30 August 2022

ASX Appendix 4E

Preliminary Final Report

Australian-listed property technology company (**PropTech**), Openn Negotiation Limited, (**ASX: OPN**) (**Openn, Group** or **Company**), presents its Appendix 4E together with the 2022 Annual Report including financial results of the consolidated entity and its controlled entities, for the year ended 30 June 2022.

Financial results	30 June 2022	30 June 2021	Change	
	$	$	$	%
Income and investment returns from ordinary activities	1,178,732	1,046,683	132,049	12.63%
Loss from ordinary activities after tax attributable to members	(8,031,233)	(2,074,900)	(5,956,333)	(287.07%)
Net loss for the year attributable to members	(8,031,233)	(2,074,900)	(5,956,333)	(287.07%)
$ per ordinary share	($0.042)	($0.015)	($0.027)	(179.98%)

Principal activities

Openn is an Australian Proptech company offering a proprietary, cloud-based software platform to support real estate agents in selling property online. The Group's vision is to bring greater flexibility and opportunity to property transactions for agents, buyers, and sellers, by making things faster, more transparent and accountable.

The Openn platform facilitates the negotiation process, streamlines digital contracting, and automates communication by simplifying property transactions for agents. For buyers, Openn provides real-time, in-app feedback on competition for the property and where their price stands in the negotiation, ensuring transparency and the best opportunity to win the bidding or make the winning offer.

The business currently services the Australian and New Zealand residential property markets, with an expansion into the North American market currently underway with commercial launch expected in early 2023.

The Company's initial public offering to list on the Australian Securities Exchange (**ASX**) on 21 July 2021, came after raising $9,000,000 through the issue of 45,000,000 shares at $0.20 per share.

Financial Position and Operating Results

The cash position of the Group as at 30 June 2022 was $2,619,179 (2021: $566,370). Subsequent to year end, the Company raised an additional $4.5 million (before costs) to continue its expansion strategy into North America to accelerate conclusion of pilots and commercial launch for Q1 2023.

BOARD & MANAGEMENT

Wayne Zekulich
Non-Executive Chairman

Peter Gibbons
Managing Director

Darren Bromley
Executive Director / CFO
Company Secretary

Duncan Anderson
Executive Director / CTO

Danielle Lee
Non-Executive Director

Sean Adomeit
Chief Executive Officer Au/NZ

Eric Bryant
Director of Operations North America

CAPITAL STRUCTURE

Ordinary Shares	223.8 million
Options	17.9 million
Performance rights	15.3 million

MARKET CAPITALISATION

$33.56 million (at $0.15 per share as of 20 August 2022)

52 WEEK SHARE PRICE RANGE

$0.13 - $0.295

CASH (as at 30 June 2022)

$2.62M
$7.12M (pro-forma post capital raise)

TOP 20 SHAREHOLDERS

60.89% on 24 August 2022

CONTACT

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E: investors@openn.com.au
W: openn.com.au

L1, 4 Stirling Road Claremont WA 6010
PO Box 896 Claremont WA 6910
ABN: 75 612 329 754

Openn continued to develop its core technology platform and establish its network of users 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 in the Annual Report. The Group incurred a loss of $8,031,233 (30 June 2021: Loss $2,074,900).

The loss for the year ended 30 June 2022 is driven by the increased level of activity by the Group in developing sales and marketing channels and furthering revenue generating opportunities.

- 12.63% increase in revenues of $1,178,732 (2021: $1,046,683) driven by increased uptake in use of the platform in Australia combined with the continued strategy to build scale via promotion and discounted sales.
- 194.52% increase in cumulative employment and consulting costs of $5,053,643 (2021: $1,715,820) due to increased staff numbers from 30 to 64 full-time equivalent staff during the period as it grew operations in North America and added additional partnerships and client channels. Employment expenses included $756,467 (2021: $2,936) relating to non-cash, share based payment benefits issued to directors, employees, and other eligible persons under the Company's Employee Incentive Plan.
- 456.72% increase in general and administration expenses of $3,228,867 (2021: $580,014) as the Group established agreements for pilot programmes in North American and incurred associated legal, travel and other administrative costs to establish these opportunities.
- 51.79% increase in general and administration expenses of $551,079 (2021: $362,896) as Openn continued to invest in the development of its proprietary technology. The Group continues to develop the technology to comply with North American real estate market practises and regulations as it established a presence in the US and Canada whilst also enhancing the Australasian functionality based on user feedback.
- During the period, the Company incurred expenses relating to the IPO on 21 July 2021 and has incurred the typical compliance expenses related to being an ASX listed entity.

In the 2021 period, the Company had one segment, real estate in Australia. During the 2022 period, the Group has established a geographical segment in the USA. The results, assets and liabilities are listed below:

	30 June 2022			30 June 2021		
	Australia	USA	Total	Australia	USA	Total
Results Profit / (loss)	(6,029,081)	(2,002,152)	(8,031,233)	(2,074,900)	-	(626,524)
Assets	4,405,859	298,489	4,704,348	2,190,395	-	2,190,395
Liabilities	(813,650)	(77,803)	(891,453)	(866,871)	-	(866,871)

Dividends	30 June 2022	30 June 2021	Change	
	$	$	$	%
Paid or declared	Nil	Nil	-	-

No dividends have been declared or are payable for the year ended 30 June 2022.

Net tangible asset per share	$	$	$	%
Net tangible asset per share ($'s)	$0.0108	$0.0007	$0.0101	1442.0%

Details of entities over which control was gained or lost	The Company established Openn North America, Inc. as a wholly owned subsidiary of Openn Negotiation Limited 0n 20 July 2021.
Details of associates and joint ventures	The Company does not have any associates or Joint Ventures during the reporting period.
Other significant information	All significant information has been included in the Annual Report.
Compliance statement	This report is based on accounts which have been audited.
Going Concern	The Company has an emphasis of matter relating to going concern in its audit opinion.

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

ENDS

Further information:

Peter Gibbons
Managing Director
T: 1800 667 366
investors@openn.com.au

About Openn Negotiation

Openn Negotiation Limited (**ASX: OPN**) is an Australian property technology 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.

ANNUAL REPORT

OPENN NEGOTIATION LIMITED
ABN 75 612 329 754

FOR THE YEAR ENDED 30 JUNE 2022

openn.com

CONTENTS

CORPORATE DIRECTORY

Board of Directors

Wayne Joseph Zekulich	Non–Executive Chairperson
Peter John Gibbons	Managing Director
Duncan Royce Anderson	Executive Director
Darren Michael Bromley	Executive Director
Danielle Marguerite Lee	Non–Executive Director

Company Secretary

Darren Michael Bromley

Principal & Registered Office

Level 1, 4 Stirling Road,

Claremont WA 6010

Contact Details

(+61) 1 800 667 366 (Telephone)

www.openn.com

Share Registry

Computershare Investor Services Limited

Level 11, 172 St Georges Terrace

Perth, WA 6000

Auditors

HLB Mann Judd (WA Partnership)

Level 4, 130 Stirling Street

Perth WA 6000

CHAIRPERSON'S LETTER

Dear Shareholder,

This year has been an exciting, and challenging one for Openn.

The Company listed on the ASX on 21 July 2021 after raising $9,000,000 through the issue of 45,000,000 shares at $0.20 per share.

In Australia, we continue to focus on the mid to long term profitability of the business and have developed a range of initiatives to target sustained customer engagement and operational efficiency, to reduce the current cash outflow. In addition, Openn has appointed two senior Executives to build and enhance the sales and marketing capabilities here.

In North America, Openn has successfully negotiated 5 pilot studies with real estate agent groups with the potential to access around 210,500 Registered Agents. The management team continues developing the platform, with live transactions in North America expected to be undertaken in the 3rd quarter of this calendar year. Successful trials should lead to commercial agreements for revenue generation in 2023.

This year we have also added a significant number of new staff in North America as we create the operating platform for the business. The Group has grown its full–time equivalent staff members from 30 to 64 in the last 12 months.

To assist in the North American go–to market strategy, post the reporting period, Openn completed a $3m capital raise and a share purchase plan that raised approximately $1.5m, both before costs. This capital raise was completed in a difficult market, and I would like to thank existing and new shareholders for their support for the Openn business model.

Once again, it has been a very busy year for Openn and on behalf of the Board, I would like to thank the Managing Director, Peter Gibbons and his team for their continued dedication and commitment throughout the year.

The Board and I look forward to next year where we will continue to focus on the North American strategy and improve the sustainability of the Australian business.

Yours sincerely,

Wayne Zekulich
Chairperson

1800 667 366
investors@openn.com.au
openn.com

ASX: OPN
ABN 75 612 329 754
Openn Negotiation Ltd

DIRECTOR'S REPORT

The Board of Directors present their report together with the financial statements of the consolidated entity (**Group**), being Openn Negotiation Limited (**Openn** or the **Company**) and its controlled entities, for the year ended 30 June 2022.

DIRECTORS' INFORMATION

The names of the Directors of the Company at any time during or since the end of the financial year unless otherwise stated are:

Wayne Zekulich – Non–Executive Chairperson

(Appointed 24 April 2021)

Wayne Zekulich is a consultant and non–executive Director with a broad range of experience, covering advice on mergers and acquisitions, arranging and underwriting project financings, privatisations, and debt and equity capital markets.

He was previously the Chief Financial Officer of Gindalbie Metals Ltd and prior to that the Chief Development Officer of Oakajee Port and Rail.

Currently, Wayne is Non–Executive Chairman of Pantoro Limited (ASX: PNR), a board member of Infrastructure WA and a Chair of The Lester Prize. He is also engaged in a consultancy capacity by a global bank.

Wayne holds a Bachelor of Business Degree and is a Fellow of the Institute of Chartered Accountants.

- Current other listed company Directorships: Pantoro Limited
- Former listed company directorships in the last three years: archTIS Limited (resigned 31 July 2020)
- Interests in Openn securities: 500,000 ordinary shares, 300,000 performance rights
- Member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee

Peter Gibbons – Managing Director

(Appointed 11 May 2016)
(Company Secretary 11 May 2015 – 8 March 2021)

Peter Gibbons has extensive experience in property investment banking, property development and financing and technology development. He has held senior roles in some of the world's largest investment banks, including Macquarie Bank, Bankers Trust and Deutsche Bank, and board roles at Landcorp, the Western Australian Football Commission, Silver Chain and Chairman of Bethanie Group.

Peter is one of the founders of the Company, being instrumental in the development of the Openn Negotiation Process, and commercialisation of the Openn Business.

Peter holds an Associate Diploma in Valuation from Curtin University, a Graduate Diploma in Property Development from Curtin University, and a Masters of Business Administration from the Murdoch University / University of South Carolina.

- Current other listed company Directorships: Swift Media Limited
- Former listed company directorships in the last three years: Nil
- Interests in Openn securities: 25,310,182 ordinary shares, 3,250,000 performance rights

Duncan Anderson – Executive Director

(Appointed 15 September 2020)

Duncan Anderson has 26 years' experience in new technology development and commercialisation across the USA, Brazil, Indonesia and Australia. He spent most of the past decade in executive and directorship roles with listed and private companies operating in the technology, energy and process manufacturing sectors.

Since joining Openn in 2017 as Chief Technology Officer, Duncan was instrumental in positioning the Company's team and technology to compete at scale.

Prior to his role with Openn, Duncan co–founded, developed and successfully exited a finance & governance technology business that operated across the USA and Brazil, holding CEO and non–executive director roles in that business before it was acquired by Avalara Inc (NYSE: AVLR) in 2016. Earlier, he led technology development projects for military application with companies including Embraer and large–scale mission critical application development for fortune 500 companies, including Cargill Ltd.

Duncan holds a Bachelor of Business Degree in Economics and Finance from Curtin University.

- Current other listed company Directorships: Nil
- Former listed company directorships in the last three years: Nil
- Interests in Openn securities: 1,395,833 ordinary shares, 2,250,000 performance rights
- Member of the and Remuneration and Nomination Committee

DIRECTORS' INFORMATION (continued)

Darren Bromley – Executive Director and Company Secretary

(Appointed 12 February 2018)
(Appointed Company Secretary 8 March 2021))

Darren Bromley has extensive experience in business management and the corporate sector, including corporate transactions, mergers and acquisitions, business start–ups, capital raisings, financial and operational management, business development and corporate governance.

Darren's previous experience includes:

- executive director, company secretary, chief financial officer and chief operations officer of Triangle Energy (Global) Limited (ASX: TEG);
- chief financial officer of Prairie Downs Metals Limited (ASX: PDZ); and
- chief financial officer of QRSciences Holdings Limited (ASX: QRS).

He has held a number of directorships, company secretarial, and financial management roles for other ASX listed and unlisted companies.

Darren holds a Bachelor of Business Degree in Finance, a Masters of e–Business and has a great depth of business management and financial experience.

- Current other listed company Directorships: Nil
- Former listed company directorships in the last three years: Triangle Energy (Global) Limited (resigned 18 November 2019)
- Interests in Openn securities: 1,473,872 ordinary shares, 1,550,000 performance rights
- Member of the Audit and Risk Management Committee

Danielle Lee – Non–Executive Director

(Appointed 3 March 2021)

Danielle Lee is an experienced corporate lawyer with a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets.

Danielle is currently a Non–Executive Director of Hazer Group Limited (ASX: HZR), Rare Foods Australia Limited (ASX: eFRA) and Ruah Community Services.

Danielle holds Bachelor's Degrees in Economics and Law from the University of Western Australia and a Graduate Diploma in Applied Finance and Investment.

- Current other listed company Directorships: Hazer Group Limited, Rare Foods Australia Limited
- Former listed company directorships in the last three years: Nil
- Interests in Openn securities: 300,000 ordinary shares, 200,000 performance rights
- Chair of the Audit and Risk Management Committee and the Remuneration and Nomination Committee

COMPANY SECRETARY

Darren Bromley (see biography above)

DIRECTORS' INTERESTS

The relevant interests of each director in the securities of the Company at the date of this report are as follows:

Director	Shares	Performance Rights
W Zekulich[1]	500,000	300,000
P Gibbons[2]	25,310,182	3,250,000
D Anderson[1]	1,395,833	2,250,000
D Bromley[1]	1,473,872	1,550,000
D Lee[1]	300,000	200,000

Notes:
1. Holders of class A performance rights
2. Holders of class B performance rights

MEETINGS OF DIRECTORS

The number of Board and Committee meetings held during the year and the number of meetings attended by each Director are disclosed in the following table:

	Board		Audit and Risk Management Committee		Nomination and Remuneration Committee	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended
P Gibbons	7	7	–	–	–	–
D Anderson[1]	7	7	–	–	–	–
D Bromley	7	7	–	–	–	–
W Zekulich[3]	7	7	–	–	–	–
D Lee[2]	7	7	–	–	–	–

Notes:
1. Mr Anderson was appointed 15 September 2020
2. Ms Lee was appointed on 3 March 2021
3. Mr Zekulich was appointed on 24 April 2021

COMMITTEE MEMBERSHIP

As at the date of this report, the Board of Directors of Openn has an Audit and Risk Management Committee and a Nomination and Remuneration Committee. The committees were formed prior to the IPO and no meetings were held during the reporting period. The Board monitored audit, risk, and remuneration matters in board meetings during the reporting period.

Members of the Audit and Risk Management Committee

- Danielle Lee (Committee Chair) – independent non–executive director;
- Wayne Zekulich – independent non–executive chairperson; and
- Darren Bromley – executive director

Members of the Nomination and Remuneration Committee

- Danielle Lee (Committee Chair) – independent non–executive director;
- Wayne Zekulich – independent non–executive chairperson; and
- Duncan Anderson – executive director

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, resulting in an optimal sales outcome.

Our business in Australia and New Zealand, 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 method which follows a typical private treaty sales process, enhanced by 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 with commercial launch expected in the March quarter 2023.

The Company's listing on the Australian Securities Exchange (**ASX**) on 21 July 2021, came after raising the $9,000,000 through the issue of 45,000,000 shares at $0.20 per share, under the fully underwritten prospectus lodged in May 2021.

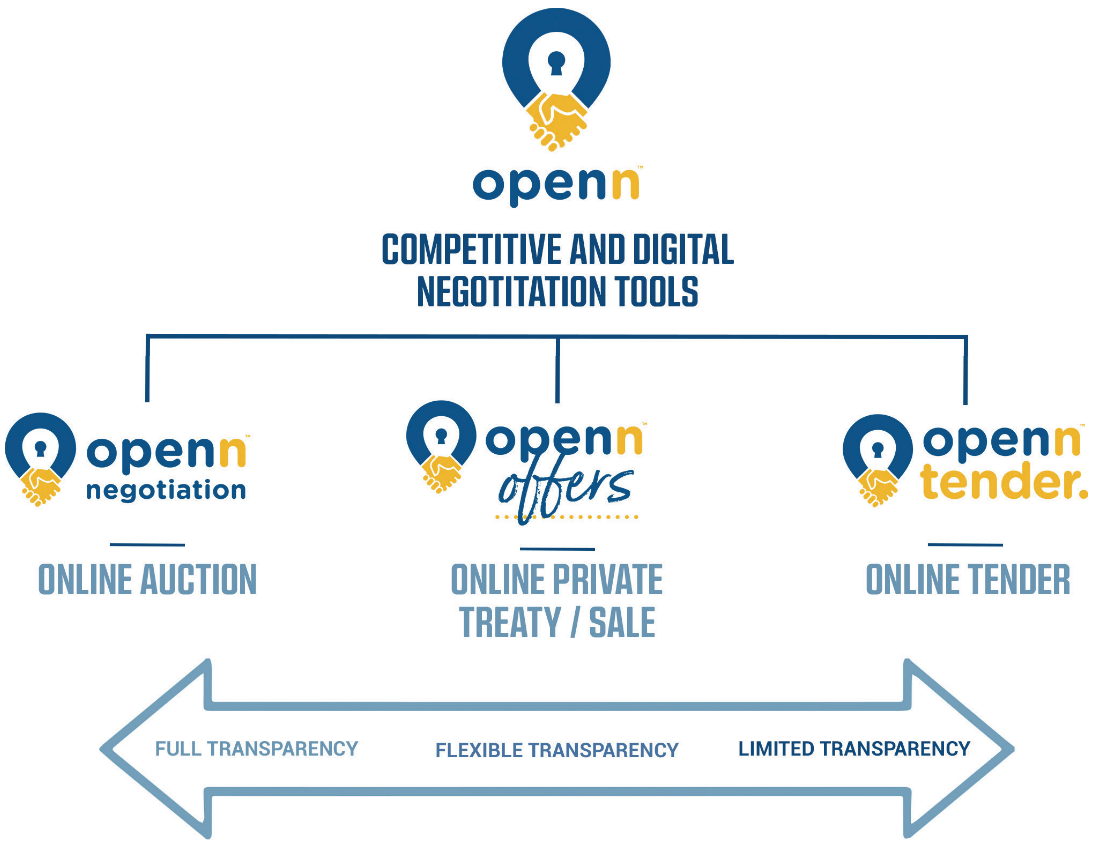
OPERATING AND FINANCIAL REVIEW

Operating Results

The Group continued to develop its core technology platform and establish its network of users 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 incurred a loss of $8,031,233 (30 June 2021: Loss $2,074,900).

Review of Operations

The Openn platform was built from the ground up to service all forms of real estate sale. The platform is designed to allow sellers and agents to choose the method of sale that fits best for their property. Each option offers varying levels of transparency to buyers, while providing the full digital contracting and real time communication experience to all participants.



Initial market entry in 2017 focused on the Openn Negotiation method of sale. Openn Negotiation falls under auction law, but allows buyers to maintain discretion while enjoying flexible terms as they would with a private treaty sales process. Since that initial launch, the group has followed a well–established process to confirm market viability across all Australian states and in New Zealand. That process has recognised that a genuine market problem exists, that the Openn platform solves the problem, and that the value proposition is sufficiently compelling for people to pay for it.

Prior to the IPO, the Group conduced a final validation, confirming the technical ability of Openn's platform to cost effectively manage a rapid scale up in demand should market share expand rapidly. Subsequent to this and the IPO, the Group has implemented additional sales methods and other features designed to drive market share growth.

The Openn platform is designed to integrate with other systems using a secure, efficient and real time Application Programming Interface architecture. This allows the Group to pursue partnership strategies that expand market reach by providing exceptional value to real–estate agents and other stakeholders through tight integration between the products they use in the real estate process. Integration partnerships with various direct and indirect market participants is currently a key focus for Openn.

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

OPERATING AND FINANCIAL REVIEW (continued)

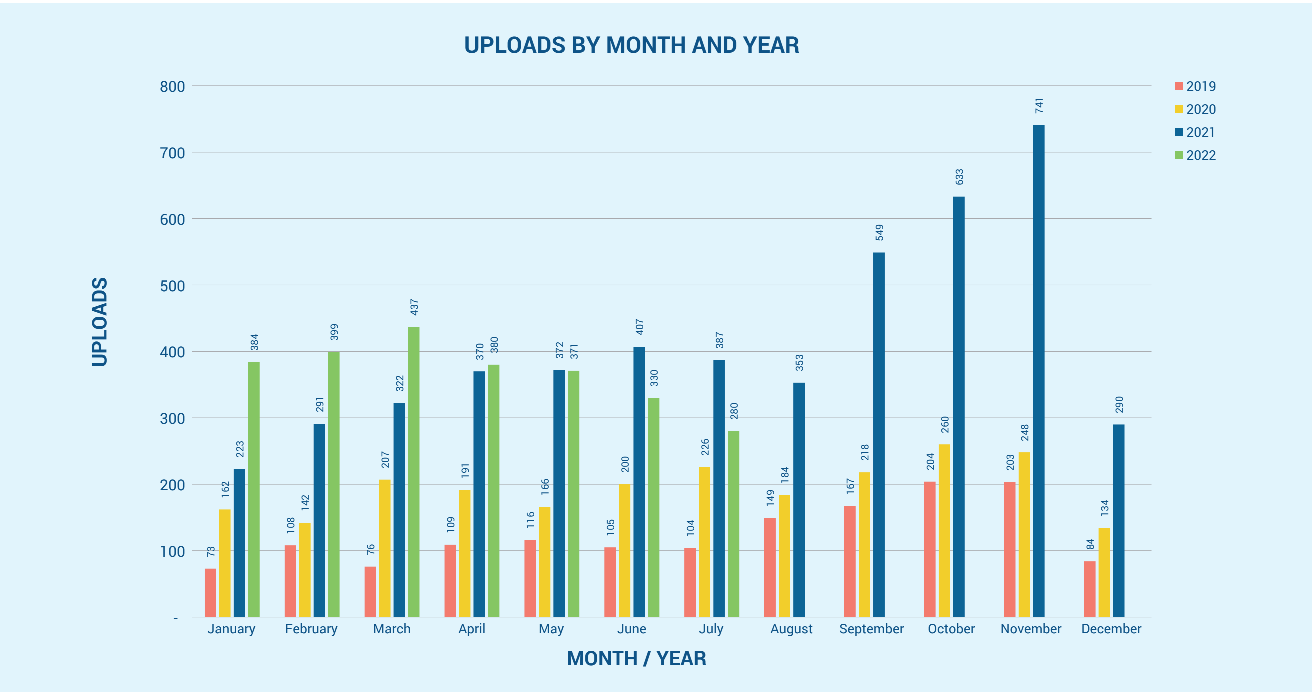
The Group continued to increase its sales to $1,178,732 over the 12 months to 30 June 2022 (2021: $1,046,683). Sales revenue is attributed to the Australian and New Zealand operations where the Openn Platform was launched in 2017. Openn incurred an increase in cumulative employment and consulting costs of $5,053,643 (2021: $1,715,820) as it grew operations in North America, added additional partnerships and client channels, as well as incurred the typical expenses related to being an ASX listed entity.

Cash flow forecasts indicate additional funding may be required to complete the North American rollout of Openn platform. The Company is currently in discussion with potential debt and equity investors to provide a significant portion of the potential capital required. No formal agreement has been reached with any capital providers at this stage and there is no assurance that capital will be available.

Openn's strategy to increase scale by training agents and promoting uploads has continued. The Group will continue this assess different revenue models in the Australian New Zealand market and will continue to incorporate additional pricing and revenue sharing elements enabled by integration with key partners.

Pleasingly, Openn continues to remain a workplace of choice as demonstrated through minimal staff turnover occurring over the past 24 months, coupled with the appointment of a number of high calibre team members. The Group now boasts a workforce of 64 full time equivalent employees (August 2021: 30 FTE) who continue to demonstrate tireless commitment toward achieving our shared vision.

The growth in scale relating to upload growth is illustrated below for the calendar years 2019 to 2022.



DIVIDENDS

No dividends have been declared or paid by the Company as at the date of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 21 July 2021, the Company listed on the ASX. There have been no other significant changes to the Company's state of affairs during the year.

LIKELY DEVELOPMENTS

The Group is focussed on the mid to long term profitability of the business and is in a transitional phase in order to target sustained engagement from customers, repeat revenues and increased yield per transaction via ecosystem partners. Underpinning the evolution involves an intensive focus on operational efficiency to optimise toward investments which amplify the platforms unique value proposition and leverages the richness of user intent signals.

The Group is progressing towards leveraging aligned partnerships that unlock significant top of funnel lead flow at substantially lower cost than traditional means and remains confident in delivering to target. While the competitive landscape for digital transactions increases, we believe the Openn platform is well positioned in tightening market conditions as demonstrated through its 6–year track record of clearance rate performance holding steady at around 80%.

The businesses data capabilities have evolved substantially during FY22 with the development of a data warehouse as a step toward implementation of a Customer Data Platform (**CDP**), enhancing customer segmentation and journey mapping capabilities. The software enables the business to build comprehensive customer profiles to support initiatives which in the future is expected to enable Openn to monetise buyer side intent signals. In addition, the CDP enhances the sophistication of the sales function by providing an evidence–based approach to the platforms ability to help agents excel in their market.

North American expansion

In July 2021, the Company incorporated a US subsidiary, Openn North America, Inc. which runs the US and Canadian operations. The first US pilot version of the technology was released in November 2021. Openn's first employee in North America commenced in early September 2021 and the total number has grown to 15 at the date of this report.

The US and Canadian real estate transactional process typically involves buyers' agents and sellers' agents. Some states require buyers' agents to be involved. Others are optional. To provide fair access to listings for all buyers' agents in an area, the market in that area is semi–regulated by a Multiple Listing Service (**MLS**). This creates two opportunities for products like Openn.

- MLS organisations and related technology providers, offer mature channel to market access for new entrants with solutions aligned to their needs; and,
- Each certified Openn agent, when they list a property using Openn, will introduce the platform to the multiple buyer agents participating in that sale negotiation. This creates a natural lead generation alignment for buyers' agents and the environment for viral take up of the Openn platform.

Each MLS maintains an online database of listings within its jurisdiction, providing access to its broker members and other technology providers to download and present data to consumers via their own platforms. Larger MLS organisations provide educational and other services to their members.

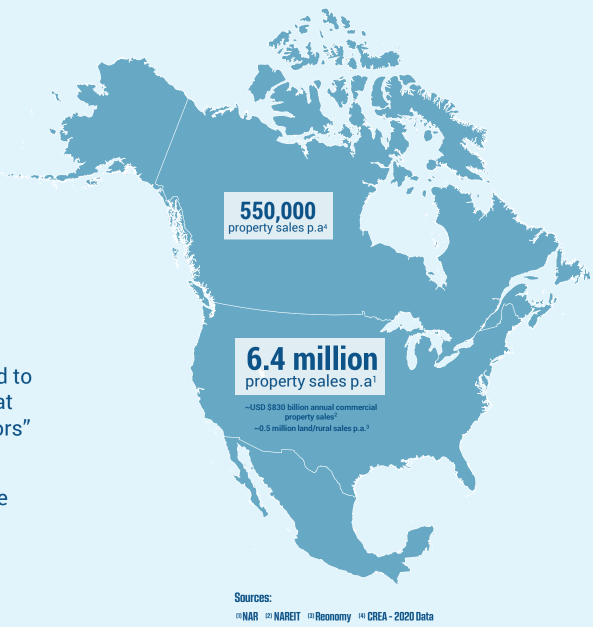
They are key participants in the real estate market and ideal partners for scale and access to data. Larger MLS organisations are also potentially important partners to assist with promotion and delivery at scale.

NORTH AMERICAN EXPANSION

- Openn has expanded into the USA and Canada, starting with targeted pilot programs in *Canada, Connecticut, Massachusetts, Illinois and North Carolina*
- Confirmed go-to-market strategy. Channel partners optimize revenue model, market penetration and business scalability.

Clear market need for Openn's products:

- Canada's Liberal government has promised to introduce a Home Buyers' Bill of Rights that would "crack down on predatory speculators" by banning blind bidding
- What an end to blind bidding for real estate could look like | CBC News
- Study supports blind bids, some realtors favour transparency | CTV News



LIKELY DEVELOPMENTS (continued)

Key achievements in North America

Pilot processes using test data are generating strong momentum. Feedback from pilot participants iterated through three key product release cycles. The platform is well positioned to conduct first live property sales on the platform in the September quarter.

- Pilot expansion continued with the addition of Beaches MLS (Florida) and Bridges MLS (California). Together with existing relationships, Openn now has direct access, property feed and MLS sign–on integration with 210,000 real estate agents throughout the USA and Canada.
- The CREA pilot has progressed well in the 4 months since the collaboration commenced. Key highlights include delivery of 80% of planned system integrations between REALTOR.ca and CREA systems. Openn is now positioned to conduct integrated system testing with live transactions in the Canadian market during the December Quarter.
- With 1.9 billion property page views in 2021, REALTOR.ca is the leading real estate platform in Canada, and one of the countries most viewed websites. Negotiations to conclude a commercial agreement reflecting the opportunity to scale through this partnership are at a preliminary stage.

NORTH AMERICAN PILOTS

COMMERCIAL PILOT SUMMARY

PARTNERSHIPS	CREA	150,000 agents
	Beaches MLS	41,000 agents
	Triangle MLS	16,000 agents
	Bridge MLS	3,500 agents
	Total accessible agents:	**210,500 agents**
	Total agents Australia:	**35,000 agents****
OPTIONS ISSUED		Total options 15,000,000
MINIMUM POTENTIAL INFLOW UPON EXERCISE		AU$5,250,000

** Estimated Active Agents Source: McGrath Prospectus (2013 ABS data)

Excellent progress has been made in preparing Sales, Training and Support processes for commercial launch. Direct teams and processes are in place, ready for stress testing as pilot transactions and participants expand during September and December 2022 quarters. Discussions with third parties to assist with support and training teams are at an early stage. Openn views these relationships as important to support scalability. The pilot process has been very helpful in identifying the core value proposition for US market participants and the priorities for product enhancement ahead of market launch.

Openn's go–to market strategy is well defined entering FY23. Broker relationships, product design, and customer service processes focused on alignment with that strategy. Openn's North American training platform has been implemented and the associated MLS integrations are designed to accommodate large scale training and onboarding of new agents with minimal internal resourcing. Full commercial launch target is expected in the March quarter of 2023.

During FY22, the Company continued discussions with key MLS groups, industry associations, brokers and technology providers to the market. We also began discussions with financial institutions and other stakeholders in the property transaction process who would benefit from tighter integration with the Openn platform. Our activities in the September 2022 quarter will be to focus on executing and supporting live transactions and building partnerships with customers to expand live transaction piloting in the December 2022 quarter.

LIKELY DEVELOPMENTS (CONTINUED)

High level North American market metrics:

	USA	Canada
Multiple Listing Services	531	18
Real Estate Boards / Associations	1,108	62
Realtors (Agents)	~1.5m Active NAR[1] members	~141,000 Active CREA[2] members
Residential Sales (New & Existing 2020)	~6,400,000	~550,000

1. *National Association of REALTORS.*
2. Canadian Real Estate Association

MLS Statistics

- Largest 20 MLSs in US account for 50% of all MLS subscribers
- Largest 75 MLSs (14%) account for 80% of all 1.7M MLS subscribers
- Smallest 45% (248 MLSs) have 400 or less subscribers

North American business focus

The focus of the North American business for the balance of calendar year 2022 will be the successful delivery of the numerous pilot projects that are currently underway in Canada and across the US. Technical development and integration are nearing completion, with the deliverable being live sales transactions in both countries conducted through the Openn platform. This will include integration with on REALTOR.ca.

The completion of live sales transactions will be the catalyst for the finalisation of commercialisation agreements that will allow for the rollout and commercialisation of Openn in both markets, which is targeted for the March Quarter, 2023.

North American Pilots

Openn currently has 5 pilots ongoing in the US and Canada. The pilots are progressing well and on target with an initial focus on property feeds and systems integration to allow MLS members to access Openn with their existing platform login. Current pilots in place are with:

1. the Canadian Real Estate Association (**CREA**)
2. Triangle MLS (North Carolina)
3. Bridge MLS (Northern California)
4. Beaches MLS (South Florida)
5. RE/MAX Revolution (Massachusetts)

This pilot is being conducted in parallel, particularly where that portion of the work is reusable between each MLS.

Pilot Agreement with the Canadian Real Estate Association (CREA)

In April 2022, Openn, through its wholly owned subsidiary Openn North America, Inc., entered into a Pilot Agreement with CREA to conduct a pilot program for the Openn platform with CREA and its members, and prepare for launch of the platform in Canada.

CREA also entered into a Subscription Agreement with the Company for 14,000,000 unquoted options (4,000,000 Class A unquoted options and 10,000,000 Class B unquoted options).

Under the Pilot Agreement, the pilot will operate for an initial period of up to 6–months, during which Openn North America and CREA will test and evaluate the potential market fit and demand for the Openn platform with CREA members in Canada, including the potential integration of the platform with REALTOR.ca. The pilot will also allow Openn North America to consider any modifications to the Openn platform necessary for operation in the Canadian real estate market or offer process.

Openn and CREA will collaborate in raising awareness of the Openn platform and its attributes, including testing and obtaining feedback on the platform from real estate professionals in Canada. Certain offer information from property transactions conducted using the Openn platform (as mutually agreed by the parties) is to be displayed on REALTOR.ca. The parties will explore, through the pilot program, a longer–term agreement for ongoing collaboration with a view to expanding the roll out of Openn Offers in Canada.

Systems integration between REALTOR.ca and Openn proposed in the pilot agreement are now 80% complete and pilot participants have been identified by both CREA and Openn in two provinces. Negotiations to conclude a full commercial agreement are at a preliminary stage and targeted to conclude on verification of pilot success during the December 2022 quarter.

LIKELY DEVELOPMENTS (continued)

Subscription Agreement with Triangle MLS

In April 2022, the Company entered a securities Subscription Agreement with leading US MLS organisation, Triangle MLS Inc. (**Triangle MLS**). Under the Subscription Agreement, Triangle MLS agreed to subscribe for 1,000,000 Class A unquoted options.

In the US, MLS organisations store and publish property listing data for REALTOR® members. Triangle MLS is the largest MLS in the North Carolina property market, representing some 16,000 registered real estate professional subscribers (**Subscribers**), with sold property volume of 47,000 in 2021.

The Triangle MLS pilot is targeting transaction readiness in the September 2022 quarter, with first live transactions in the December 2022 quarter.

Openn is currently working with Triangle MLS with a view to reaching agreement on a pilot program for Triangle MLS and its Subscribers to test and evaluate the Openn platform in the North Carolina real estate sales market, including the platform's ability to address transparent offer management needs of Triangle MLS's Subscribers and consumers across North Carolina.

Pilot with Bridge MLS, Inc. Northern CA

On 19 May 2022, the Company entered into a Pilot Agreement with bridgeMLS, Inc. in northern California (**Bridge MLS**). The pilot program is designed to integrate the Openn platform with Bridge MLS and its members and prepare for commercial launch. The agreement is through the Company's wholly owned subsidiary, Openn NA.

The Bridge MLS pilot is targeting transaction readiness in the September quarter, with first live transactions in the December 2022 quarter.

Pilot with Beaches MLS

On 24 June 2022, the Company entered into a Pilot Agreement with Broward, Palm Beaches and St. Lucie Realtors®, Inc. (**Beaches MLS**) who serves more than 41,000 real estate professionals in South Florida. The pilot program is designed to integrate the Openn platform with Beaches MLS and its members and prepare for commercial launch. The agreement is through the Company's wholly owned subsidiary, Openn NA.

The Beaches MLS pilot is targeting transaction readiness in the December quarter, with first live transactions in the March 2023 quarter

International expansion

Further, the Group has received unsolicited interest in the Openn Negotiation Process and the Platform from other regions, including Europe, Southeast Asia, and South Africa. However, at the date of this report, discussions with counterparties have not commenced.

Collaborative arrangements

Openn continues to explore opportunities to establish collaboration arrangements, strategic alliances or joint ventures with businesses which provide complementary services to the Group's customers, such as banks/financiers, settlement agents/conveyancers, insurers, removalists etc.

Core data services

Explore potential to expand the Openn business to provide data and technology services to intermediaries, banks, property developers and investors, information vendors and software developers to help them make informed decisions, offer services to their clients.

The Platform captures significant and potentially valuable market data from sale transactions. This allows for the potential development of real time lead indicators for both market depth and direction.

Complementary services

Explore third party products/services which the Openn Business may provide to customers as an authorised licensee/distributor.

REMUNERATION REPORT (AUDITED)

This remuneration report, which has been audited, outlines the remuneration arrangements in place for the key management personnel of the consolidated entity (**Group**), being Openn Negotiation Limited **(Openn** or **Company**) and its controlled entities, for the year ended 30 June 2022.

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

REMUNERATION CONSULTANT

No remuneration consultants have been used during the year.

FINANCIAL MEASURES

The following table shows the gross revenue, losses and share price of the Consolidated Entity at the end of the respective financial years.

	30 June 2022	30 June 2021
	$	$
Revenue from continuing operations	1,178,732	1,046,683
Net loss	(8,031,233)	2,074,900
Share price	$0.17	N/A[1]

Note:
1. The Company was unlisted prior to 21 July 2021.

KEY MANAGEMENT PERSONNEL

(i) Directors

Wayne Zekulich	Non–Executive Chairperson	(appointed Non – Executive Chairperson 24 April 2021)
Peter Gibbons	Managing Director	(appointed executive director 11 May 2016 and managing director on 11 May 2016)
Duncan Anderson	Executive Director	(appointed 15 September 2020)
Darren Bromley	Executive Director	(appointed 12 February 2018)
Danielle Lee	Non–Executive Director	(appointed 3 March 2021)

(ii) Executives

Darren Bromley	Chief financial officer	(appointed 7 May 2021)
Duncan Anderson	Chief technical officer	(appointed 7 May 2021)
Sean Adomeit	Chief executive officer (Au/NZ)	(appointed 14 February 2022)
Eric Bryant	Director of Operations (North America)	(appointed 9 September 2021)

REMUNERATION POLICY

The Consolidated Entity's policy for determining the nature and amount of remuneration of board members and senior executives is as follows:

The Board has established a remuneration committee to assist the Board to discharge its obligations with respect to:
- appointment, induction, development, evaluation and retirement of directors;
- remuneration policy for non–executive directors;
- reviewing and making recommendations on the remuneration of executive directors, managing director/chief executive officer and senior executives;
- reviewing and approving executive remuneration policy to enable us to attract and retain executives to create value for us and to ensure the policy demonstrates a relationship between executive performance and remuneration; and
- review our policies for the recruitment, retention, remuneration, incentivisation and termination of managers.

The committee is also responsible for administering incentive plans (including any equity plans). In addition, the committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and ensuring that adequate succession plans are in place. Independent advice will be sought where appropriate.

Members of the remuneration committee are: Danielle Lee (chair), Wayne Zekulich and Duncan Anderson. The Company did not use any remuneration consultants during the year.

REMUNERATION POLICY (continued)

Non–Executive Directors

The Constitution provides that directors may be paid for their services as directors and the directors may determine the entitlement of each director to remuneration out of the Openn's funds.

The Constitution also provides that, if shareholders at a general meeting have fixed a limit on the amount of remuneration payable to the non–executive directors, the total remuneration for all non–executive directors must not exceed that limit in a financial year. At the date of this prospectus, a remuneration limit has not been set by shareholders.

A director may be paid fees or other amounts as the directors determine, where a director performs duties or provides services outside the scope of their normal duties. A director may also be reimbursed for out–of–pocket expenses incurred as a result of their directorship or any special duties.

The directors have resolved that fees payable to the non–executive chairperson is $60,000 per year (ex GST) and the non–executive director for all board activities is to receive $40,000 per year (ex GST).

Executive Directors

All executive directors receive an annual salary that includes directors' fees of $40,000 per year (ex GST).

Company secretary

The Company secretary receives an annual salary that includes annual fees of $30,000 per year (ex GST).

Key management personnel

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the size and nature of a growth business. The framework aligns executive reward with achievement of strategic growth objectives with a view to creating value for shareholders, and considers market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness, enabling the company to attract high calibre executives and retain key talent;
- Transparency and acceptability to shareholders;
- Performance linkage / alignment of executive compensation to key strategic goals on a case by case basis;
- Capital management and a focus on sustained growth in shareholder wealth;
- Rewards capability and experience;
- Provides a clear structure for earning rewards via the Openn Negotiation Limited Equity Incentive Plan; and
- KPIs are not used to determine remuneration.

BASE PAY AND BENEFITS

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non–financial benefits at the Board's discretion. Executives are offered a competitive base pay that comprises the fixed component of pay and rewards via the Openn Negotiation Limited Equity Incentive Plan.

Base pay is reviewed annually to ensure the executives' pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any executive's contracts.

No benefits other than in this remuneration report are paid to Directors or management except as incurred in normal operations of the business.

INCENTIVE COMPENSATION

Short term incentives

No benefits other than remuneration disclosed in the remuneration report are paid to Directors or management except as incurred in normal operations of the business. Incentive compensation can be provided using a combination of the Openn Negotiation Limited Equity Incentive Plan and short–term cash payments.

INCENTIVE COMPENSATION (continued)

Long term incentives

The Openn Negotiation Limited Equity Incentive Plan (**Plan**) is designed to provide medium and long term incentives for all Eligible Persons as defined under the Plan, and to attract and retain experienced board members, executive officers, employees and contractors, and provide motivation to make the Group more successful.

The Plan is designed to provide incentives for Eligible Persons to deliver optimal shareholder returns. Under the Plan, Eligible Persons may be offered Awards as defined under the Plan. To date, Eligible Persons have been granted Performance Rights which vest if certain performance hurdles are met including continued service by the recipients, unless the Board determines otherwise. Participation is at the Board's discretion pursuant to the acceptance of an offer of Awards made to an Eligible Person. No individual has a contractual right to receive any guaranteed benefits.

Where Awards have been issued under the Plan, the Board may vest some or all of those Awards even if a Performance Hurdle or other Vesting Condition has not been satisfied. There are no other Long–Term incentives.

Awards granted to Eligible Persons are considered to represent the value of the services received over the term of the Award. The assessed value of the Award is recognised and expensed over the term of the Award. Rights vesting during the period of issue are fully expensed under the accounting standards.

Other than Performance Rights disclosed in the remuneration report there have been no other Awards issued to Directors or Key Management Personnel at the date of this financial report.

The relative proportions of executive and applicable non–executive remuneration that are linked to performance is nil. The amount of fixed and at risk remuneration is set out below:

	Fixed Remuneration	At risk LTI	Fixed Remuneration	At risk LTI
	2022	**2022**	2021	2021
			$	$
Directors and Key Management Personnel				
Wayne Zekulich	66,000	15,616	12,129	–
Peter Gibbons	306,626	169,172	177,053	–
Duncan Anderson	232,245	117,119	28,976	–
Darren Bromley	212,018	80,682	99,646	–
Danielle Lee	44,000	10,411	14,319	–
Sean Adomeit	242,700	93,695	192,516	2,936
Eric Bryant	261,696	–	–	–

SERVICE AGREEMENTS

There are no retirement allowances or other benefits paid to non–executive directors.

Remuneration and terms of employment for other key management personnel are formalised in consultancy and/or employment agreements. The major provisions relating to remuneration to existing directors are set out below.

Peter Gibbons, Managing Director
- Term of agreement – indefinite;
- Base fee of $240,000 per annum;
- Directors' fees of $40,000 per annum;
- Superannuation is payable under the agreement (10.5% from 1 July 2022);
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only;
- Participation in the Openn Negotiation Limited Equity Incentive Plan is available subject to board discretion; and
- Contract may be terminated early by the Company with three months' notice, or by the executive with three months' notice.

Duncan Anderson, Chief Technology Officer
- Term of agreement – indefinite;
- Base fee of $176,000 per annum (4 days per week);
- Directors' fees of $40,000 per annum;
- Superannuation is payable under the agreement (10.5% from 1 July 2022);
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only;
- Participation in the Openn Negotiation Limited Equity Incentive Plan is available subject to board discretion; and
- Contract may be terminated early by the Company with three months' notice, or by the executive with three months' notice.

SERVICE AGREEMENTS (continued)

Darren Bromley, Chief Financial Officer
- Term of agreement – indefinite;
- Base fee of $120,000 per annum (3 days per week) ($160,000 per annum (4 days a week) effective 1 July 2022);
- Directors' fees of $40,000 per annum;
- Company Secretarial fees of $30,000 per annum;
- Superannuation is payable under the agreement (10.5% from 1 July 2022);
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only;
- Participation in the Openn Negotiation Limited Equity Incentive Plan is available subject to board discretion; and
- Contract may be terminated early by the Company with three months' notice, or by the executive with three months' notice.

Sean Adomeit, Chief Executive Officer (AU/NZ)
- Term of agreement – indefinite;
- Base fee of $240,000 per annum;
- Superannuation is payable under the agreement (10.5% from 1 July 2022);
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only;
- Participation in the Openn Negotiation Limited Equity Incentive Plan is available subject to board discretion; and
- Contract may be terminated early by the Company with three weeks' notice, or by the executive three weeks' notice.

Eric Bryant, Director of Operations (North America)
- Term of agreement – 1 September 2021 – 1 September 2023, automatically renewed for one successive year, unless terminated;
- Base fee of US$185,000 per annum;
- Insurance Benefits – US$15,600 per annum;
- Car allowance – US$6,360 per annum;
- Performance based benefits may be payable under the agreement and may be linked to individual performance outcomes only;
- Participation in the Openn Negotiation Limited Equity Incentive Plan is available subject to board discretion; and
- Contract may be terminated early by the Company with the remaining portion of the agreement being paid out on early termination.

TERMINATION BENEFITS

Post–employment benefits includes only long service leave which is accrued for Australian domiciled executive staff when they reach 3 years of consecutive service. No other termination benefits are payable.

EMPLOYEE INCENTIVE PLAN

The Company has established the Openn Negotiation Limited Equity Incentive Plan (**Plan**) under which the Board of Directors are able to offer securities in the Company to Eligible Persons.

The Company has established the Plan with the following objectives:

i. to establish a method by which Eligible Persons can participate in the future growth and profitability of the Company through holding of equity interests in the Company;
ii. to provide an incentive and reward for Eligible Persons for their contributions to the Company;
iii. to attract and retain a high standard of executive, managerial, technical and other personnel for the benefit of the Company; and
iv. to align the interests of the Eligible Persons more closely with the interests of Shareholders, by providing an opportunity for Eligible Persons to hold an equity interest in the Company.

REMUNERATION TABLE

2022 remuneration table has been set out below.

	Cash Salary & fees[1]	Non–cash benefits	Super–annuation	Long Term Benefits	Annual Leave Balance	Security–based payments[2]	Total	Remunera-tion linked to performance
	$	$	$	$	$	$	$	%
2021/2022								
Directors/Key Management Personnel								
Wayne Zekulich	60,000	–	6,000	–	–	15,616	81,616	19
Danielle Lee	40,000	–	4,000	–	–	10,411	54,411	19
Peter Gibbons	280,000	–	28,000	–	–1,373	169,172	475,799	36
Duncan Anderson	207,538	–	20,754	–	3,953	117,119	349,364	34
Darren Bromley	190,000	–	19,000	–	3,018	80,682	292,700	28
Sean Adomeit[3]	214,923	–	21,492	–	6,286	93,695	336,396	28
Eric Bryant[4]	207,428	36,253	–		18,015	–	261,696	–
	1,199,889	36,253	99,246	–	29,899	486,695	1,851,982	

Notes:
1. Amounts paid or payable
2. The annual value of rights in accordance with AASB 2 Share–Based Payment
3. Mr Adomeit was appointed as chief executive officer Australia and New Zealand on 14 February 2022
4. Mr Bryant was appointed as Director of Operations (North America) on 9 September 2021

2021 remuneration table has been set out below.

	Cash Salary & fees[1]	Non–cash benefits	Super–annuation	Long Term Benefits	Annual Leave Balance	Security–based payments[6]	Total	Remunera-tion linked to performance
	$	$	$	$	$	$	$	%
2020/2021								
Directors/Key Management Personnel								
Wayne Zekulich[2]	11,077	–	1,052	–	–	–	12,129	–
Danielle Lee[3]	13,077	–	1,242	–	–	–	14,319	–
Peter Gibbons	161,692	–	15,361	–	15,088	–	192,141	–
Duncan Anderson[4]	26,462	–	2,514	–	2,036	–	31,012	–
Darren Bromley[5]	96,869	–	2,777	–	2,249	–	101,895	–
Sean Adomeit[7]	175,814	–	16,702	–	6,144	2,936	201,596	–
	484,991	–	39,648	–	25,517	2,936	553,092	–

Notes:
1. Amounts paid or payable
2. Mr Zekulich was appointed as a director on 24 April 2021
3. Ms Lee was appointed as a director on 3 March 2021
4. Mr Anderson was appointed as a director on 15 September 2020
5. Mr Bromley received consulting fees of $67,638 before commencing as the chief financial officer on 7 May 2021
6. The annual value of options in accordance with AASB 2 Share–based Payment
7. Mr Adomeit was appointed as chief operating officer on 5 November 2018

Mr Glover and Mr Clements resigned as directors of the Company on 3 February 2021 and Mr Bonadeo resigned as a director of the Company on 7 September 2020. These directors did not receive any compensation during the year ended 30 June 2021.

The value at grant date is calculated in accordance with AASB 2 Share–Based Payment. The fair value is based on the inputs and methodology as outlined in note 14 to the annual financial report. The assessed fair value at grant date of options granted to the individual is allocated equally over the period from grant date to expected vesting date, and the amount is included in the remuneration tables above. Fair values of options have been determined based on the Black Scholes Option Pricing Model.

DETAILS OF REMUNERATION: SHARE BASED COMPENSATION BENEFITS

The Company issued rights in July 2021 as follows:

	Number of Rights granted	Value of Rights at grant date*	Number of Rights vested during the year	Value of Rights at vesting date*	Number of Rights lapsed during the year	Value at lapse date
	Number	$	Number	$	Number	$
Directors and Executive of the Company						
Wayne Zekulich	300,000	42,080	–	–	–	–
Danielle Lee	200,000	28,053	–	–	–	–
Peter Gibbons	3,250,000	455,861	–	–	–	–
Duncan Anderson	2,250,000	315,596	–	–	–	–
Darren Bromley	1,550,000	217,411	–	–	–	–
Sean Adomeit	1,800,000	252,477	–	–	–	–
Eric Bryant	–	–	–	–	–	–
	9,350,000	1,311,478	–	–	–	–

*The value at grant date is calculated in accordance with AASB 2 Share–based payment. The fair value is based on the inputs and methodology as outlined in note 14 to the annual financial report.

DETAILS OF REMUNERATION: SHARE BASED COMPENSATION BENEFITS

The assessed fair value at grant date of rights granted to the individual is allocated equally over the period from grant date to expected vesting date, and the amount is included in the remuneration tables above. Fair values of rights have been determined based on Monte Carlo statistical model for share price and barrier option pricing model. The table below shows the vesting period of the rights:

Share–based compensation benefits (rights)

	Year granted	Vested	Forfeited	Financial years in which rights vest	Maximum total value of rights granted yet to vest
		%	%		%
Wayne Zekulich	2021	–	–	(50%) 2023 (50%) 2026	100%
Danielle Lee	2021	–	–	(50%) 2023 (50%) 2026	100%
Peter Gibbons	2021	–	–	(50%) 2023 (50%) 2026	100%
Duncan Anderson	2021	–	–	(50%) 2023 (50%) 2026	100%
Darren Bromley	2021	–	–	(50%) 2023 (50%) 2026	100%
Sean Adomeit	2021	–	–	(50%) 2023 (50%) 2026	100%

The Company issued options in 2018 as follows:

	Number of options granted	Value of options at grant date*	Number of options vested during the year	Value of options at vesting date*	Number of options lapsed during the year	Value at lapse date
	Number	$	Number	$	Number	$
Executive of the Company						
Sean Adomeit	282,120	23,490	282,120	23,490	–	–
	282,120	23,490	282,120	23,490	–	–

*The value at grant date is calculated in accordance with AASB 2 Share–based payment. The fair value is based on the inputs and methodology as outlined in note 14 to the annual financial report.

The assessed fair value at grant date of options granted to the individual is allocated equally over the period from grant date to expected vesting date, and the amount is included in the remuneration tables above. Fair values of options have been determined based on the Black Scholes Option Pricing Model. The table below shows the vesting period of the options.

Share–based compensation benefits (options)

	Year granted	Vested	Forfeited	Financial years in which options vest	Maximum total value of options granted yet to vest
		%	%		%
Sean Adomeit[1]	2018	100	–	2021	–

Notes:
1. Mr Adomeit was issued with options on 31 December 2018. The vesting period was 2 years from the date of issue.

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

RELATED PARTY TRANSACTIONS

The Consolidated Entity was party to the following related party transactions during the year.

(a) Loans to key management personnel

There were no loans to key management personnel during the year

(b) Transactions with key management personnel

Other than the Performance Rights listed above, no other related party transactions have occurred in the year ended 30 June 2022.

SHAREHOLDINGS

The number of shares in the Company held during the financial year by each director and key management personnel of the Company including their personally related parties, is set out below:

Ordinary Shares 2022	Balance at beginning of year	Issued on exercise of rights	Purchased or acquired[1]	Other changes	Balance at end of year or date of resignation
Directors					
Wayne Zekulich	–	–	300,000	–	300,000
Danielle Lee	–	–	100,000	–	100,000
Peter Gibbons	25,210,182	–	100,000	–	25,310,182
Duncan Anderson	1,275,833	–	120,000	–	1,395,833
Darren Bromley	908,872	–	365,000	–	1,273,872
Sean Adomeit	282,120	–	–	–	282,120
Eric Bryant	–	–	–	–	–
Total	27,677,007	–	985,000	–	28,662,007

Notes:
1. On–market and off–market purchases and trades.
2. Held directly and indirectly by the directors or their associates

RIGHTS

The number of Rights in the Company held during the financial year by each director and key management personnel of the Company including their personally related parties, is set out below:

Performance Rights 2022	Balance at beginning of year	Granted as compensation	Rights vested to shares[1]	Other changes	Balance at end of year[2]
Directors					
Wayne Zekulich[1]	–	300,000	–	–	300,000
Danielle Lee[1]	–	200,000	–	–	200,000
Peter Gibbons[2]	–	3,250,000	–	–	3,250,000
Duncan Anderson[1]	–	2,250,000	–	–	2,250,000
Darren Bromley[1]	–	1,550,000	–	–	1,550,000
Sean Adomeit	–	1,800,000	–	–	1,800,000
Eric Bryant	–	–	–	–	–
Total	–	9,350,000	–	–	9,350,000

Notes:
1. Class A Performance Rights.
2. Class B Performance Rights.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED

OPTION HOLDINGS

The Company had the following options on issue at the date of this report:

Number of options	Grant date	Exercise Price	Expiry date
2,934,519	20-Jan-21	$0.24	20-Jan-25
5,000,000	14-Apr-22	$0.35 (9mths) $0.35 (+9mths<18mths) $0.65 (+18mths<24mths)	14-Apr-24
10,000,000	14-Apr-22	>of $0.35 or 30% 10 day VWAP	14-Apr-24

Shares issued during or since the end of the year as a result of exercise

No options have been exercised during the financial year.

PERFORMANCE RIGHTS

As at the date of this report, the Company has the following rights over unissued ordinary shares of the Company under Openn Negotiation Limited Equity Incentive Plan.

Performance Rights	Number of rights	Grant date	Exercise Price	Expiry date
Class A performance rights	12,349,000	13 July 2021	Nil	5 years from grant date
Class B performance rights	3,250,000	13 July 2021	Nil	5 years from grant date

VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

All resolutions were approved via poll at the Company's AGM held on 30 November 2021. The Company listed on the ASX on 21 July 2021 and did not have an AGM in the prior year.

ENVIRONMENTAL REGULATION

The Directors are not aware of any particular and significant environment regulation under a law of the Commonwealth, State or Territory relevant to the Group.

CORPORATE GOVERNANCE

The Company's corporate governance statement can be found on the Company's website, in a section titled 'Corporate Governance': www.hello.openn.com.au/investor.

INDEMNIFICATION AND INSURANCE OF DIRECTORS

Indemnification

The Company has agreed to indemnify the Directors and Company Secretary of the Group against all liabilities to another person (other than the Company or any related body corporate) that may arise from their position as Directors and Company Secretary of the Group, except where the liability arises out of conduct involving a lack of good faith.

The Company has also agreed to cover any liability for costs and expenses incurred in successfully defending civil or criminal proceedings, or in connection with a successful application for relief under the *Corporations Act 2001 (Cth)* (**Corporations Act**). It also provides indemnity against costs and expense s in connection with an application where a court grants relief to a Director under the Corporations Act.

Insurance premiums

The Company paid a premium, during the year in respect of a director and officer liability insurance policy, insuring the Directors of the Group, the Company Secretary, and executive officers of the Group against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

EVENTS SUBSEQUENT TO REPORTING DATE

On 12 July 2022 the Company announced the issue of 20,000,000 fully paid ordinary shares at an issue price of $0.15 to raise $3 million (before costs).

On 5 August 2022 the Company announced the issue of 6,506,639 fully paid ordinary shares at an issue price of $0.15 to raise $0.976million (before costs).

On 11 August 2022 the Company announced the issue of 3,466,667 fully paid ordinary shares at an issue price of $0.15 to raise $0.52 million (before costs).

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act is set out on page 24.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.

Wayne Zekulich
Non–Executive Chairperson

Dated this 30th of August 2022

AUDITOR'S INDEPENDENCE DECLARATION

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Openn Negotiation Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 August 2022

B G McVeigh
Partner

hlb.com.au

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note	2022 $	2021 $
Continuing operations			
Revenue	3	1,178,732	1,046,683
Other income	3	376	63,522
Advertising and marketing expenses		(330,608)	(456,644)
Employment expenses	3	(4,345,075)	(1,571,749)
Consulting expenses		(708,568)	(145,071)
General and administration expenses	3	(3,228,868)	(580,014)
Occupancy costs		(42,368)	(29,485)
Financing expenses		(3,775)	(39,246)
Technology expenses		(551,079)	(362,896)
(Loss) before income tax		**(8,031,233)**	**(2,074,900)**
Income tax (expense) / benefit	4	–	–
(Loss) from continuing operations		**(8,031,233)**	**(2,074,900)**
Other comprehensive income			
Items that may be realised through profit or loss			
Exchange differences on translation of foreign operations		20,204	–
Other comprehensive loss for the period, net of tax		**20,204**	**–**
Total comprehensive loss attributable to owners of the Company		**(8,011,029)**	**(2,074,900)**
Owners of the Company		**(8,011,029)**	**(2,074,900)**
Loss per share attributed to the owners of the Company:			
Basic (loss) per share (cents per share)	23	**(4.21)**	**(1.51)**
Diluted (loss) per share (cents per share)	23	**(4.21)**	**(1.51)**

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	5	2,619,179	566,370
Other receivables and assets	6	206,023	290,120
Total current assets		**2,825,202**	**856,490**
Non-current assets			
Plant and equipment	7	84,430	102,457
Intangible assets	9	1,728,519	1,215,306
Other receivables	8	66,197	16,142
Total non-current assets		**1,879,146**	**1,333,905**
TOTAL ASSETS		**4,704,348**	**2,190,395**
Current liabilities			
Trade and other payables	10	876,660	755,604
Borrowings	12	–	25,000
Lease liability	11	14,793	37,832
Total current liabilities		**891,453**	**818,436**
Non-current liabilities			
Lease liability	11	–	48,435
Total non-current liabilities		**–**	**48,435**
TOTAL LIABILITIES		**891,453**	**866,871**
NET ASSETS		**3,812,895**	**1,323,524**
Equity			
Issued capital	13	16,860,836	7,933,910
Reserves	14	1,624,921	31,243
(Accumulated losses)		(14,672,862)	(6,641,629)
TOTAL EQUITY		**3,812,895**	**1,323,524**

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Consolidated					
	Issued Capital	Accumulated Losses	Option Reserve	Share based Payment Reserve	Foreign Currency Reserve	Total Equity
Balance at 1 Jul 2021	$	$	$	$	$	$
Balance at the beginning of the year	7,933,910	(6,641,629)	31,243	–	–	**1,323,524**
Issue of shares (net of costs)	8,926,926	–	–	–	–	**8,926,926**
Issue of performance rights	–	–	–	756,467	–	**756,467**
Issue of options to MLS	–	–	817,007	–	–	**817,007**
Total comprehensive income						
(Loss) for the year	–	(8,031,233)	–	–	–	**(8,031,233)**
Other comprehensive income						
Movement in reserves	–	–	–	–	20,204	**20,204**
Total comprehensive (loss) / income for the year	–	(8,031,233)	–	–	20,204	**(8,011,029)**
Balance as at 30 Jun 2022	**16,860,836**	**(14,672,862)**	**848,250**	**756,467**	**20,204**	**3,812,895**

	Consolidated				
	Ordinary Shares	Accumulated Losses	Option Reserve	Share based Payment Reserve	Total Equity
Balance at 1 Jul 2020	$	$	$	$	$
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)
Other comprehensive income					
Movement in reserves	–	–	–	–	–
Total comprehensive (loss) for the year	–	(2,074,900)	–	–	(2,074,900)
Balance as at 30 Jun 2021	**7,933,910**	**(6,641,629)**	**31,243**	**–**	**1,323,524**

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		1,242,508	1,255,001
Payments to suppliers and employees		(7,242,292)	(2,906,507)
Interest paid		(6,587)	(39,246)
Income tax – R&D incentive received		–	265,597
Government assistance		–	63,522
Net cash (used in) operating activities	22	**(6,006,371)**	**(1,361,633)**
Cash flows from investing activities			
Payments for property, plant and equipment		(76,136)	(12,385)
Payment for technology costs		(689,283)	(423,052)
Cash received on acquisition of entity	26	–	1,346
Payment for security deposits		(46,576)	–
Net cash (used in) investing activities		**(811,995)**	**(434,091)**
Cash flows from financing activities			
Proceeds from issue of shares		9,412,031	2,447,264
Payment of issue costs		(485,105)	(71,292)
Repayment of borrowings	12	(25,000)	(343,900)
Repayment of lease liability	11	(30,751)	(30,460)
Net cash provided by financing activities		**8,871,175**	**2,001,612**
Net increase in cash and cash equivalents		**2,052,809**	**205,888**
Cash and cash equivalents at the beginning of the year		**566,370**	**360,482**
Cash and cash equivalents at the end of the year	5	2,619,179	**566,370**

The accompanying notes form part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report for the year ended 30 June 2022 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 financial statements were authorised for issue by the Directors on 30 August 2022.

a. Basis of preparation

These general purpose financial statements have 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 statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, 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. Going concern

The going concern concept relates to the assessment of the Company's ability to continue its operations (and pay its debts when they fall due) for the next 12 months from the date when the directors sign the annual report.

The Company has incurred a consolidated net loss of $8,031,233 and net operating cash outflows of $6,006,371 for the year ended 30 June 2022. The Company's management have prepared a cash flow forecast for the period to December 2023 for its operations including funding for the continued expansion into the North America real estate market and further development and customisation of its proprietary technology. The forecast includes several assumptions about the revenue generated from the use of the technology in various locations, and the staffing requirements for an accelerated commercial launch in North America.

In the event that these revenue streams are not generated in the quantum and timing estimated in the forecast, and staffing requirements in the USA and Canada are higher than anticipated, the Company will require additional funding within the next twelve months.

The directors assessed whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- The Company has access to the use of cash reserves of $2,619,179 as at 30 June 2022 ($566,370 as at 30 June 2021).
- The Company has the ability to adjust its North American expansion strategy to conserve cash.
- The Company has raised approximately $4.5mill (before cost) subsequent to 30 June 2022.
- The directors also anticipate the support of its major shareholders and are confident in the Company's ability to raise an appropriate level of funding to execute its plans and continue its activities.

Current assessment of going concern

The annual report has been prepared on a going concern basis taking into account the factors outline in the directors' assessment above.

Should the Company be unable to secure additional funding, it results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business at amounts stated in the annual report.

The annual report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

The Company's auditors have referred to this section when completing their report on the Company's annual report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Openn Negotiation and its subsidiaries. The subsidiary is an entity the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of the subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of the subsidiary have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopt by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in the subsidiary and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

d. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the full Board of Directors. During the year the Company added a second segment "USA" representing a new market opportunity which has a different regulatory and compliance regime. The technology has been updated to operate over both segments.

e. Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

f. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade and other receivables is reviewed on an ongoing basis. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Clients with heightened credit risk are provided for specifically based on historical default rates and forward looking information. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate (%)
Plant and equipment	10 – 33

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (**FVOCI**); and
- fair value through profit or loss (**FVPL**).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Financial instruments (continued)

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

i. Trade and other payables

Trade payables and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

j. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss & Other Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Company operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. The fair value of performance incentives is determined using the satisfaction of certain performance criteria (Performance Milestones). The number of instruments expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The fair value is determined using an appropriate valuation methodology based on the type of share-based payment.

Share based payments

The fair value of instruments granted under the employee share and option plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

n. Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

o. Leases

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company must assess whether the contract meets three key evaluation which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from the use of the identified asset through the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct "how and for what purpose' the asset is used throughout the period of use.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Leases (continued)

Measurement and recognition of lease as a lease

At the commencement of the lease, the Company recognises a right to use asset and a lease liability on the balance sheet. The right to use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial costs incurred by the Group, an estimate of any cost to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement dates.

The Company depreciates the right-of-use-assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of the fixed payments, variable payments based on an index and amounts expected to be payable under a residual value guarantee. Payments which are subject to an option will only be included if there is strong objective evidence to suggest that option will be exercised

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset has been reduced to zero.

The Group has elected to account for short term leases and leases of low value asset using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit and loss on a straight line basis over the lease term.

On the statement of financial position, the right-of-use asset has been included in property, plant and equipment and the lease liability has been classified separately.

p. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q. Revenue

The Group owns and operates a technology platform which allows users to list properties for sale on the platform. Payment for the transactions occurs immediately when the client purchases an upload. The Group recognises revenue over the expected time period that the client uses the technology. The Group's obligations cease at the end of the expected time period and no further obligations exist. The Group also provides training and marketing material for client sales. The revenue for these ancillary and separate services is recognised when the service is complete.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Intangible assets

Technology development

Costs associated with developing the Company's technology platform programmes are recognised as an asset as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use; and
- management intends to complete the software and use or sell it; and
- it can be demonstrated how the software will generate probable future economic benefits; and
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs.

Costs associated with maintaining the technology platform are recognised as an expense as incurred.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The Company amortises intangible assets with limited useful lives using the straight-line method over the following periods:

Class of fixed asset	Useful Life
Technology development	8 years
Patents	20 years
Trademarks	10 years
Website	8 years

Patents, trademarks and website assets

These costs are capitalised when incurred. They have a finite life and are carried at cost less any accumulated amortisation.

Intangible assets are assessed for impairment where there are indicators that the assets may be impaired.

s. Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

t. New and revised accounting standards adopted by the Company

The Group's assessment of the impact of these new standards and interpretations and the impact is not considered material.

u. New and revised accounting standard for application in future periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Company. The Company has assessed the impact of these new standards and has determined that there is no material impact on the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Critical accounting judgements and key sources of estimations

(i) Share Based Payments

The Company has undertaken option valuation calculations taking into account the facts and circumstances that existed at the time of the valuations. Any changes in these facts and circumstances may result in the option valuations being materially different to the final outcome (refer note 14 for further details).

(ii) Intangible assets

The Company has estimated the useful life of the intangible assets taking into account the types of assets it has acquired. The assessment of expected useful lives is based on the evaluation of similar assets in the market place, the expected life cycle of the asset (or term of the contract) and the chief technology officer's assessment of the assets. Information, facts and circumstances may come to light in subsequent periods which requires the asset to be amortised over a different useful life, or alternatively impaired or written down for which the directors were unable to predict the outcome at balance date (refer note 1(r) for further details).

(iii) Taxation

Deferred tax assets are recognised for deductible temporary differences and taxation losses when the directors consider that it is probable that sufficient future tax profits or costs will be available to utilise those temporary differences and losses. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next few years together with future tax planning strategies. There are significant variables relating to generating taxable profits in the future and whilst the directors take care in assessing the current available information, by its nature any forecast may be materially different to the final actual outcome (refer note 4 for further details).

(iv) Revenue

The Company recognises revenue over time where the contract with the client allows access to the technology for the length of a advertised listing. The Company recognises this revenue based on an expected average days to completion method taking into account the average days which it takes to sell a property using the technology. This method is consistently revised as days on the market shifts with market conditions but represents a significant judgement relating to recognition revenue.

2. SEGMENT INFORMATION

In the prior period, the Company had one segment, real estate in Australia. During this period the Company has established a geographical location in the USA. The results, assets and liabilities are listed below.

	30 June 2022			30 June 2021		
	Australia	USA	Total	Australia	USA	Total
Results Profit / (loss)	(6,029,081)	(2,002,152)	(8,031,233)	(2,074,900)	–	(626,524)
Assets	4,405,859	298,489	4,704,348	2,190,395	–	2,190,395
Liabilities	(813,650)	(77,803)	(891,453)	(866,871)	–	(866,871)
Non-current asset additions	461,980	83,260	545,240	1,219,326	-	1,219,326

3. LOSS FROM CONTINUING OPERATIONS

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

	2022	2021
	$	$
(a) Revenue		
Website and associated sales	1,177,560	1,044,469
Marketing sales	893	2,186
Interest revenue	279	28
	1,178,732	1,046,683

Revenue from contracts with customers

The Group derives revenue from the following sources:
(i) providing access to its technology platform;
(ii) providing training services to use the platform; and
(iii) providing marketing support for customers that use the technology platform;

Revenue from these activities is recognised for technology over time (at the expected completion of the listing based on average listing days) and for services at a point in time once the customer received the service.

The Group does not have a significant concentration of customers and no customer represents over 10% of its business.

The Group does not have any expected credit losses in relation to its customer as historically the Group receives all of its cash up front or within 30 days of month end. There is no history of default with the Group's customers.

	2022	2021
	$	$
(b) Other income		
Government assistance	–	63,522
Profit on disposal of asset	376	–
	376	63,522
(c) Expenses – Employment expenses		
Salary and wages	2,985,136	1,370,541
Other personnel costs	263,329	8,568
Superannuation	271,436	131,521
Increase in leave liabilities	68,707	58,183
	3,588,608	1,568,813
Share-based payment expense	756,467	2,936
TOTAL	**4,345,075**	**1,571,749**
(d) Expenses – General and administration costs		
ASX fees	118,263	22,994
Accounting and taxation expenses	144,914	68,695
Audit fees	52,500	44,292
Depreciation and amortisation expenses	295,328	172,400
Legal expenses	380,551	–
Insurance expenses	170,222	5,971
Partnership expenses	1,225,778	30,233
Travel expenses	222,430	4,662
Sales expenses	164,721	116,817
Other administration expenses	454,161	113,950
	3,228,868	**580,014**

4. INCOME TAXES

Income tax recognised in profit or loss

	2022	2021
	$	$
(a) Income tax expense comprises:		
Current tax expense	–	–
Deferred tax expense relating to the origination and reversal of temporary differences	–	–
Total tax (expense) / benefit	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(8,031,233)	(2,074,900)
Prima facie tax benefit at the Australian tax rate (2022: 25%, 2021: 26.0%)	(2,007,808)	(539,474)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible (taxable)	506,421	18,132
Non-assessable income	–	(17,471)
Movements in unrecognised temporary differences	(42,549)	16,398
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,411,126	522,415
Effect of different tax rates (including change to rates)	132,810	–
Income tax benefit	**–**	**–**
(c) Unrecognised deferred tax balances		
Deferred Tax Assets (2022: 25%, 2021: 25%)		
Accrued expenses	17,132	17,171
Annual leave liability	30,863	27,403
Superannuation payable	7,306	12,309
Capital raising costs (equity)	111,149	47,909
Carry forward revenue and capital tax losses	2,693,320	1,151,791
	2,859,770	**1,256,583**

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

	2022	2021
	$	$
Cash at bank and on hand [(1) (2)]	2,619,179	566,370
	2,619,179	**566,370**

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

6. CURRENT ASSETS: OTHER ASSETS AND RECEIVABLES

	2022	2021
	$	$
GST receivables	26,763	22,466
Prepayments	114,910	238,719
Sundry receivables	64,350	28,935
	206,023	**290,120**

No receivables are considered past due. The Company has not provided for any expected credit losses in the current year (2021: nil)

7. NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT

	2022	2021
	$	$
Fixed assets		
Right of use assets – Property		
At cost	92,833	139,809
Less: Accumulated depreciation	(78,337)	(54,721)
	14,496	**85,088**
Office equipment		
At cost	116,895	38,194
Less: Accumulated depreciation	(46,961)	(20,825)
	69,934	**17,369**
Reconciliation of the movement for the year		
Carrying amount at beginning of year	102,457	98,437
Additions	78,702	12,385
New right of use asset (1)	2,397	30,492
Extinguishment of lease	(39,892)	–
Depreciation charge	(58,605)	(38,857)
Foreign currency movement	(629)	–
Carrying amount at end of year	**84,430**	**102,457**

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.

8. NON-CURRENT RECEIVABLES

	2022	2021
	$	$
Security deposit (1)	66,197	16,142
	66,197	**16,142**

1. The Company established a bank guarantee during the prior period which accumulates interest.

9. NON-CURRENT ASSETS: INTANGIBLE ASSETS

	2022	2021
	$	$
Intangible assets		
Technology assets		
At cost	2,136,585	1,386,650
Less: Accumulated amortisation	(465,468)	(232,379)
	1,671,117	**1,154,271**
Patents		
At cost	56,565	56,565
Less: Accumulated amortisation	(14,647)	(12,982)
	41,918	**43,583**
Trademarks		
At cost	30,095	30,095
Less: Accumulated amortisation	(16,877)	(16,042)
	13,218	14,053
Website		
At cost	9,065	9,065
Less: Accumulated amortisation	(6,799)	(5,666)
	2,266	3,399
TOTAL INTANGIBLES	**1,728,519**	**1,215,306**
Reconciliation of the movement for the year		
Carrying amount at beginning of year	1,215,306	–
Additions	749,936	423,052
Amounts acquired through asset acquisition (1)	–	874,772
Disposals	–	–
Amortisation charge	(236,723)	(82,518)
Carrying amount at end of year	**1,728,519**	**1,215,306**

1 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 26.

10. CURRENT LIABILITIES: TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Trade payables (1) (2)	425,099	416,719
Other payables	451,561	338,885
	876,660	**755,604**

1. No trade payables past due over 30 days as at 30 June 2022 (2021: $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

	2022	2021
	$	$
Leases liability		
Current liability	14,793	37,832
Non-current liability	–	48,435
TOTAL	**14,793**	**86,267**
Reconciliation of movements in the balance		
Opening balance	86,267	87,198
Amounts borrowed (recognised on transition)	–	–
Amounts recognised as new leases and changes in leases (1)	1,548	29,529
Lease relinquished during the period	(42,271)	
Less: amount repaid	(30,751)	(30,460)
Closing balance at end of period	**14,793**	**86,267**

1. Leases
   During the year, the Company had a rent review resulting in additional cost being added to the liability.

12. BORROWINGS

	2022	2021
	$	$
Borrowings		
Current borrowings	–	25,000
Non-current borrowings	–	–
TOTAL	**–**	**25,000**
Reconciliation/movement for the year		
Opening balance (1)	25,000	473,975
Amounts borrowed (3)		–
Amounts included in asset acquisitions (2)	–	343,900
Less: Amounts repaid (2)	(25,000)	(343,900)
Less: Debt converted into equity (3)	–	(500,000)
Less: Borrowing costs	–	–
Reduced by: amortisation of borrowing costs	–	51,025
Carrying amount at end of period (1)	**–**	**25,000**

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

The $25,000 loans were repaid on 7 September 2021.

2. Related party borrowings

During the prior period, 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 $343,900 loan was repaid on 15 February 2021.

3. Third party loans

During the prior period, 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 was deemed to be nil.

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

13. ISSUED CAPITAL

Equity 193,786,121 fully paid ordinary shares (2021: 146,725,964)

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

	Jun 2022	Jun 2021	Jun 2022	Jun 2021
	Number	Number	$	$
Balance at the beginning of the year	146,725,964	7,750,000	7,933,910	4,566,900
Share split [1]		117,250,011	–	–
Issue of shares on conversion of debt [2]		3,125,002	–	500,000
Issue of share for acquisition [3]		3,117,461	–	498,790
Issue of shares in a placement [4]		15,201,370	–	2,432,219
Issue of share on conversion of options [5]		282,120	–	15,045
Issue of shares on listing [6]	45,000,000	–	9,000,000	–
Issue of Share [7]	2,060,157	–	412,031	–
Share issue costs [8]	–	–	(485,105)	(79,044)
Total	**193,786,121**	146,725,964	**16,860,836**	7,933,910

The Company issued the following securities during the current and prior periods:
1. 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.
2. On 5 January 2021 the Company converted $500,000 of debt to shares at an issue price of $0.16 per share.
3. On 22 January 2021 the Company issued 3,117,461 to acquire 100% of the issued capital of Open World Pty Ltd. The acquisition has been set out in Note 26 below.
4. 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.
5. 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.
6. On 19 July 2021 the Company listed on ASX and issued 45,000,000 share at an issue price of $0.20 per share under a prospectus.
7. On 18 November 2021 the Company issued 2,060,157 shares at an issue price of $0.20 per share to sophisticated investors.
8. 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

	2022	2021
	$	$
Option reserves (a)	848,250	31,243
Share based payment reserve (b)	756,467	–
Foreign currency reserve	20,204	–
	1,624,921	**31,243**

(a) Share based payments – Options	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	Number	Number	$	$
Balance at the beginning of the period	2,934,519	17,523	31,243	20,554
Split of options during the period	–	264,597	–	–
Issue of options to employee [1]	–	–	–	2,936
Conversion of options	–	(282,120)	–	–
Issue of options to brokers [2]	–	2,934,519	–	7,753
Issue of Options to MLS CREA [3]	4,000,000	–	150,202	–
Issue of Options to MLS TRIANGLE [4]	1,000,000	–	3,755	–
Issue of Options to MLS CREA [5]	10,000,000	–	663,050	–
Balance as at period end	**17,934,519**	**2,934,519**	**848,250**	**31,243**

14. RESERVES (continued)

The Company issued the following securities during the prior periods.

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) Expiry 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 of 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 promotors of the Company as fees relating to a mandate to lead manage a capital raising for listing on the ASX. The options vested immediately and have been valued based on the value of the services provided being $7,753.
3. On 14 April 2022 the Company issued 4,000,000 options to external consultants which are exercisable at between $0.35 and $0.65 cents and expiring on 14 April 2024 as an incentive to execute a pilot programme using the Openn Technology. The fair value of the options was $0.0376 using an Black Scholes Pricing Model. The options vested immediately and have been valued based on the following inputs:
   (i) Grant date – 14 April 2022
   (ii) Expiry date – 14 April 2024
   (iii) Market price of securities – $0.205
   (iv) Exercise price of securities – $0.65
   (v) Risk free rate – 2.09%
   (vi) Volatility – 85.6%
4. On 14 April 2022 the Company issued 1,000,000 options to external consultants which are exercisable at between $0.35 and $0.65 cents and expiring on 14 April 2024 as an incentive to execute a pilot programme using the Openn Technology. The fair value of the options was $0.0376 using an Black Scholes Pricing Model. The options vested immediately and have been valued based on the following inputs:
   (i) Grant date – 14 April 2022
   (ii) Expiry date – 14 April 2024
   (iii) Market price of securities – $0.205
   (iv) Exercise price of securities – $0.65
   (v) Risk free rate – 2.09%
   (vi) Volatility – 85.6%
5. On 6 April 2022 the Company issued 10,000,000 options to a potential external MLS shareholder which are exercisable at the higher of $0.35 or 70% of the 10 day VWAP. The fair value of the options was $0.0663 using an Black Scholes Pricing Model. The options vested immediately and have been valued based on the following inputs:
   (i) Grant date – 14 April 2022
   (ii) Expiry date – 14 April 2024
   (iii) Market price of securities – $0.205
   (iv) Exercise price of securities – $0.65
   (v) Risk free rate – 2.09%
   (vi) Volatility – 85.6%

(b) Share based payments – Performance rights	30 Jun 2022 Number	30 Jun 2021 Number	30 Jun 2022 $	30 Jun 2021 $
Balance at the beginning of the period	–	–	–	–
Rights granted during the period – Executives & Staff	15,599,000	–	721,874	–
Lapse of rights [1]	(1,300,000)	–	–	–
Rights granted to staff	1,000,000	–	34,593	
Balance as at period end	**15,299,000**	**–**	**756,467**	**–**

1. On 7 January 2022 the Company announced that 1,040,000 Rights had lapsed. The Rights lapsed on 15 November 2021 as a consequence of a failure to meet vesting conditions. On 14 April 2022 the Company annouced that 260,000 Rights had lapsed. The Rights lapsed on 22 March 2022 as a consequence of a failure to meet vesting conditions.

14. RESERVES (continued)

	Service Performance Rights	Class A Performance Rights	Class B Performance Rights
VWAP Milestone ($) (a)	Refer below	Refer below	Refer below
Methodology AU	Share price at grant date	Monte Carlo	Monte Carlo
Methodology US	Share price at grant date	Monte Carlo	N/A
Grant date AU	12 July 2021	12 July 2021	12 July 2021
Grant date US	19 April 2022	19 April 2022	N/A
Expiry date AU	11 July 2023	11 July 2026	11 July 2026
Expiry date US	11 July 2023	11 July 2026	N/A
Share price at grant date ($) AU	0.16	0.16	0.16
Share price at grant date ($) US	0.285	0.285	N/A
Exercise price ($) AU	N/A	Nil	Nil
Exercise price ($) US	N/A	Nil	N/A
Risk-free rate (%) AU	N/A	0.65	0.65
Risk-free rate (%) US	N/A	2.66	N/A
Volatility (%) AU	N/A	84.96	84.96
Volatility (%) US	N/A	87.10	N/A
Fair value per security ($) AU	**0.16**	**0.1349 (10% hurdle) 0.1230 (15% hurdle) 0.1133 (25% hurdle)**	**0.1349 (10% hurdle) 0.1230 (15% hurdle) 0.1133 (25% hurdle)**
Fair value per security ($) US	**0.16**	**0.2660 (10% hurdle) 0.2479 (15% hurdle) 0.2323 (25% hurdle)**	**N/A**
Fair value ($) AU	**1,247,920**	**210,431 (10% hurdle) 287,802 (15% hurdle) 441,841 (25% hurdle)**	**210,431 (10% hurdle) 287,802 (15% hurdle) 441,841 (25% hurdle)**
Fair value ($) US	**28,500**	**26,598 (10% hurdle) 37,185 (15% hurdle) 58,068 (25% hurdle)**	N/A

(a) Hurdles of the Rights include
- (i) 50% of the Rights issued to vest after 2 years of continuous service (service Performance Rights) AU and 1 year of continuous service US;
- (ii) Listing on ASX
- (iii) 10% of the Rights issued to vest when the volume-weighted average share price over 30 consecutive days is greater than $0.35
- (iv) 15% of the Rights issued to vest when the volume-weighted average share price over 30 consecutive days is greater than $0.50
- (v) 25% of the Rights issued to vest when the volume-weighted average share price over 30 consecutive days is greater than $0.65

The fair value of the performance rights is being expensed over the assumed vesting period.

The purpose of the options reserve is to record the fair value of options issued to 3rd parties for services. The purpose of the Share Based Payments reserve is to recognise the fair value of instruments issued to employees for services. The purpose of the foreign currency reserve is to show the exchange differences arising from translating a foreign controlled entity in other comprehensive income.

15. RISK MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being technology, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet development programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating costs with a view to initiating appropriate capital raisings as required. The working capital position of the Company at reporting date is as follows:

	2022	2021
	$	**$**
Cash and equivalents	2,619,179	566,370
Other receivables	26,763	22,466
Trade and other payables	(425,099)	(416,719)
Working capital position	**2,220,843**	**172,117**

Categories of financial instruments

The capital of the Company consists of issued capital (shares) and borrowings. The directors aim to maintain a capital structure that ensures the lowest cost of capital available to the entity at the time when funds are obtained. The directors will assess the options available to the company to issue more shares while taking into account the effect on current shareholder ownership percentages (dilution) or alternatively assess the ability of the company to access debt (borrowings) where the cost associated of borrowing these funds (interest) is not considered excessive.

Liquidity – (the ability of the company to pay its liabilities as and when the fall due)

Liquidity risk arises from the debts (financial liabilities being creditors and other payables) of the Company and the Company's subsequent ability to meet these obligations to repay its debts (financial liabilities) as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board. The Board has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves and monitoring actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and debts (liabilities). There were no changes in the Company's liquidity risk management policies from previous years.

Credit – (the ability of the company to manage the risk that third parties which hold assets on behalf of the company will not return them at the value recorded in the financial statements)

The major current assets of the company is its cash at bank. The assessment of the credit risk based on a rating agencies review of the financial institution.

The Group is not exposed to material interest rate risk.

The Group is now exposed to foreign currency risk due to its US operations. As at 30 June 2022, the company had US$233,174 in cash and security deposits and US$51,828 of creditors and other payables. A movement in the 10% in the currency USD:AUD rate would have a $23,317 movement in the profit and loss and reserves.

	2022	2021
Financial assets	**$**	**$**
Cash and equivalents	2,619,179	566,370
Other receivables	64,350	28,935
	2,683,529	**595,305**
Trade and other payables	(425,099)	(416,719)
Borrowings	–	(25,000)
	(425,099)	**(441,719)**

All financial assets and liabilities are current and payable within 1 year. The fair value equals the face value for each financial asset and liability.

16. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	2022 $	2021 $
Short-term benefits	1,266,041	550,156
Post-employment benefits	99,246	–
Share-based payments	486,695	2,936
	1,851,982	**553,092**

(b) Loans to key management personnel

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

(c) Transactions with key management personnel

On 15 July 2021, prior to listing, the Company issued Performance Rights to directors, key management personnel and staff. The total number of Performance Rights issued was 15,599,000 as outlined in Note 14 above.

The number of Performance Rights held during the financial year by each director and other members of key management personnel of the Company including their associates, is set out below:

Performance Rights 2022	Balance at beginning of year	Granted as compensation	Rights vested to shares[1]	Other changes	Balance at end of year[2]
Directors					
Wayne Zekulich[1]	–	300,000	–	–	300,000
Danielle Lee[1]	–	200,000	–	–	200,000
Peter Gibbons[2]	–	3,250,000	–	–	3,250,000
Duncan Anderson[1]	–	2,250,000	–	–	2,250,000
Darren Bromley[1]	–	1,550,000	–	–	1,550,000
Sean Adomeit[1]	–	1,800,000	–	–	1,800,000
Total	–	9,350,000	–	–	9,350,000

Notes:
1. Class A Performance Rights.
2. Class B Performance Rights.

17. DIVIDENDS

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

18. REMUNERATION OF AUDITORS

	2022 $	2021 $
Audit and review of the financial report	52,000	28,000
	52,000	**28,000**

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

19. COMMITMENTS

Technology and other commitments

At reporting date, the Company has no capital commitments.

20. CONTINGENCIES

Contingent liabilities
At balance date, the Company has no contingent liabilities.

21. 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.

22. NOTES TO THE STATEMENT OF CASH FLOWS

	2022	2021
	$	$
Reconciliation of net loss after income tax to net cash outflow from operating activities		
(Loss) for the year	**(8,031,233)**	(2,074,900)
Adjusted for:		
Depreciation and amortisation	**295,328**	172,400
Share-based payments	**1,573,474**	2,936
Change in operating assets and liabilities		
Decrease in other assets and receivables	55,162	10,314
Increase in trade and other payables	**100,898**	527,617
Net cash outflow from operating activities	**(6,006,371)**	**(1,361,633)**

23. PROFIT/(LOSS) PER SHARE

	2022	2021
	$	$
From continuing operations		
Basic (cents per share)	(4.21)	(1.51)
Diluted (cents per share)	(4.21)	(1.51)

(a) Reconciliation of earnings used in calculating loss per share

	2022	2021
Loss attributed to the owners of the Company use in calculating basic and diluted loss per share	**(8,031,233)**	(2,074,900)

	2022	2021
	Number	Number
(b) Weighted average number of shares used as the denominator		
Weight average number of ordinary shares for the purpose of basic and diluted earnings per share	**190,647,814**	137,803,019

24. 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. The expense for the period recognised in the profit and loss is $756,467 within employment expenses and $817,007 within general and administration expenses (Partnerships).

25. PARENT ENTITY

	2022 $	2021 $
Financial position		
Assets		
Current assets	**2,240,432**	588,920
Non-current assets	**1,752,330**	765,874
Total assets	**3,992,762**	1,354,794
Liabilities		
Current liabilities	**179,867**	31,674
Non-current liabilities	**–**	–
Total liabilities	**179,867**	31,674
Equity		
Issued capital	**16,860,836**	7,933,507
Reserves	**1,604,718**	31,243
Accumulated losses	**(14,652,659)**	(6,641,629)
Total equity	**3,812,895**	1,323,121
Financial performance		
Profit (Loss) for the year	**(8,011,433)**	(2,074,901)
Other comprehensive income	**–**	**–**
Total comprehensive loss	**(8,011,433)**	(2,074,901)

26. 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 (in the form of 3,117,461 fully paid ordinary shares issued of at a value of $498,790, refer Note 14 and cash yet to be paid of $2,339) from the existing shareholders of Openn World Pty Ltd.

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

	Book Value	Fair Value
Cash	1,346	1,346
Other receivables	–	–
Intangible assets	319,088	874,772
Total Assets	320,434	
Trade and other payables	31,088	31,088
Borrowings	343,900	343,900
Total Liabilities	374,988	374,988
Net (Deficiency) / Assets	(54,554)	501,130

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.

27. SUBSEQUENT EVENTS

On 12 July 2022 the Company announced the issue of 20,000,000 fully paid ordinary shares at an issue price of $0.15 to raise $3 million (before costs).

On 5 August 2022 the Company announced the issue of 6,506,639 fully paid ordinary shares at an issue price of $0.15 to raise $0.976million (before costs).

On 11 August 2022 the Company announced the issue of 3,466,667 fully paid ordinary shares at an issue price of $0.15 to raise $0.52 million (before costs).

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

28. CONTROLLED ENTITIES

Name	Country of Incorporation	% Equity Interest		$ Investment	
		2022	2021	**2022**	2021
Openn Pty Ltd (formerly PP Valley Pty Ltd)	Australia	100	100	220,932	220,932
Openn World Pty Ltd	Australia	100	100	501,130	501,130
Openn Tech Pty ltd (formerly Cleverbons Pty Ltd)	Australia	100	100	–	–
Openn North America, Inc.*	USA	100	–	–	–

* Incorporated in July 2021 with no assets or liabilities.

DIRECTOR'S DECLARATION

DIRECTORS' DECLARATION

In the opinion of the directors of Openn Negotiation Limited:

(a) the financial statements and notes set out on pages 26 to 53 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entitys financial position as at 30 June 2022 and of its performance for the year then ended; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and other mandatory professional reporting requirements;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

(d) this declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

This declaration is signed in accordance with a resolution of the Board of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

Wayne Zekulich
Non-Executive Chairperson

Dated this 30th day of August 2022

INDEPENDENT AUDITOR'S REPORT

OPENN NEGOTIATION LIMITED 2022 ANNUAL REPORT

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT

To the Members of Openn Negotiation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Openn Negotiation Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1b in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our audit addressed the key audit matter**
Valuation of intangible assets Refer to Note 9	
At 30 June 2022 the Group recorded intangible assets of $1,728,519. We considered intangible assets to be a KAM given the size of the balance, the technological change that can occur within the industry and that Openn Negotiation is a relatively new entrant to the market. The valuation requires management's judgment with respect to technical feasibility and generation of future economic benefits, and whether there is any indication of impairment.	Our procedures included but were not limited to the following: • We assessed the recognition criteria for this intangible asset by challenging the key assumptions used and estimates made in capitalising costs, including management's assessment of the stage of the project in the development phase and the accuracy of costs included; • We considered management's assessment of whether any indicators of impairment were present by understanding the business rationale for projects and performing reviews for indicators of impairment; • We ensured management applied an appropriate amortisation method and amortisation period to this finite life intangible; and • We assessed the adequacy of the Company's disclosures in the financial report.
Revenue recognition Refer to Note 3.	
The Group has one main category of revenue being website and associated sales. This revenue is recognised over time. We focussed on this area as a key audit matter due to the importance on this balance for users of the financial statements as well as the complexity and judgements necessary on revenue recognition.	Our procedures included but were not limited to the following: • We assessed a sample of the Company's key contracts to determine if we concurred with management's assessment of performance obligations, the transaction price and any contract liabilities that may arise, the allocation of the transaction price,

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	and when to recognise revenue, either at a point in time, or over time; • We substantiated revenue transactions on a sample basis; • We selected a sample of invoices raised around year end and ensured that revenue associated with these was recorded in the correct period; • We assessed the adequacy of the Company's disclosures in the financial report.
Valuation of share-based payments Refer to Note 14	
As disclosed in note 14 to the financial statements, during the year ended 30 June 2022 Openn Negotiation Ltd incurred share-based payments of $1,573,474 split between performance rights ($756,467) and options ($817,007). Share based payments are considered to be a key audit matter due to - the value of the transactions; - the complexities involved in the recognition and measurement of these instruments; and - the judgement involved in determining the inputs used in the valuations. Management has used a variety of methods in valuing the share-based payments including a Black-Scholes option valuation model, Monte Carlo valuation models, and references the share prices at grant date. These processes can involve significant estimation and judgement to determine the fair value of the equity instruments granted.	Our procedures included but were not limited to the following: • We analysed agreements to identify the key terms and conditions of share-based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • We engaged an auditor's expert to review the valuation of share-based payments involving market based vesting conditions; • We assessed the appropriateness of management's assumptions used in their calculations; • We assessed the amount recognised during the year in accordance with the vesting conditions; • We assessed the adequacy of the disclosures included in Note 14 to the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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ADVISORY AND ACCOUNTING

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Openn Negotiation Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
30 August 2022

ASX ADDITIONAL INFORMATION

The security holder information set out below was applicable as at 24 August 2022.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Fully paid ordinary shares - quoted

Name	No. of Shares	%
MR PETER JOHN GIBBONS + MS TAMARA BRIDGET GIBBONS <GIBBONS FAMILY A/C>	25,210,182	11.27%
MONTEBELLA & ASSOCIATES PTY LTD	25,210,182	11.27%
CECKEN PTY LTD <THE CECKEN A/C>	25,210,182	11.27%
MS ELIZABETH ANNE REILLY <REILLY FAMILY A/C>	10,057,089	4.49%
BASS INDUSTRIES PTY LTD <HARBOUR A/C>	8,659,276	3.87%
GC BASS NOMINEES PTY LTD <THE BASS SUPER FUND A/C>	6,774,194	3.03%
BASKERVILLE INVESTMENTS PTY LTD <BASKERVILLE FAMILY A/C>	4,233,046	1.89%
ICE COLD INVESTMENTS PTY LTD	4,000,000	1.79%
ICE COLD INVESTMENTS PTY LTD <BROWNS CHELTENHAM RD S/F A/C>	3,333,334	1.49%
ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	3,333,334	1.49%
ZERRIN INVESTMENTS PTY LTD	2,766,667	1.24%
MEMBERS HOLDING COMPANY PTY LTD <P&N BANK>	2,247,985	1.00%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,214,458	0.99%
HULECA PTY LTD <THE COLEMAN FAMILY NO 1 A/C>	2,191,029	0.98%
DEF6 PTY LTD	2,025,000	0.90%
FLUE HOLDINGS PTY LTD <BROMLEY SUPERANNUATION A/C>	2,000,000	0.89%
REACH VENTURES LLC	1,998,438	0.89%
JASFORCE PTY LTD	1,666,667	0.74%
CHELSEA INVESTMENTS (WA) PTY LTD	1,615,386	0.72%
GREATSIDE HOLDINGS PTY LTD <ADL A/C>	1,501,414	0.67%
TOTAL TOP 20	136,247,863	60.89
OTHERS	87,511,564	39.11
TOTAL ORDINARY SHARES ON ISSUE	**223,759,427**	**100.00**

DISTRIBUTION OF EQUITY SECURITIES

Fully paid ordinary shares - quoted

Range			Holders	Units	%
1	–	1,000	17	2,626	0.00
1,001	–	5,000	431	1,169,201	0.52
5,001	–	10,000	223	1,809,264	0.81
10,001	–	100,000	480	17,979,048	8.03
100,001	–	Over	198	202,799,288	90.64
		Total	**1,349**	**223,759,427**	**100.00**

UNQUOTED EQUITY SECURITIES

2,934,519 unquoted options exercisable at $0.24, expiring 20 January 2025 – 1 Holder

Holders with more than 20%	Shares	%
Zenix Nominees Pty Ltd	2,934,519	100.00

10,000,000 unquoted options exercisable at $0.35, expiring 20 January 2025 – 1 Holder

Holders with more than 20%	Shares	%
Canadian Real Estate Association	10,000,000	100.00

5,000,000 unquoted options exercisable at $0.35, expiring 20 January 2025 – 2 Holders

Holders with more than 20%	Shares	%
Canadian Real Estate Association	4,000,000	80.00
Triangle MLS Inc.	1,000,000	20.00

12,049,000 unquoted class A performance rights (Equity Incentive Plan) – 17 Holders

No Holders with more than 20%

3,250,000 unquoted class B performance rights (Equity Incentive Plan) – 1 Holder

Holders with more than 20%	Shares	%
Mr Peter Gibbons <Gibbons Family A/C>	3,250,000	100.00

UNMARKETABLE PARCELS

As at 24 August 2022, a marketable parcel represented 3,334 ordinary shares. The number of shareholders holding less than a marketable parcel was 336 representing a total number of ordinary shares of 700,378.

ON-MARKET BUY BACK

There is currently no on-market buyback program.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Shares	%
Bradley Robert Glover and Montabella & Associated Pty Ltd	25,460,182	11.52
Peter John Gibbons & Tamara Bridget Gibbons <Gibbons Family A/C>	25,310,182	11.31
Cecken Pty Ltd <Cecken A/C> and <Fiona Clements A/C>	25,310,142	11.31
George Clive Bass and Anne Lynette Bass	15,520,164	7.11

RESTRICTED SECURITIES

Restricted securities	No. of Shares
Ordinary shares restricted until 21 July 2023 (24 months from quotation)	76,521,314
Class A performance rights (Equity Incentive Plan) (24 months from quotation)	4,300,000
Class B performance rights (Equity Incentive Plan) (24 months from quotation)	3,250,000

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options or performance rights that the Company currently has on issue. Upon exercise or vesting of these securities, the shares issued will have the same voting rights as existing ordinary shares.

INFORMATION IN RELATION TO LISTING RULE 4.10.19 IF APPLICABLE

There is no current on-market buy-back.

ASX ADMISSION STATEMENT

During the year, the Company applied its cash in a way that is consistent with its business objectives.

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