

ASX RELEASE

31 July 2023

## Quarterly Update for the Period Ending 30 June 2023

### Highlights

- Continued consecutive quarterly growth in receipts from customers with \$5.8 million for the Quarter, a 35% increase over the previous corresponding quarter.
- Cash flow positive from operations of \$0.7 million for the Quarter.
- For the full year ended 30 June 2023, we delivered record total customer receipts \$22.4 million (+31% year-on-year growth), operating cash flows \$2.1 million (+97% yoy growth) and total income (unaudited) \$20.7 million (+25% yoy growth), reflecting strong and profitable underlying growth in our software and contracting businesses.
- A robust balance sheet with cash and cash equivalents of \$4.8 million and available working capital of \$5.8 million as of 30 June 2023.
- Strong momentum heading into FY24, with the signing of ~\$9.0 million worth of contracts since Q3, settlement of the Future Fleet acquisition which will add substantial recurring revenue going forward with considerable synergy opportunities, as well as new technology solutions launching in the coming months.

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 30 June 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 positive operating cash flows. For the full year, we have achieved record full year cash flows and total income.*

*I am particularly pleased by our recent commercial successes with the signing of several large contracts in both our software and contracting businesses, providing a strong pipeline for FY24. Additionally, we acquired Future Fleet which will add substantially to our recurring revenue stream and we will be working closely with Future Fleet to integrate our products and realise cross-selling synergies.*

*With the continued acceleration of digital transformation and rapid developments in connected cars and AI, I am excited about the future growth opportunities for Orcoda as a leading provider and innovator of Smart Cities transport technology and contracting solutions.”*

## Financial

### Customer Receipts and Cash Flows

The Company recorded receipts from customers of \$5.8 million for the Quarter, up 9% and 35% from the March 2023 quarter and previous corresponding quarter, respectively. For the full year, total customer receipts were \$22.4 million, an increase of 31% compared to the last financial year.

Quarterly cash inflows from operations this period were \$0.7 million, a significant improvement over the previous corresponding quarter which had an outflow of \$0.5 million. For the full year, total cash inflows from operations were \$2.1 million, an increase of 97% compared to the last financial year.

### Total Income (Unaudited)

Orcoda recorded total income of \$5.3 million for the Quarter, up 14% from the previous corresponding quarter. For the full year, total income was \$20.7 million, representing a 25% year-on-year growth.

### Cash Position

Orcoda ended the Quarter and financial year with a cash and cash equivalent balance of \$4.8 million. Available working capital as of 30 June 2023 was \$5.8 million, which includes undrawn financing facilities.

## Operational

### Resource Logistics Division

The Resource Logistics Division continues strong momentum in the Quarter with Betta Group successfully delivering projects for its clients and winning new contracts.

Betta Group has substantially completed the \$4.1 million Yurika Pembroke Olive Downs transmission line project. During the Quarter, Betta Group signed several large contracts that underpin a robust pipeline for FY24, such as the \$6.8 million pipe and pit works for Aurizon's Newlands RCS terminal and the \$0.8 million Aurizon Callemondah LED replacement project. Operationally, Betta Group is continuing to recruit skilled and strategic personnel to support its growth, as well as implementing improvements in key systems and processes to enhance its competitive positioning and improve profitability.

Betta Group is well positioned to serve clients in the greater Central Queensland region which is benefiting from significant infrastructure investments. For example, in the Queensland Budget 2023-2024, a "Big Build" \$89 billion 4-year capital program is slated with a strong commitment to regional Queensland. The long-term vision for Betta Group is to pursue Smart Cities projects in conjunction with our transport software solutions.

### Healthcare and Transport Logistics Division

The division continues its success in delivering and promoting its software solutions in the transport and healthcare logistics segments via a SaaS / recurring revenue model.

During the Quarter, we signed a ~\$900k 3-year SaaS contract with Northline, a leading national logistics operator in Australia, licensing Orcoda Logistics Management System (OLMS) to manage and optimise Northline's fleet operations. In July, we also announced the signing of a ~\$400k 2-year SaaS contract

with Comlink Australia, a leading community transport provider in the Sunshine Coast region. Additionally, we have been verbally awarded one project in the transportation sector and are in advanced discussions with a number of prospective clients.

As mentioned in our previous quarterly activity reports, over the past few months we have been developing several vehicle management software applications leveraging the OLMS platform. During the Quarter, we launched ORCODA GO, a turn-by-turn navigation and route optimisation software solution, which is being used by a regional city council to manage its waste collection fleet. We are working in earnest to launch the other software applications in the coming months and feedback to date from the marketplace is encouraging.

Overall, there is strong momentum in the division on the back of acceleration in digital transformation within our target customer base and close collaboration with our channel partners such as Teletrac Navman and our new subsidiary Future Fleet.

### **Mt Buller Update**

The Company has a 9-year ridesharing contract to provide our technology platform via the *Mt Buller Transportation app* to manage transport services for Mt Buller Ski Resort customers. Since the start of this year's snow season on June 10th, our technology platform has serviced approximately 75,000 passenger movements.

### **Corporate**

We continue to execute our long-term vision of developing an eco-system of Intelligent Transport Management Systems (ITMS) for Smart Cities to drive digital transformations and optimisations of our clients' transport logistics processes and deliver fully integrated transport solutions. With the recent rapid growth in AI, connected cars and digital transformation, we are optimistic that Smart City developments will gather pace and become a megatrend in the coming decade.

As part of this vision, in July we completed the acquisition of Future Fleet, a leading provider and innovator of fleet management solutions. Future Fleet is highly complementary to our existing businesses and we believe there are significant opportunities to cross-sell each other's products, as well as to integrate Future Fleet's tracking solutions with Orcoda's smart technology transport solutions. Financially, the transaction is expected to be EPS accretive from year 1 and Future Fleet will add substantially to our recurring revenue stream. Going forward, Future Fleet will be part of the Orcoda Healthcare and Transport Logistics Division.

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.

### **Key Appointments**

Mr. John Lemon was appointed as Orcoda's company secretary effective 26 May 2023. John has extensive background in corporate secretarial and corporate governance in multiple industries.

Mr. Geoffrey Williams rejoined the Orcoda Board as a non-executive director effective 1 July 2023. Geoff founded Betta Group and is a major shareholder of Orcoda, and his relevant corporate and industry experience will be complementary to the existing Board.

**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 \$1,629k, related to cost of goods sold of \$1,320k associated with Betta Group, \$168k related to the Mt Buller project and \$141k on Healthcare and Transport Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,241k, relate to admin, sales and corporate costs associated with running the public company and its subsidiaries of \$1,111k 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).

**Q4 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:**

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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 integrated smart technology solutions in transport logistics, workforce logistics and transport infrastructure. We are dedicated to optimising our clients' operations, enhancing efficiencies, connectivity and compliance. Our mission is to be our clients' trusted partner in their digital transformation journey.*

*Our clients include some of Australia's largest companies in the transport logistics, healthcare transport, infrastructure and resources sectors.*

*Our long term vision is to be a leading Smart Cities transport technology solutions provider.*

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