

Investor FAQ - About the Business

1. How did this opportunity arise in such a competitive sector?

- The emergence of mobile technology (first iPhone released in June 2007) has enabled functionality at the edge which just wasn't possible before
- The rise of Amazon and the increased customer expectations it created
- This pressured the major enterprises to change in order to compete/survive
- The old way of doing business using Excel spreadsheets with zero visibility across the supply chain is simply no longer good enough (and customer expectations are only increasing and will continue to do so)

2. Don't large enterprises simply write their own software?

- Software development is not a core function of these enterprises so it carries many challenges and risks, when a solution like Yojee's is available off-the-shelf. You will see below when we talk about "generational change" why enterprises have chosen to outsource their software development, as the consequences of being blind-sided can be catastrophic in a highly competitive industry.
- There is enormous technical risk in developing software from scratch even when it is a core business function and more so when not.. Perhaps the best example is the DHL/IBM collaboration which, after a few years of development, resulted in DHL scrapping the system in 2015 before it was completed and writing off EUR345m in the process (not to mention the enormous opportunity cost as well).
- Anecdotally, Yojee is aware of numerous attempts by companies to write their own software systems that were discontinued due to budget blow-outs and limited likelihood of success
- Yojee is able to efficiently customize its software to meet an enterprise's specific requirements (should the need arise)

3. So how did Yojee get 4 of the top 10 global enterprises in the sector as customers from under the noses of the incumbent software providers?

- There are a number of reasons, but perhaps the most important is that the legacy platforms/systems that the incumbents' software is built on, is simply not capable of efficiently handling the mobile technology that is ubiquitous in business/society today
- When these platforms were built in the 1990's and early 2000's, nobody envisaged the mobile revolution that has occurred during the last decade (and continues today), so they are a compromise solution at best
- Yojee uses the Elixir platform which is purpose-built for mobile technology so the legacy systems simply cannot compete
- The incumbents would need a re-build of their systems on a new platform in order to challenge Yojee's now embedded position, and there are a number of risks associated with such a strategy, the two most important being:
 - Technical risk - there is no guarantee that it will be as good as Yojee's technology, if it works at all

- Timing - enterprises need a solution “NOW” and cannot afford to wait whilst their competitors reap efficiency gains and grow market share

4. You talk about “Generational Change”, “Embedded” and “Incumbency” - why are these important?

“Generational Change”

- A “generation” is generally defined as a period between 20 and 30 years, so generational change is a rare event whose consequences are impactful and far-reaching.
- Like the introduction of sea containers in the 1950’s, generational change is highly disruptive to the status quo and impacts every participant in the sector
- The ubiquity of mobile technology has enabled Yojee to create software that generates measured operating efficiencies of 30%+ (compared with the legacy systems) and significantly increased customer satisfaction. These sorts of changes are disruptive (to any industry let alone the largest industry sector accounting for 12% of global GDP) and cannot be ignored.
- For global shipping companies, it creates opportunities that were beyond their reach before. Using the Yojee technology, they are able to handle the “end-to-end” requirements of their customers, dramatically increasing their TAM.
- In the highly competitive industry of global logistics, enterprises simply have no choice but to adopt the new way of doing business or lose out to their competitors. It really is as simple as that. The sector is undergoing a transformation. This is “generational change”.

“Embedded”

- Yojee’s software goes to the very core of the enterprise’s business and how it deals with its customers, contractors and sub-contractors. It is all encompassing from the manufacturer’s factory gate through to the last-mile final delivery. It covers quotations, orders, invoicing, proof of delivery etc so the enterprise’s business procedures are built around this software.
- As mentioned, the software is the basis on which the enterprise deals with its customers, contractors and sub-contractors, so it is embedded in their systems as well (a simple process by the way)
- All of this means that any decision to use Yojee’s software is not taken lightly, as its impact on the enterprise’s business is far-reaching (something Yojee is acutely aware of and pays the utmost importance to meeting/exceeding the requirements of its customers)
- Similarly, any decision to cease using the software is equally far-reaching which is why Yojee views its arrangements with its customers as long-term, mutually beneficial relationships.

"Incumbency"

- The power of incumbency is well-known, significant and should never be underestimated
- Organisational change is highly disruptive and even more so when the change involves the very core of the business and its interactions with its other stakeholders
- As demonstrated above, it takes something disruptive to remove an incumbent. At the most basic level, the logistics industry has been using excel spreadsheets (the industry standard incumbent) for their scheduling for the past 30+ years and it took a generational change event to disrupt this.
- Yojee, as the incumbent but respecting what this entails, is in the prime position to reap the benefits of this for an extended period of time

5. If "Generational Change", "Embedded" and "Incumbency" are so important, what is Yojee doing in relation to these?

- In order to provide the best possible solution to its customers and to guard against being blind-sided by new technology, Yojee has created "Yojee Labs", with the sole purpose of creating cutting-edge solutions for its customers.
- As IoT becomes increasingly embedded in the global supply chain, Yojee Labs will play an increasingly important role in future-proofing the company's technology
- By doing this, Yojee is demonstrating that it does not take its position of incumbency for granted and looks to lead with its solutions and not follow.

6. This all sounds good so far, but what is the size of the prize at the end...the TAM if you will?

- If you refer to slides 14 to 16 in the July 2021 Investor deck, you will get a sense of the prize Yojee is chasing. There are some eye-popping numbers which you would expect from the sector that generates 12% of global GDP.
- However, another way to look at this is to look at the average amount spent by companies in this sector, as a percentage of revenue (<https://www.flexera.com/blog/technology-value-optimization/it-spending-by-industry/>)
- Annual combined revenue of our existing enterprise customers is US\$140bn
- Average IT spend for global Transportation and Logistics Industry is 5.3% of annual revenue (US\$7.42bn for our TAM)
- K+N, Maersk, Geodis and CEVA are all in the process of making transformational (generational) change using Yojee's software which implies:
 - The average of 5.3% is at least reasonable for them
 - Yojee should be in line for its fair share of any IT spend by its enterprise customers
 - Yojee actually adds 30%+ efficiencies against key operating metrics so it is arguably a "negative" cost, in that it more than pays for itself.

7. So what is Yojee's revenue potential for all of this?

Basis of Revenue - a combination of:

- SaaS revenue for our platform; and
- Transactional revenue - the company additionally charges each time an item is handled in the supply chain:
 - From factory gate to customer's door
 - From shipping containers to pallets to last mile [with multiple touch points per item]

Quantum of Revenue

- Refer 4 above remembering that the sector Yojee operates in is responsible for 12% of global GDP and it currently has 4 of the top 10 global enterprises in that sector as customers, providing access to an enormous operational footprint.

Timing of Revenue

- This is dependent upon the roll-out, which is customer driven of course, but if a customer is deriving a 30%+ efficiency gain against key operating metrics, with improved satisfaction from their customers, surely they will want the roll-out to proceed as expeditiously as possible.

Duration of Revenue

- As the software is embedded into the customer's operating system as a "generational" change [something that happens every 20-30 years], history says that it will be used over the medium to long term. Enterprise companies simply do not change their operating systems on a regular basis as outlined above.

"Big Data" Revenue (future)

- The embedded nature of Yojee's software means that it inherently captures an enormous amount of data.
- We all understand the value that today's world places on data and this may prove to be a very lucrative source of revenue for the company at some point in the future. In the meantime, the data bank continues to grow.

8. Revenue is great, but what about your margins?

- As a pure software play, the direct operating margins are 90%+, with the only direct expenses being a negligible charge for server time and tech support [latter unlikely to be required in normal circumstances]

9. We hear a lot about ESG and recognize its importance, so what is Yojee doing in this area?

- One of the key motivations for creating Yojee was a strongly-held belief by the founders that there had to be a better, more environmentally-friendly way for the world's largest industry sector to operate, utilizing today's technology.
- Fast-forward a few years and the resultant product has probably exceeded those initial ambitions. Being able to generate operating efficiencies of 30%+ that are real and measurable, is a source of great pride for the company. Put another way, being able to make the same number of

deliveries with 30% less vehicles on the road (less fuel, maintenance, congestion etc) can only be good for the environment.

- We are also seeing a very large focus on environmental aspects of supply chains being driven by consumers wanting to understand and minimize their CO2 footprint in their purchasing decisions and by industry wanting to reduce their impact on the environment.
- The supply chain sector itself competes for business, not just on price, but now also by considering how to ship goods with the lowest CO2 footprint.
- Put simply, this means that the CO2 transportation footprint of goods moving through supply chains need to be tracked, routes optimized and paper removed through electronic delivery receipt signatures. Yojee's platform has the power to do this.

10. Finally then, so what does the future hold for Yojee?

- Continue the roll-out of our technology to our existing enterprise customers across the APAC region where we have existing contracts
- Continued expansion of that roll-out outside of the APAC region (on 27 October 2021 Yojee announced the signing of the first agreement covering a country in Europe) to include the global operations of our enterprise customers footprints (which equates to 140 countries based on the operations of our existing enterprise customers). This makes sense for a number of reasons:
 - As an end-to-end solution, it makes operational sense to use the same software across the entire supply chain and this brings into play the power of the network effect - the more operators using our platform, the stronger its value e.g. visibility through the supply chain
 - We generate operational efficiencies of 30%+ so it makes economic sense to use it across the global business
- With the establishment of Yojee Labs, we will look to provide additional services/products to our enterprise customers, with the outcomes being:
 - Additional sources of revenue for the company
 - Further embed us in the operations of our enterprise customers (our aim is to be the go-to provider of software development for our enterprise customers)
 - Protecting us (and our customers) against being blind-sided by new technology
- Bring additional enterprise customers into the Yojee family.
- The overarching vision is to build a truly integrated "global logistics infrastructure" for which the company has strong tail-winds and no foreseeable obstacles.