

31 January 2017

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C FOR QUARTER ENDED 31 DECEMBER 2016

Summary:

- **Completion of Initial Public Offering and admission to list on Australian Securities Exchange on 16 November 2016**
- **Strengthening of international sales team with appointment of Michael Sher as Vice President, Sales, Asia-Pacific joining highly-respected industry veterans Robert Crozier and Samuel (Jock) Spivy**
- **MOU signed with US-based MediaFuse to implement personalised advertising framework across all OpenDNA powered platforms**
- **MediaFuse partnership represents a key opportunity for OpenDNA to penetrate global content publishing sector**
- **Post quarter end, agreement signed with leading UK travel brand, Family Traveller, to power website and mobile apps (iOS and Android)**
- **OpenDNA allows companies, brands and promotional campaigns to understand, target and interact in a more personalised level with their end-users**
- **The company finished the quarter in a strong financial position with \$6.8 million cash at bank**

OpenDNA Limited (ASX: OPN) ("OpenDNA" or the "Company") is pleased to provide the Company's quarterly activities report and Appendix 4C for the quarter ended 31 December 2016.

The December quarter was a highly productive period for OpenDNA, with the Company successfully completing its Initial Public Offering ("IPO") and subsequent Australian Securities Exchange ("ASX") listing on 16 November. Since listing, the Company has focused on streamlining its product development processes, solidifying its customer acquisition pipeline and leveraging key existing partnerships.

OpenDNA's technology has the capacity to revolutionise the way in which brands and organisations interact with targeted individuals on a global scale. Data analytics and consumer profiling technology has driven the categorization of end-users to date, however OpenDNA drives much deeper as it enables the real-time tracking of individual end-users to gauge their interests, opinions and propensity to engage.

Strengthening of International Sales Personnel

During quarter, OpenDNA strengthened its international sales team, with Mr Michael Sher appointed as Vice President of Sales, Asia-Pacific. Mr Sher brings to the Company a wealth of technology sales experience and will play a key role in rapidly expanding the Company's customer base throughout key markets in the Asia-Pacific.

Mr Sher has worked with a number of companies ranging from start-ups to multinationals, having most recently held the position of Vice President of Advance Applications at analytics company NICE.

Mr Sher adds further depth to a business development and sales team focused on growth in the North American, UK and Australasian markets. The OpenDNA sales team includes highly-respected industry veterans Messrs Robert Crozier and Samuel (Jock) Spivy, each of whom have deep and extensive backgrounds in the media and publishing industry.

MOU Signed with US-based MediaFuse

In December, OpenDNA entered into a binding Memorandum of Understanding ("MOU") with US-based advertising technology company MediaFuse.

Importantly, the MediaFuse partnership represents a key step towards the monetisation of OpenDNA's digital platforms, with the ability to generate advertising revenue a significant near-term catalyst for the business.

Under the agreement, MediaFuse will provide OpenDNA with the ability to generate advertising revenue across all of their digital platforms. MediaFuse will also work with OpenDNA to launch a personalised ad management system to better target and engage end-users, in turn driving increased revenue for publishers.

The agreement targets key growth drivers for content publishers globally including user acquisition, page view volumes and page view session times. Through the integration of OpenDNA's personalisation technology, publishers will now be able to better understand their users interests and provide a more targeted and relevant end-user experience. This in turn leads to increased page views and user retention rates – enabling publishers to increase their advertising revenue.

Agreement with Family Traveller

Post period end, OpenDNA entered into an agreement with leading UK travel brand, Family Traveller, to power its digital platforms with OpenDNA's artificial intelligence technology.

Under the agreement, OpenDNA will enable the real-time psychographic profiling of Family Traveller's 250k+ consumers. Based on this data, OpenDNA will also integrate an advertising system which will further allow Family Traveller to target individual customers with specific advertisements.

OpenDNA will charge Family Traveller an upfront sign-on fee, followed by a monthly fee to power the website and apps respectively. The Company will also generate revenue through increased customer subscriptions and user traffic across Family Traveller's platforms.

OpenDNA's Chief Executive Officer, Jay Shah, commented:

"The December quarter was a milestone period for the Company, with a number of key corporate and operational objectives achieved, following our successful IPO and subsequent ASX listing.

Our partnership with MediaFuse is a critical step towards the full monetisation of OpenDNA's digital platforms, as it will allow the Company build its advertising revenue streams in the near-term.

The Company's focus remains on continuing to scale-up our global customer base through the penetration of new market segments, as evidenced by our recent signing of leading travel brand Family Traveller.

We look forward to providing our shareholders with further updates on additional operational and corporate updates in the coming months, as we embark on this exciting period in OpenDNA's growth."

-ENDS-

For further information, please visit the OpenDNA website at www.opendna.ai or contact:

Jay Shah
Chief Executive Officer
Ph: +61 8 6444 1702
Email: hello@opendna.ai

Richard Jarvis
Chief Financial Officer
+61 8 6444 1702
Email: hello@opendna.ai

Released through Sam Burns, Six Degrees Investor Relations on +61 400 164 067

About OpenDNA Limited

People are not categories. People are individuals. Massive amounts of data, sources and devices has driven categorization of end-users, but has not understood the end-user as a unique individual. OpenDNA's proprietary artificial intelligence and machine learning changes this to enable companies, brands and consumers to have much deeper, informed relationships. Leading applications use the technology including news content app Jottr, political content apps Jottr Elect, Trump Elect and Hillary Elect, and Joe Garcia for Congress Elect, as well as sports content app SportsBlog.

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

OpenDNA Limited

ABN

14 613 410 398

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13	13
1.2 Payments for		
(a) research and development	(329)	(473)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(18)	(18)
(d) leased assets	-	-
(e) staff costs	(289)	(289)
(f) administration and corporate costs	(854)	(1,159)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	75	75
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,395)	(1,844)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(12)	(38)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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 Net cash from / (used in) investing activities	(12)	(38)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	8,000	9,340
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	(567)	(904)
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)	-	-
Cash assumed on acquisition of subsidiary	-	267
3.10 Net cash from / (used in) financing activities	7,433	8,703

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	788	-
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,395)	(1,844)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(12)	(38)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	7,433	8,703

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(5)	(12)
4.6	Cash and cash equivalents at end of quarter	6,809	6,809

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	6,809	788
5.2	Call deposits	-	-
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)	6,809	788

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**

95

-

Payments to directors, include Directors fees, Superannuation on Directors fees and Directors remuneration.

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**

236

-

Payments totalling \$147,000 were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal services in relation to the company listing on the ASX and the provision of legal services generally and the rental of serviced office space.

Payments totalling \$70,000 were paid to Artemis Corporate Limited, a company related to Mr. Grant Pestell, for the provision of business development and advisory services.

Payments totalling \$19,000 were paid to The Small Business Force, LLC, a company related to Mr. Lonnie Sciambi, for the provision of business development and general advisory services.

8. Financing facilities available <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.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	425
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	57
9.4 Leased assets	-
9.5 Staff costs	452
9.6 Administration and corporate costs	717
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,651

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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:
(Company secretary)

Date: 31 January 2017

Print name: Kevin Hart

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.