# Annual Report

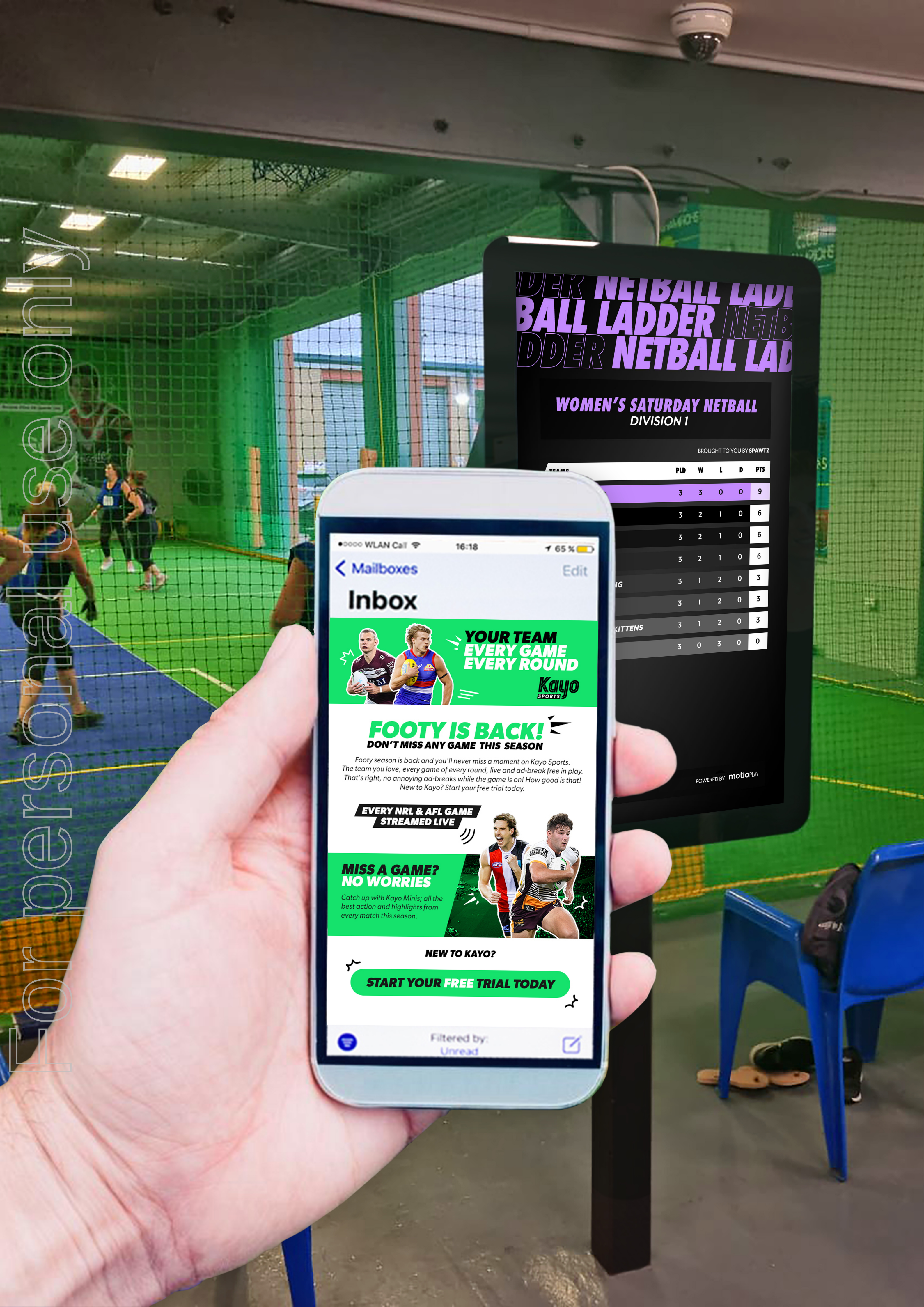


motio

August 2022


motio
RAPID RELEASE
Put pain in the
past, FAST.
Medi Choice
Paracetamol
500mg
RAPID RELEASE
RELIEVES PAIN FAST
MediChoice, the right choice
BOODY

# Contents


NETBALL LADDER
WOMEN'S SATURDAY NETBALL
DIVISION 1
BROUGHT TO YOU BY SPAWTZ
PLD W L D PTS
3 3 0 0 9
3 2 1 0 6
3 2 1 0 6
3 2 1 0 6
3 1 2 0 3
3 1 2 0 3
3 1 2 0 3
3 0 3 0 0
POWERED BY motioPLAY
WLAN Call 16:18 65 %
Mailboxes
Edit
Inbox
YOUR TEAM
EVERY GAME
EVERY ROUND
Kayo SPORTS
FOOTY IS BACK!
DON'T MISS ANY GAME THIS SEASON
Footy season is back and you'll never miss a moment on Kayo Sports.
The team you love, every game of every round, live and ad-break free in play.
That's right, no annoying ad-breaks while the game is on! How good is that!
New to Kayo? Start your free trial today.
EVERY NRL & AFL GAME
STREAMED LIVE
MISS A GAME?
NO WORRIES
Catch up with Kayo Minis; all the best action and highlights from every match this season.
NEW TO KAYO?
START YOUR FREE TRIAL TODAY
Filtered by:
Unread

# Letter from the CEO

**Dear Shareholders,**

For FY22, Motio delivered a significantly increased revenue of $4.54M which represents a 58% growth year on year ($2.88M FY21) and despite the market challenges in the first half of the financial year, H2 was strong and continues to grow rapidly.

Over the past two years, Motio has been re-built from the ground up. We have invested in our network, infrastructure, content and most importantly stood up a team of significance. We are ready to take on, continue to build and operate a business that will fulfil our vision and purpose.

FY22 has been a defining year for Motio as we continue to grow and transform the business into a leading Digital Place Based and Audience Experience company. Our strategy is sound and the team continues to develop its capabilities focussing on key audience channels we can and are leading.

The team at Motio are passionate about building a next generation media company, bringing together the best that online and traditional advertising platforms have to offer creating high quality digital marketing environments in Motio's Health, Play and Go locations. This past year has been a true demonstration of grit, determination and commitment by a team of incredible people that are leading Digital Place-Based media and making this vision a reality.

**Audience Experience** is making an impact for our commercial partners. More than just a screen on a wall they are connecting with their customers through Motio's displays enabling communication, content and up to the minute information in these key locations. This aspect of our business continues to define our relationships with our commercial partners as we work with them to increase and enhance their customer experience and engagement.

This year, Motio has invested $1.4M in building and optimising its network. Using commercial grade and industry standard equipment ready for programmatic and verification, this investment has positioned Motio as a business growing in shape, size and with the media inventory headroom providing for strong revenue potential.

FY22 was the second year in our journey. The acquisition of **Motio Health** (formerly Medical Media Pty Ltd) which was acquired in April last year has been transformed to a network that has coverage, size, is reliable, accountable with amazing content and true utility for our partners on location. This transformation has been nothing short of incredible and has led to organic growth such as the significant contract win with IPN, the largest GP group in Australia. We have barely touched the sides of Motio Health's capability and our National, Local and Programmatic revenue streams are all delivering every month.

Our **Motio Play** business has shone in the second half of FY22. Its unique business model of media (both Digital Place Based and Online), Software, Payments and Supply had a successful year, again, notwithstanding the challenges of the lockdown periods across the country.

The Acquisition of **Liquid Thinking** on April 1st this year has been a genuine win for Motio and its shareholders. As you may already know, Motio (and its previous ownership) represented the Spawtz software for many years and have had very strong working relationships with the small and committed team in the UK. Both Motio and Liquid Thinking have come together seamlessly. Since the acquisition, the Motio team have met with many of the customers in other markets and the opportunities for growth from its current position are most definitely exciting and our targets realistic.

As we move into our third year, we are genuinely enthusiastic to continue building the business through organic and acquisitive growth. We continue to have fervent discussions with potential targets and remain on strategy in all aspects of our business. Motio has continued to enhance its content and data platforms and importantly how we demonstrate to advertisers, brands and agencies ways we are doing it differently.

As I have said previously, Motio's culture is hardworking, caring and steeped in partnership with our team, customers, and suppliers. The year has been tough, and it is in many respects, incredibly rewarding.

On behalf of the Board and the brilliant team at Motio, I would like to truly extend my thanks to our shareholders for their support and genuinely commend you to the future growth of our business.

As always, I am open to a discussion with shareholders. Please feel free to call me on 0419 999 867 to discuss any aspects of the business.

Kind regards,

**Adam Cadwallader** | CEO

+61 419 999 867
adam@motio.com.au
Level 15, 189 Kent Street,
Sydney, NSW, 2000

# Corporate Directory

**Directors**

| | |
|---|---|
| Justus Wilde | Non-Executive Chairman |
| Adam Cadwallader | Managing Director |
| Jason Byrne | Non-Executive Director |
| Harley Grosser | Non-Executive Director |

**Company Secretary**
Matthew Foy

**Registered Office**
Level 15, 189 Kent Street
Sydney NSW 2000
T: +61 7227 2277

**Stock Exchange**
Australian Securities Exchange Limited (ASX)
Home Exchange – Perth
ASX Ticker: MXO, MXOOA

**Australian Company Number**
ACN 147 799 951

**Australian Business Number**
ABN 43 147 799 951

**Auditors**
PKF Perth
Level 5, 35 Havelock Street
West Perth WA 6005

**Solicitors**
JDK Legal
1 Castlereagh Street
Sydney NSW 2000 Australia

**Bankers**
Westpac Banking Corporation
Level 4, Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

**Share Registry**
Automic Pty Ltd
Level 2, 267 St Georges Tce
Perth WA 6000
T: +61 9698 5414
W: www.automicgroup.com.au
Domicile and Country of Incorporation Australia

# Directors Report

The Directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of **Motio Limited** (the Company, Motio) and the entities it controlled for the year ended 30 June 2022.

## 1. Directors And Company Secretary

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. The Directors were in office for the entire year unless otherwise stated.

### Justus Wilde – Non-Executive Chairman

Justus Wilde is a digital retail executive with 20 years' experience working in consultancy, technical and business leadership roles across Australia, USA, Hong Kong/China and New Zealand. Justus founded Amblique, a leading digital commerce consultancy, and spent 16 years growing it. In 2013 STW Group, now WPP ANZ (ASX:SGN), acquired a minority stake and in 2015 eCargo (ASX:ECG) acquired the entire business. Following this he spent time in China as CTO for MyMM, a JV between Wharf Holdings, Lane Crawford Joyce Group and eCargo Limited establishing a new eCommerce platform. Justus is currently CEO for TheMarket.com, NZ's leading online market place and subsidiary of NZ's largest listed retail group The Warehouse Group (NZE:WHS).

Justus is not currently a director of any other listed entities. In the last three years he has not held any other directorships with listed entities.

### Adam Cadwallader – Managing Director

Adam Cadwallader has been in the media industry for over 28 years with the last 22 years spent in the Out of Home media and marketing sector where most recently he was member of the Executive team at ASX 200 listed oOh!media Limited (oOh!), Australia's largest Out of Home company.

Adam has extensive experience in building and marketing Digital Place-Based networks, building and leading teams, commercialising media, content and data.

Adam is not currently a director of any other listed entities. In the last three years he has not held any other directorships with listed entities.

### Jason Byrne – Non-Executive Director

Jason Byrne has 30 years' experience building technology businesses in a wide variety of industries - legal, procurement and logistics, e-commerce, offshore development, and wagering. In this time Jason has successfully commercialised and exited four businesses to listed/multi-national companies - Wolters Kluwer N.V. (AMS:WKL), Sonepar (French multinational), eCargo Ltd (ASX:ECG) and Light & Wonder formerly Scientific Games Corporation (NASDAQ:LNW).

Jason is not currently a director of any other listed entities. In the last three years Jason has not held any other directorships with listed entities

### Harley Grosser – Non-Executive Director

Harley Grosser is the Founder of Capital H Management, a Sydney based specialist small cap funds management company, and the manager of the Capital H Inception Fund and the Capital H Active Fund.

Harley is currently the Managing Director of ARC Funds Limited (ASX:ARC) (appointed 26 July 2021)..

### Matthew Foy, Company Secretary

Matthew Foy, previously a Senior Adviser at the ASX has fourteen years' experience in facilitating the compliance of listed companies. Matthew is an active member of Governance Institute of Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia. Matt is Company Secretary to several ASX listed companies.

## 2. Directors' Shareholdings

The following table sets out each current Director's relevant interest in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

| | Fully Paid Ordinary Shares | Options ex 4.0¢ exp 20/12/2022 | Options ex 8.0¢ exp 30/9/2023 | Options ex 12.0¢ exp 16/7/2024 | Performance Rights |
|---|---|---|---|---|---|
| Justus Wilde | 3,794,902 | 3,645,833 | 446,109 | - | 2,400,000[1] |
| Jason Byrne | 10,496,992 | 3,645,833 | 1,251,945 | - | 3,600,000[1] |
| Adam Cadwallader | 6,280,634 | - | 741,349 | - | 8,083,334 |
| Harley Grosser | 49,477,844 | - | 13,690,596 | 7,938,461 | - |
| | 70,050,372 | 7,291,666 | 16,129,999 | 7,938,461 | 14,083,334 |

1. 3,600,000 performance rights held by JJ Ventures Limited which Messrs Wilde and Byrne are 50% shareholders of.

## 3. Dividends

No dividend has been paid during the year and no dividend is recommended for the year.

## 4. Directors' Meetings

The following Directors' meetings (including meetings of committees of Directors) were held during the year and the number of meetings attended by each of the directors during the year were:

| Directors | Directors' meetings eligible to attend (2022) | Directors' meetings attended (2022) |
|---|---|---|
| Justus Wilde | 5 | 4 |
| Jason Byrne | 5 | 5 |
| Adam Cadwallader | 5 | 5 |
| Harley Grosser | 5 | 5 |

For details of the function of the Board, Audit Committee and Remuneration Committee, please refer to the Corporate Governance Statement on the Company's website.

## 5. Principal Activities

Motio is a leading Audience Experience & Digital Place-Based media company. It is focussed on creating engaging content & utility communication for brands, customers and its commercial partners across its expansive digital marketing environments. Its networks leverage long dwell time, delivering powerful, contextual connections to audiences, underpinned with first party data and location intelligence technology.

Over the course of the Period, the Motio team has continued to diversify and grow its business and despite the challenging economic conditions, significant progress has been achieved. Motio's mission continues to be the creation and development of a growth led business of significance.

## 6. Review Of Operations

### Operations

Motio launched its media sales business, Motio Media in July 2020. The Motio Media networks comprise digital displays within:

- **Motio Health:** Health & Wellbeing (GP Clinics) locations (owned)
- **Motio Play:** Indoor Sporting & Leisure locations (owned)
- **Motio Go:** Ampol in Store locations (represented)

Motio has expanded its operations during the financial year including

### Motio Signs 4-Year Deal with Australia's Largest Medical Centre Company, IPN

On 4 November 2021 Motio advised it had entered into a 4-year Advertising and Content License Agreement (with a further 2 years by mutual agreement) with IPN Medical Centres Pty Ltd (IPN).

Whilst the Covid period slowed our network deployment into the ultra, large and community-based centres, the program has resumed strongly with our roll out nearing 65 locations and 70 digital displays Australia wide.

The network is having great success delivering engaging content for patients whilst also providing centralised communication for the practices. Motio's continued development of the highest quality Digital Place-Based content has created a trusted environment for brands to advertise at the right time, place and with relevant intent.

Motio has worked closely with the IPN team to integrate with its customer experience model. As well as the provision of Health and Information based content, IPN is now able to directly access its own reserved space on Motio network in IPN Centres. IPN are now able to communicate key messaging across the entire group or down to a single location. The Motio Platform allows IPN to communicate up to the minute health information right through to the marketing of allied services available across its network.

The agreement with IPN enables Motio to evolve its Digital Place-Based Media and Audience Experience strategy across the Health & Wellbeing sector further adding to its scale and audience reach. Motio began rolling out across IPN Medical Centre locations across Australia at the end of 2021 and in keeping with COVID-19 regulations with the IPN group having slowed its deployment to meet with mutually agreed guidelines.

## Motio Acquires UK Software Firm Liquid Thinking

On 14 March 2022, the Company announced it had acquired 100% of UK based Liquid Thinking Limited (owner of the Spawtz Software operated in Australia by Motio under license) which also operates through licensees in South Africa and New Zealand.

Liquid Thinking's portfolio of customers and technology focusses on delivering end-to-end player registration, competition management and payments for Indoor Sports Centres, Sporting Associations and Leagues across the UK, Australia, South Africa and New Zealand. Its primary revenue is recurring Software as a Service (SaaS) and emerging revenue through fees from facilitating online and cashless payments.

Liquid Thinking's software is used extensively across these growing environments encompassing more than 900 venues and interacting with over 750,000 players across the aforementioned markets. The acquisition of Liquid Thinking provides Motio with continuing opportunity to deepen its capabilities in Australia and broaden its footprint across key markets, specifically the UK and New Zealand. The acquisition serves as a powerful and significant change in its leadership within indoor sports across Australia offering a suite of options for operators as it continues its driving force as an Audience Experience and Digital Place-Based media company.

Motio has successfully represented the Spawtz software within these environments for a number of years (previously as Adline Media prior to Motio's acquisition in January 2020) and has a strong working relationship with Liquid Thinking. Together, the companies have continued to operate and develop a growing payments business within the sports and team environments.

## Spawtz Software

The Spawtz software is a system that is built by players for players. It has revolutionised a sector of the indoor, grass roots and amateur sports facilities in key markets in Australia, UK, New Zealand and South Africa to enable operators to run their business and enhance the player experience.

The Spawtz Features/Ecosystem include:

- Player Registration & Data Management
- Competition & League Management
- Live Scoring and Scoreboard System
- Online Bookings & Calendar
- Online Payments
- Player Communication (email & SMS) & Social Media

## Existing and Emerging Payments

Spawtz has changed the operational efficiency of Indoor Sports Centres, Sporting Associations and Leagues across the UK, Australia, South Africa and New Zealand over the past 10 years. These organisations have seen an evolution of ownership including a shift towards professional management, improved operations, and enhanced customer experience.

Over the past three years, Motio and Liquid Thinking have developed, rolled out and integrated Online Payment products to Spawtz clients specifically in the UK and Australia. The Spawtz payment products have developed in "the way people are used to paying", transforming the existing universe of cash-based payments to digital transactions. These developments have provided Spawtz customers and players the opportunity to transact more efficiently and the player experience vastly increased. It has also provided operators an ability to reduce or eliminate lost or "forgotten" payments removing cash handling and improving payment tracking.

The Spawtz payment product and features generate additional transactional revenue to complement the existing Spawtz SaaS revenue. Since its introduction both Motio and Liquid Thinking have seen:

- Online Payments take up by Spawtz clients grown considerably, accelerated by Covid's impact on cashless transactions
- Player payment adoption increasing significantly Season on Season
- Increasing demand has led to the development and launch of enhanced features to the platform such as
  - Shared Payments (splitting fees between players)
  - Automated Weekly payments (full season payments paid weekly)

Innovations to the existing platform will continue to develop with the express goal to drive incremental payments revenue and increase the user experience.

## Our Strategy

- Leverage Motio's proven Business Development and Client Acquisition experience to expand client base in the UK and New Zealand harnessing Motio's Business Development expertise.
- Continue the roll out of Online Payment platform across all existing Spawtz client base.
- Increase adoption of Online Payment functionally across player universe.
- Review Product Development Roadmap and align to Audience Experience and Revenue Growth channels.

## Material Terms of Liquid Thinking Acquisiton

Motio acquired all the issued capital of Liquid Thinking on the following material terms:

- AUD$375,000 cash (funded through Motio's existing cash reserves); 4,125,000 ordinary shares comprised:
- AUD$114,699 cash for Liquid Thinking's working capital (funded through Motio's existing cash reserves);
- 3,750,000 shares issued on 4 April 2022 (escrowed for 12 months from date of completion) at a deemed issue price of $0.10 per share issued pursuant to ASX Listing Rule 7.1; and
- 375,000 shares issued at $0.057 on 17 May 2022 (escrowed for 12 months from date of completion) issued pursuant to ASX Listing Rule 7.1.

Up to AUD$600,000 in cash or shares at Motio's option (issued pursuant to ASX Listing Rule 7.1) across three tranches:

**Tranche 1:** If, for the financial year ending 30 June 2022 or the financial year ending 30 June 2023, as the case may be, Liquid Thinking achieves more than GPB£200,000 in total revenue from customers (excluding customers in Australia) Motio agrees to pay the Vendor AUD$200,000 or issue to the Seller AUD$200,000 worth of Buyer Shares as calculated based on the 30-day VWAP in MXO shares, at the absolute discretion of the Buyer.

**Tranche 2**: If, for the financial year ending 30 June 2023 or the financial year ending 30 June 2024, as the case may be, Liquid Thinking achieves between AUD$977,501 and AUD$1,150,000 in Total Gross Software and Payments Revenue, Motio shall pay the Vendor up to AUD$200,000 cash or issue to the Vendor the equivalent value of MXO Shares as calculated based on the 30-day VWAP in MXO shares, at the absolute discretion of the Buyer.

**Tranche 3**: If for the financial year ending 30 June 2024 or 30 June 2025, as applicable, Liquid Thinking achieves between AUD$1,080,001 and AUD$1,350,000 in Total Gross Software and Payments Revenue, Motio shall pay the Vendor up to AUD$200,000 or issue to the Vendor the equivalent value of MXO Shares as calculated based on the 30-day VWAP in MXO shares, at the absolute discretion of the Buyer.

## Corporate

### Appointment of CFO Michelle Malley

On 1 December 2021 the Company was pleased to advise of the appointment of Michelle Malley as the Company's new Chief Financial Officer. With over 20 years Australian and International experience, Michelle is a highly regarded professional with an impressive track record in financial management and leadership across a range of companies.

Michelle previously worked as Head of Commercial Management & Pricing for Norton Rose, was the Head of Finance for Jemalong Property Group and was the Financial Controller of Hogan Lovells in London as well as significant time with Deloitte and KPMG.

### Options Lapse

On 10 December 2021 the Company advised that 480,000 unvested options exercisable at $0.04 expiring 20 December 2022 have lapsed pursuant to the Motio Employee Incentive Securities Plan following cessation as an Eligible Participant under the Plan by the holder

### Details of Company Address

On 23 July 2022 Company advised its registered office and principal place of business had changed to:
Level 15, 189 Kent Street
Sydney NSW 2000
Tel: +61 7227 2277

### Details of Share Registry

With effect from 20 December 2021 the Share Registry of the Company re-located to:
Level 5
191 St Georges Terrace
Perth WA 6000

### Corporate Governance

The Board of Directors of Motio Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Motio Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Motio Limited's corporate governance practices were in place throughout the year ended 30 June 2022 and were compliant with the ASX Governing Council's best practice recommendations, unless otherwise stated.

Information on Corporate Governance is available on the Company's website at:

**https://www.motio.com.au/investor/governance/**

## 7. Financial Results

The cash and cash equivalents as at 30 June 2022 totalled $1,839,555 (2021: $4,500,946). The net asset position as at 30 June 2022 was $6,328,262 (2021: $8,613,659). The net loss after tax for the year attributable to the members of the Group was $3,672,842 (2021: $373,507). The net loss comprises 58% revenue growth and transformative investment in network, infrastructure, content and our team.

## 8. Significant Changes In The State Of Affairs

There have been no other significant changes in the state of affairs of the Group during the financial year.

## 9. Events Since The End Of The Financial Year

### Deferred Consideration on acquisition of Adline Media Pty Limited

Subsequent to the end of the Period on 12 August 2022, the Company confirmed that Milestone B per the Sale and Purchase Agreement for the purchase of Adline Media had been met. The Company resolved to issue 9,400,000 ordinary shares in Motio Ltd to the Adline Media Shareholder. This has been recognised as a liability as at 30 June 2022 of $441,800 as a Consideration Payable.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

(i) the Group's operations in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the Group's state of affairs in future financial years.

## 10. Likely Future Developments, Prospects & Expected Results of Operations

Directors continue to actively investigate other market opportunities to build our network and improve the Audience Experience of our business partners.

## 11. Environmental Regulations

The Group is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Group.

## 12. Greenhouse Gas And Energy Data Reporting Requirements

The Group is cognisant of the reporting requirements under the Energy Efficiencies Opportunity Act 2006 or the National Greenhouse Energy Efficient Reporting Act 2007, and believes it has adequate processes in place to ensure compliance with these Acts.

## 13. Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

A Remuneration Governance
B Remuneration Structure
C Details of Remuneration
D Share-based compensation
E Equity instruments issued on exercise of remuneration options
F Value of options to Directors
G Equity instruments disclosures relating to key management personnel
H Other transactions with key management personnel
I Additional statutory information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration arrangements detailed in this report are for the directors and key management personnel of the Group as follows:

Justus Wilde – Non-Executive Chairman
Adam Cadwallader – Managing Director
Jason Byrne – Non-Executive Director
Harley Grosser – Non-Executive Director
Michelle Malley - Chief Financial Officer

## Use of remuneration consultants

The Company did not employ services of consultants to review its existing remuneration policies.

## Voting and comments made at the Company's 2021 Annual General Meeting

The Company received 94.1% of "yes" proxy votes on its remuneration report for the 2021 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## A Remuneration Governance

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group and Executives of the Group. The performance of the Group depends upon the quality of its key management personnel. To prosper the Group must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Group does not engage the services of any remuneration consultants.

## B Remuneration Structure

## Non-Executive remuneration arrangements

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. They serve on a month to month basis and there are no termination benefits payable. They do not receive retirement benefits but are able to participate in share option-based incentive programmes in accordance with Group policy.

Directors are paid consulting fees on time spent on Group business, including reasonable expenses incurred by them on business of the Group, details of which are contained in the Remuneration Table disclosed in Section C of this Report.

Remuneration of Non-Executive Directors fees are based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum as per the Group's constitution and may be varied by ordinary resolution of the shareholders in general meeting.

## C Details of Remuneration

The key management personnel ("KMP") of the Group are the Directors and management of Motio Limited detailed in the table below. Details of the remuneration of the Directors of the Group are set out below:

For personal use only

## C Details of Remuneration (continued)

| 30/06/2022 | Short-term benefits | | | Post-employment benefits | | Share-based Payment | | Percentage remuneration consisting of performance rights/options for the year |
|---|---|---|---|---|---|---|---|---|
| Directors | Salary & fees $ | Cash bonus $ | Annual and Long Service Leave $ | Superannuation $ | Other $ | Options\ Rights | Total $ | |
| Justus Wilde | 20,833 | - | - | - | - | 72,906 | 93,739 | 78% |
| Jason Byrne | 30,000 | - | - | - | - | 106,687 | 136,687 | 78% |
| Harley Grosser | 27,000 | - | - | - | - | 145,507 | 172,507 | 84% |
| Michelle Malley (iii) | 118,583 | - | 3,795 | 11,818 | - | - | 134,169 | 0% |
| Adam Cadwallader | 280,883 | - | 8,814 | 26,250 | - | 185,530 | 501,477 | 37% |
| **Total** | **477,299** | **-** | **12,609** | **38,068** | **-** | **510,630** | **1,038,579** | **49%** |

(iii) Malley (appointed 1 November 2021)

| 30/06/2021 | Short-term benefits | | | Post-employment benefits | | Share-based Payment | | Percentage remuneration consisting of performance rights/options for the year |
|---|---|---|---|---|---|---|---|---|
| Directors | Salary & fees $ | Cash bonus $ | Annual and Long Service Leave $ | Superannuation $ | Other $ | Options\ Rights | Total $ | |
| Niutta (i) | 15,000 | - | - | - | - | 15,293 | 30,293 | 50% |
| Wilde | 50,000 | - | - | - | - | 25,452 | 75,452 | 34% |
| Byrne | 32,400 | - | - | - | - | 26,745 | 59,145 | 45% |
| Grosser (ii) | 14,571 | - | - | - | - | 5,182 | 19,753 | 26% |
| Cadwallader | 290,761 | - | 21,154 | 25,722 | - | 86,583 | 424,220 | 20% |
| **Total** | **402,732** | **-** | **21,154** | **25,722** | **-** | **159,255** | **608,863** | **26%** |

(i) Niutta (resigned on 31 December 2020)

(ii) Grosser (appointed 5 February 2021)

## Remuneration Policy

### Non-Executive Directors

Total remuneration for all Non-executive Directors, is not to exceed $250,000 per annum as approved by shareholders. This does not include Consulting Fees.

Non-executive directors were entitled to a fixed fee for their services of $36,000 per annum (excl. GST) for services performed. Justus Wilde is paid an additional $14,000 per annum as Chairman of the Board. These fees are invoiced and paid monthly. In support of the business as it navigated the challenges of operating in the Covid impacted environment, the non-executive directors waived a certain portion of the fees that they were entitled to.

**Managing Director - Adam Cadwallader**

Adam Cadwallader's Executive Services Agreement with the Company specifies an annual salary of $275,000 plus statutory superannuation, plus an annual car allowance of $20,000. Either party may terminate the Executive Services Agreement by giving six months written notice.

**Chief Financial Officer - Michelle Malley**

Michelle Malley's Employment Contract with the Company specifies an annual salary of $176,000 including statutory superannuation. Either party may terminate the Employment Contract by giving eight weeks written notice.

## D Equity Instruments Issued on Exercise of Remuneration Options

No equity instruments were issued during the year to Directors or key management as a result of exercising remuneration options (2021: Nil).

## E Value of Options to Directors

No performance options were issued during the year to Directors or key management as a result of remuneration (2021: $666,802).

## F Equity Instruments Disclosures Relating to Key Management Personnel

**Share holdings**

The numbers of shares in the Company held during the financial year by each Director and other key management personnel (KMP) of the Group are set out below.

| 2022 | | | | | |
|---|---|---|---|---|---|
| Directors | Opening Balance | Received as Remuneration | Granted During Year Exercise of Options/ Rights | Net Change Other | Closing Balance |
| Justus Wilde | 3,794,902 | - | - | - | 3,794,902 |
| Jason Byrne | 9,818,783 | - | - | 678,209 | 10,496,992 |
| Michelle Malley (i) | - | - | - | - | - |
| Adam Cadwallader | 2,941,290 | - | 3,125,000 | 214,334 | 6,280,624 |
| Harley Grosser | 44,347,970 | - | - | 4,590,070 | 48,938,040 |
| | **60,902,945** | **-** | **3,125,000** | **5,482,613** | **69,510,558** |

(i) Appointed 1 December 2021

## G Performance Rights

The numbers of performance rights in the Company held during the financial year by each Director and other key management personnel (KMP) of the Group are set out below.

| 2022 | | | | | |
|---|---|---|---|---|---|
| Directors | Opening Balance (i) | Received as Remuneration | Exercised During Year | Net Change Other | Closing Balance |
| Justus Wilde | 2,400,000 | - | - | - | 2,400,000 |
| Jason Byrne | 3,600,000 | - | - | - | 3,600,000 |
| Michelle Malley | - | - | - | - | - |
| Adam Cadwallader | 11,208,334 | - | (3,125,000) | - | 8,083,334 |
| Harley Grosser | - | - | - | - | - |
| | **17,208,334** | **-** | (3,125,000) | **-** | **14,083,334** |

(i) The Opening Balance includes performance rights that received shareholder approval on 18 June 2021, but were issued subsequent to year end.

## H Performance Options

The numbers of performance options in the Company held during the financial year by each Director and other key management personnel (KMP) of the Group are set out below.

| 2022 | | | | | |
|---|---|---|---|---|---|
| Directors | Opening Balance (i) | Received as Remuneration | Received During Year on Exercise of Options | Net Change Other | Closing Balance |
| Justus Wilde | 4,091,942 | - | - | - | 4,091,942 |
| Jason Byrne | 4,897,778 | - | - | - | 4,897,778 |
| Michelle Malley (i) | - | - | - | - | - |
| Adam Cadwallader | 741,349 | - | - | - | 741,349 |
| Harley Grosser | 21,266,253 | - | - | - | 21,266,253 |
| | **30,997,322** | **-** | **-** | **-** | **30,997,322** |

(i) Includes performance rights which received shareholder approval on 18 June 2021, but were issued during the year. Refer to note 26.

## I Additional statutory information

### Relationship between remuneration and the Group's performance

The following table shows key performance indicators for the Group over the last five years:

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Loss for the year | $3,672,842 | $373,507 | $152,600 | $1,291,054 | $619,559 |
| Closing Share Price | 4.70 cents | 9.90 cents | 5.60 cents | 2.00 cents | 3.0 cents |
| KMP Incentives | $365,123 | $159,255 | $33,213 | - | $835,859 |
| Total KMP Remuneration | $1,038,579 | $608,963 | $508,364 | $372,067 | $1,335,954 |

**End of Audited Remuneration Report**

## 14. Shares Under Option

The following classes of unissued ordinary shares of the Group under option at the date of this report is set out below.

**MOTIO Ltd**

| Expiry Date | Exercise price | Number under options | Grant date |
|---|---|---|---|
| 20 December 2022 | 4 cents | 11,034,583 | 22/11/2019 |
| 30 September 2023 | 8 cents | 36,157,829 | 06/11/2020 |
| 16 July 2024 | 12 cents | 7,938,461 | 18/06/2021 |

There were no shares issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted. 480,000 options lapsed on 10 December 2021. These options had an exercise price of 12 cents.

## 15. Proceedings On Behalf Of The Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

## 16. Indemnifying Officers

During the financial year the Group insured the directors and officers of the company and its Australian based controlled entities against a liability incurred as such a director or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such as an officer or auditor.

## 17. Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

The Board of Directors advises that non-audit services were provided by the Group's auditors during the year. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporation Act 2001 for the following reasons:

• All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.

• None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professionals Accountant.

| **Non-Audit Services** | **2022 $** | **2021 $** |
|---|---|---|
| PKF Perth – Income Tax | 12,950 | 14,458 |
| **Total of non- audit services provided to the Group** | **12,950** | **14,458** |

## 18. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 18.

Signed in accordance with a resolution of the Board of Directors.

**Adam Cadwallader**
Sydney, New South Wales

Date: 26 August 2022

PKF Perth

Advisory • Audit
Business Solutions



## AUDITOR'S INDEPENDENCE DECLARATION

## TO THE DIRECTORS OF MOTIO LIMITED

In relation to our audit of the financial report of Motio Limited for the year ended 30 June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF PERTH

SHANE CROSS
PARTNER

26 AUGUST 2022
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

# Consolidated Statement Of Profit And Loss And Other Comprehensive Income

| | Notes | June 2022 $ | June 2021 $ |
|---|---|---|---|
| Revenue from continuing operations | 7 | 4,544,736 | 2,881,079 |
| Other revenues | 7 | 210,273 | 121,512 |
| Cost of sales | | (822,779) | (695,857) |
| Gross profit | | 3,932,230 | 2,306,734 |
| Other expenses | | (913,568) | (470,935) |
| Amortisation of intangibles | | (1,235,615) | (824,854) |
| Consulting and advisory fees | | (33,545) | (39,493) |
| Depreciation | 8 | (645,972) | (388,897) |
| Directors fees and salaries | 8 | (384,917) | (312,527) |
| Finance costs | 8 | (12,832) | (15,843) |
| Insurance expenses | | (82,903) | (86,039) |
| Impairment | | (94,588) | (4,450) |
| Share of gain/(loss) in associate | | (13,628) | 19,331 |
| Profit/(loss) on disposal of listed investment | | (12,132) | - |
| Profit/(loss) on disposal of property, plant and equipment | | (73,708) | - |
| Fair Value gain/(loss) on listed investments | 12 | (55,767) | - |
| Share based payments – rights and options | 29 | (1,513,923) | (236,712) |
| Personnel expenses | 8 | (2,405,357) | (1,827,682) |
| Professional fees | | (268,292) | (235,107) |
| Travelling expenses | | (63,627) | (6,418) |
| Profit/(loss) from continuing operations before income tax | | (3,878,152) | (2,122,892) |
| Income tax benefit | 9 | 205,310 | 115,858 |
| Profit/(loss) from continuing operations after income tax | | (3,672,842) | (2,007,034) |
| Net profit after tax from discontinued operations | 31 | - | 1,633,527 |
| Net Loss for the year | | (3,672,842) | (373,507) |

# Consolidated Statement Of Profit And Loss And Other Comprehensive Income (cont)

| | Notes | June 2022 $ | June 2021 $ |
|---|---|---|---|
| **Other comprehensive loss for the period, net of tax:** | | | |
| | | | |
| **Items that may be reclassified to profit or loss:** | | | |
| Foreign exchange on translation of foreign subsidiary | | (4,371) | 3,142 |
| Total comprehensive profit/(loss) for the period | | (3,677,213) | (370,365) |

| | | | |
|---|---|---|---|
| **Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the company:** | | Cents | Cents |
| Basic profit/(loss) per share | 28 | (1.52) | (0.20) |
| Diluted profit/(loss) per share | | (1.52) | (0.20) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement Of Financial Position

| | Note | 30 June 2022 $ | 30 June 2021 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 10 | 1,839,555 | 4,500,946 |
| Trade and other receivables | 11 | 1,357,916 | 1,603,805 |
| Financial assets at fair value through profit and loss | 12 | 17,921 | 222,602 |
| **Total Current Assets** | | **3,215,392** | **6,327,353** |
| **Non-Current Assets** | | | |
| Plant and equipment | 13 | 1,641,431 | 926,408 |
| Interests in associates | 22 | 25,673 | 39,302 |
| Intangibles | 14 | 4,028,685 | 3,575,873 |
| Right of use assets | 15 | 227,220 | 350,163 |
| Total Non-Current Assets | | 5,923,009 | 4,891,746 |
| **Total Assets** | | **9,138,401** | **11,219,099** |
| **Current Liabilities** | | | |
| Trade and other payables | 16 | 1,865,503 | 1,917,488 |
| Provisions | 17 | 129,435 | 114,961 |
| Operating lease liability | 18 | 111,960 | 101,072 |
| **Total Current Liabilities** | | **2,106,898** | **2,133,521** |
| **Non-Current Liabilities** | | | |
| Other Payables | 16 | 274,913 | - |
| Deferred tax liability | 9 (c) | 290,275 | 205,310 |
| Operating lease liability | 18 | 138,053 | 266,609 |
| Total Non-Current Liabilities | | 703,241 | 471,919 |
| **Total Liabilities** | | **2,810,139** | **2,605,440** |
| **Net Assets** | | **6,328,262** | **8,613,659** |
| **Equity** | | | |
| Contributed Equity | 19 | 22,247,591 | 21,481,005 |
| Reserve | 20 | 1,013,703 | 388,473 |
| Accumulated Losses | 21 | (16,933,032) | (13,255,819) |
| **Total Equity** | | **6,328,262** | **8,613,659** |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Consolidated Statement Of Changes In Equity

| | Issued Capital $ | Share-based Payment Reserve $ | Options Premium Reserve $ | Foreign Currency Translation Reserve $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|---|---|
| **At 1 July 2021** | **21,481,005** | **271,160** | **134,536** | **(17,223)** | **(13,255,819)** | **8,613,659** |
| Loss for the year | - | - | - | - | (3,672,842) | (3,672,844) |
| Exchange differences on translation of foreign operations | - | - | - | 4,371 | (4,371) | - |
| **Total Comprehensive Loss For The Year** | **-** | **-** | **-** | **4,371** | **(3,677,213)** | (3,672,842) |
| **Transactions with owners in their capacity as owners:** | | | | | | |
| Issue of shares for business acquisition – Liquid Thinking | 321,375 | - | - | - | - | 321,375 |
| Share-based payment – performance rights and options | - | 854,623 | - | - | - | 854,623 |
| Conversion of performance rights to ordinary shares | 233,762 | (233,762) | - | - | - | - |
| Shares issued in lieu of cash to creditors and employees | 217,500 | - | - | - | - | 217,500 |
| Capital raising costs | (6,051) | - | - | - | - | (6,051) |
| **At 30 June 2022** | **22,247,591** | **892,021** | **134,536** | **(12,852)** | **(16,933,032)** | **6,328,262** |

# Consolidated Statement Of Changes In Equity (cont)

| | Issued Capital $ | Share-based Payment Reserve $ | Options Premium Reserve $ | Foreign Currency Translation Reserve $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|---|---|
| **At 1 July 2020** | **16,041,009** | **44,946** | **-** | **(14,081)** | **(12,885,454)** | **3,186,420** |
| Loss for the year | - | - | - | - | (373,507) | (373,507) |
| Exchange differences on translation of foreign operations | - | - | - | (3,142) | 3,142 | - |
| **Total comprehensive loss for the year** | **-** | **-** | **-** | **(3,142)** | **(13,255,819)** | **(373,507)** |
| **Transactions with owners in their capacity as owners:** | | | | | | |
| Share capital raising | 2,508,309 | | | | | 2,508,309 |
| Issue of shares for business acquisition – Medical Channel | 3,200,000 | - | - | - | - | 3,200,000 |
| Share-based payment – performance rights and options | - | 236,714 | - | - | - | 236,714 |
| Conversion of performance rights to ordinary shares | 10,500 | (10,500) | | | | |
| Shares issued in lieu of cash to creditors and employees | 57,776 | | | | | 57,776 |
| Capital raising costs | (336,589) | | 134,536 | | | (202,053) |
| **At 30 June 2021** | **21,481,005** | **271,160** | **134,536** | **(17,223)** | **(13,255,819)** | **8,613,659** |

The above consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

# Consolidated Statement Of Cash Flows

| | Note | June 2022 $ | June 2021 $ |
|---|---|---|---|
| **Cash Flows From Operating Activities** | | | |
| | | | |
| Receipts from customers | | 4,848,172 | 5,721,579 |
| Payments to suppliers and employees | | (5,641,405) | (4,556,859) |
| Interest received | | 1,069 | 1,480 |
| Income Tax Paid | | (29,264) | - |
| Receipt of government grants | | 209,204 | 157,000 |
| **Net cash inflow from operating activities** | **27** | **(612,224)** | **1,323,200** |
| | | | |
| **Cash Flows From Investing Activities** | | | |
| | | | |
| Payments for property, plant & equipment | | (1,428,648) | (462,106) |
| Proceeds from the disposal of property, plant and equipment | | 173,766 | |
| Payments for intangibles | | (129,754) | (17,406) |
| Payments relating to acquisitions | | (314,611) | (217,770) |
| Cash acquired from Liquid Thinking | 32 | (370,800) | 45,534 |
| Proceeds from the disposal of listed investments | | 136,782 | - |
| **Net cash inflow/(outflow) from investing activities** | | **(1,933,265)** | **(651,748)** |
| | | | |
| **Cash Flows From Financing Activities** | | | |
| | | | |
| Proceeds from issue of shares | | - | 2,508,309 |
| Payment for capital raising costs | | (6,194) | (202,052) |
| Leasing payments | | (109,708) | (121,705) |
| Net cash inflow/(outflow) from investing activities | | (115,902) | 2,184,552 |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | (2,661,391) | 2,856,004 |
| Exchange rate adjustments on foreign cash held | | - | - |
| Cash and cash equivalents at the beginning of the period | | 4,500,946 | 1,644,942 |
| **Net Cash And Cash Equivalents At The End Of The Period** | **10** | **1,839,555** | **4,500,946** |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.


motio
Hearing Australia
75 years
We make hearing easy for everyone. That's our promise.
Try before you buy, for 14 days*
160+ locations
134 432
hearing.com.au
Acsicare

# Notes

## 1. Reporting Entity

Motio Limited (the "Company" or "Motio") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory at the beginning of the Annual Report.

The consolidated financial statements of the Company and its subsidiaries (referred to as the "Group" or the "consolidated entity") are for the year ended 30 June 2022.

The financial statements were authorised for issue by the Board of Directors on 26 August 2022.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

## 2. Basis Of Preparation

**(a) Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were approved by the Board of Directors on the date the directors' report and declaration were signed. Motio Limited is a for-profit entity for the purpose of preparing the financial statements.

**(b) Basis of measurement**

These financial statements have been prepared on the historical cost basis, modified where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

**(c) Functional and presentation currency**

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the presentation currency of the Group.

**(d) Use of estimates and judgements**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

**(i) Share-based payment arrangements**

In relation to performance shares, the Group measures the cost of equity settled share-based payments at fair value at the grant date. The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income considers management's assessment of the associated performance milestones being achieved.

**(ii) Estimated impairment of non-current assets other than goodwill & other indefinite life intangible assets**

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The directors believe no triggers exist and the cash generating units related to non-current assets continues to be profitable.

**(iii) Intangible assets (contract rights)**

Contract rights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

**(iv) Deferred tax assets**

The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets. The utilisation of tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are expected to be utilised. Deferred tax assets are only recognized to the extent that its probable that future maintainable profits will utilise the carry forward losses.

**(v) Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. As has been addressed in specific notes, the Company's operating and financial performance have been affected.

(vi) **Estimation of useful lives of assets**

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(vii) **Lease term**

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

**(viii) Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**(ix) Business combinations**

As discussed in note 4(x), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

**(x) Goodwill and other indefinite life intangible assets**

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 4(t). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 14 for further information.

(xi) **Going Concern**

Despite the loss after tax of $3,672,842 and the cash outflows from operations of $612,224, the Directors consider that the Group has sufficient resources to meet all of its obligations as and when they fall due over the next twelve months. The current year loss includes various non-cash items such as amortisation, depreciation and share-based payments totalling $3,395,510, which do not impact on the Group's financial capacity.

Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business. In concluding this, management has considered the Group's liquidity position, any risks to the cash flows and funding, and the Group's outlook. The Directors have considered financial forecasts, including forecast scenarios for at least 12 months from the date of the approval of these financial statements. The forecasts support the preparation of the financial statements on a going concern basis, based on the consistent revenue growth from the Group's activities throughout the upcoming financial year.

## 3. Adoption Of New And Revised Accounting Standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

# 4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by the Group entities.

## (a) Principles of consolidation

**Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of Motio Ltd (the "Company" or "Parent Entity") as at 30 June 2022 and the results of its subsidiaries for the year. Motio Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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 to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

(i) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

## (b) 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, has been identified as the Board of Directors.

## (c) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

## (d) Financial instruments

(i) Non-derivative financial assets

Financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Non-derivative financial assets comprise deposits, loans and receivables and cash and cash equivalents.

**Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method. They are included in current assets except those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Loans and receivables comprise trade and other receivables.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables. They are recognised initially at fair value and subsequently at amortised cost.

(iii) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

### (e) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount of the asset.

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, as follows:

| | |
|---|---|
| Office equipment | 15-40% |
| Screens | 15-30% |
| Leasehold Improvements | 12% |
| Software Intangibles | 10 – 30% |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds from disposal with the net carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

### (f) Trade and other receivables

Trade and other receivables are recorded at amounts due less any expected credit losses. Trade receivables are generally due for settlement within 45 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

## (g) Other financial assets

The Group classifies its investments in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

Investments in subsidiaries are carried at cost, net of any impairment losses.

## (h) Intangible assets (contract rights)

Contract rights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Contract rights are tested for impairment when a trigger of impairment is evident.

## (I) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

## (j) Contributed equity

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.

## (k) Employee Benefits

(i) Share-based payment transactions

In relation to performance shares, the Group measures the cost of equity settled share-based payments at fair value at the grant date. The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income takes into account management’s assessment of the associated performance milestones being achieved.

The fair value of the shares granted is recognised as an employee or director expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the expected vesting period.

(ii) Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

## (l) Revenue recognition

Revenue from the sale of goods is recognised when the goods are delivered to customers and substantially all risks and rewards of ownership have passed to the customer. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of Goods & Services Tax (GST).

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method.

## (m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## (n) Income tax

The income tax expense or revenue for the year is the tax payable on the current year'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 differences 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 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.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### (n) Income tax (cont.)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (o) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### (p) Government Grants

Government grants of $209,204 are included in the “Other Income” line item in the Statement of Profit or Loss and Other Comprehensive Income. These grants are recognised when a right to receive payment has been established following the successful lodgment of a claim.

### (q) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity’s normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## (r) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

**Financial assets at fair value through profit or loss**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

**Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

**Impairment of financial assets**

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost at fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

## (s) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the consolidated entity's share of net assets of the associate.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## (t) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

**Goodwill**

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

**Customer contracts**

Customer contracts acquired in the Liquid Thinking business combination are amortised on a straight-line basis over the period of their expected benefit. The majority of contracts are on a rolling term with some already having a life over 15 years. We have elected to use a 10 year term for amoritisation.

**Advertising contracts**

Advertising contracts acquired in the Motio Health business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite average life of 0.74 years for local contracts and 0.41 years for national contracts.

**Brand Value**

This relates to the recent acquisition of Liquid Thinking and the acquisition of the brand name "Spawtz" relating to the software. The period of the expected benefit is considered to be over 10 years on a straight-line basis.

**Non-Compete Agreement**

This is in relation to the non-compete clause within the share sale agreement in the acquisition of Liquid Thinking. The restriction period to the seller of Liquid Thinking, being 3 years.

## (u) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## (v) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### (w) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### (x) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### (y) New standards and interpretation not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

# 5. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. The Board of Directors co-ordinates domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The group holds the following financial instruments:

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | 1,839,555 | 4,500,946 |
| Trade and other receivables | 1,313,748 | 1,603,805 |
| Investments | 17,921 | 222,602 |
| | **3,171,224** | **6,327,353** |
| | | |
| **Financial liabilities** | | |
| Trade and other payables | 2,140,416 | 1,917,488 |
| Lease liabilities | 250,013 | 367,681 |
| | **2,390,429** | **2,285,169** |

(a) Market risk

(i) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group manages foreign exchange risk by monitoring forecast cash flows in currencies other than the Australian dollar.

The Group has minimal exposure to foreign currency risk at the end of the year.

(ii) Price risk

The Group is exposed to market price risk from the investments that it holds in Australian stock exchange listed securities of $17,921 (2021: $222,602). Should the market price of these listed shares change by 10% at the reporting date this would increase/(decrease) portfolio by $1,792 (2021: $22,260)

(iii) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

| | Weighted average interest rate | 30-Jun-22 $ | Weighted average interest rate | 30-Jun-21 $ |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Cash & cash equivalents** | 0.10% | 1,839,555 | 0.0006% | 4,500,946 |

The Group does not have significant interest-bearing assets and percentage changes in interest rates would not have a material impact on the results. Group sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below.

| Interest rate risk | | -100 bps | | +100 bps | |
|---|---|---|---|---|---|
| | Carrying amount $ | Profit AUD $ | Equity AUD $ | Profit AUD $ | Equity AUD $ |
| **30 June 2022 Financial Assets** | | | | | |
| Cash & cash equivalents | 1,839,555 | (18,396) | (18,396) | 18,396 | 18,396 |
| **30 June 2021 Financial Assets** | | | | | |
| Cash & cash equivalents | 4,500,946 | (24,957) | (24,957) | 24,957 | 24,957 |

Trade and other payables and trade and other receivables are not subject to interest rate risk.

(b) Credit risk

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group has no long term or short-term debt and its risk with regard to liquidity relates to its ability to maintain its current operations.

| Cash at bank | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| National Australia Bank | 36 | 15,376 |
| Westpac | 1,332,443 | 3,901,156 |
| ANZ | 240,013 | 114,297 |
| Commonwealth Bank of Australia | 130,748 | 470,117 |
| Macquarie | 50 | - |
| HSBC | 136,264 | - |

The Group's ability to raise equity funding in the market is paramount in this regard.

The Group manages liquidity by monitoring forecast and actual cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

| 2022 | <6 months $ | 6-12 months $ | >12 months $ | Total Contractual Cash Flows $ | Carrying Amount $ |
|---|---|---|---|---|---|
| **Financial liabilities** | | | | | |
| Trade and other payables | 1,386,231 | - | - | 1,386,231 | 1,386,231 |
| Lease liabilities | 68,234 | 68,234 | 140,562 | 277,030 | 250,013 |
| | | | | | |
| **2021** | | | | | |
| **Financial liabilities** | | | | | |
| Trade and other payables | 1,917,488 | | | 1,917,488 | 1,917,488 |
| Lease liabilities | 65,825 | 65,825 | 136,468 | 268,118 | 367,681 |

# 6. Segment Information

### Identification of reportable operating segments

Management reviewed the group's operations and deemed that effective from 1 July 2020, the group operations have been consolidated into a single business segment. The comparative figures contain a profit after tax from discontinued operations. There were no material discontinued operations during the year ended 30 June 2022.

### Major customer

During the year ended 30 June 2021, $2,681,791 of the Group's revenue was derived from sales to a major Australian Out-Of-Home advertising firm from lease of the Group's digital advertising assets in Melbourne and Brisbane. This operating segment ceased on 30 June 2021, see note 31.

| | Sales to external customers | | Geographical non-current assets | |
|---|---|---|---|---|
| | 2022 $ | 2021 $ | 2022 $ | 2021 $ |
| Australia | 4,404,357 | 2,881,079 | 5,915,886 | 4,891,746 |
| United Kingdom | 140,379 | - | 7,123 | - |
| | 4,544,736 | 2,881,079 | 5,923,009 | 4,891,746 |

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

## 7. Revenue

The Group derives the following types of revenue:

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| **Revenue from Continuing Operations** | | |
| Media and other sales | 4,544,736 | 2,881,079 |
| **Other Revenue and Other Income** | | |
| Interest income | 1,069 | 1,480 |
| Other | - | 4,832 |
| Government grants | 209,204 | 115,200 |
| | 210,273 | 121,512 |
| **Total revenue and other income from continuing operations** | **4,755,009** | **3,002,591** |

## 8. Expenses

Loss for the year includes the following specific expenses:

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| **Personnel expenses** | | |
| Wages and salaries (including provisions) | 2,376,502 | 1,809,169 |
| Superannuation | 232,239 | 159,040 |
| Payroll Tax Expense | 68,635 | 38,079 |
| Directors fees | 112,898 | 104,221 |
| Employee benefits expense | - | 29,700 |
| | **2,790,274** | **2,140,209** |
| **Depreciation expenses** | | |
| Property, plant and equipment | 543,821 | 299,770 |
| Buildings right-of-use assets | 102,151 | 89,127 |
| | **645,972** | **388,897** |
| **Finance costs** | | |
| Interest and finance charges paid/payable on lease liabilities | 12,832 | 15,843 |
| | 12,832 | 15,843 |

# 9. Income Tax Expenses

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| **(a) Income tax expense:** | | |
| Current income tax | - | - |
| Deferred income tax | (205,310) | (153,203) |
| Current income tax benefit | - | - |
| | (205,310) | (153,203) |
| | | |
| Income tax expense/(benefit) attributable to: | | |
| - Continuing operations | (205,310) | (115,858) |
| - Discontinued operations | - | (37,345) |
| | (205,310) | (153,203) |

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| **(b) Reconciliation of Income tax expense to prima facie tax payable:** | | |
| Loss before income tax | (3,878,152) | (526,710) |
| Prima facie income tax at 25% (2021: 26%) | (969,538) | (136,795) |
| Non-deductible expenditure | 287,767 | 70,206 |
| Timing differences not recognized | 476,461 | (86,464) |
| | | |
| Income tax benefit not recognized | - | - |
| Income tax expense/(benefit) | (205,310) | (153,203) |
| | | |
| **(c) Recognised deferred tax liabilities arising on timing differences and losses at 25%** | | |
| Intangibles – contract rights | 290,275 | 205,130 |
| Recognised deferred tax liabilities | 290,275 | 205,130 |
| | | |
| (d) Unrecognised deferred tax assets arising on timing differences and losses at 25% | | |
| | | |
| Carry forward revenue losses-Australia | 1,192,840 | 718,025 |
| Deductible temporary differences | 125,310 | 114,958 |
| Unrecognised deferred tax assets | 1,318,151 | 832,938 |
| | | |
| (e) Deferred tax liabilities at 25% | - | |
| Other temporary differences | - | 27.256 |
| Property, plant and equipment | 410,358 | 25,726 |
| | 410,358 | 52,982 |
| | | |
| Net unrecognised deferred tax asset | 907,793 | 780,001 |

The tax benefits of the above deferred tax assets will only be obtained if:

(a) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) The Group continues to comply with the conditions for deductibility imposed by law; and

(c) No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

(d) Tax consolidation

Motio Ltd and its wholly-owned Australian subsidiaries implemented the tax consolidation regime as of 1 July 2019. The formal notification of formation of the income tax consolidated group has been lodged with the Australian Taxation Office.

## 10. Cash And Cash Equivalents

(a) Reconciliation to cash at the end of the year

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Cash at bank and in hand | 1,839,555 | 4,500,946 |
| | 1,839,555 | 4,500,946 |

The Group does not have any restrictions on any cash held at bank or on hand.

The above figures agree to the cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 5(a)(iii).

## 11. Trade And Other Receivables

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Trade and receivables | 1,035,816 | 696,590 |
| Other receivables | 271,914 | 803,022 |
| Prepayments | 50,186 | 104,193 |
| | 1,357,916 | 1,603,805 |

(a) Expected credit losses

We have recorded expected credit losses of $53,192 against the trade receivables.

The ageing of the trade receivables are as follows:

| Consolidated | Carrying amount 2022 $ | Carrying amount 2021 $ |
|---|---|---|
| 0 to 3 months overdue | 806,484 | 626,142 |
| 3 to 6 months overdue | 90,135 | 33,831 |
| Over 6 months overdue | 139,199 | 36,617 |
| | 1,035,816 | 696,590 |

Movements in the allowance for expected credit losses are as follows:

| Consolidated | 2022 $ | 2021 $ |
|---|---|---|
| Reconciliation: | | |
| Opening balance | - | - |
| Additions | 53,192 | 11,149 |
| Receivables written off during the year as uncollectable | - | (11,149) |
| Closing balance | 53,192 | - |

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 5 for more information on the risk management policy of the group and the credit quality of the Group's trade receivables.

# 12. Financial Assets At Fair Value Through Profit And Loss

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Investment shares – listed companies | 17,921 | 222,602 |
| | 17,921 | 222,602 |
| Reconciliation: | | |
| Balance at the beginning of the year | 222,602 | - |
| Additions | 19,756 | 217,770 |
| Disposals | (168,669) | - |
| Fair Value – market price | (55,767) | 4,832 |
| | | |
| Balance at the end of the year | 17,921 | 222,602 |

# 13. Plant And Equipment

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| | 1,641,431 | 926,408 |
| | | |
| | | |
| Plant and equipment – at cost | 3,717,267 | 2,513,406 |
| Less: Accumulated depreciation | (2,075,836) | (1,585,998) |
| | 1,641,431 | 926,408 |

**Reconciliation**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Balance at the beginning of the year | 926,408 | 1,110,827 |
| Additions | 1,344,955 | 461,906 |
| Acquired via acquisition of Liquid Thinking | 8,813 | - |
| Acquired via acquisition of Medical Channel | - | 317,366 |
| Loss on disposal of property, plant and equipment | (94,924) | - |
| Depreciation expense | (543,821) | (299,770) |
| | | |
| Balance at the end of the year | 1,641,431 | 926,408 |

See note 2(d)(ii) for impairment considerations.

# 14. Intangibles

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Contract Rights (a) | 3,224,472 | 3,131,473 |
| Goodwill (b) | 2,731,607 | 2,123,138 |
| Software Intangibles | 995,102 | 16,409 |
| Brand Value | 26,000 | - |
| Non-Compete Agreement | 92,000 | - |
| | | |
| Less: Amortisation | (3,040,496) | (1,695,147) |
| Balance at the end of the year | 4,028,685 | 3,575,873 |

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| | Goodwill (b) | Contract Assets (a) | Software Intangibles | Brand Value | Non-compete Agreement | Total |
|---|---|---|---|---|---|---|
| Consolidated | | | | | | |
| Balance at 30 June 2020 | - | 778,818 | - | - | - | 778,818 |
| Additions/(Disposal) (refer note 32) | 2,123,138 | 1,605,835 | 16,409 | - | - | 3,745,382 |
| Amortisation expense | - | (947,332) | (995) | - | - | (948,327) |
| Balance at 30 June 2021 | 2,123,138 | 1,437,321 | 15,414 | - | - | 3,575,873 |
| Additions/(Disposal) (refer note 32) | 608.469 | 93,000 | 868,958 | 26,000 | 92,000 | 1,688,427 |
| Amortisation expense | - | (1,179,500) | (47,821) | (648) | (7,646) | (1,235,615) |
| Balance at 30 June 2022 | 2,731,607 | 350,821 | 836,551 | 25,352 | 84,354 | 4,028,685 |

(a) Contract rights

**Adline Media Pty Ltd (now Motio Play)**

On 6 January 2020 Motio Ltd, acquired 100% of the ordinary shares of Adline Media Pty Limited ('Adline Media') for the total consideration transferred of $684,225. Contract rights of $654,352 were recognised in 30 June 2020. The average life of customer contracts acquired is four years, and the group will amortise the contract rights over this period.

**Medical Channel Pty Ltd (now Motio Health)**

On 1 April 2021, the Company acquired 100% of the issued capital of Medical Channel Pty Ltd. The consideration for the acquisition was made up of 30,000,000 Motio Ltd shares ($3,200,000) issued on settlement. Medical Channel owns the rights to nationwide network of medical precinct advertising contracts which were recognised at fair value of $1,605,835. The customer contracts have a range of commencement and expiry dates. A deferred tax liability of $321,167 was recognised in respect of this acquisition. The contracts were fully amortised on a straight-line basis over the effective average revenue contract terms (0.74 years for local contracts and 0.41 years for national contracts). These have been fully amortised during the current year.

**Liquid Thinking Ltd**

On 4 April 2022, the Company acquired 100% of the issued capital of United Kingdom company, Liquid Thinking Ltd. The total consideration paid for the acquisition was $1,270,081 which was made up of $489,699 cash, $315,367 shares issued and contingent consideration of $465,015. Liquid Thinking generates revenues from the deployment of league and venue management software to indoor sporting centres and sports associations via recurring SaaS fees and payments revenue. The Company engaged an independant external corporate consultant to perform an Independent Valuation of the Purchase Price Allocation for the acquisition of Shares in Liquid Thinking Limited. Based on this report the following identifiable intangibles were identified and recognised:

| | |
|---|---|
| Contract rights | $93,000 |
| Brand | $26,000 |
| Non-Compete Agreement | $92,000 |
| Software | $751,000 |

A deferred tax liability of $288,600 was recognised in respect of this acquisition. The contracts are being amortised on a straight-line basis over 10 years as the contracts have rolling terms.

(b) Goodwill impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

| | |
|---|---|
| Motio Health | 2,253,138 |
| Liquid Thinking | 478,469 |
| | 2,731,607 |

#### Medical Channel Pty Ltd

The recoverable amount of the goodwill in relation to the purchase of Medical Channel Pty Ltd has been determined to be $2,253,138 by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period. This has been based upon management approved cashflow forecasts, which includes a pre-tax discount rate of 15%.

The discount rate of 15% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for Motio Health, the risk free rate and the volatility of the share price relative to market movements.

#### Sensitivity

The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Net profit would need to decrease by more than 6.24% for Medical Channel before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by over 2.77% for Medical Channel before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Medical Channel's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for Medical Channel's goodwill.

#### Liquid Thinking Limited

The goodwill in relation to the purchase of Liquid Thinking Limited was valued by an independant external corporate consultant at $478,469. The discount rate of 16.84% pre-tax reflects management's estimate of the timeline of money and the consolidated entity's weighted average cost of capital adjusted for Liquid Thinking, the risk free rate and the volatility of the share price relative to market movement. The Company has applied this discount rate to the CGU's EBITDA for five years and a terminal value to assess that there is no need for impairment of the Liquid Thinking goodwill as at 30 June 2022.

#### Sensitivity

The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- A 25% decrease in EBITDA for Liquid Thinking, with all other assumptions remaining constant, would not result in the need to impair goodwill.
- The discount rate would be required to increase by over 18% for Liquid Thinking before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Liquid Thinking's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for Liquid Thinking's goodwill.

## 15. Right Of Use Assets

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Land and buildings - right-of-use | 388,163 | 398,798 |
| Less: Accumulated depreciation | (160,943) | (48,635) |
| | 227,220 | 350,163 |

Additions to the right-of-use assets during the year were $nil (2021: $398,798). Disposals to the right-of-use asset during the year were $10,635 (2021:$nil) in relation to the prepaid rent deposit for the Manly property.

The consolidated entity leases land and buildings for its offices under agreements of three years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

## 16. Trade & Other Payables

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Trade creditors | 487,262 | 551,899 |
| Accrued expenses | 460,141 | 891,290 |
| GST and PAYG Withholding Payable | 238,415 | 251,589 |
| Contingent consideration (ii) | 190,102 | - |
| Consideration Payable (i) | 441,800 | - |
| Other payables | 47,783 | 222,710 |
| **Total Current** | 1,865,503 | 1,917,488 |

(i) In accordance with the Sale and Purchase Agreement for the purchase of Adline Media, Milestone B has been met and 9,400,000 ordinary shares in Motio Ltd will be issued to the Adline Media Shareholder.

Trade and other payables are non-interest-bearing liabilities stated at cost and are predominantly settled within 30 days. The carrying amounts of trade and other payable are assumed to be the same as their fair values, due to their short-term nature.

| | | |
|---|---|---|
| **Non-Current** | | |
| Contingent consideration (ii) | 274,913 | 0 |
| **Total Non-Current** | 274,913 | 0 |

(ii) This relates to contingent consideration from the Liquid Thinking acquisition which the following tranches calculations have been discounted to net present value and incorporated the probability of occurrence. Up to AUD$600,000 in cash or shares at Motio's option (issued pursuant to ASX Listing Rule 7.1) across three tranches:

**Tranche 1:** If, for the financial year ending 30 June 2022 or the financial year ending 30 June 2023, as the case may be, Liquid Thinking achieves more than GPB£200,000 in total revenue from customers (excluding customers in Australia) Motio agrees to pay the Vendor AUD$200,000 or issue to the Seller AUD$200,000 worth of Buyer Shares as calculated based on the 30-day VWAP in MXO shares, at the absolute discretion of the Buyer.

**Tranche 2:** If, for the financial year ending 30 June 2023 or the financial year ending 30 June 2024, as the case may be, Liquid Thinking achieves between AUD$977,501 and AUD$1,150,000 in Total Gross Software and Payments Revenue, Motio shall pay the Vendor up to AUD$200,000 cash or issue to the Vendor the equivalent value of MXO Shares as calculated based on the 30-day VWAP in MXO shares, at the absolute discretion of the Buyer.

**Tranche 3:** If for the financial year ending 30 June 2024 or 30 June 2025, as applicable, Liquid Thinking achieves between AUD$1,080,001 and AUD$1,350,000 in Total Gross Software and Payments Revenue, Motio shall pay the Vendor up to AUD$200,000 or issue to the Vendor the equivalent value of MXO Shares as calculated based on the 30-day VWAP in MXO shares, at the absolute discretion of the Buyer.

# 17. Provisions

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Provision for employee benefits | 129,435 | 114,961 |
| | 129,435 | 114,961 |

## 18. Lease Liabilities

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Current operating lease liability | 111,960 | 101,072 |
| Non-current operating lease liability | 138,053 | 266,609 |
| Total operating lease liability | 250,013 | 367,681 |

## 19. Issued Capital

(a) Share Capital

| | 30-Jun-22 | |
|---|---|---|
| | $ | Number |
| Issued Capital | 23,813,869 | |
| Cost of shares issued | (1,566,278) | |
| Fully paid ordinary shares | 22,247,591 | 246,291,357 |

| | 30-Jun-21 | |
|---|---|---|
| | $ | Number |
| Issued Capital | 23,041,232 | |
| Cost of shares issued | (1,560,227) | |
| Fully paid ordinary shares | 21,481,005 | 234,033,857 |

(b) Movements in ordinary share capital

| | 30-Jun-2022 | | |
|---|---|---|---|
| | **$** | **Number** | **Issue price per ordinary share** |
| Opening balance | 21,481,005 | 234,033,857 | |
| Conversion of performance rights to shares | 118,337 | 4,350,000 | 0.027 |
| Conversion of Performance Rights to shares | 101,925 | 1,132,500 | 0.09 |
| Shares issued in lieu of cash to employees | 217,500 | 2,500,000 | 0.087 |
| Shares issued for Liquid Thinking Acquisition | 300,000 | 3,750,000 | 0.08 |
| Shares issued for Liquid Thinking Acquisition | 21,375 | 375,000 | 0.057 |
| Conversion of performance rights to ordinary shares | 13,500 | 150,000 | 0.09 |
| Capital raising fees | (6,051) | | |
| | 22,247,591 | 246,291,357 | |

| | 30-Jun-2021 | | |
|---|---|---|---|
| | **$** | **Number** | **Issue price per ordinary share** |
| Opening balance | 16,041,009 | 137,986,077 | |
| Placement | 735,014 | 18,846,518 | 0.039 |
| Rights entitlement | 727,925 | 18,664,740 | 0.039 |
| Rights entitlement shortfall | 495,370 | 12,701,779 | 0.039 |
| Placement | 550,000 | 14,102,570 | 0.039 |
| Shares issued in lieu of cash to creditors and employees | 28,076 | 802,173 | 0.035 |
| Shares issued in lieu of cash to employees | 29,700 | 330,000 | 0.090 |
| Shares issued for Medical Channel Acquisition | 2,200,000 | 20,000,000 | 0.110 |
| Shares issued for Medical Channel Acquisition | 1,000,000 | 10,000,000 | 0.100 |
| Conversion of performance shares to ordinary shares | 10,500 | 600,000 | 0.0175 |
| Capital raising fees | (336,589) | | |
| | 21,481,005 | 234,033,857 | |

**Ordinary shares**

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held. Shares have no par values.

At shareholders' meetings, each ordinary share is entitled to one vote per share when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Capital risk management**

The Group's capital includes share capital, reserves and accumulated losses. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Group may issue new shares in order to meet its financial obligations. The group does not have externally imposed capital requirements.

(c) Options

Motio Ltd did not issue any listed and unlisted options during the year. Refer to note 29 for further details.

(d) Performance Rights and Options – Employees and Management

During the year Motio Ltd issued performance rights and options to key management and consultants as part of their remuneration of $236,714. Refer to note 29 for further details on the performance rights and options issued.

## 20. Reserves

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Share-based payments reserve | 905,521 | 271,160 |
| Options premium reserve | 121,036 | 134,536 |
| Foreign currency translation reserve | (12,852) | (17,223) |
| Balance at the end of the year | 1,013,703 | 388,473 |

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Share-based payments reserve | | |
| Balance at the beginning of the year | 271,160 | 44,946 |
| Performance rights and options vesting expense | 854,623 | 236,714 |
| Conversion of performance rights to ordinary shares | (220,262) | (10,500) |
| Balance at the end of the year | 905,521 | 271,160 |

Refer to note 29 for further details on the performance shares issued.

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Options premium reserve | | |
| | | |
| Balance at the beginning of the year | 134,536 | - |
| Options issued | - | 134,536 |
| Expiry of options | - | - |
| Balance at the end of the year | 134,536 | 134,536 |

Refer to note 29 for further details on the options issued.

| | 30-Jun-22 $ | 30-Jun-21 |
|---|---|---|
| Foreign currency translation reserve | | |
| Balance at the beginning of the year | (17,223) | (14,081) |
| Exchange difference arising on translation of foreign operations | 4,371 | (3,142) |
| Balance at the end of the year | (12,852) | (17,223) |

(a) Nature and Purposes of Reserves

(i) Share-based Payment and Options Premium Reserves

These reserves are used to record the value of equity benefits to employees, management personnel, chairman, non-executive directors and consultants as part of their remuneration. When the equity instruments vest the amount recorded in the Share-based Payment Reserve relevant to those equity instruments is transferred to share capital.

(ii) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities. The exchange differences arising are recognised in other comprehensive income as and accumulated within a separate reserve within equity. The cumulative amount is reclassified to the statement of profit or loss and other comprehensive income when the net investment is disposed of.

## 21. Accumulated Losses

| | 30-Jun-22 | 30-Jun-21 |
|---|---|---|
| Accumulated losses at the beginning of the financial year | (13,255,819) | (12,885,454) |
| Net profit/(loss) attributable to members of the Company | (3,672,842) | (373,507) |
| Exchange differences on translation of foreign operations | (4,371) | 3,142 |
| Accumulated losses at the end of the financial year | (16,933,032) | (13,255,819) |

## 22. Interests In Associates

Interest in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

| | Country of incorporation | Ownership interest 2022 | Ownership interest 2021 |
|---|---|---|---|
| Contact Light Pty Ltd | Australia | 43% | 43% |

**Summarised financial information**

| | Contact Light Pty Ltd | |
|---|---|---|
| Summarised statement of financial position | **30-Jun-22 $** | **30-Jun-21 $** |
| Current assets | 69,423 | 101,273 |
| Non-current assets | 0 | 142 |
| Total assets | 69,423 | 101,415 |
| | | |
| Current liabilities | 9,573 | 9,794 |
| Non-current liabilities | - | - |
| Total liabilities | 9,573 | 9,794 |
| | | |
| Net assets | 59,850 | 91,621 |
| | | |
| Summarised statement of profit or loss and other comprehensive income | | |
| | | |
| Revenue | 15 | 133,329 |
| Expenses | (29,149) | (88,266) |
| | | |
| Profit before income tax | (29,134) | 45,063 |
| Income tax expense | - | - |
| | | |
| Profit after income tax | (29,134) | 45,063 |
| | | |
| Other comprehensive income | - | - |
| | | |
| Total comprehensive income | (29,134) | 45,063 |
| | | |
| Reconciliation of the consolidated entity's carrying amount | | |
| Carrying amount at date of loss of control | 107,461 | 107,461 |
| Share of loss after income tax | (81,788) | (68,159) |
| | | |
| Closing carrying amount | 25,673 | 39,302 |

Motio Ltd maintains significant influence over Contact Light via its 42.90% ownership. The board of Motio Ltd has impaired the overall value of the investment in Contact Light to $25,673 (2021: $39,302) during the period as a result of strategic review of Motio Ltd's business.

# 23. Related Party Transactions

(a) Parent entities

The parent entity within the Group is is Lunalite International Pty Ltd.

(b) Subsidiaries

The Group Structure, from an accounting perspective, reflects Lunalite International Pty Ltd as the parent entity and Motio Ltd as a subsidiary following a reverse acquisition.

**Group structure**

| Parent Entity | Country of incorporation | Class of shares | Ownership interest 2022 | Ownership interest 2021 |
|---|---|---|---|---|
| Lunalite International Pty Ltd | Australia | Ordinary | - | - |
| | | | | |
| Subsidiaries | | | | |
| Motio Media Pty Ltd (formerly Red Hawk Resources Ltd) | Australia | Ordinary | 100% | 100% |
| Enormity Pty Ltd | Australia | Ordinary | 100% | 100% |
| Motio Play Pty Ltd | Australia | Ordinary | 100% | 100% |
| Motio Ltd | Australia | Ordinary | 100% | 100% |
| Outdoor Digital Solutions Pty Ltd | Australia | Ordinary | 100% | 100% |
| XTD India Private Limited | India | Ordinary | - | - |
| Motio Health Pty Ltd (formerly Medical Chan-nel Pty Ltd) | Australia | Ordinary | 100% | 100% |
| Liquid Thinking Limited | United Kingdom | Ordinary | 100% | - |

- Motio Media Pty Ltd (formerly Red Hawk Resources Ltd) was incorporated on 16 May 2011 and set up as a trading business on 1 April 2020.
- Enormity Pty Ltd was incorporated on 13 November 2019 and set up as a trading business on 1 July 2020.
- Motio Play Pty Ltd (formerly Adline Media Pty Ltd) was incorporated on 5 September 2008 and consolidated in the group on 6 January 2020.
- Motio Health Pty Ltd (formerly Medical Channel Pty Ltd) was incorporated on 1 July 2002 and consolidated in the group on 1 April 2021.
- Liquid Thinking was consolidated in the group on 4 April 2022.
- Lunalite International Pty Ltd was incorporated on 16 August 2005.
- Outdoor Digital Solutions Pty Ltd was incorporated on 3 July 2009.
- XTD India was incorporated on 15 February 2019.

(c) Key Management personnel compensation is as follows:

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Short-term benefits | 489,908 | 423,880 |
| Post-employment benefits | 38,068 | 25,722 |
| Share-based payments | 510,630 | 159,255 |
| | 1,038,579 | 608,803 |

## 24. Remuneration Of Auditors

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Amounts received or due and receivable by PKF Perth for: | | |
| (i) An audit or review of the financial report of the entity | 89,000 | 53,700 |

| | | |
|---|---|---|
| Amounts received or due and receivable by PKF Perth for: | | |
| (ii) Other services in relation to the entity and any other entity in the consolidated group – Income tax | 12,950 | 7,983 |

## 25. Guarantees, Contingent Liabilities And Contingent Assets

No other guarantee or contingent liabilities/assets were noted for the Group for the year ended 30 June 2022.

## 26. Events Occurring After The Reporting Period

Deferred Consideration on acquisition of Adline Media Pty Limited

Subsequent to the end of the Period on 12 August 2022, the Company confirmed that Milestone B per the Sale and Purchase Agreement for the purchase of Adline Media had been met.  The Company resolved to issue 9,400,000 ordinary shares in Motio Ltd to the Adline Media Shareholder. This has been recongnised as a liability as at 30 June 2022 of $441,800 as consideration payable.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

(i) the Group's operations in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the Group's state of affairs in future financial years.

## 27. Reconciliation Of Loss After Income Tax To Net Cash Outflow From Operating Activities

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Net loss after income tax | (3,672,842) | (373,507) |
| Adjustments for: | | |
| Acquisition related costs | 199,717 | - |
| Amortisation of intangibles | 1,235,615 | 949,324 |
| Depreciation | 694,640 | 1,052,819 |
| Foreign exchange losses | 14,334 | - |
| Impairment - carrying value of Contact Light investment | 13,629 | 4,450 |
| Impairment – accounts receivable | 53,292 | - |
| Interest on unwinding of lease | 12,832 | 15,843 |
| Loss on disposal of property, plant and equipment | 73,708 | - |
| Loss on disposal of listed investment | 12,132 | 33,741 |
| Revaluation on listed investment | 55,767 | (173,766) |
| Debt forgiven | (529,892) | (172,644) |
| Bad debts | 40,590 | 22,444 |
| Share-based payments | 1,513,923 | 266,412 |
| Change in assets and liabilities | | |
| (Increase)/decrease in trade and other receivables | (42,780) | (494,419) |
| Increase/(decrease) in trade and other payables | (96,053) | 236,924 |
| Increase/(decrease) in provisions | 14,474 | 81,782 |
| Increase/(decrease) in deferred tax liability | (205,310) | (153,203) |
| Net cash inflow/(outflow) from operating activities | (612,224) | 1,323,200 |

## 28. Earnings Per Share

**Basic profit/ (loss) per share**

The calculation of basic profit/(loss) per share at 30 June 2022 was based on the loss attributable to ordinary shareholders of $3,673,002 (2021:($373,507)) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2022 of 241,225,542 (2021: 191,491,141) calculated as follows:

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Loss attributable to ordinary shareholders | (3,672,842) | (373,507) |
| Weighted average number of ordinary shares | 241,225,542 | 191,491,141 |
| Basic profit/ (loss) per share (cents per share) | (1.52) | (0.20) |

## 29. Share-Based Payments

**(a) Performance Rights – Employees and Managing Director – 22 November 2019**

Motio Ltd issued 6,166,667 performance rights to three individuals in two tranches, comprising Tranche 1 (3,700,000 performance rights) and Tranche 2 (2,466,667 performance rights). Each performance right will convert into 1 ordinary share of Motio Ltd upon achievement of the performance milestones. The determined fair value is to be recognised over the life of the performance rights. The performance milestones for each tranche of performance right is as follows:

**Tranche 1:** A 60 day VWAP of $0.08
**Tranche 2:** A 60 day VWAP of $0.12

During the period, the Tranche 1 Performance Rights vested on achieving the performance milestone and were converted into shares.

The assessed fair values of the performance rights were determined using a Monte Carlo pricing model, taking into account the exercise price, term of performance rights, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the performance rights. The inputs to the model used were:

| | |
|---|---|
| Dividend Yield | - |
| Expected volatility (%) | 100 |
| Risk-free interest rate (%) | 0.73 |
| Expected life of options (years) | 3.0 |
| Option exercise price ($) | - |
| Share price at grant date ($) | 0.03 |
| Value of performance rights ($) – Tranche 1 | 0.0175 |
| Value of performance rights ($) – Tranche 2 | 0.0146 |

The total expense arising from share based payment transactions recognised during the year in relation to the performance rights issued amounts to $11,993 (2021: $63,627). On 8 September 2021, 3,100,000 of these performance rights were exercised resulting in an increase in share capital of $54,250 (note 19).

**(b) Performance Options – Employees and Management - 22 November 2019**

Motio Ltd issued 11,514,583 performance options to five individuals in two tranches, comprising Tranche 3 (6,908,750 options) and Tranche 4 (4,605,833 options). Each performance option will convert into 1 ordinary share of Motio Ltd upon exercise of the options. The determined fair value is to be recognised over the life of the performance options. The performance milestones for each tranche of performance option is as follows:

**Tranche 3:** A 60 day VWAP of $0.08
**Tranche 4:** A 60 day VWAP of $0.12

The assessed fair values of the options were determined using a Monte Carlo pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

| | |
|---|---|
| Dividend Yield | - |
| Expected volatility (%) | 100 |
| Risk-free interest rate (%) | 0.73 |
| Expected life of options (years) | 3.0 |
| Option exercise price ($) | 0.04 |
| Share price at grant date ($) | 0.03 |
| Value of option ($) – Tranche 3 | 0.0102 |
| Value of option ($) – Tranche 4 | 0.0110 |

The total expense arising from share based payment transactions recognised during the year in relation to the performance options issued amounts to $14,201 (2021: $76,793). On 8 September 2021, 1,250,000 of these performance options were exercised resulting in an increase in share capital of $64,088 (note 19).

**(c) Performance Rights – Employees and Managing Director - 6 November 2020**

Motio Ltd issued 2,083,334 performance rights to two individuals in two tranches, comprising Tranche 1 (1,250,000 performance rights) and Tranche 2 (833,334 performance rights). Each performance right will become exercisable into ordinary shares upon achievement of the performance milestones. The determined fair value is to be recognised over the life of the performance rights. The performance milestones for each tranche of performance right is as follows:

**Tranche 1:** A 60 day VWAP of $0.08.
**Tranche 2:** A 60 day VWAP of $0.12.

During the period, the Tranche 1 Performance Rights vested on achieving the performance milestone and were converted into shares.

The assessed fair values of the performance rights were determined using a Monte Carlo pricing model, taking into account the exercise price, term of performance rights, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the performance rights. The inputs to the model used were:

| | |
|---|---|
| Dividend Yield | - |
| Expected volatility (%) | 100 |
| Risk-free interest rate (%) | 0.10 |
| Expected life of options (years) | 2.0 |
| Option exercise price ($) | - |
| Share price at grant date ($) | 0.06 |
| Value of option ($) – Tranche 1 | 0.05127 |
| Value of option ($) – Tranche 2 | 0.04352 |

The total expense arising from share based payment transactions recognised during the period in relation to the performance options issued amounts to $17,036 (2021: $75,150).

**(d) Options – Broker - 6 November 2020**

Motio Ltd issued 4,000,000 options to a broker to the capital raising, each exercisable at $0.08 with a three-year expiry period. These options were valued using a Black-Scholes valuation and the capital-raising cost recognised in full at their issue date is $134,536. The valuation model inputs used to determine the fair value at the grant date as follows:

| Grant date | Expiry date | Share price at grant date | Exercise Price | Expected Volatility | Risk Free Rate | Dividend Yield | Number Of Options | Value Per Option | Total Value | Vesting Terms |
|---|---|---|---|---|---|---|---|---|---|---|
| 06/11/2020 | 30/09/23 | $0.061 | $0.08 | 100% | 0.10% | 0% | 4,000,000 | $0.0336 | 134,536 | Immediately |

**(e) Performance Rights –Directors and Employees - 18 June 2021**

Motio Ltd issued 16,000,000 performance rights to four individuals in three tranches, comprising Tranche 1 (5,000,000 performance rights), Tranche 2 (5,000,000 performance rights), and Tranche 3 (6,000,000 performance rights). Each performance right will become exercisable into ordinary shares upon achievement of the performance milestones. The determined fair value is to be recognised over the life of the performance rights. The performance milestones for each tranche of performance right is as follows:

**Tranche 1:** A 30 day VWAP of $0.15.
**Tranche 2:** A 30 day VWAP of $0.18.
**Tranche 3:** A 30 day VWAP of $0.25.

The assessed fair values of the performance rights were determined using a Monte Carlo pricing model, taking into account the exercise price, term of performance rights, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the performance rights. The inputs to the model used were:

| | |
|---|---|
| Dividend Yield | - |
| Expected volatility (%) | 95 |
| Risk-free interest rate (%) | 0.19 |
| Expected life of options (years) | 3.0 |
| Option exercise price ($) | - |
| Share price at grant date ($) | 0.10 |
| Value of option ($) – Tranche 1 | 0.0899 |
| Value of option ($) – Tranche 2 | 0.0857 |
| Value of option ($) – Tranche 3 | 0.0773 |

The total expense arising from share based payment transactions recognised during the period in relation to the performance options issued amounts to $448,085 (2021: $15,959).

### (f) Performance Option – Director - 18 June 2021

Motio Ltd issued 7,938,461 performance options to one individual in three tranches, comprising Tranche 1 (4,000,000 options), Tranche 2 (2,400,000 options), and Tranche 3 (1,538,461 options). Each performance option will convert into 1 ordinary share of Motio Ltd upon exercise of the options. The determined fair value is to be recognised over the life of the performance options. The performance milestones for each tranche of performance option is as follows:

**Tranche 1:** A 30 day VWAP of $0.15.
**Tranche 2:** A 30 day VWAP of $0.18.
**Tranche 3:** A 30 day VWAP of $0.25.

The assessed fair values of the options were determined using a Monte Carlo pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

| | |
|---|---|
| Dividend Yield | - |
| Expected volatility (%) | 95 |
| Risk-free interest rate (%) | 0.19 |
| Expected life of options (years) | 3.0 |
| Option exercise price ($) | 0.12 |
| Share price at grant date ($) | 0.10 |
| Value of option ($) – Tranche 1 | 0.0552 |
| Value of option ($) – Tranche 2 | 0.0550 |
| Value of option ($) – Tranche 2 | 0.0539 |

The total expense arising from share based payment transactions recognised during the year in relation to the performance options issued amounts to $145,507 (2021: $5,183).

### (g) Share Issue – Employee

Motio Ltd issued 2,500,000 shares to an employee on 8 September 2021 pursuant to their Contract of employment. The determined fair value of the shares is the share price of the Company on the day of issue, being $0.087. The total expense arising from share based payment transactions recognised during the period in relation to the issue of shares amounts to $217,500 (2021:nil).

# 30. Parent Entity Financial Information

| | 30-Jun-22 $ | 30-Jun-21 $ |
|---|---|---|
| Current Assets | 790,626 | 851,226 |
| Non-Current Assets | 16,786 | 35,637 |
| Total Assets | 807,411 | 886,903 |
| | | |
| Current Liabilities | 165,737 | 219,289 |
| Non-Current Liabilities | - | - |
| Total liabilities | 641,674 | 219,289 |
| | | |
| Contributed equity | 5,108,554 | 5,108,554 |
| Accumulated losses | (4,466,880) | (4,462,108) |
| Total equity | 691,674 | 646,425 |
| | | |
| Profit/(Loss) for the year | (4,778) | 1,633,527 |
| Other comprehensive loss for the year | - | - |
| Total comprehensive profit/(loss) for the year | (4,778) | 1,633,527 |

### a. Guarantees and Contingent Liabilities

Refer to note 25 for details of guarantees and contingent liabilities.

### b. Contractual Commitments

There are no significant commitments.

## 31. Discontinued Operations

During the prior year, the Company's cross-track rail contracts expired. The Company did not seek to renew these contracts due to a change of strategy. Plant and equipment in respect to these sites was disposed of for $173,766. The profit for the year ended 30 June 2021 from this discontinued operation was $1,633,527. This business ceased trading on 30 June 2021.

**Financial performance information**

| | Note | 30-Jun-21 $ |
|---|---|---|
| Lease income | | 2,681,791 |
| Other revenues | | 16,800 |
| Gain on disposal of fixed assets | | 173,766 |
| | | |
| Cost of sales | | (192,883) |
| Commission expense | | (93,589) |
| Gross profit | | 2,585,885 |
| | | |
| Amortisation of intangibles | | (124,470) |
| Consulting and advisory fees | | (108,000)) |
| Depreciation expense | | (663,921) |
| Legal fees | | - |
| Loss on disposal of fixed assets | | - |
| Other expenses | | (93,310) |
| Profit before income tax | | 1,596,184 |
| Income tax benefit | 9 | 37,345 |
| Profit after income tax | | 1,633,527 |

| Cash flow information | |
|---|---|
| | 30-Jun-21 $ |
| Net cash from operating activities | 1,836,754 |
| Net cash from investing activities | (5,539) |
| Net increase in cash and cash equivalents from discontinued operations | 1,831,215 |

**Financial position information**

| Current Assets | 30-Jun-21 $ |
|---|---|
| Cash & cash equivalents | 409,159 |
| Trade & other receivables | 4,126,637 |
| Total Current Assets | 4,535,796 |
| | |
| Non-Current Assets | |
| Plant and equipment | 35,637 |
| Total Non-Current Assets | 35,637 |
| Total Assets | 4,571,433 |
| | |
| Current Liabilities | |
| Trade & other payables | 219,289 |
| Total Current Liabilities | 219,289 |
| | |
| Non-Current Liabilities | |
| Deferred tax liability | - |
| Total Non-Current Liabilities | - |
| Total Liabilities | 219,289 |
| | |
| Net Assets | 4,352,144 |

## 32. Business Combinations

**Medical Channel Pty Ltd**

On 31 March 2021 Motio Ltd, acquired 100% of the ordinary shares of Medical Channel Pty Limited ('Medical Channel') for the total consideration transferred of $3,200,000. Medical Channel owns the commercial and advertising contracts and associated equipment spanning medical and specialist locations Australia wide. The intangible assets of $3,728,973 represents the expansion of Motio's media future enabling the growth of the business in the advertising sector with clearly identified plans to expand the Medical Channel. The acquired business contributed revenues of $617,795 to the consolidated entity for the period from 1 April 2021 to 30 June 2021. If the acquisition occurred on 1 July 2020, the full year contributions would have been revenues of $2,471,180. The values identified in relation to the acquisition of Medical Channel are provisional as at 30 June 2021. There has been an adjustment within this period relating to Sundry Receivables reducing by $130,000 results, in an increase in goodwill of $130,000.

**Details of the acquisition are as follows:**

| | Fair value $ |
|---|---|
| Cash and cash equivalents | 45,534 |
| Trade receivables | 175,615 |
| Prepayments | 7,774 |
| GST receivable | 14,657 |
| Sundry receivable | 600,000 |
| Plant and equipment | 317,166 |
| Trade payables | (83,487) |
| Borrowings | (72,256) |
| Sundry payables | (489,371) |
| Accrued expenses | (800,718) |
| Employee benefits | (52,720) |
| Net liabilities acquired | (337,806) |
| Customer contracts | 1,605,835 |
| Deferred tax liability | (321,167) |
| Goodwill | 2,253,138 |
| | |
| Acquisition-date fair value of the total consideration transferred | 3,200,000 |
| | |
| **Representing:** | |
| Shares issued | 3,200,000 |
| Total acquisition price | 3,200,000 |
| | |
| **Cash used to acquire business, net of cash acquired:** | |
| Acquisition-date fair value of the total consideration transferred | - |
| Less: cash and cash equivalents | (45,534) |
| | |
| Net cash obtained | (45,534) |

The fair values of Medical Channel Business assets and liabilities have been determined by an internal valuation.

### Liquid Thinking Limited

On 4 April 2022 Motio Ltd, acquired 100% of the ordinary shares of Liquid Thinking Limited ('Liquid Thinking') for the total consideration transferred of $1,270,081. Liquid Thinking owns Spawtz Software, delivering its customers end-to-end player registration, competition management and payments for Indoor Sports Centres, Sporting Associations and Leagues. It's primary revenue is recurring SaaS and emerging revenue through fees from facilitating online and cashless payments. The goodwill of $478,469 represents both the synergies of bringing this previously licensed technology in house and the growth opportunities of combining this leading technology with Motio's extensive market knowledge and business development experience. The acquired business contributed revenues of $140,379 to the consolidated entity for the period from 4 April 2022 to 30 June 2022. If the acquisition occurred on 1 July 2021, the full year contributions would have been revenues of $561,516. The values identified in relation to the acquisition of Liquid Thinking are provisional as at 30 June 2022.

**Details of the acquisition are as follows:**

| | Fair value $ |
|---|---|
| Cash and cash equivalents | 118,899 |
| Trade and other receivables | 30,747 |
| Property, Plant and equipment | 8,691 |
| Trade payables | (2,185) |
| Tax Liabilities | (19,828) |
| Other current | (16,460) |
| Other non-current | (1,652) |
| | |
| Net assets acquired | 118,213 |
| Goodwill | $478,469 |
| Software | $751,000 |
| Brand Value | $26,000 |
| Non-compete Agreement | $92,000 |
| Contract Rights | 93,000 |
| Deferred Tax Liability | (288,600) |
| Acquisition date fair value of the total consideration transferred | 1,270,081 |
| | |
| **Representing:** | |
| Cash paid or payable to vendor | 489,699 |
| Shares issued | 321,375 |
| Contingent Consideration (i) | 459,007 |
| Total acquisition price | 1,270,081 |
| | |
| **Cash used to acquire business, net of cash acquired:** | |
| Acquisition date fair value of the total consideration transferred | 489,699 |
| Less: cash and cash equivalents | (118,899) |
| | |
| Net cash used | 370,800 |

(i) The contingent consideration has taken into account management's assessment of the probability of each of the various tranches being achieved and been discounted to net present value.

The determined values for each tranche are as follows: -

| | |
|---|---|
| **Tranche 1** | 190,102 |
| **Tranche 2** | 154,698 |
| **Tranche 3** | 114,207 |
| **Total** | $459,007 |

The fair values of Liquid Thinking Business assets and liabilities have been determined by an independent valuation carried out by an external independant corporate consultant dated 17 August 2022.

## 33. Fair Value Measurement

**Determination of Fair Values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Due to the short term nature of financial assets and liabilities, varying values approximate fair values.

**Fair value hierarchy**

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

| | Consolidated 2022 | | | |
|---|---|---|---|---|
| **Assets** | **Level 1 $** | **Level 2 $** | **Level 3 $** | **Total $** |
| Ordinary shares at fair value through the profit or loss | 17,921 | - | - | 17,921 |
| Total assets | 17,921 | - | - | 17,921 |

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amount of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.


The Athlete's Foot
Sarah Wall
LIGHT
DARK
asics
sound mind, sound body
GEL NETBURNER 20
NETFIT
CHANGE YOUR GAME
PLAY UPLIFTED.
#LiveUplifted
EXCLUSIVE COLOURS
Find your closest store or shop online
theathletesfoot.com.au

# Directors Declaration

In the opinion of the Directors of Motio Limited (the “Company”):

1. The attached consolidated financial statements, notes thereto and the additional disclosures included in the Directors’ Report designated as audited are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) giving a true and fair view of the consolidated entity’s financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

   (c) the financial statements also complies with International Financial Reporting Standards as disclosed in note 2(a) to the financial statements.

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Directors

**Adam Cadwallader**
Managing Director
Sydney, New South Wales
26 August 2022

Advisory • Audit
Business Solutions

# INDEPENDENT AUDITOR'S REPORT

# TO THE MEMBERS OF

# MOTIO LIMITED

## Report on the Financial Report

### Opinion

We have audited the accompanying financial report of Motio Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Motio Limited is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999  F: +61 8 9426 8900  www.pkfperth.com.au

## Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. The matter below was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter for each matter below, our description of how our audit addressed this matter is provided in that context

### 1. Business combination of Liquid Thinking, including the valuation of Identifiable Intangible Assets\

**Why significant**

During the year, the consolidated entity acquired control in Liquid Thinking Ltd on 1 April 2022. The acquisition was accounted for as a business combination. Refer to Note 32 in the consolidated financial statements for the related disclosures.

The purchase consideration comprised:-

| | |
|---|---|
| 4,125,00 fully paid shares | $321,375 |
| Cash payment | $489,699 |
| Contingent consideration | $459,007 |
| **Total** | **$1,270,081** |

The fair value of the net tangible assets acquired was $118,213. The acquisition resulted in recognition of identifiable intangible assets of $962,000, a deferred tax liability of $288,600 and provisional goodwill of $478,469. As part of the acquisition, an independent expert was engaged to determine the fair value of the various recognised identifiable intangible assets and the purchase price allocation of the acquisition. This comprised the following:

| | |
|---|---|
| Software | $751,000 |
| Contract Rights | $93,000 |
| Non-Compete Agreement | $92,000 |
| Brand | $26,000 |
| **Total** | **$962,000** |

Due to the level of judgment included in accounting for business combinations, and the valuation of the assets acquired and the contingent consideration, as well as the significance of the business combination to the Group's financial position this is considered to be a key audit matter.

**How our audit addressed the key audit matter**

We obtained an understanding of management's process related to purchase accounting, including assessing the appropriateness of the accounting treatment applied to the acquisition as set out in AASB 3 Business Combinations.

Our audit procedures applied in determining the above, included:

- Reviewing the determination of the fair value of the transferred consideration of equity instruments within the Company;
- Assessing the fair value of the identified assets and liabilities acquired as at 1 April 2022;
- Reviewing the determination of the valuation of any identifiable intangible assets identified, to ensure that it is in accordance with Australian Accounting Standard AASB 138 - Intangible Assets.

In addition, in relation to the valuation of the identifiable intangible assets, we have performed the following audit procedures:

- Reviewed the independent expert's report, and assessed the competency and objectivity of the independent expert and the scope of their work;
- Evaluated the appropriateness of the various valuation methodologies adopted by the independent expert;
- Testing the mathematical accuracy of the valuation model utilised;
- Reviewed and challenged the key assumptions within the valuation model to determine that they are appropriate and reasonable;
- Reviewed the amortisation period adopted by management is reasonable;
- Review and determine if there were any indicators of impairment; and
- Assessed the appropriateness of the related disclosures in Note 2 (d) (ix), Note 2 (d) (x), Note 4 (t), Note 4 (x), Note 14 and Note 32 in accordance with Australian Accounting Standards AASB 3 and AASB 138.

**2. Impairment testing of goodwill**

| Why significant | How our audit addressed the key audit matter |
|---|---|
| As at 30 June 20222 the carrying value of goodwill was $2,731,607, as disclosed in Note 14. This represents 30% of total assets.<br><br>The consolidated entity's accounting policy in respect of goodwill is outlined in Note 4(t) and impairment of non-financial assets in Note 4(w). An annual impairment test for goodwill is required under Australian Accounting Standard (AASB) 136 *Impairment of Assets.*<br><br>The evaluation of the recoverable amount requires the consolidated entity to exercise significant judgement in determining the key assumptions, which include:<br>• 5-year cash flow forecast;<br>• Terminal growth factor;<br>• Discount rate; and<br>• The determination that the consolidated entity has one CGU, being the whole consolidated entity.<br><br>The outcome of the impairment assessment could vary if different assumptions were applied. As a result, the evaluation of the recoverable amount of intangible assets including goodwill is an area of significant estimation and judgement. | Our work included, but was not limited to, the following procedures:<br>• assessing and challenging:<br>- the FY23 budget by comparing the budget to FY22 actuals;<br>- the assumptions used for the growth rate and discount rate to other comparative companies;<br>- the key assumptions for long term growth in the forecast cash flows by comparing them to historical results.<br>• testing, on a sample basis, the mathematical accuracy of the cash flow models;<br>• agreeing inputs in the cash flow models to relevant data including approved budgets and latest forecasts; and<br>• performing sensitivity analysis in relation to key assumptions including discount rate, growth rate and terminal value.<br><br>Additionally, as part of our procedures, we assessed<br>• the determination of Cash Generating Units (CGU); and<br>• the appropriateness of the disclosures including those relating to sensitivities in the assumptions used, included in Note 14. |

### 3. Liquidity and funding

| Why significant | How our audit addressed the key audit matter |
|---|---|
| The consolidated entity recorded a loss after tax of $3,673,002 and net cash outflows from operations of $612,224. Therefore, the consolidated entity's funding and liquidity position is considered an event or condition that may cast doubt on the entity's ability to continue as a going concern.<br><br>Note 2(d)(xi) disclosed reasons why the Directors believe that the financial statements can be prepared on a going concern basis, and no material uncertainly exists.<br><br>The funding and liquidity position was determined a key audit matter due to:<br>• the judgement involved in determining the consolidated entity's forecast cash flows from operations, and<br>• the significant audit effort required to test the appropriateness of the going concern basis and evidence supporting this assumption. | In assessing this key audit matter our work included, but was not limited to, the following procedures:<br>• evaluating the consolidated entity's latest cash flow forecast for a period that is not less than 12 months beyond the date of the financial statements being approved, including challenging the reasonableness of key assumptions used by management of the consolidated entity in their cash flow forecast;<br>• assessing subsequent events for evidence of further fund raising and strategy to support management's position; and<br>• assessing the adequacy of the disclosures made by management in the consolidated financial statements |

## Other Information

The Directors are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Advisory • Audit
Business Solutions



We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Motio Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

26 AUGUST 2022
WEST PERTH,
WESTERN AUSTRALIA

# Shareholders Information

The following additional information was applicable as at 26 July 2022.

There are a total of 246,291,357 ordinary fully paid shares on issue and there are 414 shareholdings with less than marketable a parcel of shares based on a share price of $0.005.

## 1. Distribution Of Share Holders

| Category (size of holding) | No. of Holders | No. of Units |
|---|---|---|
| 1 – 1,000 | 179 | 59,244 |
| 1,001 – 5,000 | 151 | 404,540 |
| 5,001 – 10,000 | 110 | 866,838 |
| 10,001 – 100,000 | 314 | 13,117,693 |
| 100,001 – and over | 202 | 231,843,042 |
| Total | 956 | 246,291,357 |

## 2. Distribution Of MXOA Option Holders ($0.016 As At 27.07.2022)

| Category (size of holding) | No. of Holders | No. of Units |
|---|---|---|
| 1 – 1,000 | 35 | 12,349 |
| 1,001 – 5,000 | 39 | 108,754 |
| 5,001 – 10,000 | 16 | 114,414 |
| 10,001 – 100,000 | 55 | 2,184,178 |
| 100,001 – and over | 43 | 33,738,134 |
| Total | 188 | 36,157,829 |

## 3. Voting Rights

**a. Ordinary Shares**

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

**b. Options & Performance Rights**

There are no voting rights attached to any class of options that are on issue.

**c. 20 Largest Shareholders — Ordinary Shares as at 27 July 2022**

| Position | Holder Name | Ordinary Shares Held | % of Issued Capital |
|---|---|---|---|
| 1 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 40,486,202 | 16.44% |
| 2 | SWIFT MEDIA LIMITED | 20,000,000 | 8.12% |
| 3 | CITICORP NOMINEES PTY LIMITED <DPSL A/C> | 16,987,751 | 6.90% |
| 4 | F H C WILSON PTY LTD <F H C & B H WILSON S/F A/C> | 10,925,401 | 4.44% |
| 5 | SPICERACK PTY LTD <MYZL FAMILY A/C> | 8,562,424 | 3.48% |
| 6 | CAPITAL H MANAGEMENT PTY LTD | 6,494,088 | 2.64% |
| 7 | SAILORS OF SAMUI PTY LTD | 6,300,000 | 2.56% |
| 8 | ADAM CADWALLADER | 5,966,290 | 2.42% |
| 9 | GREGORY JOSEPH WILDISEN | 4,974,959 | 2.02% |
| 10 | MATTHEW JAMES DAVIES | 4,125,000 | 1.67% |
| 11 | PAUL BLEASDALE | 4,012,589 | 1.63% |
| 12 | TOPSFIELD PTY LTD <JB INVESTMENT A/C> | 3,382,102 | 1.37% |
| 13 | JOEL DAVID WEBB | 3,000,000 | 1.22% |
| 14 | BLUEWATER ASSET MANAGEMENT PTY LTD <TEEFISH SUPER FUND A/C> | 2,760,634 | 1.12% |
| 15 | CITICORP NOMINEES PTY LIMITED | 2,403,218 | 0.98% |
| 16 | GROWTH OP HOLDINGS PTY LTD <THE RESOURCES INVESTMENT A/C> | 2,317,524 | 0.94% |
| 17 | GASMAT PTY LTD <CHESSBILL INVEST S/F A/C> | 2,170,819 | 0.88% |
| 18 | LAKE PACIFIC PTY LTD | 2,076,651 | 0.84% |
| 19 | GASMAT PTY LTD <CHESSBILL INVEST S/F A/C> | 2,015,719 | 0.82% |
| 20 | PUNTERO PTY LTD | 2,011,112 | 0.82% |
| | Total | 150,972,483 | 61.30% |
| | Total issued capital - selected security classes of MXO | 246,291,357 | 100.00% |

### d. Substantial Shareholders Ordinary Shares

As at 27 July 2022 the following shareholders held 5% or more of the issued capital of the Company:

| Interest | Class |
|---|---|
| 19.84% | Capital H Management Pty Ltd |
| 6.71% | Swift Media Limited |

e. 20 Largest Option holders as at 27 July 2022

| Position | Holder Name | Options Held | % of Issued Capital |
|---|---|---|---|
| 1 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 11,993,743 | 33.17% |
| 2 | TAYCOL NOMINEES PTY LTD | 4,000,000 | 11.06% |
| 3 | CITICORP NOMINEES PTY LIMITED <DPSL A/C> | 1,470,783 | 4.07% |
| 4 | GROWTH OP HOLDINGS PTY LTD <THE RESOURCES INVESTMENT A/C> | 1,158,762 | 3.20% |
| 5 | BLUEWATER ASSET MANAGEMENT PTY LTD <TEEFISH SUPER FUND A/C> | 1,092,179 | 3.02% |
| 6 | LAKE PACIFIC PTY LTD | 1,038,326 | 2.87% |
| 7 | SPICERACK PTY LTD <MYZL FAMILY A/C> | 966,026 | 2.67% |
| 8 | CAPITAL H MANAGEMENT PTY LTD | 930,348 | 2.57% |
| 9 | NICHOLAS DERMOTT MCDONALD | 851,115 | 2.35% |
| 10 | JOEL DAVID WEBB | 800,000 | 2.21% |
| 11 | PUNTERO PTY LTD | 755,556 | 2.09% |
| 12 | ADAM CADWALLADER | 741,349 | 2.05% |
| 13 | GASMAT PTY LTD <CHESSBILL INVEST S/F A/C> | 702,165 | 1.94% |
| 14 | CAPITAL H MANAGEMENT PTY LTD <CAPITAL H A/C> | 590,006 | 1.63% |
| 15 | MATTHEW LIAM KILNER | 460,000 | 1.27% |
| 16 | JAMES PETER GRUNDY | 400,000 | 1.11% |
| 17 | E-CASH GLOBAL SERVICES PTY LTD | 371,795 | 1.03% |
| 18 | MATTHEW LIAM KILNER | 345,658 | 0.96% |
| 19 | TWENTY TEN ENTERPRISES PTY LTD <TWENTY TEN INVESTMENTS A/C> | 325,000 | 0.90% |
| 20 | PETEFISH PTY LTD | 303,633 | 0.84% |
| | Total | 29,296,444 | 81.02% |
| | Balance of Register | 6,861,385 | 18.98% |
| | Total issued capital MXOA | 36,157,829 | 100.00% |

f. **Unquoted Securities – as at 27 July 2022**

Set out below are the classes of unquoted securities currently on issue.

| Number | Class |
|---|---|
| 11,034,583 | Options exercisable at 4.0¢ on or before 20/12/2022 with 60% of the options vest upon the 60-day VWAP being at least 8¢ and 40% vest upon 60-day VWAP being at least 12¢, expiring 20/12/2022 |
| 4,000,000 | Options exercisable at $0.12 upon the MXO VWAP being at least 15¢, expiring 16/7/2024 |
| 2,400,000 | Options exercisable at $0.12 upon the MXO VWAP being at least 18¢, expiring 16/7/2024 |
| 1,538,461 | Options exercisable at $0.12 upon the MXO VWAP being at least 25¢, expiring 16/7/2024 |
| 3,300,001 | Class B Performance Rights that vest upon the 60-day VWAP being at least 12¢ expiring 20/12/2022 |
| 5,000,000 | Class C Performance Rights that vest upon the 30-day VWAP being at least 15¢ expiring 16/7/2024 |
| 5,000,000 | Class D Performance Rights that vest upon the 30-day VWAP being at least 18¢ expiring 16/7/2024 |
| 6,000,000 | Class E Performance Rights that vest upon the 30-day VWAP being at least 25¢ expiring 16/7/2024 |
| 1,137,500 | Class F Performance Rights (vested) and expiring 30/11/2024 |

### g. Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 27 July 2022 the following classes of unquoted securities had holders with greater than 20% of that class on issue.

| Class/Name | | Number of Securities Held | % Held |
|---|---|---|---|
| **Options exercisable at 4.0¢ each on or before 20 December 2022** | | | |
| 1. | Jason Byrne | 3,645,833 | 33.04% |
| 2. | Justus Wilde | 3,645,833 | 33.04% |
| **Options exercisable at 12.0¢ each upon the MXO VWAP being at least 15¢, expiring 16 July 2024** | | | |
| 1. | Harley Grosser | 4,000,000 | 100.00% |
| **Options exercisable at 12.0¢ each upon the MXO VWAP being at least 18¢, expiring 16 July 2024** | | | |
| 1. | Harley Grosser | 2,400,000 | 100.00% |
| **Options exercisable at 12.0¢ each upon the MXO VWAP being at least 25¢, expiring 16 July 2024** | | | |
| 1. | Harley Grosser | 1,538,461 | 100.00% |
| **Class B Performance Rights expiring 20/12/2022** | | | |
| 1. | Adam Cadwallader | 2,083,334 | 63.13% |
| **Class C Performance Rights expiring 16/7/2024** | | | |
| 1. | Adam Cadwallader | 2,000,000 | 40.00% |
| 2. | JJ Ventures Limited | 1,200,000 | 24.00% |
| 3. | Spicerack Pty Ltd <Myzl Family A/C> | 1,000,000 | 20.00% |
| **Class D Performance Rights expiring 16/7/2024** | | | |
| 1. | Adam Cadwallader | 2,000,000 | 40.00% |
| 2. | JJ Ventures Limited | 1,200,000 | 24.00% |
| 3. | Spicerack Pty Ltd <Myzl Family A/C> | 1,000,000 | 20.00% |
| **Class E Performance Rights expiring 16/7/2024** | | | |
| 1. | Spicerack Pty Ltd <Myzl Family A/C> | 2,000,000 | 33.33% |
| 2. | Adam Cadwallader | 2,000,000 | 33.33% |
| 3. | JJ Ventures Limited | 1,200,000 | 20.00% |
| **Class F Performance Rights expiring 30/11/2024** | | | |
| 1. | Spicerack Pty Ltd <Myzl Family A/C> | 2,000,000 | 24.18% |

**h. Securities Subject to Escrow**

The following securities are subject to escrow:

| Class/Name | Number of Securities | Escrowed Until |
|---|---|---|
| Ordinary Shares | 15,000,000 | 01/10/2022 |

**i. On-market Buy-Back**

Currently there is no on-market buy-back of the Company's securities.

**j. Corporate Governance**

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: https://www.motio.com.au/investor/governance/

**k. Domicile**

Motio Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.

**l. Securities Subject to Escrow**

The following securities are subject to escrow:

| Class/Name | Number of Securities | Escrowed Until |
|---|---|---|
| Ordinary Shares | 15,000,000 | 01/10/2022 |

**m. On-market Buy-Back**

Currently there is no on-market buy-back of the Company's securities.

**n. Corporate Governance**

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: https://www.motio.com.au/investor/governance/

**o. Domicile**

Motio Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.