

ASX RELEASE**27 January 2022**

Quarterly Update for the Period Ending 31 December 2021

Financial Highlights

- **Cash flow positive by \$498k from operations, being the sixth consecutive cash flow positive quarter.**
- **Receipts from customers for the quarter of \$4.32 million with \$8.89 million YTD.**
- **Cash and Cash equivalents increased by 16% for the quarter to \$3.21 million from \$2.76 million last quarter.**
- **Consolidated revenue grew by 26% to 8.2 million (unaudited) this half from \$6.5 million in the previous half.**
- **Available working capital of \$3.44 million after paying off \$600k in debt during the quarter.**
- **EBITDA (not consolidated) across the three operating divisions was \$1.6 million (unaudited) for the half-year and \$1.2 million consolidated (unaudited).**
- **The Company's Healthcare and Resource Divisions were both profitable for the first half of FY22 and there is a positive outlook for all divisions to continue to grow revenues.**

Operational Highlights

- **Resource Division traded strongly with Beta Group receiving its mobilisation payment from Laing O Rourke on a major Defence contract at Shoalwater Bay and the division has a strong order book of over \$7 million. During the quarter the division was granted a United States Patent titled Booking System for Personnel Supply Chains which was announced to the ASX on 15 December 2021.**
- **Healthcare Division experiencing increasing revenues each month with substantial contracts that may be announced soon.**
- **Transport Division has introduced new revenue and developed two important innovative technology solutions for its Orcoda Logistics Management System (OLMS) platform. The "Dynamic Solver" integrates on-demand and scheduled transport in a single platform and notification app to instantly notify its users of relevant change.**

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 31 December 2021 ("**Quarter**", "**Reporting Period**".)

Commenting on the Quarter Orcoda Managing Director, Geoff Jamieson, said: "The second quarter of FY22 has seen another cash flow positive quarter of \$498k, with cash and cash equivalents increasing by 16% to \$3.21 million this quarter from \$2.76 million last quarter. A consolidation of revenues with the Company achieving \$8.2 million year to date, with strong growth, a strong pipeline of projects for future revenue and an excellent current order book.

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

FINANCIAL

Revenue and Customer Receipts

The Company recorded its sixth consecutive cash flow positive quarter from operations, with receipts from customers for the quarter of \$4.32 million and \$8.89 million year-to-date.

Consolidated revenue (unaudited) has continued to grow with \$8.2 million (unaudited) achieved for the 1st July 2021 to 31st December 2021 half-year as against \$6.5 million (audited) for the previous half-year of 1st January 2021 to 30th June 2021.

OPERATIONAL

Resource Division

The Resource division is currently the Company's standout division, generating strong revenue growth during the quarter with Betta winning plenty of new work during the quarter and has a current order book in hand for more than \$7 million and received its mobilisation payment during the quarter from Laing O Rourke on the major works contract with Department of Defence. The division has a solid pipeline of potential contracts and currently has bids out on approximately \$20 million of work which the Company are likely to win. These will be announced to the market if contracted. The ability for Betta Group and Orcoda to bid jointly on major projects has significantly increased the Company's chances of winning these projects.

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 through the Company's relationships with Savills and SGS logistics. The division also developed two very innovative and unique inventions, one being a dynamic solver added to the platform that facilitates on-demand transport and scheduled transport in the one platform. The other is the "Notify" app that facilitates notifications to customers in real-time which is critical to transport operators. The division is currently in negotiations on two sizeable contracts that if successful would add significant revenue.

Healthcare Division

Orcoda's Healthcare Division continues to grow revenue. It entered two new contracts that are expected to increase substantially for the Division over time. The Divisions 3-year contract with Transit Care is increasing in revenue through working together in the community transport field. There are exciting opportunities for the Healthcare Division and Orcoda announce any successes.

CORPORATE

Overview

The Betta Group has proved itself a highly beneficial acquisition by Orcoda in terms of performance. This acquisition has added to receipts from customers last quarter, through increasing revenues and improving profitability.

The Betta Group, which is part of the Resource Division is integral to Orcoda's Smart Pole installation strategy. The Smart Pole strategy is a greenfield blue-sky opportunity, that is an Internet of Things (IoT) initiative designed for future smart cities and smart highways. The Smart Pole platforms aim to, among other things, connect to Orcoda and other entities:

- People transport platforms
- Asset management transport platforms
- Orcoda's new Dynamic Optimiser (DO)
- Other software that either in combination or separately delivers Artificial Intelligence (AI), Machine Learning (ML) and Augmented Reality (AR) to current and future generations.

The Smart Pole Project would be available to Government and non-government enterprises to licence as a fully integrated transport connected solution to various bottlenecks that are yet to be digitised. Clearly, Orcoda is committed to the research and development of new products and projects to stay ahead of the curve.

The granting of the United States Patent "Booking System for Personnel Supply Chains" provides coverage in the United States over Orcoda's Healthcare (managing the transport of people in light vehicles or buses to and from accommodation) and Resource Platforms (Mining, Oil & Gas and Major Infrastructure) for the Company's innovative booking system for managing the transport of people and the assets they travel in through personnel supply chains.

The recently announced landmark US patent may be a very important part of Orcoda's future, as penetrating the massive US market represents major opportunities and good product fit.

Listing Rule 4.7C.1 and 4.7C.3

The Company has detailed material business activities in paragraphs during the quarter and as required, now provides a breakdown of expenditure in accordance with Appendix 4C 1.2 that were not self-explanatory.

1.2 (b) Product manufacturing and operating costs of \$1,603k, relate to cost of goods sold of \$885k associated with Betta Group, \$620k Resource Logistics Mt Buller project and \$68k related to Healthcare Logistics vehicle cost. The balance of \$30k relates to the Transport Logistics Division.

1.2 (f) Administration and corporate costs of \$1,179k, relate to administration & corporate costs associated with Betta Group for the quarter of \$769k, Audit, ASIC and ASX listing costs of \$20k, administration & corporate costs of running divisions of \$275k and expenditure of \$115k to related parties (including the Managing Director, Geoffrey Jamieson for \$89k; the Chairman, Nicholas

Johansen, of \$14k; Executive Director, Geoffrey Williams, nil; Non-Executive Director, Stephen Pronk, of \$4k; and Non-Executive Director, Brendan Mason, of \$8k).

The Company is continuing to develop opportunities to grow each division organically and actively examine potential “growth by acquisition” strategies, following the success of the Betta Group acquisition.

The Board looks forward to a future in which dividends are being regularly paid and thanks shareholders, staff, customers and suppliers for their continued loyalty and support and will continue to update the market on future events.

Geoffrey Jamieson
Managing Director

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-ENDS-

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 provider with expertise in AI and 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 make 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")

31 Dec 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,316	8,898
1.2 Payments for		
(a) research and development	(115)	(213)
(b) product manufacturing and operating costs	(1,603)	(3,152)
(c) advertising and marketing	(5)	(8)
(d) leased assets		
(e) staff costs	(1,156)	(2,278)
(f) administration and corporate costs	(1,179)	(2,433)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(20)	(25)
1.6 Income taxes paid		
1.7 Government R&D grants and tax incentives	259	487
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	498	1,277
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	(500)
(b) businesses		
(c) property, plant and equipment	(111)	(207)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	3	3
	(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)	1	1
2.6	Net cash from / (used in) investing activities	(107)	(703)

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	700	850
3.6	Repayment of borrowings	(600)	(606)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(39)	(78)
3.10	Net cash from / (used in) financing activities	61	166

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,759	2,471
4.2	Net cash from / (used in) operating activities (item 1.9 above)	498	1,277
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(107)	(703)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	61	166
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,211	3,211

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	3,002	2,659
5.2	Call deposits	209	100
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,211	2,759

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	115
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>		

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

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 approved but not drawn	0
7.2	Credit standby arrangements	90
7.3	Other (R&D refund)	140
7.4	Total financing facilities	230
7.5	Unused financing facilities available at quarter end	210
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.	
	NAB overdraft facility undrawn	
	R&D refund amount	

8. Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	498
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,211
8.3	Unused finance facilities available at quarter end (item 7.5)	230
8.4	Total available funding (item 8.2 + item 8.3)	3,441
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: 27 January 2022

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.