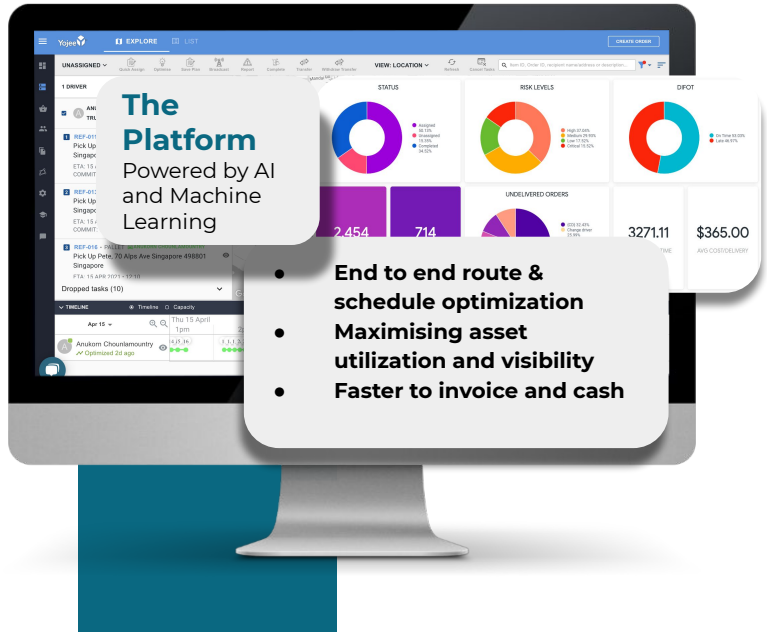


# SEE THE WORLD FLOW

YOJEE LIMITED  
ANNUAL REPORT 2021



# CONTENT



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Leadership In Numbers



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Chairman's Letter



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Managing Director's Report



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# LEADERSHIP IN NUMBERS

4

GLOBAL ENTERPRISE LEADERS  
CONTRACTED

100+

LEADING TRUCKING COMPANIES  
NETWORK

126

EMBEDDED LOGISTICS HUBS  
GROWTH PATHWAY

12%

LOGISTICS MARKET TAM AS A  
PERCENTAGE OF GLOBAL GDP<sup>1</sup>

<sup>1</sup> Armstrong & Associates Global 3PL Market Size Estimates, 2019 Logistics Cost, March 2020

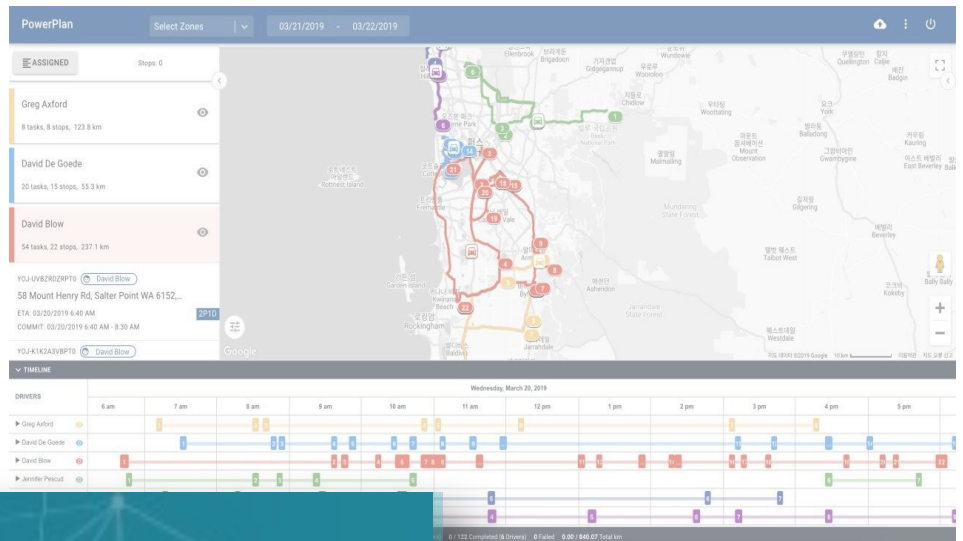




# ABOUT YOJEE

Yojee is 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 accessible to all players whilst seeking to reduce carbon emissions for a greener planet.

Rarely is a single carrier servicing an entire goods journey from sender to end customer, or exclusively using one type of transportation method. Yojee provides connectivity and more efficient planning along the entire journey. Yojee's customers are predominantly third-party logistics providers (3PL) and logistics companies (2PL) who benefit from powerful APIs, visibility, accountability and control.



# WHAT WE DO

***Through technology, we provide our customers with more Visibility, Accountability, and Control across their Supply Chain.***



**Dear Shareholders,**

It is my pleasure as Chairman to present the Yojee 2021 Annual Report.

**A transformational year in a challenging environment.**

Despite hopes that Covid-19 would be a passing phase the emergence of new more infectious variants and waves of lockdowns has made the marketplace more volatile and changed the way we work.

In that context, the board is delighted with the progress Yojee has made in the past 12 months.

The enterprise strategy has worked with 4 strong enterprise customers (including Ceva Logistics post period end) rolling out the Yojee platform steadily across Asia Pacific and for the first time a quantitative value estimate has been placed on the revenue potential of each hub.

A successful capital raising at 20c was completed and those funds are being used judiciously to speed up integrations, deepen bench strength in development and support a comprehensive platform development roadmap.

Revenue has increased by 63% in 2021 and we are budgeting for this to continue to grow at double digit rates throughout 2022. An exciting suite of platform enhancements is in beta testing and is scheduled for wider rollout throughout 2022 giving us additional revenue streams from existing customers. In addition discussions are well advanced to add to the enterprise customer base as well as growth in the SME space.

The environmental benefit that Yojee can deliver via carbon emission reductions due to route optimisation, delivery efficiency and load maximisation is becoming better recognised and we are delighted to be making a contribution to making this a greener, cleaner planet.

Our executive team, well led by CEO Ed Clarke has done an amazing job over the past 12 months and is well set for the year to come.

We believe that our 2021 goals were achieved and that the company is well set to continue to grow significantly. We look forward to delivering an even better set of results in 2022.

Sincerely,  
David Morton  
Non-Executive Chairman

**CHAIRMAN'S LETTER**

**Mr David Morton  
Non Executive Chairman**



# MANAGING DIRECTOR'S REPORT

Mr Ed Clarke

Dear Shareholders,

## Solving big problems, delighting customers and laying the foundations of long term growth

Our SaaS Company has experienced incredible growth and monumental agreements over the last year. Solving the biggest problems and making our customers delighted is at the heart of Yojee's success, which we believe will continue to be our competitive advantage in the future and help us grow even faster.

A suite of platform enhancements is currently being beta tested with plans for wider rollout throughout 2022 giving us additional revenue streams from new and existing customers. In addition, discussions are well advanced to add to our enterprise customer base as well as growth in the SME space. This level of innovation and expansion represents an exciting opportunity for investors looking for capital appreciation!

- Less carbon emissions = less fuel burned = profit
- More profit and great service to customers = expansion
- Expansion agreements and fewer vehicles on the road and in our cities = a company with a strong value proposition and significant purpose.

At Yojee, we believe that our purpose extends beyond the creation of a company with a strong value proposition attracting great customers and contributing to significant impact of more efficient supply chains. It's about creating an environment where employees are driven to perform their best work because they know it will make the world a better place. We want all organizations to have teams who feel empowered in their job, and we know that the more empowered and happier the team, the better service it will provide to its clients. That's why software that makes life better matters to everyone including the delivery driver, and why we can establish significant value rapidly.

Thanks to our reputation and purpose, this year we have been able to attract some of the best talent in the market – after sorting through huge numbers of applications – to work for us. We've found that people are seeking opportunities with us just because they know how our culture, technology and their skill will create something amazing.

This is reflected and supported by the fact we almost doubled our revenue this year and we are projecting a long growth period due to the state of the industry we support, and our approach to digitisation.



# MANAGING DIRECTOR'S REPORT

The logistics industry is becoming increasingly competitive, and that has caused many companies to wonder how they can stay ahead of the competition. As a result, businesses aren't settling for less - if one company doesn't provide visibility or on-time deliveries to their customers then another company will step in without hesitation. Currently, 4 of the world's biggest logistics companies are with us for that advantage, and to onboard those customers seeking something better.

The logistics industry as a whole is 12% of global GDP, and it's always going to be needed for other industries to run smoothly, which is highlighted through this Covid-19 period. Whilst this has been a difficult period in many ways, it has highlighted the importance of robust, agile and reliable supply chains.

A frustration for some has been the adoption curve of global leaders. There is no week one magic bullet, just a pattern that people naturally follow from innovators to early adopters to the late majority which is the same whether you sell to consumers, small businesses or global enterprises. In fact, larger companies invest more in getting ahead of the market, so we are comfortable with where we are, and the expansions and more rapid deployments are already visible.

We fast track the curve by implementing designs and workflows that are already familiar to employees and customers, just much easier and better. This can be accomplished by making subtle changes to the interface, or it can be more drastic such as rethinking how a process works and using different flows. Either way, we have built significant IP and continue to develop methods and remove barriers to adoption. With over 4 million deliveries under our belt already, we are over the hump but only just getting started.

We are passionate about our Yojee platform and work to provide the mum and dad business and the largest enterprises on the planet with a technology solution that will propel them to greater success.

With both existing customers and prospective clients eagerly working to come online, we anticipate exponential growth for many years to come and can't wait to take our product to the world, or at least the 140 countries our customers work in!

Sincerely,  
Ed Clarke  
Co-founder and Managing Director



# TECHNOLOGY AND PRODUCT

Over 4,700 individual platform and product upgrades



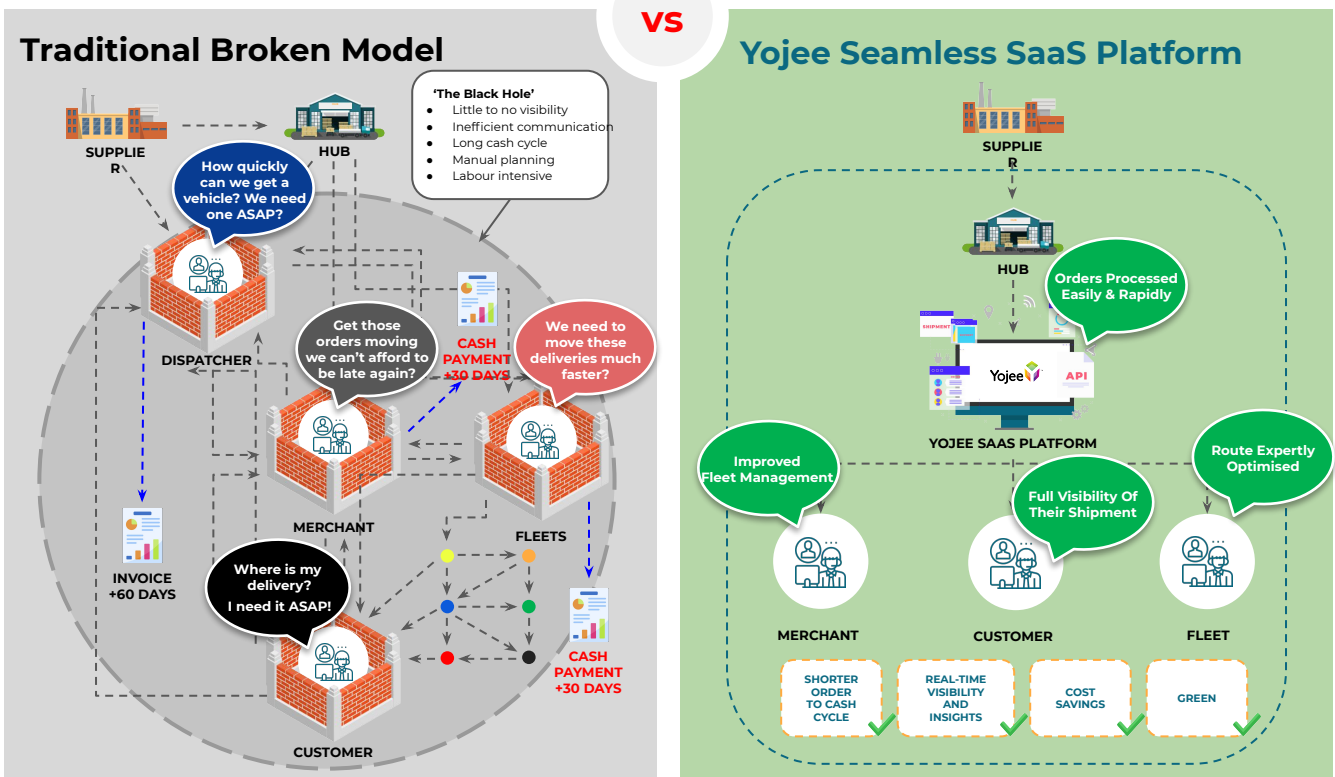
Over 450 APIs



## Technology Report

### Scalability & Agile Implementations

During the 2021 Financial Year the company has continued to implement its platform around the region and stress test under scale, with very pleasing results. The platform, based on Elixir technology has continued to add industry leading functionality and capabilities along with further defining an exciting roadmap of enhancements ahead.



EASY TO USE, FAST TO DEPLOY, AND GREAT FOR POWERING GROWTH






# Addressable Market Verticals

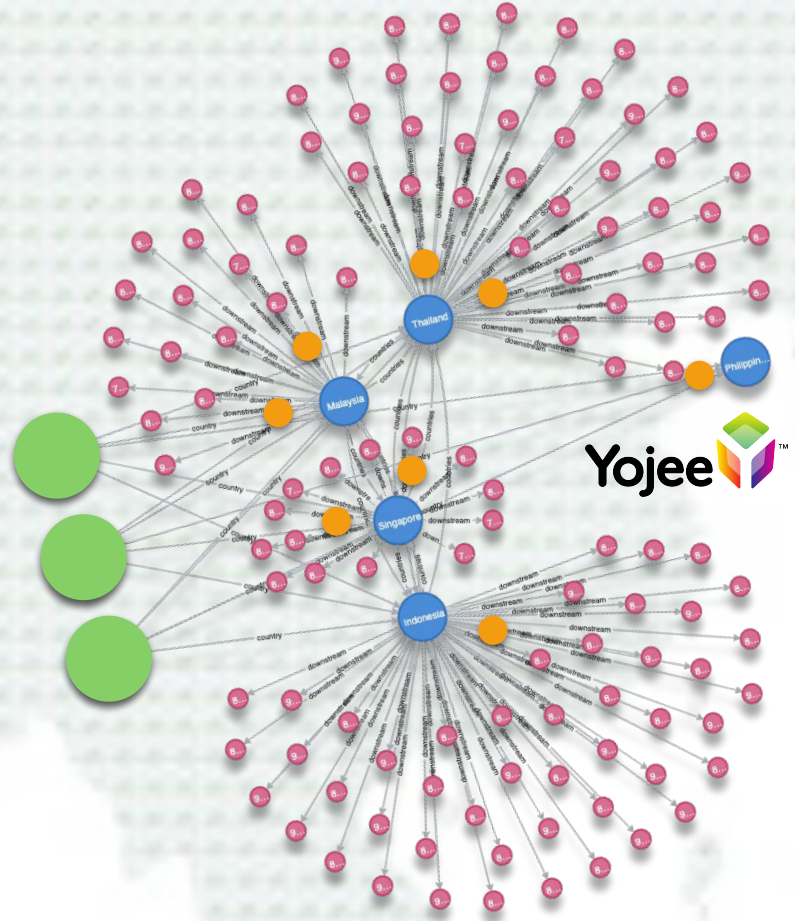
Yojee is uniquely positioned to capture the global logistics market, which accounts for 12% of global GDP and is uniquely positioned to make complex processes simple

	Current Problem	How We Solve It?
 <p>e-Commerce, First Mile &amp; Last Mile \$580 bn mkt</p>	<ul style="list-style-type: none"> <li>• Visibility for the client with ETA delivery updates - notifications</li> <li>• Optimised planning of fleet to meet delivery time slots</li> <li>• Track and trace of delivery and epods</li> </ul>	<ul style="list-style-type: none"> <li>→ Maximise cost benefits when choosing delivery partners</li> <li>→ Maximise delivery density with optimisation</li> <li>→ Provide a streamlined customer experience</li> </ul>
 <p>3PL - Distribution \$1,216 bn mkt</p>		
 <p>Forwarding \$254 bn mkt</p>	<ul style="list-style-type: none"> <li>• Delivery execution tool to maximum SLA performance</li> <li>• Optimise your load density and route planning</li> <li>• Capture delivery costs and streamline invoicing</li> </ul>	<ul style="list-style-type: none"> <li>→ Flexible booking and payment options for clients</li> <li>→ Manage delivery partnerships with an aligned data management process decreasing the cost of service</li> <li>→ Flexible mobility capabilities to capture and generate costs and proof of delivery</li> </ul>
 <p>Haulage \$3,891 bn mkt</p>		
 <p>Contract Logistics \$440 bn mkt</p>	<ul style="list-style-type: none"> <li>• Optimised planning and fleet utilisation</li> <li>• Minimising administration for client billing and delivery partner payments</li> <li>• Cost management visibility when choosing carrier delivery options</li> </ul>	<ul style="list-style-type: none"> <li>→ Maximise cost benefits when choosing delivery partners</li> <li>→ Maximise delivery density with optimisation</li> <li>→ Provide a streamlined customer experience</li> </ul>
 <p>4PL \$56 bn mkt</p>		



# YOJEE'S GROWING NETWORK EFFECT

-  Enterprise Client
-  Country
-  Hub
-  Subcontractor Network



## Global Enterprises



**Multiple global leaders as clients**



**126 Hubs Logistics Embedded Growth Pathway**

(Yojee Platform currently lives in 6 hubs live with existing Enterprise Clients, 2 undergoing implementation)



**\$100b revenue of our clients' directly addressable through Yojee's solutions**



# GREEN AND SOCIALLY RESPONSIBLE



## CO2

89% Increase in delivery efficiency & 30% reduction in distance travelled

## STOP

Child Labor Supporting control of responsible supply chains

## GROW

Green strategies improve top line and align with cost savings

Yojee exists to **see the world flow**. We set out to create the most efficient land transport networks, from end to end. We are committed to creating world leading technology and supporting our customers in:

- Reducing CO2 Emissions
- Making smarter cost versus environment decisions
- Reducing paper and waste
- Supporting responsible supply chains
- Preventing child labour

We aim to see our rivers flow and green along our highways carrying freight optimised by Yojee Technology.

## PEOPLE AND CULTURE



FOCUS



EXCELLENCE



COURAGE



FUN

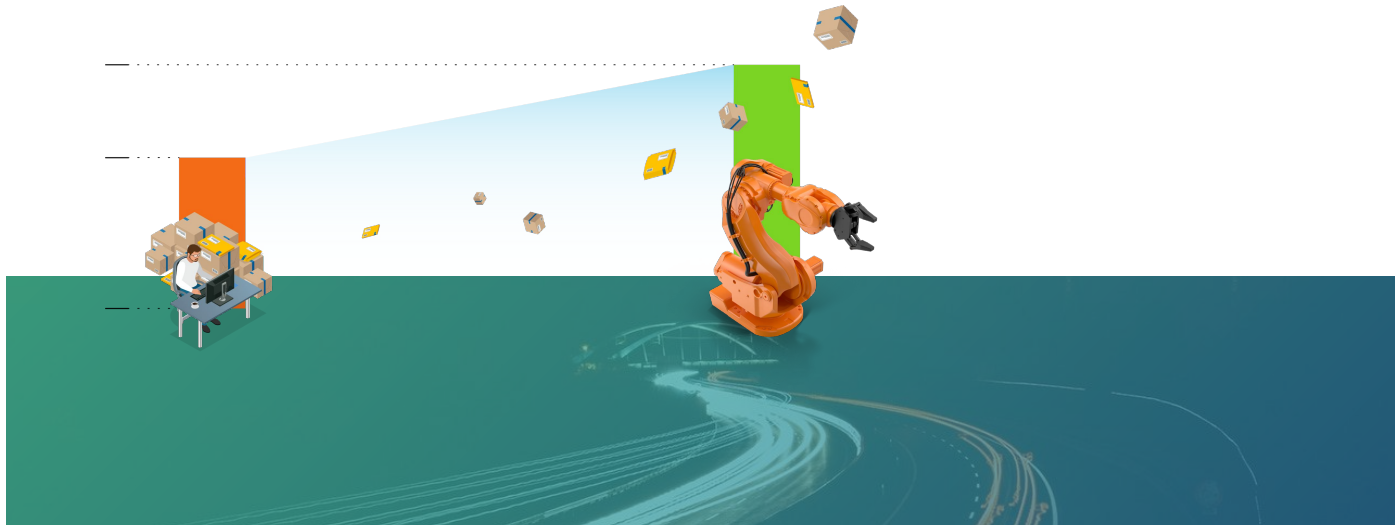
### A MOTIVATED, ENGAGED AND TALENTED TEAM

**A unique blend of logistics experience, technology leadership and hunger for success makes Yojee special.**

Yojee invests heavily in people and culture, with a comprehensive engagement, feedback, review and reward framework. With staff across the world, the company provides continuous measurable engagement programs and seeks to be a first choice employer across markets.

Additionally, the company has enhanced its management team, strengthened its board and established an advisory board to support both management and staff.





# FINANCIAL STATEMENTS



**APPENDIX 4E**  
**Preliminary final annual report for the year ended 30 June 2021**

**Results for announcement to the market for the year ended 30 June 2021.**

Against previous corresponding period 30 June 2020.

				<b>30 June 2021</b>
				<b>\$'000</b>
Revenues from ordinary activities	UP	59%	to	1,306
(Loss) after tax attributable to members	DOWN	-83%	to	(11,306)
(Loss) for the period attributable to members	DOWN	-83%	to	(11,306)
				<b>30 June 2021</b>
				<b>30 June 2020</b>
				<b>Cents</b>
<b>Net Tangible Assets per security</b>				<b>1.608</b>
				<b>0.395</b>

<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL
Record date for determining entitlements to the dividend.	No dividends are proposed	

**AUDIT**

- The financial statements have been audited and an unmodified opinion has been issued.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME WITH NOTES TO THE STATEMENT**

- Consolidated Statement of Profit or Loss and Other Comprehensive Income and Notes to the consolidated financial statements.

**STATEMENT OF FINANCIAL POSITION WITH NOTES TO THE STATEMENT**

- Consolidated Statement of Financial Position and Notes to the consolidated financial statements.

**STATEMENT OF CASH FLOWS WITH NOTES TO THE STATEMENT**

- Consolidated Statement of Cash Flows and Notes to the consolidated financial statements.

**STATEMENT OF CHANGES IN EQUITY WITH NOTES TO THE STATEMENT**

- Consolidated Statement of Changes in Equity and Notes to the consolidated financial statements.

**DETAILS OF ASSOCIATES AND JOINT VENTURES**

- Not applicable.

**ATTACHMENTS**

- Accompanying this Appendix 4E is the full final audited Annual Report of Yojee Limited for the year ended 30 June 2021. This Appendix 4E should be read in conjunction with the Annual Report, which is lodged contemporaneously with this document. All documents comprise the information required by Listing Rule 4.3A.

ED Clarke

**Managing Director**

**Reporting Period: 30 June 2021**

- ENDS -



ABN: 52 143 416 531

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

David Morton  
Chairman

Ed Clarke  
Managing Director

Ray Lee  
Non-Executive Director

Gary Flowers  
Non-Executive Director

### COMPANY SECRETARY

Sonu Cheema

### REGISTERED OFFICE

Suite 9 330 Churchill Ave  
SUBIACO WA 6008

Telephone: (+61) 08 6489 1600  
Facsimile: (+61) 08 6489 1601

[www.yojee.com](http://www.yojee.com)

### LAWYERS

**Edward Mac Scovell**  
Level 7, AMP Building  
140 St Georges Terrace  
PERTH WA 6000

### AUDITOR

**Grant Thornton Audit Pty Ltd**  
Collins Square, Tower 5  
727 Collins Street  
MELBOURNE VIC 3008

### SHARE REGISTRY

**Computershare Investor Services Pty Limited**  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

### STOCK EXCHANGE LISTING

**Australian Securities Exchange (ASX)**  
ASX Code: YOJ

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## DIRECTORS' REPORT

The Directors of Yojee Limited (the "Company") and its subsidiaries (collectively, the "Group" or "Yojee") submit herewith their report and the consolidated financial statements of the Group for the financial year ended 30 June 2021. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

### DIRECTORS

The names and details of the Company's Directors at any time during or since the end of the financial year are outlined below. Unless otherwise disclosed, all Directors held their office from 1 July 2020 until the date of this report.

Mr David Morton – Chairman (Appointed 3 March 2020)

Mr Morton is an experienced Corporate Banker with a successful career spanning 40 years at Westpac and HSBC with a focus in the APAC region. He recently returned to Australia after 12 years working in Asia (Vietnam, Malaysia, Hong Kong) in a number of Pan-Asian roles including Managing Director, Head of Corporate, Financials and Multinationals Banking, Asia-Pacific. Mr Morton is a Graduate of the Australian Institute of Company Directors (GAICD), and holds a Business Studies degree (Accounting) from Victoria University. He also attended the Advanced Management program at Insead in Fontainebleu, France. An experienced senior banking executive, Mr Morton brings strong, authentic leadership skills across a wide range of businesses, cultures and geographies. He has a very strong track record in both building and restructuring businesses to cope with high growth environments. Mr Morton is an independent Director.

Mr Edward Clarke – Managing Director (Appointed 26 May 2016)

Mr Clarke is an experienced technology entrepreneur with a background in taking innovative technology platforms to market in areas such as real-time communication, big data marketing and e-commerce. As Vice President of Sales for Temasys Communications Pte Ltd, Mr Clarke was part of a team that IBM recognised as a "Top 5 global start-up to watch in 2014". More recently, Mr Clarke has been working as Vice President of Sales and Marketing with Silicon Valley and Asia venture capitalist backed marketing technology platform Ematic which now has over 200 of South East Asia's leading e-commerce retailers as clients. Mr Clarke is a non-independent Director.

Mr Ray Lee – Non-Executive Director (Appointed 3 March 2020)

Mr Lee is a well-respected port development, port management and operations executive, with over forty years international industry experience. He established Portside Solutions in 2007 and has successfully consulted on significant projects for global companies including and currently, APM Terminals and DP World Australia. Portside Solutions has been engaged in examining pit to port solutions for multiple mining companies throughout Africa, South America and Australia. With offices in Dubai, Canada and Australia, Portside Solutions delivers a broad portfolio of services globally. Mr Lee is an independent Director.

Mr Gary Flowers – Non-Executive Director (Appointed 1 May 2019)

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



Mr Sonu Cheema – Company Secretary (Appointed 26 May 2016)

Mr Cheema holds the position of Accountant and Company Secretary for Cicero Group Pty Ltd with experience working with public and private companies in Australia and abroad. Roles and responsibilities conducted by Mr Cheema include completion and preparation of management & ASX financial reports, investor relations, Initial Public Offer (IPO), mergers & acquisitions, management of capital raising activities and auditor liaison. Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a CPA member.

## **PRINCIPAL ACTIVITIES**

Yojee is a cloud-based Software-as-a-Service (“SaaS”) logistics platform that seamlessly and uniquely manages, tracks and optimises freight movements along the entire logistics chain, from sender to end customer, across borders and between logistics providers (land, sea, air), with subcontractors and for multi-leg journeys. Rarely is a single carrier servicing an entire goods journey from sender to end customer, or exclusively using one type of transportation method. Yojee provides connectivity and more efficient planning along the entire journey. Yojee's customers are predominantly third-party logistics providers (3PL) and logistics companies (2PL) who benefit from powerful APIs, visibility, accountability and control.

## **EVENTS SUBSEQUENT TO REPORTING DATE**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

## **DIVIDENDS**

No dividend has been declared or paid since the incorporation of the Group on 30 April 2010 and the Directors do not recommend the payment of any dividend in respect of the financial year ended 30 June 2021.

## SHARE OPTIONS

Options over ordinary shares of Yojee Limited at the date of this report are as follows:

Item	Opening Balance	Exercise Price of Options	Options Cancelled/ Expired	Exercised	Granted	Closing Balance	Expiry Date of Options
Unlisted Options	17,000,000	\$0.020	-	(17,000,000)	-	-	27 May 2021
Unlisted Options	13,000,000	\$0.070	(13,000,000)	-	-	-	27 May 2021
Unlisted Options	2,500,000	\$0.200	(1,500,000)	(1,000,000)	-	-	29 Dec 2020
Unlisted Options <sup>1</sup>	1,000,000	\$0.100	-	-	-	1,000,000	1 Apr 2023
Unlisted Options <sup>2</sup>	1,000,000	\$0.150	-	-	-	1,000,000	1 Apr 2024
Unlisted Options <sup>3</sup>	1,500,000	\$0.100	-	-	-	1,500,000	20 Dec 2022
Unlisted Options <sup>4</sup>	1,500,000	\$0.150	-	-	-	1,500,000	20 Dec 2022
Unlisted Options <sup>5</sup>	10,000,000	\$0.075	-	-	-	10,000,000	18 Aug 2021
Unlisted Options <sup>6</sup>	5,000,000	\$0.075	-	(2,500,000)	-	2,500,000	18 Feb 2023
Unlisted Options <sup>7</sup>	-	\$0.080	-	-	9,000,000	9,000,000	27 Nov 2023
Unlisted Options <sup>8</sup>	-	\$0.070	-	-	5,000,000	5,000,000	27 Nov 2023
Unlisted Options <sup>9</sup>	-	\$0.100	-	-	2,500,000	2,500,000	5 Aug 2024
Unlisted Options <sup>10</sup>	-	\$0.150	-	-	2,500,000	2,500,000	5 Aug 2024
	<b>52,500,000</b>		<b>(14,500,000)</b>	<b>(20,500,000)</b>	<b>19,000,000</b>	<b>36,500,000</b>	

<sup>1</sup> 1,000,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 1 April 2023).

<sup>2</sup> 1,000,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 1 April 2024).

<sup>3</sup> 1,500,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 20 December 2022).

<sup>4</sup> 1,500,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 20 December 2022).

<sup>5</sup> 10,000,000 unquoted options vesting on grant (exercisable at \$0.075 on or before 18 Aug 2021).

<sup>6</sup> 5,000,000 unquoted options vested on grant (exercisable at \$0.075 on or before 18 Feb 2023).

<sup>7</sup> 9,000,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.08 on or before 27 November 2023).

<sup>8</sup> 5,000,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.07 on or before 27 November 2023).

<sup>9</sup> 2,500,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 5 August 2024).

<sup>10</sup> 2,500,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 5 August 2025).

## REMUNERATION REPORT (AUDITED)

The Directors of Yojee Limited present the Remuneration Report prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The remuneration report is set out under the following main headings:

- a. Principles used to determine the nature and amount of remuneration
- b. Details of remuneration
- c. Service agreements
- d. Share-based remuneration
- e. Other information

### **a. Principles used to determine the nature and amount of remuneration**

The remuneration of the Group has been designed to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives based on key performance areas. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Executives and Directors to run and manage the Group, as well as create goal congruence between Directors, Executives and shareholders.

#### Executive Director Remuneration

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. During the year ended 30 June 2021, the Group established a remuneration committee. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. No external remuneration consultant was used during the year.

All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Options are valued using the American Binomial or Black-Scholes methodology.

#### Non-Executive Director Remuneration

Non-Executive Directors' fees are paid within an aggregate limit which is approved by the shareholders. The limit of Non-Executive Director fees was set at a maximum of \$250,000 at a Board meeting held on 12 May 2010. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the *Corporations Act 2001* at the time of the Director's retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

#### Performance-Based Remuneration

Remuneration packages do not include performance-based components. An individual member of staff's performance assessment is done by reference to their contribution to the Group's overall operational achievements.

## Relationship between the remuneration policy and company performance

The table below sets out summary information about the Group's earnings and movements in shareholder wealth.

	30 June 2021 \$	30 June 2020 \$	30 June 2019 \$	30 June 2018 \$	30 June 2017 \$
Net loss after tax	(11,305,732)	(6,163,844)	(3,716,377)	(5,691,864)	(1,863,076)
Dividends (cents per share)	-	-	-	-	-
Share price	\$0.185	\$0.088	\$0.085	\$0.135	\$0.073
Basic EPS (cents)	(1.06)	(0.68)	(0.44)	(0.88)	(0.48)
Diluted EPS (cents)	(1.06)	(0.68)	(0.44)	(0.88)	(0.48)

The remuneration of the Directors is not linked to the performance, share price or earnings of the Group.

## Voting and comments made at the company's last Annual General Meeting

Yojee Limited received overwhelming votes in favour of its Remuneration Report for the financial year ended 30 June 2020. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting held on 27 November 2020.

### b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel of Yojee Limited are as follows:

30 June 2021	Short-term benefits	Post-employment	Equity based compensation		
Directors	Salary and Fees	Superannuation	Shares	Options	Total
	\$	\$	\$	\$	\$
<b>Executive Directors</b>					
Mr E Clarke <sup>1</sup>	359,306	-	-	-	359,306
<b>Non-Executive Directors</b>					
Mr D Morton	73,333	6,967	-	1,286,010	1,366,310
Mr R Lee	59,091	5,614	-	825,619	890,324
Mr G Flowers	44,000	4,180	-	173,798	221,978
	<b>535,730</b>	<b>16,761</b>	<b>-</b>	<b>2,285,427</b>	<b>2,837,918</b>

30 June 2020	Short-term benefits	Post-employment	Equity based compensation		
Directors	Salary and Fees	Superannuation	Shares	Options	Total
	\$	\$	\$	\$	\$
<b>Executive Directors</b>					
Mr E Clarke <sup>1</sup>	271,290	-	-	-	271,290
<b>Non-Executive Directors</b>					
Mr D Morton	16,364	1,555	-	44,660	62,579
Mr R Lee	48,409	4,599	-	-	53,008
Ms S Robinson	40,091	3,809	-	-	43,900
Mr G Flowers	42,000	3,990	-	41,178	87,168
	<b>418,154</b>	<b>13,953</b>	<b>-</b>	<b>85,838</b>	<b>517,945</b>

<sup>1</sup> Mr E Clarke is engaged in a managing director capacity for Yojee Ops Pte Ltd, a wholly-owned subsidiary company of Yojee Limited that is based in Singapore. Fees are paid in Singapore dollars ("SGD") and are converted at the average rate for the financial year then ended. Salary and Fees for Mr E Clarke includes expense of \$36,019 (2020: \$12,816) relating to movement in provision for leave entitlements for the financial year then ended.

### c. Service agreements

On 25 May 2016, the Company engaged Cicero Corporate Services Pty Ltd for administrative and company secretarial services. Cicero Corporate Services Pty Ltd is paid \$8,800 per month for these services.

### d. Share-based remuneration

#### Options Issued as Part of Remuneration for the financial year ended 30 June 2021

During the year, 8,000,000, 1,000,000 and 5,000,000 options were issued to Mr D Morton, Mr G Flowers and Mr R Lee, respectively. Details on the options issued are disclosed in section e. *Other information* of the Directors' report.

#### Shares Issued as Part of Remuneration for the financial year ended 30 June 2021

No shares were issued during the year as part of the compensation.

### e. Other information

The following table provides details of shares and options held by Key Management Personnel.

#### Share and Option holdings of Directors and Key Management Personnel or their nominees

The relevant interest of each director in the shares and options over such shares issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, as at 30 June 2021 is as follows:

2021	Shares		Options			
	Ordinary Shares No.	Performance Shares No.	Options No.	Exercise Price \$	First exercise date	Last exercise date
Mr R Lee	200,000	-	5,000,000	\$0.07	-	27 Nov 2023
Mr E Clarke	-	-	-	-	-	-
Mr D Morton	934,102	-	8,000,000	\$0.08	-	27 Nov 2023
Mr G Flowers	250,000	-	1,500,000	\$0.10	-	20 Dec 2022
			1,500,000	\$0.15	-	20 Dec 2022
			1,000,000	\$0.08	-	27 Nov 2023

The movement during the reporting year in the number of options over ordinary shares in Yojee Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows.

#### Shareholdings by Directors and Key Management Personnel or their nominees

2021	Opening Balance	Conversion of Options	Compensation	Purchased/ (Sold)	Balance 30 June 2021
Mr R Lee	200,000	-	-	-	200,000
Mr E Clarke	-	-	-	-	-
Mr D Morton	934,102	-	-	-	934,102
Mr G Flowers	250,000	-	-	-	250,000
<b>Total</b>	<b>1,384,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,384,102</b>

### Option holdings by Directors and Key Management Personnel or their nominees

2021	Opening Balance	Granted as Compensation	Exercised	Other Changes (Cancelled or Expired)	Vested and exercisable at 30 June 2021	Unvested at 30 June 2021
Mr R Lee	-	5,000,000	-	-	5,000,000 <sup>1</sup>	-
Mr E Clarke	13,000,000	-	-	(13,000,000)	-	-
Mr D Morton	-	8,000,000	-	-	8,000,000 <sup>2</sup>	-
Mr G Flowers	3,000,000	1,000,000	-	-	4,000,000 <sup>3</sup>	-
<b>Total</b>	<b>16,000,000</b>	<b>14,000,000</b>	<b>-</b>	<b>(13,000,000)</b>	<b>17,000,000</b>	<b>-</b>

<sup>1</sup> 5,000,000 unquoted options vested on a 12-month service condition (exercisable at \$0.07 on or before 27 November 2023).

<sup>2</sup> 8,000,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.08 on or before 27 November 2023).

<sup>3</sup> 1,000,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.08 on or before 27 November 2023); 1,500,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 20 December 2022); and 1,500,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 20 December 2022).

### Loans/Payables to Key Management Personnel

As at 30 June 2021, there were no loans or payables to the Group Key Management Personnel.

### Other transactions with Key Management Personnel

There are no other transactions with Key Management Personnel during the financial year ended 30 June 2021 other than those detailed above.

## **DIRECTORS' MEETINGS**

The following table sets out the number of Directors' meetings held during the financial year ended 30 June 2021 and the number of meetings attended by each Director. During the period, 11 Board meetings were held. The Company conducted 2 remuneration committee meetings and 1 audit and risk committee meeting during the year.

Name	Board Meetings		
	Held	Eligible to attend	Attended
Mr R Lee	11	11	11
Mr E Clarke	11	11	11
Mr G Flowers	11	11	11
Mr D Morton	11	11	11

## **INDEMNIFICATION OF OFFICERS AND AUDITORS**

During the financial year, the Group renewed a premium in respect of a contract insuring the Directors of the Group (as named above), the company secretary and all executive officers of the Group and of any related body corporate against a liability incurred as such as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

## **NON-AUDIT SERVICES**

The Directors are satisfied that the provision of the non-audit services, during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standards of independence for auditors imposed by the *Corporations Act 2001*.

No officers of the Group are former partners of Grant Thornton.

## **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration under s.307C of the *Corporation Act 2001* in relation to the audit of the full year is included in page 11.

Grant Thornton Audit Pty Ltd continues in office in accordance with s.327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Edward Clarke  
Managing Director

30 August 2021



## Auditor's Independence Declaration

### To the Directors of Yojee Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Yojee Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 30 August 2021

## DIRECTORS' DECLARATION

In the Director's opinion:

- a. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b. the attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 3 to the financial statements; and
- c. the attached financial statements and notes thereto, are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and give a true and fair view of the financial position and performance of the Group.

The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Edward Clarke  
Managing Director

30 August 2021

# Independent Auditor's Report

To the Members of Yojee Limited

Report on the audit of the financial report

## Opinion

We have audited the financial report of Yojee Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

## Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key audit matter

### How our audit addressed the key audit matter

#### Revenue – Revenue recognition (Note 5)

During the year ending 30 June 2021, the Group has two main revenue streams which is comprised of software revenues (\$860,185) and network revenues (\$203,240).

A customer contract can be made up of both streams and may include numerous performance obligations which are achieved at a point in time and over time.

Management judgement is required in allocating the value of a contract across the various performance obligations as well as the period over which performance obligations are satisfied.

This area is a key audit matter due to the judgement required by management to ensure revenues are recognised in accordance with AASB 15 *Revenues from Contracts with Customers*.

Our procedures included, amongst others:

- Obtaining an understanding of the nature of revenue transactions and evaluate management's revenue recognition and accounting policies for compliance;
- Considering the appropriateness of management's assessment of revenue streams in accordance with accounting standard AASB 15;
- Selecting a sample of revenue transactions and tracing to supporting documentation to assess whether revenue is being recognised in accordance with revenue recognition policies;
- Recalculating the contract liability based on the performance obligations not yet satisfied for a sample of revenue transactions selected;
- Selecting a sample of revenues transactions before year end and after year end to ensure there were recognised in the appropriate period; and
- Assessing the adequacy of disclosures for compliance with the revenue recognition requirements of Australian Accounting Standards.

#### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 5 to 8 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Yojee Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

#### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



D G Ng  
Partner – Audit & Assurance

Melbourne, 30 August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 \$	30 June 2020 \$
<b>Revenue</b>			
Trade revenue	5	1,063,425	654,071
Other income	6	141,618	117,741
Currency related gains		5,654	26,694
Interest income		95,647	22,679
<b>Expenses</b>			
Technology and related costs		(304,179)	(44,630)
Network delivery and related costs		(175,014)	(205,195)
Employee benefits expense		(2,920,703)	(2,485,492)
Depreciation and amortisation expense	7	(192,551)	(193,135)
Impairment of intangible assets	8	-	(935,428)
Amortisation of intangible assets	8	(1,955,092)	(40,418)
Consulting fees		(519,968)	(565,304)
Auditor remuneration	11	(70,269)	(59,086)
Professional fees		(321,061)	(374,861)
Share-based payments expense	19	(4,267,141)	(697,629)
Currency related losses		(1,040,431)	(306,174)
Other expenses		(762,970)	(1,077,030)
<b>Loss before income tax expense</b>		<b>(11,223,035)</b>	<b>(6,163,197)</b>
Income tax expense	9	(82,697)	(647)
<b>Loss attributable to members of the parent entity</b>		<b>(11,305,732)</b>	<b>(6,163,844)</b>
<i>Other comprehensive income:</i>			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		966,081	252,416
<b>Total comprehensive loss</b>		<b>(10,339,651)</b>	<b>(5,911,428)</b>
<b>Earnings/(loss) per share</b>			
	25	<b>Cents per Share</b>	<b>Cents per Share</b>
Basic earnings/(loss) per share		(1.06)	(0.68)
Diluted earnings/(loss) per share		(1.06)	(0.68)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	Note	As at 30 June 2021 \$	As at 30 June 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	12	18,402,652	4,316,712
Trade and other receivables, net	13	156,505	172,250
Contract assets	5	3,768	3,643
Other current assets	14	81,928	54,863
<b>Total Current Assets</b>		<b>18,644,853</b>	<b>4,547,468</b>
<b>Non-Current Assets</b>			
Property Plant and Equipment	7	98,131	199,334
Intangible assets	8	4,918,944	5,263,064
<b>Total Non-Current Assets</b>		<b>5,017,075</b>	<b>5,462,398</b>
<b>Total Assets</b>		<b>23,661,928</b>	<b>10,009,866</b>
<b>Current Liabilities</b>			
Trade and other payables	15	385,671	199,896
Contract liabilities	5	184,741	272,830
Provision for employee entitlements	16	161,573	98,530
Lease liabilities	17	35,073	170,346
Other current liabilities		5,203	3,603
<b>Total Current Liabilities</b>		<b>772,261</b>	<b>745,205</b>
<b>Non-Current Liabilities</b>			
Contract liabilities	5	82,881	88,368
Lease liabilities	17	-	24,498
<b>Total Non-Current Liabilities</b>		<b>82,881</b>	<b>112,866</b>
<b>Total Liabilities</b>		<b>855,142</b>	<b>858,071</b>
<b>Net Assets</b>		<b>22,806,786</b>	<b>9,151,795</b>
<b>Equity</b>			
Share capital	18	52,463,659	31,698,377
Share-based payment reserve		5,203,787	1,974,427
Foreign currency reserve		225,768	(740,313)
Accumulated losses		(35,086,428)	(23,780,696)
<b>Total Equity</b>		<b>22,806,786</b>	<b>9,151,795</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Share capital	Foreign currency reserve	Share-based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>31,698,377</b>	<b>(740,313)</b>	<b>1,974,427</b>	<b>(23,780,696)</b>	<b>9,151,795</b>
Loss after tax for the period	-	-	-	(11,305,732)	(11,305,732)
Exchange differences arising on translation of foreign operations	-	966,081	-	-	966,081
Total comprehensive loss	-	966,081	-	(11,305,732)	(10,339,651)
Employee share ownership expense	-	-	4,267,141	-	4,267,141
Share placement, net of expenses	18,891,159	-	108,841	-	19,000,000
Share-based payments options and rights	1,874,123	-	(1,146,622)	-	727,501
<b>Balance at 30 June 2021</b>	<b>52,463,659</b>	<b>225,768</b>	<b>5,203,787</b>	<b>(35,086,428)</b>	<b>22,806,786</b>

	Share capital	Foreign currency reserve	Share-based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>25,097,377</b>	<b>(992,729)</b>	<b>1,496,650</b>	<b>(17,616,852)</b>	<b>7,984,446</b>
Loss after tax for the period	-	-	-	(6,163,844)	(6,163,844)
Exchange differences arising on translation of foreign operations	-	252,416	-	-	252,416
Total comprehensive loss	-	252,416	-	(6,163,844)	(5,911,428)
Employee share ownership expense	-	-	697,629	-	697,629
Share placement, net of expenses	6,380,998	-	-	-	6,380,998
Share-based payments options and rights	220,002	-	(219,852)	-	150
<b>Balance at 30 June 2020</b>	<b>31,698,377</b>	<b>(740,313)</b>	<b>1,974,427</b>	<b>(23,780,696)</b>	<b>9,151,795</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	30 June 2021 \$	30 June 2020 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	1,008,430	561,685
Interest received	95,647	29,734
Other Income	121,524	100,145
Income Taxes Paid	(14,952)	-
Payments to suppliers and employees	(4,943,352)	(4,772,429)
<b>Net cash used in operating activities</b>	<b>(3,732,703)</b>	<b>(4,080,865)</b>
	<b>23</b>	
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant and equipment	(54,723)	(8,382)
Payments for intangible assets	(1,625,672)	(1,177,548)
<b>Net cash used in investing activities</b>	<b>(1,680,395)</b>	<b>(1,185,930)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of equity securities	20,000,000	6,700,000
Payments for costs of issuance of equity securities	(1,000,000)	(319,002)
Repayment of lease liabilities	(172,787)	(170,360)
Interest paid on leases	(5,266)	(15,575)
Proceeds from exercise of options and issue of performance rights	727,500	150
<b>Net cash flows from financing activities</b>	<b>19,549,447</b>	<b>6,195,213</b>
Net change in cash and cash equivalents	14,136,349	928,418
Cash and cash equivalents at beginning of period	4,316,712	3,406,410
Exchange differences on cash and cash equivalents	(50,409)	(18,116)
<b>Cash and cash equivalents at the end of period</b>	<b>18,402,652</b>	<b>4,316,712</b>
	<b>12</b>	

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**1. GENERAL INFORMATION**

Yojee Limited (the "Company") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). Yojee Limited is a for-profit entity for the purpose of preparing the financial statements. The addresses of its registered office and principal place of business are disclosed in the introduction to the financial report. The principal activities of the Company and its subsidiaries (collectively, the "Group") are described in the Directors' Report.

**2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

**New Accounting Standards and Interpretations Adopted During the Year**

The amended accounting standards and interpretations issued by the Australian Accounting Standards Board ("AASB") during the year that were mandatory were adopted. None of these amendments or interpretations materially affected any of the amounts recognised or disclosures in the current or prior year.

The following IFRS Interpretations Committee (IFRIC) agenda decisions were adopted during the year

*IFRIC agenda decision on Software-as-a-Service ("SaaS") arrangements*

The IFRIC has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The adoption of the above agenda decisions has not had a material impact on the Group.

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below.

**3.1 Statement of compliance**

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

Australian Accounting Standards incorporate International Financial Reporting Standards (IFRS's) as issued by the International Accounting Standards Board. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IFRS's.

The consolidated financial statements were authorised for issue by the directors on 30 August 2021.

**3.2 Basis of preparation**

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

**3.3 Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries as listed in Note 28 (collectively the "Group"). Control is achieved where the Company is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns. All inter-company balances and transactions between entities, including any unrealised profits or losses, where applicable, have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those policies applied by the parent entity.

**3.4 Going concern**

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it generating increased cash receipts from sales growth, managing its costs and raising additional funds through future capital raisings.

For the year ended 30 June 2021 the Company recorded a loss before income tax expense of \$11,223,035 (2020: \$6,163,197), a net operating cash outflow of \$3,732,703 (2020: \$4,080,865), cash and cash equivalents of \$18,402,652 (2020: \$4,316,712), a net assets position of \$22,806,786 (2020: \$9,151,795) and a market capitalisation of approximately \$205.8 million.

The Directors have noted that, while the Company continues to operate at a loss, there has been year on year growth in revenue and there is a reasonable expectation of this growth trend continuing. The Directors continue to monitor the ongoing funding requirements of the Group on a monthly basis including the monitoring of costs.

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

The Directors believe that the Company can meet its financial obligations when they fall due enabling it to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. The Company continues to be engaged with its investors and capital markets advisors.

Should the Group be unable to obtain the funding, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustment relating to recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

**3.5 Revenue recognition**

*3.5.1 Software revenue*

Revenue arises mainly from the provision of software subscription and related services including, but not limited to, Yojee SaaS software, post-contract customer support services ("PCS"), set-up services and software customisation.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The Group typically enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

Software subscription

Revenue from software subscription is recognised when (or as) the benefit of the software subscription is consumed by the customer. Typically, customers are billed in advance of their monthly subscription cycle. The relevant payment due dates are specified in each contract and in all invoices.

Software subscription is a distinct performance obligation comprised of the following; account set-up, right-to-access Yojee software, PCS, and cloud hosting. These promises for goods and services are inputs to a combined output, i.e. software subscription, thus, they are not capable of being distinct or separately identified under AASB 15. The promises are highly integral in the provision of software subscription to the customer and, respectively, they do not have standalone value.

The Group allocates the transaction price between the software subscription and other performance obligations identified in a contract on a relative stand-alone selling price basis.

Revenue for software subscription is recognised over time over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion. As the customer simultaneously receives and consumes the benefits provided with access to the Yojee software, time-elapsed provides a faithful depiction of the transfer of goods and services to the customer.

Software customisation services

(a) *With subscription to customised software*

The Group enters into contracts for the modification and/or customisation of the Yojee software in exchange for a fixed fee. Contracts for a customised software are often accompanied by customers' purchase of right to access the customised software. Due to the significant customisation performed as well as the high degree of interdependence between the various elements of these projects, software customisation services and the eventual subscription to the customised software are accounted for as a single performance obligation.

The transaction price allocated to this performance obligation based on relative stand-alone selling prices is recognised as revenue over the period of customers' subscription to the customised software. This is because the customisation service and subscription to the customised software are inputs to a combined output, i.e. right to access a customised software. Revenue should therefore be recognised over the time where the customer has access to the customised software that is functioning as per agreed specifications.

Revenue is recognised over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion. As the customer simultaneously receives and consumes the benefits provided with access to the customised software, time-elapsed provides a faithful depiction of the transfer of goods and services to the customer.

Consideration received prior to the actual delivery and customer usage of the customised software is deferred until such event. However, consideration received under contract with customisation service that is terminated prior to delivery and actual usage by the customer is recognised as revenue to the extent that it is non-refundable.

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*(b) Without subscription to customised software*

Contracts may be negotiated solely for customisation service, i.e. without eventual subscription to the customised software. Such contracts may relate to customisation of booking pages that is hosted on a customer-controlled platform. As such, the main performance obligation would be the customisation work and the ultimate delivery of the customised product to the customer.

To depict the progress by which the Group transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation by determining the percentage of completion as of measurement date, usually by comparing actual hours spent to date with the total estimated hours required to customise the product. The hours-to-hours basis provides the most faithful depiction of the transfer of goods and services to each customer. The performance obligation is fully satisfied upon customer acceptance or a reasonable time of usage by the customer without adverse feedback.

Such arrangements may include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under contract liabilities.

The Group receives a fixed fee for its software contracts. There was no variable consideration noted in its contract with customers.

*3.5.2 Network revenue*

Network revenue relates to revenue arising from delivery services in Singapore. Deliveries are split into various categories such as express, same day and next day deliveries. The delivery services provided are primarily used as a testbed for the Groups software product. Revenue is recognised upon successful delivery, thus performance obligation is satisfied at a point in time. The adoption of the new standard did not have a material impact on network revenue.

The Group recognises contract liabilities for consideration received or billed in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives or bills the consideration, the Group recognises either a contract asset in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Satisfied performance obligations that are received or billed are recognised as receivables. Impairment assessment for contract assets are described in Note 3.16.

*3.5.3 Interest income*

Interest income is recognised on an accrual basis using the effective interest method.

*3.5.4 Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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**3.6 Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is determined by application of the American Binomial or Black-Scholes methodology.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the option reserve.

The consolidated financial statements recognise amounts in respect of other equity-settled shared based payments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

**3.7 Taxation**

The income tax expense (revenue) comprises current income tax expense (income) and deferred tax expense (income).

*3.7.1 Current tax*

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

*3.7.2 Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related assets or liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 3.7.3 *Current and deferred tax for the period*

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

### **3.8 Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

- a. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- b. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable, the tax authority.



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**3.9 Leases**

The Group as a lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. Right-of-use asset balance is included in property, plant and equipment balance.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in current and non-current lease liabilities.

#### **3.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **3.11 Foreign currencies**

##### Foreign currency translation

The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

##### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

##### Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

#### **3.12 Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

#### **3.13 Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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**3.14 Impairment of non-financial assets**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If events or changes in circumstances indicate a possible impairment, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are largely independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset excluding goodwill (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

**3.15 Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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**3.16 Financial instruments**

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

Classifications are determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

(a) *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade receivables fall into this category of financial instruments.

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### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

#### *(b) Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. There are no financial instruments that fall into this category for the financial year ended.

#### Impairment of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit losses ("ECL") model'. Instruments within the scope of the new requirements included trade receivables and contract assets recognised and measured under AASB 15 that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the geographical location where the receivables originates. The Group also considers the inherent higher credit risk for amounts as the number of days overdue increases for those amounts.

#### Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Group's financial liabilities include trade and other payables. The Group does not have derivative instruments.

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**3.17 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

**3.18 Employee leave entitlements**

Liabilities accruing to employees in respect of annual leave, long service leave, sick leave and any other statutory requirements are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts based on the employee's compensation and outstanding leave balances. The Group typically do not expect to settle the liabilities in cash or other financial instruments.

**3.19 Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on plant & equipment assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

<b>Category</b>	<b>Useful Life</b>
Computer Equipment	2 years

The assets' residual values, if any, and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount. Such assessments are performed at the end of the financial reporting period and whenever there is an indication of impairment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised in profit or loss. There were no disposals during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

Right-of-use asset balance is included in property, plant and equipment balance. Depreciation on right-of-use asset is described in Note 3.9.

**3.20 Intangibles**

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when the technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Subsequent measurement

Amortisation commences when the asset is ready for commercial use. All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.14.

The following useful lives are applied:

<b>Intangible Asset</b>	<b>Useful Life</b>
Internally-developed Software	3 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing at each reporting date or more frequently if events or changes in circumstances indicate a possible impairment as described in Note 3.14.

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

#### **4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Critical judgments in applying accounting policies**

###### Tax losses

The Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined when the Group will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised in the foreseeable future.

###### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the American Binomial or Black-Scholes methodology taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to the equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

###### COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

###### Capitalisation and impairment of internally-developed software

Distinguishing the research and development phases of a new customised software product and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. Subsequent to capitalisation, management monitors whether the recognition requirements continue to be met and makes judgements in respect to whether there are any indicators that capitalised costs may be impaired. Where indicators of possible impairment are identified, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable interest rate.



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### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Indicators of impairment may arise from internal or external events or circumstances. Amongst the factors considered during the year were market demand, industry use for the software, as well as possible obsolescence of capitalised costs due to strategic changes in product design and build. The Group ascertained that the possible indicators identified did not give rise to a risk for impairment as the business continues to see demand for the software from market players and that there was no major refactoring or rebuild done to the product during the year.

#### Useful lives of depreciable assets

The Group reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

#### Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the geographical location where the receivables originate. The Group also considers the inherent higher credit risk for amounts as the number of days overdue increases for those amounts.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### Incremental borrowing rate for lease liability balances and lease term

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset and the present value of the minimum lease payments in relation to the asset's fair value.

The Group reviews its estimate of the expected term of use of the leased based on all facts and circumstances present at the time of assessment. Uncertainties in these estimates relate to changing business needs.

Furthermore, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate of 5%. Lease liability balances are sensitive to the rate used to discount the expected lease payments. The current rate used may not be representative of the Group's borrowing rate in the future should there be changes factors affecting the Group's ability to secure this borrowing rate such as changes in market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

5. TRADE REVENUE

	30 June 2021	30 June 2020
	\$	\$
Software revenue	860,185	435,025
Network revenue	203,240	219,046
<b>Total</b>	<b>1,063,425</b>	<b>654,071</b>

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

For the financial year ended 30 June 2021			
	Software	Network	Total
	\$	\$	\$
Transferred at a point in time	60,515	203,240	263,755
Transferred over time	799,670	-	799,670
<b>Total</b>	<b>860,185</b>	<b>203,240</b>	<b>1,063,425</b>

For the financial year ended 30 June 2020			
	Software	Network	Total
	\$	\$	\$
Transferred at a point in time	7,242	219,046	226,288
Transferred over time	427,783	-	427,783
<b>Total</b>	<b>435,025</b>	<b>219,046</b>	<b>654,071</b>

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied. Unsatisfied or partially unsatisfied performance obligations relate to contracted subscription fees, minimum transaction commitments or setup which is integral to the use of the software and the performance obligations are expected to be satisfied over the remaining duration of the related subscription period. Unsatisfied performance obligations as at 30 June 2021 are expected to be satisfied by the financial year ending 30 June 2024.

	30 June 2021	30 June 2020
	\$	\$
Transaction price of (partially) unsatisfied performance obligations	1,774,497	1,402,916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

The Group's contract assets and contract liabilities balances for the financial year ended are as follows:

	30 June 2021	30 June 2020
	\$	\$
<i>Current Assets</i>		
Contract Assets - Accrued software revenue	3,768	3,643
Contract Assets - Accrued network revenue	-	-
	<b>3,768</b>	<b>3,643</b>
<i>Current Liabilities</i>		
Contract Liabilities - Deferred software revenue	184,741	272,830
<i>Non-current Liabilities</i>		
Contract Liabilities - Deferred software revenue	82,881	88,368
	<b>267,622</b>	<b>361,198</b>
	30 June 2021	30 June 2020
	\$	\$
<b>Contract liabilities at the start of the year</b>	361,198	318,532
Add: Net amount billed to customers	969,074	629,541
Less: Revenue for the year	(1,063,425)	(654,071)
Net exchange differences	775	67,196
<b>Contract liabilities at the end of the year</b>	<b>267,622</b>	<b>361,198</b>

**6. OTHER INCOME**

	30 June 2021	30 June 2020
	\$	\$
Government grants	137,540	94,601
Technology credits	-	19,142
Other	4,078	3,998
<b>Total other income</b>	<b>141,618</b>	<b>117,741</b>

During the financial year, government grants mainly relate to the Job Support Scheme ("JSS") from the Singapore Government. JSS is calculated based on a percentage of the monthly wages of Singapore employees. It aims to provide wage support to employers to help them retain their local employees during this period of economic uncertainty resulting from the COVID-19 pandemic. Government grants are included in other income during the year as described in Note 3.5.4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7. PROPERTY PLANT AND EQUIPMENT

	Computer Equipment \$	Leased Premises Right-of-use Assets \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 July 2020	82,953	636,003	718,956
Additions	55,303	54,723	110,026
Disposals	-	(60,655)	(60,655)
<b>Balance at 30 June 2021</b>	<b>138,256</b>	<b>630,071</b>	<b>768,327</b>
<b>Depreciation and impairment</b>			
Balance at 1 July 2020	75,238	444,384	519,622
Depreciation	14,949	177,602	192,551
Disposals	-	(49,588)	(49,588)
Net exchange differences	135	7,476	7,611
<b>Balance at 30 June 2021</b>	<b>90,322</b>	<b>579,874</b>	<b>670,196</b>
<b>Carrying amount at 1 July 2020</b>	<b>7,715</b>	<b>191,619</b>	<b>199,334</b>
<b>Carrying amount at 30 June 2021</b>	<b>47,934</b>	<b>50,197</b>	<b>98,131</b>

	Computer Equipment \$	Leased Premises Right-of-use Assets \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 July 2019	74,571	304,049	378,620
Addition	8,382	331,954	340,336
<b>Balance at 30 June 2020</b>	<b>82,953</b>	<b>636,003</b>	<b>718,956</b>
<b>Depreciation and impairment</b>			
Balance at 1 July 2019	55,304	278,946	334,250
Depreciation	20,710	172,425	193,135
Net exchange differences	(776)	(6,987)	(7,763)
<b>Balance at 30 June 2020</b>	<b>75,238</b>	<b>444,384</b>	<b>519,622</b>
<b>Carrying amount at 1 July 2019</b>	<b>19,267</b>	<b>25,103</b>	<b>44,370</b>
<b>Carrying amount at 30 June 2020</b>	<b>7,715</b>	<b>191,619</b>	<b>199,334</b>

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

## 8. INTANGIBLE ASSETS

	Internally-developed Software \$	Total \$
<i>Gross carrying amount</i>		
<b>Balance at 1 July 2020</b>	6,238,910	6,238,910
Additions	1,625,672	1,625,672
<b>Balance at 30 June 2021</b>	<b>7,864,582</b>	<b>7,864,582</b>
<i>Amortisation and impairment</i>		
<b>Balance at 1 July 2020</b>	975,846	975,846
Amortisation	1,955,092	1,955,092
Net exchange differences	14,700	14,700
<b>Balance at 30 June 2021</b>	<b>2,945,638</b>	<b>2,945,638</b>
<b>Carrying amount at 1 July 2020</b>	<b>5,263,064</b>	<b>5,263,064</b>
<b>Carrying amount at 30 June 2021</b>	<b>4,918,944</b>	<b>4,918,944</b>
	Internally-developed Software \$	Total \$
<i>Gross carrying amount</i>		
<b>Balance at 1 July 2019</b>	5,061,362	5,061,362
Additions	1,177,548	1,177,548
<b>Balance at 30 June 2020</b>	<b>6,238,910</b>	<b>6,238,910</b>
<i>Amortisation and impairment</i>		
<b>Balance at 1 July 2019</b>	-	-
Impairment loss	935,428	935,428
Amortisation	40,418	40,418
<b>Balance at 30 June 2020</b>	<b>975,846</b>	<b>975,846</b>
<b>Carrying amount at 1 July 2019</b>	<b>5,061,362</b>	<b>5,061,362</b>
<b>Carrying amount at 30 June 2020</b>	<b>5,263,064</b>	<b>5,263,064</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

9. INCOME TAX EXPENSE

	30 June 2021 \$	30 June 2020 \$
<b>(a) The components of income tax expense comprise:</b>		
Current income tax charge	704	647
Adjustments for tax of prior periods	81,993	-
Deferred income tax relating to origination and reversal of temporary differences	-	-
<b>Total tax expense attributable to continuing operations, representing total tax for the year</b>	<b>82,697</b>	<b>647</b>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable:</b>		
<b>Loss from operations before income tax</b>	<b>(11,223,035)</b>	<b>(6,163,197)</b>
Prima facie tax benefit*	(3,366,911)	(1,848,959)
<b>Expected tax expense</b>		
Adjustment for tax-rate differences in foreign jurisdictions	82,697	647
Adjustment for non-deductible expenses:		
- Other non-deductible expenses	2,624,566	1,422,604
<b>Add/(Less) Temporary Differences</b>		
- Temporary differences not recognised	181,387	23,769
- Tax losses not recognised	560,958	402,586
Under provision – prior year		-
<b>Income tax expense</b>	<b>82,697</b>	<b>647</b>
<b>(c) The following deferred tax assets and (liabilities) have not been brought to account as:</b>		
Tax losses - revenue	1,779,245	1,218,107
Tax losses - capital	469,308	469,308
Temporary differences	531,406	17,367
	<b>2,779,959</b>	<b>1,704,782</b>

\*The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

The taxation benefits of losses and temporary differences not brought to account will only be obtained if: The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

- i) The Group continues to comply with the conditions for deductibility imposed by law; and
- ii) No change in tax legislation adversely affects the Group in realising the benefits from deducting the losses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

#### 10. KEY MANAGEMENT PERSONNEL

**a. The names of key management personnel of the entity at any time during the financial year ended 30 June 2021 are:**

Mr David Morton – Chairman (Appointed 3 March 2020)  
Mr Edward Clarke – Managing Director (Appointed 26 May 2016)  
Mr Ray Lee – Non-Executive Director (Appointed 3 March 2020)  
Mr Gary Flowers – Non-Executive Director (Appointed 1 May 2019)

**b. Compensation practices**

Details of the remuneration of key management personnel of the consolidated entity are set out in the below table. The remuneration table listed below comprises 12 months of remuneration of the Group.

**c. Aggregate Key Management Personnel Compensation**

	30 June 2021	30 June 2020
	\$	\$
Short-term employment benefits*	535,730	418,154
Post-employment benefits	16,761	13,953
Equity-based payments	2,285,427	85,838
	<b>2,837,918</b>	<b>517,945</b>

Information regarding individual directors and executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors Report.

#### 11. AUDITOR REMUNERATION

	30 June 2021	30 June 2020
	\$	\$
<b>Audit services</b>		
Audit and review of Group financial report*	67,930	56,238
Audit of subsidiary financial reports <sup>#</sup>	2,339	2,848
	<b>70,269</b>	<b>59,086</b>

\* Grant Thornton Audit Pty Ltd

<sup>#</sup> RSM Vietnam Auditing and Consulting Company Limited – Yojee Ops Vietnam Company Limited (Vietnam) and; YH Tan & Associates PLT – Yojee Sdn. Bhd. (Malaysia)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

12. CASH AND CASH EQUIVALENTS

	30 June 2021	30 June 2020
	\$	\$
Cash at Bank – AUD Accounts	17,635,312	3,829,337
Cash at Bank – SGD Accounts	222,457	199,808
Cash at Bank – USD Accounts	448,422	238,085
Cash at Bank – VND Account	60,137	22,840
Cash at Bank – MYR Accounts	36,324	26,642
	<b>18,402,652</b>	<b>4,316,712</b>

13. TRADE AND OTHER RECEIVABLES

	30 June 2021	30 June 2020
	\$	\$
Trade receivables, net	155,748	165,437
Goods and services tax receivable	757	6,813
	<b>156,505</b>	<b>172,250</b>

	30 June 2021	30 June 2020
	\$	\$
Trade receivables, gross	171,996	209,342
Less: Loss Allowance – AASB 9	(16,248)	(43,905)
<b>Trade receivables, net</b>	<b>155,748</b>	<b>165,437</b>
Goods and services tax receivable	757	6,813
<b>Trade and other receivables</b>	<b>156,505</b>	<b>172,250</b>

All the receivables are short term and the carrying values of the items are considered to be a reasonable approximation of fair value.

All of the Group's trade receivables have been reviewed for expected credit loss (ECL). Certain trade receivables were found to be impaired and an allowance for credit losses of \$27,657 (2020: \$37,668), including currency gain/loss, has been recorded accordingly within other expenses. In estimating ECL, the Group considers reasonable and supportable information that is relevant and available. This includes qualitative and quantitative information and analysis, based on the Group's historical experience and informed credit risk. In undertaking the review, consideration was given to current economic climate as a result of COVID-19.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

14. OTHER CURRENT ASSETS

	30 June 2021	30 June 2020
	\$	\$
Prepaid expenses	43,305	21,601
Rental deposits	30,283	29,563
Other	8,340	3,699
	<b>81,928</b>	<b>54,863</b>

15. TRADE AND OTHER PAYABLES

	30 June 2021	30 June 2020
	\$	\$
Payroll and related liabilities	185,408	59,055
Trade payables	70,248	75,491
Corporate tax	66,895	-
Accrued operating expense	63,120	65,350
	<b>385,671</b>	<b>199,896</b>

All the payables are short term and the carrying values of the items are considered to be a reasonable approximation of fair value.

16. PROVISION FOR EMPLOYEE ENTITLEMENTS

	30 June 2021	30 June 2020
	\$	\$
Provision for employee entitlements	161,573	98,530
	<b>161,573</b>	<b>98,530</b>

Provision for employee entitlements represents vested annual leave entitlements accrued.

17. LEASES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	30 June 2021	30 June 2020
	\$	\$
<i>Current Liabilities</i>		
Lease liabilities	35,073	170,346
<i>Non-Current Liabilities</i>		
Lease liabilities	-	24,498
	<b>35,073</b>	<b>194,844</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

The Group has leases for office premises and workspaces. The future minimum lease payments were as follows:

Minimum lease payments due as at 30 June 2021				
	Within one year	One to five years	After five years	Total
	\$		\$	\$
Lease payments	35,486	-	-	35,486
Finance charges	(413)	-	-	(413)
<b>Net present values</b>	<b>35,073</b>	<b>-</b>	<b>-</b>	<b>35,073</b>

Minimum lease payments due as at 30 June 2020				
	Within one year	One to five years	After five years	Total
	\$		\$	\$
Lease payments	176,041	24,651	-	200,692
Finance charges	(5,695)	(153)	-	(5,848)
<b>Net present values</b>	<b>170,346</b>	<b>24,498</b>	<b>-</b>	<b>194,844</b>

*Lease payments not recognised as a liability*

The group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of a lease liability was \$18,399 (2020: \$42,277). This amount relates to short-term leases.

**18. SHARE CAPITAL**

Share capital consists only of fully paid ordinary shares.

	30 June 2021	30 June 2020
	\$	\$
Fully paid ordinary shares	52,463,659	31,698,377
	<b>52,463,659</b>	<b>31,698,377</b>

	30 June 2021	30 June 2020
	Number of Shares	Number of Shares
<b>Number of ordinary shares</b>		
Balance at the beginning of the reporting period	985,343,232	847,440,000
Placement securities	100,000,000	134,000,000
Option exercise	20,500,000	-
Conversion of performance rights	6,675,346	3,903,232
<b>Balance at reporting date</b>	<b>1,112,518,578</b>	<b>985,343,232</b>

During the financial year, Yojee raised \$20,000,000 of capital (before costs) through the issue of 100,000,000 Placement Shares at \$0.20 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

19. SHARE-BASED PAYMENTS

Share Options

The option reserve records items recognised as expenses on valuation of share options.

2021								
Grant date	Expiry Date of Options	Exercise Price of Options	Balance at start of year	Cancelled/ expired during the year	Exercised during the year	Issued during the year	Balance at end of the year	Exercisable at end of year
27 May 2016	27 May 2021	\$0.020	17,000,000	-	(17,000,000)	-	-	-
14 Jun 2016	27 May 2021	\$0.070	3,000,000	(3,000,000)	-	-	-	-
14 Jun 2016	27 May 2021	\$0.070	3,000,000	(3,000,000)	-	-	-	-
14 Jun 2016	27 May 2021	\$0.070	3,000,000	(3,000,000)	-	-	-	-
14 Jun 2016	27 May 2021	\$0.070	4,000,000	(4,000,000)	-	-	-	-
30 Nov 2017	29 Dec 2020	\$0.200	2,500,000	(1,500,000)	(1,000,000)	-	-	-
22 Nov 2019	1 Apr 2023	\$0.100	1,000,000	-	-	-	1,000,000	<sup>1</sup> 1,000,000
22 Nov 2019	1 Apr 2024	\$0.150	1,000,000	-	-	-	1,000,000	<sup>2</sup> 1,000,000
22 Nov 2019	20 Dec 2022	\$0.100	1,500,000	-	-	-	1,500,000	<sup>3</sup> 1,500,000
22 Nov 2019	20 Dec 2022	\$0.150	1,500,000	-	-	-	1,500,000	<sup>4</sup> 1,500,000
18 Feb 2020	18 Aug 2021	\$0.075	10,000,000	-	-	-	10,000,000	<sup>5</sup> 10,000,000
18 Feb 2020	18 Feb 2023	\$0.075	5,000,000	-	(2,500,000)	-	2,500,000	<sup>6</sup> 2,500,000
27 Nov 2020	27 Nov 2023	\$0.080	-	-	-	9,000,000	9,000,000	<sup>7</sup> 9,000,000
27 Nov 2020	27 Nov 2023	\$0.070	-	-	-	5,000,000	5,000,000	<sup>8</sup> 5,000,000
27 Nov 2020	5 Aug 2024	\$0.100	-	-	-	2,500,000	2,500,000	<sup>9</sup> -
27 Nov 2020	5 Aug 2025	\$0.150	-	-	-	2,500,000	2,500,000	<sup>10</sup> -
			<b>52,500,000</b>	<b>(14,500,000)</b>	<b>(20,500,000)</b>	<b>19,000,000</b>	<b>36,500,000</b>	<b>31,500,000</b>

<sup>1</sup> 1,000,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 1 April 2023).

<sup>2</sup> 1,000,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 1 April 2024).

<sup>3</sup> 1,500,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 20 December 2022).

<sup>4</sup> 1,500,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 20 December 2022).

<sup>5</sup> 10,000,000 unquoted options vesting on grant (exercisable at \$0.075 on or before 18 August 2021).

<sup>6</sup> 5,000,000 unquoted options vested on grant (exercisable at \$0.075 on or before 18 February 2023).

<sup>7</sup> 9,000,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.08 on or before 27 November 2023).

<sup>8</sup> 5,000,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.07 on or before 27 November 2023).

<sup>9</sup> 2,500,000 unquoted options vesting on a 12-month service condition (exercisable at \$0.10 on or before 5 August 2024).

<sup>10</sup> 2,500,000 unquoted options vesting on a 24-month service condition (exercisable at \$0.15 on or before 5 August 2025).

For the options granted during the current and prior financial years, American Binomial or Black-Scholes valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry Date	Share price at grant date	Exercise Price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
22 Nov 2019	1 Apr 2023	\$0.06	\$0.10	69%	-	2.02%	\$0.02
22 Nov 2019	1 Apr 2024	\$0.06	\$0.15	69%	-	2.02%	\$0.02
22 Nov 2019	17 May 2023	\$0.06	\$0.10	69%	-	2.02%	\$0.02
22 Nov 2019	17 May 2024	\$0.06	\$0.15	69%	-	2.02%	\$0.02
22 Nov 2019	20 Dec 2022	\$0.06	\$0.10	69%	-	2.02%	\$0.02
22 Nov 2019	20 Dec 2022	\$0.06	\$0.15	69%	-	2.02%	\$0.02
27 Nov 2020	27 Nov 2023	\$0.21	\$0.08	95%	-	0.11%	\$0.17
27 Nov 2020	27 Nov 2023	\$0.21	\$0.07	95%	-	0.11%	\$0.17
27 Nov 2020	5 Aug 2024	\$0.21	\$0.10	95%	-	0.19%	\$0.16
27 Nov 2020	5 Aug 2025	\$0.21	\$0.15	95%	-	0.29%	\$0.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

**Option Valuation**

In accordance with AASB 2, the value of options granted has been independently assessed.

**Performance Rights**

The performance rights reserve records items recognised as expenses on valuation of performance rights.

2021						
Grant date	Balance at start of year	Issued during the year	Cancelled during the year	Vested during the year	Balance at end of the year	
29 Dec 2017	1,000,000	-	-	(1,000,000)	-	
16 May 2018	1,000,000	-	-	(1,000,000)	-	
9 Sep 2019	750,000	-	-	(750,000)	-	
9 Sep 2019	750,000	-	-	-	750,000	<sup>1</sup>
13 Nov 2019	1,401,476	-	(83,582)	(1,317,894)	-	
13 Nov 2019	1,401,476	-	(178,321)	-	1,223,155	<sup>2</sup>
8 Oct 2020	-	500,000	-	-	500,000	<sup>3</sup>
8 Oct 2020	-	500,000	-	-	500,000	<sup>4</sup>
3 Nov 2020	-	3,286,749	-	(3,286,749)	-	
3 Nov 2020	-	3,157,191	-	-	3,157,191	<sup>5</sup>
3 Nov 2020	-	3,157,191	-	-	3,157,191	<sup>6</sup>
10 Mar 2021	-	70,703	-	(70,703)	-	
10 Mar 2021	-	70,703	-	-	70,703	<sup>7</sup>
10 Mar 2021	-	70,703	-	-	70,703	<sup>8</sup>
	<b>6,302,952</b>	<b>10,813,240</b>	<b>(261,903)</b>	<b>(7,425,346)</b>	<b>9,428,943</b>	

<sup>1</sup> 750,000 performance rights on a service condition vesting plan with vesting date on 3 September 2021.

<sup>2</sup> 1,223,155 performance rights on a service condition vesting plan with vesting date on 1 July 2021.

<sup>3</sup> 500,000 performance rights on a service condition vesting plan with vesting date on 8 October 2022.

<sup>4</sup> 500,000 performance rights on a service condition vesting plan with vesting date on 8 October 2023.

<sup>5</sup> 3,157,191 performance rights on a service condition vesting plan with vesting date on 1 July 2021.

<sup>6</sup> 3,157,191 performance rights on a service condition vesting plan with vesting date on 1 July 2022.

<sup>7</sup> 70,703 performance rights on a service condition vesting plan with vesting date on 1 July 2021.

<sup>8</sup> 70,703 performance rights on a service condition vesting plan with vesting date on 1 July 2022.

**Expenses arising from share-based payment transactions**

In total, an amount of \$4,267,141 (2020: \$697,629) has been recognised as an employee share-based payment expense (all of which related to equity-settled share-based payment transactions) in the profit or loss for the financial year ended 30 June 2021 and credited to share-based payment reserve.

**20. DIVIDENDS**

There have been no dividends paid or proposed in respect of the year ended 30 June 2021.

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

**21. RELATED PARTY DISCLOSURES****Key Management Personnel Compensation**

Details of key management personnel compensation are disclosed in the Remuneration Report and Note 10.

**Transactions with Key Management Personnel**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**Transactions with Director Related Entities**

There were no transactions with director related entities during the year other than those disclosed in the Remuneration Report and Note 10.

**Transactions with Controlled Entities**

There were no transactions with controlled entities during the year.

**22. PARENT ENTITY INFORMATION**

Set out below is supplementary information about the parent entity. For the purpose of this note, the amounts disclosed relate to the legal parent entity, Yojee Limited, and thus include comparative information with the statement of profit and loss and other comprehensive income representing the results for the full 12-month financial year ended to 30 June 2021.

	Parent 30 June 2021 \$	Parent 30 June 2020 \$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Loss after income tax, which represents total comprehensive loss	(5,889,711)	(1,629,652)
<b>Statement of Financial Position</b>		
<b>Total Current Assets</b>	<b>17,568,883</b>	<b>3,816,156</b>
<b>Total Assets</b>	<b>41,497,429</b>	<b>23,325,654</b>
<b>Total Current Liabilities</b>	<b>122,547</b>	<b>55,703</b>
<b>Total Liabilities</b>	<b>122,547</b>	<b>55,703</b>
<b>Equity</b>		
Contributed Equity	52,463,659	31,698,377
Share-based payment reserve	5,203,787	1,974,427
Accumulated losses	(16,292,564)	(10,402,853)
<b>Total Equity</b>	<b>41,374,882</b>	<b>23,269,951</b>

**Contingent liabilities**

The parent entity did not have any contingent liabilities as at 30 June 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

**Significant accounting policies**

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 3, except that investments in subsidiaries are accounted for at cost, less any impairment.

**23. NOTES TO THE STATEMENT OF CASH FLOWS**

	30 June 2021 \$	30 June 2020 \$
<b>(a) Reconciliation of Cash and Cash Equivalents</b>		
For the purpose of the statement of cash flows, cash includes cash in hand and in banks and term deposits. Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	18,402,652	4,316,712
<b>(b) Financing Facilities</b>		
The Group had the following credit card facilities		
Amounts utilised	-	-
	<b>18,402,652</b>	<b>4,316,712</b>
<b>(c) Reconciliation of Net Loss from ordinary activities after related income tax to net cash flows from operating activities</b>		
Loss after related income tax	(11,305,732)	(6,163,844)
<b>Non-cash activities:</b>		
Share-based payments expense	4,267,141	697,629
Foreign exchange differences	996,515	133,030
Depreciation and amortisation expense	192,551	193,135
Impairment of intangible assets	-	935,428
Amortisation of intangible	1,955,092	40,418
Interest expense on lease liabilities	5,266	15,575
Loss on right-of-use asset disposal	11,067	-
AASB 16 adjustment to opening retained earnings	-	(1,179)
<b>Changes in assets and liabilities, net of effects from acquisition and disposal of businesses:</b>		
<b>(increase)/Decrease in assets:</b>		
Assets, excluding cash and cash equivalents	(11,445)	63,881
<b>Increase in liabilities:</b>		
Liabilities, excluding lease liabilities	156,842	5,062
<b>Net cash used in operating activities</b>	<b>(3,732,703)</b>	<b>(4,080,865)</b>

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021****24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instrument is cash and cash equivalents. The main purpose of this financial instrument is to finance the Group's operations. The Group has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risk arising from the Group's financial instruments is the cash flow interest rate risk.

**24.1 Cash flow interest rate risk**

The Group's exposure to the risks of changes in market interest rates relates primarily to the short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk. Instead consideration is given to a mixture of fixed and variable interest rates.

The cash amounts and interest rates effective at the reporting date are:

	Amount \$	Effective Rate %	Maturity Date
Variable	18,402,652	-	On-Call
<b>Total Cash</b>	<b>18,402,652</b>		

**24.2 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet debt requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group aims at maintaining flexibility in funding by having in place operational plans to source further capital as required.

As at 30 June 2021, the Group's liabilities are summarised below:

	Current		Non-Current	
	Within 6 months \$	6 to 12 months \$	1 - 5 years \$	5+ years \$
Trade and other payables	385,671	-	-	-
Lease liabilities	33,158	1,915	-	-
	<b>418,829</b>	<b>1,915</b>	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

#### 24.3 Credit Risk

Credit risk arises from cash and cash equivalents and outstanding receivables. The cash balances are held in financial institutions with high ratings and the receivables comprise interest receivables and GST input tax credit refundable by the ATO. The Group has assessed that there is minimal risk that the cash and receivables balances are impaired.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Classes of financial assets	30 June 2021	30 June 2020
	\$	\$
Cash and cash equivalents	18,402,652	4,316,712
Trade and other receivables, net	156,505	172,250
Deposits	30,283	33,262
	<b>18,589,440</b>	<b>4,522,224</b>

#### 24.4 Capital Risk Management

When managing capital, management's objectives are to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also maintains a capital structure that ensures the lowest cost of capital available to the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or enter into joint ventures.

The Group does not have a defined share buy-back plan. No dividends are expected to be paid in 2021. There is no current intention to incur debt funding on behalf of the Group as on-going development expenditure will be funded via equity or joint ventures with other companies.

The Group is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a monthly basis.

#### 24.5 Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Most of the groups transactions are carried out in AUD, SGD and USD. Exposures to currency exchange rates arise from the Group's overseas sales and purchases. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into \$AUD at the closing rate:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Assets	Liabilities	Assets	Liabilities
	2021	2021	2020	2020
	\$	\$	\$	\$
United States Dollar	600,812	14,665	387,993	38,028
Singapore Dollar	273,745	146,808	237,858	49,797
Malaysia Ringgit	36,324	53	31,227	5,374
Vietnam Dong	67,047	14,742	25,347	13,780
	<b>977,928</b>	<b>176,268</b>	<b>682,425</b>	<b>106,979</b>

Over the past year the Australian Dollar has varied up and down against all currencies. A 10% variance is considered reasonable for sensitivity analysis on this basis. If the \$AUD had strengthened against the various currencies by 10% the impact on equity and profit before tax would have been \$80,166, if the \$AUD had weakened against the various currencies by 10% the impact would have been (\$80,166) on equity and loss before tax.

**25. EARNINGS PER SHARE**

	30 June 2021	30 June 2020
	Cents Per Share	Cents Per Share
Basic loss per share	(1.06)	(0.68)
Diluted loss per share	(1.06)	(0.68)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	30 June 2021	30 June 2020
	\$	\$
Earnings*	(11,305,732)	(6,163,844)

\*Earnings are the same as the loss after tax in the statement of profit or loss and other comprehensive income

	30 June 2021	30 June 2020
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in the calculation of basic loss per share:	1,069,927,502	908,607,992
Weighted average number of ordinary shares used in the calculation of diluted loss per share:	1,069,927,502	908,607,992

The weighted average number of ordinary shares outstanding during the year ended 30 June 2021 has been calculated as the actual number of ordinary shares of Yojee Limited outstanding during the period after acquisition.

Diluted Earnings per Share

The rights to options held by existing and new option holders through the cancellation of 14,500,000 options during the year ended 30 June 2021 have not been included in the weighted average number of ordinary shares for the purpose of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 *Earnings per Share*.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

#### 26. CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 30 June 2021.

#### 27. AFTER REPORTING DATE EVENTS

There were no adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

#### 28. CONTROLLED ENTITIES

The ultimate Australian parent entity and the ultimate parent of the Consolidated Entity is Yojee Limited. For the purposes of this note the parent entity has been deemed as the legal entity being Yojee Limited.

Name of Entity	Country of Registration	Class of Shares	Equity Holding	
			2021	2020
SC Resources Pty Ltd (controlled entity)	Australia	Ordinary	100%	100%
Send Yojee Pty Ltd (controlled entity)	Australia	Ordinary	100%	100%
Yojee Pte Ltd (controlled entity)	Singapore	Ordinary	100% <sup>1</sup>	100% <sup>1</sup>
Yojee Ops Pte Ltd (controlled entity)	Singapore	Ordinary	100% <sup>1</sup>	100% <sup>1</sup>
Sendyojee Pte Ltd (controlled entity)	Singapore	Ordinary	100% <sup>2</sup>	100% <sup>2</sup>
Yojee Solutions Pte Ltd (controlled entity)	Singapore	Ordinary	100% <sup>2</sup>	100% <sup>2</sup>
Yojee Ops Vietnam Co. Ltd (controlled entity)	Vietnam	Ordinary	100% <sup>2</sup>	100% <sup>2</sup>
Yojee SDN.BHD (controlled entity)	Malaysia	Ordinary	100% <sup>2</sup>	100% <sup>2</sup>
Yojee (Cambodia) Co., Ltd (controlled entity)	Cambodia	Ordinary	100% <sup>2</sup>	100% <sup>2</sup>

<sup>1</sup> Wholly owned subsidiary of Send Yojee Pty Ltd.

<sup>2</sup> Wholly owned subsidiary of Yojee Ops Pte Ltd.

#### 29. OPERATING SEGMENTS

All revenues and costs are handled centrally and management reviews financial information on a consolidated basis. The group is currently developing a sharing-economy based logistics technology platform targeting the Asia-Pacific region. On this basis it is considered that there is only one operating segment, the details of which are disclosed within this financial report.

## ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 26 August 2021.

### 1. DISTRIBUTION OF SHAREHOLDERS

Analysis of number of shareholders by size of holding:

Category of Holding	Number of Holders	Number of Shares	% of Capital
1 - 1,000	103	15,300	0
1,001 - 5,000	1493	4,974,093	0.44
5,001 - 10,000	953	7,683,614	0.68
10,001 - 100,000	2324	90,432,043	8.02
100,001 Over	788	1,024,598,840	90.86
<b>Total</b>	<b>5661</b>	<b>1,127,703,890</b>	<b>100</b>

### 2. TWENTY ONE LARGEST SHAREHOLDERS

The names of the twenty one largest holders by account holding of ordinary shares are listed below:

Rank	Name	Shares	% of Shares
1	UBS NOMINEES PTY LTD	81,964,656	7.27
2	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	60,952,256	5.40
3	CITICORP NOMINEES PTY LIMITED	47,575,488	4.22
4	RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	35,300,000	3.13
5	REEF INVESTMENTS PTY LTD <T D NAIRN SUPER FUND A/C>	34,172,252	3.03
6	MR GRANT RUSSELL POVEY	28,442,648	2.52
7	REEF INVESTMENTS PTY LTD <TD NAIRN SUPER FUND (2) A/C>	27,686,547	2.46
8	ICE COLD INVESTMENTS PTY LTD	25,000,000	2.22
8	NINETY THREE PTY LTD <ONE MILE S/F A/C>	25,000,000	2.22
8	WATEROX PTY LTD <TIEN CHAI A/C>	25,000,000	2.22
11	MR TREVOR DOUGLAS NAIRN <T D NAIRN FUND ACCOUNT>	18,670,000	1.66
12	SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	16,621,676	1.47
13	GREATSIDE HOLDINGS PTY LTD <ADL A/C>	16,032,914	1.42
14	MR STEPHEN ERNEST ANASTOS + MRS GLENISE KAYE HENDERSON <SEA S/F A/C>	13,450,000	1.19
15	BERGER INVESTMENT FUND PTY LTD <BERGER INVESTMENT FUND A/C>	13,120,000	1.16
16	MRS MICHELLE DENNY <PIRATE'S COVE A/C>	12,250,000	1.09
17	JEM INVESTMENT FUND HOLDINGS PTY LTD <JEM INVEST FUND FAMILY A/C>	12,000,000	1.06
18	BASKERVILLE INVESTMENTS PTY LTD <BASKERVILLE FAMILY A/C>	10,572,777	0.94
19	MR RICHARD NEIL WILSON <SINGLEFIN ASIA PVT FNDTN A/C>	10,290,245	0.91
20	ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	10,000,000	0.89
20	STATION NOMINEES PTY LTD <STATION S/F A/C>	10,000,000	0.89
<b>Total Twenty One Largest Shareholders</b>		<b>534,101,459</b>	<b>47.36</b>
<b>Total Remaining Shareholders Balance</b>		<b>593,602,431</b>	<b>52.64</b>

### 3. RESTRICTED SECURITIES

No restricted securities.

### 4. UNRESTRICTED SECURITIES

All securities are unrestricted.

### 5. SUBSTANTIAL SHAREHOLDERS

As at 26 August 2021 the substantial shareholder was as follows:

Name	Shares	Shares	% of Shares
UBS NOMINEES PTY LTD		81,964,656	7.27
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>		60,952,256	5.40

### 6. VOTING RIGHTS

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.