

ASX RELEASE

19 April 2023

Quarterly Update for the Period Ending 31 March 2023

Highlights

- **Consecutive robust growth in quarterly customer cash receipts and total income of 33% and 50% compared to the previous corresponding quarter, respectively. Year to date, customer cash receipts and total income totalled \$16.6 million and \$15.5 million respectively, well on track to exceed FY2022 full year results.**
- **Profitable quarter with positive operating cash flows of \$1.0 million, up 240% compared to the previous corresponding quarter.**
- **The investments made in the last few quarters in various areas, such as sales & marketing, software development and Betta Group's team, are starting to yield tangible benefits, such as the signing of new SaaS contracts and a \$4.1 million major works contract during the quarter.**
- **Cash and cash equivalents of \$4.4 million and available working capital of \$5.4 million as of 31 March 2023 to fund future growth.**
- **Continue to focus on software developments and working with channel partners to commercialise new products and convert leads to increase our recurring revenue base.**

Orcoda Limited (ASX: ODA) ("Orcoda" or "the Company") is pleased to provide shareholders and investors with an overview of activities to accompany Appendix 4C for the quarter ending 31 March 2023 ("Quarter", "Reporting Period").

Commenting on the Quarter, Orcoda Managing Director, Geoff Jamieson, said: *"In this Quarter, we have continued to deliver strong growth in customer receipts and total income compared to previous periods. I am also pleased to report that operating cash flows for the Quarter returned to positive territory as we benefit from the investments in sales & marketing and software development and restructurings within Betta Group during the first half of FY2023.*

During the Quarter, we signed new SaaS contracts which are adding to our recurring revenue base, and Betta Group was very busy on delivering works for our core clients including the \$4.1 million Yurika contract and building a strong pipeline for the next 12 months. Our technology team is developing some exciting products leveraging our existing OLMS platform which we target to commercialise later this year. I look forward to providing updates on our progress and reporting on our FY2023 full year results in the coming months.

I am excited about Orcoda continuing to be a leader in providing intelligent transport and logistic technology solutions and services to clients against the broader digital transformation that is accelerating within every one of our markets."

Financial

Customer Receipts and Cash Flows

The Company received receipts from customers of \$5.3 million for the Quarter, up 33% from the previous corresponding quarter, driven by the underlying growth our software technology platforms and Betta Group. Year to date, total customer receipts were \$16.6 million, up 29% from the previous corresponding period.

Quarterly cash inflows from operations this period were \$1.0 million, up 240% from the previous corresponding quarter. Year to date, total cash inflows from operations were \$1.4 million.

Total Income (Unaudited)

Orcoda recorded total income of \$5.7 million for the Quarter, up 50% from the previous corresponding quarter. Year to date, total income was \$15.5 million, an increase of 28% compared with the previous corresponding period.

Cash Position

Orcoda ended the Quarter with a cash and cash equivalent balance of \$4.4 million, compared to \$2.0 million at previous quarter end (31/12/2022). The increase is attributable to positive operating cash flows, \$700k new borrowings and a \$1 million share placement to existing shareholders. As of 31/3/2023, available working capital (inclusive of unused facilities) was \$5.4 million, providing Orcoda with considerable flexibility to invest in organic and inorganic growth opportunities.

Operational

Resource Logistics Division

Betta Group has had a strong and busy Quarter executing existing work orders and winning new works from key clients, despite some project delays due to wet weather conditions. Notably, during the Quarter, Betta Group signed a \$4.1 million works contract with Yurika for the Pembroke Olive Downs transmission line project which is currently in execution and expected to complete in Q4 FY2023. As a local contractor, Betta Group is well positioned to serve clients in the greater Central Queensland region which is experiencing significant growth; for example, it is actively pursuing multiple opportunities in the \$1bn Rockhampton Ring Road Project, which is a major infrastructure project jointly funded by the Queensland and federal governments and includes more than 17 kilometres of new road connecting the Bruce Highway south and north of Rockhampton.

In February, we signed a 3-year SaaS contract with Kestrel Coal where they will use our proprietary Orcoda Workforce Logistics System (OWLS) to manage workforce accommodation in their mine in Bowen Basin.

Healthcare and Transport Logistics Division

During the Quarter, the division continued to service its loyal customer base in the healthcare and transport logistics segments via a SaaS / recurring revenue model.

Through our teaming agreement with Teletrac Navman, a leading global telematics company which partners with Telstra as a major reseller in Australia, we have successfully tailored our Orcoda technology solutions to develop the *ORCODA GO* app and licensed it to a regional council for its waste collection vehicle fleet and are finalising software integration ahead of signing a SaaS contract with a

leading trucking company in Australia. Concurrently, the division is in ongoing dialogues with a number of existing and prospective clients to license our solutions and add to our recurring revenue base.

We are preparing for the upcoming Mt Buller snow season pursuant to our 9-year Mt Buller rideshare contract and look forward to another strong season and successful delivery of our rideshare app to Mt Buller visitors over the coming months.

Corporate

During the Quarter, we had seen tangible results from our sales & marketing investments made in the previous quarters, with the commencement of several new SaaS contracts as mentioned above, and increased inbound enquiries and dialogues with prospective clients. We are continuing to invest in various areas of our business; specifically, as mentioned in the last quarter's activity report, we are currently developing a car management software product by leveraging our existing booking platform technology and know-how's, which is on track for commercialisation in 2023.

We continue to execute our long-term vision of developing an eco-system of Intelligent Transport Management Systems (**ITMS**) to drive continual digital transformations and optimisations of our clients' supply chain processes and deliver a fully integrated and connected transport ecosystem.

Our strategy is to actively position ourselves as a leading player in the transport related smart city infrastructure and electrification build-out, which we expect will accelerate across Australia over the next decade. We believe our logistics software platforms and Beta Group, which provides the electrification installation and project management capabilities, give us a unique competitive edge in achieving our strategy.

Orcoda Technology is responsible for providing R&D, product development support and IT functions for all the Company's divisions. Orcoda is committed to researching and developing new products to build on competitive advantages. The projects and programs reflect Orcoda's support for Australian-based R&D, being an initiative that helps Orcoda improve and innovate our logistical software solutions and refine their implementation.

Listing Rule 4.7C.1 and 4.7C.3

The Company has detailed the primary material business activities during the Quarter in the paragraphs above. Further, it provides a breakdown of expenditure under Appendix 4C 1.2 not already detailed as follows:

1.2 (b) product manufacturing and operating costs of \$1,277k, related to cost of goods sold of \$1,123k associated with Betta, \$8k related to the Mt Buller project and \$146k on Healthcare and Transport Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,125k, relate to admin, sales and corporate costs associated with running the Public Company and its subsidiaries of \$995k and expenditure of \$130k to related parties (the amount included payments to the Managing Director, Geoffrey Jamieson, of \$109k; the Non-Executive Chairman, Nicholas Johansen, of \$14k; and Non-Executive Director, Brendan Mason, of \$7k).

Q2 Update Conclusion

The Company is continuing to grow organically by developing opportunities in each division and pursuing potential acquisitions that are value accretive to our shareholders. We are looking forward to a future where dividends are being paid to shareholders.

The Company sincerely thanks shareholders, staff, clients and suppliers for their continued loyalty and support. Orcoda looks forward to updating the market over the coming period.

For more information, please contact:

Company:

Geoff Jamieson

Managing Director

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-ENDS-

This ASX release is authorised by the Board of Orcoda Limited.

ABOUT ORCODA

Orcoda Limited (ASX: ODA) is a leading provider of smart technology solutions for transport logistics and transport services 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 are from a diverse array of industry sectors and include some of Australia's largest companies operating in the resources (mining, oil & gas and infrastructure), transport logistics and healthcare transport sectors.

Orcoda's combined expertise is focused on three key sectors of transport logistics technology and transport services: road, rail and air. We pride ourselves on enabling our clients 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.

Please sign up to our Interactive Investor Hub <https://investorhub.orcoda.com/> for our company announcements, receive updates and interact with Orcoda management.

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,321	16,632
1.2 Payments for		
(a) research and development	(217)	(663)
(b) product manufacturing and operating costs	(1,277)	(6,750)
(c) advertising and marketing	(115)	(513)
(d) leased assets		
(e) staff costs	(1,578)	(4,485)
(f) administration and corporate costs	(1,125)	(3,613)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(51)	(135)
1.6 Income taxes refunded	0	498
1.7 Government R&D grants and tax incentives	0	421
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	959	1,393
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	(500)
(b) businesses		
(c) property, plant and equipment	0	(55)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	52	79
(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)	0	11
2.6 Net cash from / (used in) investing activities	52	(465)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	1,000
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	(21)	(52)
3.5 Proceeds from borrowings	700	700
3.6 Repayment of borrowings	(257)	(534)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(36)	(106)
3.10 Net cash from / (used in) financing activities	1,386	1,008

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,020	2,481
4.2 Net cash from / (used in) operating activities (item 1.9 above)	959	1,393
4.3 Net cash from / (used in) investing activities (item 2.6 above)	52	(465)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,386	1,008
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,417	4,417

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	3,101	1,911
5.2	Call deposits	1,316	109
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)	4,417	2,020

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	130
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities approved but not drawn	0	0
7.2 Credit standby arrangements	1,000	0
7.3 Other (R&D refund)	0	0
7.4 Total financing facilities	1,000	0
7.5 Unused financing facilities available at quarter end		1,000
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		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	959
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,417
8.3 Unused finance facilities available at quarter end (item 7.5)	1,000
8.4 Total available funding (item 8.2 + item 8.3)	5,417
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: 19th April 2023

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.