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## ASX ANNOUNCEMENT – ORCODA LIMITED (ASX:ODA)

31 October 2018

### Financial Commentary Accompanying Appendix 4C

**Orcoda Limited (ASX:ODA) ('Orcoda' or 'the Company')** is pleased to announce that our cash outflow for the first quarter to 30 September 2018 is continuing to decrease. Our actual cashflow for the first quarter to 30 September 2018 was \$1,093k, which is \$81k (7%) lower than our 30 June 2018 4C prediction of \$1,174k. Our projection for the current quarter ending 31 December 2018 is that cashflow will continue to decrease to reach an estimated \$853k, a 22% reduction on the previous quarter actual cashflow. We are confident that our financial systems are able to accurately predict the Company's future cash position.

Quarter ended	30/06/2018	30/09/2018	31/12/2018 projection
Projected cash out	\$1,380k	\$1,174k	\$853k
Actual cash out	\$1,397k	\$1,093k	-
Difference	\$17k worse	\$81k better	-

The first quarter improvements in the results were due to continued cost reductions across the whole organisation, with management, directors and staff deferring fees by taking a mix of securities and cash in lieu of purely cash payments.

Improvements to our end of quarter cash position will come from a number of initiatives:

- The Company will receive an estimated R&D Tax Incentive refund of \$250k for the 2017/18 financial year, anticipated to be paid in this quarter ending 31 December 2018. The tax incentive has been granted to reflect Orcoda's support for Australian-based R&D and will help the Company to continue to improve and innovate its software and solutions. The R&D Tax Incentive is an Australian Government program providing companies with cash refunds for 42.5% of eligible R&D expenditure.
- Receipts from annuity revenue customers will book \$350k in the quarter ending 31 December 2018.
- The trade sale of the China-based businesses is expected to occur in late November 2018, providing an additional \$150k cash inflow.
- The Company advises that a new application has been made for an innovation incentive grant for approximately \$1.1 million.

The Company is pleased to advise that the Transport Logistics division made its first ever profit in September 2018. The Resources Logistics division also made a profit in September 2018 and has a healthy funnel of sizeable opportunities, with many quotes currently being considered by our large mining customers. The Healthcare Logistics division is contributing to revenue and continues to show encouraging results in the ongoing Brisbane NDIS community transport trial.

We expect to make announcements about these and future deals as we sign binding agreements.



Brendan Mason  
Managing Director

**For more information please contact:**

Brendan Mason

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**ABOUT ORCODA**

*Orcoda Limited (ASX:ODA) is a leading Australian logistics solution provider with expertise in business efficiency and optimisation of processes. We are operational efficiency specialists who supply best-in-class solutions combining software, management expertise and contracting services that makes our clients among the most productive and cost-effective organisations in their respective industries.*

*Our clients come from a diverse array of industry sectors and include some of Australia's largest companies operating in the resources and infrastructure, transport and logistics and healthcare sectors.*

*Orcoda's combined applications are focused on three key business sectors: healthcare, transportation and resources. We pride ourselves on enabling our clients to generate fast, accurate and reliable information, ensuring they are able to make the best business decisions the first time, every time and on time.*

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Orcoda Limited

**ABN**

86 009 065 650

**Quarter ended ("current quarter")**

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	295	295
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(114)	(114)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(224)	(224)
(f) administration and corporate costs	(755)	(755)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(796)</b>	<b>(796)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) 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)		
2.6	<b>Net cash from / (used in) investing activities</b>		

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Bond)		
3.10	<b>Net cash from / (used in) financing activities</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 quarter/year to date	2,105	2,105
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(796)	(796)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,309</b>	<b>1,309</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	178	605
5.2	Call deposits	1,131	1,500
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>1,309</b>	<b>2,105</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

115

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	
9.2 Product manufacturing and operating costs	(110)
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(205)
9.6 Administration and corporate costs	(538)
9.7 Other	
<b>9.8 Total estimated cash outflows</b>	<b>*(853)</b>

\*Orcoda is an operating business that generates cash inflows each quarter, including receipts from customers. The above summary of anticipated cash outflows does not fully reflect the anticipated net cash flows for the following quarter, as it excludes cash inflows (such as receipts from customers).

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

**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.

Sign here:



Date: 31/10/18.

(Director)

Print name: Brendan Mason