5.9% - 7.4% over the next 5 years. In comparison to E-commerce, this sub-sector to logistics originated nearly 40 years ago when firms of all sizes realised the opportunity and value in outsourcing logistics to 3PL providers to reach the global market in a cost-effective manner. Hence, this is a mature logistics sub-sector that will continue to grow steadily in line with global trade volumes, providing a strong volume base to Yojee’s clients.

---

Industry Catalysts

- **Digitisation of the industry**: As logistics firms seek to rapidly expand capacity, diversify routes, and enhance network resilience, it has now become a necessity to digitise supply chains. Firms still steeped in legacy software and failing to embrace automation and digitisation are falling behind and losing contracts to those that are. The industry is at an inflection point of extreme demand flows met with supply chains constrained by a lack of visibility as 84% of chief supply chain officers stated this as their greatest challenge and most enterprises report only having visibility of 20% of their supply chain. Further to this, Gartner predicts that by 2023 at least 50% of global logistics firms will be using artificial intelligence and internet of things (IoT) as key strategic components to supply chain management. Logistics management have recognised the value in digitising and empowering supply chain’s with AI (Figure 11) and so the industry is set for a rapid adoption over the coming years.

**Figure 11: Value of AI adoption by Industry**

![Image of AI adoption by Industry graph]

Source: McKinsey Global Institute analysis

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- **E-commerce Growth**: Cited in the previous section, there is still significant potential remaining for e-commerce growth and therefore greater volumes for Yojee’s clients, with the shift to digital retail accelerated by Covid-19 lockdowns. A recent survey indicated 52% of respondents in APAC plan to shop online more since the pandemic. This behavioural shift is facilitated further by the greater access to internet across the region, with Thailand’s access to internet up 44% since 2010, Cambodia up 39% and Vietnam up 38%, three key countries that Yojee clients operate in (see Figure 7). Overall, ASEAN countries are adding 125,000 new users every day with 94% of the region now covered by a 4G network. This accelerated digital adoption by consumers and businesses perfectly correlates to an increase demand for fast, efficient, and visible logistics services, particularly at the first and last mile legs. Yojee is evidently riding on the coat tails of a booming e-commerce industry, for which their global enterprise clients are racing to capture market share in a market-leading APAC.

- **Shift to Overland Logistics**: The Drewry World Container Index (index tracking the cost per 40ft shipping container) rose 370% with 16 consecutive weeks of increases between August 2020 and August 2021, whilst air freight supply capacity was severely cut as the availability of belly freight on passenger flights faced heavy domestic restrictions. This extreme volatility in the price and capacity of air and sea freight is driving a revival of overland logistics. Paired with global investment into road networks, particularly in the APAC with the Belt and Road Initiative expected to have $8tn invested by 2027, and Yojee client GEODIS’ high speed road network in South-east Asia, there is a substantially supportive investment thematic around overland logistics volume that will only require enterprises to place greater attention on supply chain visibility.

- **Environmental awareness**: The logistics industry was unsurprisingly responsible for 26% of global CO2 emissions in 2018 which has led to a wave of environmental reform within the industry. Carbon reporting and emission reductions are fast becoming an industry norm that requires precise understanding of the distance travelled by vehicles under enterprise networks. Yojee is uniquely positioned to capture this requirement as a software capturing end-to-end networks.

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8 https://www.afr.com/world/asia/e-commerce-is-the-next-trade-frontier-with-asia-20210418-p57k5j
Competitors

The nature of global logistics as previously mentioned is that it is incredibly fractured, and accordingly the methods and software currently available in the market that Yojee compete with generally service specific points-in-time or delivery legs. Yojee solves a core problem that the following competitors fail to meet – delivering an end-to-end software solution that is powered by AI, compatible with firm-specific API’s and gives exact time and location visibility of supply-chain networks. The key industry players/methods that are utilised in supply-chain management are:

- **Manual Methods**: The logistics industry has historically been a heavy paper-based industry, manually routing and assigning deliveries to drivers, paper invoices and delayed proof of delivery. Whilst most logistics enterprises would have forfeited these methods, there are still many ‘mum and dad’ delivery networks particularly in south-east Asia whom still operate this way.

- **Legacy Software – Oracle and SAP**: Software built by these firms were the initial platforms adopted amongst the industry. They were generally built with older, less modular programming languages and were built for firm-specific projects that were difficult to transfer up and down supply-chains across a network of different logistics services. Whilst use-cases are still present, they struggle to compete with more innovative modular software providers such as the following larger and smaller innovative players.

- **Larger Players - Wisetech**: Wisetech are not necessarily a competitor but rather a complementary software. Renowned for the grasp of market share Wisetech has attracted, largely driven by 40+ acquisitions since their foundation in the 90’s, this firm is more focused on the administration of logistics such as customs clearance, compliance, warehouse management, invoices etc. This is a point-in-time solution rather than the expansive end-to-end solution that Yojee seek to provide. With 600 API connectivity capabilities, some Yojee clients are also Wisetech enabled, meaning data can flow seamlessly through Yojee’s end-to-end solution and Wisetech point-in-time offerings.

- **Smaller Players – Shippit and Getswift**: There are a variety of smaller players that have entered the space over the last 1-2 decades, however they all generally focus on delivery management software for SME last mile delivery only, rather than cross-border logistics for larger enterprises. They are also limited in their technology capabilities focusing on core demands of last mile logistics such as tracking and routing, rather than AI capabilities for optimising full supply chains.
MANAGEMENT & BOARD

Founded in 2015 by current Managing Director Ed Clarke, Yojee’s Board of Directors, Executive Team, and Advisory Board has a wealth of logistics, technology, and global management experience across ASX, AIM and Nasdaq-listed and unlisted companies. It is important to make particular mention of the depth of experience of Yojee’s Advisory Board, with former and current senior positions held at Atlassian, Adobe, Apple and Altium among other listed technology leaders specialising in areas such as Go-to-Market strategy in the software industry and M&A transactions.

Key People

Board of Directors

<table>
<thead>
<tr>
<th>Member</th>
<th>Holdings (% of Register)</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Morton (Chairman)</td>
<td>Ord. Shares 0.9m (&lt;1%)</td>
<td>Current • Advisor for the Helsinki Foundation in APAC</td>
</tr>
<tr>
<td></td>
<td>Perf Rights -</td>
<td>• Chair of Two Hands – Restaurant Supplier Marketplace</td>
</tr>
<tr>
<td></td>
<td>Options 8.0m</td>
<td>• 40 years’ experience in Managing and Regional Director roles at Westpac and HSBC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 12 years’ of these roles spent within APAC</td>
</tr>
<tr>
<td>Ray Lee (Non-Executive Director)</td>
<td>Ord. Shares 0.2m (&lt;1%)</td>
<td>Current • Managing Director of Portside Solutions</td>
</tr>
<tr>
<td></td>
<td>Perf Rights -</td>
<td>Former • 40 years’ international logistics and shipping experience</td>
</tr>
<tr>
<td></td>
<td>Options 5.0m</td>
<td>• Director of DP World Australia leading Australasian port operations</td>
</tr>
<tr>
<td>Gary Flowers (Non-Executive Director)</td>
<td>Ord. Shares 0.3 (&lt;1%)</td>
<td>Current • Various NED roles including Chairman of NSW Institute of Sport</td>
</tr>
<tr>
<td></td>
<td>Perf Rights -</td>
<td>Former • Managing Partner for leading Australian law firm Sparke Helmore</td>
</tr>
<tr>
<td></td>
<td>Options 4.0m</td>
<td>• Led two successful APAC-based start-ups providing Real-Time communication, Big Data and E-commerce technology</td>
</tr>
<tr>
<td>Ed Clarke (Managing Director)</td>
<td>Ord. Shares -</td>
<td>Former • Experience raising funds in Asia and Silicon Valley</td>
</tr>
<tr>
<td></td>
<td>Perf Rights 16.0m (Figure 12)</td>
<td>• 40 years’ experience in Managing and Regional Director roles at Westpac and HSBC</td>
</tr>
<tr>
<td></td>
<td>Options -</td>
<td>• 12 years’ of these roles spent within APAC</td>
</tr>
</tbody>
</table>

Figure 12: Performance Rights of Director Ed Clarke – to be approved

<table>
<thead>
<tr>
<th>Class</th>
<th>Quantity</th>
<th>Vesting Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>6,000,000</td>
<td>15-trading day volume weighted average price (VWAP) of shares is not less than $0.25</td>
</tr>
<tr>
<td>B</td>
<td>5,000,000</td>
<td>15-trading day VWAP of shares is not less than $0.30</td>
</tr>
<tr>
<td>C</td>
<td>5,000,000</td>
<td>15-trading day VWAP of shares is not less than $0.50</td>
</tr>
</tbody>
</table>

Additional Terms

1. Subject to shareholder approval at the Annual General Meeting (AGM) on the 30th of November 2021
2. Performance Rights will be issued no later than 3 years after the date of the AGM

Source: Yojee - Notice of Annual General Meeting - 25th of Oct 2021
### Key Management Team (in addition to CEO)

<table>
<thead>
<tr>
<th>Member</th>
<th>Background</th>
</tr>
</thead>
</table>
| Ciarán Gunne (CFO)              | Former - 15 years’ experience in investment banking and consulting management positions across Europe and Asia  
|                                | - FCCA qualified                                                           |
| Mark Connell (Exec. VP of Product and Commercials) | Former - 25 years’ of experience in Global Technology and Logistics  
|                                | - Business Development Executive at Wisetech Global and Project Manager at Data Freight |

### Advisory Board

<table>
<thead>
<tr>
<th>Member</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shannon Robinson (Chairperson – Advisory Board)</td>
<td>Current - Corporate lawyer and advisor to ASX and AIM listed and unlisted companies in areas including M&amp;A, strategy, transactions, and general corporate advice</td>
</tr>
</tbody>
</table>
| Lyn Mickleburgh (Advisory Board Member) | Current - Corporate professional and Non-Exec. Director of ASX-listed Altium with deep-experience in SaaS business  
|                                | Former - Senior Exec. roles in US listed companies Atlassian, Adobe Systems and Apple |
| Rob Van Es (Advisory Board Member) | Former - CEO and Senior Exec. roles in global companies Illumio and Refind with significant experience in Go-to-Market strategy in the software industry |
| Graeme Halder (Advisory Board Member) | Former - CFO and Senior Financial roles of AIM and Nasdaq listed and unlisted companies including Nord Anglia Education, Camco International and Command Security |
## Track Record

<table>
<thead>
<tr>
<th>Guidance / PrioritiesFlagged</th>
<th>Performance Summary</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY19</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sign further software clients in SEA</td>
<td>In Q4 alone, 10 new software customer contracts were signed, including project agreement with top 10 forwarder GEODIS and 8 SME’s across 4 countries</td>
<td>HIT</td>
</tr>
<tr>
<td>Self-growth from network effect</td>
<td>Sales and Marketing Contribution vs. Cost of sales and marketing activities tipped to greater than 1:1 – strong health indicator of an early SaaS monthly recurring revenue business</td>
<td>HIT</td>
</tr>
<tr>
<td>No Revenue Guidance</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>FY20</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addition of new key accounts and continued revenue growth</td>
<td>Signed key account with Kuehne+Nagel and more SME’s. Achieved 28.6% revenue growth</td>
<td>HIT</td>
</tr>
<tr>
<td>No Revenue Guidance</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>FY21</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-growth from network effect with enterprise clients</td>
<td>Top 10 Logistics Client signed with Yojee specifically due to their network</td>
<td>HIT</td>
</tr>
<tr>
<td>Maersk’s subsidiary and GEODIS expansion to go live by end of CY21</td>
<td>Achieved these 2 go-lives plus an additional hub go live</td>
<td>HIT</td>
</tr>
<tr>
<td>Develop a deeper and wider presence across APAC</td>
<td>Expanded Kuehne+Nagel contract to an additional 18 countries</td>
<td>HIT</td>
</tr>
<tr>
<td>Volume growth translating to revenue growth</td>
<td>4m deliveries accumulated with 62.6% revenue growth</td>
<td>HIT</td>
</tr>
<tr>
<td>No Revenue Guidance</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>FY22</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased annual transactional volume as hubs roll out</td>
<td>Hub rollout has increased but transactional volume was down in the first quarter by 5.3% on last quarter due to Covid shutting warehouses and networks down in SEA. Total annual volume still expected to grow...</td>
<td>Unclear</td>
</tr>
<tr>
<td>Develop presence beyond APAC</td>
<td>Signed expansion agreement with K+N to expand into a country in Europe</td>
<td>HIT</td>
</tr>
<tr>
<td>Another record year of revenue – No specific guidance</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>FY24</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>126 Hub Rollout by FY2024</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
FINANCIAL ANALYSIS

Outlook Statement

We note the following key outlook metrics that YOJ have presented the market:

1. 3-year operational pathway to rollout **126 logistics hubs by FY24**: 126 hubs is based off a predicted 3 hubs per country per client. i.e. 3 clients operating 3 hubs in each of the 14 countries (average) they operate in, i.e. 3 x 3 x 14 = 126 hubs total in APAC
2. Proven annual hub value of AUD$300k
3. CCZ Assumption of a roll-out hurdle rate of 1 hub per country = ~14-20 hubs for each client before rollout grows exponentially

Hence, our forecasts are driven by this operational rollout of hubs by FY24 with the additional capacity available given further contract expansions recently announced. It is important to note that there is a lag time between hubs rolling out and capturing the complete flow of volume in the region (i.e. becoming fully revenue generating). Thus, whilst our forecasts are in line with Yojee’s 126 hub target by FY24, we have considered the lag time of these hubs to generate complete volumes (and hence revenue) by FY25. In other terms, our forecasts don’t assign the complete ~AUD$300k to new hubs immediately but we expect the hub value to slowly grow and meet that proven value by FY25.

Scenario Considerations

We have developed a bull, base and bear case primarily based on Yojee’s hub rollout and the revenue to follow. Each case is built on a metric of rolled out hubs x hub value:

1. **Bear Case**: Slower more linear rollout than expected meeting the 126 hub target later than expected. Also assumes volume transitioning and therefore revenue through hubs will accumulate more slowly.
2. **Base Case**: As per Outlook Statement above – slow rollout till ~14-20 hub hurdle rate than exponential rollout and hub value to rise accordingly.
3. **Bull Case**: Growth in country expansion in Europe following a similar growth rate to APAC in FY24 and beyond, whilst also including a rising value per hub as additional SaaS components are added to subscriptions.

Figure 13: Scenario Hub Rollout Forecasts (Semi-Annual)

Source: Company Data, CCZ Analysis
Figure 14: Scenario Revenue Forecasts ($m) (Semi-Annual)

Source: Company Data, CCZ Analysis

Hub Rollout, Group Revenue & Gross Margins

Figure 15: Forecasted Hub Rollout and Group Revenue ($m) (Semi-Annual)

Source: Company Data, CCZ Analysis
Figure 16: Forecasted Group Revenue (§m) and Gross Margin (%)

Source: Company Data, CCZ Analysis

- **Historical Data:** Yojee had been delivering low levels of revenue since 2017 sourced from Singapore-based operations on a small last mile delivery service, which was primarily a test-bed for their now enterprise-grade software.

- **Forecast Assumption:** In line with our Hub roll-out forecasts in Figure 15, we have forecasted the relative delay in revenue as hub’s slowly accumulate drivers and volume through the software. Our estimates see the hub rollout goal of 126 hubs being achieved by FY24, and correlated revenue (§300k x 126 hubs) of ~§37.8m to be surpassed by FY25. Akin to Software-as-a-Service business’, we anticipate a significant lift in gross margins throughout our forecast horizon to reach 85%+ margins by 2026. It must also be noted we have not included the considerable upside risk of expansion into Europe, Yojee Labs commercialisation and SME business growth in our forecasts.

Group EBITDA & EBITDA Margins

Figure 17: Forecasted Group EBITDA (§m) and EBITDA Margins (%)

Source: Company Data, CCZ Analysis

- **Historical Data:** Yojee’s operational expenditure has been historically driven by staffing costs, particularly for software engineering. This has grown as SME contracts developed pre-FY21 as well as significant expenditure around the development of Yojee’s Dispatch Software version 2 for enterprise contracts that begun in FY21. Operating expenditure has historically fluctuated as a result of currency related losses and share-based payment expenses.

- **Forecast Assumption:** As contracts are rolled out, and hubs need additional support and updates, we expect employee and additional professional fees to grow steadily in FY22 at 15% and 5% respectively, which will taper off as contracts mature and will be considerably outpaced by the high margin rollout. We must note that currency related costs and share-based expenses from the exercising of staffing options cannot be reasonably forecasted and have therefore been assumed nil.
Capitalisation of Expenses

Figure 18: Forecasted Total Staffing Costs and Capitalisation (%)

- **Historical Data:** Yojee have historically capitalised around ~40% of staffing expenses associated with software development.

- **Forecast Assumption:** We have assumed this rate to continue on a total staffing cost base growing around 15% in FY22 and tapering down each year afterwards. We have also forecasted capitalisation to reduce in FY25 in line with their current contracts and Yojee’s overall business maturing.

Figure 19: Forecasted Total Capital Expenditure ($m) and Capex/Revenue (%)

- **Forecast Assumption:** Yojee have historically, and will continue to, invest in growth primarily via intangible capex (staffing costs) for software development detailed specifically in Figure 18. As the company scales their operations over the coming years, we expect this to grow on an absolute basis, but as a % of revenue this will decline.
Working Capital Management

**Figure 20: Forecasted Working Capital ($AUD'm)**

- **Forecast Assumption:** As the company scales up, Yojee will have stronger cashflows and greater working capital commitments that we expect to be effectively managed, in turn generating positive net working capital.

Operating Cash Flow

**Figure 21: Forecasted Operating Cashflow & Trendline**

- **Forecast Assumption:** Similarly, as operations scale, we expect stronger operating cash flows given the hub rollouts maturing.
VALUATION & RISKS

Valuation

We have valued YOJ based on a 5-year discounted cash flow model using only our forecasted cashflows to be generated under Yojee’s current statement of work signings. The tables below summarise our forecasted DCF valuation for YOJ, including a bear, base and bull case valuation scenario derived from the details in Figure 13 and 14, and all under the same hurdle rate and terminal growth rates included in the base case.

Base Case

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<tr>
<th></th>
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<td>Hurdle Rate [%]</td>
<td>15.0%</td>
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<td>Terminal Growth [%]</td>
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<td>FCF @ Year-N [AUD’m]</td>
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<td>970.5</td>
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<td>597.4</td>
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Bear Case Scenario

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<td>Valuation [AUD/share]</td>
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Bull Case Scenario

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<td>Free Cash Flow [AUD’m]</td>
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<td>(4.3)</td>
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## Risks

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<th>Likelihood</th>
<th>Future Impact</th>
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<tr>
<td>Supply-chain disruptions</td>
<td>Covid-19 induced lockdowns caused complete closures on warehouses and logistics routes in SEA significantly reducing transaction volumes on YOJ’s platform. Whilst this has since improved, we are cognisant this may arise again.</td>
<td>Downside</td>
<td>Medium</td>
<td>High</td>
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<td>Slow technology adoption</td>
<td>Introducing new software to a traditionally manual industry has proved difficult in the past, and that inertia risk needs consideration.</td>
<td>Downside</td>
<td>Low</td>
<td>Medium</td>
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<td>European Expansion</td>
<td>Whilst the recent expansion into 1 European country has been included in forecasts, the possibility of expanding further in Europe generating similar exponential earnings to APAC has not been included.</td>
<td>Upside</td>
<td>High</td>
<td>High</td>
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<td>Warehouse IoT</td>
<td>Yojee’s R&amp;D project, ‘Yojee Labs’, focused on developing Warehouse IoT amongst other value-adding services, has the potential to generate additional upside to client hub earnings.</td>
<td>Upside</td>
<td>High</td>
<td>Medium</td>
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<td>SME Business Growth</td>
<td>Yojee’s current focus is on global enterprise clients, however Yojee have mentioned the SME market is a significantly large future opportunity for them to capitalise on.</td>
<td>Upside</td>
<td>Medium</td>
<td>High</td>
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