

**BOARD & MANAGEMENT**

**Wayne Zekulich**  
Non-Executive Chairman

**Peter Gibbons**  
Managing Director

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

**Sean Adomeit**  
Chief Executive Officer Au/NZ

**Eric Bryant**  
Director of Operations North America

**CAPITAL STRUCTURE**

Ordinary Shares	319.1 million
Options	19.4 million
Performance rights	20.5 million

**TOP 20 SHAREHOLDERS**

62.01% on 29 May 2023

**CONTACT**

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# Fully Underwritten Renounceable Entitlement Offer to raise up to \$3.19 million and Reorganisation of Operations

**HIGHLIGHTS**

- **5 for 2 Entitlement Offer at \$0.004 to raise \$3.19 million, fully underwritten by Axiom Properties Limited.**
- **Openn Board and Management to participate in the Entitlement Offer.**
- **Openn to focus on strategic partnering model to reduce cash outflows and generate near term revenue.**
- **New capital, combined with operational and management reorganisation, expected to accelerate growth opportunities and pursuit of strategic partnerships.**
- **Reorganisation to include board restructure, reduced board remuneration, and reduced overheads.**
- **Recapitalisation through introduction of new major shareholder provides launching pad to capitalise on Openn technology platform and drive new opportunities.**

Australian-listed property technology company, Openn Negotiation Limited (ASX: OPN) (**Openn** or **Company**) is pleased to announce that it is conducting a capital raising by way of fully underwritten, renounceable pro rata entitlement offer (**Entitlement Offer**) of up to 797,628,353 fully paid ordinary shares in the Company (**New Shares**) to raise \$3.19 million (before costs).

In addition, the Company announces a commitment to complete a structural reorganisation of the Company's operations and cost structure following the recapitalisation of the business and introduction of Axiom Properties Ltd (**Axiom**) as a cornerstone shareholder, as announced on 1 June 2023.

**ENTITLEMENT OFFER**

Shareholders with a registered address in Australia or New Zealand who are registered as the holder of shares in the Company at 5.00pm (WST) on 21 June 2023 (**Record Date**) are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) on the basis of five (5) New Shares for every two (2) shares held at the Record Date, at an issue price of \$0.004 per New Share.

Entitlements are renounceable and will be transferable and tradeable on the ASX.

The Entitlement Offer is fully underwritten by Axiom.

**SHORTFALL OFFER**

The Company is also making an offer to the general public (including Eligible Shareholders) to apply for New Shares not acquired by Eligible Shareholders under the Entitlement Offer at an issue price of \$0.004 per New Share (**Shortfall Offer**).

The Company has not engaged a lead manager for the Entitlement Offer or the Shortfall Offer.

## USE OF FUNDS

The Company intends to apply the funds raised from the Entitlement Offer and Shortfall Offer (**Offers**) for uses which include:

- secure strategic partners to assist with commercial launch of the Openn software platform in the North American and other potential markets, as well as operation of the platform in Australia and New Zealand;
- supporting research and development of platform integration required for strategic partners;
- continued advancements to the Openn platform to deliver secure, compliant and reliable services across global markets;
- developing strategic partnerships with local businesses to leverage market knowledge and networks; and
- identifying new markets and verticals for the Openn platform.

## TIMETABLE

Event	Date
Announce Entitlement Offer to ASX Lodgement of Prospectus with ASIC and ASX	Friday, 16 June 2023
'Ex' date Entitlement trading commences on a deferred settlement basis	Tuesday, 20 June 2023
Record Date (at 5:00pm)	Wednesday, 21 June 2023
Dispatch of Prospectus (with Entitlement & Acceptance Forms) to Eligible Shareholders Opening Date	Monday, 26 June 2023
Entitlement trading ends	Monday, 3 July 2023
New Shares quoted on a deferred settlement basis from market open	Tuesday, 4 July 2023
Entitlement Offer Closing Date (at 5:00pm)	Monday, 10 July 2023
Announce results of Entitlement Offer and any Shortfall Offer to ASX	Thursday, 13 July 2023
Issue New Shares under the Offers	Monday, 17 July 2023
Normal trading in New Shares expected to commence on ASX	Tuesday, 18 July 2023

## APPLICATIONS

The Offers will be made by way of a transaction specific prospectus to be issued by the Company setting out the full terms and conditions of each Offer (Prospectus).

Applications for New Shares under the Offers may only be made by following the instructions on the application forms which accompany the Prospectus. Eligible Shareholders should read the Prospectus carefully and consult their professional advisers as necessary.

## STRATEGIC REVIEW OF OPERATIONS

Through a collaborative partnership with the Canadian Real Estate Association (**CREA**) and an integration with its property portal REALTOR.ca, Openn has materially de-risked the North American commercialisation of the Openn software platform. This technology integration will see Openn's products embedded on the REALTOR.ca platform, providing access to some 160,000 Canadian real estate agents.

Notwithstanding this success, the Company acknowledges that the protracted timeline for its North American expansion, coupled with global cost pressures and a subdued capital market environment for technology businesses, have created funding challenges for the business as the Company has progressed towards a North American commercial roll-out in recent months.

The Company has determined to transition to a less capital-intensive go-to-market strategy which provides a near term pathway to revenue generation by strategically partnering with key real estate industry and related businesses in Australia, New Zealand and North America which have the resources to manage certain operational responsibilities of the Openn business, such as marketing, sales and training, enabling Openn to focus on providing the Openn platform, branding, and possibly developing approaches into other industries and markets.

This strategy has the potential key advantages of offering the Openn business to a wider market by leveraging off the established market presence, networks and sales channels of strategic partners, while significantly reducing variable overheads associated with a stand-alone roll-out.

The structure of these opportunities may vary in different markets, but may include joint ventures, licensing models, or similar technology integration arrangements designed to ensure Openn remains exposed to upside.

The Company considers that the strategic partnering model is a more efficient use of the resources of the Company and its subsidiaries (**Group**) which does not change the core business and offers greater potential to secure the Group's position in the market.

The Company is in advanced but incomplete commercial discussions with various property technology (PropTech) providers. However, there is no assurance that the Company will secure any partnership arrangements to drive future growth.

In addition, the Company is conducting a strategic review, and intends expanding on the cost optimisation exercise announced in May 2023 and exploring further opportunities that Axiom may be able to introduce. The Group has implemented substantial overhead reductions to lower cash burn and scale down its overheads for sustainable growth, including a material reduction in the Group's workforce and reduction in the size of the Company's board of directors.

As evidenced by its traction with major global players, the Company is well positioned to capitalise on the growing but relatively early-stage adoption cycle of real estate offer management solutions. The Company remains focused on promoting user update and transaction volumes feeding through the platform.

Once Openn has established recurring revenue and secured embedded relationships in the real estate market, it may explore the potential application for the Openn platform in other industries and opaque markets with a view to possible licensing models.

## PROPOSED BOARD CHANGE

Non-Executive Chairperson Wayne Zekulich has advised of his plans to step down from the board of Openn. Mr Zekulich has held this position since prior to the Company's IPO and listing in July 2021. The Company is now seeking to identify suitable candidates with significant directorship and corporate experience to step into the role. Mr Zekulich has indicated he will continue on as chairperson until a suitable replacement has been secured



**Openn Negotiation Managing Director Peter Gibbons commented:**

*"We wish to acknowledge the shareholder value implications associated with raising equity at a deep discount to historical trading levels.*

*In spite of cost challenges associated with the North American roll-out, we feel that the efforts over the last couple of years have led us closer to a profound commercial breakthrough in these markets. With a supportive cornerstone investor in Axiom who has an aligned interest, a greatly reduced operational cost structure and a focus on licencing and partnerships, we can restore some value to investors."*

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

**ENDS**

**Further information:**

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**About Openn Negotiation**

Openn 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.

**About Axiom Properties Ltd**

Axiom Properties Ltd is a property development and investment business focused on developing and delivering quality property solutions. Axiom's principal objective is to create long term value for shareholders by creating a well-respected property development and investment company that consistently delivers above industry returns on capital.

**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 Openn'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 Openn'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 Openn's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.