

ASX RELEASE

27 July 2022

## Quarterly Update for the Period Ending 30 June 2022

### Highlights

- Receipts from customers for Q4 of \$4.3 million, representing an 8% increase from Q3, and a 28% increase over the corresponding Q4 in 2021.
- FY22 customer receipts increased by 102% to \$17.2 million, compared to \$8.5 million in FY21.
- Cash flow positive from operations of \$1.1 million for FY22, which is an increase of 223% compared to FY21.
- Record total income (unaudited) of \$16.8 million for FY22, representing an increase of 91% compared with FY21.
- A robust balance sheet with cash and cash equivalents of \$2.5 million and available working capital of \$3 million at the close of FY22.
- Bolstered sales and marketing personnel capabilities to communicate Orcoda solutions to grow new business development and drive sales of the Orcoda Logistics Management System (OLMS) and its Orcoda Workforce Logistics System (OWLS) platforms across industry verticals to meet existing and prospective customers' increases in demand for 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 June 2022 ("Quarter", "Reporting Period").

**Commenting on the Quarter, Orcoda Managing Director, Geoff Jamieson, said:** *"This quarter of 2022 continued its strong growth of customer receipts compared to the previous quarter and the corresponding quarter in 2021. While cash flow from operations for this quarter was negative, a major factor was due to costs associated with upfront higher operating costs that relate to significant projects we have begun in Q4. I am pleased to report that Orcoda was cash flow positive from operations of \$1.1 million for the entire year, which is a 221% increase compared to FY21."*

Orcoda achieved a record total income (unaudited) of \$16.8 million for the entire year, an increase of 91% compared to last year, driven by the Betta Group acquisition and underlying growth from our divisions.

As of 30 June 2022, Orcoda had working capital of \$3.0 million. It is noted that this result was after paying \$595k to an entity related to Geoffrey Williams in relation to the outstanding cash amount due for the Betta Group trade sale. (Since 30<sup>th</sup> June, the final cash payment was made to Mr Williams for achieving all Betta acquisition related earn-out KPIs).

Managing Director Geoff Jamieson commented that *"As a result of the impressive benefits derived from the Betta Group and the comfortable payment of its relevant cash obligations, Orcoda has never better positioned than ever to continue its impressive growth trajectory. 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 \$4.3 million for the quarter, up 8% and 28% from March 2022 and previous corresponding quarters, respectively. Despite the strong growth in customer receipts, quarterly cash outflow from operations this period was \$471k. Positively this is primarily because of higher upfront costs for significant projects commenced in the quarter. For the full year, cash flow from operations was \$1.1 million, representing a 223% increase compared to FY21.

### Income

Orcoda recorded a full-year total income (unaudited) of \$16.8 million, compared to \$8.8 million last year, an increase of 91%.

### Cash Position

Orcoda ended the quarter and financial year with a cash and cash equivalent balance of \$2.5 million. Available working capital as of 30 June 2022 was \$3.0 million, which includes our undrawn financing facilities.

During the quarter, we raised approximately \$1.2 million from a share placement and a share purchase plan to provide capital to purchase assets and support our future growth.

## Operational

### Resource Logistics Division

The Resource Logistics Division delivered strong revenue growth during the quarter with Betta executing on work orders and winning new work for key customers and is currently tendering for multiple projects. After founding Betta Group in 2005 and selling the business to Orcoda in December 2020, Geoff Williams is taking long-service leave from 1 July 2022. Rae Jeffrey, a senior executive with 30+ years of industry experience in the infrastructure services sector and deep local connections, has joined Betta Group to drive its next growth phase with Geoff Williams when he returns.

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, is ongoing, albeit slower than envisaged initially given the recent volatilities in the equity markets, particularly for the technology sector.

During the quarter, Orcoda entered an Alliance Agreement with Tutis VReddo to cross-sell and promote each other's products to our respective customers. Tutis VReddo, founded in 2016, is an Australia-based workforce training and compliance management software company for asset-intensive and highly regulated industries, such as mining and processing and registered training organisations. Tutis VReddo's platform complements the OWLS platform offering clients an integrated personnel onboarding and compliance front-end solution.

## **Healthcare and Transport Logistics Division**

In June 2022, Orcoda renamed Orcoda Healthcare Logistics to Orcoda Healthcare and Transport Logistics and Orcoda Transport Logistics to Orcoda Technology to streamline management and reporting structure and drive sales of the Orcoda Logistics Management System (**OLMS**) platform across both healthcare and transport logistics industry verticals.

The implementation of contracts won this year in the healthcare vertical is progressing well, and the Company is currently in discussions with several existing customers regarding a broader roll-out of our technology platform. During the quarter, in addition to renewing a contract with an existing transport logistics customer, we are in active dialogues with prospective customers across the healthcare and transport logistics industry verticals as many companies are showing strong interest in enhancing their operational efficiency through digital transformation. Our arrangement with Teletrac Navman, a leading global telematics company, is already proving promising results, with the combined team signing a new client and presenting to several other leads introduced from Teletrac Navman's dealer network.

## **Mt Buller Update**

The Company has a 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 11th, our technology platform has serviced more than 140,000 passenger movements and released innovations to further improve services for guests. This year is expected to be a bumper ski season due to the excellent snowfall conditions and pent-up demand from Covid-19 restrictions over the past two seasons.

## **Corporate**

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 client's supply chain processes and deliver a fully integrated transport solution. Betta Group is part of the Resource Logistics Division and is an integral part of Orcoda's 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 and cities. Our strategy is to actively position ourselves as a leading player in the 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.

The Company recently bolstered our sales and marketing capabilities with strategic hires for promoting Orcoda's technology platforms. One near-term initiative is to revamp Orcoda's website to showcase our products and better illustrate their benefits for our target customers..

## **Retirement of Valued Non-Executive Director**

Stephen Pronk has decided to retire as a non-executive director for family reasons, effective 27 July 2022. Stephen has been a valued part of Orcoda's Board of directors for several years. The Orcoda's entire Board thanks Stephen for his enduring support over his tenure and we wish him and his family

the very best. Orcoda will search for a new non-executive director that we hope will complement our Board as perfectly as Stephen's since joining Orcoda's Board. Attached is Stephen's Appendix 3Z.

#### **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 \$1,968k, related to cost of goods sold of \$1,527k associated with Betta, \$301k related to Mt Buller project and \$140k pertaining to Healthcare and Transport Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,179k, relate to admin & corporate costs associated with Betta for the quarter of \$757k, Audit, ASIC and listing prices of \$57k, admin and corporate costs of running divisions of \$252k 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, of \$4k; and Non-Executive Director, Brendan Mason, of \$6k).

#### **Q4 Update Conclusion**

The Company continues to develop opportunities in each division that are highly promising. Orcoda's meta-strategy is not changed as far as continued aggressive organic growth and pursuing acquisitions to deliver value accretive returns for Orcoda's shareholders. The Board remains optimistic about a near-future transition toward being a dividend-paying company for shareholders. Orcoda's Board and Team intend to continue to deliver strategic and commercial wins to achieve that aim.

The Company sincerely thanks shareholders, staff, customers and suppliers for their loyalty and support once again. Orcoda looks forward to updating the market throughout this period.

**For more information, please contact:**

#### **Company:**

**Geoff Jamieson**

Managing Director

E: [gjamieson@orcoda.com](mailto:gjamieson@orcoda.com)

-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 can make the best business decisions the first time, every time and on time.*

[www.orcoda.com](http://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")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,295	17,185
1.2 Payments for		
(a) research and development	(299)	(822)
(b) product manufacturing and operating costs	(1,968)	(6,578)
(c) advertising and marketing	(9)	(28)
(d) leased assets		
(e) staff costs	(1,287)	(4,654)
(f) administration and corporate costs	(1,179)	(4,432)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	1
1.5 Interest and other costs of finance paid	(24)	(71)
1.6 Income taxes paid		
1.7 Government R&D grants and tax incentives	0	487
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(471)</b>	<b>1,088</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	0	(1,000)
(b) businesses		
(c) property, plant and equipment	(32)	(591)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	3
	(b) businesses		
	(c) property, plant and equipment	9	9
	(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	(9)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(23)</b>	<b>(1,588)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,233	1,233
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	(17)	(17)
3.5	Proceeds from borrowings	0	850
3.6	Repayment of borrowings	(801)	(1,407)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(31)	(149)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>384</b>	<b>510</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,591	2,471
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(471)	1,088
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(1,588)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	384	510
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,481</b>	<b>2,481</b>

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	2,373	2,382
5.2	Call deposits	108	209
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,481</b>	<b>2,591</b>

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.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities approved but not drawn	0	0
7.2	Credit standby arrangements	90	0
7.3	Other (R&D refund)	415	0
7.4	<b>Total financing facilities</b>	505	0
7.5	<b>Unused financing facilities available at quarter end</b>		505
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.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(471)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,481
8.3	Unused finance facilities available at quarter end (item 7.5)	505
8.4	Total available funding (item 8.2 + item 8.3)	2,986
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	6.34
	<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: 27<sup>th</sup> July 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.

# Appendix 3Z

## Final Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b> Orcoda Limited
<b>ABN</b> 009 065 650

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of director</b>	Stephen Pronk
<b>Date of last notice</b>	23 May 2022
<b>Date that director ceased to be director</b>	27 July 2022

### Part 1 – Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
<u>Direct</u>
500,000 Performance Rights

+ See chapter 19 for defined terms.

## Appendix 3Z

### Final Director's Interest Notice

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#### Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Name of holder & nature of interest <small>Note: Provide details of the circumstances giving rise to the relevant interest</small>	Number & class of securities
	Indirect:  <ol style="list-style-type: none"><li>1. Tulip Super Pty Ltd &lt;Tulip Super Fund A/c&gt; (Mr Pronk is a director and shareholder of the Company and a beneficiary to the fund) - 2,000,000 Fully Paid Ordinary Shares</li><li>2. Pronk Holdings Pty Ltd (Mr Pronk is a director and shareholder of the Company) - 13,077,084 Fully Paid Ordinary Shares - 1,000,000 Unlisted Options</li><li>3. Deemrend Pty Ltd &lt;Pronk Family A/c&gt; (Mr Pronk is a director and shareholder of the Company and a beneficiary of the trust) - 60,000 Fully Paid Ordinary Shares</li></ol>

#### Part 3 – Director's interests in contracts

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
No. and class of securities to which interest relates	N/A

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+ See chapter 19 for defined terms.