

**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	17.0 million

**MARKET CAPITALISATION**

\$26.9 million (at \$0.12 per share as of 28 October 2022)

**52 WEEK SHARE PRICE RANGE**

\$0.10 - \$0.305

**TOP 20 SHAREHOLDERS**

61.01% on 30 Sept 2022

**CONTACT**

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**ABN:** 75 612 329 754

## Openn Poised for North America Commercial Launch

**HIGHLIGHTS:**

- **23% growth in uploads to the platform year on year via Au/NZ operations**
- **North American operations complete 85% milestone to roll-out**
- **Integration of Openn's products and systems within the Canadian Real Estate Association (CREA) and the REALTOR.ca portal is complete**
- **Partnership Agreements with Century 21 Australasia and Realty Assist**
- **\$3.0M placement and Share Purchase Plan raised \$4.496M (before costs)**

Australian-listed property technology company (**PropTech**), Openn Negotiation Limited (**ASX: OPN**), (**Openn** or **Company**), is pleased to release its Appendix 4C and Activities Report for the three months ending 30 September 2022 (**Q1 FY23**).

**MANAGING DIRECTOR COMMENTS**

**Peter Gibbons, Managing Director of Openn, commented:** "I'm very pleased to report on progress and some exceptional milestones reached during the last quarter as we move closer to commercialisation in North America.

*The first properties have been listed and sold through the platform in collaboration with a partnered RE/MAX brokerage out of Boston - following the US production server going live. Further, integration of Openn's products and systems within the Canadian Real Estate Association (CREA) and the REALTOR.ca portal are complete. Both outcomes mark advances toward delivering against our pilot expansion programs and mark an approximated 85% completion of roll out plans.*

*Feedback with CREA has been incredibly encouraging as we see progression toward delivering on a shared vision of transparency, efficiency, and equality. Recognition of the platform's unique and compelling data set also continues to grow, with Openn engaged in several discussions following approaches from notable third-party operations eager to generate shared value.*

*For the duration of the coming quarter, the team will be focused on further real-world testing with a good variety of Multiple Listing Service (MLS) / Board partners as a pre-requisite to progressing to commercial agreements. As Openn expands the pilot programs, we have a high degree of confidence in converting partners to key agreements by the March 2023 Quarter - ahead of a significant scale up following commercialisation.*

*"In Australia and New Zealand, we continue to see year-on-year growth in uploads on the platform despite a 15% decline of new listings below the long-term average (Source: Core Logic). The focus over the past quarter has been on transitioning the strategic approach to deliver an agent workflow solution which positions the company for sustained engagement and a lower cost per acquisition. Initial testing of that approach has been positive on a multitude of fronts with several significant product enhancements set for release in the Q2.*

*Despite challenging market conditions, I'm extremely compelled by the position Openn finds itself in as we head into the last quarter of the calendar year. We continue to raise the talent bar in the quality of people we're able to attract to the business who share our vision and add to the incredible culture. This same energy is received each time we present Openn to potential new funds, brokers, and partners.*

*Our Openn team is highly skilled, energised, and looking forward to an enormous 3 – 6 months ahead for the business, both in ANZ and North America. Thanks to all investors for your ongoing support. We look forward to providing you with further updates of our progress."*

## **OPERATIONS**

### **Australia and New Zealand**

The Company is pleased to announce several initiatives are progressing well despite a challenging real estate market.

#### **Century 21 Partnership**

Century 21 Australasia has signed a partnership agreement with Openn that will see the suite of products integrated into Century 21's proprietary customer relationship management software (**CRM**). The Partnership is designed to promote Openn products and services to vendors and sales agents in the Century 21 Network and includes a program that incentivises agents to adopt the platform. Century 21 Australasia joins other partnerships Openn has, including The Professionals, Re/Max, First National and Real Estate Central.

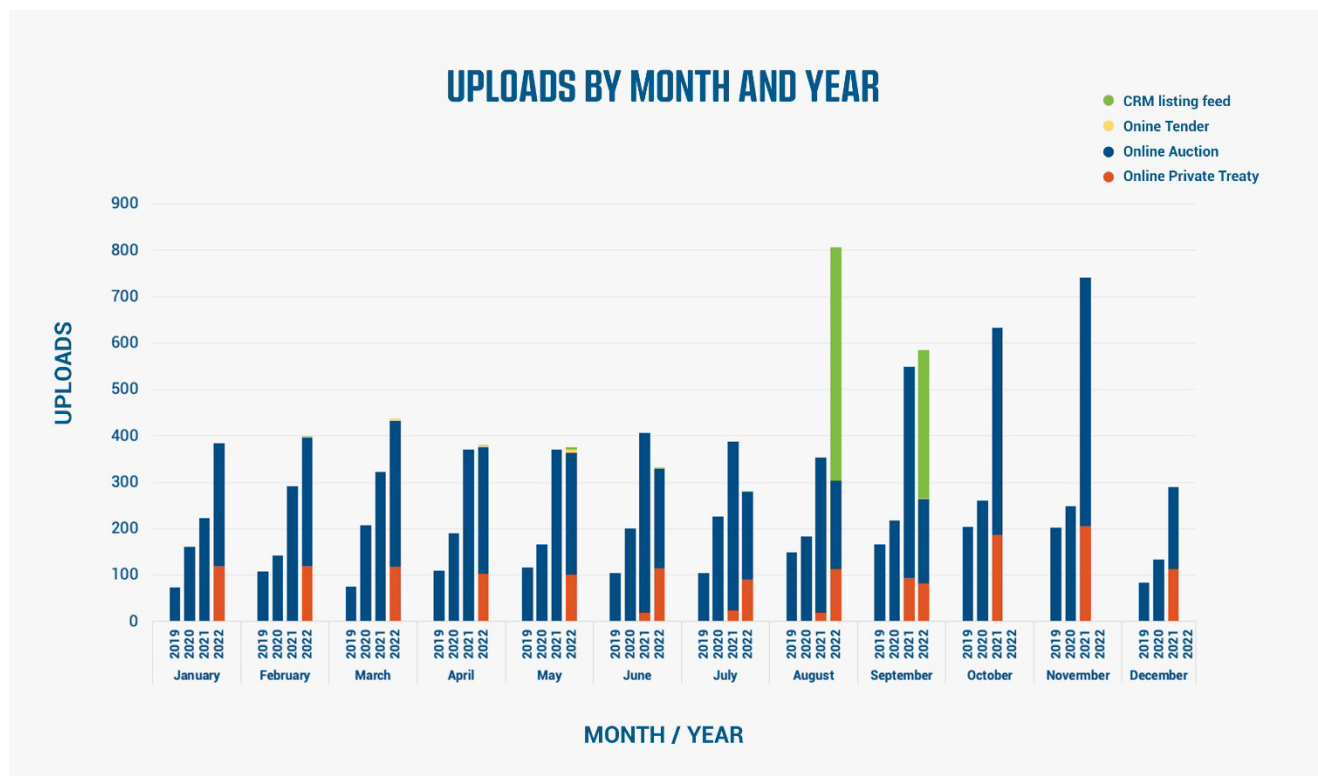
Q1 FY23 saw the launch of Openn's first iteration of its agent workflow solution. Following an updated CRM integration, the tool provides agents with the ability to accept offers digitally and elect to convert them into Openn's transparent suite of products or flow straight to an automated digital contract.

The impact of this is demonstrated in uploads graph below, where select agencies have been engaged to push listings through to the platform as part of the trial (shown as 'CRM Listing Feed'). The Company expects to pursue development of this proposition as a low-friction pathway to evolving engagement with customers and driving repeat revenues. The product team is well advanced on development of a significantly enhanced automated contract feature which anticipates being launched in Q3 FY23.

The core value proposition offered to agents, vendors, and buyers alike, continues to uphold throughout softening real estate market conditions with days on market holding at 22 (sold listings on Openn platform for all time) vs the current national average of 35 days. Clearance rates are sitting above 79.4% (sold listings on the Openn platform for all time) vs the combined capitals auction clearance rate as at 23 October 2022 of 60.9% (Source: Core Logic).

Pleasing progress has also been made in targeting yield growth via monetisation of Openn's unique data assets. Proof of concept integrations for Openn's partnership with Realty Assist are underway with first settlement, advance referrals, and transactions completed. Throughout the quarter, a program which aimed to validate Openn audience propensity to engage with ancillary services was conducted, resulting in 30% of contacted

buyers opting in to Openn recommended conveyancing service. The business expects to further refine and expand this proposition over the course of Q2 and Q3 FY23.



**Figure 1:** Uploads to the platform by month and year in Au/NZ. August 2022 saw the trial of Openn's Offer Management product launched to market which accepts listing feeds from CRM's via select agencies.

### North America (USA and Canada)

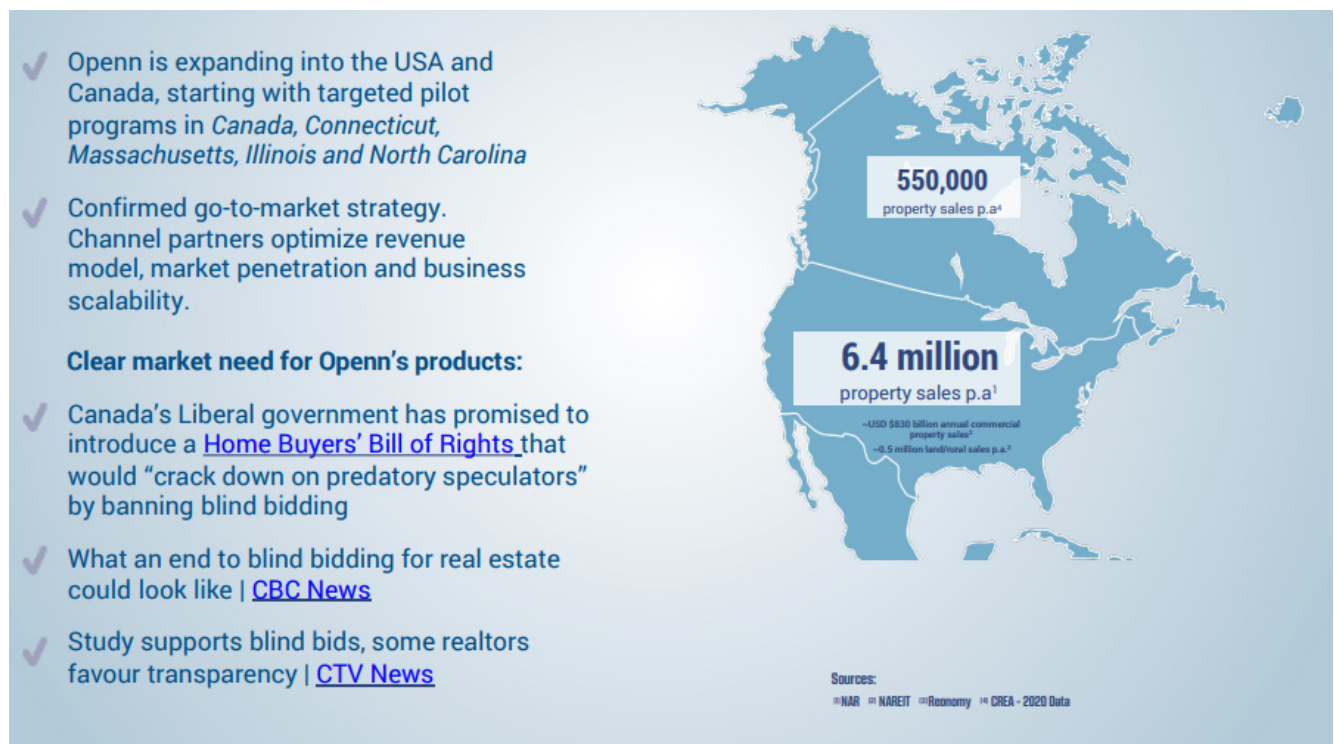
The Company's US subsidiary, Openn North America Inc. runs the US and Canadian operations. The first US pilot version of the technology was released in November 2021. The US production server 'go-live' occurred in September 2022, with the Canadian server go live in October 2022.

The US and Canadian real estate transactional process typically involves buyers' agents and sellers' agents. Some provinces 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 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.



**Figure 2:** North American expansion adds extraordinary scale to Openn's business.

## Key achievements during the quarter in North America

### **Major milestone: Successful launch of Openn production servers in North America**

A very productive quarter for the product and engineering teams delivering five important application updates. The final pre-commercial goals for North American feature and partner integration are on track to be complete and delivered to market during the December quarter 2022.

Post Q1 FY23 period end, the Company announced that the US and Canadian production servers are now live. This is an important milestone for Openn. Critically, it means the Openn platform reached sufficient readiness level during the September 2022 quarter to progress pilot activity into live transactions. The first transactions in the US production database occurred in Massachusetts.

Openn is now positioned to progress pilots from beta level focus groups to real world piloting in sandbox and production environments across its pilot partner network as specific integrations with those partners are complete.

Importantly, the business believes this milestone significantly de-risks our ability to launch commercially in the North American market in the March quarter 2023.

### **Major Milestone: Commitments to commence first wave of pilot expansions.**

Firm commitments received from four already announced MLS organisations to commence the first two waves of pilot expansions in the USA and Canada.

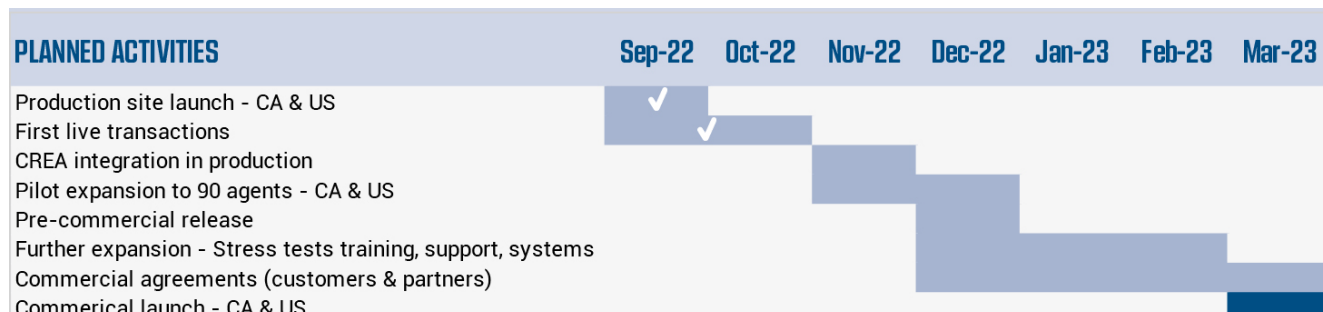
Two provincial Canadian real estate boards and another two US based MLS partners committed to expanding current pilot programs in two waves, with the following planned activity:

- 1. Early November:** One Canadian real estate board and one US MLS, in conjunction with 30 agents across multiple brokerages representing a combined total of 5,500 agents.



2. **Late November:** A second Canadian real estate board and second US MLS, in conjunction with an additional 60 agents across multiple brokerages representing a combined total of 51,000 agents.

The schedule below illustrates material milestones expected to the end of March 2023.



**Figure 3:** North American commercialisation milestones.

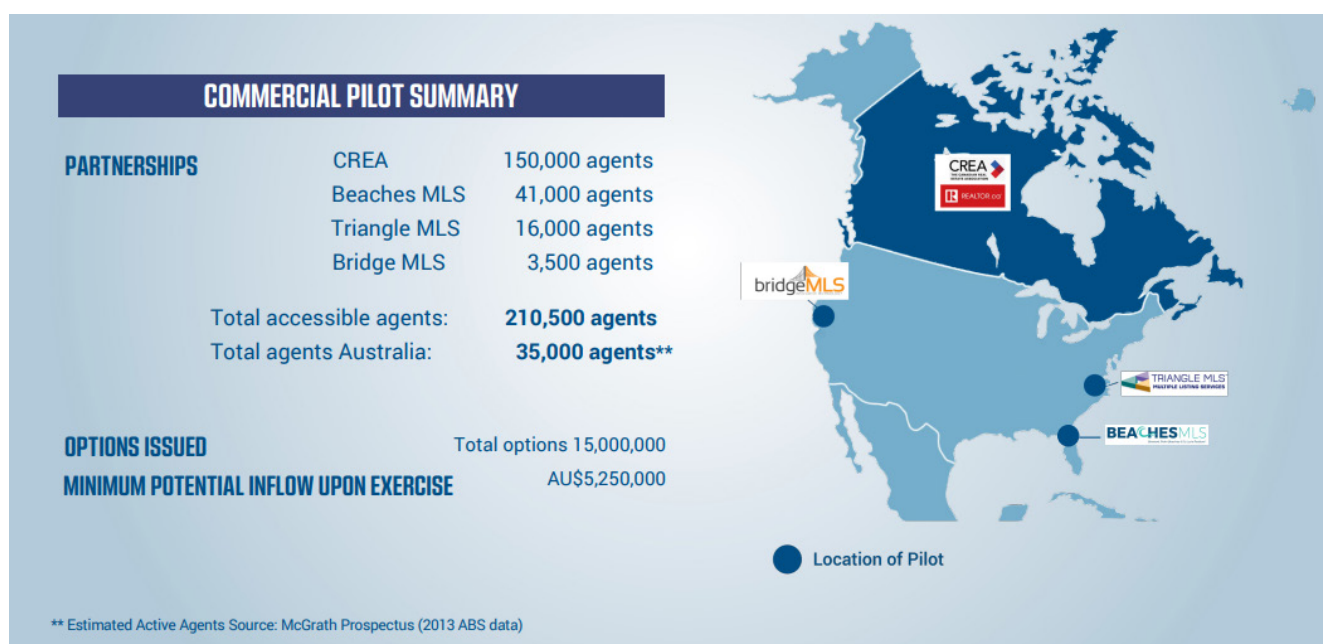
## North American Business Focus

### North American Pilots

Openn has sufficient MLS / Board and Broker Partners to complete the pre-commercial launch piloting process. The focus for the December 2022 quarter will be to progress as many of those pilot programs into real world testing through sandbox and live environments as possible.

This is a critical step prior to commercial launch as it allows us to stress test product readiness along with support and training systems to ensure the platform, our channel partners and our internal organisation can handle what could be a rapid scale-up post commercial launch.

Not all existing partners will be in a position to expand testing in this way during the December quarter. The critical path item for expansion in pilot scale is the delivery of integration between Openn platform and the partner MLS systems. Those integrations are complete for the first two expansion waves. Integration work is underway on all other pilot partners.



**Figure 4:** Commercial Pilots – Openn has pilots in place with access to 6 times the number of agents in Australia.

## Channel Partners

### *MLS.*

Pilot agreements are in place with CREA, MLS and Board level partners across Canada and the USA. For those the transition into real world piloting is the pre-requisite to commercial agreement. Commercial agreement discussions commenced are underway. Some may be finalised prior to the end of the December 2022 quarter. The Company's expectation is that key agreements should be in place prior to commercial launch in the March 2023 quarter.

### *Others*

Channel partners are important to the Company strategy for both access to market and monetisation beyond subscriptions. The Company is in negotiation with several commercial partners who would benefit from:

1. Adding subscriptions to the Openn platform to their existing offering
2. Consuming Openn data to reduce risk or drive performance
3. Providing additional value to users of the Openn platform

## CORPORATE

### **Funding**

Openn is ahead of schedule in executing on the strategy as outlined in the IPO prospectus and on target in delivering those objectives. Total cash held at 30 September 2022 is \$3.82 million.

During calendar year 2022, the Company has scaled up it's recruiting in North America to enable the Company to advance the Pilots with CREA, various MLS's, and for preparation to take advantage of the unique legislative reforms impending in Canada.

### *Placement and Share Purchase Plan (SPP)*

On 4 July 2022, Openn announced that it has received firm commitments from sophisticated and professional investors to raise \$3 million through the issue of fully paid ordinary shares in the Company at \$0.15 per share.

The Company also raised approximately \$1.5 million before costs through an SPP and the associated SPP Shortfall Placement (*see ASX announcement dated 5 August 2022*).

Funds raised have provided additional capital for the Company to fund, and accelerate its expansion in North America. Specifically, the funds have been applied towards:

- Building out North American operational team to fast-track expansion into the USA and Canada;
- Refining the Company's software platform to meet the requirements of agents in North America;
- Finalising partner integrations, with consumer, broker and agent enhancements that align with the Company's "go to market strategy"; and
- Costs of the Placement and SPP and general working capital purposes.

## Capital Structure

### *Shareholder Analysis*

As at 30 September 2022, the Company had 1,330 shareholders and 223,759,427 shares on issue. The top 20 shareholders held 61.01% of the total issued capital.

### Issued Capital Movements

Openn allotted the following securities during Q1 FY23:

Date	Security type	Number on issue/granted
<b>Shares</b>		
11 July 2022	Fully-paid ordinary shares pursuant to a share placement	20,000,000
5 August 2022	Fully-paid ordinary shares pursuant to a SPP	6,506,639
11 August 2022	Fully-paid ordinary shares pursuant to a SPP Shortfall Placement	3,466,667
<b>Options</b>		
13 September 2022	Unquoted Options (exercise price \$0.40, expiring 13 September 2024)	1,500,000
<b>Performance Rights</b>		
13 September 2022	Class E performance rights (Equity Incentive Plan)	1,000,000
13 September 2022	Class F performance rights (Equity Incentive Plan)	1,000,000

The Company has the following securities on issue as at 31 October 2022.

Security type	Number on issue/granted
<b>Shares</b>	
Fully-paid ordinary shares on issue	223,759,427
<b>Options</b>	
Unquoted Options RESTRICTED (\$0.24, expiring 20 January 2025)	2,934,519
Class A Unquoted Options (minimum exercise price \$0.35, expiring 14 April 2024) <sup>1</sup>	5,000,000
Class B Unquoted Options (minimum exercise price \$0.35, expiring 14 April 2024) <sup>2</sup>	10,000,000
Class C Unquoted Options (exercise price \$0.40, expiring 13 September 2024)	1,500,000
<b>Performance Rights</b>	
Performance rights (Equity Incentive Plan)	9,467,000
Performance rights Class A (Equity Incentive Plan)	3,250,000
Performance rights RESTRICTED Class B (Equity Incentive Plan)	4,300,000

#### 1. Unquoted Options Class A Exercise Price

The amount payable on exercise of a Class A Option is:

- AU\$0.35 if the Option is exercised on or before 14 January 2023;
- AU\$0.50 if the Option is exercised after 14 January 2023 and on or before 14 October 2023 (inclusive); and
- AU\$0.65 if the Option is exercised after 14 October 2023 and expiring on or before 14 April 2024.

50% of the shares (2,500,000) issued on exercise of the Class A Options will be subject to 3 years voluntary escrow during which the holder is restricted from disposing of or encumbering the shares.

#### 2. Unquoted Options Class B Exercise Price

The amount payable on exercise of a Class B Option is equal to the higher of:

- AU\$0.35; and
- a 30% discount to the 10-day volume-weighted average price of Shares traded on ASX immediately prior to exercise.

30% of the shares (3,000,000) issued on exercise of the Class B Options will be subject to 3 years voluntary escrow during which the holder is restricted from disposing of or encumbering the shares.

### Restricted Securities

The following securities of the Company have been classified by ASX as “restricted securities” and are subject to restrictions on disposal in accordance with the ASX Listing Rules.

Period of restriction	Ordinary Shares	Unquoted Options	Performance Rights
24 months from the admission	76,521,315 <sup>1</sup>	2,934,519 <sup>2</sup>	7,550,000 <sup>3,4</sup>
Unrestricted	147,238,112	16,500,000	9,467,000

1. 76,521,315 fully paid ordinary shares classified by ASX as restricted securities and to be held in escrow until 21 July 2023, being 24 months from the date of commencement of Official Quotation.
2. 2,934,519 options exercisable at \$0.24 on or before 20 January 2025, classified by ASX as restricted securities and to be held in escrow until 21 July 2023, being 24 months from the date of commencement of Official Quotation.
3. 4,300,000 class A performance rights classified by ASX as restricted securities and to be held in escrow until 21 July 2023, being 24 months from the date of commencement of Official Quotation.
4. 3,250,000 class B performance rights classified by ASX as restricted securities and to be held in escrow until 21 July 2023, being 24 months from the date of commencement of Official Quotation.

### Related Party Payments

In accordance with ASX listing Rule 4.7C.3, payments to related parties and their associates outlined in the Company’s Appendix 4C for the quarter of approximately \$222k relate to Directors’ salaries and superannuation payments.

### Use of Funds

The Company is ahead of forecast and has completed its allocated spend with regard to “undertaking pilots program in the USA to develop a strategy and evaluate the expansion of our business into the USA market”.

The capital raising initiatives outlined in this Quarterly Activities Report have been undertaken to maintain Openn’s momentum towards commercialisation in the US and Canadian markets.

In accordance with ASX Listing Rule 4.7C.2, Openn provides the following update on its use of funds (unaudited):

Proposed use	Application of funds \$'000's	Spend to date \$'000's	Status
• Investigation and transition to a subscription-based monetisation model	150.0	94.2	On Track
• Development/enhancement of the Openn technology and the Openn platform	2,550.0	1,602.2	On track
• Seller/buyer marketing campaigns to raise awareness of Openn Negotiation and Openn Offers	1,750.0	957.5	On track
• Undertaking a pilot program in the USA to develop a strategy and evaluate the expansion of our business into the USA market	1,200.0	1,200.0	Complete
• Explore exploring opportunities to provide new products or services using core data	300.0	188.5	On track
• Explore complimentary services and income streams	150.0	94.2	On track
• Offer, legal compliance and listing costs	677.0	677.0	Complete
• Other corporate administrative costs/overheads	600.0	377.0	On track
• General working capital	1,623.0	1,020.0	On track
<b>TOTAL</b>	<b>9,000.0</b>	<b>6,210.6</b>	<b>On track</b>





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

## ENDS

### Further information:

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Managing Director  
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### About Openn

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

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

### Forward-Looking Information

This announcement contains forward-looking information that is based on Openn's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, negotiations, and product/service development. Generally, this forward-looking information can be identified by the use of terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Openn Negotiation Limited

**ABN**

75 612 329 754

**Quarter ended ("current quarter")**

30 September 2022

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (1 month) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		146	146
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(652)	(652)
(c) advertising and marketing		(62)	(62)
(d) leased assets		-	-
(e) staff costs		(1,348)	(1,348)
(f) administration and corporate costs		(699)	(699)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	-
1.5 Interest and other costs of finance paid		(3)	(3)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(2,618)</b>	<b>(2,618)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(17)	(17)
(d) investments		-	-
(e) intellectual property		(420)	(420)
(f) other non-current assets		(47)	(47)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (1 month) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	2	2
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(482)</b>	<b>(482)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,496	4,496
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(168)	(168)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(25)	(25)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(4,303)</b>	<b>(4,303)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,619	2,619
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,618)	(2,618)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(482)	(482)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (1 month) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,303	4,303
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,822</b>	<b>3,822</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,822	3,822
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,822</b>	<b>3,822</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(222)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,618)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,822
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,822
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.46
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes. Openn management is pursuing its strategy of scaling operations in North America and is taking steps to raise further cash to support its expansion plans. As such the Company expects that it will continue to have the current level of net operating cash flows for the time being. The Company is also reviewing its cost base and, has options to slow its expansion plans to reduce the level of cash burn if required, in which case the net operating cash inflow will increase.	



8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company is taking steps to raise further cash to fund its operations and is in ongoing discussions with existing and potential partners, regarding funding and commercialisation plans to drive volume and scale in Australia and North America. Discussions with potential funding parties and partners are ongoing and there is a risk that one or all will not be capable of completion. The Company is also reviewing options to raise capital from the equity market, as well as reducing its cost base to preserve cash as required. Whilst the Board believes a solution will be found based on the existing discussions and past success in raising capital there is no guarantee of a successfully raising sufficient capital to fund existing operations and a further review of the future business strategy may be required.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, for the reasons outlined in 8.6.3 above.

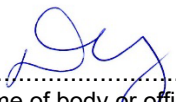
*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 October 2022

Date: .....

Authorised by:  .....

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.