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ASX ANNOUNCEMENT – ORCODA LIMITED (ASX: ODA)

Quarter ending 30 September 2020

Activity Report Accompanying Appendix 4C

Orcoda Limited (ASX: ODA) ('Orcoda or the Company') is pleased to announce that it has increased receipts from customers by \$532k over last quarter from \$349k to \$881k with each the Transport and Resource divisions being cash flow positive for the quarter and Healthcare division with a small cash deficit. We also received \$270k during the quarter from R&D refunds from ATO and \$150k received in October.

Our net cash from operating activities was positive for the quarter by \$51k as against negative of (\$612k) last quarter which was a good turnaround.

We also did better than our forecast of \$100k per month cash burn where we achieved \$87k per month average cash burn for the quarter. We currently have cash at end of Quarter of \$1.54m with \$150k from R&D refund which gave us cash on hand of \$1.69m for future operating activities.

Our Healthcare division which transports our seniors and disabled communities is continuing to be affected by COVID-19. However our SaaS platform for Healthcare is doing well with increasing participation from our seniors and disabled communities as we come out of lockdown and we have bids out on some good potential contracts that if achieved will provide a solid increase in revenues.

The Transport division has been affected by COVID-19 with some expected income not proceeding and therefore receipts from customers down from a year ago but still maintaining our main customers with some new customers close to signing SaaS contracts, these will be announced to the market when each are contracted.

The Resource division revenues were up this quarter over last quarter as a result of the Mt Buller transport project but was down on forecasts as a direct result of the COVID-19 problems in Victoria. The division is bidding on a number of large infrastructure projects currently and when won, will be announced to the market.

The Company has also researched and developed a number of new products within our Transport Logistics and Transport services business to stay ahead of the field with our R&D projects and our R&D programs reflect Orcoda's support for Australian-based R&D which helps the company to continue to improve and innovate its software and solutions.

Listing Rule 4.7C.1 and 4.7C.3

The Company has already detailed material business activities in paragraphs above including any material activities during the quarter.

The Company also reports that the expenditure of \$55k to related parties. The amount included payments to the Managing Director, Geoffrey Jamieson of \$45k, the Chairman Nicholas Johansen \$7k, Non-Executive Director Stephen Pronk \$0k and Non-Executive Director Brendan Mason \$3k (this amount included the final accrued amount owing from previous periods).

As part of COVID-19 cost saving measures the Managing Director, Chairman and a non-executive director reduced their income by 50% for a period of 6 months and one non-executive director kindly taking his income to nil.

The company is continuing to develop opportunities within each division despite the COVID-19 setback and developing other opportunities to grow the company, and we are looking forward to the future.

Thank you to all Orcoda staff, shareholders, customers and suppliers 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")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	881	881
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(404)	(404)
(c) advertising and marketing	(13)	(13)
(d) leased assets		
(e) staff costs	(136)	(136)
(f) administration and corporate costs	(539)	(539)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(9)	(9)
1.6 Income taxes paid		
1.7 Government R&D grants and tax incentives	271	271
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	51	51
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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)	(42)	(42)
3.10	Net cash from / (used in) financing activities	(42)	(42)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,531	1,531
4.2	Net cash from / (used in) operating activities (item 1.9 above)	51	51
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(42)	(42)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,540	1,540

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	1,254	1,245
5.2	Call deposits	286	286
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)	1,540	1,531

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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. See attached Activity Report.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (R&D refund)	151	0
7.4 Total financing facilities	151	0
7.5 Unused financing facilities available at quarter end		151
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.		
R&D refund amount		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	51
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,540
8.3 Unused finance facilities available at quarter end (item 7.5)	151
8.4 Total available funding (item 8.2 + item 8.3)	1,691
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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:	
8.6.2 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:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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: 16 October 2020

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

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.