

## ASX ANNOUNCEMENT

31 August 2021

# FY21 Preliminary Final Report

Australian property technology ('PropTech') company, Openn Negotiation Limited (ASX: OPN), ('Openn' or 'the Company'), is pleased to provide the attached Appendix 4E: Preliminary Final Report for the financial year ended 30 June 2021.

**This announcement dated is authorised for market release by the Board of Openn Negotiation Ltd.**

**Darren Bromley**  
Director / Company Secretary / CFO

**ENDS**

### Further information:

Peter Gibbons  
Managing Director  
T: 1800 667 366  
[admin@openn.com.au](mailto:admin@openn.com.au)

John Gardner  
Citadel-MAGNUS  
M: +61 413 355 997  
[jgardner@citadelmagnus.com](mailto:jgardner@citadelmagnus.com)

### About Openn Negotiation

Openn Negotiation Limited (ASX: OPN) is an Australian property technology ('PropTech') company offering a proprietary cloud-based software platform to support real estate agents in selling property online with greater transparency.

The Openn platform facilitates a negotiation process, featuring streamlined digital contracting and automated communication tools, which enhances a property transaction. The solution provides buyers with real-time feedback through their device on how much competition exists and where their price stands in the negotiation, resulting in an optimal sales outcome.

## Appendix 4E

### Preliminary Final Report

#### 1. Details of reporting period

Name of entity	Openn Negotiation Limited
ABN	75 612 329 754
Reporting Year	<b>Year ended 30 June 2021</b>
Previous Corresponding	Year ended 30 June 2020

#### 2. Results for announcement to the market

Key information	12 months ended 30 June 2021 \$	12 months ended 30 June 2020 \$	Amount change \$	Increase/ (decrease) %
Revenues from ordinary activities	1,046,683	851,402	195,281	22.94
Loss from ordinary activities after tax attributable to members	(2,074,900)	(1,206,606)	(868,296)	(71.96)
Net loss for the period attributable to members	(2,074,900)	(1,206,606)	(868,296)	(71.96)
Net tangible asset/(deficiency) per share	(1.51)	(0.97)	(0.54)	(55.94)

#### 3. Consolidated statement of profit or loss and other comprehensive income

Refer to attached consolidated financial statements.

#### 4. Consolidated statement of financial position

Refer to attached consolidated financial statements.

#### 5. Consolidated statement of cash flows

Refer to attached consolidated financial statements.

#### 6. Consolidated statement of changes in equity

Refer to attached consolidated financial statements.

#### 7. Dividends/Distributions

No dividends declared in current or prior year.

#### 8. Details of dividend reinvestment plans

N/A

#### 9. Details of entities over which control has been gained or lost during the period

Refer to attached consolidated financial statements. Openn Tech Pty Ltd and Openn World Pty Ltd.

**10. Details of associate and joint venture entities**

N/A

**11. Any other significant information needed by an investor to make an informed assessment of the Company's financial performance and financial position**

Refer to attached consolidated financial statements.

**12. Foreign entities**

N/A

**13. Commentary on results for period and explanatory information**

The loss of the Group after providing for income tax amounted to \$2,074,900 (2020: \$1,206,606 loss). The Group has net assets of \$1,323,524 (2020: \$20,725). Cash on hand at 30 June 2021 totalled \$566,370 (2020: \$360,482) and net operating cash outflow of \$1,361,633 (2020: \$1,047,515) for the year ended 30 June 2021.

Refer to commentary contained within the attached Preliminary Final Report for further information.

**14. Audit**

This report is based on accounts which are in the process of being audited.

Authorised for release by the Board.

A handwritten signature in black ink, appearing to read "Peter Gibbons".

**Managing Director**  
**Peter Gibbons**

31 August 2021



**OPENN NEGOTIATION LIMITED**

*(formerly Appwell Pty Ltd)*

ABN 75 612 329 754

ASX Appendix 4E  
Preliminary Final Report

For the year ended 30 June 2021  
(incorporating information pursuant to ASX Listing Rule 4.3A)

[www.openn.com.au](http://www.openn.com.au)

## KEY INFORMATION

The **Board** of Directors present their preliminary final report together with the financial results of the consolidated entity (**Group**), being Openn Negotiation Limited (**Openn** or **Company**) (formerly Appwell Pty Ltd) and its controlled entities, for the year ended 30 June 2021.

### Results for announcement to the market

Financial results	30 June 2021	30 June 2020	Change	
	\$	\$	\$	%
Income and investment returns from ordinary activities	1,046,683	851,402	195,281	22.94
Loss from ordinary activities after tax attributable to members	(2,074,900)	(1,206,606)	(868,296)	(71.96)
Net loss for the year attributable to members	(2,074,900)	(1,206,606)	(868,296)	(71.96)
Cents per ordinary share	(1.51)	(0.97)	(0.54)	(55.94)

Commentary on the result is outlined below.

#### Principal Activities

Openn Negotiation Limited (**ASX: OPN**), (**Openn, Group** or **Company**) is an Australian property technology (**PropTech**) company offering a proprietary, cloud-based software platform to support real estate agents in selling property online with greater transparency. The Openn platform facilitates a negotiation process, featuring streamlined digital contracting and automated communication tools, which enhances a property transaction. The solution provides buyers with real-time feedback through their device on how much competition exists and where their price stands in the negotiation, providing greater transparency to the sales transaction process.

Our business (through Openn Pty Ltd) operates the Platform which enables the sale of residential real estate online utilising the exclusive Openn Negotiation Process. On 30 August 2021, the Group launched Openn Offers to provide another real estate sales process which follows a typical private treaty sales procedure, with the benefits of the Openn platform, such as increased buyer transparency, faster digital contracts and automated communication capabilities.

Openn's vision is to provide agents with the ability to use the Openn Platform to conduct any method of sale.

The business currently services the Australian and New Zealand residential property markets, with an expansion into the North American market currently underway.

The Company's listing on the Australian Securities Exchange (**ASX**) came after raising the maximum \$9,000,000 through the issue of 45,000,000 shares at \$0.20 per share, under the fully underwritten prospectus lodged in May.

#### Operating Results

The loss for the Group after providing for income tax amounted to \$2,074,900 (2020: \$1,206,606 loss).

#### Review of Operations

The Group continued to develop its core technology platform and establish its network of clients to increase sales throughout the year. The results of these activities are set out in the Statement of Profit or Loss and Other Comprehensive Income.

The Group continued to increase its sales \$1,046,683 over the 12 months to 30 June 2021 (2020: \$851,402). Openn experienced an increase in labour costs as it grew additional partnerships, client channels, and prepared for the listing on the ASX.

Openn's strategy to increase scale by promoting uploads has continued. During the second half of the reporting period the Group promoted various models relating to the cost of uploads. The study of the economics relating to the effect on price and demand is still in progress, in order to determine the optimal pricing structure in different geological segments.

The growth in scale relating to upload growth is illustrated in Figure 1 for the calendar years 2017 to 2021.

## KEY INFORMATION

### GROWTH METRICS - UPLOADS

#### UPLOADS BY MONTHS AND YEAR



Figure 1: Uploads by month and year

	30 June 2021	30 June 2020	Change	
	\$	\$	\$	%
<b>Dividends</b>				
Paid or declared	Nil	Nil	-	-
No dividends have been declared or are payable for the year ended 30 June 2021				
<b>Net tangible asset per share</b>				
Net tangible asset per share	0.0007	0.0002	0.0005	205

## ADDITIONAL INFORMATION

---

<b>Details of entities over which control was gained or lost</b>	The Company acquired Openn World Pty Ltd which included its wholly owned subsidiary Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) on 22 January 2021. The acquisition was treated as an asset acquisition and the details are outlined in Note 25 below.
<b>Details of associates and joint ventures</b>	The Company does not have any associates or Joint Ventures during the reporting period.
<b>Other significant information</b>	On 21 July 2021 the Company completed its listing on the Australian Securities Exchange. The Company issued 45,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise \$9,000,000 (before costs).
<b>Compliance statement</b>	This report is based on accounts which are in the process of being audited. The Company does not expect any modifications to its audit opinion.

---

On behalf of the Board of Directors.



**Peter Gibbons**  
Managing Director

**Dated this 31 August 2021**

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Continuing operations</b>			
Revenue	3	1,046,683	851,402
Other income	3	63,522	315,597
Advertising and marketing expenses		(456,644)	(245,345)
Employment expenses	3	(1,571,749)	(942,147)
Consulting expenses		(145,071)	(124,479)
General and administration expenses	3	(580,014)	(315,233)
Occupancy costs		(29,485)	(25,424)
Financing expenses		(39,246)	(23,630)
Technology expenses		(362,896)	(697,347)
<b>(Loss) before income tax</b>		<b>(2,074,900)</b>	<b>(1,206,606)</b>
Income tax (expense) / benefit	4	-	-
<b>(Loss) from continuing operations</b>		<b>(2,074,900)</b>	<b>(1,206,606)</b>
<b>Other comprehensive income</b>			
Items that may be realised through profit and loss			
Movement in reserves		-	-
<b>Other comprehensive loss for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss attributable to owners of the Company</b>			
Owners of the Company		<b>(2,074,900)</b>	<b>(1,206,606)</b>
<b>Loss per share attributed to the owners of the Company:</b>			
Basic (loss) per share (cents per share)	22	<b>(1.51)</b>	<b>(0.97)</b>
Diluted (loss) per share (cents per share)	22	<b>(1.51)</b>	<b>(0.97)</b>

The accompanying notes form part of the consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Note	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	5	566,370	360,482
Research and development receivable	7	-	265,597
Other receivables and assets	6	290,120	42,900
<b>Total current assets</b>		<b>856,490</b>	<b>668,979</b>
<b>Non-current assets</b>			
Plant and equipment	8	102,457	98,437
Intangible assets	9	1,215,306	-
Other receivables		16,142	16,142
Deferred tax assets	4	-	-
<b>Total non-current assets</b>		<b>1,333,905</b>	<b>114,579</b>
<b>TOTAL ASSETS</b>		<b>2,190,395</b>	<b>783,557</b>
<b>Current liabilities</b>			
Trade and other payables	10	755,604	201,660
Borrowings	12	25,000	25,000
Lease liability	11	37,832	11,501
<b>Total current liabilities</b>		<b>818,436</b>	<b>238,161</b>
<b>Non-current liabilities</b>			
Borrowings		-	448,975
Lease liability	11	48,435	75,697
Deferred tax liabilities	4	-	-
<b>Total non-current liabilities</b>		<b>48,435</b>	<b>524,672</b>
<b>TOTAL LIABILITIES</b>		<b>866,871</b>	<b>762,834</b>
<b>NET ASSETS</b>		<b>1,323,524</b>	<b>20,725</b>
<b>Equity</b>			
Issued capital	13	7,933,910	4,566,900
Reserves	14	31,243	20,554
(Accumulated losses)		(6,641,629)	(4,566,729)
<b>TOTAL EQUITY</b>		<b>1,323,524</b>	<b>20,725</b>

The accompanying notes form part of the consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Consolidated				
	Ordinary Shares \$	Accumulated Losses \$	Option Reserve \$	Other Reserve \$	Total Equity \$
<b>Balance at 1 Jul 2020</b>					
Balance at the beginning of the year	4,566,900	(4,566,729)	20,554	-	20,725
Issue of shares (net of costs)	2,353,175	-	-	-	2,353,175
Issue of share - acquisition	498,790	-	-	-	498,790
Issue of shares - conversion of debt	500,000	-	-	-	500,000
Issue of shares - conversion of options	15,045	-	-	-	15,045
Issue of options to employees	-	-	2,936	-	2,936
Issue of options - brokers	-	-	7,753	-	7,753
Total comprehensive income (Loss) for the year	-	(2,074,900)	-	-	(2,074,900)
Movement in reserve	-	-	-	-	-
Total comprehensive (loss) for the year	-	(2,074,900)	-	-	(2,074,900)
<b>Balance as at 30 Jun 2021</b>	<b>7,933,910</b>	<b>(6,641,629)</b>	<b>31,243</b>	<b>-</b>	<b>1,323,524</b>

	Consolidated				
	Ordinary Shares \$	Accumulated Losses \$	Option Reserve \$	Other Reserve \$	Total Equity \$
<b>Balance at 1 Jul 2019</b>					
Balance at the beginning of the year	4,364,900	(3,360,123)	8,809	-	1,013,586
Issue of shares	202,000	-	-	-	202,000
Issue of options – employees	-	-	11,745	-	11,745
<b>Total comprehensive income (Loss) for the period</b>	<b>-</b>	<b>(1,206,606)</b>	<b>-</b>	<b>-</b>	<b>(1,206,606)</b>
Movement in reserve	-	-	-	-	-
Total comprehensive (loss) for the year	-	(1,206,606)	-	-	(1,206,606)
<b>Balance as at 30 Jun 2020</b>	<b>4,566,900</b>	<b>(4,566,729)</b>	<b>20,554</b>	<b>-</b>	<b>20,725</b>

The accompanying notes form part of the consolidated financial statements.

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,255,001	946,485
Payments to suppliers and employees		(2,906,507)	(2,361,484)
Interest paid		(39,246)	(13,425)
Income tax – R&D incentive received		265,597	330,909
Government assistance		63,522	50,000
<b>Net cash (used in) operating activities</b>	21	<b>(1,361,633)</b>	<b>(1,047,515)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(12,385)	(4,761)
Payment for technology costs		(423,052)	-
Cash received on acquisition	25	1,346	-
Payment for security deposits		-	(279)
<b>Net cash (used in) investing activities</b>		<b>(434,091)</b>	<b>(5,040)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		2,447,264	202,000
Payment of issue costs		(71,292)	-
Proceeds from borrowings		-	500,000
Payment of borrowing costs		-	(61,230)
Repayment of borrowings		(343,900)	-
Repayment of lease liability		(30,460)	(22,119)
<b>Net cash provided by financing activities</b>		<b>2,001,612</b>	<b>618,651</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>205,888</b>	<b>(433,904)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>360,482</b>	<b>794,386</b>
		-	-
<b>Cash and cash equivalents at the end of the year</b>	5	<b>566,370</b>	<b>360,482</b>

The accompanying notes form part of the consolidated financial statements.

## 1. Summary of significant accounting policies

This consolidated financial report for the year ended 30 June 2021 includes the financial statements and notes of Openn Negotiation Limited (*formerly Appwell Pty Ltd*) (**Openn Negotiation** or **Company**) which is a public company limited by shares, incorporated and domiciled in Australia, and its controlled entities (**Group**).

The appendix 4E was authorised for issue by the Directors on 31 August 2021.

### a. Basis of preparation

This report is based on accounts that are in the process of being audited.

This financial information has been prepared in accordance with the *Corporations Act 2001 (Cth)* (**Corporations Act**) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial information containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial information and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial information are set out in the lasted annual report submitted to the Australia Securities Exchange at the date of listing. The accounting policies presented below and have been consistently applied across before periods presented unless stated otherwise.

The financial information, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

### b. New standards, interpretations and amendments adopted by the Group

A number of new or amended accounting standards and interpretations are effective for the Group from 1 July 2020. However, these are not considered relevant to the activities of the Group nor are they expected to have a material impact on the financial statements of the Group.

### c. New standards, interpretations and amendments not yet adopted by the Group

New accounting standards, interpretations and amendments have been issued but are not yet effective, however these are not considered relevant to the activities of the Group nor are they expected to have a material impact on the financial statements of the Group.

## 2. Segment information

Segment information

The Company has one segment, which is technology in the real estate sector within Australia.

## 3. Loss from continuing operations

2021  
\$

2020  
\$

Loss from continuing operations before income tax has been determined after:

### (a) Revenue

Website and associated sales	1,044,469	848,621
Marketing sales	2,186	1,973
Interest revenue	28	808
	<u>1,046,683</u>	<u>851,402</u>

### (b) Other income

Research and development tax incentive	-	265,597
Government assistance	63,522	50,000
	<u>63,522</u>	<u>315,597</u>

### (c) Expenses – Employment expenses

Salary and wages	1,370,541	826,478
Other personnel costs	8,568	6,199
Superannuation	131,521	75,324
Increase in leave liabilities	58,183	22,401
	<u>1,568,813</u>	<u>930,402</u>
Share-based payment expense	2,936	11,745

### TOTAL

1,571,749      942,147

### (d) Expenses – General and administration costs

ASX fees	22,994	-
Accounting expenses	68,695	36,995
Audit fees	44,292	10,000
Depreciation and amortisation expenses	172,400	30,758
Insurance expenses	5,971	15,365
Partnership expenses	30,233	25,105
Travel expenses	4,662	27,821
Sales expenses	116,817	74,342
Other administration expenses	113,950	94,847
	<u>580,014</u>	<u>315,233</u>

The Company completed its listing on the Australian Securities Exchange in July 2021 which resulted in increased compliance costs that have been recognised in the income statement during the period.

#### 4. Income Taxes

	2021 \$	2020 \$
Income tax recognised in profit or loss		
<b>(a) Income tax expense comprises:</b>		
Current tax expense	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Total tax (expense) / benefit	-	-
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Loss from continuing operations before income tax expense	(2,074,900)	(1,206,606)
Prima facie tax benefit at the Australian tax rate (2021: 26%)	(539,474)	(331,817)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible (taxable)	18,132	176,714
Non-assessable income	(17,471)	(13,750)
Movements in unrecognised temporary differences	16,398	(1,879)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	522,415	170,732
Income tax benefit	-	-
<b>(c) Unrecognised deferred tax balances</b>		
<b>Deferred Tax Assets (2022: 25%)</b>		
Accrued expenses	17,171	7,540
Annual leave liability	27,403	13,371
Superannuation payable	12,309	-
Revenue deferred	-	377
Lease expenses	-	565
Capital raising costs (equity)	47,909	27,294
Carry forward revenue and capital tax losses	1,151,791	684,194
	<b>1,256,583</b>	<b>733,341</b>
<b>Deferred Tax Liabilities</b>		
Plant and equipment	-	3,487
Prepayments	-	2,167
	-	<b>5,654</b>

Net deferred tax assets have not been brought to accounts as it is not probable within the immediate future that taxable profits will be available against which deductible temporary differences and tax losses can be utilised.

The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

#### 5. Current assets: Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and on hand <sup>(1)</sup> <sup>(2)</sup>	566,370	360,482
	<b>566,370</b>	<b>360,482</b>

1. Cash at bank and on hand earns interest at floating rates based on daily bank deposits.
2. Available at short notice.

<b>6. Current assets: Other assets and receivables</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
GST receivables	22,466	14,250
Prepayments	238,719	20,333
Related party loans	-	6,338
Sundry receivables	28,935	1,979
	<b>290,120</b>	<b>42,900</b>

No receivables are considered past due. The Company has not provided for any expected credit losses in the current year (2020: nil)

<b>7. Research and development tax incentive</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
R&D receivable <sup>(1)</sup> <sup>(2)</sup>	-	265,597
	<b>-</b>	<b>265,597</b>

1. The Company has claimed a research and development tax for the prior year.
2. The amount was received in the current year.

<b>8. Non-current assets: Property, plant &amp; equipment</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Fixed assets</b>		
<b>Right of use assets - Property</b>		
At cost	139,809	109,317
Less: Accumulated depreciation	(54,721)	(24,293)
	<b>85,088</b>	<b>85,024</b>
<b>Office equipment</b>		
At cost	38,194	25,809
Less: Accumulated depreciation	(20,825)	(12,396)
	<b>17,369</b>	<b>13,413</b>
<b>Reconciliation of the movement for the year</b>		
Carrying amount at beginning of year	98,437	15,116
Additions	12,385	4,762
New right of use asset <sup>(1)</sup>	30,492	-
Recognition of right to use asset	-	109,317
Depreciation charge	(38,857)	(30,758)
Carrying amount at end of year	<b>102,457</b>	<b>98,437</b>

1. The Company entered into a new lease and changes to the variable element of the lease resulted in an increase in the right of use asset during the period. The details of the changes in the lease liability are outlined in Note 11 below.

<b>9. Non-current assets: Intangible assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Intangible assets</b>		
<b>Technology assets</b>		
At cost	1,386,650	-
Less: Accumulated amortisation	(232,379)	-
	<b>1,154,271</b>	<b>-</b>
<b>Patents</b>		
At cost	56,565	-
Less: Accumulated amortisation	(12,982)	-
	<b>43,583</b>	<b>-</b>
<b>Trademarks</b>		
At cost	30,095	-
Less: Accumulated amortisation	(16,042)	-
	<b>14,053</b>	<b>-</b>
<b>Website</b>		
At cost	9,065	-
Less: Accumulated amortisation	(5,666)	-
	<b>3,399</b>	<b>-</b>
<b>TOTAL INTANGIBLES</b>	<b>1,215,306</b>	<b>-</b>
<b>Reconciliation of the movement for the year</b>		
Carrying amount at beginning of year	-	-
Additions	423,052	-
Amounts acquired through asset acquisition	874,772	-
Disposals	-	-
Depreciation charge	(82,518)	-
Carrying amount at end of year	<b>1,215,306</b>	<b>-</b>

The Company completed the acquisition of Openn World Pty Ltd and its wholly owned subsidiary Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) in August 2020. This Group held the technology and rights for the global licencing (other than Australasia). The assets purchase included the intangibles listed above. The details of the acquisition are in Note 25.

<b>10. Current liabilities: Trade and other payables</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables <sup>(1)</sup> <sup>(2)</sup>	416,719	103,596
Other payables	338,885	98,065
	<b>755,604</b>	<b>201,661</b>

1. No trade payables past due over 30 days as at 30 June 2021 (2020: \$NIL).
2. Due to the short term nature of current payables, the carrying amount of trade and other payables approximates their fair value.

## 11. Lease liability

	2021	2020
	\$	\$
<b>Leases liability</b>		
Current liability	37,832	11,501
Non-current liability	48,435	75,697
<b>TOTAL</b>	<b>86,267</b>	<b>87,198</b>

### *Reconciliation of movements in the balance*

Opening balance	87,198	-
Amounts borrowed (recognised on transition)	-	109,317
Amounts recognised as new leases and changes in leases (1)	29,529	
Less: amount repaid	(30,460)	(22,119)
Closing balance at end of period	<b>86,267</b>	<b>87,198</b>

#### 1. Leases

During the year, the Company's rent increased as a consequence of a variable periodic review clause in the contract. The rent increased by \$1,080 (per annum).

The Company entered into a new lease in Victoria during the period. The key inputs to the calculation are as follows:

Time Period:	24 months from 10 February 2021
Rate:	Implicit interest rate of 4.50%
Fair Value:	\$25,280

## 12. Borrowings

	2021	2020
	\$	\$
<b>Borrowings</b>		
Current borrowings	25,000	25,000
Non-current borrowings	-	448,975
<b>TOTAL</b>	<b>25,000</b>	<b>473,975</b>

### **Reconciliation/movement for the year**

Opening balance (1)	473,975	25,000
Amounts borrowed	-	500,000
Amounts included in asset acquisitions (2)	343,900	-
Less: Amounts repaid (2)	(343,900)	-
Less: Debt converted into equity (3)	(500,000)	-
Less: Borrowing costs	-	(61,230)
Reduced by: amortisation of borrowing costs	51,025	10,205
Carrying amount at end of period (1)	<b>25,000</b>	<b>473,975</b>

#### 1. Related party borrowings

The Company received \$25,000 from the directors for the purchase of shares relating to a transaction in 2017. The terms of the loan are set out below:

Time Period:	No formal expiry, repayable on demand
Rate:	Nil
Security:	Nil

#### 2. Related party borrowings

As part of the acquisition of Openn World Pty Ltd, the Company acquired the obligation to pay \$343,900 which related to loans from the previous directors of Openn Tech Pty Ltd used to fund start-up capital, as well as funding the costs of developing and commercialising the Openn Technology. The terms of the loan are set out below.

Time Period:	No formal expiry, repayable on demand
Rate:	Nil
Security:	Nil

The loan was repaid on 15 February 2021.

## 12. Borrowings (continued)

### 3. Third party loans

In March 2020, the Company entered into a facility with 2 external parties. The terms of the loan are as follows:

Facility face value:	Convertible notes A\$1,500,000. Drawn downs are allowed in \$100,000 minimums.
Facility fee:	A\$30,000
Interest rate:	10% simple interest plus an internal rate of return equal to 15%
Security:	Over assets of the Company
Maturity date:	18 months after the 1st draw down
Conversion:	The greater of a \$30 million valuation of the next series B raising

In December 2020, the lenders agreed to fix the conversion price at \$0.16 per share. The fair value of the conversion right for one month was not material.

In January 2021 the lender converted the \$500,000 debt to equity.

## 13. Issued capital

### Equity

146,725,964 fully paid ordinary shares (2020: 125,000,011 post reconstruction)

#### The following changes to the shares on issue and the attributed value during the periods:

	Jun 2021 Number	Jun 2020 Number	Jun 2021 \$	Jun 2020 \$
Balance at the beginning of the year	7,750,000	7,649,000	4,566,900	4,364,900
Issue of shares in a placement (1)	-	101,000	-	202,000
Share split (2)	117,250,011	-	-	-
Issue of shares on conversion of debt (3)	3,125,002	-	500,000	-
Issue of share for acquisition (4)	3,117,461	-	498,790	-
Issue of shares in a placement (5)	15,201,370	-	2,432,219	-
Issue of share on conversion of options (6)	282,120	-	15,045	-
Share issue costs (7)	-	-	(79,044)	-
Sub-total	<b>146,725,964</b>	<b>7,750,000</b>	<b>7,933,910</b>	<b>4,566,900</b>

The Company issued the following securities during the period:

1. On 10 July 2019 the Company issued 101,000 fully paid shares at an issue price of \$2 per share to investors.
2. On 21 December 2020, shareholders approved the split of share on a 1 for 16.129 basis. The total shares on issue post the re-construction was 125,000,011.
3. On 5 January 2021 the Company converted \$500,000 of debt to shares at an issue price of \$0.16 per share.
4. On 22 January 2021 the Company issued 3,117,461 to acquire 100% of the issued capital of Openn World Pty Ltd. The acquisition has been set out in Note 25 below.
5. On 20 January 2021 the Company issued 15,201,370 shares as a pre-IPO placement at an issue price of \$0.16 per share.
6. On 27 April 2021 the Company issued 282,120 shares on the conversion of employee options at an issue price of \$0.05333 per share.
7. The costs of share issue.

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.

## 14. Reserves

	Jun 2021	Jun 2020
	\$	\$
Option reserves	31,243	20,554
	<u>31,243</u>	<u>20,554</u>

### Share based payments - Options

	Jun 2021	Jun 2020	Jun 2021	Jun 2020
	Number	Number	\$	\$
Balance at the beginning of the year	17,523	17,253	20,554	8,809
Split of options during the year	264,597	-	-	-
Issue of options to employee (1)	-	-	2,936	11,745
Conversion of options	(282,120)	-	-	-
Issue of options to brokers (2)	2,934,519	-	7,753	-
Balance as at 30 June	<u>2,934,519</u>	<u>17,523</u>	<u>31,243</u>	<u>20,554</u>

1. On 31 December 2018, the Company issued 17,523 options exercisable at \$0.895 (282,120 exercisable at \$0.0534 post option split) per option and expiring on 30 December 2023 to an employee to provide a performance linked incentive component in his remuneration. The options vested over 2 years. The Company valued the options using a Black-Scholes Option Pricing model with the following inputs:

- (i) Grant date – 31 December 2018
- (ii) Exercise date – 30 December 2023
- (iii) Market price of securities – \$2
- (iv) Exercise price of securities – \$0.895
- (v) Risk free rate – 1.5%
- (vi) Volatility – 48.34%

The fair value for the options was \$23,400 which was amortised over the vesting period.

On 21 December 2020 the Company re-organised its share option securities on issue and split the securities on a 1 for 16.129 basis (rounded up). The previous options issued (17,523) were split to 282,120.

2. On 20 January 2021 the Company issued 2,934,519 options exercisable at \$0.24 cents and expiring on 25 January 2025 to promoters of the Company as fees relating to a mandate to lead manage a capital raising for listing on the Australian Securities Exchange. The options vested immediately and have been valued based on the value of the services provided being \$7,753.

## 15. Dividends

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

## 16. Key management personnel disclosures

	2021	2020
	\$	\$
<b>(a) Key management personnel compensation</b>		
Short-term benefits	526,660	192,899
Post-employment benefits	-	-
Share-based payments	2,936	-
	<u>529,596</u>	<u>192,899</u>

As the Company prepared to list on the Australian Securities Exchange, the Company executed new agreements for key management personnel. The directors and senior management are considered to be the key management personnel for the current period (directors for the prior period presented).

### (b) Loans to key management personnel

There were no loans to key management personnel during the year.

## 16. Key management personnel disclosures (continued)

### (c) Transactions with key management personnel

During the year, the Company entered into the following related party transactions:

1. Mr P Clements provided services to the Company through an associated real estate agency during the period. The total services rendered for 2020 and 2021 was \$4,805 and \$1,305. The services were at normal commercial rates and paid during the period.
2. Mr B Glovers provided services to the Company through an associated real estate agency during the period. The total services rendered for 2020 and 2021, was \$7,730 and \$735. The services were at normal commercial rates and paid during the period.
3. Mr D Anderson provided services to the Company through an associated information technology company during the period. The total services rendered for 2021 was \$365,906. The services were at normal commercial rates and paid during the period.
4. The Company repaid amount borrowed by Openn Tech Pty Ltd as part of funding for the development of the technology. The amount paid was to the founding directors, Mr Gibbons, Mr Clements and Mr Glover. The total amount repaid was \$343,900 on 15 February 2021.
5. The Company acquired 100% of the share capital of Openn World Pty Ltd from the existing shareholders. The transaction included members of the key management personal. Details of the transaction can be found in Note X. The Company offered the shareholder the option of cash or shares in the Company. The related party transactions are outlined below.

	Shares received	Cash payable
<b>Key management personnel</b>		
Mr P Gibbons	855,343	254
Mr P Clements	855,343	254
Mr B Glover	855,343	254
Mr D Bromley	5,646	-
Mr D Anderson	66,155	21
Mr S Adomeit	-	283
	<b>2,637,830</b>	<b>1,066</b>

## 17. Remuneration of auditors

	2021 \$	2020 \$
Audit and review of the financial report	28,000	10,000
	<b>28,000</b>	<b>10,000</b>

The Company's auditor is HLB Mann Judd (WA Partnership).

## 18. Commitments

### Technology and other commitments

At reporting date, the Company has no capital commitments. .

## 19. Contingencies

### Contingent liabilities

At balance date, the Company has no contingent liabilities.

## 20. Related party transactions

### (a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

### (b) Loans to and transactions with related parties

Disclosures relating to key management personnel are set out in Note 16.

<b>21. Notes to the statement of cash flows</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of net loss after income tax to net cash outflow from operating activities</b>		
(Loss) for the year	(2,074,900)	(1,206,606)
Adjusted for:		
Depreciation and amortisation	172,401	40,962
Share-based payments	2,936	11,745
<b>Change in operating assets and liabilities</b>		
Decrease in other assets and receivables	10,314	41,542
Increase in trade and other payables	527,616	64,842
<b>Net cash outflow from operating activities</b>	<b>(1,361,633)</b>	<b>(1,047,515)</b>

<b>22. (Loss) per share</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		RESTATED
Basic (cents per share)	(1.51)	(0.97)
Diluted (cents per share)	(1.51)	(0.97)
<b>(a) Reconciliation of earnings used in calculating loss per share</b>		
Loss attributed to the owners of the Company use in calculating basic and diluted loss per share	(2,074,900)	(1,206,606)
	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
<b>(b) Weighted average number of shares used as the denominator</b>		
Weight average number of ordinary shares for the purpose of basic and diluted earnings per share	137,803,019	124,964,307

### 23. Share-based payments

The Company has issued a number of securities as share-based payments during the period. The information on the terms, fair value and expense can be found in Note 14.

<b>24. Parent entity</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Financial position</b>		
<b>Assets</b>		
Current assets	588,920	276,973
Non-current assets	765,874	220,932
Total assets	<b>1,354,794</b>	497,905
<b>Liabilities</b>		
Current liabilities	31,674	28,204
Non-current liabilities	-	448,975
Total liabilities	<b>31,674</b>	477,179
<b>Equity</b>		
Issued capital	7,933,507	4,566,900
Reserves	31,243	20,554
Accumulated losses	(6,641,629)	(4,566,728)
Total equity	<b>1,323,121</b>	20,726
<b>Financial performance</b>		
Profit (Loss) for the year	(2,074,901)	(1,206,606)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(2,074,901)</b>	(1,206,606)

## 25. Asset acquisition

On 22 January 2021, the Company acquired the Openn World Group (including Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) for consideration of \$501,130 from the existing shareholders.

The assets and liabilities acquired as at the purchase date are outlined below:

Cash	1,346
Other receivables	-
Intangible assets	319,088
TOTAL ASSETS	320,434
	-
Trade and other payables	31,088
Borrowings	343,900
TOTAL LIABILITIES	374,988
	-
NET DEFICIENCY	(54,554)

The fair value of the asset acquisition was attributed to the technology asset using a residual basis (\$555,684). The loss attributed to the period before acquisition for the Openn World Group was \$48,476.

The agreement for the purchase allowed existing Openn World shareholders to received cash or shares. The Company issued 3,117,461 fully paid ordinary shares to existing shareholders with a small number of shareholders electing to take cash of \$2,339.

The total cash acquired in the acquisition was \$1,346.

## 26. Subsequent events

On 21 July 2021 the Company completed a listing on the Australian Securities Exchange. The Company raised \$9 million before costs and issued 45,000,000 fully paid ordinary shares at an issue price of \$0.20 per share.

On 15 July 2021, prior to listing, the Company issued Performance Rights to directors, key management personal and staff. The total number of Rights issued was 15,599,000.

No other material subsequent events have occurred from balance date to the date of this report.

## 27. Controlled entities

Name	Country of Incorporation	% Equity Interest		\$ Investment	
		2021	2020	2021	2020
Openn Pty Ltd (formerly PP Valley Pty Ltd)	Australia	100	100	220,932	220,932
Openn World Pty Ltd	Australia	100	-	501,130	-
Openn Tech Pty ltd (formerly Cleverbons Pty Ltd)	Australia	100	-	-	-