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ASX RELEASE

27 November 2020

Acquisition of Betta Group

Highlights:

- **Orcoda to acquire transport services business Betta Group for \$5 million as a combination of securities and cash**
- **Betta Group customer base includes Aurizon, Ergon Energy, Queensland Rail, PowerLink, Q-Build, Australian Defence Force and the Bowen Basin mining industry**
- **The Betta Group achieved \$9 million revenue and EBITDA of A\$2.1 million in FY 2020**

Orcoda Limited (ASX: ODA) ('Orcoda' or 'the Company'), the transport logistics and services optimisation company, is pleased to announce that it has entered into a Share Purchase Agreement ('SPA') to purchase 100% of the shares in Betta Group of Companies Qld Pty Ltd ('BGC') (the 'Transaction').

BGC is a long-standing transport services business specialising in rail, road and air infrastructure power services contracting but also contracts for services in oil & gas and mining projects. Betta was formed in Rockhampton, Queensland in 2005 and was registered in 2012 as Betta Group of Companies (QLD) Pty Ltd trading as Betta Power Services. The focus of BGC is predominantly in transport infrastructure related projects in rail, road and air for power services for the likes of Aurizon, Ergon Energy, Queensland Rail, PowerLink, Q-Build, Australian Defence Force and the Bowen Basin mining industry.

BGC is exposed to growing infrastructure markets in Central Queensland which is likely to grow further with significant government stimulus to occur in major infrastructure because of its "essential services" status.

BGC's key business is transport services. It also is a fully licensed asbestos demolition contractor which is required for certain associated projects and runs a smaller business unit in Rockhampton under franchise called 'Hydrokleen'.

BGC achieved A\$9 million revenue and an EBITDA of A\$2.1 million in the financial year ending 30 June 2020.

The total consideration for the Transaction is expected to be A\$5 million, paid as a combination of securities and cash, being:

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- (a) Consideration Shares: A\$2.5 million in Orcoda fully paid ordinary shares to be issued at a deemed A\$0.16 per ODA ordinary share at settlement ('Consideration Shares'). The Consideration Shares will be escrowed for 12 months from issue; and
- (b) Consideration Cash: A\$1 million cash at settlement which Orcoda will settle from available cash ('Consideration Cash') subject to a completion working capital adjustment, plus an 18 month earn-out arrangement of between A\$1.2 million and A\$1.5 million paid in A\$400k to A\$500k instalments every 6 months from 1 January 2021.

The Consideration Cash earn-out period of 18 months is divided into three 6 month periods starting from 1 January 2021 whereby between A\$800k and A\$1 million in EBITDA contribution is required to be made by the BGC business unit in each of the 6 month periods. If the EBITDA is below A\$800k then no earn-out cash is payable but if EBITDA is A\$800k then 80% of the earn-out cash is paid, being A\$400k in this example, and then in increments up to 100% if A\$1 million EBITDA is achieved to satisfy the earn-out cash requirements.

The Transaction involves the BGC founder working in Orcoda as managing director of the new underlying Orcoda Beta business unit post-Transaction for a minimum period of 18 months after settlement of the Transaction and also joining the Orcoda Board of Directors.

Orcoda is intending to issue the Consideration Shares within its current available placement capacity under the ASX Listing Rule 7.1. The Consideration Shares are to be issued at a deemed \$0.16 per ODA ordinary share within Orcoda's capacity, and as a result the total number of Consideration Shares is expected to be 15,625,000 ODA ordinary shares. The Cash Consideration payable at completion will be funded from existing cash reserves.

Upon completing the Transaction, BGC shareholders will hold approximately 12% of the ordinary shares in the Company via the issue of the Consideration Shares.

An Appendix 3B will be lodged separately regarding this proposed issue.

Timetable

Pursuant to the SPA, the Transaction is expected to follow the following timetable:

Milestone	Date
Share Purchase Agreement fully signed by all parties	26 November 2020
Orcoda Due Diligence confirmed in writing as complete	27 November 2020
Consent to Act from Incoming Director Geoffrey Williams	Prior to Completion

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Milestone	Date
Completion Balance Sheet and working capital adjustments finalised	Prior to Completion
Orcoda Board approval to complete	Prior to Completion
Completion targeted	10 December 2020

There are no other conditions precedent to be met other than those listed in the Timtable.

Geoff Williams, Beta Group founder and Managing Director commented: “The majority of Beta’s contracts are remote and will benefit from Orcoda’s software, contracting and management expertise in managing our workforce and our assets (vehicles, plant and equipment). The joining of our businesses will add significant value and efficiency to the business and enhance its profitability. There are multiple major infrastructure projects coming up in road, rail and air in Central Queensland and a combined Orcoda/Betta business will be well positioned to win a lot of these contracts”.

Geoff Jamieson Orcoda Managing Director commented: “Beta Group is a perfect fit into our Resource Logistics division. Our contracting methodologies are the same. Once a contract is won, we will both manage the contract utilising our management skills in managing workers, assets and utilise our existing ‘best in class’ software to optimise the project outcomes and deliver better value for our customers. Beta’s ISO qualifications will enhance the newly merged entity’s ability to win new infrastructure projects”.

This ASX release was authorised by the Board of Directors.

-ENDS-

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About Orcoda

Orcoda Limited (ASX: ODA) is a leading Australian transport logistics and transport services solution provider with expertise in business efficiency and optimisation. We are operational efficiency specialists who supply best-in-class solutions combining software, management expertise and contracting services that makes our customers among the most productive and cost-effective organisations in their respective industries.

Our clients come from a diverse array of industry sectors and include some of Australia's largest companies operating in the resources and infrastructure, transport and logistics and healthcare sectors.

Orcoda's combined applications are focused on three key business sectors: healthcare, transportation and resources. We pride ourselves on enabling our customers to generate fast, accurate and reliable information, ensuring they are able to make the best business decisions the first time, every time and on time. www.orcoda.com.