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ASX RELEASE

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Financial Commentary Accompanying Appendix 4C

Orcoda Limited (ASX:ODA) ('Orcoda or 'the Company') is pleased to announce that the Company's cash outflow for the second quarter to 31 December 2018 continues to decrease: the actual cash outflow for the quarter was \$503k which is lower than our predicted position.

Our projection for the current quarter ending 31 March 2019 is that cash outflow will continue to decrease, and we are confident that our financial systems and management processes can accurately predict and outperform our cash position expectations.

Quarter ended	30/9/2018	31/12/2018	31/3/2019 projection
Projected cash out	\$1,174k	\$853k	\$678k
Actual cash out	\$796k	\$503k	n/a

The second quarter improvements in the results were due to ongoing cost reductions across the whole organisation, with management, directors and staff deferring fees and continuing to take a mix of securities and cash in lieu of purely cash payments with shareholder approval where required.

The anticipated improvement to our end of quarter cash position will come from several initiatives:

- The company will receive an estimated R&D Tax Incentive refund of \$440k for the 2017/18 financial year, anticipated to be paid in this quarter ending 31 March 2019. The tax incentive is granted on the basis that Orcoda supports Australian based R&D and will develop, design, improve and innovate its software and optimisation solutions in Australia.
- Receipts from contracted annuity revenue customers will book \$420k in the quarter ending 31 March 2019.
- A new application is being made for an innovation incentive grant for approximately \$500k.

The Company is pleased to advise that the Transport Logistics division has lowered overheads and increased revenues and is now making an operating profit each month. The Healthcare Logistics division made its first profit in December and continues to expand its revenues, with income coming in from user acceptance testing of our software to a major healthcare service provider and income generated from Orcoda company vehicles. The Resources Logistics division is receiving revenue from the BHP mine shutdown service and has a healthy funnel of sizeable opportunities, with many quotes currently being considered by our large mining customers.

Our operations in China are being wound down with OpenDNA (ASX:OPN) continuing its due diligence for the acquisition of the Company's Hong Kong and Chinese corporate structure. The litigation case, for the recovery of A\$4.1 million of unpaid trade debt, against China Mobile continues. The matter has recently been escalated to the Nanjing Intermediate Court.

The parent company overheads have now been reduced substantially and with the three divisions starting to generate profits, the future looks good for the consolidated Company to become cashflow positive and to start generating profit in the not too distant future.

Thank you to all shareholders for your continued support. The Company will continue to keep shareholders informed of relevant developments.



For more information please contact:

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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.