

**ASX RELEASE****29 January 2024**

## **Quarterly Update for the Period Ending 31 December 2023**

### **Highlights**

- **Robust growth momentum across our transport technology solutions and infrastructure contracting businesses, with receipts from customers of \$6.5 million for the Quarter, up 45% compared to the previous corresponding quarter.**
- **10 consecutive quarters of positive 12-month rolling operating cash flows.**
- **The strong first two quarters in the current financial year contributed to record half yearly results in customer receipts of \$15.9 million (up 41% over pcp), operating cash flows of \$1.9 million (up 345%) and total income (unaudited) of \$14.5 million (up 49%) for 1H FY24.**
- **Completed implementation of several large SaaS fleet management contracts that add substantially to recurring revenue going forward, and continued momentum in winning new SaaS contracts.**
- **Launching new vehicle pooling and rental apps following a successful trial.**
- **A robust balance sheet with cash and cash equivalents of \$5.3 million and available working capital of \$6.3 million as of 31 December 2023.**

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 December 2023 (“Quarter”, “Reporting Period”).

**Commenting on the Quarter, Orcoda Managing Director, Geoff Jamieson, said:** “Q2 was a strong quarter as we recorded 45% growth in customer receipts and delivered our 10<sup>th</sup> consecutive quarter of positive 12-month rolling operating cash flows. I am delighted to report that we have achieved record half-yearly customer receipts, total income and operating cash flows for 1H FY24.

*During the Quarter, our Transport and Healthcare Logistics division completed implementation of several large SaaS transport management contracts enabling us to earn substantial recurring monthly software revenues from these contracts going forward. Future Fleet is performing well and I am pleased that founder Michael Worthington has committed to remain at Future Fleet as a consultant for another six months to help promoting the Future Fleet and Orcoda solutions to existing and prospective customers.*

*In terms of business developments, our priorities are: (i) pursue and execute commercial opportunities with our new vehicle pooling and rental apps which I believe have significant market potential, ii) secure further transport management SaaS contracts to continue to grow our recurring revenue, iii) realise cross-selling and product integration synergies between Orcoda and Future Fleet.*

*Overall, I am excited about Orcoda’s prospects as a leader in providing smart transport technology solutions and services to clients against the broader digital transformation trend that is accelerating within our markets.”*

## Financial

### Customer Receipts and Cash Flows

The Company recorded receipts from customers of \$6.5 million for the Quarter, up 45% from the previous corresponding quarter driven by strong underlying growth across our businesses and contribution from Future Fleet. A good result considering adverse weather conditions that affected the Mt Buller rideshare contract and Betta Group projects. For the first half of this financial year (1H FY24), total customer receipts were \$15.9 million, up 41% from the previous corresponding period (pcp).

Positive quarterly cash inflows from operations were \$177k for the Quarter, a significant turnaround compared to the same period last year which was negatively impacted by divisional restructuring and legacy issues in Betta Group. For 1H FY24, total cash inflows from operations were \$1.9 million, up 345% from the previous corresponding period.

### Total Income (Unaudited, subject to adjustments)

Orcoda delivered total income of \$5.5 million for the Quarter, up 39% from the previous corresponding quarter.

Total income for the first half of this financial year was \$14.5 million, which increased 49% compared to the previous corresponding period. Excluding Future Fleet's contribution, Orcoda achieved organic growth of ~30% in total income for the first half.

### Cash Position

Orcoda ended the Quarter with a cash and cash equivalent balance of \$5.3 million and available working capital (inclusive of unused financial credit facilities) of \$6.3 million.

## Operational

### Transport and Healthcare Logistics Division

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

During the Quarter, the division completed implementation for large SaaS contracts such as Northline and Comlink Australia. Going forward, these contracts are expected to generate substantial monthly recurring SaaS revenues. In November, the division signed a SaaS contract with Mini-Tankers, part of Refuelling Solutions which is a leading nationwide provider of direct-to-site fuel delivery services; this contract includes paid development of a custom order booking request platform and it is also expected to generate substantial monthly SaaS revenue once implementation is completed. The division continues to be very busy in new business development opportunities which may lead to further contract signings in the coming months.

A key focus for 2024 is to pursue and execute commercial opportunities for the new vehicle rental / pooling apps which have large addressable markets. As mentioned in the last quarterly update, the division was conducting trial of the new vehicle rental app in Koala Cars' fleet over the last few months. We are now in discussions with Koala Cars with regards to an implementation plan to roll-out the system. Separately, we are also working closely with Teletrac Navman and their dealer network to promote these apps in Australia and overseas markets; early signs are encouraging with strong

interests from prospective clients such as large private and government fleets looking to improve utilisation and efficiency; for example, we have been awarded a contract with a New Zealand city council to provide a fleet management solution using selected features of the vehicle pooling app.

#### Mt Buller Update

The Company has a long-term 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 the Mt Buller ski season was cut short and visitor numbers were down compared to the last season due to warm weather conditions. Overall, revenue from the Mt Buller contract in the first half was c.\$0.4 million lower than the same period last year but the contract remains profitable.

#### Future Fleet

Future Fleet continues to perform well since our acquisition effective on 1 July 2023, delivering double-digit revenue growth in 1H FY24 compared to the previous corresponding period. In particular, the team is making solid progress on upgrading and upselling existing and new customer fleet vehicles from 3G to 4G/5G network ahead of the 3G network shutdown scheduled later this year. Future Fleet has also been integral to the development of our new vehicle pooling/rental apps in terms of hardware devices and integration.

Michael Worthington, the founder of Future Fleet, has extended his consultancy for a further six months to assist with developing existing and new customer relationships.

#### **Resource Logistics Division**

The Resource Logistics Division continues to deliver strong revenue growth during the Quarter primarily through Betta Group, although the wet weather in the region had negatively affected the progress of Betta Group's projects.

Betta Group's power & infrastructure division has close to full work commitments for the remainder of this financial year and the electrical services division is tendering on several large projects. It is well positioned to serve clients in the Central Queensland region and participate in major infrastructure projects and maintenance of clients' infrastructure network. The long-term vision for Betta Group is to pursue Smart Cities projects in conjunction with our transport software solutions.

#### **Corporate**

To support the growth of the Transport and Healthcare Logistics division, we have recruited a customer success manager to our team. The manager has significant experience in growing SaaS businesses and will initially focus on improving client onboarding and implementation efficiency, as well as driving sales of our software solutions.

In early January, Orcoda signed a MoU with ShareRing, a tech company providing blockchain digital identities for customer ID verification and digitised data collection, to integrate its ID platform with Orcoda Apps particularly for the new vehicle rental app.

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 \$2,253k, related to cost of goods sold of \$1,383k associated with Beta Group, \$589k related to Future Fleet, \$106k related to Mt Buller project and \$175k pertaining to Transport and Healthcare Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,451k, related to admin & corporate costs associated with Beta Group for the quarter of \$769k, admin & corporate costs associated with Future Fleet of \$112k, Audit, ASIC and listing costs of \$20k, admin and corporate costs of running divisions of \$351k and expenditure of \$199k to related parties (the amount included payments to the Managing Director, Geoffrey Jamieson, of \$182k; the Chairman, Nicholas Johansen, of \$9k; Non-Executive Director, Geoff Williams, of \$3k; and Non-Executive Director, Brendan Mason, of \$5k).

#### **Q2 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, partners and suppliers for their continued loyalty and support. Orcoda looks forward to updating the market over the coming period.

#### **For more information, please contact:**

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*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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