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PROSPECTUS INITIAL PUBLIC OFFERING

Openn Negotiation Limited (ACN 612 329 754)



For the offer of 45,000,000 shares at an issue price of \$0.20 per share to raise \$9,000,000 (before costs). Please refer to section 4 of this prospectus for more information in respect of the offer.

The offer is fully underwritten by Euroz Hartleys Limited. See section 4.4 of this prospectus for more information in respect of the underwriting.

Proposed ASX Code

OPN

Lead Manager and Underwriter

EUROZ HARTLEYS

Euroz Hartleys Limited (AFSL No. 230052)

IMPORTANT NOTICE

This prospectus and the accompanying application form contain important information and should be read in their entirety. If you have any questions about an offer or this prospectus, you should speak to your professional adviser. The securities offered by this prospectus should be considered as a speculative investment.

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CORPORATE DIRECTORY

Directors

Wayne Zekulich	Non-Executive Chairperson
Peter Gibbons	Managing Director
Duncan Anderson	Executive Director & Chief Technology Officer
Darren Bromley	Executive Director & Chief Financial Officer
Danielle Lee	Non-Executive Director

Company Secretary

Darren Bromley

Registered Office

c/- BDO
38 Station Street
Subiaco, Western Australia 6008

Principal Place of Business

Level 1, 4 Stirling Road
Claremont, Western Australia 6010
Telephone: 1 800 667 366
Email: investors@openn.com.au

Securities Registry*

Computershare Investor Services Limited
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
GPO Box D182
Perth, Western Australia 6840
Telephone: +61 08 9323 2000
Facsimile: +61 08 9323 2033

Auditor*

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Lead Manager and Underwriter

Euroz Hartleys Limited
Level 18, Alluvion
58 Mounts Bay Road, Perth, Western Australia 6000
AFSL No. 230052

Australian Legal Adviser

Blackwall Legal LLP
Level 26, 140 St Georges Terrace
Perth, Western Australia 6000

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

Intellectual Property Adviser

Griffith Hack
Level 22, Allendale Square
77 St Georges Terrace
Perth, Western Australia 6000

Industry Consultant

Frost & Sullivan Australia Pty Ltd
Suite 1.02 54 Miller Street
North Sydney, New South Wales 2060

Proposed ASX Code

OPN

Website

www.openn.com.au

*Included for information purposes only. This entity has not been involved in the preparation of this prospectus.

IMPORTANT INFORMATION

Prospectus

This prospectus issued by Openn Negotiation Limited (ACN 612 329 754) (**Openn**) is dated 10 May 2021 and was lodged with the ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this prospectus or the merits of the investment to which this prospectus relates.

An application will be made to ASX for quotation of the shares offered by this prospectus within 7 days following the date of this prospectus.

Shares will not be issued on the basis of this prospectus later than 13 months after the date of this prospectus.

Before applying for shares under this prospectus, potential investors should carefully read this prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the shares;
- the assets and liabilities of Openn; and
- Openn's financial position, performance and prospects.

It is important that you read this prospectus in its entirety and seek professional advice where necessary. The shares the subject of the offer should be considered highly speculative.

We have not authorised any person to give any information or make any representation in connection with the offer which is not contained in this prospectus. Any information or representation not contained in this prospectus should not be relied on as having been made or authorised by us or the directors.

Note to applicants

The information contained in this prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

It is important that you read this prospectus carefully and in its entirety before deciding whether to invest in Openn. In particular, in considering our prospects, you should consider the risk factors that could affect our performance. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the shares. Some of the key risk factors that should be considered by prospective investors are set out in sections 1 and 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Neither the persons named in this prospectus, nor any other person, guarantees our performance, the repayment of capital by Openn or the payment of a return on the shares.

Exposure period

This prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC pursuant to the Corporations Act. ASIC may extend this period by a further 7 days. The purpose of the exposure period is to enable the prospectus to be examined by market participants prior to the raising of funds.

The examination may result in the identification of deficiencies in the prospectus, and in such circumstances, any applications received during the exposure period may need to be dealt with in accordance with section 724 of the Corporations Act.

The prospectus will be available online at our website, www.openn.com.au, or in hard copy upon request during the exposure period. Applications received during this time will not be processed until after the expiration of the exposure period and preference will not be conferred on such applications.

Electronic prospectus

This prospectus may be viewed in electronic form at www.openn.com.au, by Australian investors only. If you receive the electronic form of the prospectus you should ensure that you download and read the entire prospectus. A paper copy of the prospectus may be obtained free of charge on request during the offer period by calling the securities registry. The information on our website does not form part of this prospectus.

Applications

Applications for shares may only be made on printed copies of an application form attached to or accompanying the prospectus. The Corporations Act prohibits any person from passing an application form to any other person unless it is attached to, or accompanied by, a hard copy of the prospectus or a complete and unaltered electronic copy of the prospectus.

The application form included in this prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of this prospectus. Each application form contain a declaration that the investor has personally received the complete and unaltered prospectus prior to completing the application form. We reserve the right not to accept a completed application form if we have reason to believe that the applicant has not received a prospectus or if we have reason to believe that the application form has been altered or tampered with in any way.

No cooling off rights

Cooling off rights do not apply to an investment in shares pursuant to the offer. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Privacy

If you apply for shares, you will provide personal information to us and the securities registry. Openn and the securities registry will collect, hold and use your personal information in order to assess your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. Corporate and taxation laws require us to collect some personal information. If you do not provide the information requested, your application may not be able to be processed efficiently, or at all.

Jurisdictional restrictions

Openn has not taken any action to register or qualify shares or the offer, or otherwise to permit a public offering of shares, in any jurisdiction outside Australia.

The distribution of this prospectus (including in electronic form) in jurisdictions outside Australia may be restricted by law and therefore persons outside Australia who obtain this prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

Please refer to section 4.19 for further detail in this regard.

Forward-looking statements

This prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements have been prepared with all reasonable care and attention, based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this prospectus, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside our control. They may be affected by matters such as those outlined in section 6.

We (and our directors) cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur. Further, other than by lodgement of a replacement or supplementary prospectus during the offer period if required by law, we may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

No prospective financial forecasts

The directors have considered the matters outlined in ASIC Regulatory Guide 170 and do not consider reliable financial forecasts can be prepared. Accordingly, the directors have not included forecasts in this prospectus.

Disclaimer

We, the securities registry and the lead manager disclaim all liability, whether in negligence or otherwise, to persons who trade shares before receiving their holding statement.

The lead manager will manage the offer, but has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this prospectus and there is no statement in this prospectus which is based on any statement made by the lead manager, or by any of its affiliates or related bodies corporate, or any of their respective officers, directors, employees, partners, advisers or agents.

To the maximum extent permitted by law, the lead manager, its related bodies corporate, and any of their respective officers, directors, employees, partners, advisers or agents expressly disclaim all liabilities in respect of, do not make any representations regarding, and do not take any responsibility for, any part of this prospectus (other than references to their names) and do not make any representation or warranty as to the currency, accuracy, reliability or completeness of this prospectus.

Photographs and diagrams

Photographs used in this prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses the prospectus or its content. Diagrams are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this prospectus. The people and assets depicted in photographs in this prospectus are not our employees or assets unless specifically stated.

Screenshots or other images of the Openn platform may include photographs or information in relation to properties sold or uploaded for sale through the platform with details changed to protect privacy. The inclusion of such images should not be taken to mean that any person associated with the properties endorses Openn or the Offer.

Meaning of terms

Capitalised terms and certain other terms used in this prospectus are defined in the glossary in section 13.

The expressions "we", "our", "us" refer to Openn Negotiation Limited and/or any of its subsidiaries, as the context requires.

References to "Openn" are to Openn Negotiation Limited, unless the context requires otherwise.

References to "you" and "your" are references to an applicant or prospective applicant.

Currency

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

References to "NZ\$" are references to currency of New Zealand, unless otherwise stated.

References to "US\$" are references to currency of the USA, unless otherwise stated.

Time

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

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**KEY OFFER
INFORMATION**

KEY OFFER INFORMATION

INDICATIVE TIMETABLE

Lodgement of prospectus with ASIC	10-May-21
Expiry of exposure period / opening date of the offer	17-May-21
Closing date of the offer	24-May-21
Issue of shares under the offer	7-Jun-21
Despatch of holding statements	8-Jun-21
Shares commence trading on ASX	11-Jun-21

Note: These dates are indicative only and subject to change. Openn, acting in consultation with the lead manager, may vary these dates without notice, including whether to close an offer early, extend an offer, or accept late applications, either generally or in particular cases, without notification. The opening date will be affected by any extension of the exposure period.

KEY OFFER DETAILS

Price per share under the offer	\$0.20
Shares offered under the offer	45,000,000
Cash proceeds of the offer (before costs)	\$9,000,000
Shares on issue on completion of the offer	191,725,964
Market capitalisation at the offer price	\$38,345,192.80

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CHAIRPERSON'S LETTER

CHAIRPERSON'S LETTER

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Dear Investor,

On behalf of the directors of Openn Negotiation Limited ("**Openn**"), it is my pleasure to invite you to become a shareholder in Openn.

Openn is an Australian property technology (or "proptech") company combining the ease of private treaty real estate sales and the transparency of auction, with cutting edge technology, providing the best possible property sales outcomes for the seller, the buyer and the real estate agent.

Founded in 2016 by a group of experienced property professionals, Openn has solved some fundamental issues of traditional real estate sales methods, that often resulted in sub-optimal outcomes due to a lack of transparency.

The Openn platform facilitates a real-time, online bidding process to achieve the market value for a property, through competitive price tension. The platform aims to build trust between the agent and buyer and ensures price maximisation for the seller.

With approximately 55,000 registered users across Australia, over 3,300 agents adopting the technology and approximately \$2 billion of property sales so far, the Openn platform is being recognised as an industry enabler, delivering a flexible and transparent transaction alternative.

In addition to its transaction capability, our platform captures unique, real time data that has the potential to provide lead indicators for the property market. This data could add value to the property sector especially as the industry is experiencing an increase in buyer demand and competitiveness.

A successful IPO and listing on the ASX will provide Openn with the funds to facilitate our expansion in the Australian and New Zealand market, and also to assess the USA market. Branching into the USA aligns with Openn's long-term vision and growth strategy.

The offer under this prospectus is seeking to raise AU\$9,000,000 via the issue of 45,000,000 shares at an issue price of \$0.20 per share. The offer is fully underwritten by the lead manager, Euroz Hartleys Limited, on a conditional basis.

This prospectus contains detailed information about the offer and the current and proposed operations of Openn, as well as the risks pertaining to an investment in Openn.

We encourage you to read this prospectus in its entirety to gain a full understanding of our operations before making an investment decision.

On behalf of the board and Openn team, I look forward to welcoming you as a shareholder and sharing what we believe to be an exciting time ahead for the company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'WZ', with a stylized flourish at the end.

Wayne Zekulich
Non-Executive Chairperson

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1 INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

TOPIC	SUMMARY	FURTHER INFORMATION
PROSPECTUS		
Who is the issuer of this prospectus?	Openn Negotiation Limited (ACN 612 329 754), referred to as " Openn " in this prospectus.	
What is the purpose of this prospectus and the offer?	<p>The purpose of this prospectus is:</p> <ul style="list-style-type: none"> to make the offer to existing and prospective new investors and raise \$9,000,000 (before costs); to satisfy the requirements for our admission to the official list of ASX which will enable efficient trading of Openn's securities, as well as to increase access to additional future funding after the offer; and to position us to meet our business objectives, including: <ul style="list-style-type: none"> scale-up of our operations; further development of our technology; conduct marketing campaigns to raise brand awareness; explore expansion of our business to the USA; explore exploitation of core transaction data; and explore providing complementary services through our online platform. 	Section 4.6
COMPANY AND BUSINESS		
Who are we?	<p>Openn is an Australian public company limited by shares which was incorporated in 2016 by a property investment banking and technology developer, and two experienced real estate agents.</p> <p>The founders were seeking to address operational inefficiencies in the traditional residential property sales process by developing a technology solution focused around providing procedural and price transparency.</p> <p>The founders created the Openn Negotiation sales process as a tool for real estate agents in property sales. This process has been tested and validated through our Openn platform since mid-2017.</p>	Section 3.1
In what industry do we operate?	<p>We currently operate in the Australian and New Zealand real estate sales industry.</p> <p>We are primarily focused on residential real estate sales, but we can cater for vacant land, rural and commercial property sales.</p>	Section 3.1
What do we do?	<p>We operate a proptech business that provides technology solutions to enable the transparent negotiation and sale of real estate online.</p> <p>Our solutions are primarily delivered online through our technology platform. The Openn platform combines our proprietary technology for a transparent online sales process with an online software platform to facilitate real time negotiation of property sale transactions.</p> <p>The Openn platform is designed to facilitate different types of sales methods. At present, it facilitates:</p> <ul style="list-style-type: none"> Openn Negotiation – our primary product offering and sales process which combines flexibility of a private treaty with the transparency of auction price discovery; and Openn Offers – which supports a traditional private treaty process online with improved transparency. The Openn platform is a transactional tool used by real estate agents throughout Australia and New Zealand to conduct property sales online. <p>Agents (who are trained by us and certified to use the platform) are able to upload properties to the platform.</p> <p>Potential buyers are then able to view properties. Those who wish to participate in a sale campaign can register and bid online through the Openn platform via a web browser or mobile app.</p> <p>Competing bids for a property are disclosed on the platform to participating qualified bidders. This provides all bidders with price transparency, allowing them to make an informed decision about improving their bid.</p> <p>Through these processes, we provide transparency of market price and a consistent process for property sales.</p>	Section 3

TOPIC	SUMMARY	FURTHER INFORMATION
Who are our target customers?	<p>Our primary target customers are real estate agents or real estate agencies (i.e. large agency networks or franchise chains) in Australia and New Zealand.</p> <p>Our secondary target customers are sellers and buyers of real estate in Australia and New Zealand.</p> <p>There are estimated to be 11,000 real estate agency offices in Australia with around 35,000 individual agents.¹</p> <p>We currently have over 3,300 Australian and New Zealand real estate agents certified to use the platform, and approximately 55,000 registered users².</p>	Sections 2, 3.1 and 3.3
How do we generate revenue?	<p>We currently generate revenue from:</p> <ul style="list-style-type: none"> • training and certification fees for real estate agents to use the Openn platform – currently \$135.45 plus GST per agent; and • upload fees to upload a property onto the Openn platform – currently \$500 plus GST (NZ\$478 plus GST). • Currently, property upload fees account for approximately 90% of our revenue. <p>Our revenue is primarily driven by the number of agents certified to use the Openn platform, and the number of properties uploaded for sale through the Openn platform each month.</p>	Section 3.3(b)
Who do we compete with?	<p>We compete with businesses offering traditional real estate sales methods, including private treaty, auction, tender and end-date processes. There are also several competing proptech companies in Australia offering services to support real estate agents in the sale of properties, including auction tracking applications, auction streaming, digital contracting and remote bidding applications. The Openn platform is unique as it enhances traditional property negotiation with technology and a bespoke user experience which centres around fairness and transparency. The Openn platform aims to offer agents a complete end to end transactional solution</p>	Section 3.3(d)
What is our corporate structure?	<p>Our corporate group comprises:</p> <ul style="list-style-type: none"> • Openn as the parent company; and • Openn Pty Ltd, Openn World and Openn Tech as directly held 100% subsidiaries of Openn. 	Section 3.7(a)
Do we have any registered intellectual property rights?	<p>Our technology is the subject of patent application titled "Sales mechanism and digital interface therefor" and lodged by Openn Tech.</p> <p>The patent application is filed in three jurisdictions: Australia (application 2017280108), New Zealand (application 764803), and the USA (application 16/311,989).</p> <p>In addition, we hold several registered trade marks in Australia, with one pending. Our trade marks have not been registered outside of Australia.</p>	Sections 3.7(c) and 7
Is the industry in which we operate regulated?	<p>Real estate agents and auctioneers</p> <p>Real estate agents and auctioneers are regulated and require licencing/registration in each state and territory of Australia, and in New Zealand.</p> <p>The Openn platform is a tool used by licensed agents and auctioneers. Accordingly, we are not required to hold such licences or registrations.</p> <p>Privacy</p> <p>We collect, store, use, disclose, transfer and dispose of personal information in accordance with our privacy policy which has been prepared having regard to the requirements of the Australian Privacy Principles, the New Zealand Information Privacy Principles, and privacy legislation in Australia and New Zealand generally.</p>	Section 3.7(f)
What are Openn's key dependencies?	<p>Our business is largely dependent upon:</p> <ul style="list-style-type: none"> • successful scale-up of the Openn technology and increasing the number of property uploads; • retaining and increasing the number of registered users of the Openn platform, particularly agents who we have certified to use the platform; • achieving market share that is a statistically significant size for meaningful data analysis; • retaining key personnel and being able to recruit suitable replacements or additional staff within a reasonable period of time; and • data capability and performance of our technology to provide secure and reliable access to the Openn platform, optimise our users' experience and to develop new products and services. 	Section 3.4

¹ Frost & Sullivan market industry report at Section 2.

² Buyers, sellers and observers registered with the Openn platform

TOPIC	SUMMARY	FURTHER INFORMATION
What material contracts has Openn entered into?	<p>We are party to the following key contracts:</p> <ul style="list-style-type: none"> the underwriting agreement with the lead manager; the licence deed between Openn Tech and Openn Pty Ltd; employment agreements with each executive director; appointment letter agreements with each non-executive director; and deeds of access, indemnity and insurance with each director. 	Section 9

INVESTMENT HIGHLIGHTS AND KEY RISKS

What are the perceived investment highlights and benefits?	<p>We consider that our key strengths include:</p> <ul style="list-style-type: none"> our technology platform is established and operates in Australia and New Zealand, demonstrating our process and generating revenue; getting strong traction in terms of properties sold through the Openn platform, real estate agents certified as users (currently over 3,300), and general customer feedback; having demonstrated growth since formation and ability to develop additional revenue streams with recurring income; having a scalable business model and technology; having a strong and experienced leadership and management team in place; having a strong market position with clear growth opportunities. 	Section 3.5
What are the key investment risks?	<p>The non-exhaustive key risks of investing in Openn are set out below. Any such risks eventuating could have a material adverse effect on our operations, financial position and/or reputation.</p> <p>Real estate agent users: Our revenues are primarily dependent on our ability to attract new and retain existing certified real estate agents. Agents are our primary source of revenue from property upload fees. Inability to attract and retain agents would have a material adverse impact on our ability to generate revenue.</p> <p>System performance: Our websites, databases, IT and management systems are fundamental to our ability to conduct business. There is a risk that if one or more of our critical operating systems do not function properly, there could be system disruptions, corruption of databases or other electronic information, website slowdown or unavailability, and/or loss of data.</p> <p>Development: The Openn technology and Openn platform, whilst operational, are still relatively new and therefore subject to further development and enhancement. There is an inherent risk with any new technology or system that development will not progress as planned, may encounter problems or may be subject to delays.</p> <p>Software vulnerabilities and defects: The Openn platform is operated by complicated proprietary software. As with all software, the platform software may be subject to vulnerabilities, defects or errors now and in the future. Any errors, defects or vulnerabilities discovered could impede customers' access and use of the platform, and result in (among other consequences) damage to our brand, loss of users and liability for damages.</p> <p>Security breach: Our IT systems rely on cyber security measures. If these are breached, or if our IT systems are subject to cyber-attacks that restrict stakeholders from accessing the Openn platform, our customers may be adversely impacted. Our systems may also be perceived as less secure than those of competitors.</p> <p>Data loss, theft or corruption: We store data with third-party cloud storage service providers. Hacking of some unidentified vulnerability in these service providers' networks could lead to loss, theft or corruption of our data. This could impede our ability to deliver services.</p> <p>Competition and technological advancement: We operate in the highly competitive software technology industry (among other industries). The success of our business therefore relies on the ability to advance existing technology and develop new technology to remain competitive. Existing or new competitors/new entrants to the market may develop superior or more cost-effective software products and systems.</p> <p>Patent application: The patent application is pending at the date of this prospectus. Granting of the patent application is expected to provide us with the sole right to exploit the Openn technology in Australian, New Zealand and the USA. However, whether the application is approved, and the timeframe for approval, is not known, and approval is not guaranteed.</p> <p>IT contractors: We use third party contractors to provide IT services, such as software engineering services, website development services and cloud storage services. We therefore rely (in part) on the resources of these contractors and their compliance with contractual obligations.</p>	<p>Section 6</p> <p>Section 6.2(a)</p> <p>Section 6.2(b)</p> <p>Section 6.2(c)</p> <p>Section 6.2(d)</p> <p>Section 6.2(e)</p> <p>Section 6.2(f)</p> <p>Section 6.2(g)</p> <p>Section 6.2(h)</p> <p>Section 6.2(i)</p>

TOPIC	SUMMARY	FURTHER INFORMATION										
	<p>Internet Access: Our business relies on the ability of users to access the internet. Internet access is provided by third party internet service providers. Disruptions to internet access would prevent users in the affected area from accessing and using the Openn platform.</p> <p>Access to capital: Our ongoing activities will require substantial further funding in addition to those funds raised under the offer. The availability of suitable funding on appropriate terms when needed cannot be guaranteed.</p>	<p>Section 6.2(j)</p> <p>Section 6.2(k)</p>										
FINANCIAL INFORMATION												
What is our financial position?	<p>Our audited financial statements for the financial years ended 30 June 2018, 2019 and 2020, and our reviewed financial statements for the half year ended 31 December 2020 are available on our website (www.openn.com.au).</p> <p>Further information on the Group's financial position is set out in section 3.3(c) and considered in the Independent Limited Assurance Report.</p>	Sections 3.3(b), 3.3(c) and 8										
What material finance arrangements do we have?	We are not party to any material financing arrangements.	Section 3.7(d)										
Will Openn pay dividends?	We do not have any plan or intention to pay a dividend in the immediate future. Payment of any dividend in the future will depend on our future profitability and financial position. The board will review this position on an ongoing basis.	Section 3.7(e)										
DIRECTORS AND KEY MANAGEMENT												
Who are our directors and key management?	<p>Our directors and key management are:</p> <ul style="list-style-type: none"> • Wayne Zekulich – non-executive chairperson; • Peter Gibbons – managing director; • Duncan Anderson – executive director & chief technology officer; • Darren Bromley – executive director, chief financial officer and company secretary; • Danielle Lee – non-executive director; and • Sean Adomeit – chief operating officer (Openn Pty Ltd). 	Section 5										
What payments and benefits are to be made or given to directors?	<p>The directors are to receive the following key payments and benefits:</p> <ul style="list-style-type: none"> • salary, director's fees and employment entitlements to be provided to the executive directors; • director's fees to be paid to the non-executive directors; • performance rights on the terms set out in section 10.3, granted under the Equity Incentive Plan; • the benefit of an indemnity from Openn in respect of certain liabilities that the directors may incur acting in that capacity; and • liability insurance premiums which are paid for by Openn. 	Sections 9.4, 9.5, 9.6, 9.7 and 11.1										
What are the interests of directors in our securities?	<p>Each director has, or is expected to have on listing, a relevant interest in our securities as set out below.</p> <table border="1"> <tbody> <tr> <td>Wayne Zekulich</td> <td>300,000 performance rights on the terms set out in section 10.3</td> </tr> <tr> <td>Peter Gibbons</td> <td>25,210,182 shares 3,250,000 performance rights on the terms set out in section 10.3</td> </tr> <tr> <td>Darren Bromley</td> <td>903,226 shares 1,550,000 performance rights on the terms set out in section 10.3</td> </tr> <tr> <td>Duncan Anderson</td> <td>1,209,678 shares 2,250,000 performance rights on the terms set out in section 10.3</td> </tr> <tr> <td>Danielle Lee</td> <td>200,000 performance rights on the terms set out in section 10.3</td> </tr> </tbody> </table> <p>The directors may participate in the offer by subscribing for shares on the same terms and conditions as other applicants.</p>	Wayne Zekulich	300,000 performance rights on the terms set out in section 10.3	Peter Gibbons	25,210,182 shares 3,250,000 performance rights on the terms set out in section 10.3	Darren Bromley	903,226 shares 1,550,000 performance rights on the terms set out in section 10.3	Duncan Anderson	1,209,678 shares 2,250,000 performance rights on the terms set out in section 10.3	Danielle Lee	200,000 performance rights on the terms set out in section 10.3	Sections 4.10, 11.2 and 11.3
Wayne Zekulich	300,000 performance rights on the terms set out in section 10.3											
Peter Gibbons	25,210,182 shares 3,250,000 performance rights on the terms set out in section 10.3											
Darren Bromley	903,226 shares 1,550,000 performance rights on the terms set out in section 10.3											
Duncan Anderson	1,209,678 shares 2,250,000 performance rights on the terms set out in section 10.3											
Danielle Lee	200,000 performance rights on the terms set out in section 10.3											

TOPIC	SUMMARY	FURTHER INFORMATION
OVERVIEW OF THE OFFER		
What is the offer?	<p>The offer of 45,000,000 shares at \$0.20 per share to \$9,000,000 (before costs).</p> <p>The offer comprises:</p> <ul style="list-style-type: none"> the retail offer, consisting of: <ul style="list-style-type: none"> the broker firm offer – open only to Australian resident investors who are not institutional investors and who have received an invitation from their broker to participate; and the priority offer – open to selected investors in Australia and certain other jurisdictions who have received a priority offer invitation; and the institutional offer – consists of an invitation to bid for shares made to institutional investors in Australia and a number of other eligible jurisdictions. <p>There is no general offer to the public of shares under this prospectus.</p>	Sections 4.1
What securities are being offered?	The offer is an offer of fully paid ordinary shares in Openn (i.e. shares).	Sections 4.1 and 10.1
Is there a minimum subscription requirement for the offer?	The minimum subscription amount for the offer is \$9,000,000. Shares will not be issued unless and until applications for this amount are received.	Section 4.2
Who is managing the offer?	The offer is managed by the lead manager, Euroz Hartleys Limited.	Section 4.3
Is the offer underwritten?	The lead manager has agreed to fully underwrite the offer to \$9,000,000, subject to the terms of the underwriting agreement.	Sections 4.4 and 9.2
How will funds raised from the offer be used?	<p>We intend to use the funds raised from the offer to fund:</p> <ul style="list-style-type: none"> investigation and transition to a subscription-based monetisation model; further development and enhancement of the Openn technology and the Openn platform; seller/buyer marketing campaigns to raise awareness of Openn Negotiation and Openn Offers; undertaking a pilot program in the USA to develop a strategy and evaluate the expansion of our business into the USA market; exploring opportunities to provide new products or services using core data; exploring complimentary services and income streams; the offer, listing and legal compliance costs; other corporate administrative costs/overheads; and general working capital. <p>The above intended uses may be affected by new circumstances and financial requirements that arise. The board reserves the right to vary the way in which funds are applied.</p>	Section 4.7
Is the offer subject to any conditions?	<p>The offer is conditional upon:</p> <ul style="list-style-type: none"> Openn raising a minimum of \$9,000,000 (before costs) within 3 months after the date of this prospectus; and ASX granting in-principle approval of Openn's application for admission to the official list and providing conditional approval for quotation of shares, within 3 months after the date of this prospectus. 	
How will the offer affect our capital structure?	<p>The offer will result in 45,000,000 new shares being issued.</p> <p>Upon completion of the offer, the number of shares on issue will increase from 146,725,964 to 191,725,964.</p> <p>No other securities will be issued as a result of the offer.</p>	Section 4.9
Will the shares offered be quoted on ASX?	<p>We will apply for quotation of all shares under the ASX code "OPN".</p> <p>No application will be made for quotation of other classes of securities currently on issue.</p>	Section 4.21
What are the expenses of the offer?	The expenses of the offer will be approximately \$677,000.	Section 11.4
Will any securities be subject to escrow restrictions?	<p>Shares issued under the offer will not be subject to any escrow restrictions.</p> <p>We anticipate approximately 82,149,344 shares, 2,934,519 options and 15,599,000 performance rights issued prior to this prospectus will be subject to ASX-imposed escrow restrictions as a condition of us being admitted to the official list of ASX.</p>	Section 4.12

TOPIC	SUMMARY	FURTHER INFORMATION
Are there any taxation consequences?	<p>The acquisition and disposal of shares may have tax consequences for applicants depending on their individual taxation circumstances and affairs.</p> <p>Applicants should consult their own taxation advisers for advice about any taxation consequences associated with subscribing for and disposing of shares.</p> <p>We have not given any advice regarding the taxation consequences of subscribing for shares. To the extent permitted by law, Openn, the directors and Openn's advisers and officers, do not accept any responsibility or liability for any taxation consequences for persons subscribing for shares.</p>	Section 11.5
APPLYING FOR SHARES		
Who can apply for shares under the offer?	<p>Broker firm offer applicants</p> <p>Broker firm offer applicants may apply for shares by completing the application form included in or accompanying this prospectus, and lodging it with the broker who invited them to participate in the offer.</p> <p>Note that you must be a client of a participating broker to participate in the broker firm offer.</p> <p>Priority offer applicants</p> <p>Applicants under the priority offer may apply for shares by following the instructions on how to apply in the priority offer invitation.</p> <p>Institutional offer applicants</p> <p>The lead manager has separately advised institutional investors of the application procedure under the institutional offer.</p> <p>To the extent permitted by law, an application received under the offer is irrevocable.</p>	Sections 4.13, 4.14 and 4.15
What is the minimum application size under the offer?	<p>The minimum application size under the retail offer is \$2,000 worth of shares (i.e. 10,000 shares).</p> <p>There is no maximum value of shares that may be applied for.</p>	Sections 4.13(c), 4.14(c) and 4.15(a)
What is the allocation policy?	<p>The allocation of shares between the broker firm offer and the institutional offer will be determined by the board in consultation with the lead manager.</p> <p>For broker firm offer participants, each relevant broker will decide as to how they allocate shares among their clients.</p> <p>The board will determine the number of shares to be allocated under the priority offer.</p> <p>The allocation of shares among applicants in the institutional offer will be determined by the board in consultation with the lead manager.</p>	Sections 4.13(g), 4.14(g) and 4.15(b)
Can an offer be withdrawn?	<p>We reserve the right to withdraw an offer at any time before the issue of shares to applicants under that offer.</p> <p>If an offer is withdrawn, application money will be refunded to relevant applicants in full without interest.</p>	Sections 4.1, 4.13(i) and 4.14(i)
FURTHER INFORMATION		
How can further information be obtained?	<p>Persons considering applying under the offer should read this prospectus in full and should consult their own qualified investment advisor if they have any questions.</p> <p>Certain information referred to in this prospectus, including copies of our corporate governance charters and policies, is available on our website at www.openn.com.au.</p>	
How can we be contacted?	<p>Our contact details for enquires regarding the offer or this prospectus are as follows:</p> <p>By telephone: 1800 667 366</p> <p>By email: investors@openn.com.au</p> <p>By post: PO Box 896, Claremont, WA, 6910</p> <p>Attention: Company Secretary</p>	
How can the lead manager be contacted?	<p>The lead manager's contact details for enquiries regarding the offer are as follows:</p> <p>By telephone: +61 8 9488 1400</p> <p>By email: corporateactions@eurozhartleys.com</p>	

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2.

MARKET REPORT

Market Report

The Property Sales Software Market

March 2021

This report has been commissioned from Frost & Sullivan by Openn Negotiation Ltd. (hereafter known as Openn Negotiation or the Company) to support its initial public offering (IPO) process. The report covers the property sales software market in Australia. As Openn Negotiation has also commenced operations in New Zealand (NZ) and is considering entering the United States (US) market, the market opportunity in these two countries is also described.

1. Background, Definitions and Methodology

1.1 Background

Openn Negotiation provides a proprietary cloud-based digital software platform that supports estate agents in the property sales process. The platform supports property being sold through private treaty via a transparent bidding process, providing a number of benefits for property vendors and buyers, and for the estate agent managing the sales process. The Openn Negotiation platform combines aspects of private treaty and auction and falls under auction law. The platform can be defined as a property technology (PropTech) application.

1.2 Definitions

1.2.1 Estate Agencies/Agents

Real estate agencies are businesses that manage the sale of properties or vacant land on behalf of the vendor, and undertake the letting and ongoing management of rental properties on behalf of the owner. Whilst real estate agencies as described in this report largely focus on the sale and letting of residential properties, they may also participate in small scale commercial, agricultural and industrial property sales and management (such as shops, farms, factory units and small offices). Commissions from property sales, letting fees and ongoing property management fees are the main revenue sources for real estate agencies. Real estate agencies employ individual estate agents who appraise properties for sale and manage the sales process, and who may be engaged on a salary plus commission or commission-only basis.

1.2.2 Auction/Private Treaty

Agencies manage the sale of residential property through two main processes: private treaty and auction. In private treaty sales, a property is listed for sale normally at a nominated price or price range, with buyers submitting bids and the vendor able to accept his/her preferred bid. Whilst private treaty sales provide more flexibility than auction sales (for example, in the ability of vendors and buyers to adjust contract terms, the timing of the sales process and the cooling-off period for buyers), and are less expensive for vendors than auctions, they lack price transparency for buyers and may result in a property that is mispriced relative to the market. Conversely, auctions involve full price transparency to both vendors and buyers and result in a property selling for “market price” (i.e. the price that buyers are willing to pay on that day), however, they are more expensive for vendors, offer less flexibility and may result in a property being passed-in.

Whilst sales via auction is common in the major capital cities (particularly Sydney, Canberra and Melbourne), private treaty is more common in other locations, and overall is estimated to account for 80% of residential property sales nationally.¹

1.2.2 PropTech

PropTech is defined as information technology used in the research, buying, selling and management of real estate. The range of applications falling within the proptech market is illustrated below. Openn Negotiation falls into the Sales Agent Services category of applications, which includes a range of applications designed to support agents through the sales process, including auction tracking applications, auction streaming and remote bidding applications, marketing/email platforms and applications to support agents in creating content.

Figure 1: PropTech Applications, Australia, 2021



Source: Frost & Sullivan based on Pielab, accessed from <https://www.pielab.com.au/the-growth-of-real-estate-technology-in-australia/>

1.3 Methodology

Data provided in this report is based on publicly-available data sources, including governmental statistics and reports, company reports and presentations, press articles and reports, and analyst reports. Market size estimates are based on data reported by industry participants, industry analysts and Frost & Sullivan’s own estimations.

All financial data in the report is given in Australian dollars (\$). Years referenced are calendar years, unless otherwise stated.

¹ CoreLogic, accessed from <https://www.corelogic.com.au/news/which-properties-sell-at-auction>

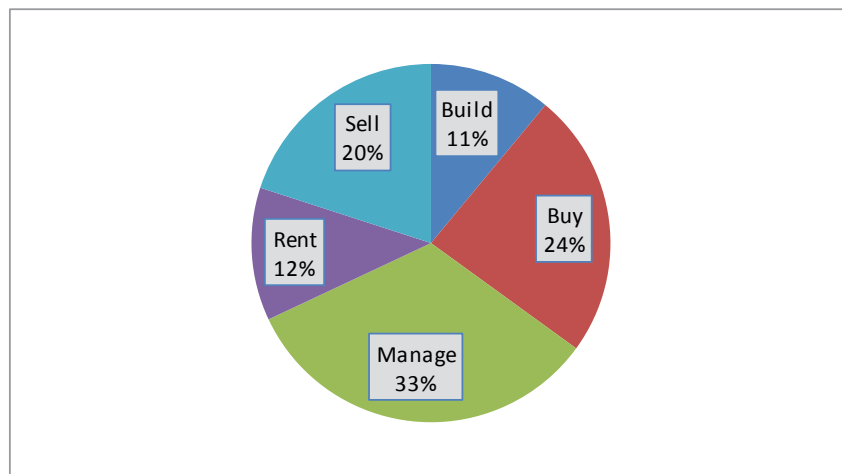
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2. PropTech in Australia

2.1 Size and Growth of the PropTech Sector

PropTech is an area of significant investor interest, with US\$20 billion (\$26.0 billion) anticipated to be invested in 2020,² and an estimated 265 proptech companies operating in Australia.³ Sixty-one percent of PropTech companies operate in the residential segment, and within this one-fifth (20%) provide applications that support the sale of residential properties.⁴

Figure 2: Residential PropTech Companies by Property Lifecycle Stage, Australia, 2020



Source: Unissu, accessed from <https://www.unissu.com/proptech-resources/proptech-in-australia>

2.2 Market Drivers for PropTech

Whilst the real estate industry has been slower to adopt technology than many other sectors, the use of PropTech applications across all property lifecycle stages is growing, driven by a number of factors;

- Very high levels of Internet and especially mobile Internet usage amongst consumers (property buyers and vendors);
- The competitive nature of the real estate sector that drives agents to differentiate themselves through factors such as use of technology;
- Use of technologies such as artificial intelligence (AI) and data analytics that supports the personalisation of customer contact; and
- Increased desire by agencies to automate aspects of property sales and management.

² AFR, accessed from <https://www.afr.com/property/20-billion-in-proptech-globally-by-2020-taronga-and-kpmg-20170523-gwb6h6>

³ Unissu, accessed from <https://www.unissu.com/proptech-resources/proptech-in-australia>

⁴ Ibid

3. Residential Housing

Australia's housing stock consists of approximately 10.6 million dwellings. Residential real estate is the most valuable asset class in Australia. For example, in September 2020, the total value of residential real estate in Australia was \$7,283 billion.⁵ This compares to a total market capitalisation of the ASX of \$1,944 billion at the same point.⁶ The buying/selling of residential real estate, as well as the management of private-sector leased properties, comprises a very large market. The total transaction value (transactions x average price, excluding stamp duty) of residential real estate in Australia in 2019 was approximately \$298 billion.⁷

In addition to the total transaction value, services provided to facilitate residential real estate transactions also form a very large market. For example, in Australia the market size is estimated at over \$20 billion (including estate agency commissions, property management fees, property advertising, valuations, conveyancing, legal and taxation services, property inspections, commissions for mortgages, insurance and utilities, removals, and repairs & maintenance of rental properties). Of this total, real estate agency income is just under 50%.⁸

4. Residential Estate Agents

4.1 Overview

Real estate agencies form the end-user market for property sales software. The agency industry is fragmented, with most businesses operating on a single-office basis, although there are groups operating nationally or regionally with multiple offices, either company-owned or franchised, or a combination of the two. In all markets, the majority of property sales and letting transactions are managed by agencies, with direct sale or letting by owners relatively uncommon (estimated at less than 1% of total transactions).⁹ Most agencies derive revenue from property sales commissions, as well as letting fees and ongoing property management fees, although some agencies may focus exclusively on either sales or lettings.

4.2 Industry Size

There are an estimated 11,000 real estate agency offices in Australia, with around 35,000 individual agents estimated to be active.¹⁰ Whilst the majority of agency businesses are single-office operations, there are a number of national and regional chains operating a combination of company-owned and franchised offices. Major agency groups include Ray White (~1,000 franchised offices, mainly in Australia, but also in 10 other countries), LJ Hooker (~600 offices), Harcourts (~400 offices) and McGrath (~110 offices).

Agency revenue from letting and property management fees has gradually increased over recent years, reflecting an increased number of rental properties in the market. However, around 60% of total agency revenue is based on sales commissions, determined by the number of transactions and average property prices. Whilst residential property prices in Australia overall have risen by 13% between December 2015 and December 2019 to reach a mean of \$690,000 in September

⁵ Australian Bureau of Statistics (ABS), 6416.0 - Residential Property Price Indexes: Eight Capital Cities, Sep 2020

⁶ ASX, Market Statistics, End-of-month Values

⁷ ABS, 6416.0 - Residential Property Price Indexes: Eight Capital Cities, Sep 2020

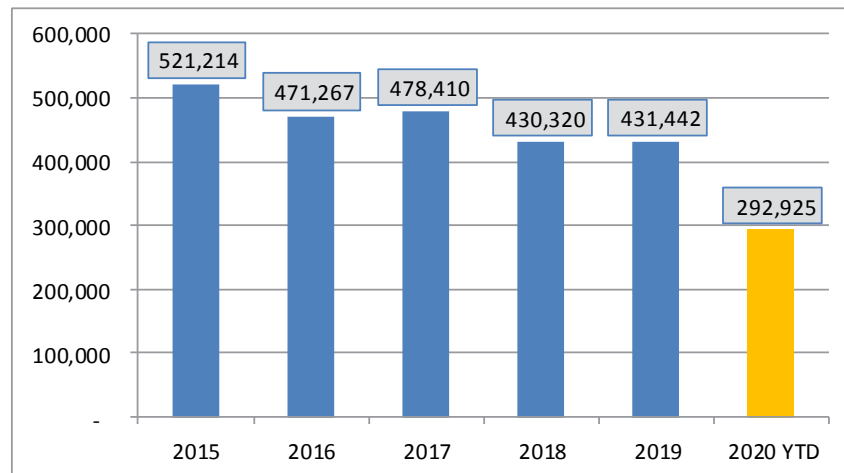
⁸ Frost & Sullivan

⁹ Urban.com.au, accessed from <https://www.urban.com.au/expert-insights/buying/49005-homes-sold-without-an-agent-make-up-only-1-percent-of-australia-s-property-market-research>

¹⁰ Frost & Sullivan

2020, this has been accompanied by a reduction in transaction volumes, with only around 431,000 housing transactions (established houses and attached dwellings) occurring in 2019, compared to over 520,000 in 2015.¹¹ Hence, despite the increase in mean prices, total agency revenue has been stable or in slight decline over recent years, and is estimated at around \$9.4 billion in 2019.¹²

Figure 3: Number of Residential Property Transfers, Australia, 2015 to 2020YTD



Source: ABS, 6416.0 - Residential Property Price Indexes: Eight Capital Cities, Sep 2020. 2020 data is year to September

4.3 Industry Trends

Whilst the residential estate agency sector in other countries such as the UK and US has been impacted by new entrants with disruptive business models, the industry in Australia to date has been little-affected, and the traditional model of individual agents working from local offices and selling property via private treaty or on-site auctions still prevails for most transactions. For example, for-sale-by-owner (FSBO) business models (the practice of a vendor selling a property without involvement by an agent) have been offered by many companies that support vendors to sell their homes for several years, yet penetration of all housing sales is estimated at less than 1% in Australia.¹³

A more recent development has been the emergence of pure online or hybrid estate agencies, of which UK-based Purplebricks is the main example. These businesses offer to sell a property for a fixed fee which is generally paid on listing, and provide a mainly online service which does not involve interaction with an agent. Businesses offering a “hybrid” service (such as Purplebricks) also include the services of an estate agent (local property expert), for example in providing valuations and ongoing support through the sales process. The vast majority of property vendors still prefer to deal through a local agent, despite the higher commission payable than through an online agent. By 2019, online and hybrid agents had an 8% share of property transactions in the UK.¹⁴ Market share in Australia is estimated to be significantly smaller (for example, Purplebricks

¹¹ ABS, 6416.0 - Residential Property Price Indexes: Eight Capital Cities, Sep 2020

¹² Frost & Sullivan

¹³ Urban.com.au, accessed from <https://www.urban.com.au/expert-insights/buying/49005-homes-sold-without-an-agent-make-up-only-1-percent-of-australia-s-property-market-research>

¹⁴ TwentyCI, Property and Homemover Report, Q4 2019

exited the Australian market in 2019 after three years, after gaining a share of less than 1% of transactions).¹⁵

Another disruptive business model that has developed in other markets but has yet to impact Australia is the emergence of instant buyers (iBuyers) – online businesses that purchase and resell residential properties (such as Zoopla, Redfin and Opendoor in the US) in specific geographic markets, allowing vendors to sell properties more efficiently without the use of agents and at lower transaction costs through submitting property details online and receiving an instant offer. iBuyers have a growing share of the US property market. For example, in the first six markets it entered, Opendoor has 3.2% of property transactions.¹⁶ To date, this business model has not gained a significant presence in Australia, although Sydney-based start-up Sellable has launched a similar service in some geographic markets.¹⁷

5. Property Sales Software

5.1 Property Sales Software Applications

Property sales software includes a range of applications that support agents to market and sell properties. These include;

- Sales management applications (e.g. Openn Negotiation, Market Buy, FinalCall)
- Customer Relationship Management (CRM) applications (e.g. MyDesktop, Box + Dice)
- Virtual inspections and auction streaming applications (e.g. GavI, Auctions Anywhere)
- Auction tracking applications (e.g. eAuctionslive, Bidtracker)

Providers of these applications utilise a variety of pricing models, including monthly subscription fees (generally based on the number of individual users) and fees per listing/upload.

5.2 Expenditure on Property Sales Software

Overall, expenditure on information technology (IT) by agencies is estimated at approximately 5% of revenue, or around \$470 million in 2019. This includes expenditure on software licensing, depreciation and leasing of IT hardware, and IT services. Within this total IT expenditure, spending on software licensing is estimated at approximately \$100 million, or around 1% of industry revenue. This includes general business software (such as finance & accounting), as well as industry-specific software such as property management and property sales software.¹⁸

Many property sales software applications are still relatively nascent in their take-up by agencies, although CRM applications represent an established market with annual expenditure of approximately \$35 million.¹⁹ Overall, Frost & Sullivan estimates that expenditure on all property sales software applications is currently between \$40-50 million.²⁰

¹⁵ Purplebricks FY2019 Results Presentation

¹⁶ Opendoor, investor presentation, September 2020, accessed from <https://www.opendoor.com/w/wp-content/uploads/2020/09/Opendoor-overview-investor-presentation.pdf>

¹⁷ Sellable website, accessed from <https://www.sellable.com.au/how-it-works>

¹⁸ Frost & Sullivan estimate, based on McGrath Limited annual report, 2020

¹⁹ Frost & Sullivan estimate, based on aggregation of vendor revenues

²⁰ Frost & Sullivan estimate

6. Addressable Market

6.1 Property Uploads

Openn Negotiation currently adopts a pricing model based on a fee per upload (currently \$500/upload excluding GST). The addressable market for Openn Negotiation is defined as the total number of national uploads x \$500. As a proxy for the number of uploads, Frost & Sullivan has used the number of residential property transactions in 2019 as reported by the ABS (whilst this may slightly understate the market opportunity, as some properties may be uploaded but not sold, this is believed to be relatively immaterial). Only the estimated number of properties selling via private treaty has been used in the calculation. Using this calculation, the addressable market in Australia is estimated at \$173 million.

Table 1: Addressable Market, Australia, 2019

Number of Property Transactions	Percentage Sold Through Private Treaty	Estimated Number of Private Treaty Uploads	Fee per Upload	Addressable Market
431,422	80%	345,138	\$500	\$172.6 million

Sources: ABS, 6416.0 - Residential Property Price Indexes: Eight Capital Cities, Sep 2020; Openn Negotiation

6.2 Property Data Sales

In addition to fees for property uploads, Openn Negotiation has the opportunity to further monetise its platform through sale of property data, as well as potentially through serving property and property-related advertising on its platform and through lead referral fees.

There is an established market for property data which includes marketing-related data such as ownership data, historical sales records, automated valuations, photographs, aerial images and electronic mapping. This data is primarily used by estate agents, valuers, property developers and financial institutions (generally on a subscription basis) and consumers (generally via one-off online purchases). Additionally, data providers may also provide data inputs to computer models for a range of analytical services, such as use in automated valuation models which are used by financial institutions in lending processes.

In Australia the two dominant data providers are CoreLogic (formerly RP Data) and APM PriceFinder (Domain), with Residex and SQM also active. The total marketing-related property data market in Australia is estimated at approximately \$200 million.²¹

6.3 New Zealand and US Market Opportunity

Openn Negotiation is currently operating in NZ, and is considering operating in the US market. Using a similar approach to estimating the market opportunity for property uploads as in Australia, the addressable market in New Zealand and the US is indicated below. The same fee per upload (NZ\$478) has been assumed in both markets.

²¹ Frost & Sullivan estimate based on reported revenues of main property data service providers

Table 2: Addressable Market, NZ and US, 2019

	Number of Property Transactions	Percentage Sold Through Private Treaty	Estimated Number of Private Treaty Uploads	Fee per Upload	Addressable Market
New Zealand	84,195	70%	58,936	500	\$29.5 million
US	5,340,000	90%	4,806,000	500	\$2,403 million

Sources: Real Estate Institute of NZ, Monthly Property Report, March 2021; National Association of Realtors (accessed from <https://www.nar.realtor/research-and-statistics/quick-real-estate-statistics>)

7. Conclusion

PropTech is an area of growing investor interest with an increasing range of applications designed to automate and increase the efficiency of processes across the various stages of the property lifecycle. The majority of PropTech applications target the residential property sector, which includes over 430,000 transactions annually in Australia at a total value of almost \$300 billion and an estimated \$20 billion in transaction costs.

A range of applications have been developed to support residential estate agencies in the marketing and sale of properties, including sales management applications such as Openn Negotiation. These applications help to address many of the inefficiencies that exist in the property sales process through the use of technology. The market for these types of applications is still relatively nascent, however the potential market opportunity (total addressable market) is significant. The total addressable market for Openn Negotiation is estimated at approximately 11,000 estate agency offices, and 345,000 listings with fees of up to \$173 million. Additionally, Openn Negotiation may be able to further monetise its platform through sales of property data, which is a \$200 million market in Australia. The potential market opportunity for property uploads in NZ and the US is estimated at \$29 million and \$2,403 million respectively.

8. Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Openn Negotiation Ltd. and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the IPO.

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3. CORPORATE AND BUSINESS OVERVIEW



3. CORPORATE AND BUSINESS OVERVIEW

3.1 WHO WE ARE

We are a property technology (or “proptech”) company headquartered in Australia. Real estate agents around Australia and New Zealand use our technology platform to conduct residential property sales online. Openn enables the market price of a property to be found through a transparent process allowing informed decisions to be made with confidence and certainty.

We have developed a proprietary technology (the Openn technology), which encompasses an online software platform to facilitate real time negotiation between a range of interested parties in property transactions.

Our technology solutions help agents operate more efficiently and provide the real estate industry with depth of market information to promote informed policy development, risk modelling and awareness of market trends in real time.

The Openn platform has been built with the intention to offer multiple sales methods for property transactions. Openn Negotiation is our primary product offering and sales process – it combines the flexibility of a private treaty with the transparency of auction price discovery. Openn Offers is being developed to support a traditional private treaty process online with improved transparency and streamlined digital contracting. Openn Offers is scheduled to be launched in May 2021.

Functionally, the Openn platform provides agents with a tool to facilitate real time communication and negotiation between all stakeholders in a property transaction. The platform provides additional benefits to agents such as digital contracting, data retention and integration to agency customer relationship management (CRM) systems to promote efficient work processes and improved outcomes for their customers.

Our growth strategy is to scale-up our operations nationally and internationally and to further expand our core technology. A key driver for success in the short term is the number of properties uploaded by agents to the Openn platform. We strive to be a leader in the proptech and property data markets, offering a highly respected platform that is built around transparency, fairness, and reliability.

3.2 OUR HISTORY

Openn was founded in 2016 in Perth, Western Australia, by a property investment banking and technology developer, and two experienced real estate agents. The founders had identified operational inefficiencies with the way traditional residential property sales were conducted – whether by private treaty or auction – and set out to develop a technology solution to solve the problem.

They created the Openn Negotiation sales process as a tool for agents to manage residential property sales and to complement their existing services to operate more efficiently.

Industry challenges

Lack of transparency in private treaty sales – most residential property sales in Australia are sold by the private treaty method. Typically, buyers are asked to make an offer and do not know how many other genuine buyers are interested in the property or what other prices have been offered. On the other hand, the bidding process for auctions is transparent but generally require buyers to make unconditional bids.

Lack of trust in the price discovery process for private treaty sales for both buyers and sellers.

Stressful and time consuming sales process, with managing the paperwork and meetings for property negotiations taking time and effort for agents, buyers, and sellers.

Openn Negotiation solution

Openn Negotiation combines the privacy and flexibility of private treaty negotiation with auction price transparency to maximise competitive tension. Buyers can submit bids with conditions, and all qualified buyers (those with conditions accepted by the seller) can participate in an online bidding process to discover the highest bidder for the property. Sellers can be more confident of achieving the best price in the market.

Openn Negotiation promotes fair competition – all bids are displayed online showing how many interested buyers there are (but not who they are) and the current highest bid for the property. All qualified buyers have an equal opportunity to buy the property.

Buyers and sellers can participate in the sales process seamlessly from anywhere in the world. Agents upload properties to the Openn platform, which offers digitised and automated contracts and customer communication tools. Buyers can submit bids and sellers can monitor those bids from their devices whenever and wherever they are located.

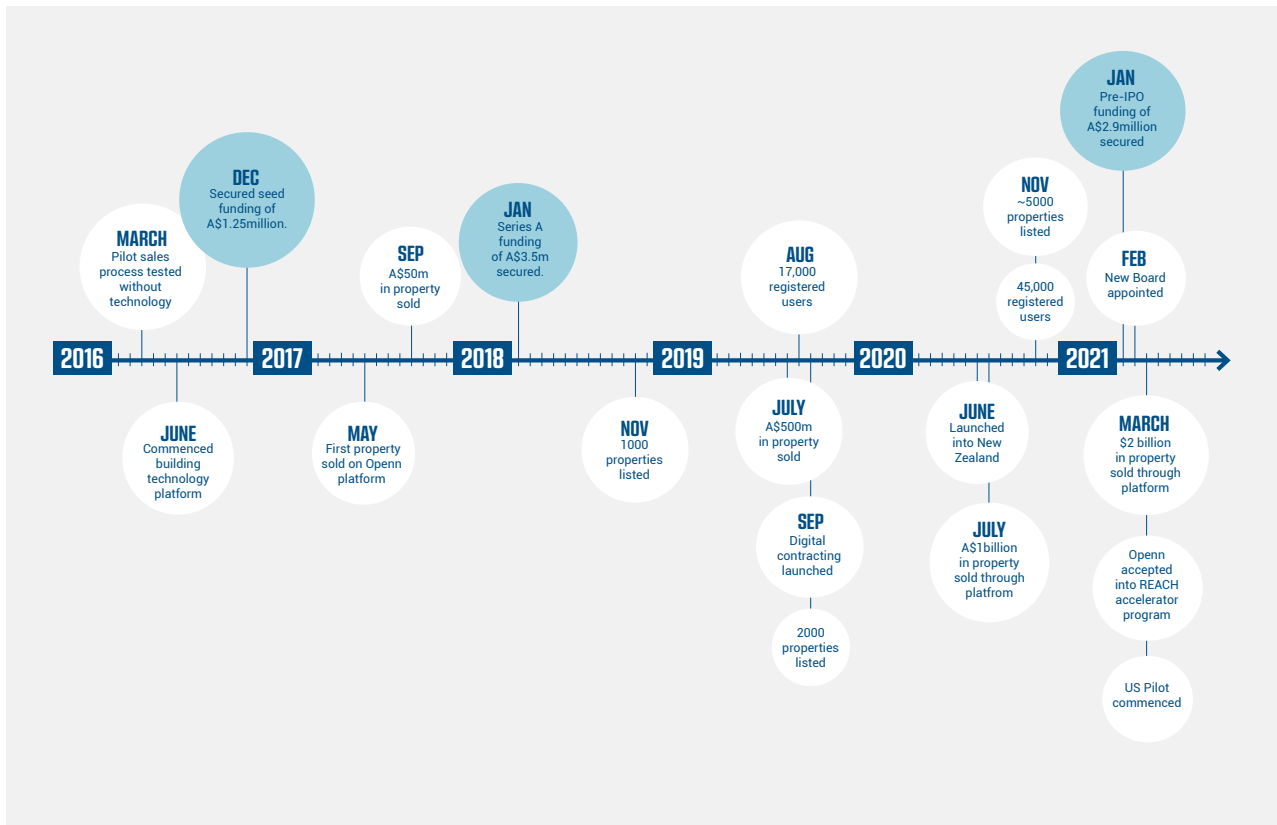
Industry challenges

Property trends and customer data is fragmented, and depth of market insights is limited.

Openn Negotiation solution

High quality data is captured throughout the sales campaign. Real time bidding and customer journey mapping is captured, showing the depth of market data supporting each property sale.

Figure 1 – Timeline of Openn business progress.



Since formation we have tested and validated the Openn platform and the Openn Negotiation sales process, the integrity of the technology and cost for using the service. The initial focus of our business was the Western Australian real estate market before expanding operations throughout Australia.

In June 2020, we successfully launched the Openn platform in New Zealand. Currently, the business services customers in all states and territories of Australia, and throughout New Zealand.

The Coronavirus (COVID-19) social distancing measures highlighted a key benefit of the Openn platform for agents, buyers, and sellers. Using our technology, agents have been able to continue to upload and sell properties online. Buyers have been able to submit offers from the privacy of their own home wherever they are located.

In May 2021, we expect to launch Openn Offers, an online process for agents to better manage traditional private treaty and contract management for residential property sales. Unlike Openn Negotiation, it does not include an auction bidding process and allows sellers the flexibility to accept lower-priced offers with conditions that are more favourable to them. Openn Offers is being trialed with key agents.

To date we have raised \$7.65 million in seed funding which has been applied towards development of the Openn platform and to provide working capital.

We have 27 people employed or contracted to work for us, located across Australia, India and the USA.

We are working towards a further commercial scale up of our business and continue to develop the functionality of the Openn platform to support agents to engage with buyers and sellers, and to make the sales process more seamless and transparent.

The founders remain substantial shareholders of Openn (refer to section 4.10 for details of the founders' shareholding). Our managing director, Mr Peter Gibbons, is one of the founders of the business and sits on the board.

Figure 2 – Success tracker up to 31 March 2021.¹



3.3 OUR BUSINESS

(a) The Openn platform

As at the date of this prospectus, our customers are real estate agents or real estate agencies in Australia and New Zealand, and our target sector is residential property sales.

The Openn platform operates under a business-to-business (B2B) model. Agents set up an account and agree to our terms and conditions to use the Openn platform. We provide the Openn software, train agents in using the Openn platform and provide ongoing support through coaching, marketing and promotional materials.

The Openn platform allows certified agents to use the Openn Negotiation sales process to manage the campaign and property sales process. Following the launch of Openn Offers (which is expected in May 2021), agents and sellers can elect to use Openn Offers or Openn Negotiation. Openn Negotiation provides transparent price discovery and operates under the auction legal framework. Openn Offers adopts a traditional private treaty sales process and enhances it with streamlined contracting and automated communication tools.

Uploading properties to the Openn platform

Once an agent has secured a listing, they upload the property to the Openn platform and set the timeframe for closing the sale (this is usually four weeks, but the final stage can be brought forward or pushed back). Additionally, agents will be able to convert a property between the Openn Negotiation and Openn Offers² sales methods at any time during the campaign stage.

¹ The numbers displayed in Figure 2 are approximate and rounded.

² The Openn Offers product is not yet offered on the Openn platform. The description in this section of how agents may manage the campaign and sales process using the Openn Offers will only apply after this product is launched, which is expected to be May 2021.

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Figure 3 – Openn property sales lifecycle for a certified agent.



Campaign stage

The agent conducts a sales campaign for a property by managing enquiries including holding home opens and private inspections. Potential buyers register as users on the Openn platform (web browser or app) and can access information about the property including contact details for the agent, property photos and features, property sale information, the current bid for the property and the contract for sale. Depending on the preferences set up by the agent, buyers can either register their interest on a property, submit a bid or make an offer. Once submitted the agent is notified and qualifies the buyer. When an offer (Openn Offers) or a bid (Openn Negotiation) is submitted and the buyer is qualified, it means their opening price and contract conditions are acceptable to the seller – allowing them to participate in further negotiations for the property on the platform.

Qualified buyers are allocated a paddle number making them anonymous. In an Openn Negotiation, qualified buyers can see every bid and the current highest bid. The current highest bid becomes the advertised price of the property.

In an Openn Offers campaign, the agent has the flexibility to show or hide the prices offered, however buyers are always able to see where their offer ranks, providing greater transparency than traditional private treaty. All buyers qualified on the Openn platform are genuine and vetted by the agent in line with regulatory requirements of the relevant jurisdiction. Offers or bids can be made anytime and from any location.

During the campaign stage, sellers can monitor demand for their property in real time by seeing how many qualified buyers are competing for the property, which helps agents to manage price expectations.

Final bidding / offer stage

A countdown timer is set for a fixed period allowing all qualified buyers the opportunity to increase their price.

In an Openn Negotiation, if the final bid is above the reserve when the timer has finished, the sale is closed, the seller is obliged to accept the highest bid and the successful buyer is contracted to buy the property. If the highest bid doesn't reach the reserve, the property is passed in.

In an Openn Offers final offer stage, the seller can accept any offer made during the campaign, regardless of the price and conditions of the offer. A seller may also accept a lower-priced offer with more favourable conditions than a higher-priced offer.

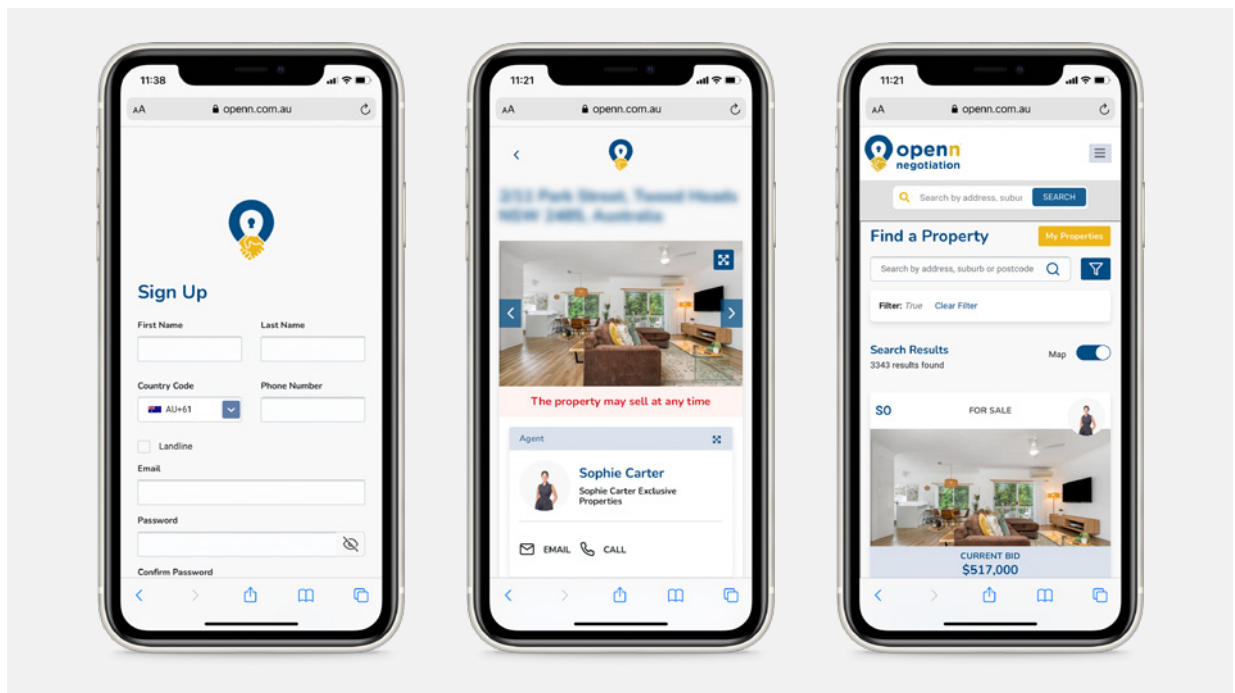
Figure 4 – How the Openn process works for property buyers.



Key technical elements

The Openn platform is hosted in the cloud on Amazon Web Services (AWS). Customer access to the platform is via web browser or mobile applications available on Apple Store and Google Play, supporting phone and tablet formats. This enables buyers to purchase Australian or New Zealand properties efficiently and securely from any location in the world with internet access.

Figure 5 – Selection of common screens for users of the Openn mobile app.



While Openn has similar features to an advertising or marketing platform, it is a transactional tool designed to operate behind a login wall. This means that many of its unique data elements are not available to public users. Therefore, it does not directly compete in the advertising or marketing platform space.

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As a transactional tool, Openn is focused on the sales execution phase of a property transaction. It does not manage the lead generation process for agents. Nor does it manage the settlement process post sale. However, Openn does automatically generate data useful to an agent for lead generation purposes. It also generates and retains digital contracts used in settlement processes. An integration gateway is built into the platform designed to automate the flow of data between Openn and core systems used by agencies and other parties related to the real estate process.

The key technical elements of the Openn platform include:

- modern technology stack built from the ground up;
- enterprise grade system;
- highly scalable, high availability stateless architecture;
- positioned to leverage artificial intelligence (or AI), data mining and machine learning technologies;
- an API³ first approach enabling ease of advanced product upgrades and third-party product integrations;
- cross platform and multi-device support; and
- 100%-owned intellectual property.

(b) Sources of revenue

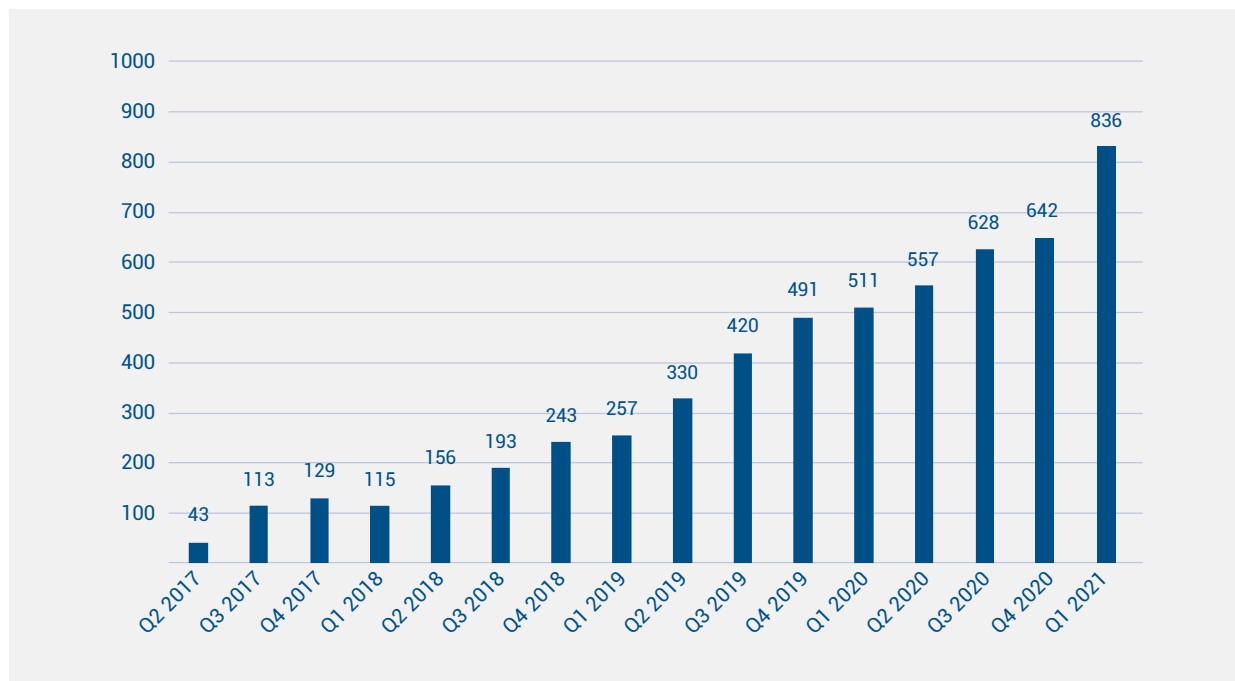
At the date of this prospectus our business generates revenue from two main sources – training and certifying agents, and property upload fees.

Training and certification fees: Agents are charged a fee to train how to use the Openn platform and gain access. Training is undertaken online or face-to-face for a fee (currently \$135.45 plus GST). Agents who successfully undertake our training are certified and when they register on the platform are allocated an Agent Coach to assist with on-boarding, campaign strategies and ongoing support.

Property upload fees: We currently charge \$500 plus GST (NZ\$478 plus GST in New Zealand) to upload a property onto the platform. Upload fees are often paid by sellers as part of “vendor paid advertising”. Upload fees currently account for approximately 90% of our revenue.

The key drivers of revenue are the number of certified agents and the number of property uploads each month.

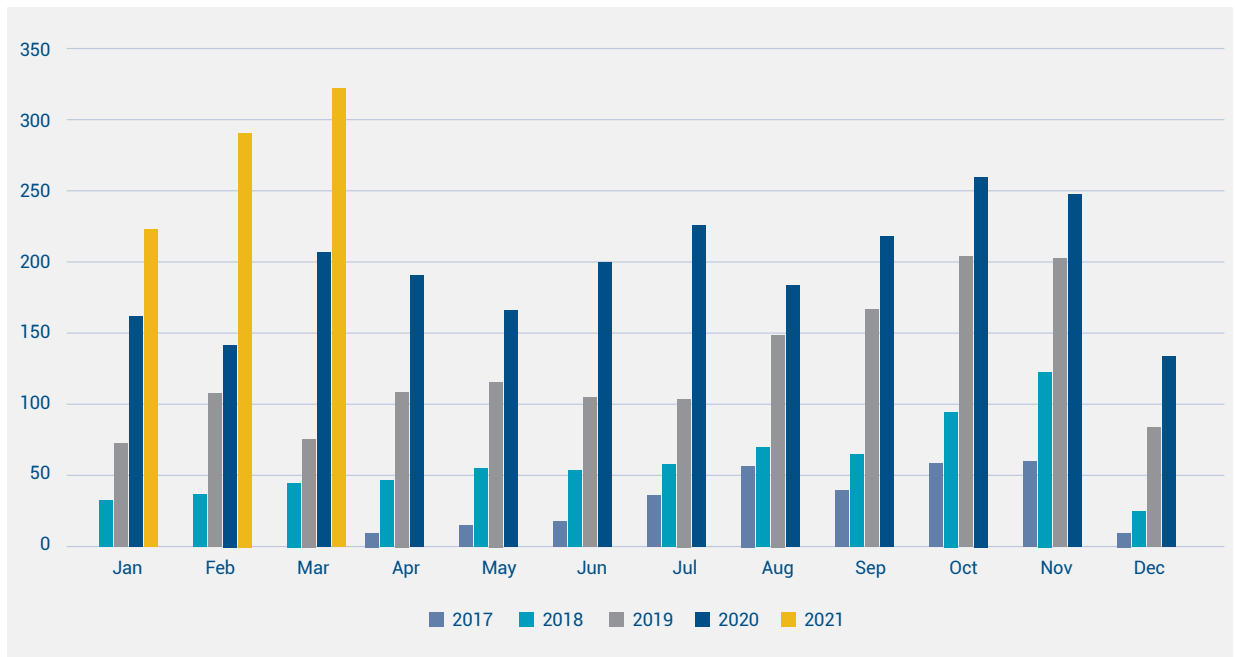
Figure 6 – Property uploads on the Openn platform up to 31 March 2021.



This graph shows the number of properties uploaded on the Openn platform during each quarter since formation (Q1 2017) to 31 March 2021 (Q1 2021) across Australia and New Zealand.

³ A set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service.

Figure 7 – Property uploads to the Openn platform by month and year, up to 31 March 2021.



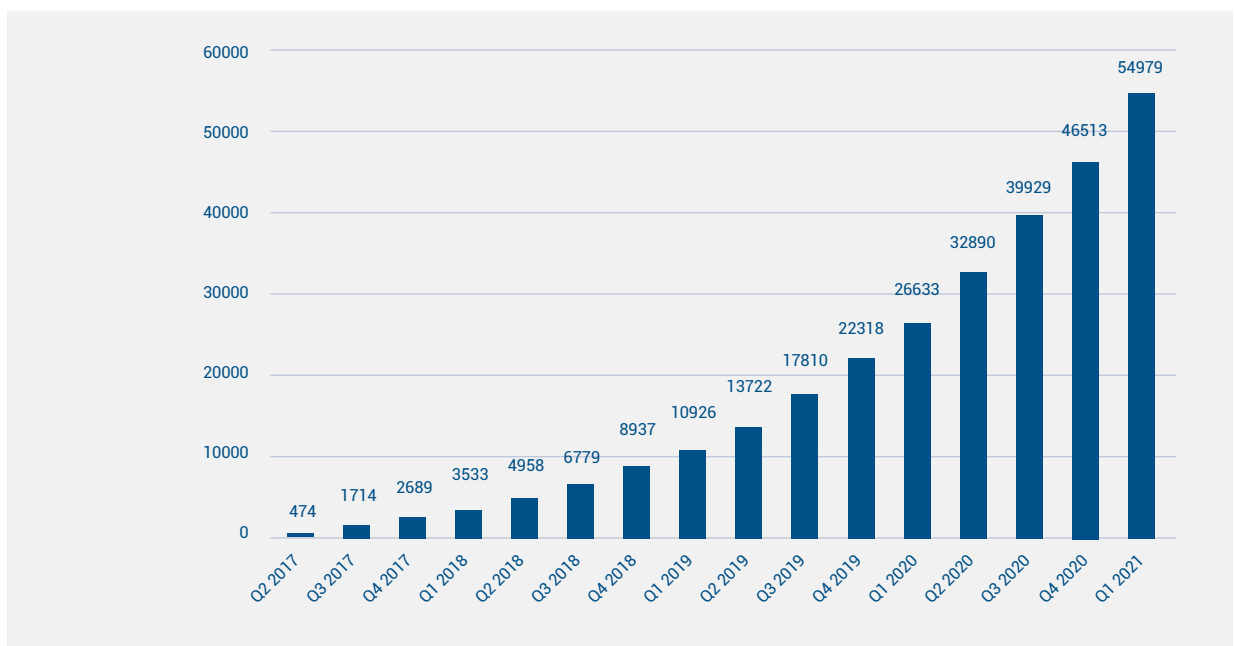
Our business is in the development and expansion phase and has not generated any profit since formation. We seek to achieve growth in revenue by increasing the number of property uploads and increasing the number of agents using the Openn platform.

We are exploring other models for charging for the Openn platform to maximise property uploads and number of agents certified. These models include subscription packages on monthly or annual subscription terms and a “no sale no fee” rebate model. We are proposing to allocate some of the funds raised from the Offer to developing a subscription-based monetisation revenue model. Complimentary income streams through partnerships with providers associated with a real estate transaction – such as finance, insurance, conveyancing, and removalists – are also under investigation.

(c) Key metrics

As at 31 March 2021, we had 54,979 registered users on the Openn platform, 3,362 certified agents and 5,693 properties uploaded on the platform across Australia and New Zealand.

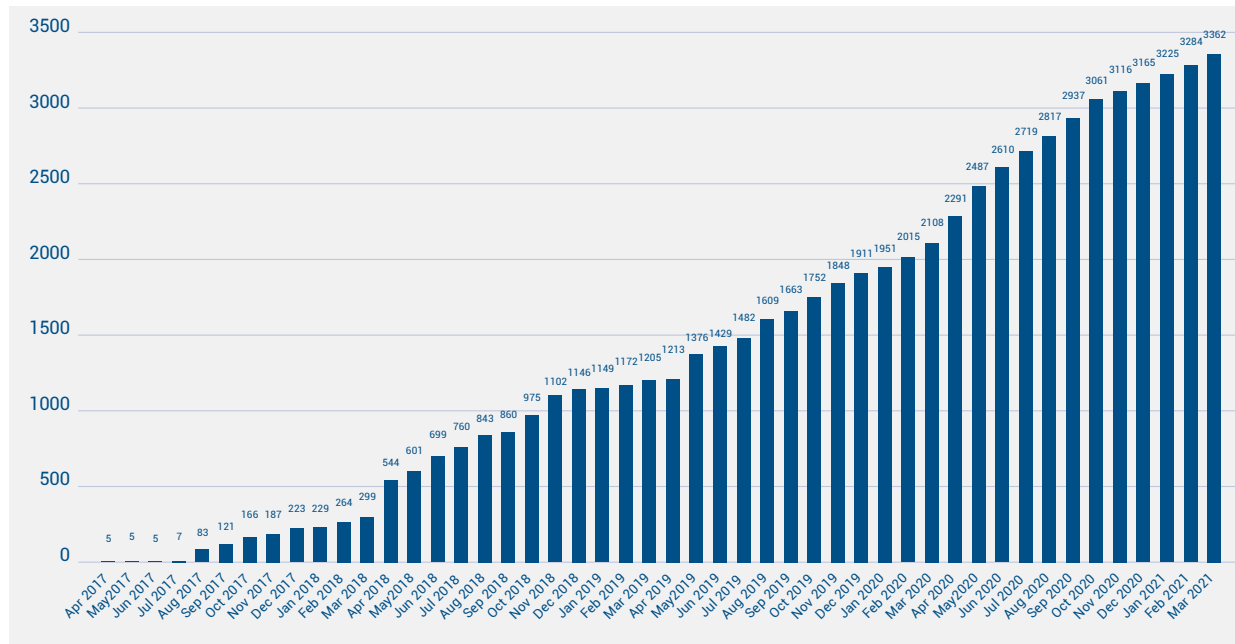
Figure 8 – Number of registered users on the Openn platform up to 31 March 2021.



This graph shows the number of users (buyers, sellers, and observers) that are registered with the Openn platform on a cumulative basis for each quarter since formation (Q1 2017) to 31 March 2021 (Q1 2021) across Australia and New Zealand.

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Figure 9 – Number of agents certified to use the Openn platform up to 31st March 2021.



This graph shows the number of agents that are certified to use the Openn platform on a cumulative basis for each quarter since formation (Q1 2017) to 31 March 2021 (Q1 2021) across Australia and New Zealand.

(d) Our market opportunity

Our target sector is residential property sales, but we cater for (vacant) land, rural and commercial sales. Our primary target customers are real estate agents in Australia and New Zealand. We build relationships and have partnerships at the individual sales agent, agency and agency network/franchise level. Real estate agents are repeat users of the Openn platform and therefore represent potential for revenue generation. With agents providing recommendations to sellers on the sales method they adopt to sell property, they also assist in the promotion of our business to sellers and buyers.

Our secondary target customers are sellers and buyers of real estate in Australia and New Zealand.

According to Frost & Sullivan⁴, there are estimated to be 11,000 real estate agency offices in Australia with around 35,000 individual agents. The number of residential property transactions that were sold via private treaty during 2019 is estimated to be 345,138 in Australia and 58,138 in New Zealand.

During the 2019 calendar year, 1,498 properties were uploaded on Openn Negotiation across Australia and during the 2020 calendar year, 2,338 properties were uploaded across Australia and New Zealand.⁵

Our primary engagement with agents occurs digitally and is supported by a tiered account management process and team who interact via email, phone and SMS. We reach agents by content marketing efforts with the aim of ensuring Openn remains top of mind as a property solution. We conduct and stream monthly interviews with industry influencers and leading users of the process. These are repurposed into videos, emails and social media ads designed to attract new users and re-engage converted customers.

We have partnerships with several real estate media providers, who we leverage to deliver advertising messages and success stories from our platform.

Our Agent Coaches, Campaign Strategists and Business Development Managers reach agents on a one-on-one basis. This team connects to agents daily, coaching them towards achieving their first successful sale and becoming repeat users.

All customer interactions are logged in our CRM software, enabling our team to work intelligently and focus their time and energy on the highest value clients.

There are several other proptech companies in Australia offering services to support agents during the sales process including auction tracking applications, auction streaming and remote bidding applications.

While still considered broadly novel, online property sales platforms generally fall into two categories:

- livestreaming of traditional auctions that occur at a set date and time; and
- contract offer management systems.

⁴ Frost & Sullivan market industry report at Section 2.

⁵ Our New Zealand business launched in June 2020.

The Openn platform is unique as it provides an alternative sales process and supporting platform, rather than reproducing existing sales methods online.

Openn does not offer a live video stream of a traditional auction but rather a 4-week sale campaign where bids can be accepted, and buyers compete from day one. For this reason, the platform is less susceptible to bandwidth issues (e.g. glitching or other tech failures) which may occur with livestreaming during critical stages of traditional auctions. During the initial COVID-19 lockdown in Australia when online property sales transactions became more common, our technology retained 99.998% uptime.⁶

Buyers with conditions such as finance, extended settlement dates or deposits can participate (subject to seller approval), which maximises the pool of potential buyers. In a traditional auction, all bids must be unconditional.

The process is agile, and the sales campaign length can be brought forward or pushed back through the Openn platform if the agent/seller chooses. While they still need to comply with the rules of a Openn Negotiation or Openn Offers process (so all buyers have fair chance to purchase and improve their position) the flexibility allows the agent to optimise for the best outcome.

Openn provides greater certainty to buyers as they are competing against qualified bidders placing genuine bids and offers. In Openn Negotiation, each buyer is prequalified by the agent and must sign a legally binding contract to participate. In Openn Offers, they must go through the required ID checks under state legislation and are fully vetted by the agent before being able to participate.

Importantly, the Openn platform is not just an offer management platform. Whilst all contracts and associated terms are captured in the platform to generate efficiencies for agents, all Openn sales methods provides a greater level of transparency of price and consistency of process. The resulting competitive tension arms buyers with the knowledge and ability to make an informed decision to improve their price.

3.4 OUR KEY DEPENDENCIES

Key dependencies for our success include:

- Successful scale up of the Openn technology and increasing the number of property uploads.
- Retaining and increasing the number of registered users of the Openn platform, particularly certified agents who represent a repeat source of revenue.
- Achieving market share that is a statistically significant size for meaningful data analysis.
- Retaining key personnel and being able to recruit suitable replacements or additional staff within a reasonable period.
- Data capability and performance of our technology to provide secure and reliable access to the Openn platform, optimise our users experience and to develop new products and services.

3.5 OUR KEY STRENGTHS

We are well positioned to execute our objectives to be a leading property sales software that primarily serves residential real estate agents. In this regard we consider the following are our key strengths:

- Established technology platform under commercial rollout across Australia and New Zealand with proof of process and revenue generation.
- Strong traction across Australia in terms of properties sold through the Openn platform, agents trained to sell using the process, and positive customer feedback.
- Demonstrated growth since formation and ability to develop additional revenue streams and recurring income – we are not reliant on any one customer as our potential customer base includes over 35,000 real estate agents in Australia.
- Our business model and technology are scalable and have potential global application. The Openn technology and associated intellectual property were developed by us and is owned by us.
- Strong and experienced leadership and management team in place – the board has experience in the property and technology industries in Australia and with other ASX-listed companies. The leadership team has over 40 years combined property or technology related experience and were responsible for the development of the Openn platform.
- Strong market position with clear growth opportunities – we have developed a strong position in our core Australian and New Zealand markets with the opportunity to expand our customer base and increase our product offering.

⁶ Initial COVID lockdown period refers to the period from 1 March 2020 to 30 September 2020. 99.998% uptime includes planned and unplanned system outages.

3.6 OUR GROWTH STRATEGY

We are established in the Australian and New Zealand markets and have demonstrated the Openn platform meets a market need, bringing transparency to the traditional processes of selling real estate. With this validation we are now pursuing key initiatives with a focus on expanding our core operations and pursuing growth opportunities using our technology expertise and capacity to create new products and services.

Innovation is critical to our future growth, and we have developed a customer-focussed technology driven strategy. We have planned a 2-year roadmap for the continued development and expansion of the Openn platform and we propose to use the funds raised by the offer towards this roadmap.

(a) Scale up Openn platform – increase the number of certified agents and property uploads

Sales and marketing strategy

Our key priority is to increase the property uploads on Openn with the aim of securing a statistically significant market share in Australia and New Zealand. To do this we propose to expand our business development team that is focused on promoting Openn to agents in Australia and New Zealand. Our efforts will be directed to existing certified agents and to expand our customer base by certifying more agents to use the Openn platform.

We will continue to invest in and leverage partnerships with leading real estate media providers, to deliver advertising messages and success stories from our platform. We also will seek to increase the number of corporate partnerships with significant real estate groups and franchises.

While agents remain a primary focus of our marketing efforts, we will also be increasing our targeting of sellers and buyers through direct and indirect marketing campaigns.

Enhance technology

The Openn platform has been developed over four years for operation at scale. Our technology roadmap is well developed to support market share growth strategies. We have major initiatives planned for the remainder of 2021 and for 2022 that are designed to expand product use among existing users, acquire new users within Australia and New Zealand and to expand into new markets. These initiatives include:

- Enhancements to further streamline agent work processes.
- Automation of agent support functions such as campaign strategies.
- Expanding integrations with advertising portals and agency websites.
- Roll out of other offer processes so that agents have the opportunity to manage all their sales methods on the Openn platform. This will allow agents to seamlessly switch the sales process to deliver the best outcome for buyers and sellers.
- Enhancing the platform to cater for the needs of the USA market.
- Expanding the use of predictive analytics, machine learning and other artificial intelligence techniques to expand the value proposition for agents using Openn.

(b) International expansion initially targeting the USA

We are looking to expand into other regions beyond Australia and New Zealand. International expansion provides potential for significant growth opportunities for our business. Our initial target is the USA, which has a market opportunity of approximately 4.8 million private residential property sales annually⁷.

We have commenced a pilot program in four states of the USA to identify how the Openn platform may be utilised to facilitate real estate transactions in the US market. This pilot program includes a gap analysis to identify what parts of the Openn process and platform need to be modified to meet local market process and legal compliance.

We have received unsolicited interest in the Openn platform from other regions including Europe, Southeast Asia, and South Africa. However, we have not commenced discussions with any counterparty in these regions.

(c) Introduce complementary services

As a transactional portal, Openn is engaged with buyers and sellers at the time where they require a host of other services associated with the successful purchase, settlement, and relocation into a property. These services include, for example, finance, insurance, conveyancing, and removalists.

We propose to develop a business-to-consumer (B2C) product strategy using third party products and extensions which are integrated into the Openn platform. We potentially may receive a revenue share or commission fee for these integrated services.

⁷ Frost & Sullivan estimate of the market opportunity in the USA – refer to section 2.

We are exploring a number of opportunities to partner with providers in complimentary fields. At the date of this prospectus these are non-binding collaborations, and we cannot guarantee success in successfully concluding the trials of such projects or negotiating binding arrangements on favourable terms.

(d) Core data opportunities

The Openn platform captures depth of market data which is highly qualified as buyer participants have signed legally binding contracts. Every bidder, every bid, number of bids per bidder, bidding increments and the ultimate price under competitive tension is captured within the Openn platform.

Subject to achieving statistical significance, the Openn data should enable the development of real time lead indicators as to market depth and direction. If scale is achieved, this provides the potential for Openn to provide real time data and technology services to intermediaries, banks, information vendors and software developers to help them make informed decisions and offer services to their clients. We have allocated funds raised from the Offer to explore the monetisation opportunities that present from core data analysis.

We will look to pursue commercial partnerships or transactions for further validation, marketing and distribution and analysis of core data.

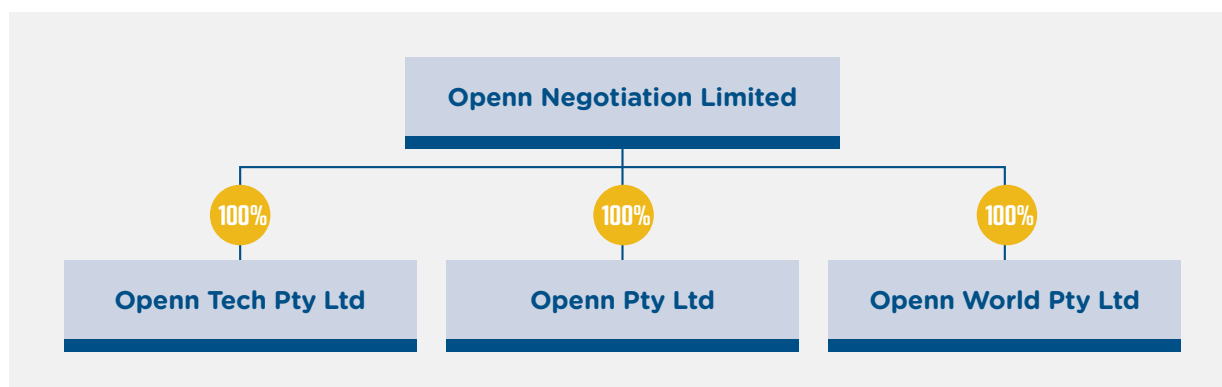
Our business model is subject to a number of risks that are summarised in section 6 of this prospectus. The growth strategies in this section represent our goals but do not represent any forecast or projection as to future revenue or profitability or success of scale up. We will assess our growth strategy from time to time and will adjust our plans to respond to our external environment and our circumstances and cannot guarantee that the plans set out in this section will be implemented as proposed.

3.7 OUR COMPANY

(a) Corporate structure

Openn (formerly called Appwell Pty Ltd) was established in 2016 as a proprietary company limited by shares. Openn was established by our founders⁸ as a holding company and it has three 100% owned subsidiaries (described below). Openn converted to a public company limited by shares and changed its name to Openn Negotiation Limited in April 2021.

Figure 10 – Group corporate structure.



Openn Pty Ltd is the operating subsidiary that carries on the group's primary business undertaking through the Openn platform.

Openn Tech is a holding company and owns the Openn technology. It was established by our founders and controlled by them until August 2020 when its shares were transferred to Openn World for nil consideration.

Openn World was established⁹ as an operating company to develop our business outside of Australia and New Zealand. Shortly after its incorporation, Openn shareholders were invited to subscribe for a 25% stake in Openn World shares, in proportion to their shareholdings in Openn at that time. Openn acquired Openn World in February 2020, providing us with control of Openn Tech (which was a subsidiary at the time).¹⁰ It is currently a dormant entity.

⁸ Peter Gibbons (managing director), Peter Clements (former director) and Bradley Glover (former director).

⁹ Established by Peter Gibbons (managing director), Peter Clements (former director), Bradley Glover (former director), Duncan Anderson (executive director) and Brent Bonadeo (former director).

¹⁰ The purchase consideration comprised 3,117,461 new shares at a deemed issue price of \$0.16 (representing \$498,793.76), and \$1,509.41 in cash. Of the Openn World shareholders, Peter John Gibbons and Tamara Bridget Gibbons as trustees for the Gibbons Family Trust, Duncan Royce Anderson and Barbara Ross Anderson as trustees for the DR & RB Anderson Family Trust, Darren Bromley as trustee for the DB Family Trust, Montebella & Associates Pty Ltd, Cecken Pty Ltd as trustee for the Cecken Trust and BJRB Investments Pty Ltd as trustee for the Brent Bonadeo Family Trust were related parties of Openn at the time of the transaction, all of whom received their purchase consideration in shares.

(b) Key operating contracts

We are an early-stage business seeking to scale up our operations. We have a number of operating contracts that are key to our operations.

Licence deed

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

As this technology is the core technology underlying the Openn platform, this is a critical arrangement for us. The material terms of this deed are summarised at section 9.3 of this prospectus.

User agreements

Our business model is dependent upon retaining and increasing the number of users of the Openn platform, particularly real estate agent users who represent a repeat source of revenue.

All certified agents and other registered users agreed to our standard user agreement on registration.

To use Openn, agents must be licensed and agree to comply with real estate and auction laws, privacy laws and real estate codes of conduct.

Technology engineering consultants

A core requirement of our business is the effective operation, functionality and usability of the Openn platform. This is critical to our operations, as well as our reputation with customers.

We engage various external software engineering consultants in Australia, the USA and India to assist with designing, developing, maintaining, testing and evaluating the software utilised in the Openn platform.

Industry collaboration and partnership agreements

We are engaged in discussions with industry participants to identify opportunities for collaborations or partnerships that may leverage the Openn platform. At the date of this prospectus, we do not have any binding agreements and cannot guarantee successfully negotiating any such agreements on favourable terms.

We have been selected as a participant in the REACH Australia growth accelerator program for 2021. The REACH program is operated by Second Century Ventures Company, a US venture capital fund that is focussed on promoting innovation in the real estate industry and is wholly owned by the National Association of Realtors¹¹. This program aims to accelerate the growth of companies in real estate through an event-based program providing mentorship, networking opportunities and exposure to the global real estate marketplace. Reach Asea Holdings Pty Ltd (the Australian entity operating the REACH Australia program) is a shareholder of Openn.

(c) Our intellectual property rights and trade secrets

Our intellectual property, including the algorithms, code base, online processes, functionality, data infrastructure and other information technology underlying the Openn platform are key assets of our business.

The Openn technology is the subject of a 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).

We have a number of trademarks registered and pending in Australia. No trade mark applications have been filed in other jurisdictions.

We hold copyright in relation to the following:

- the source code in the software comprising the Openn technology/Openn platform which is protected by copyright as a literary work (in addition to any patent protection covering the function of that software);
- our registered trademark logos which are protected by copyright as artistic works (in addition to trademark protection); and
- the text, images and layouts of our website, mobile application and other business materials which are protected by copyright as literary and artistic works.

A summary of our intellectual property rights is set out in the Intellectual Property Report in section 7 of this prospectus.

¹¹ The National Association of Realtors is America's largest trade association representing 1.3 million members involved in all aspects of the residential and commercial real estate industries.

In addition to intellectual property, parts of the Openn technology, in particular the implementation of the coding and software architecture, as well as our business operations and know-how of our employees, is protected by confidentiality as a trade secret. It is our policy that all our officers, employees and contractors execute employment/appointment agreements or contractor/consultancy agreements containing confidentiality clauses, or have otherwise executed confidentiality agreements/non-disclosure agreements, to protect our confidential information and know-how.

(d) Finance arrangements

We do not have any material debt or finance arrangements.

(e) Dividend policy

We do not have a dividend policy as we do not anticipate paying dividends in the immediate future. However, the board will review this from time to time having regard to our financial position and business objectives.

(f) Regulation

Real estate and auctioneer licences

Real estate agents are required to be licenced in each state and territory of Australia, and in New Zealand. Similarly, auctioneers are required to be licenced in each state and territory of Australia (other than South Australia), and in New Zealand. In South Australia, agents who carry out auctions in the course of their business are required to be registered as an auctioneer.

However, we do not engage in any activity in the conduct of our business which requires us to hold such licences (or to register in South Australia). The Openn platform is an enabling tool which facilitates sales transactions.

All relevant real estate licences are to be held by the agent users of the Openn platform. Agents are responsible for ensuring that auctioneers hold appropriate licences.

The Openn Negotiation bidding process is conducted according to the auction rules of the jurisdiction in which the property is located and property sales are compliant with all requirements of regulatory bodies of the jurisdiction the sale is conducted in.

Privacy

We collect 'personal information' for the purposes of the Australian *Privacy Act 1988* (Cth) and the New Zealand *Privacy Act 2020 (Privacy Laws)* in the normal course of business.

We have adopted a privacy policy for the group in relation to its collection, storage, use, disclosure, transfer and disposal of personal information. The policy has been prepared having regard to the requirements of the Australian Privacy Principles, the New Zealand Information Privacy Principles and the Privacy Laws more broadly.

Our privacy policy can be found on our website, www.openn.com.au

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4. DETAILS OF THE OFFER

Comparison of Competitors

1. Introduction

2. Market Overview

3. Competitor Analysis

4. Financial Performance

5. Strategic Initiatives

6. Risk Assessment

7. Conclusion

8. Appendix

9. References

10. Contact Information

4. DETAILS OF THE OFFER

4.1 OVERVIEW

The offer comprises:

- The retail offer, consisting of:
 - the broker firm offer, which is open only to Australian resident investors who are not institutional investors and who have received an invitation from their broker to participate – see section 4.13 below; and
 - the priority offer, which is open to selected investors in Australia and certain other jurisdictions who have received a priority offer invitation – see section 4.14 below; and
- The institutional offer, which consists of an invitation to bid for shares made to institutional investors in Australia and a number of other eligible jurisdictions – see section 4.15 below.

The shares under this prospectus are not offered to the general public. If you are a member of the public wishing to apply for shares, you must do so through a broker with a firm allocation of shares under the broker firm offer.

We will determine the allocation of shares between the broker firm offer and the institutional offer in consultation with the lead manager. We will also determine the number of shares to be allocated under the priority offer, at our discretion.

All shares issued pursuant to this prospectus will be issued as fully paid and will rank equally in all respects with the existing shares. Further details of the rights attached to shares are set out in section 10.1.

We may, in consultation with the lead manager, reject any application or to allocate any applicant fewer shares than the number applied for.

We reserve the right to withdraw the offer at any time before shares are issued pursuant to the offer.

4.2 MINIMUM SUBSCRIPTION

The minimum subscription for the offer is \$9,000,000 through the issue of 45,000,000 shares.

4.3 MANAGEMENT OF THE OFFER

The lead manager (Euroz Hartleys Limited) has been appointed to arrange and manage, and act as lead manager and bookrunner to, the offer. Details of the lead manager's fees and the terms of appointment are set out in section 9.3.

4.4 UNDERWRITING

The offer is fully underwritten by the lead manager on a conditional basis pursuant to the underwriting agreement.

The underwriting agreement is subject to several conditions precedent and sets out a number of circumstances under which the lead manager may terminate the underwriting agreement, and the lead manager's underwriting obligations.

A summary of certain terms of the agreement and management and underwriting arrangements, including the conditions precedent and termination provisions, is provided in section 9.2.

4.5 CONDITIONS OF OFFER

The offer is conditional upon:

- a minimum of \$9,000,000 (before costs) being raised within 3 months after the date of this prospectus (see section 4.2); and
- ASX granting in-principle approval of Openn's application for admission to the official list and providing conditional approval for quotation of shares, within 3 months after the date of this prospectus (refer to section 4.21).

If these conditions are not satisfied, we will issue a supplementary or replacement prospectus to applicants allowing 1 month to withdraw applications and obtain a refund of application moneys. Alternatively, we may decide not to proceed with the offer, in which case all application money received will be refunded (without interest) in accordance with the Corporations Act.

4.6 PURPOSE OF THE OFFER

The purpose of the offer is to:

- raise \$9,000,000 (before costs) to fund (together with existing cash reserves) the business objectives set out in section 4.7;
- secure general working capital for administrative and operational requirements;
- obtain access to equity capital markets;
- broaden our shareholder base;
- provide an opportunity for existing shareholders to realise part or all their investment;
- gain liquidity in shares; and
- assist in attracting and retaining appropriately skilled personnel.

4.7 USE OF FUNDS

The funds raised from the offer, will be applied towards the following:

Proposed use	Application of funds
Investigation and transition to a subscription-based monetisation model	\$150,000
Development/enhancement of the Openn technology and the Openn platform	\$2,550,000
Seller/buyer marketing campaigns to raise awareness of Openn Negotiation and Openn Offers	\$1,750,000
Undertaking a pilot program in the USA to develop a strategy and evaluate the expansion of our business into the USA market	\$1,200,000
Explore exploring opportunities to provide new products or services using core data	\$300,000
Explore complimentary services and income streams	\$150,000
Offer, legal compliance and listing costs	\$677,000
Other corporate administrative costs/overheads	\$600,000
General working capital	\$1,623,000
TOTAL	\$9,000,000

Notes:

1. Costs of the offer include the costs identified in section 11.4.
2. Approximately \$36,000 of the costs of the offer have been paid at the date of this prospectus.
3. The stated use of funds is current as at the date of this prospectus. The use of funds may change depending on any intervening events or changes in circumstances. The board reserves the right to change the way funds are used and applied.

4.8 SUFFICIENT WORKING CAPITAL

The directors are satisfied that on completion of the offer and the issue of shares, we will have enough working capital to carry out the objectives as stated in this prospectus.

4.9 CAPITAL STRUCTURE

Our capital structure on close of the offer is expected to be as set out in the table below, assuming both minimum and maximum subscription scenarios.

Security type	Number of securities
Shares	
Shares on issue prior to prospectus	146,725,964
Shares offered under the prospectus	45,000,000
Total	191,725,964
Options	
Lead manager options (exercisable at \$0.24, expiring 20 January 2025)	2,934,519
Options offered under the prospectus	Nil
Total	2,934,519
Performance rights	
Employee incentive performance rights	15,599,000
Performance rights offered under the prospectus	Nil
Total	15,599,000

Notes:

1. The figures in the above table are indicative only and are subject to change.
2. The figures above assume that none of the existing options are exercised.
3. We are awaiting confirmation that the terms of the employee incentive performance rights in the above table are acceptable to ASX and will be granted once this confirmation is received.
4. We have adopted an Equity Incentive Plan under which additional options and performance rights may be issued. Please see section 9.7 for further details.
5. The lead manager options in the above table were granted as part of the lead manager's remuneration for managing a capital raising conducted by us in December 2020. They are held by the lead manager's nominee, Zenix Nominees Pty Ltd.
6. The number of performance rights may decrease if one or more vesting conditions are met. However, this section assumes that none of the vesting conditions are met as at the completion of the offer. Please refer to section 10.3 for further details.

4.10 SUBSTANTIAL HOLDERS

The table below sets out the shareholders who currently have, or are anticipated to have, a substantial holding (i.e. control 5% or more of the issued shares) following the close of the offer.

Name	Current relevant interest	Estimated post-IPO relevant interest
Peter John Gibbons & Tamara Bridget Gibbons as trustees for the Gibbons Family Trust	25,210,182 shares (17.18%)	25,210,182 shares (13.15%)
Montebella & Associates Pty Ltd / Bradley Glover	25,210,182 shares (17.18%)	25,210,182 shares (13.15%)
Cecken Pty Ltd as trustee for the Cecken Trust / Peter Clements	25,210,182 shares (17.18%)	25,210,182 shares (13.15%)
G.C. Bass Nominees Pty Ltd as trustee for the Bass Superannuation Fund / Bass Industries Pty Ltd as trustee for the Harbour Trust / George Bass	15,520,164 shares (10.58%)	15,520,164 shares (8.09%)
Elizabeth Anne Reilly as trustee for the Reilly Family Trust	11,098,288 shares (7.56%)	11,098,288 shares (5.79%)
Oahu Management Pty Ltd as trustee for the Oahu Property Trust	9,487,904 shares (6.47%)	9,487,904 shares (4.95%)
TOTAL	111,736,902 (76.15%)	111,736,902 (58.28%)

Notes:

1. The parties in the table above are existing shareholders.
2. The table above does not include interests pursuant to options or (anticipated) performance rights, nor the potential holdings if shares are issued on the exercise of options or (anticipated) vested performance rights.
3. The table above assumes that none of the substantial shareholders acquire any further shares prior to us listing on ASX.
4. Bradley Glover and Peter Clements are former directors and are therefore considered 'related parties' of Openn for the purposes of the Corporations Act and the ASX listing rules.
5. G.C. Bass Nominees Pty Ltd as trustee for the Bass Superannuation Fund holds 8,379,034 shares and Bass Industries Pty Ltd as trustee for the Harbour Trust holds 7,141,130 shares.

4.11 POTENTIAL DILUTIVE EFFECT OF CONVERTIBLE SECURITIES

The table below sets out the potential dilutive effect on shareholders if the options and performance rights which we expect to have on issue at the time of admission to the official list of ASX are exercised.

Event	Shares on listing	New shares issued on exercise	Cumulative shares post-exercise	Dilution (rounded)
Exercise of existing options	191,725,964	2,934,519	194,660,483	1.53%
Exercise of proposed performance rights	191,725,964	15,599,000	207,324,964	8.14%

Notes:

1. The interests shown in the table above assume that other shares are not issued prior to exercise and that vesting conditions attached to proposed performance rights are satisfied.
2. The performance rights in the table above are expected to be granted once the terms have been approved by ASX.

4.12 RESTRICTED SECURITIES

The shares issued under the offer will be freely transferable from the date of their issue.

We anticipate that ASX will classify the securities set out in the table below as restricted securities. These securities will be subject to restrictions on transfer once we become listed on ASX. Final details of restricted securities will be released prior to shares commencing trading on ASX.

Period of restriction	Shares	Options	Performance rights
24 months from listing	82,149,344	2,934,519	7,550,000
12 months from issue of security	-	-	-
Total	82,149,344	2,934,519	7,550,000

Notes:

1. The options to be restricted for 24 months were granted as part of the lead manager's remuneration for managing a capital raising conducted by us in December 2020. They are held by the lead manager's nominee, Zenix Nominees Pty Ltd.
2. The performance rights to be restricted are expected to be granted to directors under the Equity Incentive Plan. These performance rights are expected to be granted once the terms have been approved by ASX.

4.13 BROKER FIRM OFFER

(a) Who can apply?

The broker firm offer is open only to retail investors (i.e. Australian residents who are not in the USA and are not institutional investors or brokers) who have received an invitation from their broker to participate in the offer under this prospectus.

If you have received an invitation to participate from your broker, you will be treated as eligible to become a broker firm offer applicant under the broker firm offer. You should contact your broker to determine whether you can receive an invitation from them under the broker firm offer.

(b) How to apply

If you have received an invitation to participate from your broker and wish to apply for shares under the broker firm offer, you should contact your broker for information about how to complete and lodge your application form and for payment instructions.

Application forms must be completed in accordance with the instructions given to you by your broker and the instructions set out on the application form. You should contact your broker to request a prospectus and application form.

Your broker will act as your agent and it is your broker's responsibility to ensure that your application form and application moneys are received before 5.00pm (WST) on the closing date (being 21 May 2021) or any earlier closing date as determined by your broker.

If you are an investor applying under the broker firm offer, you should complete and lodge your application form with the broker from whom you received your invitation to participate. Application forms or payment **should not** be sent to the securities registry.

By making an application, you declare that you were given access to this prospectus (or any supplementary or replacement prospectus), together with an application form. The Corporations Act prohibits any person from passing an application form to another person unless it is included in, or accompanied by, a hard copy of this prospectus or the complete and unaltered electronic version of this prospectus.

(c) Minimum applications

The minimum number of shares which you can apply for under the broker firm offer is \$2,000 worth of shares (10,000 shares). Applications in excess of this must be multiples of at least \$500 worth of shares (2,500 shares).

There is no maximum value of shares which you can apply for under the broker firm offer.

(d) Approved brokers

We, together with the lead manager, may determine a broker to be eligible to participate in the broker firm offer and may amend or waive the broker firm offer application procedures or requirements, in their discretion but subject to applicable laws.

Neither we, nor the lead manager or the securities registry, take any responsibility for any acts or omissions committed by your broker in connection with your application.

(e) Timetable

The broker firm offer opens on the opening date (being 17 May 2021) and is expected to close at 5:00pm (WST) on the closing date (being 24 May 2021).

We, in consultation with the lead manager, may elect to close the broker firm offer or any part of it early, extend the broker firm offer or any part of it, or accept late applications. The broker firm offer may be closed at any earlier date and time, without further notice. Your broker may also impose an earlier closing date.

Applicants are therefore encouraged to submit their applications as early as possible. Please contact your broker for instructions.

(f) How to pay

Applicants under the broker firm offer must pay their application moneys in accordance with the instructions received from their broker.

(g) Allocation policy

The allocation of shares under the broker firm offer will be determined by us in consultation with the lead manager. It will be a matter for each broker as to how they allocate shares among their clients, provided those clients are retail investors.

Shares which are allocated to brokers for allocation to their retail investor clients will be issued to the applicants nominated by those brokers (subject to our and the lead manager's right to reject or scale back applications).

(h) Effect of application

An application in the broker firm offer is an offer by you to us to apply for the number of shares specified in the application form at the offer price, on the terms and conditions set out in this prospectus (including any supplementary or replacement prospectus) and the application form.

An application cannot be revoked once it has been submitted.

(i) Acceptance of applications

An application may be accepted in respect of the full amount, or any amount lower than that specified in the application form, without further notice to you.

Acceptance of an application by us will give rise to a binding contract between you and us on allocation of shares to you.

Openn and the lead manager have absolute discretion to reject or scale back any applications in the broker firm offer. Any amount applied for in excess of the amount allocated to you, will be refunded by your broker in full (without interest).

We may reject any application which is not correctly completed, or which is submitted by a person who it believes is ineligible to participate in the broker firm offer, or to waive or correct any errors made by an applicant in completing their application.

4.14 PRIORITY OFFER

(a) Who can apply?

The priority offer is open to retail investors nominated by us. If you are a priority offer applicant, you should have received a personalised priority offer invitation to apply for shares under the priority offer.

We may determine a person to be eligible to participate in the priority offer and may amend or waive the priority offer application procedures or requirements, in our discretion in compliance with applicable laws.

(b) How to apply

If you have received a personalised priority offer invitation and wish to apply for shares, you should follow the instructions on your personalised priority offer invitation.

By making an application, you declare that you were given access to this prospectus (or any supplementary or replacement prospectus), together with an application form. The Corporations Act prohibits any person from passing an application form to another person unless it is included in, or accompanied by, a hard copy of this prospectus or the complete and unaltered electronic version of this prospectus.

(c) Minimum application

The minimum number of shares which you can apply for under the priority offer is \$2,000 worth of shares (10,000 shares). Applications in excess of this must be multiples of at least \$500 worth of shares (2,500 shares).

There is no maximum value of shares which you can apply for under the priority Firm offer.

If your BPay® payment of application moneys (or the amount for which those BPay® payments clear in time for allocation) is insufficient to pay for the full number of shares you have applied for in your application form, you may be taken to have applied for such lower amount as your cleared application moneys will pay for (and to have specified that amount in your application form) or your application may be rejected.

(d) Timetable

The priority offer opens on the opening date (being 17 May 2021) and is expected to close at 5:00pm (WST) on the closing date (being 24 May 2021).

We may, in consolidation with the lead manager, elect to close the priority offer or any part of it early, extend the priority offer or any part of it, or accept late applications. The priority offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their applications as early as possible.

(e) How to complete an application form

If you are a priority offer applicant, go to <https://hello.openn.com.au/investors> and complete an online application form.

(f) How to pay

Payment may be made via BPay®, or as detailed on your priority offer invitation, by following the instructions on the online application form.

It is your responsibility to ensure payments are received by the securities registry by 5:00pm (WST) on the closing date (being 24 May 2021). You should be aware that your financial institution may impose a limit on the amount that you can transact on BPay® and policies with respect to timing for processing BPay® transactions, which may vary between financial institutions, and you should therefore take this into consideration when making payment.

(g) Allocation policy

Allocations under the priority offer will be determined by us in consultation with the lead manager.

Directors may participate in the priority offer (see section 11.3). Applications by directors will be dealt with and scaled-back on the same basis as other applicants.

(h) Effect of application

An application under the priority offer is an offer by an applicant to us to apply for shares in the amount specified in the application form at the offer price, on the terms and conditions set out in this prospectus (including any supplementary or replacement prospectus) and the priority offer invitation (including the acknowledgements in section 4.16).

An application cannot be revoked once it has been submitted.

(i) Acceptance of applications

An application may be accepted in respect of the full amount, or any amount lower than that specified in the application form, without further notice to you.

Acceptance of an application by us will give rise to a binding contract between you and us on allocation of shares to you.

We, together with the lead manager, have absolute discretion to reject or scale back any applications in the priority offer. Any amount applied for in excess of the amount allocated to you, will be refunded by your broker in full (without interest).

We may reject any application which is not correctly completed, or which is submitted by a person who it believes is ineligible to participate in the priority offer, or to waive or correct any errors made by an applicant in completing their application.

4.15 INSTITUTIONAL OFFER

(a) Invitations to bid

Openn and the lead manager have invited certain institutional investors in Australia and other eligible foreign jurisdictions to bid for shares in the institutional offer.

The lead manager has provided invitees with details of how to apply for shares under the institutional offer.

All invitations under the institutional offer were for more than \$2,000 worth of shares (i.e. more than 10,000 shares).

(b) Allocation policy

The allocation of shares among bidders in the institutional offer will be determined by us in consultation with the lead manager.

Openn and the lead manager have absolute discretion regarding the basis of allocation of shares among institutional investors.

Participants in the institutional offer have been advised of their allocation of shares, if any, by the lead manager.

The allocation policy was influenced by a number of factors including:

- the number of shares bid for by particular bidders;
- when bids were submitted by particular bidders;
- our desire for an informed and active trading market following admission to the official list of ASX;
- our desire to establish a wide spread of institutional shareholders;
- the overall anticipated level of demand for shares under the offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long term shareholders; and
- other factors that Openn and the lead manager considered relevant and appropriate.

4.16 APPLICANT ACKNOWLEDGEMENTS

Each applicant under the offer will be deemed to have:

- agreed to become a member of Openn and to be bound by the terms of the Constitution and the terms and conditions of the offer;
- acknowledged having personally received a hard copy or electronic copy of the prospectus (and any supplementary or replacement prospectus) including or accompanied by the application form and having read them all in full;
- declared that all details and statements in their application form are complete and accurate;
- declared that the applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once we, the securities registry, the lead manager or a broker receives an application form (including electronically), it may not be withdrawn;
- applied for the number of shares at the Australian dollar amount shown on the front of the application form;
- agreed to being allocated and transferred the number of shares applied for (or a lower number allocated in a way described in this prospectus), or no shares at all;

- authorised us and the lead manager and their respective officers or agents, to do anything on behalf of the applicant(s) necessary for shares to be allocated to the applicant(s), including to act on instructions received by the securities registry upon using the contact details in the application form;
- acknowledged that, in some circumstances, Openn may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that shares are suitable for the applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the applicant(s);
- declared that the applicant(s) is/are a resident of Australia (except as applicable to the institutional offer);
- acknowledged and agreed that the offer may be withdrawn by us or may otherwise not proceed in the circumstances described in this prospectus; and
- acknowledged and agreed that if Openn is not admitted to the official list of ASX for any reason, the offer will not proceed.

4.17 APPLICANT WARRANTIES

Each applicant under the broker firm offer and priority offer and each person to whom the institutional offer has been made under this prospectus, will be taken to have warranted, represented and agreed that the applicant:

- understand that the shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the USA and may not be offered, sold or resold in the USA, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and other applicable state securities laws;
- is not in the USA or acting for the account or benefit of a US person;
- has not sent and will not send this prospectus or any other material relating to the offer to any person in the USA; and
- will not offer or sell the shares in the USA or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which shares are offered and sold.

4.18 APPLICATION MONEY TO BE HELD ON TRUST

Application money will be held on trust in accordance with the requirements of the Corporations Act until the shares to which the application money pertains are issued under an offer or a refund of application money occurs in the circumstances described in this prospectus. We will retain any interest earned on application money, including in the event of any refund of application money.

4.19 APPLICANTS OUTSIDE OF AUSTRALIA

(a) General

This prospectus does not constitute an offer of shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the prospectus or make the offer.

We have not taken any action to register or qualify the shares or an offer, or otherwise to permit a public offering of the shares, in any jurisdiction outside Australia.

It is the responsibility of any applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their application, and any such applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued shares. Return of a duly completed application form will constitute a representation and warranty by an applicant that there has not been any breach of such regulations.

(b) United States of America

This prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of securities pursuant to this prospectus in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act, as amended.

The shares have not been, and will not be, registered under the US Securities or any US state securities laws, and may not be offered, sold or resold:

- in the USA or to, or for the account or benefit of US persons (as defined in Rule 902 under the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act and applicable USA state securities laws; and
- outside the USA, except to non-US persons in offshore transactions in compliance with Regulation S under the US Securities Act.

(c) United Kingdom

This prospectus does not constitute a prospectus for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (**FSMA**), and no such prospectus has been or will be issued in respect of the shares. Neither this prospectus nor the offer have registered with the Financial Services Authority in the United Kingdom.

The shares may not be offered or sold in the United Kingdom pursuant to this prospectus or any related document except in circumstances which do not require a prospectus to be issued pursuant to section 86(1) FSMA.

This prospectus should not be distributed (wholly or in part), nor should its contents be disclosed by any recipient to any other person, in the United Kingdom. Any invitation or inducement to engage in 'investment activity' (for the purposes of section 21 of FSMA) received in relation to the issue or sale of the shares has or will only been communicated or caused to be communicated in the United Kingdom where section 21(1) of FSMA does not apply to Openn.

This prospectus is not intended to be provided to any investors in the United Kingdom, other than on a confidential and case-by-case basis to "qualified investors" for the purposes of the FSMA. Further, this prospectus is only intended to be directed to persons in the United Kingdom:

- who have professional experience in matters relating to investments for the purposes of Article 19 (financial professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**);
- referred to in Article 49(2) (high net worth companies, unincorporated associations, etc.) of the FPO; or
- to whom it may otherwise be lawfully communicated.

Investments the subject of this prospectus may only be made available to, and any invitation, offer or agreement to purchase will be engaged in only with, such persons. Other persons should not act or rely on this prospectus.

(d) Singapore

This prospectus and any other materials relating to the shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of shares, may not be issued, circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This prospectus may be given to a person on the basis that they are:

- an "institutional investor" under section 274 of the SFA;
- a "relevant person" pursuant to section 275(1) of the SFA or any person pursuant to section 275(1A) of the SFA, and, in each case, in accordance with the conditions specified in section 275 of the SFA; or
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Persons who receive this prospectus and do not fall within any of the categories set out above should return it to us immediately. This prospectus must not be forwarded or circulated to any other person in Singapore. The offer are not made with a view to the shares being subsequently offered for sale to any other party.

There are on-sale restrictions in Singapore that may be applicable to investors who acquire shares. The Shares may not be transferred or re-sold in Singapore, except as permitted under the SFA. By accepting this document, you agree to be bound by the disclaimers, limitations and restrictions described herein. Accordingly, potential applicants are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

This prospectus is distributed in connection with an offer of Shares in Singapore that will not be issued to any person other than a person to whom this propsectus is sent with the consent of Openn. A person receiving a copy of this document in Singapore may not treat the same as constituting an invitation to that person unless such an invitation could lawfully be made to them without compliance with any registration or legal requirements, or where such registration or legal requirements have been complied with.

(e) Hong Kong

WARNING: This prospectus has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**).

Action has not been taken in Hong Kong to authorise or register this prospectus or to permit the distribution of this prospectus or any documents issued in connection with it. Accordingly, the shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

Advertisements, invitations or documents relating to the shares have not been and will not be issued, nor have they been or will they be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance).

No person allotted shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within 6 months following the date of issue of such shares.

The contents of this prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

(f) New Zealand

This prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (NZ) (**FMC Act**).

The shares offered under this prospectus are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to an investor who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act;
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act; or
- is otherwise a wholesale investor within the meaning of clause 3 of Schedule 1 of the FMC Act, and an offer of financial products to that person consequently does not require disclosure under Part 3 of the FMC Act.

4.20 ALLOTMENT AND ISSUE OF SHARES

Subject to ASX granting approval for Openn to be admitted to the official list of ASX, the allotment and issue of shares to applicants will occur as soon as practicable after the relevant closing date for each offer, following which holding statements will be despatched.

It is the responsibility of applicants to determine their allocation prior to trading shares. Applicants who sell shares before they receive their holding statements do so at their own risk.

4.21 ASX LISTING AND QUOTATION

An application will be made to ASX within 7 days after the date of this prospectus for Openn to be admitted to the official list of ASX and for quotation of the existing and proposed shares offered under this prospectus (apart from any shares that may be designated by ASX as restricted securities).

If approval for quotation of the shares under this prospectus is not received within 3 months after the date of this prospectus, we will not allot or issue any shares and will repay all application money without interest as soon as practicable.

ASX does not take any responsibility for the contents of this prospectus. The fact that ASX may admit Openn to the official list is not to be taken in any way as an indication of the merits of Openn or shares offered pursuant to this prospectus.

4.22 CHESS AND ISSUER SPONSORSHIP

Openn will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX listing rules and ASX settlement rules.

Openn will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. The two subregisters together will make up Openn's principal register of its securities.

Under CHESS, we will not issue certificates to the holders of securities, except as specifically required by ASX. Instead, we will provide holders with a holding statement (similar to a bank account statement) that sets out the number of shares allotted and issued to them under this prospectus.

This holding statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS subregister or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored subregister.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

4.23 PRIVACY DISCLOSURE STATEMENT

We collect information about applicants from the application forms for the purpose of processing the application and, if the applicant is successful, for the purposes of administering the applicant's security holding in Openn.

By submitting an application form, you agree that we may use the information in the application form for the purposes set out in this privacy disclosure statement.

We (including the securities registry) may disclose your personal information for purposes related to your investment to our agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth) (**Privacy Act**):

- the securities registry for ongoing administration of our register;
- the lead manager for the purposes of the capital raising part of the offer; and
- the printers and the mailing house for the purposes of preparing and distributing holding statements and for the handling of mail.

If you become a shareholder, the Corporations Act requires us to include information about you (name, address and details of the securities held) in our public register. This information must remain in our register even if you cease to be a shareholder. Information contained in the Openn register is also used to facilitate distribution payments and corporate communications (including our financial results, annual reports and other information that we may wish to communicate to shareholders) and our compliance with legal and regulatory requirements.

If you do not provide the information required on the application form, we may not be able to accept or process your application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) us or the securities registry. You can request access to their personal information by writing to us through the securities registry.

4.24 FORWARD-LOOKING STATEMENTS

As our business is at a relatively early stage of development, there are significant uncertainties associated with forecasting future revenue. On this basis, the directors have considered ASIC regulatory guidance and do not believe that reliable forecasts can be prepared. Accordingly, forecasts have not been included in this prospectus. Please refer to section 3 for further information about our business and activities.

Notwithstanding the above, this prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding our financial position, business strategy, and plans and objectives for its projects and future operations (including development plans and objectives), which have been based on our current expectations about future events.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will or may operate in the future.

Matters not yet known to us or not currently considered material to us may impact on these forward-looking statements. The forward-looking statements in this prospectus reflect views held only as at the date of this prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

For personal use only

5.

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

5. BOARD, MANAGEMENT & CORPORATE GOVERNANCE

5.1 BIOGRAPHIES

We will be managed by the board of directors. At the date of this prospectus, the board comprises five directors (three executive directors and two non-executive directors). Details of the directors are set out below.

Directors



Wayne Zekulich – Non-Executive Chairperson

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.

Wayne joined Openn as a director on 23 April 2021.



Peter Gibbons – Managing Director

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, as well as having board roles at Landcorp, the Western Australian Football Commission, and Silver Chain.

Peter is one of the founders of Openn, 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.

Peter has been a director since incorporation of Openn on 11 May 2016.



Duncan Anderson – Executive Director & Chief Technology Officer

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 our 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: AVLRL) 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.

Duncan joined Openn as a director on 15 September 2020.



Darren Bromley – Executive Director, Chief Financial Officer & Company Secretary

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 was previously an executive director, company secretary, chief financial officer and chief operations officer of Triangle Energy (Global) Limited (ASX code: TEG), chief financial officer of Prairie Downs Metals Limited (ASX code: 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.

Darren joined Openn Pty Ltd as a director on 19 December 2016, and was subsequently appointed a director of Openn on 12 February 2018.



Danielle Lee – Non-Executive Director

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.

Danielle joined Openn as a director on 3 March 2021.

Other Senior Management¹



Sean Adomeit – Chief Operating Officer (Openn Pty Ltd)

As chief operating officer, Sean Adomeit has led the development and implementation of strategic initiatives and organisational systems from the outset of the business. He was among the first employed with the group as Marketing Manager in December 2017 and soon promoted to take on the role of chief operating officer.

Prior to joining the group, he worked for Midland Brick (a subsidiary of Boral Limited – ASX code: BLD) for 9 years between 2008 and 2017, eventually leaving the senior management team as Marketing Manager – an accomplishment he had achieved at age 25. Over that time, he led a multimillion-dollar re-brand, was heavily involved in the development of numerous successful product launches, and implemented the Midland Brick Online Shop.

Sean has extensive experience in branding, digital marketing and sales management and has consulted to assist numerous businesses drive revenue growth and reduce lead acquisition costs.

Sean has a Bachelor of Commerce majoring in Economics, Marketing and Entrepreneurship from the University of Western Australia.

¹ The following members of the board also comprise part of the executive management team: Peter Gibbons, Duncan Anderson and Darren Bromley.

5.2 CORPORATE GOVERNANCE

(a) Overview

Our corporate governance policies and procedures have been prepared having regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**ASX Recommendations**). The ASX Recommendations are not prescribed requirements, but rather guidelines for what ASX considers good corporate governance practices.

Under the ASX listing rules, we will be required to provide a statement in our annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where we do not follow an ASX Recommendation, we must identify the recommendation and give our reasons for not following it, as well details of what (if any) alternative governance practices we have adopted in lieu of the recommendation during that period.

The board has adopted corporate governance charters and policies described below. Copies of the charters and policies are available on our web site at www.openn.com.au.

As our activities develop in size, nature and scope, the implementation of additional corporate governance policies will be given further consideration.

(b) Compliance with ASX Recommendations

As at the date of this prospectus, we comply with the ASX Recommendations except as set out in the table below.

ASX Recommendation	Summary of Openn's position
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none">(a) have and disclose a diversity policy;(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and(c) disclose in relation to each reporting period:<ul style="list-style-type: none">(1) the measurable objectives set for that period to achieve gender diversity;(2) the entity's progress towards achieving those objectives; and(3) either:<ul style="list-style-type: none">(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or <p>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>We have a Diversity Policy which sets out our beliefs, objectives and strategies with respect to diversity our organisation.</p> <p>Section 5 of the policy provides that the board will use its reasonable endeavours to implement initiatives supportive of the objectives of the policy, which may include setting measurable targets/objectives.</p> <p>However, the board has not currently set any measurable objectives, but will reassess this position as our operations grow and evolve.</p> <p>We seek to select the best available officers and staff for each relevant position in a non-discriminatory manner based on merit. Notwithstanding this, the board respects and values the benefits that diversity (e.g. gender, age, ethnicity, cultural background, disability and marital/family status etc) brings in relation to expanding our perspective and thereby improving corporate performance, increasing shareholder value and maximising the probability of achieving our objectives.</p> <p>The board is committed to developing a diverse workplace where appointments or advancements are made on a fair and equitable basis.</p> <p>The board is satisfied that its current approach is appropriate having regard to our current stage of development, the size of our operations, and the size of our workforce, and that non-compliance with Recommendation 1.5 will not be detrimental to Openn.</p>

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

The current structure and composition of the board has been determined having regard to the nature and size of our operations, the skill set of directors (both individually and collectively), and the best interests of shareholders.

However, due to the current composition of the board, Openn does not have a majority of independent directors. The board comprises two independent non-executive directors and three non-independent executive directors.

The board is satisfied that its current composition is sufficient and that non-compliance with Recommendation 2.4 will not be detrimental to Openn.

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
- (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:
 - (3) the charter of the committee;
 - (4) the relevant qualifications and experience of the members of the committee; and
 - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

We have an Audit and Risk Management Committee.

The members of the committee are:

- Danielle Lee (committee chair) – independent non-executive director;
- Wayne Zekulich – independent non-executive chairperson; and
- Darren Bromley – executive director, chief financial officer and company secretary.

Openn only has two non-executive directors.

The board is satisfied that the current composition of the committee is sufficient and that non-compliance with Recommendation 4.1 will not be detrimental to Openn.

(c) Our board of directors

The board is responsible for the overall corporate governance of Openn, and it recognises the need for the highest standards of ethical behaviour and accountability. The board monitors the operational and financial position and performance of Openn and oversees its business strategy, including approving strategic goals. The board is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The names and biographical details of the current directors are set out in section 5.1 above.

Each director has confirmed that he or she anticipates being available to perform his or her duties as a director without constraint having regard to their other commitments.

The Constitution requires Openn to have a minimum number of 3 directors. The maximum number of directors is fixed by the board but may not be more than 10, unless shareholders in a general meeting resolve otherwise.

The relevant provisions in the Constitution, the Corporations Act and the ASX listing rules determine the terms and conditions relating to the appointment and termination of directors. All directors, other than the managing director, are subject to re-election by rotation every 3 years.

Identification of potential board candidates includes consideration of the skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

(d) Independent directors

The board considers an independent director to be a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of Openn and its shareholders generally.

The board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The board reviews the independence of each director in light of interests disclosed to the board from time to time. In assessing independence, the board will have regard to the ASX Recommendations.

The Board Charter (described in section 5.3 below) sets out guidelines of materiality for the purpose of determining independence of directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The board considers that each of Wayne Zekulich and Danielle Lee is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the director's judgement and that each of them is able to fulfil the role of independent director for the purpose of the ASX Recommendations.

Peter Gibbons, Duncan Anderson and Darren Bromley are currently considered by the board not to be independent due to their respective roles in our executive management team, and in the case of Peter Gibbons, also due to his substantial shareholding in Openn.

(e) Board committees

The board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The board has established the following committees.

Audit and Risk Committee

Function

To assist the board to discharge its obligations with respect to:

- the integrity and quality of interim and annual financial reporting and disclosures;
- identification of key business, financial and regulatory risks;
- compliance with relevant laws, regulations, standards and codes;
- the adequacy of the internal control framework; and
- the integrity of internal and external audit.

Members

Danielle Lee (chair), Wayne Zekulich and Darren Bromley

Remuneration and Nomination Committee

Function

To assist the board to discharge its obligations with respect to:

- appointment, induction, development, evaluation and retirement of directors;
- remuneration policy for non-executive directors;
- reviewing and making recommendations on the remuneration of executive directors, managing director/chief executive officer and senior executives;
- reviewing and approving executive remuneration policy to enable us to attract and retain executives to create value for us and to ensure the policy demonstrates a relationship between executive performance and remuneration; and
- review our policies for the recruitment, retention, remuneration, incentivisation and termination of managers.

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

Members

Danielle Lee (chair), Wayne Zekulich and Duncan Anderson.

Other committees may be established by the board as and when required.

Membership of board committees will be based on our needs, relevant legislative and other requirements, and the skills and experience of individual directors.

5.3 CHARTERS AND POLICIES

Set out in the table below is a list of our corporate governance charters and policies and a brief description of the purpose of each. Copies of the charters and policies are in the Corporate Governance section of our website (www.openn.com.au).

Charter / policy	Purpose
Board Charter	Sets out the various responsibilities of the board with regard to our overall operation and stewardship of Openn. The Board Charter allows the board to delegate powers and responsibilities to committees established by the board.
Audit and Risk Committee Charter	The Audit and Risk Committee Charter states the roles and responsibilities of the Audit and Risk Committee, which oversees our financial reporting, internal and external audit functions, and risk management systems, practices and procedures. The primary role of the committee is set out above in section 5.2(e).
Remuneration and Nomination Committee Charter	The Remuneration and Nomination Committee Charter states the roles and responsibilities of the Remuneration and Nomination Committee. The primary role of the committee is set out above in section 5.2(e).
Corporate Code of Conduct	The Code of Conduct aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the directors, officers, employees and consultants in carrying out their roles with us.
Continuous Disclosure and Market Communications Policy	<p>Once listed, Openn will be required to comply with the continuous disclosure requirements of the ASX listing rules and the Corporations Act. Subject to the exceptions contained in the ASX listing rules, we will be required to immediately advise ASX of any information concerning is that a reasonable person would expect to have a material effect on the price or value of Openn's securities.</p> <p>The purpose of the Continuous Disclosure and Market Communications Policy is to:</p> <ul style="list-style-type: none"> ensure that Openn, as a minimum, complies with the continuous disclosure obligations under the Corporations Act and the ASX listing rules and, as much as possible, seeks to achieve best practice; provide shareholders and the market with timely, direct and equal access to information issued by Openn; and promote investor confidence in the integrity of Openn and its securities.
Securities Trading Policy	<p>The Securities Trading Policy states the requirements for all of our directors, officers, employees, contractors, consultants and advisors (relevant persons) when dealing in Openn securities.</p> <p>Relevant persons must not deal in securities during the following periods (closed periods):</p> <ul style="list-style-type: none"> financial year: from the end of Openn's financial year (i.e. 30 June) until close of normal trading on the first trading day after the announcement of our full year financial statements to the ASX; half year: from the end of Openn's half financial year (i.e. 31 December) until close of normal trading on the first trading day after the announcement of our half year financial statements to the ASX; quarterly reporting: 10 trading days prior to the announcement of Openn's quarterly reports required under the ASX listing rules until close of normal trading on the first trading day after such announcement; price sensitive release: 5 trading days prior to, and 2 hours after, the issue of any announcement by Openn to ASX marked as price sensitive; meetings: 10 trading days prior to any general meeting of shareholders until close of normal trading on the first trading day after the relevant meeting, and other: any other periods determined by the board. <p>Trading in a closed period may be permitted in exceptional limited circumstances as outlined in the policy.</p>

Charter / policy	Purpose
Shareholder Communication Policy	<p>The Shareholder Communication Policy states the processes through which we will endeavour to ensure timely and accurate information is provided to all shareholders and the broader market.</p> <p>To achieve this, we will communicate information regularly to shareholders and other stakeholders through a range of forums and publications, including:</p> <ul style="list-style-type: none"> • our website; • at shareholder meetings; • at analyst briefings; • through periodic reports and ASX announcements; and • providing reasonable access to management.
Risk Management Policy	<p>The purpose of the Risk Management Policy is to:</p> <ul style="list-style-type: none"> • provide a framework for identifying, assessing, monitoring and managing risk; • communicate the roles and accountabilities of participants in the risk management system; and • highlight the status of risks to which Openn is exposed, including any material changes to our risk profile.
Anti-Bribery and Anti-Corruption Policy	<p>We are committed to complying with all laws of the jurisdictions in which we operate, including those relating to bribery and corruption.</p> <p>The Anti-Bribery and Anti-Corruption Policy sets out the responsibilities of our personnel, including in their dealings with, and through, third parties. It addresses protection of our personnel in seeking to comply with this policy, bribes, gifts and hospitality, political and charitable contributions and facilitation payments.</p>
Diversity Policy	<p>The board has adopted a Diversity Policy, which sets out our objective to ensure we:</p> <ul style="list-style-type: none"> • leverage unique skills, values, backgrounds and experiences of our personnel to better enable us to pursue our overall business objectives; and • develops an inclusive work environment so that personnel can demonstrate their full potential, regardless of their background, gender, age, work status, marital status, religious identity or cultural identity.
Whistleblower Policy	<p>We are committed to fostering a culture that encourages, supports and maintains high standards of honest and ethical behaviour, corporate compliance, social responsibility and good governance.</p> <p>The Whistleblower Policy has been adopted to encourage stakeholders to report incidents of wrongdoing and to ensure that each whistleblower that reports wrongdoing is protected from reprisal, discrimination, intimidation or victimisation.</p>

For personal use only

For personal use only

6.

RISK FACTORS



6. RISK FACTORS

6.1 INTRODUCTION

Investors wishing to subscribe for shares should read this prospectus in its entirety in order to make an informed assessment of Openn, the Openn business and the offer.

You should carefully consider whether shares are an appropriate investment for you and should appreciate that the price of shares can fall as well as rise.

Shares offered by this prospectus should be viewed as speculative and, whilst the directors commend the offer, you should be aware of, and take into account, the risk factors involved.

This section is not intended to be an exhaustive list of the considerations to be taken into account by investors in deciding whether to subscribe for shares, nor all of the risk factors to which we (including our business) are exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside of our control and cannot be mitigated.

There are risks associated with investing in any form of business and with investing in the share market generally. You should consult with your professional advisers before making a decision to invest in Openn, particularly if you are in any doubt as to any aspect of this prospectus, the offer or any other matter relating to an investment in Openn.

6.2 SPECIFIC RISKS

The following risks have been identified as being key risks specific to an investment in Openn. These risks have the potential to have a significant adverse impact on us and may affect our financial position, prospects and price of quoted securities.

(a) Real estate agent users

Our revenues are primarily dependent on our ability to attract and retain real estate agent users to our business. This is largely influenced by:

- awareness of our brand and services, primarily among real estate agents but also among potential buyers and sellers – we seek to address this through promotional and marketing activities to increase brand awareness and understanding of our business;
- the Openn platform being usable, functional and effective for users – we seek to continually enhance and develop the platform to improve our users' experience;
- the effectiveness and cost of other competing real estate sales software and systems – one of our primary objectives is to ensure that our business offering is competitive when compared with other current or new competing real estate sales software and systems; and
- real estate agent users' ability to secure property listings and convince sellers to elect Openn platform as the sales mechanism.

Inability to increase or maintain real estate agent users would therefore have a materially adverse impact on our ability to generate revenue.

(b) System performance

Our business relies on users' ability to access the Openn platform. Therefore, our websites, databases, IT and management systems are fundamental to our ability to conduct business.

Failure of one or more of our critical operating systems to function properly could cause system disruptions, corruption of databases or other electronic information, website slowdown or unavailability, and/or loss of data. Such disruption could adversely affect the functionality, performance and perceived reliability of the Openn platform, and consequently our ability to deliver services, in turn adversely impacting our brand and reputation.

(c) Development

The Openn platform, whilst operational, is still relatively new and therefore will require further development and enhancement. Our future growth relies in part on our ability to develop existing and enhancements/new features for our platform so that it continues to satisfy customer needs while attracting new customers. There is an inherent risk with new any technology or system that development will not progress as planned, may encounter problems, may be subject to delays, or may require material unforeseen expenditure, particularly in respect of new features. New features may also not meet our customers' requirements. Developmental problems or delays may have an adverse effect on the usability, functionality or effectiveness of the Openn platform, in turn adversely impacting our brand and reputation.

(d) Software vulnerabilities and defects

The Openn platform is operated by sophisticated proprietary software. Like all software and web-based products and services, the platform software is subject to the inherent risk of software errors and defects which may adversely effect performance or impede customers' access and use of the platform. Further, it may be subject to system vulnerabilities now and in the future.

We take a number of steps to identify and remedy any errors/defects or potential vulnerabilities before they cause problems. However, this process does not guarantee protection, and any defects/errors or vulnerabilities discovered may impede customers' access and use of the platform. This could result in (among other consequences) litigation with customers, damage to the group's brand, interference with access to the platform, loss of users and other potential liabilities.

(e) Security breach

We deliver the majority of our services to customers online. This involves storing and transmitting customer data, which may contain confidential or personal information, over the internet. Therefore, our business is subject to the inherent risk of cyber-attack and interception. To mitigate this, we have adopted a number of systems and procedures, including engaging third party consultants to conduct security penetration testing.

If our cyber security measures are breached (including through interception of data communicated over the internet), or if our computer systems are subject to cyber-attacks that restrict user access to the Openn platform, our ability to service customers may be adversely affected and our systems may be perceived as less secure than those of any competitors. This could negatively affect our reputation, business and operating results.

(f) Data loss, theft or corruption

We store data with third-party cloud storage service providers, as well as our own servers. Hacking or exploitation of some unidentified vulnerability in these third-party service providers' networks or our systems could lead to loss, theft or corruption of data. Further, there is a risk that these systems may be adversely affected by disruption, failure, service outages or data corruption that may be caused by computer viruses, malware, internal or external misuse by websites, cyberattacks or other disruptions including power surges or outages or other similar events. This could impede our ability to deliver services to our customers, thereby potentially exposing us to claims from customers as well as damage to our reputation. There is no guarantee that insurance will be adequate to cover potential financial exposures for one of more of these circumstances.

(g) Competition and technological advancement

We operate in the highly competitive software technology industry. Our business success therefore relies heavily on the ability to continually advance existing technology and develop new technology in order to remain competitive.

There is a risk that existing competitors or new entrants to the market may develop superior or more cost-effective software products and systems which could render our products obsolete or are otherwise more attractive to customers. Further, competitors may engage in aggressive marketing campaigns or discount incentives to secure customers.

This could adversely impact our existing market share or ability to increase market share. To mitigate this, we work to continually develop the Openn technology and platform in terms of functionality and general user experience.

(h) Patent application

The patent application has been filed for registration in Australia, New Zealand and the USA, and is pending grant at the date of this prospectus. Grant of the patent application will provide us with the sole right to exploit the patented Openn technology in these jurisdictions.

However, we are not able to accurately predict when the patent application may be granted in any of the relevant jurisdictions. Grant of the patent application in all jurisdictions in which registration is sought cannot be guaranteed. If we are unable to obtain registration in all relevant jurisdictions, we may not be able to effectively prevent competitors copying the Openn technology.

Further, the patent application cannot be registered in any jurisdictions outside of Australia, New Zealand and the USA as the deadline for filing further national applications has now passed (see the Intellectual Property Report at section 7). Notwithstanding that we do not currently have plans to operate the Openn business outside of those jurisdictions, we may have limited recourse against competitors copying aspects of the patented process in those other jurisdictions. We seek to address this risk through continual development and enhancement of our product and service offering which may result in novel technology being protected through patents and other intellectual property rights, as well as protecting our confidential information and trade secrets related to the Openn technology.

(i) IT contractors

We use external contractors to provide IT services, such as software engineering services, website development services and cloud storage services. Our business is therefore partly reliant on the resources of such contractors and their compliance with contractual obligations. Our business may be adversely impacted by interruptions or defects in the provision of these services, whether due to unavailability of contractors or breach of their contractual obligations.

(j) Internet access

Our business relies on the ability of users to access the internet in order to use the Openn platform. Internet access is provided by third party internet service providers and is dependent upon telecommunications infrastructure, both mobile and landline. Therefore, internet access is largely outside of our control.

Disruptions to the internet access are common, but usually resolved within a short period. Notwithstanding, any disruption may adversely impact users' ability to access the platform.

(k) Access to capital

Our ongoing activities (including further development of the Openn technology and our business) are likely to require substantial further funding in the future, in addition to the amount raised under the offer.

The availability of suitable funding on appropriate terms when needed cannot be guaranteed. Inability to secure funding on appropriate terms as and when required in the future may delay or impede our operations and business growth, and ultimately our ability to continue operating as a going concern.

Further, any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the offer price, and may involve restrictive covenants which limit our operations and business strategy.

(l) Reliance on key personnel

Our success relies to a significant extent upon our ability to attract and retain skilled personnel (including contractors) with necessary expertise across the various aspects of our business. Recruitment of skilled personnel can be highly competitive and will depend (in part) on our business success, future prospects and ability to provide attractive remuneration. The loss or shortage of key personnel could result in us having insufficient resources to properly operate and further enhance our business. Further, identifying and securing replacement personnel can be costly and time consuming.

(m) No profit to date and limited operating history

We have a limited trading history and have incurred losses since establishment. It is therefore not appropriate to evaluate our financial prospects based on past performance.

Since we intend to invest in scaling-up our business, further developing/enhancing our technology and service offering, and exploring new revenue opportunities (see sections 3.6 and 4.7), we anticipate making further losses in the short to medium-term.

While the directors have confidence in the continued revenue-earning capability of Openn, there can be no certainty that we will achieve or sustain profitability or achieve or sustain positive cash flow from operating activities.

(n) Going concern

Our financial statements for the financial years ended 30 June 2019 and 30 June 2020, and the half financial year ended 31 December 2020, were prepared on a going concern basis.

The audit/review reports each include a comment by the auditor regarding material uncertainty related to going concern. These determinations were made based on references to Openn's ability to continue as a going concern being principally dependent upon the ability to generate profit from its activities, raise funds from capital raising and manage cashflow in line with available funds. The auditor's opinions were not modified in respect of these matters.

The directors are confident that the proceeds raised from successful completion of the offer will be sufficient to mitigate the circumstances giving rise to the material uncertainty in respect of going concern. However, if the offer does not close successfully or is significantly delayed, there is significant uncertainty as to whether Openn will be able to continue as a going concern.

6.3 GENERAL INVESTMENT RISKS

Our business activities are subject to various general economic and investment risks that may impact on our future performance. Some of these risks can be mitigated using safeguards and appropriate systems and controls, but some are outside of our control and cannot be mitigated. There are several general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

(a) Liquidity & volatility

There is a risk that, particularly in times of security market turbulence or negative investor sentiment, there will not be a highly liquid market for shares or that the price of shares may decrease considerably. There may be relatively few buyers or sellers of shares on ASX at any given time and the market price may be highly volatile.

This may result in holders wishing to sell their shares in circumstances where they may receive considerably less than the price paid for them.

(b) General economic conditions

Economic conditions, both domestic and global, may affect the performance of our business. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand, wage costs and industrial disruption may have an impact on operating costs and share market prices. Our future possible revenues and share prices can be affected by these factors, all of which are beyond our control.

(c) Equity market conditions

Securities quoted on a stock exchange, and in particular those of small companies at any early stage of commercial development, can experience significant price and volume fluctuations (i.e. rises and falls) that are often unrelated to the operating performances of the companies. The market price of securities may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of shares and other quotes securities regardless of our operating performance.

General factors that may affect the market price of securities include:

- economic conditions in both Australia and internationally;
- investor sentiment;
- local and international securities market conditions;
- changes in interest rates and the rate of inflation;
- variations in commodity prices;
- the global security situation and the possibility of terrorist disturbances or conflict;
- changes to government regulation, policy or legislation;
- changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws;
- changes to the system of dividend imputation in Australia; and
- changes in currency exchange rates.

(d) General changes in government policy & legislation

Any material adverse changes in relevant legislation or other laws in Australia or other jurisdictions (including policies and procedures for the application of laws by governmental agencies and regulatory bodies) may affect our viability and profitability, and consequent returns to investors.

(e) Investment risk

The shares offered pursuant to this prospectus should be considered speculative due to our business' relatively early stage of development. While revenue generation has increased substantially year-on-year over the past 4 years (see section 3.3(b)), there is no assurance if, or when the business will become profitable.

Further, there cannot be any assurance that shareholders will receive any dividends or other return on their investment. In particular, the price at which shares may be traded may be above or below the price paid for those shares.

You must make your own assessment of the likely risks and determine whether an investment in Openn is appropriate having regard to your own particular circumstances.

(f) Insurance

We intend to adequately insure the group's operations in accordance with industry practice. However, in certain circumstances, our insurance may not be of a nature or level to provide adequate insurance cover. Further, insurance may be available, but the cost of premiums may be prohibitive when considering the benefit of the coverage. The occurrence of an event that is not covered or only partially covered by insurance may result in us having to cover the cost internally which could in turn have a material adverse effect on our operations and financial position.

(g) COVID-19 pandemic

The COVID-19 pandemic continues to have a material impact on the global business climate, primarily due to various government policies implemented to manage the health crisis, such as border lockdowns and movement control orders. It has significantly affected operations of governments and businesses as well as day-to-day activities of individuals in Australia, New Zealand and other countries across the world. Travel, trade, working arrangements, supply chain management, and availability of goods and services have all been fundamentally impacted by the pandemic.

The economic impact of the pandemic has also resulted in uncertainty and volatility across financial, commodity and other markets. This has flowed through to the price of securities traded on stock exchanges.

Fortunately, our business has not seen an economic downturn during the COVID-19 period. Rather, we have seen an increase in business activity and demand for our services. We attribute this to the online nature of our business and the fact that the Openn platform can facilitate real estate sale transactions remotely, distinguishing it from certain traditional sale processes which require physical interaction. We aim to promote this feature of our business to potential customers, highlighting the fact that the transactions can be conducted through our platform largely unimpeded by border lockdowns and movement control orders.

Nonetheless, our business is not immune from the effects of the COVID-19 pandemic. In particular, any macroeconomic effects which cause a reduction in the availability of home loan finance or a downturn in real estate sales generally would have a consequential impact on our revenue generation and potentially our share price.

The changing landscape of government policy, both domestically and internationally, and the extent of the effect of the pandemic on our operations and performance remains uncertain. The board is monitoring the situation and will look to implement strategies to respond to the changing economic and government policy environment.

(h) Other

Other risk factors relevant to our business and activities include those normally found in conducting business include litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes or industrial action, lockouts, non-insurable risks, and delay in resumption of activities after reinstatement following the occurrence of an insurable risk.

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7. INTELLECTUAL PROPERTY REPORT

The Directors
Openn Negotiation Limited
Level 1
4 Stirling Road
CLAREMONT WA 6010

28 April 2021

Dear Directors

IP Report – Openn Negotiation Limited (ACN 612 329 754)

1. Executive Summary

We are instructed by Openn Negotiation Limited (**ONN**) to provide this report (**Report**) on the intellectual property portfolio of ONN and its subsidiaries.

The Report has been prepared for inclusion in a prospectus to be issued in connection with the listing of ONN on the Australian Securities Exchange (**Prospectus**). We understand that the Prospectus will be lodged with the Australian Securities & Investments Commission by ONN on or about the date of this Report.

The Report sets out details of the intellectual property rights owned by ONN and its related companies, including Openn Tech Pty Ltd (formerly named Cleverbons Pty Ltd) (ACN 607 908 636) (**Openn Tech**). Openn Tech is a wholly owned subsidiary of Openn World Pty Ltd (ACN 640 846 813), which is a wholly owned subsidiary of ONN. Openn Tech is the holding company for ONN's intellectual property rights.

The Report is accurate to the best of our knowledge subject to any limitations and qualifications set out in the Report.

2. Intellectual Property

Intellectual Property (**IP**) is an output of intellectual creativity that may be reflected in various forms including technology, inventions, trade marks, designs and literary works. Certain types of IP may be protected with registrable monopoly rights, granted by statute, in relation to use of the IP for a period of time. The most common forms of registrable IP rights are patents, trade marks and designs. Other forms of IP for which there is no formal registration system includes copyright, circuit layouts, confidential information and business know-how.

The Report deals with intellectual property in the form of patents (inventions), trade marks (brands), copyright (literary works, namely software code) and confidential information/business know-how.

3. Patents

3.1 Background Information

Patents are an important component of an intellectual property portfolio and are a form of intellectual property that cover inventions and provide a monopoly in exchange for an inventor's full disclosure of his or her invention to the public. Patents provide protection for new, non-obvious and useful inventions for a limited time period. Patents may be granted in respect of new or improved products, compositions and processes.

Patent rights are typically national rather than international and a patent must be obtained in each jurisdiction where protection for an invention is sought. A fundamental requirement of the patent system is that an invention must be 'novel' (new) at the time of filing a patent application. Novelty is assessed in relation to what was publicly known or used at the priority date (the earliest filing date) of a patent application. A further requirement is that there must be an inventive advance over what was previously known with the result that patent protection cannot be obtained for obvious developments. The 'test' for inventiveness varies widely between jurisdictions.

Under the provisions of the Paris Convention for the Protection of Industrial Property the filing of an initial patent application in a Paris Convention member state establishes a priority date for the invention in that state and all other jurisdictions that are a party to the Convention.

Within the one year of filing the initial patent application, in order to obtain protection in other jurisdictions, separate national patent applications in each of the jurisdictions in which protection is sought must be filed. Alternatively, a single International Application under the provisions of the Patent Cooperation Treaty (PCT) must be filed. The International Application itself does not mature into a worldwide patent, but at the end of the international phase, it is possible to file the application into any or all of the jurisdictions designated in the original International Application.

In most jurisdictions, patent rights may be kept in force for a period of 20 years from the date of filing of the complete application on which the patent is granted, subject to the payment of periodic renewal fees.

A patent provides the owner with a period in which others may be excluded from commercially exploiting an invention that is within the scope of the claims of the granted patent.

3.2 Openn Tech Patents and Patent Applications

Openn Tech has a single patent application which is filed in three jurisdictions: Australia, New Zealand and the USA. [Table 1](#) summarises the details. The patent application is currently under examination in the USA, and has not yet been examined in Australia or New Zealand. The patent application is currently recorded in the name of Cleverbons Pty Ltd which will be amended to Openn Tech Pty Ltd in due course.

The Australian provisional patent application filed on 23 June 2016 established the priority date and the international patent application filed on 23 June 2017 established the right to file national applications. It is not possible to obtain patent protection for the invention in other jurisdictions as the deadline for filing further national applications has now passed.

The patent application relates to a system for conducting a sales mechanism over the internet. The system comprises a sales platform for vendors of items such as real estate property, sales facilitators to administer the sales mechanism, and buyers to interact for selling and buying the items offered for sale (**ONN Technology**).

An International Preliminary Report on Patentability (**IPRP**) issued on 22 October 2018 following examination of the PCT application. The IPRP stated that all pending claims were novel and involved an inventive step over the prior art.

Table 1

Patents/Patent Applications in the name of Openn Tech Pty Ltd				
Country	Number	Filing date	Title	Status
Australia (Provisional)	2016902474	23 June 2016	Sales Mechanism and Digital Interface therefor	Lapsed
International PCT	PCT/AU2017/050642	23 June 2017	Sales Mechanism and Digital Interface therefor	Lapsed
Australia	2017280108	23 June 2017	Sales Mechanism and Digital Interface therefor	Pending: Awaiting examination
New Zealand	764803	23 June 2017	Sales Mechanism and Digital Interface therefor	Pending: Awaiting examination
USA	16/311,989	23 June 2017	Sales Mechanism and Digital Interface therefor	Pending: Under examination

It should be noted that it is not unusual, in the course of pursuing a patent, to have objections raised. Patenting can be an iterative process involving refinement of the claims to address objections raised by an examiner.

As of the date of the Report all periodic renewal payments are up to date and assuming these periodic renewals continue to be paid, and the patent applications proceed to grant, the term of the patents will expire on or about 23 June 2037.

The inventors of the patent application are Bradley Robert Glover, Peter Edward Clements and Peter John Gibbons. A written assignment has been executed by each of the three inventors transferring their rights in the patent application to Openn Tech.

4. Trade Marks

4.1 Background Information

A trade mark is a badge of origin that is used to distinguish the goods and/or services of one trader from the goods and services of other traders. A trade mark may be for example, a word, phrase, letter, number, sound, smell, shape, logo, picture, aspect of packaging or a combination of these used to denote the source of goods and/or services.

The exclusive right of trade mark owners serves to protect consumers as well as protect the interests of traders in both the goodwill associated with their trade marks and the value of a registered trade mark as a property right. A registered trade mark generally gives the owner the legal right to use, license or sell it within the jurisdiction it is registered in for the goods and services for which it is registered.



Upon registration a trade mark will be in force indefinitely, provided that periodic renewal fees are paid.

In many jurisdictions a trade mark is susceptible to revocation if it is not used by the owner within certain time periods.

4.2 Openn Tech's Trade Marks and Trade Mark Applications

Openn Tech has a number of trade marks registered and pending in Australia. No trade mark applications have been filed in other jurisdictions. Details are summarised in Table 2. The trade marks are currently registered in the name of Cleverbons Pty Ltd which will be amended to Openn Tech Pty Ltd in due course.

Table 2

Australian Trade Marks/Applications in the name of Openn Tech Pty Ltd				
Number	Filing date	Trade Mark	Class	Status
1765566	18 April 2016		9, 35, 38	Registered
1778877	23 June 2016		36, 42	Registered

1823675	14 February 2017		9, 35, 36	Registered
1824077	6 February 2017		9, 35, 36	Registered
1824815	9 February 2017		9, 35, 36	Registered
1825702	14 February 2017		9, 35, 36	Registered
2085836	4 May 2020	THE NEW NORMAL IN REAL ESTATE	35, 36	Pending: Under examination

All Australian trade marks are registered with the exception of THE NEW NORMAL IN REAL ESTATE, which is under examination.

5. Copyright

5.1 Background Information

Copyright comes into existence automatically when an original copyright work is created. Types of copyright works include artistic works (eg drawings, paintings, sculptures) and literary works (eg books, written words, computer software code).

Copyright gives the owner a monopoly to do certain acts with the copyright work, including reproduce, adapt and publish the work.

The duration of copyright is generally for the life of the author, plus 70 years.

5.2 Openn Tech Copyright Works

Copyright in the Software Source Code

The source code in the software comprising ONN's Technology is protected by copyright as a literary work (in addition to any patent protection covering the function of that software). The copyright in the source code has been transferred to Openn Tech by virtue of the authors' employment and written assignments.

Copyright in Website, Logos, App, and Business Materials

The text, images and layouts of ONN's website, logos, app and other business materials are protected by copyright as literary and artistic works. The copyright in the text, images and layouts of ONN's website, app and other business materials, has been transferred to Openn Tech by virtue of the authors' employment and/or written assignments.

6. Confidential Information and Know-How

6.1 Background Information

Confidential information and know-how refers to any information or document of the business that has not been made public. It commonly refers to information or documents about a business' structure, operating procedures, technology, trade secrets, finances, customer information and plans. Confidential information and know-how is valuable to a business as it is not known to competitors.

Unauthorised disclosure of confidential information can be actioned by the equitable law of breach of confidence and by breach of contract.

6.2 Openn Tech Confidential Information and Know-How

Parts of ONN's technology, in particular the implementation of the coding and software architecture, as well as ONN's business operations and know-how of its employees, is protected by confidentiality as a trade secret. All employees and contractors of ONN and its subsidiaries have executed confidentiality agreements to protect ONN's confidential information and know-how.

7. Disclaimer and Limitations

Griffith Hack considers the information provided in the Report to be accurate as it reflects information known to or provided to Griffith Hack and further corroborated with information on publicly accessible patent and trade mark databases. The searches conducted for this Report and the results of which are in part relied upon in this Report, have been substantially computer based and as such, are limited in terms of the time periods and the geographical areas covered. All searches are subject to the accuracy and scope of the records searched as well as to the indexing and classification of those records.

The Report should not be construed as a legal opinion as to the registrability of patent or trade mark applications. It should also be understood that the Report is not a validity opinion and no conclusions on the validity of any patent applications or trade marks should be made.

Scope of Patent Claims

It is often necessary during the examination of a patent application to define the invention more specifically by amendment of the claims, so as to distinguish relevant prior art. As a result of this process, there may be variations in the claims between countries, reflecting in part the

different examination procedures and threshold requirements for patentability, according to national laws. While this is a relatively standard procedure, in certain circumstances, such amendments may affect the scope and hence the commercial significance of resulting patent protection.

Patent Validity

A granted patent provides no guarantee of validity. In most jurisdictions, a patent application undergoes a substantive examination process before proceeding to grant. However, the validity of a patent may be challenged at any time after grant, either by way of re-examination before the relevant patent office or by way of revocation proceedings filed in a Court.

Freedom to Operate

This Report is not a 'Freedom to Operate' opinion and Griffith Hack makes no assertion that ONN has the freedom in any country to exploit the ONN Technology without infringing intellectual property rights of third parties.

8. Statement of Independence

Griffith Hack is one of Australia's oldest patent and trade mark attorney firms representing numerous Australian and international clients. Griffith Hack is a member of the IPH Ltd group.

Prior to this Report, Griffith Hack has provided professional advice to ONN and its subsidiaries in relation to specific patent and trade mark matters and received professional fees for such services.

Neither Griffith Hack nor any of its principals or employees has any entitlement to any securities in ONN or has any other interest in the promotion of ONN. Furthermore, the payment of fees to Griffith Hack for the preparation of this Report is not contingent upon the outcome of the Prospectus.

We have given our consent to this report being included in the issue of the Prospectus.

Yours sincerely
GRIFFITH HACK



Leanne Oitmaa
Principal
leanne.oitmaa@griffithhack.com.au

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INDEPENDENT LIMITED ASSURANCE REPORT

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OPENN NEGOTIATION LIMITED Independent Limited Assurance Report

10 May 2021





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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

10 May 2021

The Directors

Openn Negotiation Limited

Level 1, 4 Stirling Road

Claremont, Western Australia 6010

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Openn Negotiation Limited (formerly Appwell Pty Ltd) ('Openn' or 'the Company') to prepare this Independent Limited Assurance Report ('Report') in relation to certain financial information of Openn, for the Initial Public Offering of shares in Openn, for inclusion in the Prospectus ('Prospectus'). Broadly, the Prospectus will offer up to 45 million Shares at an issue price of \$0.20 each to raise \$9,000,000 before costs ('the Offer').

Openn is a proptech company established in Western Australia which offers innovative technology solutions to the real estate industry to improve transparency of property sale transactions for buyers and sellers. On 10 February 2021, Openn completed a transaction to acquire 100% of the issued capital of Openn World Pty Ltd. Openn World Pty Ltd acquired Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) on 17 August 2020.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide ('FSG') has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of the below entities included in the Prospectus:

- Openn Negotiation Limited
 - the reviewed historical consolidated statements of profit or loss and other comprehensive income and statement of cash flows for the half years ended 31 December 2019 and 31 December 2020;
 - the audited historical consolidated statements of profit or loss and other comprehensive income and statements of cash flows for the years ended 30 June 2019 and 30 June 2020; and
 - the reviewed historical consolidated statement of financial position as at 31 December 2020.
- Openn World Pty Ltd
 - the reviewed historical consolidated statements of profit or loss and other comprehensive income and statement of cash flows for the half year ended 31 December 2020 (Refer Appendix 5);
- Openn Tech Pty Ltd
 - the audited historical consolidated statements of profit or loss and other comprehensive income and statements of cash flows for the years ended 30 June 2019 and 30 June 2020 (Refer Appendix 5);

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Openn, Openn World and Openn Tech for the years ended 30 June 2020, 30 June 2019 and the half-years ended 31 December 2020, which were audited in respect of the year ends and reviewed for the half year period by HLB Mann Judd Advisory and Accounting in accordance with the Australian Auditing Standards. HLB Mann Judd issued unmodified audit and review opinions on the financial reports. Without modification of their opinion Mann Judd set out an emphasis of matter in respect of going concern.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of Open included in the Prospectus:

- the pro forma historical Consolidated Statement of Financial Position as at 31 December 2020.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Openn, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Openn to illustrate the impact of the event(s) or transaction(s) described in Section 6 and Section 7 of the Report on Openn's financial position as at 31 December 2020. As part of this process, information about Openn's financial position has been extracted by Openn from Openn's consolidated financial statements for the period ended 31 December 2020.

In each of the audit and review conclusions, the audit opinion included an emphasis of matter relating to the material uncertainty around the ability to continue as a going concern and therefore the companies may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the review opinion and audit opinions were not modified in respect of this matter.

3. Directors' responsibility

The directors of Openn are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- Openn Negotiation Limited
 - the reviewed historical consolidated statements of profit or loss and other comprehensive income and statement of cash flows for the half years ended 31 December 2019 and 31 December 2020;
 - the audited historical consolidated statements of profit or loss and other comprehensive income and statements of cash flows for the years ended 30 June 2019 and 30 June 2020; and
 - the reviewed historical consolidated statement of financial position as at 31 December 2020.
- Openn World Pty Ltd
 - the reviewed historical consolidated statements of profit or loss and other comprehensive income and statement of cash flows for the half year ended 31 December 2020;
- Openn Tech Pty Ltd
 - the audited historical consolidated statements of profit or loss and other comprehensive income and statements of cash flows for the years ended 30 June 2019 and 30 June 2020;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Consolidated Statement of Financial Position of Openn as at 31 December 2020, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma consolidated statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2020:

- On 5 January 2021, 3,125,002 shares were issued at \$0.16 per share to convert \$500,000 of loans into equity. Of this balance, \$30,615 related to borrowing costs and the remaining balance related to loans payable;
- On 10 February 2021, 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 known as Cleverbons Pty Ltd). Openn World Pty Ltd historical financial statements are presented in Appendix 5 of this report. The acquisition price was for \$501,130 against which share capital of \$498,794 was issued. This was satisfied by issuing 3,117,461 shares at \$0.16 per share and \$2,336 cash paid. At acquisition date, the fair value of identifiable assets less liabilities was -\$54,554. This resulted in a price paid in excess of the target's fair value of \$555,684.

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- On 22 January 2021, Openn issued 15,201,370 at \$0.16 per share in order to raise capital of \$2,432,219. The pre-IPO capital raise resulted in cash receipts of \$2,360,928 and capital costs of \$79,030. The lead manager on this transaction was Euroz Hartleys Securities Limited. The lead manager has been issued 2,934,519 options exercisable at \$0.24 maturing on 20 January 2025. The Black Scholes method has been used to value the options resulting in a reserve balance of \$7,738.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of the Company not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Consolidated Statement of Financial Position

The pro forma historical Consolidated Statement of Financial Position is shown in Appendix 1. This has been prepared based on the consolidated financial statements as at 31 December 2020, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 45 million Shares at an offer price of \$0.20 each to raise \$9 million before costs pursuant to the Prospectus; and
- Cash costs of the Offer are estimated to be approximately \$678,817. The costs directly attributable to the capital raising \$486,851 and other apportioned expenses of the offer, which are directly attributable to the capital raising are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated losses; and
- Under this Prospectus, The Company is not issuing any options to the lead manager nor to the employees as performance rights.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1
 OPENN NEGOTIATION LIMITED
 PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts are in AUD</i>					
	Note	Reviewed 31-Dec-20	Subsequent Events	Proforma Adjustments	Proforma After issue
ASSETS					
Current assets					
Cash and cash equivalents	2	165,808	2,016,037	8,321,183	10,503,028
Other receivables	3	44,475	(6,083)	-	38,392
Total current assets		210,283	2,009,954	8,321,183	10,541,420
Non-current assets					
Plant and equipment		86,223	-	-	86,223
Intangible assets	4	192,181	874,773	-	1,066,955
Other receivables		16,142	-	-	16,142
Total non-current assets		294,547	874,773	-	1,169,320
Total assets		504,829	2,884,727	8,321,183	11,710,740
LIABILITIES					
Current liabilities					
Trade and other payables	5	287,610	31,089	-	318,699
Borrowings	6	494,385	(475,468)	-	18,917
Lease - current portion		23,924	-	-	23,924
Total current liabilities		805,919	(444,379)	-	361,540
Non-current liabilities					
Lease - Non-current portion		51,773	-	-	51,773
Total non-current liabilities		51,773	-	-	51,773
Total liabilities		857,692	(444,379)	-	413,313
Net assets		(352,863)	3,329,106	8,321,183	11,297,426
Equity					
Issued capital	7	4,816,900	3,351,983	8,512,855	16,681,738
Reserves	8	23,490	7,738	-	31,228
Accumulated losses	9	(5,193,253)	(30,615)	(191,672)	(5,415,540)
Total equity		(352,863)	3,329,106	8,321,183	11,297,426

The pro-forma consolidated statement of financial position after the Offers is as per the consolidated statement of financial position before the Offers adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to the Prospectus. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 2 and Appendix 3.

APPENDIX 2

OPENN NEGOTIATION LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed 31-Dec-20	Reviewed 31-Dec-19	Audited 30-Jun-20	Audited 30-Jun-19
Revenue	510,797	368,113	851,402	417,138
Other income	63,522	-	315,597	330,909
	574,319	368,113	1,166,999	748,047
Expenditure				
Advertising and marketing expenses	(145,834)	(118,165)	(245,345)	(278,708)
Employment expenses	(639,106)	(472,439)	(942,147)	(710,018)
Consulting expenses	(24,275)	(49,158)	(124,479)	(60,006)
General and administration expenses	(172,103)	(140,903)	(315,233)	(361,266)
Occupancy costs	(15,633)	(18,145)	(25,424)	(45,923)
Financing expenses	(36,413)	(1,080)	(23,630)	(200)
Technology expenses	(167,479)	(370,369)	(697,347)	(774,742)
Total Expenditure	(1,200,843)	(1,170,259)	(2,373,605)	(2,230,864)
Loss before income tax	(626,523)	(802,146)	(1,206,606)	(1,482,817)
Income tax expense	-	-	-	-
Loss after income tax from continuing operations	(626,523)	(802,146)	(1,206,606)	(1,482,817)
Other Comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year	(626,523)	(802,146)	(1,206,606)	(1,482,817)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 3. Past performance is not a guide to future performance.

APPENDIX 3
OPENN NEGOTIATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 31-Dec-20	Reviewed 31-Dec-19	Audited 30-Jun-20	Audited 30-Jun-19
Cash flows from operating activities				
Receipts from customers	597,001	406,445	946,485	455,672
Payments to suppliers and employees	(1,124,255)	(1,141,122)	(2,361,484)	(2,164,698)
Interest paid	(36,413)	(1,080)	(13,425)	(200)
Income tax - R&D incentive received	265,597	330,909	330,909	402,013
Government assistance	63,522	-	50,000	-
Net cash outflows from operating activities	(234,547)	(404,848)	(1,047,514)	(1,307,213)
Cash flows from investing activities				
Payments for property, plant and equipment	(4,106)	(2,562)	(4,761)	(8,932)
Payments for technology development	(194,519)	-	-	-
Payments for security deposits	-	-	(279)	(15,863)
Net cash outflows from investing activities	(198,626)	(2,562)	(5,040)	(24,795)
Cash flows from financing activities				
Proceeds from issue of shares	250,000	202,000	202,000	540,000
Proceeds from borrowings	-	-	500,000	-
Payment of borrowing costs	-	-	(61,230)	-
Repayment of borrowings	(11,501)	(12,582)	(22,119)	-
Net cash inflows from financing activities	238,499	189,418	618,651	540,000
Net increase in cash and cash equivalents held	(194,674)	(217,992)	(433,903)	(792,008)
Beginning Cash and cash equivalents	360,482	794,386	794,386	1,586,394
Cash and cash equivalents at year end	165,808	576,394	360,483	794,386

This consolidated statement of cash flows shows the historical cash flows of the Company and are to be read in conjunction with the notes to and forming part of the consolidated historical financial information set out in Appendix 4.

APPENDIX 4

OPENN NEGOTIATION LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation

These historical financial information have been prepared in accordance with the Corporations Act 2001 (Cth) (Corporations Act) and with the recognition and measurement requirements of Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board but does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.. 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 historical financial information 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 historical financial information, 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 historical financial information has been prepared on a going concern basis.

The Directors believe there are sufficient grounds to believe that the business will be able to continue to pay its debts as and when they fall due. This is based on future cash forecasts, existing cash reserves and proposed capital raising which is currently in an advanced stage.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to generate profit from its activities, raise funds from capital raising and manage cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which has an allowance for further capital to be raised and indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- For personal use only
- The Company is preparing a Prospectus to undertake the IPO and applying to list on the Australian Securities Exchange for the purpose of funding expansion and growth, as well as to provide general working capital;
 - The Company has the ability to manage cash outflows and while the capital raising occurs; and;
 - The Company anticipates the continued support of its current major shareholders

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 historical financial information. The historical financial information 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) Principles of consolidation

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

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

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

d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the full Board of Directors. The Company has one segment which is technology in Australia.

e) Income tax

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

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

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

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

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

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

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

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

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

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

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

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

f) Trade and other receivables

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

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

g) Property, plant and equipment

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

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

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

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

h) Financial instruments

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

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

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

Classification and subsequent measurement

Financial assets

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

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

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

Classifications are determined by both:

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

Financial assets at amortised cost

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

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

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

Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

Financial liabilities

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

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

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

Impairment

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

i) Trade and other payables

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

j) Issued capital

Ordinary shares are classified as equity.

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

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of

an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

l) Impairment of assets

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

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

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

m) Employee benefits

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

Equity-settled compensation

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

Share based payments

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

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

n) Cash and cash equivalents

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

o) Leases

The Company has adopted the new accounting pronouncements which came into effect from 1 July 2019 this year. AASB 16 Leases replaces the previous lease standard, AASB 17 along with three Interpretations, IFRIC 4, SIC 15 and SIC 27.

The Company has reviewed the position and has identified a lease that gives rise to a right to use asset as at the transition date.

The Company has used the modified retrospective method which does not result in the opening retained earnings being adjusted or any adjustments to the comparative period as the Company has elected to measure the right to use assets at an amount equal to the lease liability.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for low value assets the Company has applied the optional exemptions to not recognise the right to use asset but to account for the lease expense on a straight line basis over the remaining lease term.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4.5%. The total cost of the fixed lease payments for the 5 year period is \$136,620 (\$27,324 annually) and the fair value of the liability as at transition date was \$109,317.

For any new contracts entered into on or after 1 July 2019, the Company must consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Company must assess whether the contract meets three key evaluation which are whether:

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

Measurement and recognition of lease as a lease

At the commencement of the lease, the Company recognises a right to use asset and a lease liability on the balance sheet. The right to use asset is measured at cost, which is made up of the

initial measurement of the lease liability, any initial costs incurred by the Group, an estimate of any cost to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement dates.

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

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

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

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

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

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

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

p) Borrowings

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

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

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

q) Revenue

The Group owns and operates a technology platform which allows users to list properties for sale on the platform. Payment for the transactions occurs immediately when the client purchases an upload. The Group recognises revenue for access to the technology as soon as the client lists the property. The Group's obligations cease at this point and the management and outcome of the listing becomes the responsibility of the client. The Group also provides training and marketing material for client sales. The revenue for these ancillary and separate services is recognised when the service is complete.

r) Comparative figures

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

s) New and revised accounting standards adopted by the Company

The Group's assessment of the impact of the new standards and interpretations in relation to financial instruments (AASB 9), revenue recognition (AASB 15) and leases (AASB 16) is not considered material.

t) 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 2020 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 historical financial information.

Note 2 - Cash and cash equivalents <i>Amounts are in AUD</i>	Reviewed as at 31-Dec-20	Pro-forma after Offer
Reviewed cash and cash equivalents balance	165,808	10,504,761
<i>Subsequent events adjustments</i>		
Reviewed balance at 31 December 2020		165,808
Cash payments related to the acquisition of OW		(2,336)
Cash balance in Openn World Pty LtdOconsolidated		1,346
Cash from Euroz Hartleys Securities Limited pre-IPO capital raise		2,360,928
Cash payment to settle related party debt		(343,900)
Total subsequent events adjustments		2,016,037
<i>Pro-forma adjustments</i>		
Proceeds from shares issued under the Prospectus		9,000,000
Costs of the Offer		(678,817)
Total pro-forma adjustments		8,321,183
Pro-forma cash and cash equivalents balance		10,503,028

Note 3 - Other receivables <i>Amounts are in AUD</i>	Reviewed as at 31-Dec-20	Pro-forma after Offer
Reviewed other receivables balance	44,475	38,392
<i>Subsequent events adjustments</i>		
Reviewed balance at 31 December 2020		44,475
Investment in Openn World		501,130
Consolidation elimination entry		(507,213)
Total subsequent events adjustments		(6,083)
Pro-forma other receivables balance		38,392
Note 4 - Intangible assets <i>Amounts are in AUD</i>	Reviewed as at 31-Dec-20	Pro-forma after Offer
Reviewed intangible assets balance	192,181	1,066,955
<i>Subsequent events adjustments</i>		
Reviewed balance at 31 December 2020		192,181
Consolidation of Openn World intangible balance		319,088
Openn World asset acquisition goodwill		555,685
Total subsequent events adjustments		874,773
Pro-forma intangible assets balance		1,066,955
Note 5 - Trade and other payables <i>Amounts are in AUD</i>	Reviewed as at 31-Dec-20	Pro-forma after Offer
Reviewed trade and other payables balance	287,610	318,699
<i>Subsequent events adjustments</i>		
Reviewed balance at 31 December 2020		287,610
Consolidation of Openn World Trade and other payables balance		31,089
Total subsequent events adjustments		31,089
Pro-forma trade and other payables balance		318,699
Note 6 - Borrowings <i>Amounts are in AUD</i>	Reviewed as at 31-Dec-20	Pro-forma after Offer
Reviewed borrowings balance	494,385	18,917
<i>Subsequent events adjustments</i>		
Reviewed balance at 31 December 2020		494,385
Consolidation of Openn World borrowings balance		337,817
Repayment of related party debt		(343,900)
Conversion of debt to equity		(469,385)
Total subsequent events adjustments		(475,468)
Pro-forma borrowings balance		18,917

Note 7 - Issued capital	Reviewed as at 31-Dec-20	Pro-forma After offer
NUMBER OF SHARES		
Issued Capital	140,483,501	191,725,964
<i>Subsequent events adjustments:</i>		
Reviewed balance at 31 December 2020		140,483,501
Shares issued for the acquisition of the Openn World Group		3,117,461
Shares issued to convert the debt to equity		3,125,002
Shares issued for the pre-IPO capital raise		15,201,370
Sub-total number of shares		6,242,463
<i>Pro-forma adjustments:</i>		
Shares issued under the Offer		45,000,000
Pro-forma number of shares		191,725,964
ISSUED CAPITAL BALANCE (AUD)		
Issued Capital	4,816,900	16,682,032
<i>Subsequent events adjustments:</i>		
Reviewed balance at 31 December 2020		4,816,900
Shares issued for the acquisition of the Openn World Group		498,794
Shares issued to convert the debt to equity		500,000
Shares issued for the pre-IPO capital raise		2,353,189
Total subsequent events adjustments		3,351,983
<i>Pro-forma adjustments:</i>		
Shares issued under the Offer		9,000,000
Costs related to the offer		(487,145)
Pro-forma balance of shares		8,512,855
Pro-forma issued capital balance		16,681,738

Note 8 - Reserves	Reviewed as at 31-Dec-20	Pro-forma after Offer
<i>Amounts are in AUD</i>		
Reviewed reserves balance	23,490	31,228
<i>Subsequent events adjustments</i>		
Reviewed balance at 31 December 2020		23,490
Option fees from the pre-IPO capital raise		7,738
Total subsequent events adjustments		7,738
Pro-forma reserves balance		31,228

Note 9 - Accumulated losses	Reviewed as at	Pro-forma
<i>Amounts are in AUD</i>	31-Dec-20	after Offer
Reviewed accumulated losses balance	(5,193,253)	(5,414,101)
<i>Subsequent events adjustments:</i>		
Reviewed balance at 31 December 2020		(5,193,253)
Consolidation of Openn World accumulated losses		(54,560)
Openn World accumulated losses balance consolidation elimination entry		54,560
Borrowing costs related to the conversion of debt to equity		(30,615)
Total subsequent events adjustments		(30,615)
<i>Pro-forma adjustments:</i>		
Costs of the offer not directly attributable to the capital raising		(191,672)
Total pro-forma adjustments		(191,672)
Pro-forma accumulated losses balance		(5,415,540)

NOTE 10: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 11: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 5
 OPENN TECH PTY LTD
 STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts are in AUD</i>	Audited Year ended 30-Jun-20	Audited Year ended 30-Jun-19
Revenue	-	-
Other income	-	1
	-	1
Expenditure		
Amortisation expense	(33,021)	(32,938)
General and administration expenses	(7,833)	(7,656)
Total Expenditure	(40,855)	(40,594)
Loss before income tax	(40,855)	(40,593)
Income tax expense / (benefit)	14,692	5,802
Loss after income tax from continuing operations	(26,162)	(34,792)
Other Comprehensive income/(loss)	-	-
Total comprehensive loss for the year	(26,162)	(34,792)

Openn World Pty Ltd acquired Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) on 17 August 2020. Below is the consolidated statement of comprehensive income of Openn World Pty Ltd which includes Openn Tech Pty Ltd.

OPENN WORLD PTY LTD
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts are in AUD</i>	Reviewed Half-year ended 31-Dec-20
Revenue	-
Other income	-
	-
Expenditure	
Amortisation expense	(31,328)
General and administration expenses	(17,148)
Total Expenditure	(48,476)
Loss before income tax	(48,476)
Income tax expense / (benefit)	-
Loss after income tax from continuing operations	(48,476)
Other Comprehensive income/(loss)	-
Total comprehensive loss for the year	(48,476)

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OPENN TECH PTY LTD
STATEMENT OF CASH FLOWS

<i>Amounts are in AUD</i>	Audited Year ended 30-Jun-20	Audited Year ended 30-Jun-19
Cash flows from operating activities		
Receipts from customers	-	1
Payments to suppliers and employees	(3,089)	(2,040)
Net cash outflows from operating activities	(3,089)	(2,039)
Cash flows from investing activities		
Payments for patent costs	-	(14,802)
Payments for trademark costs	(500)	(1,125)
Net cash outflows from investing activities	(500)	(15,927)
Cash flows from financing activities		
Proceeds from borrowings	3,180	-
Net cash inflows from financing activities	3,180	-
Net increase in cash and cash equivalents held	(409)	(17,966)
Beginning cash and cash equivalents balance	1,613	19,579
Ending cash and cash equivalents balance	1,204	1,613

Openn World Pty Ltd acquired Openn Tech Pty Ltd (formerly Cleverbons Pty Ltd) on 17 August 2020. Below is the consolidated statement of cash flows of Openn World Pty Ltd which includes Openn Tech Pty Ltd.

OPENN WORLD PTY LTD
STATEMENT OF CASH FLOWS

<i>Amounts are in AUD</i>	Reviewed Half-year ended 31-Dec-20
Cash flows from operating activities	
Receipts from customers	-
Payments to suppliers and employees	(12,789)
Net cash outflows from operating activities	(12,789)
Cash flows from investing activities	
Cash received on acquisition	1,254
Net cash outflows from investing activities	1,254
Cash flows from financing activities	
Proceeds from related parties	12,876
Net cash inflows from financing activities	12,876
Net increase in cash and cash equivalents held	1,341
Beginning cash and cash equivalents balance	5
Ending cash and cash equivalents balance	1,346

APPENDIX 6
FINANCIAL SERVICES GUIDE

03 May 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Openn Negotiation Limited ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report/s') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$12,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from the Company for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

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9.

MATERIAL CONTRACTS

9. MATERIAL CONTRACTS

9.1 INTRODUCTION

Set out below are summaries of various contracts to which we are party and:

- that are, or may be, material to the offer or the operation of our business; or
- otherwise are, or may be, relevant to a potential investor in Openn.

9.2 UNDERWRITING AGREEMENT

Openn and the lead manager have entered into an underwriting agreement under which the lead manager has agreed to underwrite the offer (**underwriting agreement**).

The material terms of the underwriting agreement are as follows:

Matter	Provision
Management of offer	The lead manager will be appointed on an exclusive basis to arrange and manage the offer, and to act as underwriter and bookrunner for the offer.
Underwriting commitment	The lead manager agrees to underwrite the shortfall in subscriptions under the offer for up to \$9,000,000 representing up to 45,000,000 shares.
Sub-underwriting and other applicants	The lead manager may procure that sub-underwriters or other investors subscribe for any underwritten shares in place of the lead manager.
Conditions precedent	<p>The lead manager's obligation under the underwriting agreement (including to underwrite) are subject to conditions precedent which are of the type and form that is usual in an underwriting agreement of this nature, and which have been satisfied as at the date of this prospectus, including (but not limited to) the following:</p> <ul style="list-style-type: none">• each person who holds restricted securities either executes a restriction deed or is sent a restriction notice in accordance with the ASX listing rules, and such restriction deed or restriction notice is not terminated; and• in relation to underwriting the offer:<ul style="list-style-type: none">– Openn confirming that it entitled to accept applications in accordance with section 727(3) of the Corporations Act prior to 5.00pm on the date the broker firm offer opens; and– Openn applying for quotation of the shares offered under this prospectus within 7 days of the date of this prospectus.
Fees and reimbursement	<p>Openn will pay the lead manager:</p> <ul style="list-style-type: none">• a management fee equal to 2%; and• a selling fee equal to 3%, <p>of the total application moneys raised under the offer in respect of accepted applications.</p> <p>Openn will also reimburse the lead manager's reasonable costs of and incidental to the offer.</p>

Termination of underwriting commitment

If any of the following events has occurred or occurs at any time from the date of the underwriting agreement until 10.00am on the settlement date of the offer, or at any other time earlier as specified below, the lead manager may terminate its obligations under the underwriting agreement without cost or liability by notice to Openn:

- a statement in this prospectus is misleading or deceptive or likely to mislead or deceive, or there is an omission from the prospectus of material required by sections 710, 711, 715A or 716 of the Corporations Act;
- Openn:
 - issues or, in the reasonable opinion of the lead manager is required to issue, a supplementary prospectus because of the operation of section 719(1) of the Corporations Act; or
 - lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the lead manager as required under the underwriting agreement;
- the S&P/ASX All Ordinaries Index falls to a level that is 90% or less of the level as at the close of trading on the business day prior to the underwriting agreement and closes at or below that 90% level for 2 or more consecutive business days prior to settlement date of the offer, or on the business day immediately prior to the settlement date of the offer;
- any of the restriction agreements/deed that Openn notifies the lead manager will be executed, whether pursuant to ASX listing rule requirement or otherwise, are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- Openn's admission to the official list of ASX, or the quotation of its shares to be traded through CHESS, is not granted, or is granted subject to unusual conditions, by the date Openn must notify the lead manager of the shortfall to the offer or, having been granted, is subsequently withdrawn, withheld or qualified;
- any of the following notifications are made in respect of the offer:
 - ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such inquiry or hearing is not withdrawn within 3 business days or if it is made within 3 business days of the settlement date of the offer it has not been withdrawn by the day before the settlement date;
 - ASIC holds a hearing under section 739(2) of the Corporations Act;
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the offer or an offer document, and any such application inquiry or hearing is not withdrawn within 3 business days or if it is made within 3 business days of the settlement date of the offer it has not been withdrawn by the day before the settlement date;
 - any person who has previously consented to the inclusion of its name in this prospectus (other than the lead manager) withdraws that consent; or
 - any person gives a notice under section 730 of the Corporations Act in relation to this prospectus (other than the lead manager);
- Openn withdraws this prospectus or the offer or any circumstance arises after lodgement of the prospectus with ASIC that results in Openn either repaying any application moneys or offering applicants an opportunity to withdraw their application and be repaid their application moneys;
- Openn is prevented from allotting or issuing the shares under the offer by applicable laws, an order of a court of competent jurisdiction or a governmental authority, within the time required by the ASX listing rules;

- Openn:
 - alters its issued capital or that of a member of the group; or
 - disposes or attempts to dispose of a substantial part of the business or property of the group,

without the prior written consent of the lead manager (not to be unreasonably withheld or delayed);
- any member of the group becomes insolvent, or there is an act or omission which is likely to result in a member of the group becoming insolvent;
- if a regulatory body withdraws, revokes or amends any regulatory approvals required for Openn to perform its obligations under the underwriting agreement, such that Openn is rendered unable to perform its obligations under the underwriting agreement;
- a change in the chief executive officer or chief financial officer of Openn occurs, or there is a change in the board of directors of Openn without the prior written consent of the lead manager (which must not be unreasonably withheld or delayed);
- Openn varies any term of its constitution without the prior written consent of the lead manager; or
- provided that the lead manager has reasonable grounds to believe and, acting reasonably, does believe that the event has, or is likely to have, a materially adverse effect, or will, or is likely to, give rise to a liability of the lead manager under, or a contravention by it of, any applicable law:
 - an offer document or any aspect of the offer, does not comply with the Corporations Act, the ASX listing rules or any other applicable law or regulation;
 - there occurs a new circumstance that arises after this prospectus is lodged, that would have been required to be included in the prospectus if it had arisen before lodgement (as applicable), that is materially adverse from the point of view of an investor;
 - a statement in any of an offer document (other than this prospectus) is or becomes misleading or deceptive or is likely to mislead or deceive;
 - the due diligence report prepared by Openn in relation to the offer is, or becomes, false, misleading or deceptive, including by way of omission;
 - any information supplied (including any information supplied prior to the date of the underwriting agreement) by or on behalf of a member of the group to the lead manager in respect of the offer or the group is, or is found to be, misleading or deceptive, or is likely to mislead or deceive (including by omission);
 - an event occurs which is, or is likely to give rise to:
 - an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the group from those disclosed in this prospectus; or
 - an adverse change in the nature of the business conducted by the group as disclosed in this prospectus;
 - there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the lead manager for any statement or estimate in the offer documents which relate to a future matter or any statement or estimate in the offer documents which relate to a future matter is, in the reasonable opinion of the lead manager, unlikely to be met in the projected timeframe;
 - Openn does not provide a closing certificate as and when required by the underwriting agreement or a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;
 - in respect of any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong, the People's Republic of China, Singapore or any member state of the European Union:
 - hostilities not presently existing commence;
 - a major escalation in existing hostilities occurs (whether war is declared or not);
 - a declaration is made of a national emergency or war; or
 - a major terrorist act is perpetrated;

- if any of the obligations of the relevant parties under any of the restriction agreements/ deeds or contracts referred to in section 9 of the pathfinder are not capable of being performed in accordance with their terms (in the reasonable opinion of the lead manager) or if all or any part of any of the material contracts:
 - is terminated, withdrawn, rescinded, avoided or repudiated;
 - is altered, amended or varied without the consent of the lead manager (acting reasonably);
 - is breached, or there is a failure by a party to comply;
 - ceases to have effect, otherwise than in accordance with its terms; or
 - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and effect, or its performance is or becomes illegal;
- there is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or government policy in Australia (excluding a policy of the Reserve Bank of Australia) New Zealand, the United States, the United Kingdom, Hong Kong, the People's Republic of China, Singapore, any member state of the European Union or Papua New Guinea (other than a law or policy which has been announced before the date of the underwriting agreement);
- there is a contravention by Openn or any other entity in the group of the Corporations Act, the **Competition and Consumer Act 2010** (Cth), the **Australian Securities and Investments Commission Act 2001** (Cth), its constitution or the ASX listing rules;
- a representation or warranty contained in the underwriting agreement on the part of Openn is breached, becomes not true or correct or is not performed;
- Openn defaults on one or more of their undertakings or obligations under the underwriting agreement;
- any of the following occurs:
 - a director of Openn is charged with an indictable offence;
 - any director of Openn is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
 - the commencement of legal proceedings against Openn or any of its directors in their capacity as a director of Openn; or
 - any regulatory body commences any Inquiry against any member of the group or Openn;
- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States or Hong Kong or any member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - trading in all securities quoted or listed on ASX, London Stock Exchange, New York Stock Exchange or Hong Kong Stock Exchange is suspended for at least 1 day on which that exchange is open for trading;
 - any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United Kingdom, the United States, Hong Kong, or the international financial markets or any adverse change in national or international political, financial or economic conditions; or
 - a change or development (which was not publicly known prior to the date of the underwriting agreement) involving a prospective adverse change in taxation laws affecting Openn or the offer occurs;

- Openn or any of its directors or officers (as those terms are defined in the Corporations Act) engage, or have been alleged by a governmental authority to have engaged since the date of the underwriting agreement, in any fraudulent conduct or activity whether or not in connection with the offer;
- other than as disclosed in this prospectus, Openn creates or agrees to create a security interest (e.g. a mortgage) or similar encumbrance over the whole or a substantial part of its business or property;
- there is, after the date of the underwriting agreement, an outbreak, or escalation in the severity, of a pandemic or an epidemic (such as novel coronavirus, a recurrence of Severe Acute Respiratory Syndrome or an outbreak of swine or avian influenza); or
- an event specified in the timetable to the underwriting agreement up to and including the settlement date of the offer is delayed by more than 5 business days (other than any delay caused solely by the lead manager or any delay agreed between Openn and the lead manager or a delay as a result of an extension of the exposure period by ASIC, or a delay required by ASIC or ASX).

In relation to the above termination events:

"bookbuild" means the process undertaken prior to the date of the underwriting agreement that determined the institutional investor and broker demand for the shares at the offer price;

"closing certificate" means a certificate executed by Openn and delivered to the lead manager in accordance with the underwriting agreement and which certifies (amongst other things) Openn's compliance with its obligations under the underwriting agreement and the offer;

"offer document" means any one or more of the following documents issued or published by, or on behalf of, Openn in respect of the offer:

- the pathfinder and any document which supplements or replaces the pathfinder (including any addendum to the pathfinder);
- this prospectus, any application form and any supplementary prospectus;
- any cover email sent by or on behalf of Openn to eligible institutional investors outside of Australia in connection with the institutional offer and bookbuild; and
- the marketing roadshow presentation and/or public announcements used by Openn in connection with the offer used or made after date of this prospectus; and

"pathfinder" means the draft of this prospectus for the offer that was provided to certain institutional investors, co-managers, brokers and sub-underwriters for the purposes of the roadshow and bookbuild.

Indemnity

Openn will indemnify the lead manager and its related bodies corporate (including their officers, directors, employees, partners, contractors, agents, advisers and representatives) from and against liabilities incurred in respect of a number of events which are of the type and form that are considered usual for an underwriting agreement of this nature, including (but not limited to):

- any misleading or deceptive statement in, omission of a statement required by law from, this prospectus;
- any roadshow presentation materials in relation to the offer made or distributed by or on behalf of an indemnified party with Openn's knowledge and consent;
- any other advertising or publicity in relation to the offer or the prospectus made or distributed by or on behalf of an indemnified party with Openn's knowledge and consent;
- breach by Openn of its obligations under the underwriting agreement or any other binding obligations in respect of the prospectus, or the offer; and
- the allotment and issue of the shares under the offer.

The underwriting agreement otherwise contains terms and conditions considered standard for agreements of this nature.

9.3 LICENCE DEED

Openn Tech executed a licence deed with Openn Pty Ltd under which it has granted Openn Pty Ltd a licence use certain intellectual property rights of Openn Tech (**licence deed**).

The material terms of the deed are as follows:

Matter	Provision
Grant of licence	Openn Tech has granted Openn Pty Ltd a non-exclusive licence to use and exploit: <ul style="list-style-type: none">the intellectual property rights related to the Openn technology and associated know-how, including in respect of the Patent Application;the 'Openn' and 'Openn Negotiation' trade marks; andany other rights or materials approved by Openn Tech from time to time.
Royalty	Openn Pty Ltd is not required to pay any royalty or other fee for the grant of the licence.
Term and termination	The licence does not have a fixed term and will continue indefinitely until terminated by either party. Either party may terminate the licence immediately on notice.

The deed otherwise contains terms and conditions considered standard for deeds of this nature.

9.4 EMPLOYMENT AGREEMENTS WITH EXECUTIVE DIRECTORS

Openn has entered into separate employment agreements with its executive directors, Peter Gibbons, Duncan Anderson and Darren Bromley.

The material terms of the agreements are as follows:

Matter	Provision
Positions	Peter Gibbons will be employed as the managing director of Openn. Duncan Anderson will be employed as an executive director and the chief technology officer of Openn on a part-time basis three days per week. Darren Bromley will be employed as an executive director, company secretary and the chief financial officer of Openn on a part-time basis three days per week.
Remuneration	Each director will be entitled to annual remuneration as follows: <ul style="list-style-type: none">Peter Gibbons – \$280,000, comprising a director's fee of \$40,000 and a salary of \$240,000 (exclusive of statutory superannuation);Duncan Anderson – \$172,000, comprising a director's fee of \$40,000 and a salary of \$132,000 (exclusive of statutory superannuation); andDarren Bromley – \$190,000, comprising a director's fee of \$40,000, a company secretary fee of \$30,000 and a salary of \$120,000 (exclusive of statutory superannuation).
Termination	Each party will be entitled may terminate the agreement by giving 3 months written notice. Openn may make payment in lieu of notice. Openn may otherwise terminate the employment immediately for misconduct or other matters that are usual grounds for summary dismissal.
Restrictive covenants	Each director is subject to post-employment restraints on (among other things) engaging in a business of the same or substantially similar nature to the group and soliciting Openn's employees, suppliers or clients. The restraint has potential effect globally for up to 6 months following termination of employment.

The agreements otherwise contain terms and conditions considered standard for executive employment agreements of this nature.

9.5 APPOINTMENT LETTER AGREEMENTS WITH NON-EXECUTIVE DIRECTORS

Openn has entered into letters of appointment with each of its non-executive director, Wayne Zekulich and Danielle Lee, setting out the terms and conditions of their respective appointments.

The material terms of the letters of appointment are as follows:

Subject	Provision
Appointments	Each director is appointed as a non-executive director of Openn. In addition, Wayne Zekulich is appointed as chairperson of the board.
Remuneration	Each director is entitled to be paid an annual director's fee for their services as follows: <ul style="list-style-type: none">• Wayne Zekulich – \$60,000 (exclusive of statutory superannuation); and• Danielle Lee – \$40,000 (exclusive of statutory superannuation).
D&O insurance	Each director will be covered by a directors' and officers' liability insurance taken out by Openn in accordance with the terms of the deeds of access, indemnity and insurance that Openn has executed with each director.

The letters of appointment otherwise contain terms and conditions considered standard for engagement letters of this nature.

9.6 DIRECTORS' DEEDS OF ACCESS, INDEMNITY AND INSURANCE

Openn has entered into deeds of access, indemnity and insurance with each director.

The material terms of these deeds are as follows:

Subject	Provision
Indemnity	Openn agrees to indemnify each director from certain liabilities incurred from acting in that position under specified circumstances.
Insurance	Openn agrees to maintain directors' and officers' insurance cover (if available) in favour of each director whilst he or she maintains such office, and for a run-off period of 7 years after ceased to be an officer. Openn may cease to maintain such insurance cover in favour of the directors if it reasonably determines that the type of coverage is no longer available, in which case it must notify each director of such decision.
Access	Openn will provide access to any company records which are relevant to each director's holding office with Openn. It will do so while the director holds office and for a period of up to 7 years after the director has ceased to be an officer of Openn.
Conditions	The indemnity and insurance obligations of Openn are subject to any restrictions on the same under the Corporations Act.

The deeds otherwise contain terms and conditions considered standard for deeds of this nature.

9.7 EQUITY INCENTIVE PLAN RULES

Openn has established an Equity Incentive Plan for its officers, employees and certain contractors.

The material rules of the plan are as follows:

Subject	Provision
Purpose	<p>The purpose of the plan is:</p> <ul style="list-style-type: none">• to establish a method by which eligible persons can participate in the future growth and profitability of Openn;• to provide an incentive and reward for eligible persons for their contribution to Openn;• to attract and retain a high standard of managerial and technical personnel for the benefit of Openn; and• to align the interests of the eligible persons more closely with the interests of shareholders, by providing an opportunity for eligible persons to hold an equity interest in Openn.
Awards	<p>Under the plan, Openn may provide share-based incentives (e.g. shares, options, performance shares, performance rights) to eligible participants subject to conditions which must be satisfied before the participants may receive the full benefit of the incentives (awards).</p>
Eligible participants	<p>The following persons can participate in the plan if the board makes them an offer to do so:</p> <ul style="list-style-type: none">• a full-time or part-time employee, including an executive director of Openn or its related bodies corporate;• a non-executive director of Openn or its related bodies corporate; and• a casual employee or contractor of Openn or its related bodies corporate where the employee or contractor is, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position.
Conditions of grant	<p>Awards issued/granted under the plan are subject to vesting conditions set in the issue/grant of the award, as determined by the board. These are conditions which must be satisfied or waived before the award can vest or can be exercised (if applicable). They may be time-based criteria or performance-based criteria.</p> <p>The board may vary a vesting condition applicable to an award provided that such variation is not materially adverse to the participant who holds the awards.</p>
Restrictions	<p>Awards issued/granted under the plan, and any resulting shares, may be subject to restrictions on sale or disposal, as determined by the board.</p>
Plan limits	<p>In accordance with ASIC Class Order 14/1000, after Openn is admitted to the official list of ASX, the total awards that may be issued/granted under the Plan will not exceed 5% of the total number of shares on issue. In calculating this limit, awards issued/granted to participants under the Plan other than in reliance upon this Class Order are discounted.</p>
Administration	<p>The board has the discretion to administer the plan.</p>

The rules otherwise contain terms and conditions considered standard for employee incentive plan rules of this nature.

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10.

TERMS OF SECURITIES

10. TERMS OF SECURITIES

10.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The shares issued under this prospectus will be fully paid ordinary shares in the capital of Openn and will rank equally with the existing shares.

Full details of the rights and liabilities attaching to the shares are contained in the Constitution of Openn and, in certain circumstances, are regulated by the Corporations Act, the ASX listing rules and the common law. The Constitution is available for inspection free of charge at Openn's registered office and on its website (www.openn.com.au).

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the shares, assuming Openn is admitted to the official list of ASX:

(a) General meetings

A shareholder is entitled to receive notice of, and to attend and vote at, general meetings of Openn and to receive notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and the ASX listing rules.

(b) Voting rights

At a general meeting of Openn, every shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid share held and in respect of a partly paid share, a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there is an equality of votes, the chair of the meeting does not have a casting vote and the matter will be determined in the negative.

(c) Dividends

Subject to the Constitution, applicable law and any rights and restrictions attached to a share or class of shares, the directors may declare and pay any interim, special or final dividends at any time in their discretion.

All dividends in respect of a share must be paid in the proportion that the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.

The directors may direct that payment of the dividend be made wholly or in part by the distribution of specific assets or other securities of Openn.

(d) Transfer of shares

Subject to the Constitution and applicable law, shares in Openn may be transferred by an instrument in writing in any usual or common form or in any other form that the directors, in their absolute discretion, approve from time to time.

The directors may refuse to register a transfer of shares only where the law permits or requires it, or the shares are restricted securities under the ASX listing rules.

(e) Issue of shares

Subject to the Constitution and applicable law:

- shares in Openn are under the control of the directors, who may issue shares to such persons, and on such terms, as the directors determine; and
- the directors have the right to grant options or other securities, to any person, for any consideration.

(f) Variation of rights

The rights attached to shares may be varied or cancelled with the written consent of the holders of 75% of the issued shares, or by a special resolution passed at a general meeting of shareholders.

(g) Winding up

On a winding up of Openn, subject to the Constitution, applicable law and any rights or restrictions attached to shares, the surplus assets of Openn which remain after payment of its debts are divisible among the shareholders in proportion to the number of fully paid shares held by them. In this regard, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

(h) Small parcels

In accordance with the Corporations Act and the ASX listing rules, the board may sell a share that is less than a 'marketable parcel' for the purposes of the ASX listing rules, in accordance with the procedures set out in the Constitution.

(i) Restricted securities

In accordance with ASX listing rule 15.12:

- a shareholder who holds shares which are classified as restricted securities (**Restricted shares**):
 - must not dispose of, or agree to dispose of, the Restricted shares during the applicable restriction period, except as permitted by the ASX listing rules or ASX;
 - is taken to have agreed in writing that the Restricted shares (which will be in the same class as quoted shares) are to be kept on Openn's issuer-sponsored subregister and have a holding lock applied to them for the duration of the restriction period;
 - will not be entitled to participate in any return of capital on the Restricted shares during the restriction period, except as permitted by the ASX listing rules or ASX;
- Openn must refuse to register a disposal of the Restricted shares (including a transfer) during the restriction period, except as permitted by the ASX listing rules or ASX; and
- if the shareholder breaches a restriction deed or a provision of the Constitution restricting the disposal of the Restricted shares, the shareholder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of the Restricted shares for so long as the breach continues.

10.2 LEAD MANAGER OPTIONS

Openn granted 2,934,519 options to a nominee of the lead manager on 25 January 2021 as part of the remuneration payable to the lead manager for managing to a capital raising conducted by Openn in December 2020 (**lead manager options**). They are held by a nominee of the lead manager, Zenix Nominees Pty Ltd.

The terms and conditions of the lead manager options are set out below:

- (a) **Entitlement:** Each lead manager option entitles the holder to subscribe for one fully-paid share.
- (b) **No payment on grant:** The option holder is not required to pay any amount on the grant of a lead manager option.
- (c) **Exercise price:** The exercise price of each lead manager option is \$0.24 (exercise price).
- (d) **Expiry date:** Each lead manager option may be exercised at any time before 5.00pm (WST) on 20 January 2025 (expiry date). Any lead manager option not exercised by the expiry date will automatically expire.
- (e) **Certificate or holding statement:** Openn must give the option holder a certificate or holding statement stating:
 - (i) the number of lead manager options issued to the option holder;
 - (ii) the exercise price of the lead manager options; and
 - (iii) the expiry date of the lead manager options.
- (f) **Transfer:**
 - (i) The lead manager options are transferable, subject to applicable law.
 - (ii) Subject to the ASX listing rules and the Corporations Act, the option holder may transfer some or all of the lead manager options at any time before the expiry date by:
 - (A) a proper ASTC regulated transfer (as defined in the Corporations Act) or any other method permitted by the Corporations Act; or
 - (B) a prescribed instrument of transfer.
 - (iii) An instrument of transfer of a lead manager option must be:
 - (A) in writing;
 - (B) in any usual form or in any other form approved by the directors that is otherwise permitted by law;
 - (C) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by Openn, the transferee; and
 - (D) delivered to Openn, at the place where Openn's register of option holders is kept, together with the certificate (if any) of the lead manager option to be transferred and any other evidence as the directors require to prove the title of the transferor to that lead manager option, the right of the transferor to transfer that lead manager option and the proper execution of the instrument of transfer.

- (g) **Quotation of options:** Openn will not apply to ASX for Official Quotation of lead manager options.
- (h) **Quotation of shares:** If Openn is admitted to the official list of ASX at the time of exercise of the lead manager options, Openn will apply to ASX for official quotation of the shares issued on exercise of lead manager options.
- (i) **New issues:** The option holder is not entitled to participate in any new issue to shareholders in Openn unless it has exercised its lead manager options before the record date for determining entitlements to the new issue of securities and participate as a result of holding shares.
- (j) **Bonus issues:** If Openn makes a bonus issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a share has not been issued in respect of the lead manager option before the record date for determining entitlements to the issue, then the number of underlying shares over which the lead manager option is exercisable will be increased by the number of shares which the option holder would have received if the option holder had exercised the lead manager option before the record date for determining entitlements to the issue.
- (k) **Reorganisation:**
- (i) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of Openn, then the rights of the option holder (including the number of lead manager options to which the option holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the ASX listing rules applying to a reorganisation of capital at the time of the reorganisation.
 - (ii) Any calculations or adjustments which are required to be made will be made by Openn's board of directors (board and will, in the absence of manifest error, be final and conclusive and binding on Openn and the option holder.
 - (iii) Openn must, within a reasonable period, give to the option holder notice of any change to the exercise price of any lead manager options held by the option holder or the number of shares which the option holder is entitled to subscribe for on exercise of a lead manager option.
- (l) **Exercise of options:**
- (i) To exercise lead manager options, the option holder must give Openn or its securities registry, at the same time:
 - (A) a written exercise notice (in the form approved by the board from time to time) specifying the number of lead manager options being exercised and shares to be issued;
 - (B) payment of the exercise price for the shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by Openn; and
 - (C) any certificate for the lead manager options.
 - (ii) The option holder may only exercise lead manager options in multiples of 10,000 lead manager options unless the option holder exercises all lead manager options held by the option holder.
 - (iii) Lead manager options will be deemed to have been exercised on the date the exercise notice and exercise price are received by Openn.
 - (iv) If the option holder exercises less than the total number of lead manager options registered in the option holder's name:
 - (A) the option holder must surrender their option certificate (if any); and
 - (B) Openn must cancel the option certificate (if any) and issue the option holder a new option certificate or holding statement stating the remaining number of lead manager options held by the option holder.
- (m) **Issue of shares on exercise of options:**
- (i) Within five Business Days after receiving an application for exercise of lead manager options and payment by the option holder of the exercise price, Openn must issue the option holder the number of shares specified in the application.
 - (ii) Subject to the Constitution, all shares issued on the exercise of lead manager options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of Openn at the date of issue.
- (n) **Governing law:** These terms and the rights and obligations of the option holder are governed by the laws of Western Australia. The option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

10.3 PERFORMANCE RIGHTS

Openn proposes to grant 15,599,000 performance rights to directors and employees of the group under the Equity Incentive Plan (**incentive rights**) once the terms have been approved by ASX. This is expected to occur prior to listing.

The proposed terms and conditions of the incentive rights are set out below:

- (a) **Grantor:** The grantor of the incentive rights is Openn.
- (b) **Equity Incentive Plan:** The incentive rights are granted under Openn's Equity Incentive Plan adopted in May 2021, as amended from time to time.
- (c) **Entitlement:**
- (i) Each incentive right entitles the holder (**right holder**) to subscribe for and be issued with one fully paid share, on and subject to:
 - (A) the terms and conditions of the Equity Incentive Plan (**plan rules**);
 - (B) the "offer" (as defined in the plan rules) under which the incentive rights were offered by Openn (**plan offer**) to the "Participant" (as defined in the plan rules) (**participant**); and
 - (C) these terms.
 - (ii) The documents referred to in item are to be interpreted in the order of precedence set out in that item such that the provisions of a document higher in precedence prevail to the extent of any conflict or inconsistency with the provisions of any other document lower in precedence.
 - (iii) Capitalised terms which are defined in the plan rules have, when used in these terms, the meaning given to them under the plan rules, unless expressly stated otherwise.
- (d) **No payment on grant:** The right holder is not required to pay any amount to Openn for the grant of an incentive right.
- (e) **Term and expiry:** Each incentive right will come into effect upon grant and will operate until 5:00pm (WST) on the date falling 5 years from grant (end date), unless cancelled earlier in accordance with its terms.
- (f) **Quotation:**
- (i) Openn will not apply for quotation of the incentive rights on any stock exchange or licensed financial market, such as ASX.
 - (ii) If Openn is admitted to the official list of ASX, it will apply to ASX for quotation of shares issued on vesting and exercise of incentive rights.
- (g) **Transferability:** An incentive right is not transferable other than as permitted under the plan rules.
- (h) **Vesting Conditions:**
- (i) The incentive rights are subject to the following conditions, each of which constitutes a "Vesting Condition" under the plan rules:
 - (A) Openn successfully completing an initial public offer of shares and being admitted to the official list of ASX;
 - (B) the Participant not being "Dismissed" or "Resigning" (as those terms are defined in the plan rules) within 2 years of the incentive rights being granted;
 - (C) in relation to 10% of the incentive rights only, the volume-weighted average price (**VWAP**) of shares traded on ASX over 30 consecutive days is \$0.35 or more;
 - (D) in relation to 15% of the incentive rights only, the VWAP of shares traded on ASX over 30 consecutive days is \$0.50 or more; and
 - (E) in relation to 25% of the incentive rights only, the VWAP of shares traded on ASX over 30 consecutive days is \$0.65 or more.
 - (ii) The incentive rights will vest in and become exercisable by the right holder on the satisfaction of the relevant Vesting Conditions.
- (i) **Expiry and cancellation:**
- (i) All incentive rights which have not vested will automatically lapse and will be cancelled on the end date.
 - (ii) All incentive rights which have vested before the end date but have not been exercised will be deemed to have been exercised immediately prior to the end date unless the right holder notifies Openn otherwise in writing prior to the issue of shares.
- (j) **Exercise:**
- (i) Vested incentive rights may only be exercised by notice in writing to Openn (**exercise notice**), the form of which may be specified in the plan offer or otherwise by Openn in writing, on or before the end date.

- (ii) Any exercise notice for an incentive right received by Openn will be deemed to be a notice of the exercise of the incentive rights specified in that notice as at the date of receipt. Incentive rights may only be exercised in multiples of 10,000 unless fewer than 10,000 incentive rights are held by the right holder, or the board otherwise agrees.
- (iii) The right holder is not required to pay any exercise price or fee upon the exercise of vested incentive rights.
- (iv) The right holder must provide with or at the same time as an exercise notice the certificate for the incentive rights, or documentary evidence satisfactory to the board that the certificate was lost or destroyed.
- (k) **Issue of shares:**
- (i) Openn must issue to the right holder the relevant number of shares the subject of a valid exercise notice within 10 business days after receiving the exercise notice.
- (ii) The share issued upon exercise of an incentive rights will rank equally in all respects with Openn's fully-paid ordinary shares then on issue.
- (l) **Rights of Participation:**
- (i) **New issues**
- (A) An incentive right does not confer on the right holder any participation or entitlement right inherent in holding shares or other securities in Openn.
- (B) A right holder will not be entitled to participate in any new issue of shares or other securities in Openn to shareholders unless and to the extent that the right holder has exercised their vested incentive rights and been issued new shares before the record date for determining entitlements to the new issue of shares or securities and participate as a result of holding shares.
- (C) Openn must give the right holder notice of any proposed new issue of shares or other securities in Openn to shareholders, in accordance with the ASX listing rules.
- (ii) **Bonus or pro rata issues:** If Openn makes a bonus issue or pro rata issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) after the grant of the incentive rights, but before the expiry of those incentive rights or the issue of a share on exercise of the same, then the number of underlying shares over which the vested incentive right is exercisable will be adjusted in accordance with the ASX listing rules.
- (m) **Reorganisations:** If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of Openn (reorganisation), then:
- (i) the rights of the right holder (including the number of incentive rights to which the right holder is entitled) will be adjusted in accordance with the ASX listing rules applicable at the date of the reorganisation;
- (ii) any calculations or adjustments which are required to be made will be made by the board and will, in the absence of manifest error, be final and conclusive and binding on Openn and the right holder; and
- (iii) Openn must, within a reasonable period, give to the right holder notice of any change to the number of shares for which the right holder is entitled to subscribe for on exercise of vested incentive rights and other changes to the incentive rights as required by the ASX listing rules.
- (n) **Voting:** An incentive right does not confer on the right holder any right to vote on any resolution proposed at a general meeting of Openn, except and only to the extent required by applicable law.
- (o) **Dividends:** An incentive right does not confer on the right holder any right to receive a dividend by Openn, whether fixed or at the discretion of the directors of Openn.
- (p) **Returns of capital and winding-up:** An incentive right does not confer on the right holder any right to:
- (i) any right to a return of capital by Openn, whether on winding-up of Openn, a reduction of capital or otherwise; or
- (ii) participate in the surplus profits or assets of Openn on winding-up of Openn.
- (q) **Legal and regulatory requirements:**
- (i) **Approvals:** The exercise of a vested incentive right is subject to Openn first obtaining all legal, regulatory and shareholder consents or approvals necessary for the issue of a share pursuant to the same.
- (ii) **Conflict:** If these terms and conditions conflict with or do not comply with the Corporations Act, the ASX listing rules or Openn's constitution, the right holder authorises Openn to do anything necessary to rectify such conflict or non-compliance, including but not limited to amending these terms and conditions to minimum extent necessary to remedy such conflict or non-compliance.
- (iii) **Governing law:** These terms of the incentive rights, and the rights and obligations of the right holder, are governed by the laws of Western Australia.

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10.

ADDITIONAL INFORMATION



11. ADDITIONAL INFORMATION

11.1 REMUNERATION OF DIRECTORS

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

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

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

The table below sets out the current remuneration of each director, and the aggregate remuneration paid to them over the past 2 years.

Director	Current remuneration	Remuneration over past 2 years
Wayne Zekulich	\$60,000 plus statutory superannuation	Nil
Peter Gibbons	\$280,000 plus statutory superannuation	\$219,320 plus statutory superannuation
Darren Bromley	\$190,000 plus statutory superannuation	\$45,485
Duncan Anderson	\$172,000 plus statutory superannuation	\$150,690
Danielle Lee	\$40,000 plus statutory superannuation	\$5,000

Notes:

1. Peter Gibbons' current remuneration comprises a director's fee of \$40,000 and a salary of \$240,000, plus superannuation.
2. Darren Bromley's current remuneration comprises a director's fee of \$40,000, a salary of \$120,000, and a company secretary fee of \$30,000, plus superannuation.
3. Duncan Anderson's current remuneration comprises a director's fee of \$40,000 and a salary of \$132,000, plus superannuation.
4. Danielle Lee will be paid a \$5,000 fee for corporate consulting services. In addition to her role as a non-executive director, Danielle Lee provides Openn with ad hoc corporate consultancy services on an "as needs" basis. A fee for her services is negotiated and agreed between the parties on a case-by-case basis. This arrangement may be discontinued by either party on notice.

None of the directors have a future entitlement to any further non-cash remuneration as at the date of this prospectus other than the performance rights referred to in section 11.2 below.

11.2 INTERESTS OF DIRECTORS IN SECURITIES OF OPENN

The table below sets out the securities of Openn in which each director has an interest as at the date of this prospectus.

Director	Shares	Performance rights
Wayne Zekulich	Nil	300,000
Peter Gibbons	25,210,182	3,250,000
Duncan Anderson	1,209,678	2,250,000
Darren Bromley	903,226	1,550,000
Danielle Lee	Nil	200,000
TOTAL	27,323,086	7,550,000

Notes:

1. The terms and conditions of the performance rights are set out in section 10.3. These performance rights are expected to be granted once the terms have been approved by ASX. This is expected to occur prior to listing.
2. The securities in which Wayne Zekulich has an interest are held by Suzanne Zekulich as trustees for the Twisst Family Trust.
3. The securities in which Peter Gibbons has an interest are held by Peter John Gibbons and Tamara Bridget Gibbons as trustees for the Gibbons Family Trust.
4. The securities in which Duncan Anderson has an interest are held by Duncan Royce Anderson and Barbara Ross Anderson as trustees for the DR & RB Anderson Family Trust.
5. Darren Bromley holds his securities as trustee for the DB Family Trust.
6. The securities in which Danielle Lee has an interest are held in her own name.

11.3 DIRECTORS' PARTICIPATION IN OFFER

Each of the directors may participate in the offer and subscribe shares on the same terms (including scale-back) as other investors up to an aggregate of \$100,000 worth of shares (500,000 shares). Importantly, this is a statement by the relevant directors of their general intention at the date of this prospectus. It is not a binding commitment to subscribe for shares, and the number of shares that each director may receive (if any) may differ from the figures above.

11.4 EXPENSES OF THE OFFER

The expenses of the offer are expected to comprise the following estimated costs and are exclusive of any GST.

Expense	Fee
ASIC fees	\$3,206
ASX fees	\$89,778
Lead manager's fees	\$450,000
Consultants'/experts' fees	\$35,000
Legal fees	\$70,000
Promotion, printing, distribution and securities registry expenses	\$19,100
Miscellaneous expenses	\$10,000
TOTALS	\$677,084

Notes:

1. GST is not payable in respect of ASIC fees.
2. The ASX fees in the table above are calculated assuming ASX classifies the number of shares referred to in section 4.12 as restricted securities. ASX listing fees would not be payable in respect of such shares until the expiry of the relevant restriction periods upon which Openn will apply for their quotation.

11.5 TAXATION IMPLICATIONS

The taxation obligations and the effects of participating in an offer can vary depending on the circumstances of each individual investor. If you are in doubt as to your taxation position, you should seek your own professional advice.

It is your responsibility to inform yourself of your taxation position should you decide to participate in the offer.

The directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for shares under this prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants.

We do not, nor do any of our officers, employees or advisers, accept any responsibility or liability for any taxation consequences to applicants in relation to the offer.

11.6 LEGAL PROCEEDINGS

As at the date of this prospectus, we are not involved in any material legal proceedings and the directors are not aware of any material legal proceedings pending or threatened against us.

11.7 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this prospectus:

- all other persons named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus do not have, and have not had in the 2 years before the date of this prospectus, any interest in:
 - the formation or promotion of Openn;
 - property acquired or proposed to be acquired by Openn in connection with its formation or promotion or the offer; or
 - the offer; and
- amounts have not been paid or agreed to be paid (whether in cash, securities or otherwise), and other benefit have not been given or agreed to be given, to any of those persons for services provided by those persons in connection with the formation or promotion of Openn or the offer.

Expert/advisor	Service or function	Amount paid or to be paid in relation to prospectus	Amounts paid in previous 2 years
Euroz Hartleys Limited	Lead manager and underwriter to the offer Corporate advisor	Approximately \$450,000 (plus GST)	Approximately \$79,030 (plus GST)
GH LAW Pty Ltd (ACN 615 894 365) t/as Griffith Hack Lawyers	Author of Intellectual Property Report	Approximately \$6,000 (plus GST)	Nil
Frost & Sullivan Australia Pty Ltd	Author of Independent Market Report	Approximately \$15,000 (plus GST)	Nil
BDO Corporate Finance (WA) Pty Ltd	Author of Independent Limited Assurance Report Investigating accountant	Approximately \$14,000 (plus GST)	Approximately \$65,063 (plus GST)
HLB Mann Judd (WA Partnership)	Auditor	Approximately \$43,000 (plus GST)	Nil
Blackwall Legal LLP	Australian legal adviser	Approximately \$70,000 (plus GST)	Approximately \$58,632 (plus GST)

Note: Euroz Hartleys Limited was paid a fee for managing a pre-IPO capital raising conducted by Openn in December 2020. This fee comprised \$71,291.60 (plus GST) in cash and 2,934,519 options on the terms set out in section 10.2 granted to its nominee, Zenix Nominees Pty Ltd. These options has an estimated value of \$7,738.44.

11.8 CONSENT STATEMENTS

The following persons and entities have given their written consent to be named in the prospectus in the form and context in which they are named and to the inclusion of a statement or report in this prospectus in the form and context in which it is included:

Party	Capacity in which named	Statement or report in this prospectus
Euroz Hartleys Limited	Lead manager and underwriter to the offer	Not applicable
GH LAW Pty Ltd (ACN 615 894 365) t/as Griffith Hack Lawyers	Author of Intellectual Property Report	Intellectual Property Report
Frost & Sullivan Australia Pty Ltd	Author of Independent Market Report	Independent Market Report
BDO Corporate Finance (WA) Pty Ltd	Author of Independent Limited Assurance Report Investigating accountant	Independent Limited Assurance Report
HLB Mann Judd (WA Partnership)	Auditor	Not applicable
Blackwall Legal LLP	Australian legal adviser	Not applicable
Computershare Investor Services Limited	Securities registry	Not applicable

The parties named above as providing their consent:

- did not authorise or cause the issue of this prospectus;
- do not make, or purport to make, any statement in this prospectus nor is any statement in this prospectus based on any statement by any of those parties other than as specified in this section; and
- to the maximum extent permitted by law, expressly disclaim any responsibility or liability for any part of this prospectus other than a reference to its name and a statement contained in this prospectus with consent of that party as specified in this section.

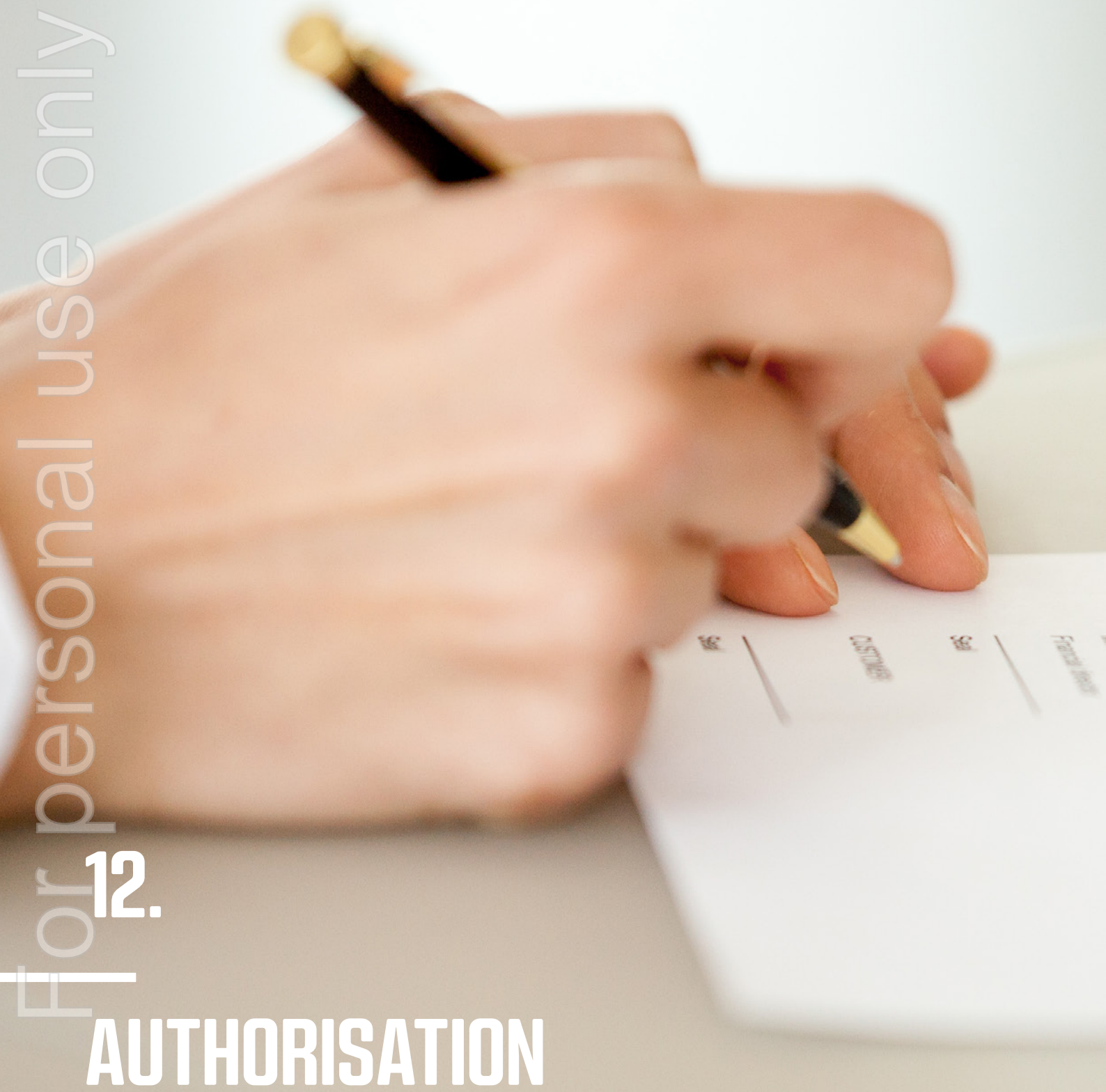
11.9 GOVERNING LAW

This prospectus, and the agreements that arise from the acceptance of the applications, are governed by the laws applicable in Western Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

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12.

AUTHORISATION



12. AUTHORISATION

In accordance with section 720 of the Corporations Act, each director has consented to the lodgement of this prospectus with ASIC and has not withdrawn that consent.

The prospectus is issued by Openn and its issue has been authorised by a resolution of the directors.

Signed for and on behalf of Openn pursuant to a resolution of the board by:



Wayne Zekulich
Non-Executive Chairperson

Date: 10 May 2021

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13. GLOSSARY

13.1 DEFINED TERMS

In this prospectus, the following terms have the following meanings, unless the context requires otherwise:

applicant	A person who applies for shares under and in accordance with this prospectus.
application	A valid application for shares offered under this prospectus.
application form	An application form attached to or accompanying this prospectus.
application money	Money received from an applicant in respect of an application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
ASX listing rules	The listing rules of ASX.
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).
ASX settlement rules	The official ASX Settlement Operating Rules.
board	The board of directors of Openn.
broker	Any ASX participating organisation selected by the lead manager and Openn to act as a broker to the offer.
broker firm offer	The offer of shares under this prospectus to retail investors who are clients of brokers and who have received a firm allocation from their broker as detailed in section 4.13.
broker firm offer applicant	A person who submits an application under the broker firm offer.
CHESS	Clearing House Electronic Subregister System.
closed period	Has the meaning given to that term in section 5.3.
closing date	The date on which the offer closes, being 24 May 2021.
company secretary	The company secretary of Openn from time to time.
Constitution	The constitution of Openn.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
CRM	Customer relationship management.
director	A director of Openn from time to time.
Equity Incentive Plan	The Equity Incentive Plan adopted by Openn in May 2021.
executive director	The executive directors of Openn from time to time, being Peter Gibbons, Duncan Anderson and Darren Bromley at the date of this prospectus.
existing option	An option granted by Openn prior to the opening date.
existing shareholder	Those persons or entities that are shareholders of Openn as at the date of this prospectus and hold existing shares.
existing share	A share issued by Openn prior to the opening date.
exposure period	The period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this prospectus within which applications must not be processed by Openn, in accordance with section 727(3) of the Corporations Act.
founders	Peter Gibbons, Peter Clements and Bradley Glover.
group	Openn and its subsidiaries, being Openn Pty Ltd, Openn Tech and Openn World at the date of this prospectus.
holding statement	A holding statement for securities under CHESS or Security Holder Reference Number.
Independent Limited Assurance Report	The report of BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045) contained in section 8.

institutional investor	Investors who are: (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; (b) institutional investors in certain other jurisdictions, as agreed by Openn and the lead manager to whom offers of shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any Governmental agency (except one with which Openn is willing in its discretion to comply); and (c) provided that in each case such investors are not in the USA.
institutional offer	The invitation to institutional investors under this prospectus to acquire shares, as described in section 4.15.
Intellectual Property Report	The report of GH LAW Pty Ltd (ACN 615 894 365) t/as Griffith Hack Lawyers contained in section 7.
lead manager	Euroz Hartleys Limited (ACN 104 195 057), AFSL no. 230052.
managing director	The managing director of Openn from time to time, being Peter Gibbons at the date of this prospectus.
non-executive directors	The non-executive directors of Openn from time to time, being Wayne Zekulich and Danielle Lee at the date of this prospectus
offer or IPO	The offer under this prospectus of 45,000,000 shares at an issue price of \$0.20 each to raise \$9,000,000 (before costs).
offer period	In relation to an offer, the period between the opening date and the closing date of that offer.
offer price	The price of a share offered under this prospectus.
opening date	The date on which the retail offer opens, being 17 May 2021.
Openn	Openn Negotiation Limited (ACN 612 329 754).
Openn Negotiation	The auction-like real estate sales process offered by Openn under which properties are negotiated and sold to the highest bidder through a transparent bidding process conducted through an online technology platform, as described in sections 3.3.
Openn Offers	The private treaty-like real estate sales process to be offered by Openn under which properties are negotiated and sold to the buyer with the most favourable offer price and terms through the platform. Buyers participate in the process which offers greater transparency via a digital negotiation managed by the agent as described in sections 3.3.
Openn platform	The online technology platform operated by Openn to deliver the sale of real estate by way of the Openn Negotiation sales process (and from May 2021, the Openn Offers sales process), as described in section 3.3.
Openn Pty Ltd	Openn Pty Ltd (ACN 612 338 477).
Openn Tech	Openn Tech Pty Ltd (ACN 607 908 636).
Openn technology	The proprietary technology and systems developed by Openn utilised in the Openn platform.
Openn World	Openn World Pty Ltd (ACN 640 846 813).
option	An option to subscribe for a share.
patent application	Australian patent application 2017280108 entitled 'Sales mechanism and digital interface therefor'.
performance rights	A right to be issued with a share subject to satisfaction of specified performance hurdles or vesting conditions.
priority offer	The component of the offer under which investors who have received a priority offer invitation are invited to apply for shares, as described in section 4.14.
priority offer applicant	A person who submits an application under the priority offer.
priority offer invitation	The invitation under this prospectus to selected investors in Australia to participate in the priority offer on a firm basis up to the allocation of shares determined by Openn.

private treaty sale	A method of sale where a prospective buyer makes an offer directly to a seller or their agent. Typically, a property is listed with a price or price range and there is no expiry date for the sale. In Victoria, a private treaty sale is known as a private sale.
prospectus	This prospectus and any supplementary or replacement prospectus.
related body corporate	Has the meaning given to that term in section 50 of the Corporations Act.
relevant person	Has the meaning given to that term in section 5.3.
restricted security	Has the meaning given to that term in Chapter 19 of the ASX listing rules.
retail investor	An Australian resident who is not in the USA and is not an institutional investor or a broker.
retail offer	Together, the broker firm offer and priority offer.
securities	Has the meaning given to that term in section 92(4) of the Corporations Act.
securities registry	Openn's securities registry, Computershare Investor Services Limited (ACN 078 279 277).
share	A fully paid ordinary share in the capital of Openn.
shareholder	A holder of a share.
trading day	Has the meaning given to that term in the ASX listing rules.
underwriting agreement	Has the meaning given to that term in section 9.2.
US person	Has the meaning given to that term in Regulation S of the US Securities Act.
US Securities Act	The Securities Act of 1933 (USA).
WST	Australian Western Standard Time.

13.2 GLOSSARY OF TECHNICAL AND INDUSTRY TERMINOLOGY

The following is an explanation of the various technical and industry terms used in this prospectus:

android	Android is an open source mobile operating system sponsored by Google. It is designed primarily for touchscreen mobile devices such as phones and tablets and is used by a variety of hardware manufactures including Google and Samsung.
iOS	iOS is a mobile operating system created and developed by Apple Inc. exclusively for Apple's own hardware. It is designed primarily for touchscreen mobile devices such as phones and tablets.
proptech	A category of technologies, including software solutions, dedicated to the property industry. The property industry includes real estate sale, lease and rental transactions but may also include services related to property such as architecture and conveyancing.
scale out server strategy	A server is a computer that provides data to other computers. A server could host a database or provide a point of communication between that database and browsers or apps on individual phones, tablets and computers. As demand for server use grows, a scale out server strategy means adding more servers to manage the demand, each of them synchronized and spreading the load. The alternative is a scale up strategy, which involves increasing the size of the existing server.
technology stack	A list of all the technology services used to build and operate a software application. This includes the software frameworks, database software, the software languages used for middle tier servers and how people access the software, whether that be by PC software, browser or mobile application. It may also include software and hardware used to manage performance and security of the software application.

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