



Half-year
Financial Report

motio

February 2022



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A Letter From The CEO

Dear Shareholders,

I am very pleased to be able to report on our first six months of operations as a stand-alone Audience Experience & Digital Place Based Media company.

Our business has increased its revenue from our new business ventures by 151% in the first half compared to the same time last year (excluding Cross Track which was discontinued as at June 30, 2021) and remains operationally cash flow positive. Our 4 media revenue streams have continued their growth trajectory with strong month on month growth for the half.

Like other media companies, Motio has experienced difficult operating conditions in varying states of lockdown and certainly our team are to be commended for their unwavering commitment to our growth and continuing our quest to be the leaders in Audience Experience and Digital Place Based Media. Out-Of-Home media in general has been negatively impacted over the past 2 years and whilst this is evident for Motio as well, we have seen the market changing and evolving since late last year and our team remains positive for the year ahead.

Our forward revenue is strong with National, Direct, Local and Programmatic revenue in growth and Payments, Software and Supply returning to normal operating conditions.

The first half has been huge for Motio operationally, including the completion of the Medical Media acquisition. The team has upgraded the network to a stable, reliable and sustainable quality as well as the decommissioning of locations that were no longer commercially viable. This was a large undertaking and delivered on time and under budget.

Kind regards,



Adam Cadwallader
Managing Director & CEO

The Motio team has substantially increased engagement with our commercial partners across the Indoor Sports/Leisure environments including the addition of 4 brand new locations with Basketball NSW and strengthened our commercial partnerships with For Health (formally Healius), Qualitas, Sia Health and many others, testament to our growing Audience Experience strategy.

We have continued our organic network growth with the very exciting win of the IPN Network (part of Sonic Health Care), the largest GP network in Australia. We have begun our rollout with IPN and expect to have the majority of the network installed and operational over the next 3 months. We have already begun preselling this network and expect to see new revenue flowing in July 2022.

We continue to evaluate some high quality opportunities to accelerate our growth and capability in our quest to develop Motio's Audience Experience strategy. Our optimism for the possibilities in 2022 is high and as a Board and Management team, we are focussed on growth.

Our NET cash position is \$3.285M and Motio remains debt free.

On behalf of the Board and team at Motio, I would like to thank shareholders for continuing to support our business.

Corporate Information

Directors & Officers

Justus Wilde ————— Non-Executive Chairman
 Adam Cadwallader ————— Managing Director & CEO
 Jason Byrne ————— Non-Executive Director
 Harley Grosser ————— Non-Executive Director
 Michael Johnstone ————— Chief Operating Officer
 Michelle Malley ————— Chief Financial Officer

Company Secretary

Matthew Foy

Registered Office

Level 15 189-197 Kent Street
 Sydney NSW 2000
 T: +61 (02) 72272277

Bankers

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

Auditors

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

Solicitors

JDK Legal
 Level 5, 1 Castlereagh Street
 Sydney NSW 2000

Securities Exchange

Australian Securities Exchange Limited (ASX)
 Home Exchange – Perth
 ASX Code – MXO, MXOOA

Share Registry

Automic Pty Ltd
 Level 5, 191 St Georges Terrace
 Perth WA 6000
 T: +61 (0) 2 9698 5414
 W: www.automicgroup.com.au

Australian Company Number

ACN 147 799 951

Australian Business Number

ABN 43 147 799 951

Domicile and Country of Incorporation

Australia

Website

www.motio.com.au

Director's Report

Your Directors present their report on the consolidated entity consisting of Motio Limited (MXO or the Company) and the entities it controls at the end of, or during, the half-year ended 31 December 2021 (the Period).

Directors

The Directors of the Company at any time during or since the end of the half-year period are as follows.

Justus Wilde – Non-Executive Chairman
 Adam Cadwallader – Managing Director & CEO
 Jason Byrne – Non-Executive Director
 Harley Grosser – Non-Executive Director

Principal Activity

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 locations, delivering powerful, contextual connections to audiences, underpinned with first party data and location intelligence technology.

Review Of Operations

During the period, the Company announced a 4 year Advertising and Content license agreement (with a further 2 years by mutual agreement) with IPN Medical Centres Pty Ltd. Over the next 6 months, Motio will roll out 150 fully networked, digital displays adding to its ultra, large and community-based Health & Wellbeing environments which deliver engaging content for its audiences, centralised communication for the practices and a high quality, trusted environment for brands to advertise at the right time, place and with relevant intent.

The agreement sees Motio continue to evolve its Digital Place-Based Media and Audience Experience strategy across the Health & Wellbeing sector with IPN further adding to its scale and audience reach. Motio began rolling out across IPN Medical Centre locations across Australia with the first deployment in February 2022 and it is planned to be completed by June 2022.

During the half-year ended 31 December 2021, Motio generated total revenues from continuing operations of \$1,978,630 up 151% on the prior corresponding period (PCP) (1HFY20: \$788,301). This significant revenue uplift reflects our Audience Experience product being embraced by our Health and Play clients. Our cash flows from operating activities for the half were \$144,046. The loss from operations of the consolidated entity for the half year ended 31 December 2021 after providing for income tax was \$2,516,045 (PCP loss of \$28,542). This is the result

of the accounting settlement of various prior period acquisitions and related funding. Additional information on the operations and financial position of the Group and its business strategies and prospects is set out in this directors' report and the interim financial report. Motio's cash balance as at 31 December 2021 was \$3,413,105.

Corporate

Appointment of CFO

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, Ms Malley is a highly regarded professional with an impressive track record in financial management and leadership across a range of companies.

Ms Malley 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.

Ms Malley holds a Bachelor of Business (Accounting) from Griffith University and is a Chartered Accountant.

Annual General Meeting

The Company held a virtual Annual General Meeting on 12 November 2021. All resolutions put to the meeting were carried on a poll.

Lapse of Unvested Securities

On 10 December 2021 the Company advised that 480,000 unvested options exercisable at \$0.04 expiring 20 December 2021 had lapsed following the cessation as an Eligible Participant under the Plan by the holder.

Change of Registered of Office

On 23 July 2021, the Company advised its registered office and principal place of business had changed to:

Level 15, 189 Kent Street
 Sydney NSW 2000
 Tel: +61 2 7227 2277

Change of Share Registry Address

On 20 December 2021 shareholders were advised that the Company's share registry, Automic Group had changed its office location to:

Level 5,
 191 St Georges Terrace
 Perth WA 6000

Subsequent Events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There was no other matter or circumstance that has arisen since 31 December 2021 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.

Significant Changes In State Of Affairs

There were no significant changes in the state of affairs of the Company and its controlled entities during the financial half-year period.

Auditor's Declaration Of Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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



Adam Cadwallader
Managing Director & CEO

24 February 2022

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MOTIO LIMITED

In relation to our review of the financial report of Motio Limited for the half year ended 31 December 2021, 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

24 FEBRUARY 2022
WEST PERTH,
WESTERN AUSTRALIA

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Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss & Other Comprehensive Income

	<i>Note</i>	<i>Dec - 2021</i>	<i>Dec - 2020</i>
		\$	\$
			<i>(Restated)</i>
Revenue from continuing operations	3	1,978,630	788,301
Other revenues	3	210,208	115,841
Cost of sales		<u>(356,212)</u>	<u>(252,450)</u>
Gross profit		1,832,626	651,692
Other expenses		(284,478)	(113,707)
Acquisition related costs		(219,618)	-
Advertising and marketing fees		(13,139)	(4,468)
Amortisation of intangibles	4	(1,118,822)	(161,962)
Consulting and advisory fees		(10,983)	(11,900)
Corporate compliance		(34,146)	(26,903)
Depreciation	4	(383,067)	(103,546)
Directors fees	4	(164,375)	(211,505)
Finance costs		(7,844)	-
Insurance expenses		(44,282)	(36,780)
Impairment of Receivables	4	(180,538)	23,780
Share of gain/(loss) in associate		(6,621)	-
Occupancy expenses		(7,813)	(5,372)
Share based payments – rights and options	8	(756,329)	(56,559)
Personnel expenses	4	(1,144,013)	(722,411)
Professional fees		(114,465)	(92,470)
Profit/(loss) on disposal of listed investments		(12,132)	-
Profit/(loss) on disposal of property, plant and equipment		(20,000)	-
Revaluation gain/(loss) on listed investments		(23,510)	-
Travelling expenses		<u>(4,224)</u>	<u>(1,816)</u>
Profit/(loss) from continuing operations before income tax		(2,717,773)	(873,927)
Income tax benefit		205,310	-
Profit/(loss) from continuing operations after income tax		<u>(2,512,463)</u>	<u>(873,927)</u>
Net profit after tax from discontinued operations	11	(3,582)	845,384
Net Loss for the year		<u>(2,516,045)</u>	<u>(28,542)</u>
Other comprehensive loss for the period, net of tax			
<i>Items that may be reclassified to profit or loss:</i>			
Foreign exchange on translation of foreign subsidiary		-	-
Total comprehensive profit/(loss) for the period		<u>(2,516,045)</u>	<u>(28,542)</u>
<i>Profit/(loss) per share attributable to the ordinary equity holders of the company:</i>		Cents	Cents
Basic and diluted profit/(loss) from continuing operations (cents per share)		(1.04)	(0.52)
Basic and diluted profit/(loss) from discontinued operations (cents per share)		(0.00)	0.50
Basic and diluted profit/(loss) – total (cents per share)		(1.04)	(0.02)

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	31-Dec-2021 \$	30-Jun-2021 \$
Current Assets			
Cash and cash equivalents		3,413,105	4,500,946
Trade and other receivables		655,636	1,473,805
Financial assets at fair value through profit & loss		50,178	222,602
Total Current Assets		4,118,919	6,197,353
Non-Current Assets			
Plant and equipment	5	1,627,458	926,408
Investment in associates		32,681	39,302
Intangibles	6	2,630,165	3,705,873
Right of use assets		284,022	350,163
Total Non-Current Assets		4,574,326	5,021,746
Total Assets		8,693,245	11,219,099
Current Liabilities			
Trade and other payables		1,395,073	1,917,488
Provisions		134,586	114,961
Operating lease liability		112,742	101,072
Total Current Liabilities		1,642,401	2,133,521
Non-Current Liabilities			
Deferred tax liability		-	205,310
Operating lease liability		203,095	266,609
Total Non-Current Liabilities		203,095	471,919
Total Liabilities		1,845,496	2,605,440
Net Assets		6,847,749	8,613,659
Equity			
Contributed equity	7	21,912,573	21,481,005
Reserve		712,585	388,473
Accumulated losses		(15,777,409)	(13,255,819)
Total Equity		6,847,749	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

	<i>Issued Capital</i>	<i>Share- based Payment Reserve</i>	<i>Options Premium Reserve</i>	<i>Foreign Currency Translation Reserve</i>	<i>Accumulated Losses</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$	\$
At 1 July 2021	21,481,005	271,160	134,536	(17,223)	(13,255,819)	8,613,659
Loss for the year	-	-	-	-	(2,516,045)	(2,516,045)
Exchange differences on translation of foreign operations	-	-	-	5,544	(5,544)	-
Total comprehensive loss for the year	-	-	-	5,544	(2,521,589)	(2,516,045)
Transactions with owners in their capacity as owners:						
Conversion of performance rights to Ordinary shares	220,262	(220,262)	-	-	-	-
Share-based payment - performance rights	-	538,829	-	-	-	538,829
Shares issued to employees	217,500	-	-	-	-	217,500
Capital raising costs	(6,194)	-	-	-	-	(6,194)
At 31 December 2021	21,912,573	589,727	134,536	(11,679)	(15,777,409)	6,847,749

	<i>Issued Capital</i>	<i>Share- based Payment Reserve</i>	<i>Options Premium Reserve</i>	<i>Foreign Currency Translation Reserve</i>	<i>Accumulated Losses</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$	\$
At 1 July 2020	16,041,009	44,946	-	(14,081)	(12,885,454)	3,186,420
Loss for the year	-	-	-	-	(28,542)	(28,542)
Exchange differences on translation of foreign operations	-	-	-	(3,414)	3,414	-
Total comprehensive loss for the year	-	-	-	(3,414)	(25,128)	(28,542)
<i>Transactions with owners in their capacity as owners:</i>						
Share capital raising	2,508,309	-	-	-	-	2,508,309
Share-based payment – performance rights and options	-	56,559	-	-	-	56,559
Shares issued in lieu of cash to creditors and employees	28,076	-	-	-	-	28,076
Capital raising costs	(336,589)	-	134,536	-	-	(202,053)
At 31 December 2020	18,240,805	101,505	134,536	(17,495)	(12,910,582)	5,548,769

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Dec-2021 \$	Dec-2020 \$
<i>Cash Flows From Operating Activities</i>		
Receipts from customers	2,553,993	1,704,566
Payments to suppliers and employees	(2,620,155)	(1,470,113)
Refunds to customers	-	(173,767)
Interest received	1,004	642
Receipt of government grants	209,204	117,243
	144,046	178,571
<i>Cash Flows From Investing Activities</i>		
Payments for property, plant & equipment	(1,181,260)	(69,031)
Proceeds from the disposal of property, plant and equipment	173,766	-
Payments for intangibles	(38,841)	(11,000)
Payments for acquisition costs	(272,256)	-
Proceeds from the disposal of listed investments	136,782	-
	(1,181,809)	(80,031)
<i>Cash Flows From Financing Activities</i>		
Proceeds from issue of shares	-	2,508,309
Payment for capital raising costs	(6,194)	(202,052)
Leasing payments	(43,884)	(46,333)
	(50,078)	2,259,925
Net increase/(decrease) in cash and cash equivalents	(1,087,841)	2,358,465
Exchange rate adjustments on foreign cash held	-	-
Cash and cash equivalents at the beginning of the period	4,500,946	1,644,942
	3,413,105	4,003,407

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

Notes To The Consolidated Financial Statements

1. Basis Of Preparation Of Half-year Report

This consolidated interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Motio Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis except for the statement of cash flows and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a interim reporting period. The financial statements were authorised for issue in accordance with a resolution of directors on 24 February 2022.

The principal accounting policies adopted are consistent with those of the previous financial year, except for the policies stated below.

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.

Comparative figures

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

Notes To The Consolidated Financial Statements

2. 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 Group engages in one business in Australia, activity from which it earns revenues, and its results were analyzed as a whole by the CODM. Consequently revenue, profit and net assets for the operating segment and geographical segment are reflected in this financial report.

The information reported to the CODM is on at least a monthly basis.

Intersegment Receivables, Payables And Loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

3. Revenue

The Group derives the following types of revenue:

	<i>Dec-2021</i>	<i>Dec-2020</i>
	\$	\$
Revenue from Continuing Operations		
Media and other sales	1,978,630	788,301
Other Revenue and Other Income		
Interest Income	1,004	641
Government grants	209,204	115,200
	210,208	115,841
Total revenue and other income	2,188,838	904,142

Notes To The Consolidated Financial Statements

4. Expenses

	<i>Dec-2021</i>	<i>Dec-2020</i>
	\$	\$
Amortisation of Intangibles		
Continuing Operations		
Contract rights – Motio Health	1,030,402	161,882
Contract rights – Motio Play	83,602	-
Software	4,818	80
Total - Continuing operations	<u>1,118,822</u>	<u>161,962</u>
Discontinued operations	-	<u>62,235</u>
Directors fees/remuneration		
Directors fees/remuneration	152,917	188,671
Superannuation	11,458	12,257
Other	-	10,577
Total	<u>164,375</u>	<u>211,505</u>
Impairment of receivables		
Impairment of investment in Contact Light	-	(23,780)
Expected credit losses – Media	94,266	-
Expected credit losses – Play	8,352	-
Expected credit losses - Health	77,920	-
Total	<u>180,538</u>	<u>(23,780)</u>
Personnel expenses		
Wages and salaries	969,843	612,130
Superannuation	94,401	55,529
Other	79,769	54,752
Total	<u>1,144,013</u>	<u>722,411</u>

Notes To The Consolidated Financial Statements

Notes to the consolidated financial statements.

4. Expenses (cont.)

Depreciation

	31-Dec-2021	31-Dec-2020
	\$	\$
Site Structures:		
Motio	66,346	54,247
Motio Media	1,664	125
Motio Play	12,508	12,378
Motio Health	219,513	-
Total	300,031	66,750
Office Equipment:		
Motio	17,076	5,931
Motio Play	1,129	1,949
Total	18,205	7,880
Right-of-Use Asset:		
Motio	51,274	20,468
Motio Play	-	5,208
Total	51,274	25,676
Leasehold improvements:		
Motio	13,557	3,240
Total	383,067	103,546

Notes To The Consolidated Financial Statements

5. Plant & Equipment

	31-Dec-2021	30-Jun-2021
	\$	\$
Carrying amount of plant and equipment	1,627,458	926,408
Balance at the beginning of the period	926,408	1,110,827
Additions	1,036,914	461,906
Acquired via acquisition of Medical Channel	-	317,366
Disposals	(53,677)	-
Depreciation expense/reversal of impairment discount operations	(282,187)	(963,691)
Balance at the end of the period	1,627,458	926,408

6. Intangibles

The goodwill arising on acquisition of Motio Health Pty Ltd ('Motio Health') increased by \$130,000, due to a reassessment of adjustments against the net liabilities on acquisition of Motio Health. As the acquisition of Motio Health occurred on 1 April 2021, the goodwill was provisional at 30 June 2021. This was within the provision measurement period and this adjustment to the 30 June 2021 comparative balance is required under AASB 3. The corresponding entry was recognised as a receivable and thus the receivables balance was reduced by \$130,000 against the 30 June 2021 comparative balance. The contract rights arising on the acquisition of Motio Health were fully amortised at 31 December 2021, as the weighted average contract lives of these contract rights were completed during the current period.

The goodwill, and the contract rights arising on acquisition of Motio Play, were reviewed for any indicators of impairment. Based upon this impairment analyses, no impairment was required.

	31-Dec-2021	30-Jun-2021
	\$	\$
Contract rights	3,131,473	3,131,473
Goodwill	2,253,138	2,253,138
Software intangibles	155,219	16,409
Less: Amortisation	(2,909,665)	(1,695,147)
	<u>2,630,165</u>	<u>3,705,873</u>

All revenue was generated in Australia.

Notes To The Consolidated Financial Statements

7. Contributed Equity

(a) Share Capital:

	<i>Dec-21</i> <i>Shares</i>	<i>Jun-21</i> <i>Shares</i>	<i>Dec-21</i> <i>\$</i>	<i>Jun-21</i> <i>\$</i>
Fully paid	242,016,357	234,033,857	21,912,573	21,481,005

(b) Movements In Ordinary Share Capital:

Period ended 31 December 2021

<i>Date</i>	<i>Details</i>	<i>Number of shares</i>	<i>Fair Value</i>	<i>\$</i>
01/07/21	Opening balance	234,033,857		21,481,005
08/09/21	Class A Perf. Rights Conversion <i>(note 8)</i>	4,350,000	0.0272	118,337
08/09/21	Employee Share Issue	2,500,000	0.087	217,500
10/12/21	Class F Perf. Rights Conversion <i>(note 8)</i>	1,132,500	0.09	101,925
	Capital raising fees			(6,194)
31/12/21	Balance at end of period	242,016,357		21,912,573

Year ended 30 June 2021

<i>Date</i>	<i>Details</i>	<i>Number of shares</i>	<i>Fair Value</i>	<i>\$</i>
01/07/2020	Opening balance	137,986,077		16,041,009
27/08/20	Placement	18,846,518	0.039	735,014
05/10/20	Rights entitlement	18,664,740	0.039	727,925
05/10/20	Rights entitlement shortfall	12,701,779	0.039	495,370
13/11/20	Placement	14,102,570	0.039	550,000
13/11/20	Shares issued in lieu of cash to creditors and employees	802,173	0.035	28,076
08/02/21	Shares issued in lieu of cash to employees	330,000	0.09	29,700
01/04/21	Shares issued for Medical Channel Acquisition	20,000,000	0.11	2,200,000
26/06/21	Shares issued for Medical Channel Acquisition	10,000,000	0.1	1,000,000
28/06/21	Conversion of performance shares to ordinary shares	600,000	0.018	10,500
	Capital raising fees			(336,589)
30/06/21	Balance at end of period	234,033,857		21,481,005

Notes To The Consolidated Financial Statements

8. Share-based Payments

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 \$225,884 (2020: \$nil).

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.

Notes To The Consolidated Financial Statements

8. Share-based Payments (cont.)

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 \$73,351 (2020: \$nil).

Performance Rights: Employees

30 November 2021

Motio Ltd issued 2,420,000 performance rights to twenty staff and management on 30 November 2021. Each performance right became exercisable into ordinary shares upon achievement of the performance milestone, specifically, remaining an employee up to an including 1 December 2021. The determined fair value of the performance rights is the share price of the Company on the day of issue, being \$0.09.

The total expense arising from share based payment transactions recognised during the period in relation to the performance rights issued amounts to \$217,800 (2020: \$56,559).

On 10 December 2021, 1,132,500 of these performance rights were exercised resulting in an increase in share capital of \$101,925 (note 7).

Share Issue: Employee

8 September 2021

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 (2020: \$nil).

Notes To The Consolidated Financial Statements

8. Share-based Payments (cont.)

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 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 rights is as follows:

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

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 period in relation to the performance rights issued amounts to \$6,046 (2020: \$16,917). On 8 September 2021, 3,100,000 of these performance rights were exercised resulting in an increase in share capital of \$54,250 (note 7).

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 become exercisable into ordinary shares 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

Notes To The Consolidated Financial Statements

8. Share-based Payments (cont.)

The total expense arising from share based payment transactions recognised during the year in relation to the performance options issued amounts to \$7,159 (2020: \$32,409). On 8 September 2021, 1,250,000 of these performance options were exercised resulting in an increase in share capital of \$64,088 (note 7).

Performance Rights: Employee 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.

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 rights issued amounts to \$8,588 (2020: \$7,233).

Notes To The Consolidated Financial Statements

9. Dividends

No dividends have been declared or paid since the start of the financial period and none are recommended.

10. Guarantees, Contingent Liabilities & Contingent Assets

There are no new commitments that the Company has entered into during the period under review, other than those that existed as at 30 June 2021.

11. Discontinued Operations

During the prior financial year, the Company's cross-track rail contracts expired. The Company did not seek to renew these contracts due to a change of strategy. The loss for the half year ended 31 December 2021 from this discontinued operation was (\$3,582).

Financial Performance Information:

	31-Dec-21	31-Dec-20
	\$	\$
Lease income	-	1,170,923
Other revenues	-	22,714
Cost of sales	(707)	(80,321)
Commission expense	-	-
Gross Profit	<u>(707)</u>	<u>1,113,316</u>
Amortisation of intangibles		-
Consulting and advisory fees		-
Depreciation expense / Reversal of impairment	36,005	(119,867)
Loss on disposal of fixed assets	(53,678)	-
Other expenses	14,798	(166,735)
Profit before income tax expense	<u>(3,582)</u>	<u>826,714</u>
Income tax benefit	-	18,670
Profit after income tax	<u>(3,582)</u>	<u>845,384</u>

Notes To The Consolidated Financial Statements

11. Discontinued Operations (cont.)

Cash Flow Information:

	31-Dec-21	31-Dec-20
	\$	\$
Net cash from operating activities	340,492	99,863
Net cash from investing activities	-	(5,539)
Net increase in cash and cash equivalents from discount. operations	340,492	94,324

Statement Of Financial Position:

	31-Dec-21	30-Jun-21
	\$	\$
Current Assets		
Cash & cash equivalents	749,651	409,159
Trade & other receivables	65,573	442,107
Total Current Assets	815,224	851,266
Non-current assets		
Plant and equipment	4,967	35,637
Total non-current assets	4,967	35,637
Total Assets	820,191	886,903
Current Liabilities		
Trade and other payables	173,739	219,289
Total current liabilities	173,739	219,289
Total Liabilities	173,739	219,289
Net Assets	646,452	667,614

Notes To The Consolidated Financial Statements

12. Events Occurring After The Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 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.

Director's Declaration

In the directors' opinion:

- (a)** The financial statements and notes set out on pages 9 to 25 are in accordance with the Corporations Act 2001, including:
- (i) Complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and...
 - (ii) ...giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- (b)** There are reasonable grounds to believe that Motio Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors



Adam Cadwallader
Managing Director and CEO

Sydney, New South Wales.

24 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MOTIO LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Motio Limited (the "Company") and controlled entities (the "consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company and the entities it controlled at 31 December 2021, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Motio Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

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

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Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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



PKF PERTH



SHANE CROSS
PARTNER

24 FEBRUARY 2022
WEST PERTH,
WESTERN AUSTRALIA