

ASX RELEASE**24 October 2022**

Quarterly Update for the Period Ending 30 September 2022

“Record customer receipts of \$6.8 million, positive cash flow from operations of \$1.7 million and total income of \$5.8 million”

Highlights

- **Record quarter for Orcoda in terms of receipts from customers, very positive operating cash flows and good growth in total income, driven by underlying growth across all our businesses.**
- **Quarterly receipts from customers of \$6.8 million, representing an increase of 59% compared to the last quarter (Q4 FY22) and an increase of 49% compared to the previous corresponding quarter (Q1 FY22).**
- **Cash flow positive from operations of \$1.7 million for the quarter, which is an increase of 114% compared to the previous corresponding quarter.**
- **Total income (unaudited) of \$5.8 million for the quarter, representing an increase of 24% compared to the previous corresponding quarter.**
- **A robust balance sheet with cash and cash equivalents and available working capital of \$3.5 million as of 30 September 2022 to fund investments to drive growth.**
- **Positive momentum across our Resource Logistics Division and Healthcare & Transport Logistics Division with growing demands for infrastructure/electrification services and digital transformation.**

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 September 2022 (“**Quarter**”, “**Reporting Period**”).

Commenting on the Quarter, Orcoda Managing Director, Geoff Jamieson, said: *“We have had an impressive first quarter for FY2023, achieving record customer receipts of \$6.8 million, positive cash flow from operations of \$1.7 million and total income of \$5.8 million, all up significantly compared to previous quarters. The strong financial results were attributable to large increase in SaaS revenues from our technology platforms, Betta Group which is continuing to perform well under the new management team, as well as R&D tax incentive receipts and income tax refunds related to the last financial year. As a result, our working capital available has increased from \$3.0 million in the last quarter to \$3.5 million as of 30 September 2022, after payment of the third and final earn-out instalment of \$500k for the Betta Group acquisition. The robust balance sheet puts us in a great position to capture value accretive growth opportunities both organically and through M&A’s.*

Our short-term goal is to convert some of the discussions with prospective clients for our logistics technology platforms into contracts to grow our SaaS recurring revenue stream and continue to focus on serving our existing clients in Betta Group and reduce operating costs in the business.

I am personally excited about Orcoda’s future to continue as a leader in the provision of intelligent transport and logistic technology solutions and services for our current and future clients, against the critical backdrop of the broader digital transformation that is accelerating in every one of our markets.”

Financial

Customer Receipts and Cash Flows

The Company recorded receipts from customers of \$6.8 million for the Quarter, up 59% and 49% from the June 2022 quarter and the previous corresponding quarter, respectively. The record quarterly customer receipts achieved in Orcoda's operating history were attributable to revenues from our logistics technology platforms, as well as the underlying growth of Betta Group.

Quarterly cash inflow from operations this period was \$1.7 million, which included annual R&D tax incentives and income tax refunds received during the quarter. This continues our positive trend of quarterly positive operating cash flow over the past two years.

Income

Orcoda delivered a record total income (unaudited) of \$5.8 million for the Quarter, representing an increase of 24% from the corresponding quarter last year, driven by healthy growth across our businesses, as well as seasonal revenue contribution from the Mt Buller rideshare project.

Cash Position

Orcoda ended the Quarter with a cash and cash equivalent balance, as well as available working capital, of \$3.5 million.

During the Quarter, we paid the final earn-out instalment of \$500k in relation to the Betta Group acquisition, bringing the total earn-out payments to \$1.5 million over an 18-month period which are now fully paid.

Operational

Resource Logistics Division

The Resource Logistics Division continues to deliver strong revenue growth during the Quarter with Betta Group executing on existing work orders, winning new works from key clients, and tendering for multiple projects. Rae Jeffrey, the new GM of Betta Group who joined in July with 30+ years industry experience, has conducted a strategic review and the team is focused on serving selected major clients, managing operating costs and improving internal processes to position the business for future growth. Notably, the strategic review identified significant opportunities in the electrical services / facilities management segments which will be a key growth area for the group.

The capital raise process to fund our proposed expansion into the U.S. marketplace for our Orcoda Workforce Logistics Management (**OWLS**) platform, as detailed in our ASX release dated 20 April 2022, continues to be hampered by ongoing volatilities in the capital markets, particularly in the technology sector. Discussions with potential investors are ongoing and further updates to the market will be provided in accordance with ASX continuous disclosure guidelines.

Healthcare and Transport Logistics Division

During the Quarter, the division continues to service its loyal customer base in the healthcare and transport logistics segments via a SaaS model. It is in active dialogues with existing and prospective clients regarding new contracts, which if successful will grow our recurring revenue base. Our teaming arrangement with Teletrac Navman, a leading global telematics company, continues to be promising with the combined team signing a new client in 2022 and in discussion with several providers which have large fleet operations.

Mt Buller Update

The Company is in the third 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 has had a great snow season and our technology platform has successfully handled more than c.430k passenger movements. During the Quarter, the Mt Buller contract generated approximately \$2.2 million in revenue.

Corporate

We have revamped our company website and this has led to increased traffic and a number of inbound inquiries. We will continue to focus on bolstering our sales and marketing capabilities and efforts to promote the Orcoda solutions to our target clients.

During the Quarter, we commenced our Environmental, Social and Governance (**ESG**) journey and will provide ongoing and periodic ESG reporting going forward. We greatly value ESG considerations as they enable us to better identify material risks and growth potential, as well as help us to contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

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.

Betta Group is part of the Resource Logistics Division and is an integral part of Orcoda's smart road, smart rail, smart air and smart-city strategy. It possesses the installation and project management capabilities that government organisations are increasingly expecting as part of project tenders for their smart infrastructure. Our strategy is to actively position ourselves as a leading player in the transport related smart city infrastructure build-out, which we expect will accelerate across Australia over the next 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 \$3,316k, related to cost of goods sold of \$1,367k associated with Betta, \$1,750k related to Mt Buller project and \$199k pertaining to Healthcare and Transport Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,078k, relate to admin & corporate costs associated with Betta Group for the quarter of \$658k, Audit, ASIC and listing prices of \$72k, admin and corporate costs of running divisions of \$235k and expenditure of \$113k to related parties (the amount included payments to the Managing Director, Geoffrey Jamieson, of \$89k; the Chairman, Nicholas Johansen, of \$14k; Non-Executive Director, Stephen Pronk (resigned), of \$3k; and Non-Executive Director, Brendan Mason, of \$7k).

Managing Director contract extension – LR 3.16.4

The Board of Orcoda is pleased to inform shareholders of the contract extension negotiated with its Managing Director. Geoff Jamieson is secured for 2023 to lead Orcoda again and build on his enviable record of building the fundamentals and identifying opportunities since its merger with Resource Connect in 2018. As required under LR 3.16.4, Mr Jamieson's salary inclusive of all benefits for the next 12 months is now \$395k.

Orcoda's Remuneration Committee benchmarked this salary against other MDs in businesses having similar scale and complexity. They conclude that this remuneration remains to the benefit of shareholders. This is particularly given Geoff's active role in building Orcoda's revenue streams across our industry verticals and successfully achieving positive cash flow for multiple quarters in the last two years whilst setting the Company up for future growth.

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.

For more information, please contact:

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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	Quarter ended ("current quarter")	
86 009 065 650	30 September 2022	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,844	6,844
1.2 Payments for		
(a) research and development	(245)	(245)
(b) product manufacturing and operating costs	(3,316)	(3,316)
(c) advertising and marketing	(4)	(4)
(d) leased assets		
(e) staff costs	(1,413)	(1,413)
(f) administration and corporate costs	(1,078)	(1,078)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(30)	(30)
1.6 Income taxes refunded	498	498
1.7 Government R&D grants and tax incentives	410	410
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	1,666	1,666
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(500)	(500)
(b) businesses		
(c) property, plant and equipment	(28)	(28)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(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)	11	11
2.6 Net cash from / (used in) investing activities	(517)	(517)

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	(15)	(15)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(128)	(128)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(35)	(35)
3.10 Net cash from / (used in) financing activities	(178)	(178)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,481	2,481
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,666	1,666
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(517)	(517)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(178)	(178)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,452	3,452

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	3,344	2,373
5.2	Call deposits	108	108
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)	3,452	2,481

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	113
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	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. 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	0
7.2 Credit standby arrangements	90	0
7.3 Other (R&D refund)	0	0
7.4 Total financing facilities	90	0
7.5 Unused financing facilities available at quarter end		90
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)	1,666
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,452
8.3 Unused finance facilities available at quarter end (item 7.5)	90
8.4 Total available funding (item 8.2 + item 8.3)	3,542
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: 24th October 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.