



21 December 2018

Completion of Acquisition Board and Management Changes

Highlights

- **OpenDNA has acquired CHOOSE Digital and RooLife, two synergistic businesses that are expected to drive revenue growth and provide opportunities to deploy OpenDNA's Artificial Intelligence System (AIS) across multiple industry sectors**
- **The majority of the consideration value for the transaction remains subject to the acquired businesses achieving agreed revenue milestones**
- **Mr Warren Barry appointed as Executive Director and Head of Sales, with Mr Bryan Carr assuming the role of Chief Executive Officer**

Artificial Intelligence company OpenDNA Limited (ASX: OPN) ("**OpenDNA**" or the "**Company**") is pleased to announce that it has now completed the acquisition of CHOOSE Digital Pty Ltd ("**CHOOSE Digital**") and RooLife Limited ("**RooLife**") pursuant to the binding Heads of Agreement ("**HOA**") originally announced to the market on 12 September 2018.

The Acquisition

As previously announced, CHOOSE Digital is a fully-integrated digital marketing business which focusses on the development and implementation of customer acquisition strategies with a view to delivering strong returns on investment for its clients, whilst RooLife's business model involves working with Australian businesses to build and service sales channels for their products into China (including providing access to Mandarin-language mobile shopping platforms in China and Australia, with integrated mobile payment processing). Each business is expected to generate near-term revenue for the Company, whose proprietary AIS will augment and enhance the capabilities of the core CHOOSE Digital and RooLife offerings. In turn, the deployment of the OpenDNA AIS across the newly-acquired businesses will provide the Company with exposure to an increased range of customer industry sectors and an entrance point into the lucrative Chinese market.

As a result of completion of the acquisitions of CHOOSE Digital and RooLife under the HOA ("**Acquisition**"), a cash payment of \$200,000 has been made to the Acquisition vendors and they have been issued with approximately 15.24 million fully paid ordinary shares in OpenDNA ("**Shares**") in aggregate. Those Shares have been issued with a deemed issue price of \$0.035 per Share and are subject to voluntary escrow for 12 months. Approximately 30.5 million performance shares in total have also been issued to the Acquisition vendors, which are split equally into two tranches and are convertible into Shares on a 1-for-1 basis upon the achievement of various revenue milestones as detailed in the Company's announcement of 12 September 2018.

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Unit B9, 1st Floor 431 Roberts Rd Subiaco WA 6008

Registered as: OpenDNA Limited

ACN: 613 410 398

Board and management

In line with the completion of the Acquisitions and as previously announced, Mr Warren Barry has now joined the OpenDNA Board as Executive Sales Director, whilst following the recent announcement by Mr Jay Shah of his resignation as Managing Director and Chief Executive Officer (“CEO”), Mr Bryan Carr has been appointed to the CEO position. Mr Shah has now moved to a Non-Executive Director role. Accordingly, the Company’s Board now consists of the following persons:

- Mr Grant Pestell – Non-Executive Chairman;
- Mr Warren Barry – Executive Sales Director;
- Mr Jay Shah – Non-Executive Director; and
- Mr Evan Cross – Non-Executive Director.

Further to Resolution 12 which was approved by shareholders at the Company’s recent AGM, a total of 5,703,925 Shares have now been issued to Mr Shah in lieu of unpaid salary as Managing Director and CEO for the period 1 December 2017 to 30 September 2018. Those Shares have been issued at a deemed price of \$0.035 per Share. The quantity of Shares issued to Mr Shah is less than the maximum of 6,801,541 Shares contemplated under Resolution 12 in the Company’s Notice of Annual General Meeting. The overall value of the Share-based payment has been reduced by the value of the income tax payable by Mr Shah in relation to the issue of Shares to him, which the Company has agreed to pay to the Singapore tax authorities on behalf of Mr Shah in cash.

Key personnel agreements

Formal, binding agreements have now been put in place as regards the appointment of Messrs Barry and Carr to the executive positions referred to above. The terms of those agreements, are materially identical for both parties and have the key components summarized below:

Commencement Date and Term

Each agreement commences on 20 December 2018 and operates for an initial term of 12 months, which may be extended by mutual agreement of the parties. In each case, the parties have agreed in good faith to review the terms of the relevant agreement on or around the 6-month anniversary of the Commencement Date.

Remuneration

Total fixed remuneration

The Company will pay each of ITS Worldwide Solutions Pty Ltd for Brian Carr and Barry Consulting Pty Ltd for Warren Barry \$246,375 per annum in consideration for providing the services of the Executives.

Short-Term Incentives

Mr Carr and Mr Barry are eligible to participate in the Company’s Short-Term Incentive bonus scheme in force from time to time. For FY19, they will be entitled to short-term bonuses on the following terms:

Key metric	Achievement of	Bonus STI
Revenue (net)	50% of FY19 Approved Budget	\$10,000
Revenue (net)	100% of FY19 Approved Budget	\$10,000
Revenue (net)	110+% of FY19 Approved Budget	\$10,000

For FY20, the Company will agree and quantify Key Performance Metrics that will allow each Consultant to earn up to 50% of the Total Fixed Remuneration in Short-Term Incentives. The Key Performance Metrics for the Short-Term Incentives for FY20 will be set concurrent with completion of the Board-approved financial budget for the OpenDNA group for 30 June 2020.

Long-Term Incentives

The Company will agree and quantify Key Performance Metrics to allow Mr Carr and Mr Barry to benefit from Long-Term Incentives. The Key Performance Metrics for the Long-Term Incentives for FY20 will be set concurrent with completion of the Board-approved financial budget for the OpenDNA group for 30 June 2020.

Termination

During the initial 12-month term, neither party may terminate the relevant agreement other than as follows:

- The Key Personnel may terminate the agreement with immediate effect if the role of the Consultant becomes redundant, or otherwise within one month after the occurrence of a material change (being either a material reduction in the fee payable to the Consultant or a material diminution in the responsibilities of or powers assigned to the Consultant without the Consultant's consent).
- The Company may terminate the agreement with immediate effect for serious or gross misconduct, willful neglect, fundamental breach or other circumstances justifying summary termination.

Following the initial 12-month term, either party may terminate the relevant agreement on 3 months' written notice.

Restraint

A 12-month restraint provision applies to each of Mr Carr and Mr Barry following termination of the relevant agreement.

Speaking today in relation to the completion of the Acquisition and the changes to Board and management, the Company's Non-Executive Chairman Mr Grant Pestell, said:

"Jay Shah was the co-founder and Managing Director of the Company and has worked tirelessly over the last 2 years to get the company to where it can now properly commercialise its proprietary technology."

The Company looks forward to the new executive team driving revenue across new and strong sales verticals particularly as it delivers an AI powered e-commerce product on the back of the Acquisition into the rapidly growing China market."

ENDS

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

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About OpenDNA Limited

People are not categories. People are individuals.

OpenDNA is an Artificial Intelligence company that enables businesses to better understand their individual users by building detailed psychographic, personality & behavioural maps of those users; giving them the most personalized, relevant and targeted experiences possible. The technology has been proven to improve user engagement and retention, in turn creating the ability for OpenDNA's customers to increase revenue.

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