OPENN TECH PTY LTD

(formerly Cleverbons Pty Ltd)

ABN 37 607 908 636

Audited Financial Statements
For the year ended 30 June 2019

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 Bromley

Registered Office

BDO 38 Station Street
Subiaco WA 6008

Principal & Registered Office

4 Stirling Road,
Claremont WA 6010

Contact Details

(+61) 1 800 667 366 (Telephone)
www.openn.com.au

Auditors

HLB Mann Judd (WA Partnership)
130 Stirling Street
Perth WA 6000

DIRECTORS' REPORT

The Board of Directors present their report together with the financial statements of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd (**Openn Tech** or **Company**) for the year ended 30 June 2019.

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 code: PNR), a board member of Infrastructure WA, a committee member of the John Curtin Gallery advisory board and a board member 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.

Peter Gibbons - Managing Director
(Appointed 27 August 2016)
(Company Secretary 27 August 2016 – 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, and Silverchain.

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.

Duncan Royce Anderson - Executive Director
(Appointed 8 March 2021)

Duncan Anderson has 25 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 (NTSE: 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 and is an astute strategic thinker.

Darren Michael Bromley – Executive Director and Company Secretary
(Appointed 8 March 2021)
(Appointed Company Secretary 8 March 2021))

Darren Bromley has over 28 years' experience in business management and the corporate sector, including corporate transactions, mergers and acquisitions, business start-ups capital raisings, financial modelling, strategy, financial management, business development, operational management, corporate governance and company administration.

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 also held a number of directorship, 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.

DIRECTORS' REPORT

Directors' Information (continued)

Danielle Marguerite Lee – Non-Executive Director
(appointed 22 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 code: HZR), Ocean Grown Abalone Limited (ASX code: OGA) 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.

Bradley Glover
(Appointed 27 August 2016 – resigned 3 February 2021)

Peter Clements
(Appointed 27 August 2016 – resigned 3 February 2021)

Company secretary

Darren Michael Bromley - (see biography above)

Directors' interests

No director holds any securities in Openn Tech.

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:

Director	Board		Audit and Risk Committee		Nomination and Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
P Gibbons	1	1	-	-	-	-
D Anderson[1]	-	-	-	-	-	-
D Bromley[1]	-	-	-	-	-	-
B Glover[2]	1	1	-	-	-	-
P Clements[2]	1	1	-	-	-	-
W Zekulich[1]	-	-	-	-	-	-
D Lee[1]	-	-	-	-	-	-

Notes:
1. Mr Anderson, Mr Bromley, Mr Zekulich and Ms Lee were not directors of the Company during the 2019 financial year
2. Mr Glover and Mr Clements resigned on 3 February 2021

Committee membership

As at the date of this report, the Board of Directors of Openn had no committees of the board.

Principal activities

Openn Tech is a holding company and owns the Openn technology. It was established by the founding Directors (Peter Gibbons, Peter Clements and Bradley Glover) and controlled by them until August 2020 when its shares were transferred to Openn World Pty Ltd for nil consideration.

The intellectual property rights to the Openn technology as well as associated trade secrets and know-how are owned by Openn Tech, and are exclusively licensed to Openn Pty Ltd.

The Openn technology is the subject of patent application titled "Sales mechanism and digital interface therefor" and lodged by Openn Tech. The patent application is filed in three jurisdictions: Australia (application 2017280108), New Zealand (application 764803), and the USA (application 16/311,989).

DIRECTORS' REPORT

Operating and financial review

Results from core operations

The Company incurred administration costs and amortisation expense totalling $40,593 for the year and continued to develop channels for its core technology platform.

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

The has been no significant changes to the Company's state of affairs during the year. On 17 August 2020, Openn World Pty Ltd acquired all of the issued capital of the Company. The acquisition occurred free of encumbrances and together with all rights which are attached to or have accrued in relation to the Openn Tech Shares as at the date that Completion occurred.

Likely developments

The Company will continue to exploit its technology platform.

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.

Options

No options were granted since the end of the previous financial year.

No options were exercised during or since the end of the financial year.

At the date of this report, there are no unissued ordinary shares of the Company under option.

Performance Rights

There were no unissued ordinary shares of the Company under performance rights at the date of this report.

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.

DIRECTORS' REPORT

Events Subsequent to Reporting Date

On 17 August 2020, the Company was acquired by Openn World Pty Ltd. The acquisition occurred free of encumbrances and together with all rights which are attached to or have accrued in relation to the Openn Tech Shares as at the date that Completion occurred.

On 10 February2021, Openn Negotiation Limited completed a transaction to acquire 100% of the issued capital of Openn World Pty Ltd and its wholly owned subsidiary Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd), a company established by the founders of Openn. Consideration for the acquisition was $501,130.

On 15 February 2021, Openn Negotiation Limited repaid a loan to the founding directors on behalf of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd). At the time Openn Negotiation Limited acquired Openn World Pty Ltd, Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) was indebted to the Founders or entities controlled by the Founders for $344,740. This debt represented loans (including payments made/liabilities settled on behalf of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd)) by the Founders to Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) for start-up capital, as well as funding the costs of developing and commercialising the Openn Technology.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act is set out on page 5.

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

On behalf of the Board of Directors.

Peter Gibbons
Managing Director

Dated this 30 April 2021

AUDITOR'S INDEPENDENCE DECLARATION

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) for the year ended 30 June 2019, 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 April 2021

B G McVeigh
Partner

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2019

	Note	2019 $	2018 $
Continuing operations			
Revenue		-	-
Other income	3	1	17
Amortisation expense		(32,938)	(31,768)
General and administration expenses	3	(7,656)	(12,194)
(Loss) before income tax		(40,593)	(43,945)
Income tax (expense) / benefit	4	5,802	2,999
(Loss) from continuing operations		**(34,791)**	**(40,946)**
Other comprehensive income			
Items that may be realised through profit and loss			
Movement in reserves		-	-
Other comprehensive (loss) for the period, net of tax		**(34,791)**	**(40,946)**
Total comprehensive loss attributable			
Owners of the Company		(34,791)	(40,946)

The accompanying condensed notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	5	1,613	19,579
Other receivables and assets	6	3,185	9,432
Total current assets		4,798	29,011
Non-current assets			
Intangible assets	7	181,416	196,069
Deferred tax assets	4	-	-
Total non-current assets		181,416	196,069
TOTAL ASSETS		**186,214**	**225,080**
Current liabilities			
Trade and other payables	8	6,112	4,386
Borrowings	9	340,720	340,720
Total current liabilities		346,832	345,106
Non-current liabilities			
Deferred tax liabilities	4	14,692	20,493
Total non-current liabilities		14,692	20,493
TOTAL LIABILITIES		**361,524**	**365,599**
NET ASSETS / (LIABILITIES)		**(175,310)**	**(140,519)**
Equity			
Issued capital	10	1,200	1,200
(Accumulated losses)		(176,510)	(141,719)
TOTAL EQUITY / (DEFICIENCY)		**(175,310)**	**(140,519)**

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

Balance at 1 Jul 2018	Ordinary Shares $	Accumulated Losses $	Total Equity $
Balance at the beginning of the year	1,200	(141,719)	**(140,519)**
Transactions with shareholders in their capacity as shareholders	-	-	**-**
Total comprehensive income			
(Loss) for the period	-	(34,791)	**(34,791)**
Movement in reserves	-	-	**-**
Total comprehensive (loss) for the period	-	(34,791)	**(34,791)**
Balance as at 30 Jun 2019	**1,200**	**(176,510)**	**(175,310)**

Balance at 1 Jul 2017	Ordinary Shares $	Accumulated Losses $	Total Equity $
Balance at the beginning of the year	1,200	(100,773)	**(99,573)**
Transactions with shareholders in their capacity as shareholders			
Total comprehensive income			
(Loss) for the period	-	(40,946)	**(40,946)**
Movement in reserve	-	-	**-**
Total comprehensive (loss) for the period	-	(40,946)	**(40,946)**
Balance as at 30 Jun 2018	**1,200**	**(141,719)**	**(140,519)**

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		1	17
Payments to suppliers and employees		(2,040)	(8,886)
Income tax – R&D incentive received		-	18,779
Net cash (used in) / provided by operating activities	18	**(2,039)**	**9,910**
Cash flows from investing activities			
Payments for patent costs		(14,802)	(21,751)
Payments for trademark costs		(1,125)	(9,660)
Net cash (used in) investing activities		**(15,927)**	**(31,411)**
Cash flows from financing activities			
Proceeds from borrowings		-	30,000
Net cash provided by financing activities		**-**	**30,000**
Net (decrease) / increase in cash and cash equivalents		**(17,966)**	**8,499**
Cash and cash equivalents at the beginning of the year		**19,579**	**11,080**
Cash and cash equivalents at the end of the year	5	**1,613**	**19,579**

The accompanying condensed notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

1. Summary of significant accounting policies

This financial report for the year ended 30 June 2019 includes the financial statements and notes of Cleverbons Pty Ltd (**Cleverbons** or **Company**) which is a proprietary company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 30 April 2021.

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 financial report has been prepared on a going concern basis.

The Directors believe there are sufficient grounds for the business to be able to continue to pay its debts as and when they fall due. This is based on the fact that subsequent to this year end, the Company was purchased by Openn Negotiation Limited and is now a wholly owned subsidiary of this Group. The Directors expect that financial support will be provided by the ultimate parent entity.

The ability of the Company to continue as a going concern is principally dependent upon the continued financial support by the ultimate parent entity. This condition indicates a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The Directors have confirmed that support for on-going operating costs will occur.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

c. 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.

d. 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.

liabilities and their carrying amounts for financial reporting purposes.

d. Income tax (continued)

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.

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.

e. Trade and other receivables

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms.

f. Intangible assets

Technology development

Costs associated with developing the Company's technology platform grammes 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.

f. Intangible assets (continued)

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:

- 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 depreciation.

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

g. 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.

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.

h. 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

i. 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.

j. 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.

k. 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.

l. 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.

m. 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.

n. Revenue

The Company currently has interest income which it recognises when it is received.

o. Comparative figures

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

p. 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. The Company current holds no lease.

q. 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 2019 reporting periods and have not been early adopted by the Company. The Company's has assessed the impact of these new standards and has determined that there is no material impact on the financial statements

2. Segment information

Segment information

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

3. Loss from continuing operations

	2019 $	2018 $
Loss from continuing operations before income tax has been determined after:		
(a) Other income		
Interest revenue	1	17
	1	17
(b) Expenses – General and administration costs		
Accounting expenses	3,309	2,568
Audit fees	3,750	-
Legal expenses	-	1,656
Travel expenses	-	4,685
Other administration expenses	597	3,285
	7,656	12,194

4. Income Taxes

	2019 $	2018 $
Income tax recognised in profit or loss		
(a) Income tax expense comprises:		
Current tax expense	**-**	-
Deferred tax expense relating to the origination and reversal of temporary differences	5,802	2,999
Total tax benefit	**5,802**	2,999
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(40,593)	(43,945)
Prima facie tax benefit at the Australian tax rate		
Adjustment of prior year income tax losses	(11,163)	(12,085)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible (taxable)	8,564	8,519
Movements in unrecognised temporary differences	975	-
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,624	3,566
Reversal of temporary differences	5,802	2,999
Income tax benefit	**5,802**	**2,999**
(c) Unrecognised deferred tax balances		
Deferred Tax Assets		
Accrued expenses	975	-
Carry forward revenue and capital tax losses	31,501	30,485
	32,476	**30,485**
Unrecognised deferred tax balances		
Deferred Tax liabilities		
Intangible assets (technology)	**32,476**	**30,485**
(d) Recognised deferred tax balances		
Deferred Tax liabilities		
Intangible assets (technology)	**14,692**	**20,493**

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

	2019	2018
	$	$
Cash at bank and on hand (1)	1,613	19,579
	1,613	**19,579**

(1) Cash at bank and on hand earns interest at floating rates based on daily bank deposits

6. Current assets: Other assets and other receivables

	2019	2018
	$	$
Sundry receivables	**3,185**	9,432
	3,185	**9,432**

No receivables are considered past due other than those provided for.

7. Non-current assets: Intangible assets

	2019	2018
	$	$
Intangible assets		
Technology assets		
At cost	202,095	202,095
Less: Accumulated depreciation	(96,733)	(71,472)
	105,362	130,623
Patents		
At cost	56,565	39,405
Less: Accumulated depreciation	(6,755)	(3,642)
	49,810	35,763
Trademarks		
At cost	29,595	28,470
Less: Accumulated depreciation	(9,016)	(5,586)
	20,579	22,884
Website		
At cost	9,065	9,065
Less: Accumulated depreciation	(3,400)	(2,266)
	5,665	6,799
Total Intangibles	**181,416**	**196,069**
Reconciliation/movement for the year		
Carrying amount at beginning of year	196,069	196,427
Additions	18,285	31,410
Disposal	-	-
Depreciation charge	(32,938)	(31,768)
Carrying amount at end of year	181,416	196,069

8. Current liabilities: Trade and other payables

	2019	2018
	$	$
Trade payables (1)	6,112	4,334
Other payables	-	51
	6,112	4,385

1. No trade payables past due over 30 days as at 30 June 2019 (2018: $NIL)

9. Borrowings

	2019 $	2018 $
Borrowings		
Current borrowings	340,720	340,720
Non-current borrowings	-	-
TOTAL	**340,720**	**340,720**

Reconciliation/movement for the year		
Opening balance (1)	340,720	310,720
Amounts borrowed	-	30,000
Carrying amount at end of period	**340,720**	**340,720**

(1) Related party borrowings

The Company received $340,720 from the directors for working capital purposes. The terms of the loan are set out below.

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

10. Issued capital

Equity (number of shares on issue and the amount paid (or value attributed) for the shares)
1,200 fully paid ordinary shares (2018: 1,200)

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

	Jun 2019 Number	Jun 2018 Number	Jun 2019 $	Jun 2018 $
Balance at the beginning of the year	1,200	1,200	1,200	1,200
Sub-total	**1,200**	**1,200**	**1,200**	**1,200**

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.

11. 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:

	2019 $	2018 $
Cash and equivalents	1,613	19,579
Other receivables	3,185	9,432
Trade and other payables	(6,112)	(4,385)
Working capital position (1)	**(1,316)**	**24,626**

1. The Company is supported by its new parent Openn Negotiation Limited through interest-free, unsecured loans provided for working capital.

12. Risk management (continued)

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 and receivables. The assessment of the credit risk based on a rating agencies review of the financial institution for cash and an individual internal assessment of the credit worthiness of the debtor.

The Group is not exposure to material foreign currency risk or interest rate risk and is not exposed to commodity risk.

	2019	2018
Financial assets	**$**	$
Cash and equivalents	1,613	19,579
Other receivables	3,185	9,432
	3,346	**29,011**
Trade and other payables	(6,112)	(4,334)
Borrowings	(340,720)	(340,720)
Working capital position	**(346,832)**	**(345,054)**

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

12. Dividends

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

13. Remuneration of auditors

	2019	2018
	$	$
Audit and review of the financial report	3,750	-
	3,750	-

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

14. Commitments

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

15. Contingencies

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

16. Related party transactions

(a) Loans
The directors provided a loan to the company for working capital purposes over the proceeding 3 year period on the terms and conditions set out in Note 9.

17. Subsequent events

On 17 August 2020, the Company was acquired by Openn World Pty Ltd. The acquisition occurred free of encumbrances and together with all rights which are attached to or have accrued in relation to the Openn Tech Shares as at the date that Completion occurred.

On 10 February2021, Openn Negotiation Limited completed a transaction to acquire 100% of the issued capital of Openn World Pty Ltd and its wholly owned subsidiary Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd), a company established by the founders of Openn. Consideration for the acquisition was $501,130.

On 15 February 2021, Openn Negotiation Limited repaid a loan to the founding directors on behalf of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd). At the time Openn Negotiation Limited acquired Openn World Pty Ltd, Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) was indebted to the Founders or entities controlled by the Founders for $344,740. This debt represented loans (including payments made/liabilities settled on behalf of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd)) by the Founders to Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) for start-up capital, as well as funding the costs of developing and commercialising the Openn Technology.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

18. Notes to the statement of cash flows

	2019 **$**	2018 $
Reconciliation of net loss after income tax to net cash outflow from operating activities		
(Loss) for the year	(34,791)	(40,946)
Adjusted for:		
Amortisation	32,938	31,768
Change in operating assets and liabilities		
Decrease in other assets and receivables	3,837	19,166
Increase in trade and other payables	1,779	2,921
(Decrease) in trade and other payables	(5,802)	(2,999)
Net cash outflow from operating activities	**(2,039)**	**9,910**

DIRECTORS' DECLARATION

The Directors have determined that the Company is not a reporting entity and that this general purpose financial report was prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

(a) The financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Corporations Act 2001 (Cth*) (**Corporations Act**), including:

  i. complying with Accounting Standard as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

  ii. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act.

On behalf of the Directors

Peter Gibbons
Managing Director

Dated this 30 April 2021

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the members of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2019 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 Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 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.

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 Company's annual report for the year ended 30 June 2019, 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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HLB MANN JUDD
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 Company 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 Company 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 Company'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 Company'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 Company 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.

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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.

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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 April 2021

Brad McVeigh
Partner