

## 1. Company Details

Name of entity:	Motio Limited
ABN:	43 147 799 951
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

## 2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	up	45%	to	6,582
Loss from ordinary activities after tax attributable to the owners of Motio Limited	down	51%	to	(1,784)
Loss for the year attributable to the owners of Motio Limited	down	51%	to	(1,784)

### Dividends

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

### Comments:

#### **A significant year for Motio with revenue up 45% and EBITDA up 200%**

This year we have continued our quest to lead digital place-based media and audience experience, growing our revenue and expanding the business. **FY23 has delivered our best revenue results yet at \$6.582M (up 45% YOY) with an EBITDA of \$232,191 (200% increase YOY).** Motio's comprehensive Net loss for FY23 was significantly improved by 51% to (\$1.784M) up from FY22 (\$3.677M).

This year has seen Motio take a next stage on our growth path as we drive revenue further and begin to benefit from the capital investments made in the Health business which has delivered in excess of 50% of our total media revenue this financial year (which is 81% of total revenue.)

Our Software and supply business contributed 19% of total revenue and continues to meet its targets. Our Australian and UK businesses continue to deliver strong SaaS revenue and payments and supply have also performed well. We continue to strengthen the business and with the acquisition of oOh! media's Café and Venue networks being added to the portfolio in March this year, the team at Motio are confident of continued growth in FY24.

Whilst many companies in the media sector are having mixed results, Motio's continued revenue pathway remains strong with our growth trajectory continuing into FY24.

Motio offers brands the opportunity to reach audiences in long dwell time environments with the combination of digital brand communication in conjunction with integrated ideas that are maximising the environments that we operate within.

Our inventory remains strong with significant headroom available to continue our growth on our current assets (including the addition of Café and Venue).

We look forward to presenting our full results in September and sharing our plans for the year ahead at Motio's AGM.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.14	0.94

4. Control gained over entities  
Not Applicable

5. Loss of control over entities  
Not Applicable

6. Details of Associates

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting Period %	Previous Period %	Reporting Period \$'000	Previous Period \$'000
Contact Light Pty Ltd	43%	43%	-	-

7. Audit

This report is based on financial statements which are in the process of being audited.

Signed:



**Adam Cadwallader** | Managing Director

Date: 31 August 2023  
adam@motio.com.au

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

	June 2023 \$	June 2022 \$
Revenue from continuing operations	6,581,912	4,544,736
Other revenues	269,780	210,273
Cost of sales	(1,719,749)	(822,779)
<b>Gross profit</b>	<b>5,131,942</b>	<b>3,932,230</b>
Consulting and advisory fees	(42,930)	(33,545)
Corporate compliance	(61,550)	-
Director's fees and salaries	(405,658)	(384,917)
Finance costs	(153,253)	(12,832)
Insurance expenses	(76,512)	(82,903)
Personnel expense	(2,802,975)	(2,405,357)
Professional fees	(223,643)	(268,292)
Other expenses	(1,043,320)	(977,203)
Impairment expense	(231,257)	(94,588)
Amortisation of intangibles	(625,300)	(1,235,615)
Depreciation	(749,689)	(645,972)
Share based payments – rights and options	(586,063)	(1,513,923)
Share of gain/(loss) in associate	-	(13,628)
Profit/(loss) on disposal of listed investments	-	(12,132)
Revaluation gain/(loss) on listed investments	-	(55,767)
Profit/(loss) on disposal of property, plant and equipment	-	(73,708)
<b>Total expenses</b>	<b>(7,002,150)</b>	<b>(7,810,382)</b>
<b>Profit/(loss) from continuing operations before income tax</b>	<b>(1,870,207)</b>	<b>(3,878,152)</b>
Income tax benefit	86,473	205,310
<b>Net loss for the year</b>	<b>(1,783,734)</b>	<b>(3,672,842)</b>
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	(22,179)	(4,371)
<b>Total comprehensive profit/(loss) for the period</b>	<b>(1,805,913)</b>	<b>(3,677,213)</b>
Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the company:	Cents	Cents
Basic profit/(loss) per share	(0.69)	(1.52)

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## Consolidated Statement of Financial Position

	30 June 2023 \$	30 June 2022 \$
<b>Current Assets</b>		
Cash and cash equivalents	1,408,782	1,839,555
Trade and other receivables	1,534,889	1,357,916
Financial assets at fair value through profit and loss	65,249	17,921
<b>Total Current Assets</b>	<b>3,008,920</b>	<b>3,215,392</b>
<b>Non-Current Assets</b>		
Plant and equipment	1,475,753	1,641,431
Other	44,169	-
Interests in associates	1	25,673
Intangibles	5,387,209	4,028,685
Right of use assets	113,608	227,220
<b>Total Non-Current Assets</b>	<b>7,020,740</b>	<b>5,923,009</b>
<b>Total Assets</b>	<b>10,029,660</b>	<b>9,138,401</b>
<b>Current Liabilities</b>		
Trade and other payables	1,250,089	1,865,503
Financial liabilities	408,812	-
Provisions	184,360	129,435
Operating lease liability	138,320	111,960
<b>Total Current Liabilities</b>	<b>1,981,580</b>	<b>2,106,898</b>
<b>Non-Current Liabilities</b>		
Trade and other payables	152,325	274,913
Financial liabilities	1,960,696	-
Deferred tax liability	191,725	290,275
Provisions	25,000	-
Lease liabilities	-	138,053
<b>Total Non-Current Liabilities</b>	<b>2,329,746</b>	<b>703,241</b>
<b>Total Liabilities</b>	<b>4,311,326</b>	<b>2,810,139</b>
<b>Net Assets</b>	<b>5,718,334</b>	<b>6,328,262</b>
<b>Equity</b>		
Contributed Equity	22,884,857	22,247,591
Reserves	1,410,942	1,013,703
Accumulated Losses	(18,577,465)	(16,933,032)
<b>Total Equity</b>	<b>5,718,334</b>	<b>6,328,262</b>

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## 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 2022	22,247,591	892,021	134,536	(12,852)	(16,933,032)	6,328,262
Loss for the year	-	-	-	-	(1,783,734)	(1,783,734)
Exchange differences on translation of foreign operations	-	-	-	22,179	-	22,179
Total comprehensive loss for the year	-	-	-	22,179	(1,783,734)	(1,761,555)
Conversion of options by Directors	137,500	-	-	-	-	137,500
Issue 9.4M ordinary shares Adline/Play from deferred consideration @ \$0.047	347,800	-	-	-	-	347,800
Issue of shares - Liquid Thinking acquisition	80,254	-	-	-	-	80,254
Options exercised during period	71,712	(71,712)	-	-	-	0
Options lapsed during period	-	(139,301)	-	-	139,301	0
Share-based payment expense	-	586,071	-	-	-	586,071
At 30 June 2023	22,884,857	1,267,079	134,536	9,327	(18,577,465)	5,718,334

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## Statement of Cash Flows

	June 2023	June 2022
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	6,144,059	4,848,172
Payments to suppliers and employees	(6,062,423)	(5,641,405)
Interest received	964	1,069
Income Tax Paid	(1,929)	(29,264)
Receipt of government grants	-	209,204
<b>Net cash inflow/(outflow) from operating activities</b>	<b>80,671</b>	<b>(612,224)</b>
<b>Cash Flows from Investing Activities</b>		
Payments for property, plant & equipment	(283,150)	(1,428,648)
Proceeds from the disposal of property, plant and equipment	-	173,766
Proceeds from conversion of options	137,500	-
Payments for intangibles	(30,461)	(129,754)
Payments for acquisition costs	(100,000)	(314,611)
Cash acquired from Liquid Thinking	-	(370,800)
Proceeds from the disposal of listed investments	-	136,782
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(276,111)</b>	<b>(1,933,265)</b>
<b>Cash Flows from Financing Activities</b>		
Payment for capital raising costs	-	(6,194)
Interest payments	(60,464)	-
Leasing payments	(150,115)	(109,708)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(210,579)</b>	<b>(115,902)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(414,904)</b>	<b>(2,661,391)</b>
Exchange rate adjustments on foreign cash held	(15,869)	-
Cash and cash equivalents at the beginning of the period	1,839,555	4,500,946
<b>Net cash and cash equivalents at the end of the period</b>	<b>1,408,782</b>	<b>1,839,555</b>

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## Segment Information

Management has reviewed the Group's operations and deemed that effective from 1 July 2022 the Group Operations comprise the following business segments, based on the Group's reporting systems:

### Operational segments:

<b>2023</b>	<b>Revenue</b>	<b>Profit/(Loss) before tax</b>	<b>Assets</b>	<b>Liabilities</b>
	\$	\$	\$	\$
Media	5,315,885	(2,205,477)	7,993,970	3,991,681
Non-Media	1,266,027	335,270	2,035,690	319,645
<b>TOTAL</b>	<b>6,581,912</b>	<b>(1,870,207)</b>	<b>10,029,660</b>	<b>4,311,326</b>
<b>2022</b>				
Media	3,821,814	(4,108,366)	6,901,099	1,434,444
Non-Media	722,922	230,214	2,237,302	1,375,695
<b>TOTAL</b>	<b>4,544,736</b>	<b>(3,878,152)</b>	<b>9,138,401</b>	<b>2,810,139</b>

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to a segment on a reasonable basis.

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# 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”). This preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This preliminary financial report comprises the Company and its controlled entities (referred herein as “the Group”).

## 2. Basis Of Preparation

The preliminary final report is presented in Australian dollars and is prepared under the historical cost convention, modified by the revaluation of listed equities and direct unlisted investments (financial assets at fair value through other comprehensive income), private equities (financial assets at fair value through profit or loss), derivatives (financial liabilities at fair value through profit or loss), investment properties and certain classes of property, plant and equipment. Conforming to Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Group's accounting policies. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or future periods if the revision affects both current and future periods.

This report is based on financial statements which are in the process of being audited.

### (a) Use of estimates and judgements

The information about significant areas of estimation, uncertainty and critical judgments used in applying accounting policies that have the most significant effect on the amount recognised in the preliminary financial report are described below:

#### 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 Consolidated 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 trigger exists and the cash generating unit 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/or Same Business Test rules at the time the losses are expected to be utilised. Deferred tax assets are only recognised to the extent that it is probable that future maintainable profits will utilise the carry forward losses.

## Notes

v. 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, or technically obsolete, or assets have been abandoned or sold.

vi. 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.

vii. 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.

viii. Business combinations

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.

ix. 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. 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.

x. Going Concern

The Directors consider the Group has sufficient resources to meet all of its obligations as and when they fall due. As such, the preliminary financial report has 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. Management has considered the Group's liquidity position, any risks to the cash flows and funding, and the Group's outlook. The Group has tested its non-financial assets for impairment, updating the assumptions and cash flow forecasts where relevant. No impairment losses were recognised as at 30 June 2023. The Directors considered financial forecasts, including forecast scenarios for at least 36 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.

## Notes

### 3. Adoption of New and Revised Accounting Standards

The consolidated entity has adopted all 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 adopted early.

### 4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in this preliminary financial report 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") as at 30 June 2023 and the results of its subsidiaries for the year.

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 Consolidated 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.

## Notes

### **(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.

#### 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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

## Notes

### **(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 the 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	15-33%
Leasehold Improvements	20%
Software Intangibles	10 – 33%

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 Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Leasehold improvements are amortised 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.

Trade and other receivables are presented as current assets unless collection is not expected for more than 12 months after the reporting date, therefore presented as non-current assets.

### **(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 goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets in the Consolidated Statement of Financial Position, except for those with maturities greater than 12 months, in which case, they are classified as non-current assets.

Investments in subsidiaries are carried at cost, net of 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.

## Notes

### **(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.

## Notes

### **(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.

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.

## Notes

### **(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) 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 realized 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 realized 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.

### **(q) 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.

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## Notes

### **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.

#### **(r) 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.

#### **(s) 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.

## Notes

### **Customer contracts**

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit.

### **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**

Brand Value acquired in the Liquid Thinking business combination is amortised on a straight-line basis over the period of their expected benefit being 10 years.

### **Non-Compete Agreement**

The Non-Compete Agreement signed in the Liquid Thinking business combination is amortised over the restriction period to the seller of Liquid Thinking, being 3 years.

### **(t) 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.

### **(u) 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.

## Notes

### **(v) 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.

### **(w) 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.

## Notes

### 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-ordinate 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-23 \$	30-Jun-22 \$
<b>Financial assets</b>		
Cash and cash equivalents	1,408,782	1,839,555
Trade and other receivables	1,579,045	1,292,637
Investments	65,249	83,170
	<b>3,053,076</b>	<b>3,215,362</b>
<b>Financial liabilities</b>		
Trade and other payables	2,369,507	-
Lease liabilities	1,402,414	2,140,416
	138,320	250,013
	<b>3,910,241</b>	<b>2,390,429</b>

- (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 \$65,249 (2022: \$17,921). Should the market price of these listed shares change by 10% at the reporting date this would increase/(decrease) portfolio by \$6,525 (2022: \$1,792)

- 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:

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## Notes

	Weighted average interest rate	30-Jun-23 \$	Weighted average interest rate	30-Jun-22 \$
<b>Financial assets</b>				
Cash & cash equivalents	2.72%	1,408,782	0.10%	1,839,555

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			
	Carrying amount \$	-100 bps	+100 bps
<b>30 June 2023 Financial Assets</b>			
Cash & cash equivalents	1,408,782	(14,088)	14,088
<b>30 June 2022 Financial Assets</b>			
Cash & cash equivalents	1,839,555	(18,396)	18,396

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.

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## Notes

### (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 regards to liquidity relates to its ability to maintain its current operations.

<b>Cash at bank</b>	<b>30-Jun-23 \$</b>	<b>30-Jun-22 \$</b>
National Australia Bank	190	36
Westpac	1,022,216	1,332,443
ANZ	163,414	240,013
Commonwealth Bank of Australia	26,212	130,748
Macquarie	-	50
HSBC	196,750	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.

	<b>&lt;6 months \$</b>	<b>6-12 months \$</b>	<b>&gt;12 months \$</b>	<b>Total Contractual Cash Flows \$</b>	<b>Carrying Amount \$</b>
<b>2023</b>					
<b>Financial liabilities</b>					
Trade and other payables	1,250,089	-	152,325	1,402,414	1,402,414
Lease liabilities	69,190	69,190	-	138,320	138,320
<b>2022</b>					
<b>Financial liabilities</b>					
Trade and other payables	1,865,503	-	274,913	2,140,416	2,140,416
Lease liabilities	55,980	55,980	138,053	250,013	250,013

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## Notes

### 6. Property, Plant and Equipment

	<b>30-Jun-23 \$</b>	<b>30-Jun-22 \$</b>
Plant and equipment – at cost	2,984,791	3,717,267
Less: Accumulated depreciation	(1,509,038)	(2,075,836)
<b>Balance at the end of the year</b>	<b>1,475,753</b>	<b>1,641,431</b>

#### Reconciliation

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

	<b>30-Jun-23 \$</b>	<b>30-Jun-22 \$</b>
Balance at the beginning of the year	1,641,431	926,408
Additions	682,675	1,344,955
Acquired via acquisition of Liquid Thinking	-	8,813
Loss on disposal of property, plant and equipment	(107,416)	(94,924)
Depreciation expense	(740,937)	(543,821)
<b>Balance at the end of the year</b>	<b>1,475,753</b>	<b>1,641,431</b>

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## Notes

### 7. Intangibles

	30-Jun-23 \$	30-Jun-22 \$
Contract Rights (a)	4,223,820	3,224,472
Goodwill (b)	2,731,607	2,731,607
Software Intangibles	1,019,069	995,102
Brand Value	26,000	26,000
Non-Compete Agreement	92,000	92,000
Less: Amortisation	(2,705,287)	(3,040,496)
Balance at the end of the year	5,387,209	4,028,685

#### 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-competete Agreement	Total
<b>Consolidated</b>						
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
Additions/(Disposal) (refer note 32)		1,950,712	39,516			1,990,228
Amortisation expense		(456,968)	(141,469)	(2,600)	(30,667)	(631,704)
Balance at 30 June 2023	2,731,607	1,844,565	734,598	22,752	53,687	5,387,209

## Notes

(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.

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 were fully amortised during the 2023 financial year 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 consistent 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 independent 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:

<b>Contract Rights</b>	\$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, brand and software are being amortised on a straight-line basis over 10 years. The non-compete agreement is being amortised over 3 years.

## Notes

### Asset purchase from oOh! media

Motio acquired oOh! media's Café and Venue Digital Place Based Networks on 1 March 2023. The networks comprise of approximately 400 digital displays across Café and Venue (Pub) locations across Australia and operate on the same systems operated currently by Motio.

#### Key terms of the acquisition & financing facility:

Payment of \$2.35 million in consideration for the combined Café and Venue network business assets including associated screens installed at various locations and license agreements with location owners.

Consideration is to be satisfied by a vendor-financing loan from oOh! on the following material terms:

<b>Loan Principal:</b>	\$2,350,000
<b>Term:</b>	Four years
<b>Interest:</b>	Fixed 10.1% pa payable quarterly; Interest only in the first year
<b>Early repayment:</b>	nil penalty; Principal & Interest payments in years two to four; and
<b>Security:</b>	All present and acquired property pursuant to the Agreement.

In addition to the above mentioned property, plant and equipment items acquired, the purchase from oOh! media also acquired intangible assets of contract rights to the value of \$1,950,000.

(b) Goodwill impairment testing

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

	30-Jun-23	30-Jun-22
Motio Health Pty Ltd	2,253,138	2,253,138
Liquid Thinking Ltd	478,469	478,469
	2,731,607	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 by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period. This has been based on management approved cashflow forecasts and reviewed by an independent expert to satisfy management that impairment is not required.

The discount rate of 18% 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.

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.

## Notes

### Liquid Thinking Limited

The goodwill in relation to the purchase of Liquid Thinking Limited was valued by an independent external corporate consultant at \$478,469. The discount rate of 18% 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. This has been based on management approved cashflow forecasts and reviewed by Leadenhall Valuation Services Pty Ltd to satisfy management that impairment is not required.

### 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.

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.

## 8. Trade and Other Payables

	30-Jun-23 \$	30-Jun-22 \$
Trade creditors	399,813	487,262
Accrued expenses	378,594	460,141
GST and PAYG Withholding payable	232,816	238,415
Contingent consideration	177,500	190,102
Consideration payable	-	441,800
Other payables	49,739	47,783
Loan – acquisition Café and Venue	408,812	-
<b>Total Current</b>	<b>1,647,274</b>	<b>1,865,503</b>
<b>Non-Current</b>		
Loan – acquisition Café and Venue	1,960,696	-
Contingent consideration	154,282	274,913
<b>Total Non-Current</b>	<b>2,114,978</b>	<b>274,913</b>

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.

## Notes

### 9. Earnings Per Share

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

The calculation of basic profit/(loss) per share at 30 June 2023 was based on the loss attributable to ordinary shareholders of \$1,783,734 (2022: \$3,672,842) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2023 of 257,399,664 (2022: 241,225,542) calculated as follows:

	30-Jun-23 \$	30-Jun-22 \$
Loss attributable to ordinary shareholders	(1,783,734)	(3,672,842)
Weighted average number of ordinary shares	257,399,664	241,225,542
<b>Basic profit/ (loss) per share (cents per share)</b>	<b>(0.69)</b>	<b>(1.52)</b>

### 10. Share-Based Payments

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

Motio Ltd issued 6,166,667 performance options 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:

<b>Tranche 1:</b>	A 60 day VWAP of \$0.08
<b>Tranche 2:</b>	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:

<b>Dividend Yield</b>	-
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 \$nil (2022: \$11,993). The above performance options lapsed during the year ended 30 June 2023.

## Notes

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

Motio Ltd issued 11,514,583 performance options to three 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:

<b>Tranche 3:</b>	A 60 day VWAP of \$0.08
<b>Tranche 4:</b>	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:

<b>Dividend Yield</b>	-
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 \$nil (2022: \$14,201). The above performance options lapsed during the year ended 30 June 2023.

### (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:

<b>Tranche 1:</b>	A 60 day VWAP of \$0.08.
<b>Tranche 2:</b>	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:

## Notes

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 \$nil (2022 \$17,036). The above performance options lapsed during the year ended 30 June 2023.

### (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:

<b>Tranche 1:</b>	A 30 day VWAP of \$0.12
<b>Tranche 2:</b>	A 30 day VWAP of \$0.15
<b>Tranche 3:</b>	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:

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## Notes

<b>Dividend Yield</b>	-
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 \$441,922 (2022: \$448,090).

**(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:

<b>Tranche 1:</b>	A 30 day VWAP of \$0.12
<b>Tranche 2:</b>	A 30 day VWAP of \$0.15
<b>Tranche 3:</b>	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:

<b>Dividend Yield</b>	-
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 \$145,108 (2022: \$145,507).

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