

Appendix 4D Interim financial report for the half-year ended 31 December 2023

The following information is presented in accordance with Listing Rule 4.2A.3 of the Australian Securities Exchange (“ASX”).

1. Details of the reporting period and the previous corresponding period

Current reporting period	the half year ended 31 December 2023
Previous corresponding period	the half year ended 31 December 2022

2. Results for announcement to the market

	Up/down	Movement %		A\$'000
2.1 Revenue and other income from ordinary activities	up	48%	to	14,482
2.2 Profit/(loss) after tax from ordinary activities attributable to members	up	236%	to	649
2.3 Net profit/(loss) for the period attributable to members	up	236%	to	649
2.4 Underlying EBITDA from ordinary activities	up	394%	to	1,500

2.5 Dividends

No dividends will be paid.

2.6 Record date for determining entitlements to the dividend

Not applicable.

2.7 Brief explanation of any of the figures reported above necessary to enable the figures to be understood

A brief explanation of any of the figures in 2.1 to 2.4 above, is contained in the Interim Financial Report for the half year ended 31 December 2023.

3. Net tangible assets per security

	Current period	Previous corresponding period
3 Net tangible asset backing per ordinary security	3.66¢	3.12¢

4. Details of entities over which control has been gained or lost during the period

During the period, control was gained over Future Fleet International Pty Ltd on 1 July 2023. Refer to Note 2 to the Interim Financial Statements for the half year ended 31 December 2023 for further details.

During the period, control was not lost over any entity.

5. Dividends information

Not applicable: No dividend declared or distributed in relation to half-year ended 31 December 2023 (previous corresponding period: nil).

6. Details of dividend or distribution reinvestment plans in operation

Not applicable: The Company does not have a dividend reinvestment plan.

7. Details of associates and joint venture entities

Not applicable.

The former associate (RC Birli Pty Ltd) was deregistered on 11 September 2023.

8. Foreign entities, Accounting Standards used in compiling the report

The information provided in the Appendix 4D has been prepared in accordance with Australian Accounting Standards

9. Independent review by the Auditor

The Interim Financial report has been reviewed by BDO Australia. The review report is provided as part of the Interim Financial Report and it is not subject to a modified opinion, emphasis of matter or other matter paragraph.

Periodic Disclosure Requirements Compliance Statement

- 1 The Appendix 4D information is based on the Interim Financial Report for the half-year ended 31 December 2023 that is attached to the Appendix 4D information.
- 2 The Interim Financial Report has been prepared in accordance with AASB 134 Interim Financial Reporting.
- 3 Except where noted in the report, the interim report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2023, except mandatory changes under the Australian equivalents to International Financial Reporting Standards (A-IFRS).
- 4 The Appendix 4D information gives a true and fair view of the matters disclosed in the Interim Financial Report.

Geoffrey Jamieson

GEOFFREY JAMIESON

Managing Director

Brisbane, Queensland

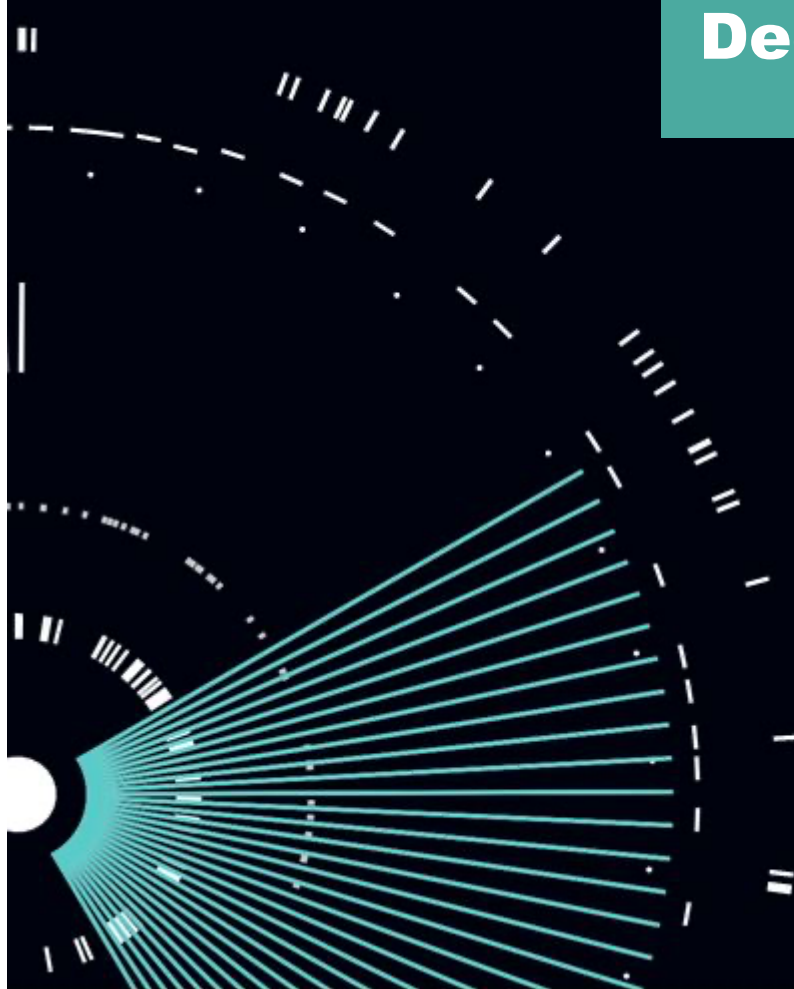
Date: 26 February 2024



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ORCODA LIMITED

**Interim Financial Report
December 2023**



plan. mobilise. manage.

**Leading Smart Transport
Technology Solutions
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**Orcoda Limited
and controlled entities
ABN 86 009 065 650**

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

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DIRECTORS' REPORT

Your Directors present their report together with the interim report of the consolidated entity (referred to in this report as "Orcoda", "the Company" or "the Group") for the half year ended 31 December 2023 ("1H FY2024").

DIRECTORS

The names of Directors in office at the date of this report are:

Nicholas Johansen	Non-Executive Chairman
Geoffrey Jamieson	Managing Director
Brendan Mason	Non-Executive Director
Geoffrey Williams	Non-Executive Director

The above-named Directors held office during and since the end of the half-year, unless otherwise stated.

Mr Geoffrey Williams was appointed as a Non-Executive Director on 1 July 2023.

PRINCIPAL ACTIVITIES

Orcoda (ASX:ODA) is a leading integrated smart transport technology solutions provider in Australia. Our mission is to support our clients' digital transformation process and make our clients' operations more productive and efficient. Our clients come from the transportation, healthcare transport, infrastructure and resource sectors.

The principal activities of Orcoda are carried out via 2 operating divisions:

- (1) Transport Technology Division (previously named Healthcare and Transport Logistics Division). The sale, implementation and support of the Orcoda Logistics Management System (OLMS) software and innovative fleet management solutions (via Future Fleet) to transportation and healthcare transport providers to optimise their transport operations.
- (2) Infrastructure Services Division (previously named Resource Logistics Division). The provision of smart and traditional infrastructure and communication contracting services via Betta Group; and the sale, implementation and support of the Orcoda Workforce Logistics System (OLWS) software, combined with management expertise and/or contracting services, to infrastructure and resources companies.

OPERATING AND FINANCIAL REVIEW | HALF YEAR SUMMARY

Operational Highlights

During the first half ended 31 December 2023, the Transport Technology Division signed and implemented a number of large Software-as-a-Service (SaaS) contracts, such as Northline, Comlink Australia and Mini-Tankers, that add substantially to our recurring revenue. We have also developed new vehicle pooling and rental apps that are ready for commercialisation in 2024. A senior customer success manager with deep SaaS implementation and sales experience has joined our team to support and further drive the division's growth.

On 1 July 2023, we acquired Future Fleet, a leading fleet management solutions provider in Australia and New Zealand, which is very complementary to our existing transport software business with significant cross-selling and product integration synergy opportunities. Future Fleet reports into the Transport Technology Division given the strong strategic fit.



DIRECTORS' REPORT

Operational Highlights (Cont)

The Infrastructure Services Division had a busy first half ended 31 December 2023, as Beta Group delivered several large contracts, such as the \$4.1 million Yurika Pembroke Olive Downs project, \$0.8 million Aurizon Callemondah Smart LED project and \$6.8 million Aurizon Newlands RCS project (ongoing until mid-2024), as well as continually winning new works servicing its core clients in the Central Queensland region.

Financial Highlights

Orcoda delivered record half-yearly financial results for the first half ended 31 December 2023.

The Company's 1H FY2024 total income was \$14,481,656, an increase of 48% from \$9,764,199 in the corresponding half-year period to 31 December 2022 ("1H FY2023"). Excluding Future Fleet, our 1H FY2024 total income increased by 29% over the previous corresponding period. A breakdown of the divisional total income is set out below:

	Consolidated		Change %
	31 Dec 2023 \$	31 Dec 2022 \$	
Total income			
Transport Technology	4,740,654	3,057,356	55%
Infrastructure Services	9,695,481	6,548,873	48%

The Transport Technology Division, which derives most of its income from SaaS recurring sales, had seen a 55% increase in total income to \$4,740,654 in 1H FY2024, with the growth driven by new SaaS contracts and contribution from Future Fleet, which offsetted a decline in revenue in the Mt Buller rideshare contract that was affected by a weaker 2023 snow season due to warm weather conditions.

The Infrastructure Services Division's 1H FY2024 total income was \$9,695,481, an increase of 48% compared to 1H FY2023, with the growth driven by continual execution of projects in Beta Group as mentioned in the Operational Highlights above.

The Underlying EBITDA (Earnings before interest, tax, depreciation, amortisation and other non-cash items) for the half-year period to 31 December 2023 was \$1,500,046 (1H FY2023: \$303,862), with the reconciliation set out below:

	1H FY2024 \$	1H FY2023 \$
Profit/(loss) for the half year	648,825	(476,212)
- Interest income	- 12,565	271
- Foreign exchange gain	- (21)	(45)
+ Interest expense / finance cost	+ 168,137	83,544
+ Income tax expense	+ -	-
+ Depreciation and amortisation	+ 573,727	413,738
+ Share based payment expense	+ 10,514	60,457
+ Net loss on asset disposal	+ 53,671	23,730
+ Other non cash adjustment ⁽¹⁾	+ 62,830	198,831
Underlying EBITDA (unaudited)	1,500,046	303,862

(1) The Other non-cash adjustments in 1H FY2023 were related to write-off of income tax receivables and R&D income receivables; 1H FY2024 were related to non-material prior year adjustments primarily FY2023 income tax.

Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and it is unaudited. Orcoda directors use Underlying EBITDA as a key financial metric to assess the financial performance of Orcoda's operations, and it is a financial metric commonly used by shareholders and capital markets participants.



DIRECTORS' REPORT

Financial Highlights (Cont)

The significant increase in 1H FY2024 Underlying EBITDA was attributable to the strong growth in total income, turnaround of Betta Group which was negatively impacted by restructuring and legacy issues in 1H FY2023, as well as operating leverage benefits in our businesses resulting in higher profitability in both divisions.

Correspondingly, the Company's consolidated operating profit before income tax from continuing operations was \$648,825, compared to a \$476,212 loss in the previous corresponding half-year period.

Customer receipts for the half-year period to 31 December 2023 was \$15,898,199, up 41% from the previous corresponding period, reflecting the strong growth in our businesses. The Group's cash flows from operations were \$1,933,042 for 1H FY2024 (1H FY2023: \$434,520), with the increase attributable to growth in customer receipts, higher profitability and working capital management. Net increase in cash and cash equivalents was \$511,120 for 1H FY2024 (1H FY2023: \$(461,347)), after cash flows from (i) investing activities which included the cash consideration for the acquisition of Future Fleet and new product development expenses, and (ii) financing activities primarily related to regular principal repayment of chattel mortgages.

As at 31 December 2023, the Company's cash and cash equivalents were \$4,965,497 plus term deposits of \$319,242, with unused financing facilities of \$1,000,000; total financial liabilities comprising chattel mortgages and cash earn-out in relation to the Future Fleet acquisition were \$4,169,018. The Company's total net cash position was \$796,479 as of 31 December 2023 (30 June 2023: \$416,222).

Strategy and Outlook

Digital transformation is accelerating in many industry sectors which presents growing opportunities for Orcoda's technology products. There is strong momentum across our software and contracting services businesses, with a robust pipeline and substantial synergy opportunities with Future Fleet and Betta Group.

Orcoda's primary growth strategy is to continue to delivery operational efficiency through the Company's technology products and services to providers across the transportation, healthcare transport, infrastructure and resources sectors. In addition to organic growth, Orcoda will also continue to review and pursue complementary and value accretive acquisitions.

Orcoda's long-term strategy is to be a leading integrated Intelligent Transport Management System (ITMS) provider, leveraging our technology products and infrastructure installation and project management capabilities to meet the transport requirements for smart cities and transport corridors of the future.



DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this interim financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Geoffrey Jamieson

GEOFFREY JAMIESON

Managing Director

Brisbane, Queensland

Dated: 26th February 2024

AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY C K HENRY TO THE DIRECTORS OF ORCODA LIMITED

As lead auditor of Orcoda Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orcoda Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C K Henry', written over a light blue grid background.

C K Henry

Director

BDO Audit Pty Ltd

Brisbane, 26 February 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue from contracts with customers	8	14,327,842	9,189,051
Research and development tax incentive		97,004	255,000
Other income		44,245	319,877
Interest revenue		12,565	271
Material, consumable and subcontractor expenses		(5,915,427)	(4,473,996)
Employee salaries and benefits expenses		(4,747,358)	(3,306,075)
Depreciation and amortisation expenses		(573,727)	(413,738)
Consultancy costs		(851,720)	(505,539)
Share registration regulatory and compliance costs		(160,635)	(48,441)
Share-based payment expenses		(10,514)	(60,457)
Rental and occupancy costs		(170,877)	(148,260)
Travelling and accommodation costs		(32,628)	(30,964)
Motor vehicle expenses		(845,716)	(847,913)
Legal and associated costs		(21,316)	(5,708)
Interest expenses / Finance costs		(168,137)	(83,544)
Other expenses		(334,797)	(315,731)
Foreign exchange gain/(loss)		21	(45)
Profit/(Loss) before income tax from continuing operations		648,825	(476,212)
Income tax (expense) / benefit	15	-	-
Profit/(Loss) after income tax from continuing operations		648,825	(476,212)
Profit/(Loss) for the half-year		648,825	(476,212)
Other comprehensive income for the half-year			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive profit/(loss) for the half-year		648,825	(476,212)
Earnings per share (cents) (basic and diluted)			
	13		
Basic (cents per share)		0.38	(0.30)
Diluted (cents per share)		0.38	(0.30)

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Current Assets			
Cash and cash equivalents		4,965,497	4,454,377
Trade and sundry receivables		1,751,868	1,877,282
Inventory		209,295	-
Financial assets		319,242	315,601
Other assets		381,918	581,175
Total Current Assets		7,627,820	7,228,435
Non-Current Assets			
Intangible assets	10	10,835,918	9,214,651
Plant and equipment	11	5,644,087	5,839,628
Right-of-use assets		179,128	108,244
Total Non-Current Assets		16,659,133	15,162,523
TOTAL ASSETS		24,286,953	22,390,958
Current Liabilities			
Trade and other payables	6	2,242,002	1,860,812
Employee benefits		602,604	382,949
Lease liabilities		152,794	102,895
Deferred revenue		56,666	87,281
Financial liabilities	5	1,467,288	1,113,394
Total Current Liabilities		4,521,354	3,547,331
Non-Current Liabilities			
Lease liabilities		36,302	19,899
Deferred revenue		3,334	30,000
Financial liabilities	5	2,701,730	2,924,761
Total Non-Current Liabilities		2,741,366	2,974,660
TOTAL LIABILITIES		7,262,720	6,521,991
NET ASSETS		17,024,233	15,868,967
EQUITY			
Issued capital	12	103,154,004	102,658,077
Reserves		179,400	168,886
Accumulated losses		(86,309,171)	(86,957,996)
TOTAL EQUITY		17,024,233	15,868,967

The accompanying notes form part of these financial statements



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

Note	Ordinary Share Capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2022	101,544,638	386,457	(87,570,946)	14,360,149
<i>Comprehensive income</i>				
Loss for the period	-	-	(476,212)	(476,212)
Total comprehensive income	-	-	(476,212)	(476,212)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the half year	120,000	(120,000)	-	-
Cost of shares issued (net of tax)	(1,365)	-	-	(1,365)
Share-based payments reserve	-	60,457	-	60,457
Options expired during the period	-	(1,500)	1,500	-
Total transactions with owners in their capacity as owners	118,635	(61,043)	1,500	59,092
Balance at 31 December 2022	101,663,273	325,414	(88,045,658)	13,943,029
<hr/>				
Balance at 1 July 2023	102,658,077	168,886	(86,957,996)	15,868,967
<i>Comprehensive income</i>				
Profit for the period	-	-	648,825	648,825
Total comprehensive income	-	-	648,825	648,825
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the half year	500,000	-	-	500,000
Cost of shares issued (net of tax)	(4,073)	-	-	(4,073)
Share-based payments reserve	-	10,514	-	10,514
Total transactions with owners in their capacity as owners	495,927	10,514	-	506,441
Balance at 31 December 2023	103,154,004	179,400	(86,309,171)	17,024,233

The accompanying notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Cash Flows from Operating Activities			
Receipts from customers (GST inclusive)		15,898,199	11,310,774
Payments to suppliers and employees (GST inclusive)		(14,198,869)	(11,711,238)
Research and development tax incentive received		366,763	407,125
Income tax refund received		-	498,132
Proceeds from government grant		22,520	13,000
Interest received		12,565	271
Interest expense on lease liability		(7,688)	(6,438)
Other interest and cost of finance paid		(160,448)	(77,106)
Net cash from/(used in) Operating Activities		1,933,042	434,520
Cash Flows from Investing Activities			
Net payments for acquisition of subsidiary	2, 5	(688,322)	(500,000)
Proceeds from sale of property, plant and equipment		123,429	26,520
Payments for property, plant and equipment		(51,683)	(55,043)
Payment for other financial assets		(3,641)	-
Payments for development expenditure		(135,387)	-
Proceeds from security bonds		-	10,581
Net cash from/(used in) Investing Activities		(755,604)	(517,942)
Cash Flows from Financing Activities			
Payment for capital raising costs		(4,073)	(31,365)
Repayment of borrowings	5	(553,232)	(276,929)
Principal repayment of lease liability		(109,013)	(69,631)
Net cash from/(used in) Financing Activities		(666,318)	(377,925)
Cash and cash equivalents at beginning of period		4,454,377	2,372,531
Net increase/(decrease) in cash and cash equivalents		511,120	(461,347)
Cash and cash equivalents at end of period		4,965,497	1,911,184

The accompanying notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements cover the consolidated entity of Orcoda Limited and its controlled entities. Orcoda Limited is a listed company and incorporated and domiciled in Australia. The financial statements are presented in Australian dollars, which is Orcoda Limited's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2024.

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

These general-purpose financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements arising under *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New accounting standards and interpretations adopted during the half-year did not have a material impact to the consolidated financial statements.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity recorded 48% growth in total income and 394% growth in Underlying EBITDA over the previous corresponding period, with \$648,825 profit in 1H FY2024, and the outlook is positive based on the current pipeline and a growing recurring revenue stream from new SaaS contracts.

From a cash flow and liquidity perspective, Orcoda had net cash inflows from operating activities of \$1,933,042 and net cash flows of \$511,120 for the half-year period ended 31 December 2023, and cash and cash equivalents of \$4,965,497 and unused financing facilities of \$1,000,000 as of 31 December 2023. Furthermore, Orcoda is in a position to raise capital in the capital markets when needed. Based on the considerations above, the Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern.

Accordingly, the Directors believe it is appropriate to adopt the going concern basis in the preparation of the financial report.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 2: BUSINESS COMBINATION

Effective 1 July 2023 (the “Acquisition Date), Orcoda Limited acquired 100% of the ordinary shares of Future Fleet International Pty Ltd (“Future Fleet”). The key strategic rationale for Orcoda to acquire Future Fleet are: (i) to combine the Orcoda Logistics Management System (OLMS) with Future Fleet’s fleet management solutions to provide the marketplace with unique integrated optimisation and real-time fleet management solutions, (ii) substantial cross-selling opportunities exist as both companies serve similar market segments with no overlap of customers, (iii) sharing of know-how’s and resources between the two companies, and (iv) the recurring revenue of Future Fleet derived from its monthly or quarterly subscription fee will add substantially to Orcoda’s growing recurring revenue stream, which is considered a key value driver for Orcoda in a capital markets context.

Future Fleet, established in 2003, is a Brisbane-based leading provider and innovator of advanced fleet management systems, including telematics, asset tracking, AI (Artificial Intelligence) powered driver fatigue & distraction detection technology and cold chain logistics assurance services in Australia and New Zealand. Future Fleet has installed devices in over 6,400 vehicles in the transport, mining, services, government, farming and private sectors.

In accordance with AASB 3 Business Combinations, Orcoda has up to 12 months from the acquisition date to complete the initial accounting for the acquisition of Future Fleet. Hence, the initial accounting for the acquisition of Future Fleet has only been provisionally determined as of 31 December 2023.

The total purchase price of \$1,648,227 for the Future Fleet acquisition was structured as follows:

- \$858,227 cash at settlement on 25 July 2023 (the “Settlement Date”) (including \$258,227 stock at value in Future Fleet), funded by available cash reserves;
- \$500,000 in new Orcoda fully paid ordinary shares issued at \$0.25 per share at Settlement Date (the shares are subject to 12 month escrow from Settlement Date);
- \$290,000 in earn-out in two instalments over 12 months from Settlement Date, comprising:
 - i) first instalment of \$145,000 payable after 6 months subject to Future Fleet’s EBITDA being at least \$100,000 in the first 6-month period, and
 - ii) second instalment of \$145,000 payable after 12 months subject to Future Fleet’s EBITDA being at least \$150,000 in the second 6-month period.

As Orcoda directors believe there is a high probability of Future Fleet achieving the EBITDA earn-out thresholds, hence the total amount of deferred contingent liabilities (earn-out) of \$290,000 was taken into account in the acquisition calculation below as the fair value of the contingent consideration.

Acquisition-date fair value of the total consideration transferred	<u>\$1,648,227</u>
Representing:	
Shares issued to vendor	\$500,000
Cash paid at settlement	\$858,227
Deferred contingent consideration (Earn-out)	\$290,000



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 2: BUSINESS COMBINATION (CONT)

Details of the Future Fleet assets acquired and liabilities assumed as of the Acquisition Date are as follows:

	Fair value \$
Cash and cash equivalents	169,905
Trade and other receivables	250,426
Inventory	252,056
Plant and equipment	6,469
Right-of-use asset	124,893
Intangible assets	223,254
Total assets acquired	1,027,003
Trade and other payables	(346,863)
Provisions	(194,992)
Lease liabilities	(124,893)
Total liabilities acquired	(666,748)
Net assets acquired	360,255
Goodwill arising from acquisition	1,287,972
Fair value of total consideration transferred	1,648,227

The fair value of the trade receivables was \$250,425 and it is expected that the full contractual amounts can be collected.

Future Fleet's primary intangible asset is its customer list and customer relationships. The fair value of the intangible assets of \$223,254 was derived using a Multi Period Excess Earnings Method (MPEEM), calculated based on the present value of Future Fleet's projected cash flows attributable to its existing customer relationships assuming a customer attrition rate that is consistent with history.

The goodwill arising from acquisition of \$1,287,972 is attributable to Future Fleet's market positioning, know-how, profitability and expected synergies post acquisition. None of the goodwill is expected to be deductible for tax purposes. Future Fleet has been allocated to our Transport Technology division..

Acquisition-related costs amounting to \$4,074 related to issuance of shares to the vendor have been capitalised. No other acquisition-related costs were incurred nor expensed in profit or loss for the half-year ended 31 December 2023.

Effective 1 July 2023, Future Fleet signed property lease agreements for 2 years. The company recognised the lease liability on that date in line with our accounting policy. The lease liability as well as the Right-of-use assets at initial recognition amounted to \$124,893.

Future Fleet contributed revenues of \$1,923,545 and net profit of \$148,446 to the Group, since the Acquisition Date, for the half year period ended 31 December 2023.

In the half-year ended 31 December 2022, there was no new business combination.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 3: EVENTS SUBSEQUENT TO REPORTING DATE

No significant events, matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 4: CONTINGENT LIABILITIES

The consolidated entity has contingent liabilities in the sum of \$315,330 as at 31 December 2023 (30 June 2023: \$315,330). This relates to the securities required by selected customers for ensuring the completion of certain projects. The consolidated entity has provided bank guarantees to these customers.

Refer to note 2 for further details on deferred contingent consideration amounting to \$290,000 from the acquisition of Future Fleet during the half-year.

NOTE 5: FINANCIAL LIABILITIES

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Chattel mortgages	1,177,288	1,113,394
Cash earn-out relating to Future Fleet acquisition	290,000	-
Total current financial liabilities	1,467,288	1,113,394
Chattel mortgages	2,701,730	2,924,761
Total non-current financial liabilities	2,701,730	2,924,761

The chattel mortgages are secured against the respective equipment. The carrying amount of non-current assets which have been pledged as security for the chattel mortgages was \$4,408,710 as at 31 December 2023 (30 June 2023: \$4,954,100).

The chattel mortgages were provided by independent lenders to fund the purchase of equipment. The term of the mortgages varies from 24 months to 60 months, with weighted average interest rate of 7.32% per annum.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 5: FINANCIAL LIABILITIES (CONT)

Reconciliation of movements of financial liabilities

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Current financial liabilities opening balance	1,113,394	1,000,745
Proceeds from chattel mortgages	-	700,001
New chattel mortgages (non-cash)	396,990	2,155,002
Repayment of chattel mortgages	(553,232)	(772,711)
Reclassifying non-current portion of chattel mortgages to non-current liability	-	(1,469,643)
Reclassifying current portion of chattel mortgages to current liability	223,031	-
Technical balancing item (clearing of the repayment occurred on 2/1/2024)	(2,895)	-
Cash earn-out paid in the period – Betta Group	-	(500,000)
Bringing in cash earn-out – Future Fleet	290,000	-
Current financial liabilities at the end of the period	1,467,288	1,113,394
Non-current financial liabilities opening balance	2,924,761	1,455,118
Reclassifying non-current portion of chattel mortgages to non-current liability	-	1,469,643
Reclassifying current portion of chattel mortgages to current liability	(223,031)	-
Non-current financial liabilities at the end of the period	2,701,730	2,924,761

NOTE 6: TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Trade creditors	1,164,066	1,007,156
Other payables	1,077,936	853,656
Total	2,242,002	1,860,812



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 7: SEGMENT INFORMATION

(a) Description of segments

The consolidated entity is organised into two operating segments based on differences in services provided: Transport Technology and Infrastructure Services. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. There is no aggregation of operating segments.

	Principal products and services
Transport Technology (previously named Healthcare and Transport Logistics)	Software-as-a-Service and consulting based on our booking and Orcoda Logistics Management System (OLMS) software platforms, and sale and installation of fleet management solutions (via Future Fleet) across various sectors principally transportation and healthcare transport
Infrastructure Services (previously named Resource Logistics)	Infrastructure services (via Betta Group), and Orcoda Workforce Logistics System (OWLS) platform, with contracting and management capabilities in the infrastructure and resources sectors

Corporate HQ represents the IT division and corporate management of the consolidated entity that do not meet the quantitative thresholds for reportable segments.

(b) Intersegment transactions

There are rarely intersegment transactions between the two operating segments; however, there are varying levels of integration between the operating segments and the Corporate HQ (e.g. IT development and support services). Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 7: SEGMENT INFORMATION (CONT)

(c) Segment information

The below segment summary shows operating results and assets and liabilities by segments:

For the half-year ended 31 December 2023	Infrastructure Services \$	Transport Technology \$	Corporate HQ \$	Total \$
Total income				
Sales to external customers	9,643,273	4,684,569	-	14,327,842
Intersegment sales	-	880	576,020	576,900
Total sales revenue	9,643,273	4,685,449	576,020	14,904,742
R&D Tax incentive	-	52,342	44,662	97,004
Other income	41,375	2,863	7	44,245
Interest revenue	10,833		1,732	12,565
Total segment income	9,695,481	4,740,654	622,421	15,058,556
Intersegment eliminations				(576,900)
Total income				14,481,656
Underlying EBITDA	2,019,191	913,032	(1,432,177)	1,500,046
Finance expense	(117,916)	(11,826)	(38,395)	(168,137)
Depreciation and amortisation	(415,317)	(100,335)	(58,075)	(573,727)
Unallocated expenses net of unallocated revenue				(46,528)
Non-cash expense adjustments in Underlying EBITDA				(62,830)
Profit before income tax expense				648,825
Income tax expense				-
Profit after income tax expense				648,825
Assets				
Segment assets	10,675,890	2,266,477	-	12,942,367
Unallocated assets:				
Cash and cash equivalents			641,091	641,091
Other current assets			234,781	234,781
Intangible assets			10,408,713	10,408,713
On other non-current assets			60,001	60,001
Total Assets				24,286,953
Total assets includes:				
Investment in associates	-	-	-	-
Additions to non-current assets	382,575	1,351,570	113,407	1,847,552
Liabilities				
Segment liabilities	4,688,412	1,095,153	-	5,783,565
Unallocated liabilities				
Trade and other payables			343,018	343,018
Other current liabilities			842,758	842,758
Non-current liabilities			293,379	293,379
Total liabilities				7,262,720



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 7: SEGMENT INFORMATION (CONT)

(c) Segment information (Cont)

The below summary shows the segment information for the prior period (31 December 2022)

For the half-year ended 31 December 2022	Infrastructure Services	Transport Technology	Corporate HQ	Total
	\$	\$	\$	\$
Total Income				
Sales to external customers	6,231,187	2,957,864	-	9,189,051
Intersegment sales	-	-	51,780	51,780
Total sales revenue	6,231,187	2,957,864	51,780	9,240,831
R&D Tax incentive	-	97,030	157,970	255,000
Other income	317,415	2,462	-	319,877
Interest revenue	271	-	-	271
Total segment income	6,548,873	3,057,356	209,750	9,815,979
Intersegment eliminations				(51,780)
Total income				9,764,199
Underlying EBITDA	443,150	560,223	(699,511)	303,862
Finance expense	(59,770)	(2,762)	(21,012)	(83,544)
Depreciation and amortisation	(327,922)	(46,266)	(39,550)	(413,738)
Unallocated expenses net of unallocated revenue				(83,961)
Non-cash expense adjustments in Underlying EBITDA				(198,831)
Profit before income tax expense				(476,212)
Income tax expense				-
Profit after income tax expense				(476,212)
Assets				
Segment assets	8,072,379	883,547	-	8,955,926
Unallocated assets:				
Cash and cash equivalents			313,332	313,332
Other current assets			326,149	326,149
Intangible assets			8,868,270	8,868,270
On other non-current assets			121,343	121,343
Total Assets				18,585,020
Total assets includes:				
Investment in associates	-	-	-	-
Additions to non-current assets	888,015	-	3,600	891,616
Liabilities				
Segment liabilities	3,603,431	278,007	-	3,881,438
Unallocated liabilities				
Trade and other payables			161,004	161,004
Other current liabilities			380,539	380,539
Non-current liabilities			219,010	219,010
Total liabilities				4,641,991



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 7: SEGMENT INFORMATION (CONT)

(d) Major customers

During the half-year ended 31 December 2023, approximately \$9,804,000 (2022: \$4,985,000) of the consolidated entity's external revenue was derived from sales to the top three customers in the Infrastructure Services segment.

(e) Geographical information

	Revenue from contracts with customers		Non-current assets	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$	\$	\$	\$
Australia	14,313,562	9,189,051	6,190,418	5,286,285
Rest of the world	14,280	-	-	-
	14,327,842	9,189,051	6,190,418	5,286,285



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 8: REVENUE

Revenue from contracts with customers	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Services revenue	14,294,242	9,155,451
Vehicles licencing income	33,600	33,600
Total revenue from operations	14,327,842	9,189,051

Disaggregation of revenue from contracts with customers

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under AASB 8.

External revenue by major service lines	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Infrastructure Services	9,643,273	6,231,187
Transport Technology	4,684,569	2,957,884
Total	14,327,842	9,189,051

Revenue by geographical regions	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Australia	14,313,562	9,189,051
Rest of the World	14,280	-
Total	14,327,842	9,189,051

Timing of revenue recognition	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Services transferred at a point in time		
Infrastructure Services	8,100	-
Transport Technology	2,669,774	2,344,718
Total Services transferred at a point in time	2,677,874	2,344,718
Services transferred over time		
Infrastructure Services	9,635,172	6,231,187
Transport Technology	2,014,796	613,146
Total Services transferred over time	11,649,968	6,844,333
Total sales revenue to external customers	14,327,842	9,189,051



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 9: GOVERNMENT GRANTS AND ASSISTANCE

The Group has benefited from the following government support package during the period ended 31 December 2023. The amounts received have been recognised as other income in the statement of profit or loss and other comprehensive income.

Support received	Description
Apprentice Wage Subsidy	The aim of the subsidy is to support apprentices working in secure jobs that are in demand as well as filling skill shortages. Under the scheme, Beta Group of Companies QLD Pty Ltd received \$22,520 during the period.

NOTE 10: INTANGIBLE ASSET

a) Details of Intangible Asset

	31 December 2023	30 June 2023
	\$	\$
Software at Cost	855,567	720,180
Less: Accumulated amortisation	(182,982)	(168,799)
Total Software	672,585	551,381
Goodwill	14,274,557	12,986,585
Less: Accumulated impairment	(4,323,315)	(4,323,315)
Total Goodwill	9,951,242	8,663,270
<i>Other intangible assets</i>		
IP Licences	236,126	236,126
Less: Accumulated impairment	(236,126)	(236,126)
<i>Total IP Licences</i>	-	-
Customer List	223,254	-
Less: Accumulated amortisation	(11,163)	-
<i>Total Customer List</i>	<i>212,091</i>	-
Total other intangible assets	212,091	-
Total Intangible Assets	10,835,918	9,214,651

Reconciliation of intangible assets

	31 December 2022	30 June 2023
	\$	\$
Balance at the beginning of the period	9,214,651	8,663,270
Additions - Software	141,704	564,530
Additions – Business acquisition		
<i>Goodwill</i>	<i>1,287,972</i>	-
<i>Customer List</i>	<i>223,254</i>	-
Total additions from business acquisition	1,511,226	-
Disposals	-	-
Amortisation	(31,663)	(13,149)
Carrying amount at the end of the year	10,835,918	9,214,651



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 10: INTANGIBLE ASSET (CONT)

b) Composition of Goodwill

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Transport Technology \$	Infrastructure Services \$	Total \$
Gross carrying amount			
Balance at the beginning of the period	3,971,284	9,015,301	12,986,585
Additional amounts recognised from new business combination during the period	1,287,972	-	-
Gross carrying amount balance at the end of the period	3,971,284	9,015,301	12,986,585
Accumulated Impairment			
Balance at the beginning of the period	(1,572,592)	(2,750,723)	(4,323,315)
Impairment losses for the period	-	-	-
Accumulated impairment balance at the end of the period	(1,572,592)	(2,750,723)	(4,323,315)
Net carrying amount			
Net book value at the beginning of the period	2,398,692	6,264,578	8,663,270
Net book value at the end of the period	3,686,664	6,264,578	9,951,242

NOTE 11: PLANT AND EQUIPMENT

	31 December 2023 \$	30 June 2023 \$
Plant and equipment		
Cost	7,383,976	7,217,824
Accumulated depreciation	(1,739,889)	(1,378,196)
Total plant and equipment	5,644,087	5,839,628
Reconciliation		
Balance at the beginning of the period	5,839,628	4,609,554
Additions through cash payment	51,683	167,633
Additions through asset finance	366,042	2,971,829
Additions through acquisition	6,469	-
Disposals	(182,101)	(178,035)
Depreciation	(437,634)	(731,353)
Carrying amount at the end of the period	5,644,087	5,839,628



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 12: ISSUED CAPITAL

	Consolidated			
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares issued and fully paid	169,157,069	167,157,069	103,154,004	102,658,077

Details of shares issued during the period

Details	Notes	Date	Shares	Issue price (\$)	Value (\$)
Balance		1 July 2023	167,157,069		102,658,077
Issue of shares	Relates to Future Fleet acquisition	27 July 2023	2,000,000	0.25	500,000
Share issue transaction costs, net of tax			-	-	(4,073)
Balance		31 Dec 2023	169,157,069		103,154,004

NOTE 13: EARNINGS PER SHARE

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Profit/(loss) after income tax attributable to owners of Orcoda Limited used in calculating earnings per share	648,825	(476,212)

	31 December 2023	31 December 2022
Weighted average number of ordinary shares	Shares	Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	168,874,460	158,566,943
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	168,874,460	158,566,943

	31 December 2023	31 December 2022
Earnings/(loss) per share	cents	cents
Earnings/(loss) per share (basic and diluted) for profit attributable to owners of Orcoda Limited	0.38	(0.30)

NOTE 14: FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 15: INCOME TAX

The consolidated entity has available for potential recoupment up to \$33,405,145 unconsolidated income tax and capital losses at reporting date subject to satisfaction of the relevant tax rules in relation to utilisation of tax losses. Carried forward tax losses have not been recognised in this period's accounts but may be brought to account in future reporting period based on sustainable future taxable income.

No provision for income tax expenses in the financial year ending 30 June 2024 have been made in this half-year period, as Orcoda is in an overall tax loss position.

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Payables to related parties

	31 Dec 2023	30 June 2023
	\$	\$
Payable to Harkiss Minerals Discovery (director related entity of Nicholas Johansen)	4,167	4,167
Payable to Sino-Oz Ltd (director related entity of Brendan Mason)	2,500	2,500
Payable to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	36,208	36,208
Payable to Pacific Energy Group (director related entity of Geoffrey Williams)*	1,375	-
	44,250	42,875

* Geoffrey Williams was appointed as a director of Orcoda Limited on 1 July 2023.

(b) Receivables from related parties

There was no receivables from related parties as at 31 December 2023 (30 June 2023: nil).

(c) Transactions with related parties

Sales of goods and services during the period (exclusive of GST)

There were no sales of goods and services to related parties in either the current or the prior half-years.



NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

NOTE 16: RELATED PARTY TRANSACTIONS (CONT)

Goods and services received during the period (exclusive of GST)

	31 Dec 2023	31 Dec 2022
	\$	\$
Consultancy services from Harkiss Minerals Discovery (director related entity of Nicholas Johansen)	25,000	25,000
Consultancy services from Pacific Energy Group Pty Ltd (director related entity of Geoffrey Williams)*	7,500	-
Consultancy services from Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)**	-	1,250
Consultancy services from Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	197,500	174,167
Fees paid to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson) by subsidiaries	100,000	100,000
Consultancy services from Sino-Oz Ltd (director related entity of Brendan Mason)	15,000	15,000
Consultancy services from Hardman services Pty Ltd (subsidiary director related entity to Sean Hardman)***	-	50,000
	345,000	365,417

* Geoffrey Williams was appointed as a director on 1 July 2023.

** Stephen Pronk resigned from the Board of Orcoda Limited on 27 July 2022.

*** Sean Hardman resigned as subsidiary director on 31 December 2022.

(d) Terms and conditions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.



DIRECTORS' DECLARATION

The directors of the company declare that, in the opinion of the directors:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Geoffrey Jamieson

GEOFFREY JAMIESON
Managing Director
Brisbane, Queensland

Dated: 26th February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Orcoda Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Orcoda Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



C K Henry
Director

Brisbane, 26 February 2024

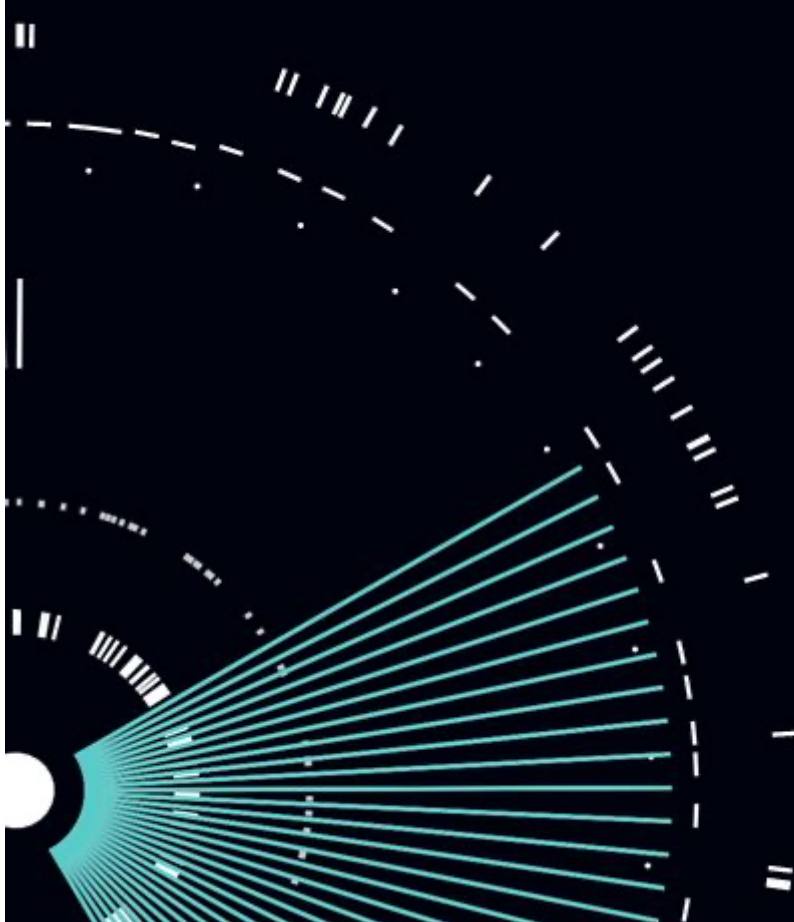
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