

ASX RELEASE

22 JULY 2021

Quarterly Update for the Period Ending 30 June 2021

Financial Highlights

- **Fourth consecutive cash flow positive quarter from operations, with receipts from customers increasing by 19% from \$2.792 million in the March 2021 quarter, to \$3.347 million in the June 2021 quarter, resulting in year-to-date cash receipts of \$8.487 million.**
- **Consolidated revenue (unaudited) increased 414% from FY20 of \$1.734 million to \$8.91 million for FY21.**
- **Consolidated EBITDA of \$1.08 million (unaudited) for FY21, with the three divisions profitable for the Quarter.**
- **The Company's Transport, Healthcare and Resource Divisions are all profitable with a for the June 2021 quarter and a positive outlook to substantially grow revenue.**

Operational Highlights

- **Orcoda has transported 90,000+ passengers at Mt Buller since the start of the snow season, with numbers increasing and strong growth forecast subject COVID-19 restrictions being lifted.**
- **Memorandum of Understanding signed with several parties to organise and drive the design, development, manufacture, and delivery of Smart Poles into the national market.**

Leading resources, healthcare, and transport logistics and transport services optimisation company, Orcoda Limited (**ASX: ODA**) ("**Orcoda**" or "**the Company**") is pleased to provide shareholders and investors with an overview of activities to accompany the Appendix 4C, for the period ending 30 June 2021 ("**Quarter**", "**Reporting Period**".)

Commenting on the Quarter Orcoda Managing Director, Geoff Jamieson, said: "The June 2021 Quarter has been an important period for the Company, with strong growth across all key metrics and business units. Orcoda achieved strong growth in cash receipts for the Quarter, which increased by 19% from \$2.792 million in the March 2021 quarter, to \$3.347 million in the June 2021 quarter, resulting in year-to-date cash receipts of \$8.487 million. Mt Buller has significantly added to revenues, with a total of 90,000 + passengers transported since the beginning of the snow season, with the daily numbers continuing to grow subject to COVID-19 restrictions not continuing.

The Company continues to focus on growing its core business across all divisions, with our Resources, Transport and Logistics businesses all profitable for the Reporting Period."

FINANCIAL HIGHLIGHTS

Revenue and Customer Receipts

The Company recorded its fourth consecutive cash flow positive quarter from operations, with receipts from customers increasing by 19% from \$2.792 million in the March 2021 quarter, to \$3.347 million in the June 2021 quarter, resulting in year-to-date cash receipts of \$8.487 million.

Consolidated revenue (unaudited) for the Quarter increased 414% from FY20 of \$1.734 million to \$8.91 million for FY21, with consolidated EBITDA of \$1.08 million (unaudited) for FY21, with the Company's transport division, Healthcare Division and Resource Division all profitable for the Quarter, with a positive outlook to substantially grow revenue.

OPERATIONAL HIGHLIGHTS

Mt Buller Update

Since the start of the snow season, the Company has transported more than 90,000 passenger movements, with revenues from Mt Buller adding significantly to the Company's revenues for the Quarter with next quarter already performing very well. Passenger numbers have been steadily increasing, driven by visitors from Victoria when not in lockdown. Subject to COVID-19 restrictions being lifted this snow season the outlook is very positive.

Transport Division

The Company's Transport division is still affected by COVID-19, however existing customers are remaining loyal with a positive outlook to substantially grow revenue from new customers and the Company's relationships with Savills and SGS logistics. The division is currently in negotiations on two very large contracts that once contracted will add significantly to the division's revenues.

Healthcare Division

Orcoda's Healthcare division involves the sales of a SaaS platform to not-for-profits and commercial entities who provide transport to the Aged Care and Disabled communities and provides vehicles and drivers for a daily rate. The Company recently entered a 3-year contract with Transicare to provide vehicles and drivers to complement their fleet, with the intention to grow the services jointly with them and is in the process of negotiating extra contracts that will add substantially to revenue if contracted.

Resource Division

As mentioned, the Resource division is now well entrenched into the Mt Buller snow season with revenues growing. The division has also already announced the \$1.3 million project with a major mining company and is bidding on several large infrastructure projects at present, which will be announced to the market if contracted. The ability for Betta Group and Orcoda to bid jointly on major projects will significantly increase the Company's chances of winning these projects.

The Company's vision of growing by way of strategic acquisition is now paying off, with Betta Group proving highly beneficial to Orcoda. The acquisition has added significantly to receipts from customers for the half, with increasing revenues and continued profitability.

Betta Group, which is part of the Resource division is integral to Orcoda's smart pole installation strategy. The smart poles pertain to smart cities and smart highways of the future, with the smart pole platform to connect into Orcoda's people transport platform, asset management transport platform, new Dynamic Optimiser (DO), Artificial Intelligence (AI), Machine Learning (ML), Augmented Reality (AR) and Internet of Things (IOT), to deliver a total integrated platform for Government and commercial enterprises to manage a fully integrated transport solution.

The Company also continues to research and develop other new products within the Transport Logistics, Healthcare Logistics and Resource Logistics businesses to stay ahead of the curve. These projects and programs reflect Orcoda's support for Australian-based R&D, which helps the Company to continue to improve and innovate its software and solutions.

MOU signed to develop and deliver on Orcoda's 'Smart Poles'

In June 2021, the Company signed a Memorandum of Understanding ("MOU") with several parties to organise and drive the design, development, manufacture and delivery of Smart Poles into the national market.

Orcoda entered the MOU with the following parties:

- Wagners CFT Manufacturing - composite smart pole manufacture and hardware integration.

- Future Meridian - Government liaison, overseeing grant process, assisting with sales and infrastructure funding needs.
- RC Birili - digital systems delivery, hardware sourcing and indigenous engagement.
- Betta Power Services – management of a state with potential for national installation roll-out.
- Orcoda - contract management, management of digital platforms and connectivity into Orcoda existing transport technology platforms.

The Smart Pole is an integrated road-aligned eco-system for enhancing technology across data transportation grids and to support special purpose access by multiple parties and licencees, including government transport departments, municipalities, private entities, telcos, law enforcement groups.

Orcoda's strategic goal is for the Smart Pole to leverage real-time system reporting, data, and for special purpose sensors to be built into the Smart Pole, based on the relevant needs and product demand. The Smart Pole is intended to facilitate roads and highways with intelligent management, vehicle flow detection, vehicle monitoring, road maintenance, road safety, emergency rescue, and support intelligent messaging and intelligent payment systems.

Importantly, the Smart Poles are intended to leverage 5G base stations for enhancing signal strength and interconnectivity across urban and regional areas.

Orcoda's Smart Poles Project represents a significant opportunity to grow the Company's recurring revenues, coupled with substantial benefits that the technology can deliver to transport services and infrastructure both nationally and internationally.



Orcoda's Smart Pole Technology Design and Functionalit

CORPORATE HIGHLIGHTS

Geoff Jamieson Appointed as interim Chief Financial Officer

During the Reporting Period, the Company announced that Managing Director (“MD”) Geoffrey Jamieson had been appointed by the Board to take on the joint role of MD and Chief Financial Officer. Mr Jamieson has been appointed to replace Greg Khan who has resigned for personal reasons as CFO effective the 13th June 2021. Mr Jamieson has been the driving force as MD and CFO of steering the Company through the COVID -19 crisis and transforming the Company into a profitable and growing Company with a very bright future.

Listing Rule 4.7C.1 and 4.7C.3

The Company has already detailed material business activities in paragraphs above, including any material activities during the quarter. but a breakdown of expenditure within the reporting requirement of Appendix 4C 1.2 which are not self-explanatory are as follows.

1.2 (b) product manufacturing and operating costs of \$953k, relate to cost of goods sold of \$791k associated with Betta group, \$117k Transport Logistics division and the balance of \$24k related to Healthcare Logistics vehicle costs and \$21k to Resource Logistics Mt Buller.

1.2 (f) administration and corporate costs of \$1013k, relate to admin & corporate costs associated with Betta for the quarter of \$612k, Audit, ASIC and Listing costs of \$41k, admin and corporate costs of running divisions of \$250k and expenditure of \$110k to related parties (the amount included payments to the Managing Director, Geoffrey Jamieson, of \$79k; the Chairman, Nicholas Johansen, of \$11k; Executive Director, Geoffrey Williams, of \$9k; Non-Executive Director, Stephen Pronk, of \$3k; and Non-Executive Director, Brendan Mason, of \$7k).

The Company is continuing to develop opportunities within each division and continuing to grow the Company by way of acquisition and is looking forward to the future where dividends are being paid to shareholders.

The Company would like to thank shareholders, staff, customers and suppliers for their continued loyalty and support and looks forward to updating the market over the coming period.

Geoffrey Jamieson
Managing Director

For more information please contact:

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This ASX release was authorised by the Board of Directors.

-ENDS-

ABOUT ORCODA

Orcoda Limited (ASX:ODA) is a leading Australian Transport logistics and Transport services provider with expertise in business efficiency and optimisation of processes. We are operational efficiency specialists who supply best-in-class solutions combining technology, management expertise and contracting services that makes our clients 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 resource and infrastructure sectors, transport logistics sector and healthcare logistics sector.

Orcoda's combined applications are focused on three key transport sectors: road, rail & air. We pride ourselves in being able to provide technology, management and contracting to transport people, transport goods, develop transport infrastructure and manage transport assets and workforces for oil & gas, mining, and major transport infrastructure project.

Website: Orcoda.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Orcoda Limited

ABN

86 009 065 650

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		3,347	8,487
1.2 Payments for			
(a) research and development		(259)	(539)
(b) product manufacturing and operating costs		(953)	(2,771)
(c) advertising and marketing		(3)	(38)
(d) leased assets			
(e) staff costs		(841)	(1,962)
(f) administration and corporate costs		(1,013)	(3,243)
1.3 Dividends received (see note 3)			
1.4 Interest received		0	7
1.5 Interest and other costs of finance paid		(14)	(46)
1.6 Income taxes paid			
1.7 Government R&D grants and tax incentives		0	442
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		264	337
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		0	(1,000)
(b) businesses			
(c) property, plant and equipment		(54)	(71)
(d) investments			
(e) intellectual property			
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	129	228
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	3	3
2.6	Net cash from / (used in) investing activities	78	(840)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	1,342
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	(121)
3.5	Proceeds from borrowings	0	600
3.6	Repayment of borrowings	(200)	(252)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(8)	(166)
3.10	Net cash from / (used in) financing activities	(208)	1,403

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,337	1,531
4.2	Net cash from / (used in) operating activities (item 1.9 above)	264	337
4.3	Net cash from / (used in) investing activities (item 2.6 above)	78	(840)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(208)	1,403
4.5	Effect of movement in exchange rates on cash held and opening cash and cash equivalent balance of acquired entity as at 1st December	0	40
4.6	Cash and cash equivalents at end of period	2,471	2,471

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,249	2,237
5.2	Call deposits	100	100
5.3	Bank overdrafts	122	
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,471	2,337

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments. See attached Activity Report.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements	122	122
7.3 Other (R&D refund)	415	
7.4 Total financing facilities	537	122
7.5 Unused financing facilities available at quarter end		415
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.2 Overdraft Facility Betta Power		
7.3 R&D tax incentive refund		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	264
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,471
8.3 Unused finance facilities available at quarter end (item 7.5)	415
8.4 Total available funding (item 8.2 + item 8.3)	2,886
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:22 July 2021.....

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.