

ASX RELEASE

29 July 2024

June 2024 Quarterly Update

Q4 FY24 Highlights:

- Total income of \$5.5 million, +5% vs previous corresponding period (“pcp”) and grew 5% from the last quarter, driven by strong performance in Future Fleet and growing recurring revenues
- Customer receipts of \$5.3 million does not include ~\$0.7 million trade receivable payments due in the Quarter which were received on 2 July 2024
 - Adjusting for the \$0.7 million late trade receivable payments (the “Proforma” adjustment), the proforma customer receipts totalled \$6.0 million, reflecting +3% growth vs pcp
- Proforma operating cash inflows of \$0.4 million
- Strong full year FY24 financial performance, with record full year total income and customer receipts:
 - Total income \$25.2 million, +21% vs FY23
 - Proforma customer receipts \$27.3 million, +22% vs FY23
 - Proforma operating cash flows \$2.7 million, in-line with FY23
- Underlying FY24 annual net cash inflows of \$1.3 million, after adjusting for the late trade receivable payments, one-off Betta Group relocation costs and cash paid for the Future Fleet acquisition
- Proforma cash and cash equivalents of \$4.6 million and available working capital of \$5.6 million (cash plus undrawn bank facilities) at 30 June 2024

Orcoda Limited (ASX: ODA) (“Orcoda” or “Company”) is pleased to provide an overview of activities to accompany its Appendix 4C for the quarter ended 30 June 2024 (“June Quarter”, “Q4 FY24”). All figures contained within for the June quarter are unaudited.

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

“We successfully delivered major contracts during the quarter. Notably, (i) Betta Group completed the large \$6.8 million Aurizon Newlands RCS contract, (ii) Future Fleet continued with 3G to 4G/5G upgrade works for its existing and new customers, and (iii) integration of transport software solutions for new customers.

During the Quarter, Orcoda was appointed by Australian Community Transport Association (ACTA) as part of a fully funded Commonwealth Government trial which commenced on 1st July 2024. The purpose of the trial is to address the need to make community transport (CT) sustainable and maintain a high quality of service, if the trial is successful then ACTA and Commonwealth Government will develop a national strategy in 2025.

We look forward to releasing our complete full year audited financial results in late August, although I’m pleased to preview that, based on these preliminary results, we have delivered another record year of total income and profits.

On the back of strong progress in our technology platform and processes, new product launches and the Future Fleet acquisition, I am increasingly optimistic that we can further accelerate penetration of our addressable markets and substantially grow our recurring revenues moving forward.”

Financial performance

Total Income

Orcoda recorded total income (unaudited) of \$5.5 million for the June Quarter, up 5% vs pcg, reflecting growing recurring revenue in the Transport Technology division and strong device sales revenues within Future Fleet. This was further supported by 3G to 4G/5G upgrades, offsetting lower revenues in both the Mt Buller rideshare contract and Betta Group cycling a strong Q4 FY23 from the Yurika Pembroke Olive Downs contract.

FY24 total income was \$25.2 million, reflecting an increase of 21% over pcg.

Customer Receipts and Cash Flows

The Company's quarterly and full year cash flow results are detailed in the table below. The cash flow results as shown in the accompanying 4C were particularly affected by the ~\$0.7 million trade receivable payments that were due in the Quarter but received on 2 July 2024. Proforma adjustments to the 4C results have therefore been made to present the underlying financial performance of the Company.

	Q4 FY24		Full Year FY24	
	4C	Adjusted	4C	Adjusted
Customer receipts	\$5.3 million	\$6.0 million ⁽¹⁾	\$26.6 million	\$27.3 million ⁽¹⁾
Operating cash flows	\$(0.3) million	\$0.4 million ⁽¹⁾	\$2.0 million	\$2.7 million ⁽¹⁾
Net cash flows	\$(0.8) million	\$0.0 million ⁽²⁾	\$(0.8) million	\$1.3 million ⁽²⁾

1. Add back: ~\$0.7 million late trade receivable payments received on 2 July 2024.

2. Add back: (i) ~\$0.7 million late trade receivable payments received on 2 July 2024, ~\$0.4 million one-off Betta Group relocation opex and capex, (iii) ~\$1.0 million Future Fleet acquisition cash considerations including earn-out paid.

The Proforma customer receipts for the Quarter was up 3% vs pcg and full year was up 22% vs FY23, with strong operating cash inflows and net cash inflows delivered for the full year.

Cash Position

Orcoda ended the June Quarter with a cash and cash equivalents balance of \$3.9 million and available working capital (cash plus unused bank facilities) of \$4.9 million. Adjusting for the late trade receivable payments, the Proforma cash and cash equivalents were \$4.6 million and available working capital were \$5.6 million accordingly.

Operational performance

Transport Technology

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 implemented roll-out of the Orcoda transport optimisation software solution for Mini-Tankers across Australia and continued supporting key clients such as Northline with paid upgrades going forward.

One very important project for Orcoda is the Australian Community Transport Association (ACTA) trial which is addressing the need to make community transport (CT) sustainable and maintain quality. ACTA started working with its members and the Commonwealth government to devise a new way to determine

the cost of CT, along with new policy settings, while also looking to identify innovation that would support sustainable CT.

The result was the National Variable Pricing Matrix (NVPM). The aim of this project is to test and improve the cost and policy settings of the NVPM for community transport providers to ensure sustainability and quality post 2025. If this shows promise, develop a national implementation strategy.

Orcoda was appointed by ACTA for the trial, 3 of Orcoda's existing clients were included in the trial with six (6) new clients entering SaaS contracts for the trial which went live on 1 July 2024. More new community transport providers are contracting with us as we can fit them in during the trial. These new community transport contracts will contribute to annual recurring revenue in FY25 and beyond.

Through continuous software development, the division now owns a suite of proprietary transport software applications, ranging from the specialised transport AI and booking systems for workforce transport, community transport, metro transport and line haul with easy enterprise transport optimisation software for all fleet operators including but not limited to, car-pooling applications for government and commercial fleet operators (launched April 2024), and turn-by-turn navigation application for the school and waste industries (launched April 2024). The division achieved encouraging commercial successes in FY24 and the focus remains on accelerating growth through increased sales and marketing efforts as well as continual process and system improvements.

Future Fleet

During the June quarter, Future Fleet delivered strong financial results on the back of upgrade of 4G/5G devices in its customer vehicle fleets ahead of the scheduled Telstra 3G network shutdown on 30 June 2024, subsequently extended to 31 August 2024.

The Company is ramping up cross-selling and product integration between Future Fleet and Orcoda software to further enhance Future Fleet's market in telematics, particularly with cold chain solutions, AI camera solutions, bus & coach solutions, IOT solutions and AI driven satellite and 4G/5G tracking solutions.

Mt Buller Update

The Company has a ridesharing and guest transport contract to provide booking technology platform via the *Mt Buller Transportation application* to manage transport services for Mt Buller Ski Resort customers. This year, the Mt Buller ski season observed a slower start due to warm weather conditions, with visitor numbers down significantly compared to the same period last season. As a result, revenue from the Mt Buller contract for this Quarter was lower vs pcp but promising snowfalls have occurred in mid to late July that hopefully delivers a strong late season.

Infrastructure Services

Betta Group has successfully delivered the Aurizon RCS Newlands project with commissioning in early July, following one year of work. It is worth highlighting that this \$6.8 million contract (excluding variations) is the single largest contract won and executed by Betta Group, and a strong testament of Betta Group's capability to deliver large projects on time and on budget. Betta Group's revenue for the June quarter was lower vs pcp due to the RCS Newlands work schedule, as well as cycling a strong Q4 FY23 due to the \$4.1 million Yurika Pembroke Olive Downs project that was executed within a relatively short timeframe.

During the June Quarter, Betta Group incurred one-off expenditure in relation to its relocation to a larger site within Rockhampton. Overall, the total relocation costs were \$0.4-0.5 million (including ~\$0.3 million capex) in the second half of FY24.

The division remains focused on building its pipeline of work for selected high-quality customers with significant workflows in the Central Queensland region, such as Aurizon, Energy Queensland and Komatsu.

Corporate

Orcoda continues to execute against its long-term vision of developing an ecosystem 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 \$1,902k, related to cost of goods sold of \$783k associated with Betta Group, \$687k related to Future Fleet, \$180k related to Mt Buller project and \$252k pertaining to Transport Technology Division's vehicle costs and license fees.

1.2 (f) administration and corporate costs of \$1,387k, related to admin & corporate costs associated with Betta Group for the quarter of \$613k, admin & corporate costs associated with Future Fleet of \$96k, Audit, ASIC and listing costs of \$45k, admin and corporate costs of running divisions of \$495k and expenditure of \$138k 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; Non-Executive Director, Maree Adshead, of \$4k; and Non-Executive Director, Brendan Mason, of \$7k).

Q4 Update Conclusion

The Company is continuing to grow organically by developing opportunities in each division and pursuing potential acquisitions that are value accretive to Orcoda shareholders. The Company is 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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