

BOARD & MANAGEMENT

Wayne Zekulich
Non-Executive Chairman

Peter Gibbons
Managing Director

Darren Bromley
Executive Director / CFO
Company Secretary

Sean Adomeit
Chief Executive Officer Au/NZ

CAPITAL STRUCTURE

Ordinary Shares 1,116.7 million
Quoted Options 28.6 million
Unquoted Options 19.4 million
Performance rights 20.5 million

TOP 20 SHAREHOLDERS

63.63% on 30 August 2023

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Preliminary Final Report

Australian-listed property technology company (**PropTech**), Openn Negotiation Limited, (**ASX: OPN**) (**Openn, Group** or **Company**), presents its Appendix 4E together with the 2023 Annual Report including financial results of the consolidated entity and its controlled entities, for the year ended 30 June 2023.

Financial results	30 June 2023	30 June 2022	Change	
	\$	\$	\$	%
Income and investment returns from ordinary activities	623,859	1,178,732	(554,873)	(47.07%)
Loss from ordinary activities after tax attributable to members	(13,134,550)	(8,031,233)	(5,103,317)	(63.54%)
Net loss for the year attributable to members	(13,134,550)	(8,031,233)	(5,103,317)	(63.54%)
Cents per ordinary share	(\$0.053)	(\$0.042)	(\$0.011)	(25.73%)

Principal activities

Openn is an Australian property technology company offering a proprietary cloud-based software platform to support real estate agents in selling property online with greater transparency.

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

Financial Position and Operating Results

The cash position of the Group as at 30 June 2023 was \$123,638 (2022: \$2,619,179) Subsequent to year end, the Company raised an additional \$3.19 million (before costs) primarily to:

- Develop strategic partnerships in Australia, New Zealand, Canada and the USA;
- platform integration with strategic partners;
- enhance the Openn Platform to deliver the services across global markets;
- developing strategic partnerships with local businesses to leverage market knowledge and networks; and
- identify new markets and uses for the Openn Platform

The Group continued to develop its core technology platform and introduced a software as a service (SaaS) pricing structure to the Openn platform in January 2023. Revenue declined during the period to \$623,859 over the 12 months to 30 June 2023 (2022: \$1,178,732). Sales revenue is currently attributed to the Australian and New Zealand operations where properties listed for sale have fallen significantly due to interest rate and inflationary pressures affected the property sector.

Openn incurred an increase in employment costs of \$6,189,076 (2022: \$4,345,075) as it continued operations in Australia, New Zealand and North America. During the second half of the reporting period, The Company consolidated and restructured its operations and personnel numbers in order to reduce future cash outflows moving into the 2023/24 financial year. Estimated average monthly cash outflows will fall to approximately \$300,000 from August 2023 onwards. This figure represents approximately 30.8% of the average for the 6-month period to 30 June 2023.

The Company has assessed the Technology intangible assets for impairment for the year ended 30 June 2023 due to the recent recapitalisation process, reduction in revenue and its effort to refocus the US strategy. Due to the delay in anticipated North American revenue, the Company has fully amortised and impaired the asset by \$3,535,873 as at 30 June 2023 (2022: \$465,468).

General and administration costs totalled \$2,963,354 for the reporting period (2022: \$3,228,868) represented by a reduction in direct partnership costs, offset by an increase in depreciation and amortisation expenses, and insurance costs. Subscription expenses increased with the North American operations scaling up and the costs of electronic contract execution platforms. Both of these costs have been rationalised subsequently decreased near financial year end. There was an overall increase in fixed operating costs with pressures on inflation felt across most expenses.

Non-cash expenses of \$4,322,131 contributed to 32.9% of the loss for the year (2022: \$1,868,802 contributed to 23.3%) with the main contributors being amortisation and depreciation (\$525,482), impairment of intangibles (\$2,684,299) and share based payments relating to the recognition of the expense for performance rights (\$1,070,564).

The Group has two geographical segments. The results, assets and liabilities are listed below:

	30 June 2023			30 June 2022		
	Australia	North America	Total	Australia	North America	Total
Results Profit / (loss)	(9,907,166)	(3,227,384)	(13,134,550)	(6,029,081)	(2,002,152)	(8,031,233)
Impairment (incl. in loss)	(2,684,299)	-	(2,684,299)	-	-	-
Assets	640,908	80,584	721,492	4,405,859	298,489	4,704,348
Liabilities	(969,071)	(31,365)	(1,000,436)	(813,650)	(77,803)	(891,453)
Dividends	30 June 2023		30 June 2022		Change	
	\$		\$		\$	%
Paid or declared	Nil		Nil		-	-

No dividends have been declared or are payable for the year ended 30 June 2023

Net tangible asset per share

	\$	\$	\$	%
Net tangible (deficiency) / asset per share (cents)	(\$0.0100)	\$0.0108	(\$0.0118)	109.3%

Details of entities over which control was gained or lost

No changes to the group structure.

Details of associates and joint ventures

The Company does not have any associates or Joint Ventures during the reporting period.

Other significant information

All significant information has been included in the Annual Report.

Compliance statement

This report is based on accounts which have been audited.

Going Concern

The Company has an emphasis of matter relating to going concern in its audit opinion.

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

ENDS

Further information:

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About Openn Negotiation

Openn is an Australian property technology company offering a proprietary cloud-based software platform to support real estate agents in selling property online with greater transparency.

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Forward-Looking Information

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