

30 April 2018

ACTIVITIES REPORT AND APPENDIX 4C FOR QUARTER ENDED 31 MARCH 2018

Highlights:

- Endeavour Drinks Group, owned and operated by Woolworths successfully launches OpenDNA's Artificial Intelligence powered Drinks Library App
- Future Mobile Technology commences sales of their Netsurfer Smart Phones, pre-loaded with OpenDNA's Artificial Intelligence powered Jottr News App
- Progressive discussions with companies across a multitude of sectors including Financial Services, Banking, Insurance, Telecoms and Media in pursuit of growth in customer acquisitions, global expansion of customer base and strengthening channel partnership relationships
- Ongoing technological enhancements and updates of proprietary business tool "Synapse" to increase the benefits reaped by customers of OpenDNA's Artificial Intelligence System
- Continuous improvements and updates made to OpenDNA's Application Programming Interface (API) and Software Development Kit (SDK) to allow rapid deployment of OpenDNA AI technology into multiple industry sectors
- Research and Development well advanced in respect to OpenDNA's solution to ensure compliance with the new EU General Data Protection Regulations (GDPR) coming into effect in May 2018



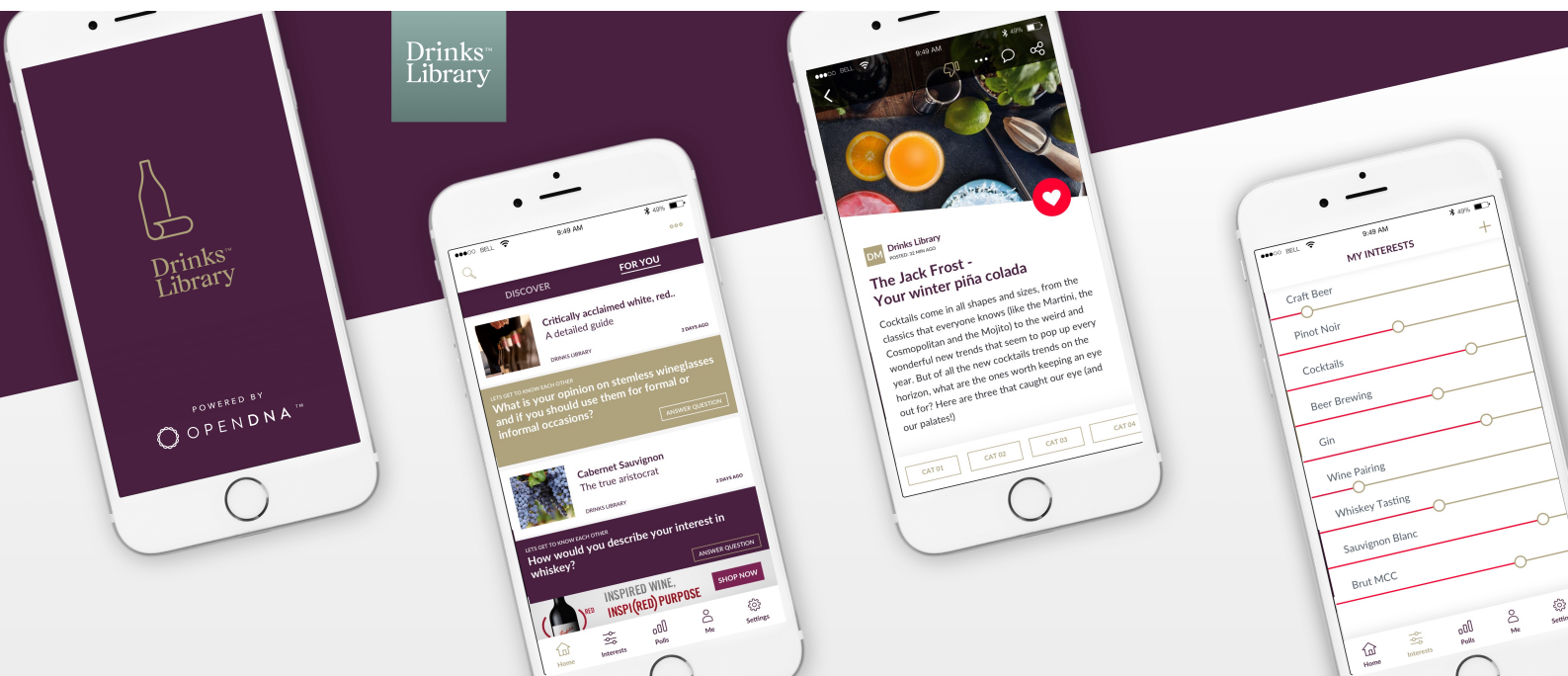
Leading and award-winning artificial intelligence company OpenDNA Limited (ASX: OPN) (“**OpenDNA**” or the “**Company**”) is pleased to provide shareholders with the Company’s quarterly activities report and Appendix 4C for the quarter ended 31 March 2018.

Customer arrangements

Endeavour Drinks Group

As announced by the Company on 28 March 2018 (and following the quarter end on 5 April 2018), Endeavour Drinks Group (“Endeavour”) successfully launched its Drinks Library App, which is powered by OpenDNA’s Artificial Intelligence System (“AIS”). Endeavour is operated by Woolworths Limited and which is the owner of the Dan Murphy’s, BWS and CellarMasters brands (amongst others).

The development of the Drinks Library App, is in accordance with the agreement signed between the Company and Endeavor on 17 July 2017, whereby OpenDNA was engaged to create and power an innovative Drinks Library App, that has the ability to catalogue, suggest and recommend suitable liquor choices for each individual user based on their specific preferences, interests, the occasion involved etc.



Leveraging OpenDNA’s Artificial Intelligence (“AI”) and machine learning technology, the App ‘learns’ user preferences across a broad range of inputs, metrics and scenarios, creating data which can be used for a variety of marketing and customer experience enhancement purposes. Under the agreement, OpenDNA is entitled to revenue from further development and implementation work as well as ongoing usage-based licensing fees once the App is launched.

Following the successful development and testing of the App, it is now available and can be downloaded from the Google® Play Store and iOS App Store.

The development of the App was fully funded by Endeavour, however, OpenDNA will now generate ongoing revenue through a fixed monthly content sourcing and cataloguing fee as well as variable monthly user subscription fees.

Future Mobile Technology

As announced by the Company on 31 January 2018, the relationship between OpenDNA and Future Mobile Technology ("FMT"), the manufacturer and provider of the "Netsurfer" range of mobile devices, was further strengthened and solidified with FMT's successful launch onto the market of five Netsurfer models.

With this launch, FMT aims to sell over 500,000 Netsurfer phones onto the market by end of 2018, where each phone will be pre-loaded with OpenDNA's AI powered Jottr App - a personalized content App available on Google's Play Store hosting over 2,000 sources of rich content. The exceptionally smart Jottr App uses the power of OpenDNA's AIS to continually learn user preferences, enabling it to deliver only articles and content which are of interest to the specific user of the App thereby helping to save the customer money by using less data on irrelevant content.

This partnership is viewed to provide a return of investment to both parties involved by the creation of a potential additional revenues stream in the form of advertising revenues, made possible through the placement of native advertising from Facebook within the Jottr App, allowing both FMT and OpenDNA to earn revenue through users 'clicking' on the advert.

OpenDNA is in further discussions with other parties to increase the offering already in place with FMT. Further updates on this will be provided to the market as customer deals materialize.



**OPENDNA'S AI TECH
PRE-INSTALLED ON**

500,000

NETSURFER MOBILE DEVICES

Business Development

With the increasing appetite in the market to adopt AI technologies that offer remarkable Return of Investment ("ROI") opportunities, OpenDNA is strategically positioning to potentially take advantage of these trends by developing a strong customer pipeline and to become a market leader in providing AI driven personalisation technologies for businesses.

The Company continues to expand its network of channel partners, which include **Looker, BBDO, WPP, LPK, Columbus Agency, The Grey Group** and **Pugh Morgan**, each proving strategic benefits which include the introduction of various prospective customers across of multitude of sectors.

During the quarter a number of prospective customers have been identified and/or approached to potentially adopt OpenDNA's services. Such prospects include those that operate within the Financial Services, Banking, Insurance and Telecoms sectors - discussions remain ongoing as at the date of this quarterly report.

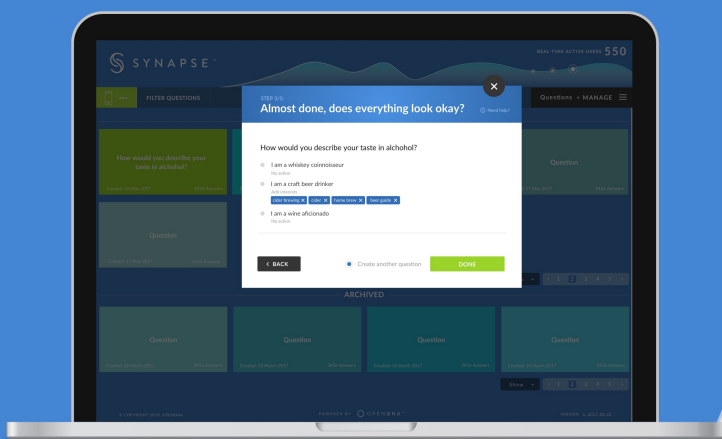
The Company will update the market regarding the signature of additional agreements in due course.

Technological enhancements

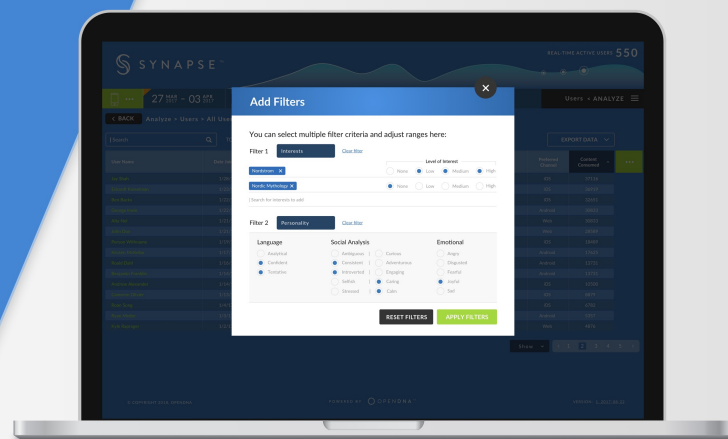
Synapse

During the quarter, ongoing technological enhancements and updates were made to the Company's proprietary business tool 'Synapse' to increase the benefits reaped by customers of OpenDNA's AIS.

By offering any business detailed insights of their individual users, Synapse's updated toolset and visualisations allow clients to react both in real-time and slow-time to their users' changing interests, browsing habits and style preferences.



Create questions for end-users and automatically assign interests to their profiles based on their chosen answers



Filter end-users by hyper-specific criteria like individual interests or personality traits

Editors and authors for example are now able to ask the question: “What perspective and tone will readers in New York best respond to?”

With the addition of the new Questions feature, marketers, editors and product managers can easily engage directly with their audience, without interrupting the user’s browsing experience. Delivered via responsive, customisable web widgets, Questions can be created and monitored through Synapse.

APIs and SDKs

The quarter has also seen improvements to the Company’s Software Development Kits (SDKs) and our Public Application Programming Interface (API). The SDKs now support the new Questions feature and the Web SDK now includes customizable Recommendation and Questions widgets, which can be easily deployed to customers websites, providing instant personalization and tracking of a website’s content.

Work is concluding on a new websocket-based API, which offers real-time communication from mobile devices and browsers to the Company’s API; this solves a number of industry-wide challenges (most notably the ‘last page’ problem in desktop browsers), thereby improving analytics accuracy. This new service offers a host of possibilities with regard to client-user interaction and content feedback and will be rolled out to our existing clients over the next quarter.

Other technological enhancements

The Company’s data science and machine learning teams have been monitoring and analysing all user activity over the past quarter, in order to make adjustments to the Company’s underlying algorithms and feedback modelling processes, which in turn improve performance for certain usage patterns. These improvements will provide certain users with deeper analysis and support on-going work to increase the breadth of signals used throughout our single-user analysis pipeline.

EU General Data Protection Regulations

As announced following the quarter end, on 26 April 2018, the Company has been active during the quarter in respect to various research and develop initiatives to ensure its AIS, ancillary products and tools are compliant with the European Union General Data Protection Regulations (“GDPR”).

GDPR is a new EU regulation that governs consumers’ private information and comes into effect on 25 May 2018. This regulation will have a significant impact on how organisations worldwide manage their users’ data and privacy.

OpenDNA’s GDPR solution will provide businesses with integrated consent management, ongoing data management, full data export and user profile deletion options, as is required under the new regulation.



“

The data protection market size is expected to grow from USD 57.22 billion in 2017 to USD 119.95 billion by 2022 ”

- ReportBuyer

This has the potential to negate costs and overheads that a business would likely incur in order to have internal processes that comply with these new regulations.

From a user's perspective, the simple and transparent experience provided by OpenDNA's solution will assist in building trust with the host company's website or mobile application in that their data is safe and within their control, as well as also helping to educate the user on why giving access to such information is beneficial to their online experience.

With OpenDNA's AI technology, businesses will have the opportunity to comply with GDPR regulations as well as learn in real-time a user's interests, likes, dislikes, wants and needs, which enables them to then use this information to automatically personalise their users' experiences in the business without violating their data privacy rights.

OpenDNA's Chief Executive Officer and MD, Jay Shah, said:

"It has been a busy quarter with regards to developing a sales pipeline and tailoring various product offerings for specific industry sectors. The enhancements made to OpenDNA's products in the quarter further provides businesses with the tools to better understand their individual users, through the real-time transformation of big data into actionable information, which in turn will optimise internal processes. With such information and knowledge on their individual users at their fingertips (through reviewing Synapse), key decision makers within any business are able make better informed decisions, improve marketing strategies and focus on increasing ROI as they are working with real-time information.

With majority of the core AI platform development work completed in 2017, the Company is now in a strong position to sign up customers. Synapse has been a key factor in demonstrating the efficiency, data gathering and analysing ability of OpenDNA. Current sales pipeline includes major investment and consumer banks, insurance companies, telecom providers (both mobile and internet), hardware companies, government sector, media and eCommerce.

OpenDNA will update the market in due course as agreements are finalized and work commences with customers."

ENDS

For further information, please visit the OpenDNA website at 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



Follow OpenDNA on Twitter [@OpenDNAOfficial](https://twitter.com/OpenDNAOfficial)

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.

opendna.ai

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

Registered as: OpenDNA Limited

ACN: 613 410 398

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 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	57	97
1.2 Payments for		
(a) research and development	(344)	(1,134)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(122)	(721)
(f) administration and corporate costs	(266)	(1,096)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	343
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(673)	(2,500)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(9)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(1)	(9)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	-	-
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	-	-
3.10 Net cash from / (used in) financing activities	-	-

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	1,937	3,748
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(673)	(2,500)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(9)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	10	34
4.6	Cash and cash equivalents at end of quarter	1,273	1,273

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	1,273	1,937
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)	1,273	1,937

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
49
-

Payments to directors include 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
10
-

Payments totalling \$10,000 were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr. Grant Pestell, for the provision of legal 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	270
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	82
9.6 Administration and corporate costs	141
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	493

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: 30 April 2018

Print name: Peter Torre

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.