

# Appendix 4D

Rule 4.2A

## 1. Half yearly report

Name of entity

Orcoda Limited

ABN: 86 009 065 650

Report for the half-year ended 31 December 2019

Previous corresponding period

is the financial year ended 30 June 2019

and half year ended 31 December 2018

## 2. Results for announcement to the market

			<u>A\$'000s</u>
Revenues ( <i>item 2.1</i> ) *	<i>up</i>	56% to	1,642
Loss after tax attributable to members ( <i>item 2.2</i> )	<i>down</i>	58% to	(325)
Net Loss for the period attributable to members ( <i>item 2.3</i> )	<i>down</i>	58% to	(325)
<b>Dividends (<i>item 2.4</i>)</b>			
No dividends will be paid			
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )	N/A		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood ( <i>item 2.6</i> )			
The revenue figure of \$1,642k includes R&D grant income of \$169k.			
The loss from continuing operations for the half year period for the consolidated entity was \$209k plus \$116k from discontinued operations.			
The Healthcare division made a profit of \$606k for the half year and the consolidated entity was profitable for the December quarter.			

**3. Net tangible assets per security (item 3)**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.018 ¢	0.013 ¢

**4. Details of entities over which control has been gained or lost during the period: (item 4)**

**Control gained over entities**

Name of entities (item 4.1)

N/A
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Date(s) of gain of control (item 4.2)

N/A
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**Loss of control of entities**

Name of entities (item 4.1)

N/A
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Date(s) of loss of control (item 4.2)

N/A. (item 4.3).
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Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost

N/A.

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

N/A.

**5. Dividends (item 5)**

Final dividend – N/a

Date of payment	Total amount of dividend
N/a	

Interim dividend – N/a

**Amount per security**

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
<b>Interim dividend:</b> Current period	N/a	-	-
Previous period	N/a		
	N/a		

### Interim dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities ( <i>each class separately</i> )	-	-
Preference securities ( <i>each class separately</i> )	-	-
Other equity instruments ( <i>each class separately</i> )	-	-

**Total**

### 6. Details of dividend or distribution reinvestment plans in operation are described below (*item 6*):

N/A
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The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A
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### 7. Details of associates and joint venture entities (*item 7*)

Name of associate or joint venture entity	% Securities held

### Aggregate share of profits (losses) of associates and joint venture entities (*where material*)

#### Group's share of associates' and joint venture entities':

Profit (loss) before tax

Income tax

**Net profit (loss) after tax**

Adjustments

**Share of net profit (loss) of associates and joint venture entities**

	6mths to 31 Dec 2019 \$	6mths to 31 Dec 2018 \$
Profit (loss) before tax		
Income tax		
<b>Net profit (loss) after tax</b>	-	-
Adjustments		
<b>Share of net profit (loss) of associates and joint venture entities</b>	-	-
	-	-

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8. **The information provided in the Appendix 4D is based on the interim financial report (attached), which has been prepared in accordance with Australian accounting standards (item 8).**
9. **The interim financial report is subject to Qualified Conclusions.**  
(item 9)

### **Periodic Disclosure Requirements Compliance Statement**

- 1 An interim report for the half-year ended 31 December 2019 is provided with the Appendix 4D information.
- 2 The interim 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 2019, 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.
- 5 The Appendix 4D information is based on the interim financial report, which has been subject to review.

The review report by the auditor is provided with the interim financial report.

Sign here: *Geoffrey Jamieson*

Date: 28 February 2020

Print name: Geoffrey Jamieson

**ORCODA LIMITED  
and Controlled Entities  
A.B.N. 86 009 065 650**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**C O N T E N T S**

Directors' Report
Auditor's Independence Declaration
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows
Notes to the Financial Statements
Directors' Declaration
Independent Auditor's Review Report

**ORCODA LIMITED  
and Controlled Entities**

**DIRECTORS' REPORT**

Your Directors present their report together with the interim report of the consolidated entity for the half year ended 31 December 2019.

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

Nicholas Johansen	Non-Executive Chairman
Geoffrey Jamieson	Managing Director / Finance Director
Stephen Pronk	Non-Executive Director
Brendan Mason	Non-Executive Director

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

## **Review of Operations**

### **HALF YEAR SUMMARY**

#### **Highlights**

- Revenue (inclusive of R&D grant and interest) increased by 56% to \$1,642k from corresponding half-year period.
- Consolidated operating Losses decreased from \$598k down to \$209k from corresponding half-year period.
- Cash at bank increased from \$1.68m in the September quarter to \$2.12m in the December quarter from operating activities without any capital raising during the December quarter.
- Healthcare Logistics Division made a profit of \$606k for the half year on revenues of \$1,173k.

#### **Operational**

Orcoda Limited is an Australian-listed company (ASX:ODA) with expertise in business efficiency and optimisation. We are operational efficiency specialists who supply best-in-class solutions that combine software, management expertise and contracting services, helping to make 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 Oil & Gas, Mining, infrastructure, transport and healthcare sectors.

Orcoda's combined offering is 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.

Orcoda has three Divisions, Healthcare Logistics (aged and disability community transport, homecare and health transport services) Transport Logistics (metro services, line haul and field services) and Resource Logistics (oil & gas, mining and infrastructure).

#### **Healthcare Logistics**

Homecare Transport SaaS platform

Community Transport Services

Health Transport Services

**ORCODA LIMITED  
and Controlled Entities**

**Transport Logistics**

SaaS Transport platform

Scheduling, Planning & Management

Mobility & Visibility

Business Intelligence & Workflow

**Resource Logistics**

Management

Contracting

SaaS Platform & Integration

**Financial**

The company's cash holdings at 31 December 2019 were \$2.12m.

R&D grants totalling \$400k were received during the half year period for FY 19 R&D programs.

The sale of the VIE structure is still being advertised for sale.

Healthcare Logistics division is continuing to expand with 17 vehicles in the Community transport fleet in Queensland with vehicles now operating in the Sunshine Coast, Brisbane and Gold Coast. It is expected that the fleet will increase over the next half through the continued sale of Licenses. The division has launched community transport in Melbourne and expect to have the first vehicles operating soon.

**Outlook**

The company is pleased to advise that the Healthcare Logistics division continues to expand its revenues with income coming in from our SaaS platform, income being generated from Community Transport vehicles, income coming in from Licence sales and R&D grants from its continuing R&D program. The Transport Logistics division has lowered overheads and increased revenues with Savills supply chain solutions business providing a sales footprint Australia wide for marketing our software platform. The Resources Logistics division has small revenue from its SaaS Platform, a healthy funnel of sizeable opportunities, with many quotes currently being considered by our large mining customers and we are currently tendering on the Snowy Hydro 2 project.

The Parent Company overheads have now been reduced substantially and with the Divisions forecast to become cash flow positive the future looks good for the Company.

**ORCODA LIMITED  
and Controlled Entities**

**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*

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Geoffrey Jamieson  
Managing Director

Signed this 28<sup>th</sup> February 2020



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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Orcoda Limited and its controlled entities for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to be "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to be "R B Miano".

**R B MIANO**  
Partner

Dated: 28 February 2020  
Melbourne, Victoria

**ORCODA LIMITED  
and Controlled Entities**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**For the Half-Year Ended 31 December 2019**

	Note	31 Dec 2019 \$	31 Dec 2018 \$
<b>Continuing Operations</b>			
Revenue	5	1,473,019	607,602
Research and development tax incentive		169,209	439,798
Interest revenue calculated using the effective interest method		327	3,888
<b>Expenses</b>			
Employee benefits expense		(430,544)	(374,753)
Material and installation costs		(196,049)	(219,649)
Health transport costs		(132,895)	-
Depreciation expense		(31,829)	(3,133)
Consultancy cost		(751,617)	(670,627)
Share registration regulatory and compliance costs		(120,600)	(96,571)
Corporate advisory		-	(6,313)
Rental and occupancy costs		(95,248)	(108,798)
Travelling and accommodation costs		(40,972)	(50,193)
Legal and associated costs		(12,948)	(28,673)
Amortisation of intangible assets		(29,077)	(16,023)
Finance cost		(8,134)	-
Other expenses		(1,473)	(74,733)
<b>Loss before income tax from continuing operations</b>		<b>(208,831)</b>	<b>(598,178)</b>
Income tax benefit / (expense)		-	-
Loss after income tax from continuing operations		<b>(208,831)</b>	<b>(598,178)</b>
<b>Discontinued Operations</b>			
Loss after income tax from discontinued operations	6	(54,704)	(238,016)
<b>Loss for the half-year</b>		<b>(263,535)</b>	<b>(836,194)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(61,399)	60,895
<b>Total comprehensive loss for the half-year</b>		<b>(324,934)</b>	<b>(775,299)</b>
Total comprehensive loss for the half-year attributable to:			
Continuing operations		(208,831)	(598,178)
Discontinued operations		(116,103)	(177,121)
Owners of Orcoda Limited		<b>(324,934)</b>	<b>(775,299)</b>
Basic loss per share (cents per share)	8	(0.25)	(0.94)
Diluted loss per share (cents per share)	8	(0.25)	(0.94)

*The accompanying notes form part of these financial statements*

**ORCODA LIMITED  
and Controlled Entities**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2019**

	Note	31 Dec 2019 \$	30 Jun 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,125,267	1,325,148
Trade and other receivables		283,079	457,985
Other assets		<u>67,300</u>	<u>9,344</u>
		2,475,646	1,792,477
Assets of disposal group classified as held for sale	6	84,177	86,348
<b>TOTAL CURRENT ASSETS</b>		<u>2,559,823</u>	<u>1,878,825</u>
<b>NON-CURRENT ASSETS</b>			
Intangible assets		11,056,745	11,085,923
Plant and equipment		22,927	15,798
Right-of-use assets		<u>305,801</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>11,385,473</u>	<u>11,101,721</u>
<b>TOTAL ASSETS</b>		<u>13,945,296</u>	<u>12,980,546</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		448,833	443,300
Provisions		128,111	152,019
Lease Liability		<u>310,559</u>	<u>-</u>
		887,503	595,319
<b>TOTAL LIABILITIES</b>		<u>887,503</u>	<u>595,319</u>
<b>NET ASSETS</b>		<u>13,057,793</u>	<u>12,385,227</u>
<b>EQUITY</b>			
Issued capital	7	94,228,131	93,230,631
Reserves		1,426,207	1,487,606
Accumulated losses		<u>(82,596,545)</u>	<u>(82,333,010)</u>
<b>TOTAL EQUITY</b>		<u>13,057,793</u>	<u>12,385,227</u>

*The accompanying notes form part of these financial statements*

**ORCODA LIMITED  
and Controlled Entities**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the Half-Year Ended 31 December 2019**

Note	<b>Issued Capital</b>		<b>Accumulated</b>	
	<b>Ordinary</b>	<b>Reserves</b>	<b>losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	91,690,208	2,137,601	(82,190,074)	11,637,735
Shares issued during the half year				
Shares issued in lieu of directors' fees	217,758	-	-	217,758
Shares issued in lieu of services	48,6654	-	-	48,665
Shares issued for performance rights	324,00021	(324,000)	-	-
Foreign Currency Translation		60,895		60,895
Loss for the period	-	-	(836,194)	(836,194)
<b>Balance at 31 December 2018</b>	<b>92,280,631</b>	<b>1,874,496</b>	<b>(83,026,268)</b>	<b>11,128,860</b>
<b>Balance at 1 July 2019</b>	93,230,631	1,487,606	(82,333,010)	12,385,227
Shares issued during the half year	1,050,000	-	-	1,050,000
Cost of shares issued	(52,500)	-	-	(52,500)
Foreign currency translation		(61,399)		(61,399)
Loss for the period	-	-	(263,535)	(263,535)
<b>Balance at 31 December 2019</b>	<b>94,228,131</b>	<b>1,426,207</b>	<b>(82,596,545)</b>	<b>13,057,793</b>

*The accompanying notes form part of these financial statements.*

**ORCODA LIMITED  
and Controlled Entities**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the Half-Year Ended 31 December 2019**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Cash flows from operating activities		
Receipts from customers	1,576,951	697,326
Payments to suppliers and employees	(2,146,782)	(1,996,111)
Research and development tax incentive	415,206	-
Interest received	335	3,888
Interest expense on lease liability	(8,134)	-
<b>Net cash used in operating activities#</b>	<b>(162,424)</b>	<b>(1,294,897)</b>
Cash flows from investing activities		
Payments for property, plant and equipment	(13,962)	(9,207)
<b>Net cash used in investing activities#</b>	<b>(13,962)</b>	<b>(9,207)</b>
Cash flows from financing activities		
Receipts from issue of shares	1,050,000	-
Payment for capital raising costs	(52,500)	-
Repayment of lease liability	(21,033)	-
<b>Net cash flow (used in) from financing activities#</b>	<b>976,467</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	800,081	(1,304,104)
<b>Cash and cash equivalents at beginning of period</b>	<b>1,325,148</b>	<b>2,105,116</b>
Effects of Foreign Exchange	38	130
<b>Cash and cash equivalents at end of period</b>	<b>2,125,267</b>	<b>801,142</b>

# The consolidated statement of cash flows includes cash flows from discontinued operations as detailed in Note 6 (c).

*The accompanying notes form part of these financial statements*

**ORCODA LIMITED  
and Controlled Entities**

**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

*Reporting Basis and Conventions*

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 28 February 2020.

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2019 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 2019 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.

***Going concern***

The financial statements have been prepared on the 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 incurred a loss of \$263,535 and had net cash outflows from operating activities of \$162,424 for the period ended 31 December 2019.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern subject to the following factors:

- The consolidated entity expects to raise further capital within the 12 months from reporting date.
- Management will continue to be focussed on growing the Healthcare Logistics division through the sale of licenses and operating community transport vehicles to secure projected revenue growth as per its cash forecast for the next financial period.
- Marketing and administration costs are constantly being monitored so that they are kept at minimal levels.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

**ORCODA LIMITED  
and Controlled Entities**

**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Going Concern (Continued)***

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets and liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

***AASB 16 Leases***

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

***Impact of adoption***

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There was no material impact on adoption of AASB16 as all existing leases are of short term asset which are exempted under the standards' practical expedient. Short-term lease expenses for the period ended 31 Dec 2019 totalled \$72,628 (31 Dec 2018: \$115,613)

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

**ORCODA LIMITED  
and Controlled Entities**

**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Right-of-use assets (Continued)**

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

***Revenue recognition***

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of licence

Revenue from the sale of licence including implementation and initial training is recognised at the point in time when the implementation and initial training (up to 5 days) is completed.

Rendering of services

Revenue from a contract to provide professional services, such as consultancy and training services after completion of implementation of software, is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

The provision of support for vehicles equipped with software is recognised over time as the services are rendered based on a fixed price.



**ORCODA LIMITED  
and Controlled Entities**

**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue recognition (Continued)***

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

***Discontinued operations***

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

**2. EVENTS SUBSEQUENT TO REPORTING DATE**

The company announced a capital raise of \$2.1m via a placement at \$0.16 cents per share on the 28<sup>th</sup> February 2020. The Company will issue 7,500,000 fully paid ordinary shares at an issue price of \$0.16 per share for \$1.2m, pursuant to its existing capacity under ASX listing Rule 7.1A. The new shares, once issued, will rank pari passu with existing ordinary shares. The balance of \$900k is subject to shareholder approval under listing rule 10.11 as the sophisticated investor is a Non-Executive Director of the Company.

No other matter or circumstance has arisen since 31 December 2019 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.

**3. CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2019.

**ORCODA LIMITED  
and Controlled Entities**

**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**4. SEGMENT INFORMATION**

**(a) Description of segments**

The consolidated entity has identified its operating segments based on internal reports that are provided to the Board of Directors on a regular basis.

Pursuant to acquisition of the Resource Connect Group of entities during the financial year 2018, the consolidated entity identified three operating segments - Transport Logistics, Resource Logistics and Healthcare Logistics for the half-year ended 31 December 2018 and this report follows the same segment information.

During the prior periods, the consolidated entity classified operating segments based on geographical locations as it had only one business operation in Australia and China. The consolidated entity has ceased the operations in China and hence there were no revenues in the segment for the current period.

**(b) Segment information**

The below segment summary shows operating results (including R&D incentive income) and assets and liabilities by segments:

<b>For the half-year ended 31 December 2019</b>	<b>Consolidated</b>				
	<b>Transport logistics</b>	<b>Resource logistics</b>	<b>Healthcare logistics</b>	<b>E-commerce</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Segment revenues	455,419	13,533	1,173,275	-	1,642,227
Segment profit / (loss)	(97,456)	(155,813)	606,228	(54,704)	298,255

<b>For the half-year ended 31 December 2018</b>	<b>Consolidated</b>				
	<b>Transport logistics</b>	<b>Resource logistics</b>	<b>Healthcare logistics</b>	<b>E-commerce</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Segment revenues	730,848	58,922	257,631	-	1,047,400
Segment profit / (loss)	208,506	(16,660)	132,133	(238,016)	85,963

<b>Reconciliation of reportable segment revenue to consolidated revenue</b>	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	\$	\$
Total segment revenue	1,642,227	1,047,400
Interest income	327	3,888
Total revenue	1,642,554	1,051,288
Disclosed as:		
Revenue from continuing operations	1,642,554	1,051,288
Revenue from discontinued operations (see Note 6)	-	-
Total revenue	1,642,554	1,051,288

**ORCODA LIMITED  
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**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**4. SEGMENT INFORMATION (Cont.)**

<b>Reconciliation of reportable segment profit/(loss) to consolidated loss</b>	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Total profit/(loss) for reportable segments	298,255	85,963
Corporate costs	(561,790)	(922,157)
Loss before / after income tax	(263,535)	(836,194)
Disclosed as:		
Loss from continuing operations	(208,831)	(598,178)
Loss from discontinued operations (see Note 6)	(54,704)	(238,016)
Loss after income taxes for the period	(263,535)	(836,194)

<b>Consolidated</b>	<b>Transport logistics</b>	<b>Resource logistics</b>	<b>Healthcare logistics</b>	<b>E-commerce</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>
<b>Segment assets</b>					
31 December 2019	406,131	28,483	1,415,231	88,401	1,938,246
30 June 2019	595,290	119,847	415,408	100,690	1,231,235
<b>Segment liabilities</b>					
31 December 2019	201,219	55,439	415,257	1,123	673,038
30 June 2019	202,747	63,963	38,079	-	304,789

**5. REVENUE**

**From continuing operations**

*Revenue from contracts with customers*

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Services revenue	517,419	607,602
Vehicles licencing Income	955,600	-
Total revenue from continuing operations	1,473,019	607,602

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

<i>Major service lines</i>	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Transport logistics	285,477	433,743
Healthcare logistics	1,174,009	114,938
Resource logistics	13,533	58,922
Total	1,473,019	607,602

**ORCODA LIMITED  
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**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**5. REVENUE (Cont.)**

*Disaggregation of revenue (Cont.)*

<i>Timing of revenue recognition for major service lines</i>	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Goods transferred at a point in time	980,418	-
Services transferred over time	492,601	607,602
<b>Total</b>	<b>1,473,019</b>	<b>607,602</b>

**6. DISCONTINUED OPERATIONS**

*(a) Description*

The consolidated entity has classified its e-Commerce business operations in China as held for sale as the business is not in alignment with the consolidated entity's core business proposition.

*(b) Financial performance information*

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Revenue	-	-
Expenses		
Cost of goods sold	-	(10,218)
Employee benefits expense	(16,426)	(63,078)
Consultancy costs	(7,933)	(56,315)
Depreciation expense	(783)	(4,730)
Other expense	(29,562)	(103,675)
	<b>(54,704)</b>	<b>(238,016)</b>
Loss for the period	<b>(54,704)</b>	<b>(238,016)</b>
Income tax benefit / (expense)	-	-
<b>Loss from discontinued operations</b>	<b>(54,704)</b>	<b>(238,016)</b>

*(c) Cash Flow information*

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Net cash from / (used in) operating activities	(10,923)	(19,054)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
	<b>(10,923)</b>	<b>(19,054)</b>

*(d) Assets of disposal groups classified as held for sale*

Assets of the disposal group classified as held for sale comprises Inventories relating to the e-Commerce business amounting to \$84,177 (30 June 2019: \$86,348)

**ORCODA LIMITED  
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**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**6. DISCONTINUED OPERATIONS (Cont.)**

(e) *Liabilities directly associated with assets classified as held for sale*

Comprise the following liabilities relating to the e-Commerce business:

	<b>31 Dec 2019</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Other payables	1,123	-
	<b>1,123</b>	<b>-</b>

**7. ISSUED CAPITAL**

	<b>Consolidated</b>			
	<b>31 December 2019</b>			<b>30 June 2019</b>
	<b>No. of Shares</b>	<b>\$</b>	<b>No. of Shares</b>	<b>\$</b>
Ordinary shares - fully paid	108,538,532	94,228,131	101,976,032	93,230,631

***Details of shares issued during the current period***

<b>Date</b>	<b>Details</b>	<b>Adjusted number After consolidation</b>	<b>Issue price\$</b>	<b>Total \$</b>
1 July 2019	Opening balance	101,976,032		\$93,230,631
9 September 2019	Issue of shares	6,562,500	0.16	1,050,000
		<b>108,538,532</b>		<b>94,280,631</b>

**8. EARNINGS PER SHARE**

<b>Consolidated</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>Cents per share</b>	<b>Cents per share</b>
Earnings per share (basic and diluted) from continuing operations	(0.20)	(0.67)
Earnings per share (basic and diluted) from discontinued operations	(0.05)	(0.27)
Earnings per share (basic and diluted) for loss attributable to owners of Orcoda Limited	(0.25)	(0.94)

**9. 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.

**ORCODA LIMITED  
and Controlled Entities**

**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**10. RELATED PARTY TRANSACTIONS**

*(a) Payables to related parties*

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Payable to Sino-Oz Ltd (director related entity of Brendan Mason)	34,943	87,356
Payable to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	29,793	22,916
Payable to Corporate Development Mentors Pty Ltd (subsidiary director related entity of Warren Preston)	27,500	48,125
Payable to Garrison Group Trading Trust (past director related entity of Scott McIntosh)	12,535	21,790
Payable to Harkiss Minerals Discovery (director related entity of Nicholas Johansen)	-	4,166
Payable to SGA Services Pty Ltd (subsidiary director related entity of Simon Anthonisz)	26,800	45,138
Payable to Hardman Services Pty Ltd (subsidiary director related entity of Sean Hardman)	27,665	48,125
	<b>159,235</b>	<b>277,616</b>

*(b) Receivables from related parties*

There was no receivables from related parties as at 31 Dec 2019 (30 June 2019 nil)

*(c) Transactions with related parties*

Sales of goods and services during the period:

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Sale of licenses to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson) & Hilda Jamieson	150,000	-
Sale of licenses to Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)	450,000	-
Sale of license to Harkiss Mineral Discovery Pty Ltd (director related entity of Nicholas Johansen)	50,000	-
	<b>650,000</b>	<b>-</b>

The above transactions were the same as what was being offered to members of the public and each was approved by the Independent Directors with the Director associated with each resolution not being in the meeting when the resolution was voted on.

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**Notes to the consolidated financial statements 31<sup>st</sup> December 2019**

**10. RELATED PARTY TRANSACTIONS (Cont.)**

*(d) Transactions with related parties*

Goods and services received during the period:

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Consultancy services from Sino-Oz Ltd (director related entity of Brendan Mason)	15,000	162,000
Consultancy services from Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	151,250	137,500
Capital Raising fee to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	28,875	-
Consultancy services from Corporate Development Mentors Pty Ltd (subsidiary director related entity of Warren Preston)	82,500	82,500
Consultancy services from Garrison Group Trading Trust (past director related entity of Scott McIntosh)	10,871	82,500
Consultancy services from Harkiss Minerals Discovery (director related entity of Nicholas Johansen)	27,500	27,500
Consultancy services from Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)	8,250	-
Capital Raising fee to Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)	28,875	-
Consultancy services from SGA services Pty Ltd (subsidiary director related entity to Simon Anthonisz)	82,500	82,500
Consultancy services from Hardman services Pty Ltd (subsidiary director related entity to Sean Hardman)	82,500	82,500
	<b>518,121</b>	<b>657,000</b>

(e) Besides the licenses disclosed in ( c ) above (which entitles the licensee to operate a vehicle rental business), where the licensee has purchased a new vehicle for \$58k, the vehicle is rented to Orcoda Healthcare Logistics Pty Ltd to operate its aged and disability community transport business and therefore the Licensee receives a rental income and revenue share for a gross payment of \$1,875 per month (under the license agreement the licensee is required to pay to Orcoda Healthcare Logistics Pty Ltd a software license fee of \$200 per month and a management fee of \$167 per month) resulting in net payment of \$1,508 per month per vehicle.

These transactions are the same as those that are being offered to members of the public and was approved by the Independent Directors with the associated Director not being at the meeting when each resolution was voted on

**ORCODA LIMITED  
and Controlled Entities**

**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 2019 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*

**GEOFF JAMIESON**  
**Managing Director**

Brisbane, Queensland

Dated: 28<sup>th</sup> February 2020



**ORCODA LIMITED  
and Controlled Entities**

**INDEPENDENT AUDITOR'S REVIEW REPORT**

## INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Orcoda Limited and Its Controlled Entities

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orcoda Limited and its controlled entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit and 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the consolidated entity 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 is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orcoda Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Orcoda Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$263,535 and had net cash outflows from operating activities of \$162,424 for the half-year ended 31 December 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not further modified in respect of this matter.

### *Basis for Qualified Conclusion*

The consolidated entity's intangible assets are carried in the statement of financial position at \$11,056,745. We were unable to obtain sufficient appropriate audit evidence to support the assumptions within the forecasts used to support the carrying value of the intangible assets. Consequently, we were unable to determine whether any adjustments to the carrying amount of intangible assets were necessary as at 31 December 2019.

The consolidated entity recorded revenue amounting to \$1,473,019 for the period ended 31 December 2019. Of this amount, \$955,600 is in relation to vehicle licencing income. We were unable to obtain sufficient appropriate audit evidence to support the directors' assessment that vehicle licencing income should be brought to account as income on receipt under AASB 15 Revenue from Contracts with Customers. Consequently, we were unable to determine whether any adjustments to the recognition of revenue was necessary for the period ended 31 December 2019.

### *Qualified Conclusion*

Based on our review, which is not an audit, except for the matters described above in the *Basis for Qualified Conclusion* paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Orcoda Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**RSM AUSTRALIA PARTNERS**



**R B MIANO**  
Partner

Dated: 28 February 2020  
Melbourne, Victoria