

ASX RELEASE

29 April 2024

## Quarterly Update for the Period Ending 31 March 2024

### Q3 FY24 Highlights:

- Continued growth in customer receipts of \$5.5 million for the Quarter, +2% vs previous corresponding period ("pcp") cycling a very strong Q3 FY23. Q3 FY24 results were impacted by severe wet weather conditions in Queensland which affected progress of multiple projects
- Another consecutive quarter of positive operating cash flows with \$0.3 million for the Quarter
- Strong year to date (YTD) FY24 results, on track to exceed FY23 full year results:
  - YTD customer receipts \$21.3 million, +28% over pcp
  - YTD operating cash flow \$2.2 million, +61% over pcp
  - YTD total income (unaudited) \$19.7 million, +27% over pcp
- Positive momentum in Transport Technology, with successful implementation and new SaaS contract wins. Going forward, key focus is on sales & marketing to secure further contracts and growing recurring revenue
- Cash and cash equivalents of \$4.8 million and available working capital of \$5.8 million (cash plus undrawn bank facilities) as of 31 March 2024

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 ended 31 March 2024 ("Quarter", "Q3 FY24").

### Commenting on the Quarter, Orcoda Managing Director, Geoff Jamieson, said:

*"Notwithstanding a challenging Quarter for Betta Group – as many of its projects were affected by prolonged heavy rainfall – I am particularly pleased to report that we have delivered continued growth in customer receipts while also achieving sustained positive operating cash flows. This is a testament of our resilience and strong positive contribution from the Transport Technology division.*

*Current momentum within our Transport Technology division is encouraging, with the successful implementation and activation of new SaaS contracts including our first contracts in ORCODA Connect and ORCODA GO, and awarded several new SaaS contracts with community transport providers. On the back of our progresses and considerable investment made in new product development in FY24 year to date, we are now focused on sales & marketing efforts to accelerate penetration of our addressable markets and growing our recurring revenue base.*

*Overall, I am excited about Orcoda's prospects as a leader in providing smart transport technology solutions and services to customers in parallel with the broader digital transformation accelerating across our key markets."*

## Financial

### Customer Receipts and Cash Flows

The Company received receipts from customers of \$5.5 million for the Quarter, up 2% over pcpc cycling a very strong FY2023 third quarter as Betta Group executed the \$4.1 million Yurika Pembroke Olive Downs contract. The quarterly growth was driven by contribution from Future Fleet and transport software, offsetting the lower customer receipts received by Betta Group as most of its projects were negatively affected by severe wet weather conditions from December to February. Year to date, total customer receipts were \$21.3 million, up 28% over pcpc.

Quarterly cash inflows from operations were \$0.3 million, down 67% versus pcpc due to the reasons cited above, as well as one-off relocation costs incurred by Betta Group as it moved into a larger site to accommodate future growth. Year to date, total cash inflows from operations were \$2.2 million, up 61% over pcpc.

Net cash outflows for the Quarter were \$0.5 million, after earn-out payment in relation to the Future Fleet acquisition, capex associated with the Betta Group site relocation and repayment of chattel mortgages.

### Total Income (Unaudited)

Orcoda recorded total income of \$5.2 million for the Quarter, down 9% versus pcpc because of severe weather conditions impacting multiple projects from late December through to February. Year to date, total income was \$19.7 million, an increase of 27% over pcpc.

### Cash Position

Orcoda ended the Quarter with a cash and cash equivalent balance of \$4.8 million and available working capital (cash plus unused bank facilities) of \$5.8 million.

## Operational

### Transport Technology Division (previously Healthcare and Transport Logistics)

The division continues its success in promoting Orcoda's transport management software and Future Fleet's fleet management solutions in the transportation and healthcare transport sectors.

During the Quarter, the division worked on the implementation and development of a custom order platform for Mini-Tankers (an entity of Refuelling Solutions), which went live in early April and will be gradually rolled out over the next few weeks. As a recap, in FY24 year to date, the Company has successfully implemented several large SaaS contracts, including Mini-Tankers, Northline and Comlink Australia. Collectively, these contracts add ~\$60k per month (~\$0.7 million per annum) to the Company's recurring revenue.

Orcoda has made encouraging progress in promoting new solution applications powered by the Company's proprietary transport management platform. Earlier in the financial year, the division signed its maiden contract in Orcoda Connect (car pooling app) with a New Zealand city council, and a contract in ORCODA GO (turn-by-turn navigation app) with a Queensland independent school. These contracts have now gone live following final development and testings during the Quarter. Whilst the recurring revenue associated with these contracts is not material in isolation, Orcoda believes there are substantial opportunities for these applications and the Company is well positioned to secure further SaaS contracts in the coming months.

In the community transport sector, Orcoda was awarded four new SaaS contracts with community transport providers across Australia. Further details can be found in the Company's ASX announcement dated 3 April 2024. Orcoda continues to focus on further penetrating this industry vertical and is currently in commercial discussions with additional prospective community transport providers.

#### Future Fleet

Since acquisition on 1 July 2023, Future Fleet continues to perform strongly. In recent months, Future Fleet's key focus has been the upgrade of 4G/5G devices in its customer vehicle fleets ahead of the scheduled 3G network shutdown on 30 June 2024.

The Company is expecting to ramp up cross-selling and product integration between Future Fleet and Orcoda following completion of the 3G upgrade roll-out.

#### Mt Buller Update

Orcoda is preparing for the upcoming Mt Buller snow season, pursuant to the Company's Mt Buller rideshare contract and anticipates a strong season with successful delivery of Orcoda's rideshare application to Mt Buller visitors this winter.

#### **Infrastructure Services Division (previously Resource Logistics)**

Betta Group continues to perform strongly, executing multiple projects on hand including the \$6.8 million Aurizon RCS Newlands contract and winning new contracts / work orders from blue-chip clients such as Aurizon, Energy Queensland and Komatsu. However, the severe wet weather conditions in Central Queensland, from December to February, hampered progress of most projects, negatively impacting divisional financial performance during the Quarter.

In March, Betta Group relocated to a larger site within Rockhampton pursuant to a long term lease, thereby positioning the business for continued growth over the coming years, as it continues to focus on building its work pipeline and capabilities to execute large contracts for blue chip clients in the Central Queensland region.

#### **Corporate**

During the quarter, the Company renamed its divisions Orcoda Healthcare and Transport Logistics to Transport Technology, and Orcoda Resource Logistics to Infrastructure Services, to better reflect the underlying businesses. Orcoda believes the new division names will be more intuitive for all stakeholders. Organisational and reporting structure remains unchanged.

In February, the Company appointed Ms Maree Adshead as an independent Non-Executive Director, bringing Orcoda's board size to five (5). Maree has extensive board and advisory experience in Australia spanning over 30 years, having held significant positions in the Queensland public service sector.

We continue to execute our long-term vision of developing an eco-system of Intelligent Transport Management Systems (ITMS) providing AI driven Big Data for the management of Smart Transport Corridors and Smart Cities of the future. Our current digital transformation capability and AI optimisation is driving our SaaS platforms where we deliver fully integrated transport solutions to our clients. With the recent rapid growth in AI, connected cars and digital transformation, we are optimistic that Smart Transport Corridors and Smart Cities 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 \$1,634k, related to cost of goods sold of \$993k associated with Betta Group, \$451k related to Future Fleet, \$8k related to Mt Buller project and \$182k pertaining to Transport and Healthcare Logistics Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,183k, related to admin & corporate costs associated with Betta Group for the quarter of \$553k, admin & corporate costs associated with Future Fleet of \$78k, Audit, ASIC and listing costs of \$8k, admin and corporate costs of running divisions of \$410k and expenditure of \$134k to related parties (the amount included payments to the Managing Director, Geoffrey Jamieson, of \$109k; the Non-Executive Chairman, Nicholas Johansen, of \$14k; Non-Executive Director, Geoff Williams, of \$4k; and Non-Executive Director, Brendan Mason, of \$7k).

#### **Q3 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:**

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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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