

ASX RELEASE**26 October 2021**

Quarterly Update for the Period Ending 30 September 2021

Financial Highlights

- **Cash flow positive by \$779k from operations being the fifth consecutive cash flow positive quarter.**
- **Receipts from customers increased by 37% to \$4.58 million in the September 2021 quarter, from \$3.35 million the previous quarter.**
- **Consolidated revenue (unaudited) increased 42% to \$4.66 million in the September 2021 Quarter, from \$3.29 million the previous quarter.**
- **Available working capital increased 34% to \$3.86 million in the September 2021 Quarter, from \$2.87 million for June 2021 quarter.**
- **EBITDA (not consolidated) across the three divisions was \$1.26 million (unaudited) for the September 2021 Quarter.**
- **The Company's Transport, Healthcare and Resource Divisions were all profitable for the First Quarter of FY22, with a positive outlook for all divisions to continue to grow revenues.**

Operational Highlights

- **Resource Division traded strongly with Mt Buller season completed and wholly-owned subsidiary Beta Group winning a significant works contract with Laing O Rourke on a major Defence contract at Shoalwater Bay. The division has a strong order book with excess of \$7 million.**
- **Healthcare Division is increased revenues each month and has tendered for several significant contracts, with wins to be announced.**
- **Transport Division continues to grow revenues and has developed two new vitally innovative technology solutions for its Orcoda Logistics Management System ("OLMS") platform. The Dynamic Solver facilitates on-demand and scheduled transport in one platform and a notification app that instantly notifies users.**

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 September 2021 ("**Quarter**" or "**Reporting Period**".)

Managing Director Geoff Jamieson commented on the quarter results: "The First Quarter of FY22 has yet further growth, with solid growth in all key metrics and business units. We are pleased to have a strong pipeline of projects for future revenue and an excellent current order book. Orcoda achieved strong growth in cash receipts from operations for the quarter, which increased by 37% from \$3.35 million in the June 2021 quarter to \$4.58 million in the September 2021 quarter. Our invoice collections are excellent and our trade creditors generally up to date, and most trade creditors are on 30-day terms. Consolidated revenues were up once again Quarter on Quarter, with the September quarter up 42% to \$4.66 million from \$3.29 million in the previous quarter. EBITDA (not consolidated) across the three divisions was \$1.26 million (unaudited) for the Quarter, delivering a 27% operating margin, which is a testament to our continued close control of overheads. Available working capital also increased, being up 34% to \$3.86 million from \$2.87 million in the previous quarter.

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

FINANCIAL

Revenue and Customer Receipts

The Company recorded its fifth consecutive cash flow positive quarter from operations, with receipts from customers increasing by 37% to \$4.582 million in the September 2021 quarter, from \$3.347 million in the previous quarter.

Consolidated revenue has continued to grow Quarter on Quarter with \$4.66 million achieved in the September quarter FY21 with EBITDA (unconsolidated) from the three divisions continued to grow Quarter on Quarter with \$1.26 million (unaudited) recorded for first quarter FY22. The Company's a retains a positive outlook to substantially grow revenue.

OPERATIONAL

Resource Division

The Resource division is our standout division currently. This division has generated strong revenue growth during the Quarter, with Betta winning significant new work. It has a current order book of more than \$7 million. It entered into a subcontract with Laing O Rourke on a significant works contract with the Department of Defence. The Mt Buller project was substantially impacted by COVID again however was profitable while open, and we look forward to a good snow season next year as the contract has seven years to run. The division has a strong pipeline of potential contracts. Currently, it has bids out on approximately \$20 million worth of contracts the Company have a strong chance to win. The market will be notified of all significant wins as they occur. The ability of the Betta Group and Orcoda to jointly on substantial projects, which significantly increases the Group's ability to win projects.

Transport Division

The Company's Transport division is still affected by COVID-19. However, existing customers remain loyal, and we have a positive outlook to substantially grow revenue from new customers, mainly through the Company's relationships with Savills and SGS logistics. The Transport Division invested a significant amount of time enhancing our OLMS platform to meet the requirements of the Mt Buller contract. Innovative improvements will benefit future customers and should generate additional income streams in two creative and unique inventions. We added a Dynamic Solver to the OLMS platform to facilitate on-demand transport and scheduled transport in one platform. The other is a notify app that enables notifications to our customers in real-time, which is critical to transport operators. The division is currently in negotiations for two large contracts that, if won, would add significantly to its revenues.

Healthcare Division

Orcoda's Healthcare division continues to grow revenues and has entered into two small contracts that we anticipate to grow into substantial revenue generators for the division. The Healthcare Division 3-year contract with Transicare is increasing in revenue, and both parties are working together in the community transport field to grow revenues jointly. The Healthcare division has some exciting opportunities that it is currently working on. We expect to make announcements to the market as them as these evolve.

CORPORATE

The Company's vision of growth through strategic acquisition is paying off, with Betta Group proving highly beneficial to Orcoda. The investment has added significantly to customers' receipts, increased revenue, and continued Orcoda's run of profitable quarters.

Betta Group, 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. This Internet of Things (IoT) platform is envisioned for companies and government entities to with access to Orcoda's next-generation human and asset management transport platforms, that by combining our existing proprietary technology with the Dynamic Optimiser into elements of Artificial Intelligence, Machine Learning and Augmented Reality. This integrated platform is intentioned to position Orcoda to provide Government, and commercial enterprises access to scalable next-generation integrated transport solutions.

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 continue improving and innovating its software and solutions.

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. A detailed breakdown of expenditure under the reporting requirement of Appendix 4C 1.2 is described below:

1.2 (b) Product manufacturing and operating costs: \$1,549k, relate to cost of goods sold associated with Betta group(\$934k) Resource Logistics Mt Buller project (\$518k) and associated with Healthcare Logistics vehicle costs (\$65k) with the balance related to Transport Logistics (\$32k).

1.2 (f) Administration and corporate expenses: \$1,254k includes administrative & corporate costs associated with Betta (\$652k), Audit, ASIC and Listing costs (\$54k), administrative and corporate costs of running each of the Orcoda Divisions (\$294k). Expenditure of \$254 for related parties include payments to the Managing Director, Geoffrey Jamieson, of \$149k; the Chairman, Nicholas Johansen, of \$24k; Executive Director, Geoffrey Williams, of \$64k; Non-Executive Director, Stephen Pronk, of \$4k; and Non-Executive Director, Brendan Mason, of \$13k).

Closing

The Company is continuing to develop opportunities within each division as well as examining growth by acquisition opportunities. The Company looks forward to issuing dividends in the future.

The Company wishes 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

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-ENDS-

The Board of Directors authorised this ASX release.

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, making our clients among the most productive and cost-effective organisations in their respective industries.

Our clients come from various 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 providing 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: www.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 Sep 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,582	4,582
1.2 Payments for		
(a) research and development	(98)	(98)
(b) product manufacturing and operating costs	(1,549)	(1,549)
(c) advertising and marketing	(3)	(3)
(d) leased assets		
(e) staff costs	(1,122)	(1,122)
(f) administration and corporate costs	(1,254)	(1,254)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid		
1.7 Government R&D grants and tax incentives	228	228
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	779	779
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(500)	(500)
(b) businesses		
(c) property, plant and equipment	(96)	(96)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(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)		
2.6 Net cash from / (used in) investing activities	(596)	(596)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5 Proceeds from borrowings	150	150
3.6 Repayment of borrowings	(6)	(6)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(39)	(39)
3.10 Net cash from / (used in) financing activities	105	105

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,471	2,471
4.2 Net cash from / (used in) operating activities (item 1.9 above)	779	779
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(596)	(596)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	105	105
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,759	2,759

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	2,659	2,249
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)	2,759	2,471

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	254
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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	700	0
7.2	120	0
7.3	280	0
7.4	Total financing facilities	1,100
7.5	Unused financing facilities available at quarter end	
		1,100
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.	
	DLL Group \$700k loan, 5.75% interest rate, secured against plant & equipment with a term of 36 months. NAB overdraft facility R&D refund amount	

8. Estimated cash available for future operating activities	\$A'000
8.1	779
8.2	2,759
8.3	1,100
8.4	3,859
8.5	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:26 October 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.