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ASX ANNOUNCEMENT – ORCODA LIMITED (ASX: ODA)

Quarter ending 31 December 2019

Financial Commentary Accompanying Appendix 4C

Orcoda Limited (ASX: ODA) ('Orcoda or the Company') is pleased to announce our results for the quarter ended 31 December 2019. The Company was cash flow positive by \$503k from operating activities and increased cash over last quarter by 26% from \$1.68m last quarter to \$2.12m this quarter, without further capital raising. Customer revenues increased by 250% compared with last quarter. Pleasingly, the consolidated entity also made an EBITDA profit of \$220k (unaudited) this quarter.

The Healthcare division was the major contributor to consolidated profit, with an operating profit of \$607k for the quarter. Due to recent license sales, the Company now has Community Transport vehicles operating in Brisbane, Sunshine Coast as well as the Gold Coast. In mid-January, Orcoda launched operations of its Community Transport in Melbourne and management plan to launch in Sydney over the coming months.

Orcoda currently has 17 managed vehicles in its Queensland fleet, contributing to increased revenues whilst benefiting the aged care and disability sector. The Company is continuing to sell licenses and to manage fleet vehicles on behalf of our licensees. The IAG/Carbar agreement has ensured vehicle supply as the Company looks toward the future.

The Transport division performed as expected, with receipts from customers being maintained. Management anticipate improved market penetration over the coming months as the result of improved access through Savills' Australia wide sales network.

Resource Division is bidding on Snowy Hydro 2 project which is estimated to be a 7-year project.

Listing Rule 4.7C.1 and 4.7.C.3

The Company has detailed material business activities in paragraphs above including any material activities during the quarter. The other material effect on the balance sheet was the previously announced circa \$400k R&D Tax Incentive Rebate.

The Company has reported that the expenditure of \$195k to related parties. The amount included payments to the Managing Director, Geoffrey Jamieson of \$95k which included \$27k of accrued fees, the Chairman Nicholas Johansen \$30k which included \$17k of accrued fees, Non-Executive Director Stephen Pronk \$34k which included \$26k of accrued fees and Non-

Executive Director Brendan Mason \$36k which included \$26k of accrued fees. Accrued fees were associated with unpaid fees from previous periods.

The Company is continuing to grow, and we are looking forward to the future.

Thank you to all Orcoda shareholders for your continued loyalty and support.

Geoffrey Jamieson
Managing Director

For more information please contact:

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-ENDS-

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 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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (six months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,228	1,580
1.2 Payments for		
(a) research and development	(22)	(69)
(b) product manufacturing and operating costs	(145)	(329)
(c) advertising and marketing		
(d) leased assets	(29)	(29)
(e) staff costs	(244)	(470)
(f) administration and corporate costs	(685)	(1,281)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	400	415
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	503	(183)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(10)	(14)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (six months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(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)		
2.6	Net cash from / (used in) investing activities	(10)	(14)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	1,050
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	(53)	(53)
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 (provide details if material)		
3.10	Net cash from / (used in) financing activities	(53)	997

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,685	1,325
4.2	Net cash from / (used in) operating activities (item 1.9 above)	503	(183)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(14)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (six months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(53)	997
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	2,125	2,125

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	1,839	1,322
5.2	Call deposits	286	363
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,125	1,685

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

195

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

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

7.5 Unused financing facilities available at quarter end

- 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.

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8. Estimated cash available for future operating activities**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	503
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,125
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,125
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1) \$503k positive therefore no negative to calculate 8.5	N/A

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

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:

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:

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: 29th January 2020

Authorised by: The Board of Directors

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.