

ASX RELEASE**14 December 2020**

Completed Acquisition of BCG Group of Companies

Highlights

- **Completed settlement of the acquisition of 100% of the shares in Betta Group of Companies Qld Pty Ltd (BGC) for \$5 million in cash and equity.**
- **Betta is a long-standing transport services business specialising in road, rail & air infrastructure power services, and also services Oil & Gas and Mining projects.**
- **The acquisition of Betta and the collaboration between the companies will add significant value and efficiency to the combined BCG / Orcoda business and has the potential to increase revenue and profitability.**

Orcoda Limited (ASX: ODA) ('Orcoda' or 'the Company'), the transport logistics and transport services optimisation company is pleased to announce that it has now completed settlement on the acquisition of 100% of the shares in Betta Group of Companies Qld Pty Ltd (BGC) for \$5 million.

Betta is a long-standing transport services business specialising in road, rail & air infrastructure power services, and also services Oil & Gas and Mining projects. Betta Power Services is the main business, with the focus of the company predominantly on transport infrastructure related projects in Rail, Road and Air for likes of Aurizon, Ergon Energy, Queensland Rail, PowerLink, Q-Build, Australian Defence Force and the Bowen Basin Mining Industry.

Betta concentrates its efforts on niche infrastructure projects where competition is limited, and with access to unique plant & equipment and unique skills, Betta is able to complete such infrastructure projects with a high level of client satisfaction.

Betta is exposed to growing infrastructure markets in Central Queensland – which is likely to realise further growth with significant government stimulus to occur in major infrastructure (declared 'essential services').

Betta is fully licensed in asbestos demolition which is required in many projects and runs a small business in Rockhampton under franchise called Hydrokleen.

Betta achieved \$9 million revenue and EBITDA of A\$2.1 million in FY20 and has achieved \$2.5 million revenue for the first quarter FY21.

The total consideration for the Proposed Transaction of \$5 million was paid in the following manner:

- (a) \$2.5 million in Orcoda fully paid ordinary shares issued at \$0.16 per share at settlement
- (b) \$1 million cash at settlement; and
- (c) An 18 month earn-out of between \$1.2m and \$1.5 million paid in \$400,000 to \$500,000 instalments every 6 months from settlement, subject to:
 1. BGC founder working in Orcoda as Managing Director of Betta for a minimum period of 18 months after settlement of the Proposed Transaction; and
 2. The Consideration Cash earn out period of 18 months divided into three 6-month periods whereby between \$800k and \$1m EBITDA is required to be made by BGC in each of the 6 month periods. If the EBITDA is below \$800k then no Consideration Cash is payable, however if EBITDA is \$800k then 80% of the Consideration cash is paid e.g. \$400k, and then in increments up to 100% if \$1m EBITDA is achieved (Earn-out),

(together the Consideration).

The Shares will be escrowed for a period of 12 months from issue date.

Commented on the completion of the acquisition, Beta Group founder and Managing Director, Geoff Williams, said: “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 & equipment). The acquisition of Beta and the collaboration between the companies will add significant value and efficiency to the BCG business and has the potential to also enhance profitability. Multiple major infrastructure projects are pending across Road, Rail & Air in Central Queensland, and with Orcoda and Beta working together, we will be well positioned to win a lot of the work on these projects”.

Geoff Jamieson Orcoda Managing Director commented: “The Beta Group acquisition is another milestone in our strategy to create a diversified transport logistics and services business based on expertise and technology. The Beta acquisition will take Orcoda from \$2-3 million in annual revenue to more than \$10 million estimated annual revenue subject to deal flow continuing as anticipated. It is our intention to continue to grow shareholder wealth through both internal growth and synergistic acquisitions that fit within our strategy”.

We thank our shareholders for continuing to support us and we also acknowledge the support of our other key business stakeholders, our employees, our clients and our suppliers.

This ASX release was authorised by the Board of Directors.

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.

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