

ASX RELEASE

24 October 2023

Quarterly Update for the Period Ending 30 September 2023

Highlights

- Excellent start to FY24 with record customer receipts of \$9.4 million and total income (unaudited) of \$9.0 million for the Quarter, a 38% and 55% increase compared to the previous corresponding quarter, respectively.
- Record \$1.8 million positive cash flow from operations for the Quarter.
- Future Fleet, a leading fleet management solutions provider, was effectively acquired on 1 July 2023. Strong financial performance with \$0.9 million revenue including \$0.6 million recurring subscription fees for the Quarter.
- Strong quarterly growth driven by positive momentum in our smart transport technology solutions and infrastructure contracting service businesses, as well as contribution from Future Fleet.
- Increase in net cash for the Quarter resulting in cash and cash equivalents of \$5.5 million and available working capital of \$6.5 million as of 30 September 2023.
- Development of the new vehicle rental / pooling management apps is progressing well, with agreement reached with Koala Cars, a South-East Queensland based car rental company with 1,000+ cars, to conduct trial of Orcoda Rental Connect which if successful could lead to substantial revenue opportunities.

Orcoda Limited (ASX: ODA) (“Orcoda” or “the Company”) is pleased to provide shareholders and prospective investors with an overview of activities to accompany Appendix 4C, for the quarter ending 30 September 2023 (“Quarter”, “Reporting Period”).

Commenting on the Quarter, Orcoda Managing Director, Geoff Jamieson, said: “We have started FY24 with a bang, achieving record quarterly customer receipts, positive operating cash flow and total income, all up considerably compared to previous quarters. The strong financial results were attributable to increase in recurring SaaS revenues, contribution from the Future Fleet acquisition and large transport infrastructure contracts being executed by our wholly-owned subsidiary Betta Group.

Future Fleet is performing very well, and the team is busy working with existing and prospective customers doing the 3G to 4G/5G upgrades to their vehicle fleets prior to the proposed 3G network shutdown on 30 June 2024. These upgrades and existing customer upgrades are providing our teams with various product integration and cross-selling opportunities. This same process is occurring within our relationships with Teletrac Navman and Telstra.

Our cash and cash equivalents have increased from \$4.8 million at last quarter end to \$5.5 million as of 30 September 2023. This is a fantastic result considering the cash outlay for the Future Fleet acquisition and paydown of some debt during the Quarter.

I’m also pleased to update that the new vehicle rental/pooling management apps have now progressed to the testing phase, with trial taking place in Koala Car’s rental fleet. I believe market opportunities could be significant and I am looking forward to providing further updates on this front over the next months. All in all, there is strong momentum across our businesses and I am excited about our future as a smart transport technology solutions provider.”

Financial

Typically, our financial results in the first quarter benefit from the Mt Buller rideshare contract executed over the ski season.

Customer Receipts and Cash Flows

The Company recorded receipts from customers of \$9.4 million for the Quarter, up 38% compared to the previous corresponding quarter. The record quarterly customer receipts achieved was attributable to healthy growth across our businesses and contribution from Future Fleet.

Quarterly cash inflow from operations this period was \$1.8 million. In the previous corresponding quarter, cash flow from operations was \$1.1 million excluding \$0.5 million of one-off income tax refund, implying an increase of 50% over previous corresponding period.

During the Quarter, our net cash used in investing activities was \$0.7 million comprising cash payment for the Future Fleet acquisition (net of cash acquired) and development expenses for the car management apps.

Total Income

Orcoda delivered a record total income (unaudited) of \$9.0 million for the Quarter, representing an increase of 55% from the corresponding quarter last year. Future Fleet generated \$0.9 million revenue, including \$0.6 million in recurring subscription fee, for the Quarter; excluding Future Fleet's contribution, Orcoda achieved 39% organic growth in quarterly total income over previous corresponding period.

Cash Position

Orcoda ended the Quarter with a cash and cash equivalent balance of \$5.5 million, and available working capital of \$6.5 million (including unused facilities).

Operational

Healthcare and Transport Logistics Division

The division continues its success in promoting its transport management software solutions based on the proprietary Orcoda Logistics Management System (OLMS) in the transportation and healthcare transport sectors.

During the Quarter, the division focused on the delivery and implementation of OLMS for the recently signed SaaS contracts, such as Northline and Comlink Australia. It is also engaged in commercial discussions and business development with several large prospective clients, including some introduced through Future Fleet's network.

As mentioned in our previous quarterly activity reports, over the past few months we have been developing vehicle management software applications leveraging the OLMS platform, specifically for the car rental and corporate car pooling markets. We have an agreement with Koala Cars, a South-East Queensland based car rental company with a fleet of 1,000+ cars, to conduct trial of the car rental app in their fleet which if successful could lead to substantial revenue opportunities.

Mt Buller Update

The Company is in the fourth year of its 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. This year, Mt Buller's ski season was impacted by warmer weather conditions. As our revenue from the Mt Buller project is directly correlated to visitor volume, this has resulted in the Mt Buller revenue down c.15% for the Quarter compared to the same period last year.

Future Fleet

We effectively acquired Future Fleet on 1 July 2023. Future Fleet is a leading fleet management solutions provider and highly complementary to our transport management software solutions. Going forward, Future Fleet will be reported within the Healthcare and Transport Logistics Division. The business is performing very well supported by its recurring subscription revenue stream, and the team is focused on upgrading all existing and new customer fleet vehicles from 3G to 4G/5G network ahead of the 3G network shutdown on 30 June 2024, and pursuing product integration and cross-selling synergy opportunities with Orcoda solutions. The same process is occurring through our relationship with Teletrac Navman and Telstra.

Resource Logistics Division

The Resource Logistics Division continues to deliver strong revenue growth during the Quarter, with Beta Group executing large contracts such as the \$6.8 million Aurizon Rail Newlands RCS Terminal pit and pipe installation and the \$0.8 million Aurizon Rail Callemondah smart LED light installation as well as implementing various initiatives to increase profitability.

Beta Group is well positioned to serve clients in the greater Central Queensland region, which is benefiting from significant transport related infrastructure investments such as the \$1 billion Rockhampton Ring Road project, and helping clients with upgrade / maintenance of their infrastructure network. The long-term vision for Beta Group is to pursue Smart Cities projects in conjunction with our transport software solutions.

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.

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 \$4,249k, related to cost of goods sold of \$1,761k associated with Betta, \$511k related to Future Fleet, \$1,742k related to Mt Buller project and \$235k pertaining to Healthcare and Transport Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,329k, relate to admin & corporate costs associated with Betta Group for the quarter of \$653k, admin & corporate costs associated with Future Fleet is \$97k, Audit, ASIC and listing prices of \$131k, admin and corporate costs of running divisions of \$271k and expenditure of \$177k to related parties (the amount included payments to the Managing Director, Geoffrey Jamieson, of \$145k; the Chairman, Nicholas Johansen, of \$18k; Non-Executive Director, Geoff Williams, of \$4k; and Non-Executive Director, Brendan Mason, of \$10k).

Q1 Update Conclusion

The Company is continuing to grow organically by developing opportunities in each division, and by 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.

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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.

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

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