

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	19.4 million
Performance rights	17.3 million

MARKET CAPITALISATION

\$30.21 million (at \$0.135 per share as of 23 September 2022)

52 WEEK SHARE PRICE RANGE

\$0.12 - \$0.305

TOP 20 SHAREHOLDERS

60.89% on 24 August 2022

CONTACT

T: 1800 667 366

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

Issue of Equity Incentive Plan Securities

HIGHLIGHTS:

- Issue 1,000,000 Class E performance rights to North American founding employees
- Issue 1,000,000 Class F performance rights to North American KMP
- Performance vesting conditions include:
 - ✓ Employment terms of service
 - ✓ VWAP share price hurdles
 - ✓ aggregated membership/client/subscriber base of 300,000 or more real estate professionals
 - ✓ Consolidated annualised revenue of US\$10,000,000 from North American operations

Australian-listed property technology company, Openn Negotiation Limited (**ASX: OPN**), (**Openn** or **Company**) is pleased to advise that its board of directors (**Board**) has resolved to issue 2,000,000 performance rights to North American employees including a member of the Company's key management personnel (**KMP**) under its Equity Incentive Plan (**Plan**).

The performance rights are designed as Long-Term Incentives to align Openn's North American founding team members with the creation of shareholder value over the long term, and form part of the Company's remuneration and retention strategy.

The Board considers performance rights represent a cost-effective performance-based equity incentive which assists to preserve the Company's cash reserves so they may be applied to operational matters. Performance rights align the interests of the participating directors, KMP's and eligible persons under the Plan with the financial success of the Company. The rights will only vest on the achievement of the relevant vesting conditions linked to share price and operational performance.

The securities to be issued are as follows:

- 1,000,000 Class E performance rights to North American employees
- 1,000,000 Class F performance rights a member of the Company's KMP

The Board proposes to rely on ASX listing rule 7.2 (exception 13) in relation to the issue of Class E and F performance rights. Accordingly, shareholder approval for the issue will not be sought.

PERFORMANCE RIGHTS**North American Employees**

The Board will issue 1,000,000 Class E performance rights expiring 26 September 2027 under the Plan to North American employees of the Company's subsidiary, Openn North America, Inc.

Vesting conditions attaching to the Class E performance rights include:

- not being “Dismissed” or “Resigning” (as those terms are defined in the Plan Rules) within 2 years of the Performance Rights being granted;
- VWAP of the Company’s shares over 30 consecutive days being AU\$0.35 or more (50%);
- Use of the Openn platform by Target Users, as defined in the security terms, with an aggregated membership/client/subscriber base of 300,000 or more real estate professionals (25%); and,
- Consolidated annualised revenue of US\$10,000,000 from North American operations during a 12-month period prior to the expiration of the performance rights (25%).

Key Management Personnel

The Board will issue 1,000,000 Class F performance rights expiring 26 September 2027 under the Plan to Mr Eric Bryant, Director of Operations for the Company’s subsidiary, Openn North America Inc. Mr Bryant has more than 26 years’ professional experience in the US in real estate services, strategy, and technology with extensive networks in the sector.

Vesting conditions attaching to the Class F performance rights include:

- Not being “Dismissed” or “Resigning” (as those terms are defined in the Plan Rules) before 1 September 2023
- VWAP of the Company’s shares over 30 consecutive days being AU\$0.35 or more (50%);
- Use of the Openn platform by Target Users, as defined in the security terms, with an aggregated membership/client/subscriber base of 300,000 or more real estate professionals (25%); and,
- Consolidated annualised revenue of US\$10,000,000 from North American operations during a 12-month period prior to the expiration of the performance rights (25%).

A summary of the terms of the performance conditions is set out in **Schedule A and B** to this announcement.

ASX requirements

The Class E and F performance rights are considered to be ‘ordinary course of business remuneration securities’ for the purposes of ASX Guidance Note 19. In this regard, the performance rights:

- will not be transferrable;
- will not confer any right to vote, except as otherwise required by law;
- will not confer any entitlement to a dividend, whether fixed or at the discretion of the directors;
- will not confer any right to a return of capital, whether in a winding-up, upon a reduction of capital or otherwise;
- will not confer any right to participate in the surplus profits or assets of the Company upon a winding-up; and
- will not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.

The Class E and F performance rights will be issued today, on 26 September 2022.

An Appendix 3G will follow release of this announcement.

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.

SCHEDULE A – SUMMARY OF PROPOSED TERMS

Class E Performance Rights

Entitlement	<p><u>Class E performance rights</u></p> <p>On satisfaction of the applicable Vesting Conditions (outlined below), each Class E performance right entitles the holder to receive one fully paid ordinary share in the Company.</p>
Expiry date	Each Class E performance right will expire at 5:00pm (AWST) on the date falling 5 years from the issue of the performance right, unless cancelled earlier in accordance with their terms or the rules of the Plan.
Exercise price	Nil
Vesting Conditions	<p>The Class E performance rights will vest subject to satisfaction of the following conditions (Vesting Conditions).</p> <ul style="list-style-type: none"> the Participant not being “Dismissed” or “Resigning” (as those terms are defined in the Plan Rules) within 2 years of the Performance Rights being granted In relation to 50% of the Class E performance rights of the holder, the VWAP of the Company’s shares traded on ASX over 30 consecutive days is \$0.35 or more. In relation to 25% of the Class E performance rights of the holder, the execution of binding commercial agreements with multiple listing services (MLS) operators or real estate institutes, associations or boards which have an aggregated membership/client/subscriber base of 300,000 or more real estate agents, brokers or professionals (Target Users), for collaboration with the counterparty in relation to the use of the Openn platform by the Target Users. In relation to 25% of Class E performance rights of the holder, the Company achieving consolidated annualised revenue of US\$10m from North American operations, determined by reference to the Company’s audited financial statements, and excluding/disregarding: <ul style="list-style-type: none"> one-off or extraordinary revenue items; revenue received in the form of government grants, allowances, rebates or other hand-outs; and revenue or profit that has been “manufactured” to achieve the vesting condition.
Exercise	Each Class E performance right will become exercisable by the holder upon satisfaction of the relevant Vesting Conditions.
Quotation	<p>The Class E performance rights will be unquoted classes of securities.</p> <p>The Company will apply for quotation of shares issued on exercise of vested performance rights.</p>
Transfer	Class E performance rights will not be transferrable, except as permitted by ASX.
Cancellation	<p>Any Class E performance right that has not been exercised before its expiry date will automatically lapse and be cancelled.</p> <p>If the participant to the Plan is ‘dismissed’ or ‘resigns’ (for the purposes of the Plan) from their employment/engagement with the Company or a subsidiary, any unvested and vested but unexercised performance rights (or parts thereof) will immediately lapse and be cancelled.</p>

SCHEDULE B – SUMMARY OF PROPOSED TERMS

Class F Performance Rights

Entitlement	<p><u>Class F performance rights</u></p> <p>On satisfaction of the applicable Vesting Conditions (outlined below), each Class F performance right entitles the holder to receive one fully paid ordinary share in the Company.</p>
Expiry date	Each Class F performance right will expire at 5:00pm (AWST) on the date falling 5 years from the issue of the performance right, unless cancelled earlier in accordance with their terms or the rules of the Plan.
Exercise price	Nil
Vesting Conditions	<p>The Class F performance rights will vest subject to satisfaction of the following conditions (Vesting Conditions).</p> <ul style="list-style-type: none"> the Participant not being “Dismissed” or “Resigning (as those terms are defined in the Plan Rules) before 1 September 2023. In relation to 50% of the Class F performance rights of the holder, the VWAP of the Company’s shares traded on ASX over 30 consecutive days is \$0.35 or more. In relation to 25% of the Class F performance rights of the holder, the execution of binding commercial agreements with multiple listing services (MLS) operators or real estate institutes, associations or boards which have an aggregated membership/client/subscriber base of 300,000 or more real estate agents, brokers or professionals (Target Users), for collaboration with the counterparty in relation to the use of the Openn platform by the Target Users. In relation to 25% of Class F performance rights of the holder, the Company achieving consolidated annualised revenue of US\$10m from North American operations, determined by reference to the Company’s audited financial statements, and excluding/disregarding: <ul style="list-style-type: none"> one-off or extraordinary revenue items; revenue received in the form of government grants, allowances, rebates or other hand-outs; and revenue or profit that has been “manufactured” to achieve the vesting condition.
Exercise	Each Class F performance right will become exercisable by the holder upon satisfaction of the relevant Vesting Conditions.
Quotation	<p>The Class F performance rights will be unquoted classes of securities.</p> <p>The Company will apply for quotation of shares issued on exercise of vested performance rights.</p>
Transfer	Class F performance rights will not be transferrable, except as permitted by ASX.
Cancellation	<p>Any Class F performance right that has not been exercised before its expiry date will automatically lapse and be cancelled.</p> <p>If the participant to the Plan is ‘dismissed’ or ‘resigns’ (for the purposes of the Plan) from their employment/engagement with the Company or a subsidiary, any unvested and vested but unexercised performance rights (or parts thereof) will immediately lapse and be cancelled.</p>