

# motio

## A letter to our shareholders.

• EBITDA	\$ 1,491,276
• Net profit/(loss) before tax	(\$ 372K)
• Cross Track revenue (discontinued operations)	\$2,888,955
• Motio Revenue	\$3,002,591

On behalf of the Board of Directors, we are pleased to present our FY2020/21 financial results for Motio.

Motio's EBITDA plus extraordinary items (share based payments and project evaluation fees) is \$1.806M and the cash and cash equivalents as at 30 June, 2021 totalled \$4,500,946 (2020: 1,644,942).

The Net asset position as at 30 June 2021 was \$8,406,641 (2020: \$3,264,743).

### The business has been transformed and we are very proud of where Motio stands today.

From the beginning, Motio has been clear about the future and our vision is: **To be the global leaders in Digital Place Based Media and Customer Location Intelligence.** We don't need to be the biggest. Motio needs to be the company others follow in this sector and commercial locations turn to for enhanced customer experience.

The Motio team has risen to the challenge of achieving publicly stated objectives over the past 12 months and despite challenging market conditions, we have worked together to find new and different ways to operate within a year that can truly be described as disruptive.

Internally, the team refer to FY20/21 as **year zero**. Despite the current market conditions, we are genuinely excited about our purpose, growth and breaking new ground as we fuse together Media with real, credible, and sustainable utility to benefit the Motio audience, customers and commercial partners.

As a team, we are ready for growth in all aspects of our business. We are laser focussed on our objectives and feel energised about Motio's achievements. The past year has shown all of us what we are capable of delivering, even with the wind in our face.

### A Transformative year

This past year, we have focussed on building our business beyond cross track:

- **Acquired Medical Media (Swift's Health & Wellbeing Company)** on April 1<sup>st</sup> 2021 to dramatically expand our Place Based networks where we can win and make change to a sector that has been unloved and undervalued.
- **Completed capital raise & Company name change to Motio Limited** in readiness to take advantage of opportunities to develop our business acquisitively and organically.
- **Establishment of Motio Media** and the building of our National, Direct and Local sales teams, as experts in Place Based Media.
- **Connection with programmatic marketplaces** to enable brands to buy our media through digital, automated and connected platforms.
- **Launch of our Advance payments business** to build, leverage and enhance our relationships with our Indoor Sporting community by assisting to transform their payment gateways
- **Retired Cross Track Assets.** A major milestone and goal achievement to exit the Cross Track business in readiness for the next stage of Motio which has now been established.

**We are clear about the future and continue to build our business to be the global standard for Digital Place Based and Customer Location Intelligence.**

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## Cross Track

We are pleased to report that we have concluded our Cross Track operations. The partnership mentality shown by our suppliers and commercial partners has enabled the finalisation and transition, free of 'make good' and disposal requirements for Motio including transferring the rights and obligations to JC Decaux for the remaining 12 months on the Queensland Rail contract.

This has been a key milestone and objective **achieved ahead of time** and with favourable conditions to Motio in all aspects of the retirement of the Cross Track assets.

## What is Place Based media?

'Place Based' is part of Out-Of-Home media. Unlike other Out-Of-Home media, assets are placed within long dwell time environments where people are waiting or congregating in front of the displays (in the screen zone) for more than a glance. Consider times when you are waiting to see your Doctor, which our location data tells us is around 29 minutes versus a billboard which can be measured in seconds. It delivers niche audiences at scale, effectively and efficiently.

## The rise of Motio Health

Motio entered the Health Media sector opportunistically last year with the acquisition of oOh!'s Health digital screen network across the Healius Mega Medical centre group and more recently acquiring Swift's Health & Wellbeing business, Medical Media Pty Ltd. These successful acquisitions have enabled Motio to expand its footprint rapidly and significantly within Health, revealing strong growth opportunities beyond our initial analysis in the areas of technology integration, content, and our ability to increase communication possibilities.

In a similar vein to our Indoor sport and leisure locations, Medical Centre operators need to communicate to their patients. This is often a simple solution, advising digitally how long they will be waiting to see their doctor or even to remind patients to wash their hands. The operators of these locations want to be able to do this seamlessly and Motio is making this possible.

We know that customers (or patients in this case) in these locations that Motio is privileged to operate within are looking for relevant direction, information, and engagement, beyond their phone. These people want to be communicated to with information that is relevant to their location, culture and language.

Brands also want to be where people are and be relevant in communication. These brands want to ensure they make sense to the people that are engaging with Motio's displays. Motio's 1<sup>st</sup> party data underpins this with precision.

Importantly, the people who run the businesses, our commercial partners, where our displays are located, want to be able to effectively communicate to their customers but are not experts in digital displays or how to communicate effectively. Motio is making these moments possible with great care, science and challenging how people interact with digital signage. This is very important to us and we work every day at being better at it.

We believe that screens on a wall need to be more than just ads (though, they are very important). The team at Motio believe that communication for all stakeholders is central to our existence.

There is a new and emerging growth space for Motio in the health sector. Motio links these critical parts of the communication chain together with data, technology and content that engages specifically to the environment and the audience.

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## **Motio Media a year on.**

On July 1<sup>st</sup> last year post the acquisition of Adline Media, oOh! Media's Health network and the announcement of our representation of Ampol's digital screen network, we launched our new sales group, Motio Media.

Motio Media was a key piece in our growth strategy with the key goal to replace the Cross Track Revenue in its first year of operations, which we can report has been successful.

Motio Media has begun to mature in the media marketplace and we have been well supported by media agencies and brands in our start-up phase.

## **Motio has 4 distinct sales streams.**

1. **National Sales** revenue sold through Media Agencies Australia Wide to Major Brands on a campaign basis.
2. **Direct Sales** revenue derived from specialised brands looking to reach niche audiences or have geographically specific objectives.
3. **Local Sales** works with small business on a hyper local basis with contracts spanning 6-18 months that are location specific.
4. **Programmatic platform sales** provides revenue to Motio through automated trading desks using software based systems and operated by major agency groups. The campaigns are focussed on audience based delivery and usually form part of a larger campaign buy.

The current market is challenging and there is no doubt that short term, this will continue. We have grown and built our media business within this time, and we know that the future is getting brighter by the day.

Our team are delivering great outcomes to our customers and Motio is being rewarded with repeat custom by major brands as well as new business.

## **Acquisitive & Organic growth**

Motio is ready to grow, through acquisition and organically. The Medical Media acquisition has allowed us to forge our capability and continue our organic growth in this sector, but there is more opportunity afoot.

As a team we have evaluated numerous opportunities in the past 12 months. Our evaluation capability is methodical, systematic and is driven by the a "can Motio win in this sector" mentality.

Great people, inventory, data and adaptable technology are our core drivers when considering both acquisitive and organic based growth. Other areas that are mandatory drivers are:

- If it's not media, how does it support the media core?
- Does it enhance or advance our commercial/property relationships?
- Can it deliver customer led outcomes or utility that its "hard to live without" (as a commercial partner, you would be happy to pay for it)

Areas such as software, payments, data and utility-based content are areas beyond media that Motio continues to assess in our thirst for growth.

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## Our goals for FY22

Earlier this year, we laid out our key goals for FY22. Certainly Covid\_19 and the current lockdowns have provided us a moment of pause and consideration. Motio considers these goals very important.

We accept that these goals are subject to uncertainty around possible lockdown extensions and the current operating environment however we remain committed to striving for their achievement.

1. **Double the revenue** of the Cross Track business (in a normal year would be ~\$2.9M) entirely from our new business ventures.
2. **Target organic and acquisitive growth** by pursuing opportunities that are accretive to our business (we want to maximise the opportunity that being a listed company creates).
3. **Drive 5% of our national agency revenue programmatically** through automated channels.
4. **Be a key customer experience partner** to our commercial place-based partners by making Motio an invaluable part of their customers' experience (we want to be recognised publicly for this).
5. **Lift our payments platform profile** to achieve a six figure, **net** outcome for the business.

## Our business

Last year we said we were re-set for growth and thanks to the team at Motio, we have achieved this milestone successfully. We continue to develop our true and realistic foundation including quality management systems and processes, delivered with integrity.

Our culture is hardworking, caring and steeped in partnership with our team, customers and suppliers.

We have grown, as we stated we would and this year is another opportunity to proudly deliver for our shareholders. We continue our relentless pursuit of growth and being the very best we can be.

On behalf of the Board and our team we look forward to delivering on "what we say we will do" this year and continue to build and grow the Motio business.

Thank you for your continued support of Motio, and as always, please feel free to call either myself or Michael if you would like to talk about aspects of the business.

Kind regards,



**Adam Cadwallader** | CEO  
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**August 31, 2021**

**Motio Limited**  
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## Motio Ltd

ABN 43 147 799 951

### Appendix 4E

Preliminary Final Report

Results for announcement to the market  
 for the year ended 30 June 2021

				<b>30 June 2021</b>
				<b>\$A</b>
Revenue from continuing operations	Up	8%	to	3,002,591
Profit/(Loss) after tax attributable to members	Down	145%	to	(373,507)
Profit/(Loss) for the period attributable to members	Down	145%	to	(373,507)

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>Cents</b>	<b>Cents</b>
<b>Net Tangible Assets per security</b>	2.14	1.57

<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend.	No dividends are proposed	

*Control gained over entities having material effect*

Name of entity (or group of entities)	Medical Channel Pty Ltd
Date from which such profit has been calculated	01/04/2021
Contribution to the reporting entity's result	\$364,431

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## Explanation of results

The key highlights for FY2021 are as follows:

- Operating revenues from **continuing operations** of \$3.003 million for the financial year
- Revenue of \$2.885 million derived from the cross track business which is a discontinued business operation during the year
- The prior year comparative revenue figure included \$2.334m cross track revenue in the total revenue figure of \$2.771m
- Revenue from media advertising operations has grown from \$0.437m in 2020 to \$3.002m in 2021, representing an increase of 586% year on year.

## Acquisition of Medical Channel Pty Ltd

The Company continued to invest in expanding the scale of its networks. On 31 March 2021 Motio advised it had entered into a binding agreement to acquire Medical Channel Pty Ltd from Swift Media Limited (ASX:SW1 or Swift) (**Acquisition**). The Acquisition paved the way to transform Motio's Health network, increasing its existing footprint by over five times, significantly expanding its audience reach capabilities.

## Capital raise in 2020

On 19 August 2020 the Company announced a capital raise of approximately \$2.3 million (before costs) by way of a two-tranche placement to raise approximately \$1 million together with a fully underwritten non-renounceable entitlement offer to raise approximately \$1.22 million. The Entitlement Offer closed on 25 September 2020 having been well supported by eligible shareholders in Australia and New Zealand.

Funds raised from the Entitlement Offer were used to take advantage of opportunities emerging from the COVID-19 pandemic, to expand the Company's product offerings including the doubling of screens within the Motio Health channel, accelerating the growth of Motio Media's sales team and accelerating marketing initiatives.

## Summary

The Group reported a net loss attributable to members for the period of \$373,507 compared to a net loss of \$152,600 in the prior year.

- Cash and cash equivalents as at 30 June 2021 totalled \$4,500,946 (2020: \$1,644,942).
- The net asset position as at 30 June 2020 was \$8,613,659 (2020: \$3,186,420).
- The net loss after tax for the year attributable to the members of the Group was \$373,507 (2020: \$152,600).

## Dividend

The Directors recommend that no dividend be paid. No dividends have been paid or declared during the year.

## Status of Audit

The report is based on financial accounts that are in the process of being audited.

There are likely no disputes or qualifications to the accounts.



Adam Cadwallader  
**Managing Director**

**MOTIO LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30-Jun-21 \$	30-Jun-20 \$ (Restated)
Revenue from continuing operations	7	2,881,079	229,448
Other revenues	7	121,512	208,042
Cost of sales		(695,857)	(125,947)
Commission expense		-	-
<b>Gross profit</b>		<b>2,306,734</b>	<b>311,543</b>
Amortisation of intangibles		(824,854)	-
Consulting and advisory fees		(39,493)	(22,680)
Depreciation expense		(388,897)	(67,108)
Personnel expenses	8	(2,140,209)	(881,762)
Finance costs	8	(15,843)	(4,661)
Occupancy expenses		(19,752)	(1,383)
Professional fees		(235,107)	(137,768)
Share based payments – rights and options	28	(236,712)	(44,946)
Travelling expenses		(6,418)	(43,567)
Share of gain/(loss) in associate		19,331	(18,841)
Other expenses		(541,672)	(86,807)
<b>Loss from continuing operations before income tax</b>		<b>(2,122,892)</b>	<b>(997,980)</b>
Income tax benefit	9	115,858	-
<b>Loss from continuing operations after income tax</b>		<b>(2,007,034)</b>	<b>(997,980)</b>
Net profit after tax from discontinued operations	30	1,633,527	845,380
<b>Net Loss for the year</b>		<b>(373,507)</b>	<b>(152,600)</b>
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(3,142)	(9,169)
<b>Total comprehensive loss for the year</b>		<b>(376,649)</b>	<b>(161,769)</b>
<b>Loss for the year is attributable to:</b>			
Owners of the company		(373,507)	(152,600)
Non-controlling interests		-	-
		<b>(373,507)</b>	<b>(152,600)</b>
		<b>Cents</b>	<b>Cents</b>
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted profit/(loss) per share	27	(0.20)	(0.11)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Refer to Note 5 for detailed information on Restatement of comparatives

**MOTIO LIMITED**  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30-Jun-21 \$	30-Jun-20 \$ (Restated)	30-Jun-19 \$ (Restated)
<b>Current Assets</b>				
Cash & cash equivalents	10	4,500,946	1,644,942	2,206,527
Trade & other receivables	11	1,603,805	290,696	123,853
Financial assets at fair value through profit and loss	12	222,602	-	-
<b>Total Current Assets</b>		<b>6,327,353</b>	<b>1,935,638</b>	<b>2,330,380</b>
<b>Non-Current Assets</b>				
Property, plant & equipment	13	926,408	1,110,827	1,014,916
Interests in associates	21	39,302	19,971	38,812
Intangibles	14	3,575,873	778,818	248,935
Right of use assets	15	350,163	313,151	-
<b>Total Non-Current Assets</b>		<b>4,891,746</b>	<b>2,222,767</b>	<b>1,302,663</b>
<b>TOTAL ASSETS</b>		<b>11,219,099</b>	<b>4,158,405</b>	<b>3,663,043</b>
<b>Current Liabilities</b>				
Trade & other payables	16	1,917,488	587,798	414,284
Provisions	17	114,961	33,179	-
Operating lease liability		101,072	118,711	-
<b>Total Current Liabilities</b>		<b>2,133,521</b>	<b>739,688</b>	<b>414,284</b>
<b>Non-Current Liabilities</b>				
Deferred tax liability		205,310	37,345	74,685
Operating lease liability		266,609	194,952	-
<b>Total Non-Current Liabilities</b>		<b>471,919</b>	<b>232,297</b>	<b>74,685</b>
<b>TOTAL LIABILITIES</b>		<b>2,605,440</b>	<b>971,985</b>	<b>488,969</b>
<b>NET ASSETS</b>		<b>8,613,659</b>	<b>3,186,420</b>	<b>3,144,074</b>
<b>EQUITY</b>				
Contributed equity	18	21,481,005	16,041,009	15,891,009
Reserves	19	388,473	30,865	207,862
Accumulated losses	20	(13,255,819)	(12,885,454)	(12,954,797)
<b>TOTAL EQUITY</b>		<b>8,613,659</b>	<b>3,186,420</b>	<b>3,144,074</b>

The above consolidated statement of financial position is to be read in conjunction with the notes to the financial statements. Refer to Note 5 for detailed information on Restatement of comparatives



**MOTIO LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2021**

	<b>Issued Capital \$</b>	<b>Share- based Payment Reserve \$</b>	<b>Options Premium Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>At 1 July 2020 (Restated)</b>	<b>16,041,009</b>	<b>44,946</b>	-	<b>(14,081)</b>	<b>(12,885,454)</b>	<b>3,186,420</b>
Loss for the year	-	-	-	-	(373,507)	(373,507)
Exchange differences on translation of foreign operations	-	-	-	(3,142)	3,142	-
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(3,142)</b>	<b>(13,255,819)</b>	<b>2,890,966</b>
<b>Transactions with owners in their capacity as owners:</b>						
Share capital raising	2,508,309	-	-	-	-	2,508,309
Issue of shares for business acquisition – Medical Channel	3,200,000	-	-	-	-	3,200,000
Share-based payment – performance rights and options	-	236,714	-	-	-	236,714
Conversion of performance rights to ordinary shares	10,500	(10,500)	-	-	-	-
Shares issued in lieu of cash to creditors and employees	57,776	-	-	-	-	57,776
Capital raising costs	(336,589)	-	134,536	-	-	(202,053)
<b>At 30 June 2021</b>	<b>21,481,005</b>	<b>271,160</b>	<b>134,536</b>	<b>(17,223)</b>	<b>(13,255,819)</b>	<b>8,613,659</b>
	<b>Issued Capital \$</b>	<b>Share- based Payment Reserve \$</b>	<b>Options Premium Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>At 1 July 2019 (Restated)</b>	<b>15,891,009</b>	-	<b>212,774</b>	<b>(4,912)</b>	<b>(12,954,797)</b>	<b>3,144,074</b>
Loss for the year	-	-	-	-	(152,600)	(152,600)
Exchange differences on translation of foreign operations	-	-	-	(9,169)	9,169	-
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(9,169)</b>	<b>(13,098,228)</b>	<b>2,991,474</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of shares for business acquisition – Adline Media	150,000	-	-	-	-	150,000
Reversal of options premium reserve – options expired	-	-	(212,774)	-	212,774	-
Share-based payment – performance rights and options	-	44,946	-	-	-	44,946
<b>At 30 June 2020 (Restated)</b>	<b>16,041,009</b>	<b>44,946</b>	-	<b>(14,081)</b>	<b>(12,885,454)</b>	<b>3,186,420</b>

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

**MOTIO LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	30-Jun-21 \$	30-Jun-20 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		5,063,835	2,629,459
Payment to suppliers and employees		(4,556,859)	(2,455,387)
Interest received		1,480	1,881
Income taxes paid		-	(9,011)
Government grants		157,000	89,643
<b>Net cash inflow/(outflow) from operating activities</b>	26	<b>665,456</b>	<b>256,585</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(462,106)	(462,010)
Payment for intangibles		(17,406)	-
Payments to acquire listed investments		(217,770)	-
Payment to acquire business net of cash acquired	31	45,534	(389,094)
Proceeds from the disposal of property, plant and equipment		-	20,000
Cash acquired - subsidiary		657,744	-
<b>Net cash inflow from investing activities</b>		<b>5,996</b>	<b>(831,104)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital raising		2,508,309	-
Leasing payments		(121,705)	(17,435)
Payments for capital raising costs		(202,052)	-
<b>Net cash inflow from financing activities</b>		<b>2,184,552</b>	<b>(17,435)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,856,004</b>	<b>(591,954)</b>
Cash and cash equivalents at beginning of year		1,644,942	2,206,527
Effects of exchange rate changes		-	30,369
<b>Cash and cash equivalents at end of year</b>		<b>4,500,946</b>	<b>1,644,942</b>

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

## 1. REPORTING ENTITY

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

The consolidated financial statements of the Company and its subsidiaries are for the year ended 30 June 2021.

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

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

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

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

### (b) Basis of measurement

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

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgments

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

**2. BASIS OF PREPARATION** (continued)

**(d) Use of estimates and judgments** (continued)

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

- (i) Note 28 – Share-based payment arrangements – In relation to performance shares, the Group measures the cost of equity settled share-based payments at fair value at the grant date. The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income considers management’s assessment of the associated performance milestones being achieved.
- (ii) Estimated impairment of non-current assets other than goodwill and 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 exist 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 amortization and impairment losses.
- (iv) Deferred tax assets – The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets. The utilisation of tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are expected to be utilised. Deferred tax assets are only recognized to the extent that its probable that future maintainable profits will utilise the carry forward losses.
- (v) *Coronavirus (COVID-19) pandemic*  
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. As has been addressed in specific notes, the Company’s operating and financial performance have been affected, including to its cross-track digital business where relief measures have been agreed between MOTIO and its partners, which include a reduction in minimum guarantees and subsequent relief of rentals imposed on the Company. There are uncertainties that exist with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic. Revenue from a minimum guarantee from a large client was reduced for part of the year due to COVID-19.

**2. BASIS OF PREPARATION** (continued)

**(d) Use of estimates and judgments** (continued)

(vi) *Estimation of useful lives of assets*

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

(vii) *Lease term*

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

(viii) *Incremental borrowing rate*

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

(ix) *Business combinations*

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

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

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

### 3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Principles of consolidation

##### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of Lunalite International Pty Ltd (the "Company" or "Parent Entity") as at 30 June 2021 and the results of its subsidiaries for the year. Lunalite International Pty Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

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

##### (ii) Transactions eliminated on consolidation

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

##### (iii) Goodwill

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period approved by management. This has been based upon management approved cashflow forecasts, which includes a pre-tax discount rate of 10%.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:

- 8.5% pre-tax discount rate;
- 16% per annum projected revenue growth rate;
- 15% per annum increase in operating costs and overheads.

The discount rate of 10% 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.

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Management believes the projected 16% revenue growth rate and 15% increase in operating costs and overheads is prudent and justified, based on the following:

- Sports centres across Australia have opened subsequent to the year-end after a three month shutdown of these centres in response to the COVID-19 pandemic.
- Synergies will be created within the MOTIO group after new businesses were generated during the financial year, and after the financial year, resulting in employment cost efficiencies.

**(b) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

**(c) Foreign currency translation**

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

**(d) Financial instruments**

*(i) Non-derivative financial assets*

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

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

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

***Loans and receivables***

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

Loans and receivables comprise trade and other receivables.

***Cash and cash equivalents***

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

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(d) Financial instruments** (continued)

*(ii) Non-derivative financial liabilities*

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

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

*(iii) Impairment of financial assets*

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

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

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

All impairment losses are recognised in the profit or loss.

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

**(e) Property, plant and equipment**

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

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

Office equipment	15-40%
Screens	15-30%
Leasehold Improvements	12%

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

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



**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(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 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

**(g) Other financial assets**

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

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

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

**(h) Intangible assets (contract rights)**

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

**(i) Trade and other payables**

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

**(j) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(k) Employee Benefits**

*(i) Share-based payment transactions*

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(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

Lease income from operating leases is recognised as income over the lease term and on a variable basis, being the fair value of consideration received or receivable from APN Outdoor. Lease income of MOTIO is not fixed.

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

**(m) Earnings per share**

*(i) Basic earnings per share*

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

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)

*(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.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Goods and Services Tax**

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

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

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

**(p) Government Grants**

Government grants of \$132,000 are included in the "Other Income" line item in the Statement of Profit or Loss and Other Comprehensive Income. These grants are recognised when a right to receive payment has been established following the successful lodgment of a claim.

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

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

An asset is classified as current when: it is either expected to be 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.

**(r) Current and Non-Current Classification (continued)**

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.

**(s) 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.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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.

**(t) Investments and Other Financial Assets (continued)**

*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 or 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.

**(u) 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.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(v) Intangible assets**

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

*Goodwill*

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

*Customer contracts*

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

*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.

**(w) 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.

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(x) 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.

**(y) 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.

**(z) 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.

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(z) Business combinations** (continued)

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.

**(aa) New standards and interpretation not yet adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.



5. RESTATEMENT OF COMPARATIVES

A revenue clawback from cross-track leasing income has been recognised in the comparative two years. This reclassification has resulted in a decrease in profit in 2020 of \$117,896 (2019: \$55,871) and a corresponding increase in trade and other payables.

Impairment expense in relation to property, plant and equipment was previously overclaimed and an adjustment has been recognised in the comparative two years. This reclassification has resulted in an increase in gross profit of \$37,501 (2019: \$58,212) and a corresponding increase in property, plant and equipment.

The company was able to finalise its assessment of the excess consideration of \$654,353 obtained upon the acquisition of Adline Media Pty Ltd in January 2020 which was provisionally recognised as Goodwill as at 30 June 2020. This balance is related to future revenue in various software licence contracts provided to the various sport centres of varying contract periods. This reclassification within the statement of financial position as at 30 June 2020 has resulted in a decrease in Goodwill and corresponding increase in Intangibles of \$654,353.

*Statement of profit or loss and other comprehensive income*

	2020 \$ Reported	\$ Adjustment	2020 \$ Restated
<b>Extract</b>			
<b>Revenue</b>			
Revenue from continuing operations	2,241,161	(117,896)	2,123,265
<b>Gross profit</b>	<b>2,241,161</b>	<b>(117,896)</b>	<b>2,123,265</b>
<b>Expenses</b>			
Other expenses	(411,274)	37,501	(373,773)
<b>Loss before income tax expense from continuing operations</b>	<b>(109,545)</b>	<b>(99,248)</b>	<b>(189,940)</b>
Income tax expense	37,340	-	37,340
Loss from continuing operations after income tax	<b>(72,205)</b>	<b>(99,248)</b>	<b>(152,600)</b>
Loss for the year is attributable to:			
Owners of the company	(72,205)	(99,248)	(152,600)
Non-controlling interests	-	-	-
<b>Owners of Motio Ltd</b>	<b>(72,205)</b>	<b>(99,248)</b>	<b>(152,600)</b>
Profit per share from continuing operations attributable to the ordinary equity holders of the company:			
Basic and dilutes loss per share	(0.05)	(0.06)	(0.11)

5. RESTATEMENT OF COMPARATIVES (continued)

Statement of financial position at the beginning of the earliest comparative period

	1 July 2019 \$ Reported	\$ Adjustment	1 July 2019 \$ Restated
<b>Extract</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	956,702	58,214	1,014,916
<b>Total non-current assets</b>	<u>1,244,450</u>	58,214	<b>1,302,663</b>
<b>Total Assets</b>	<u>3,574,830</u>	58,214	<b>3,633,043</b>
<b>Current Liabilities</b>			
Trade and other payables	358,413	55,871	414,284
<b>Total current liabilities</b>	<u>358,413</u>	55,871	414,284
<b>Total Liabilities</b>	<u>433,098</u>	55,871	<b>488,969</b>
<b>Net Assets</b>	<u>3,141,732</u>	2,342	3,144,074
<b>Equity</b>			
Accumulated losses	(12,957,139)	2,342	(12,954,797)
<b>Total equity</b>	<u>3,141,732</u>	2,342	<b>3,144,074</b>

5. RESTATEMENT OF COMPARATIVES (continued)

Statement of financial position at the end of the earliest comparative period

	30 June 2020 \$ Reported	\$ Adjustment	30 June 2020 \$ Restated
<b>Extract</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	1,015,113	95,714	1,110,827
Intangibles	124,466	654,352	778,818
Goodwill	654,352	(654,352)	-
<b>Total non-current assets</b>	<u>2,127,053</u>	95,714	<b>2,222,767</b>
<b>Total Assets</b>	<u>4,062,691</u>	95,714	<b>4,158,405</b>
<b>Current Liabilities</b>			
Trade and other payables	414,031	173,767	587,798
<b>Total current liabilities</b>	<u>565,921</u>	173,767	<b>739,688</b>
<b>Total Liabilities</b>	<u>798,218</u>	173,767	<b>971,985</b>
<b>Net Assets</b>	3,264,473	(78,053)	<b>3,186,420</b>
<b>Equity</b>			
Accumulated losses	(12,807,401)	(78,053)	(12,885,454)
<b>Total equity</b>	<u>3,264,473</u>	(78,053)	<b>3,186,420</b>

## 6. SEGMENT INFORMATION

### *Identification of reportable operating segments*

Management reviewed the group's operations and deemed that effective from 1 July 2020, the group operations have been consolidated into a single business segment. The comparative figures have been restated and consolidated into a single business segment.

### *Prior year*

In the prior year, the group was organised into two operating segments: cross-track digital system installation and maintenance (XTD), and media sales (Media Advertising). These operating segments were based on the internal reports that were reviewed and used by the Board of Directors of each entity (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. 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 annual 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.

### *Major customer*

During the year ended 30 June 2021, \$2,681,557 (2020: \$2,324,558) of the Group's revenue was derived from sales to a major Australian Out-Of-Home advertising firm from lease of the Group's digital advertising assets in Melbourne and Brisbane. This operating segment ceased on 30 June 2021, see note 30.

## 7. REVENUE

The Group derives the following types of revenue:

	30-Jun-21 \$	30-Jun-20 \$ Restated
<b>Revenue from Continuing Operations</b>		
Rental income	-	2,324,558
Media and other sales	2,881,079	347,344
<b>Other Revenue and Other Income</b>		
Interest income	1,480	1,881
Miscellaneous Income	-	27,000
Other	4,832	-
Government grants	115,200	188,172
	<u>121,512</u>	<u>229,053</u>
<b>Total revenue and other income from continuing operations</b>	<b><u>3,002,591</u></b>	<b><u>2,888,955</u></b>

SHAREHOLDER INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2021

8. EXPENSES

Loss for the year includes the following specific expenses:

	30-Jun-21	30-Jun-20
	\$	\$
<b>Personnel expenses</b>		
Wages and salaries (including provisions)	1,809,169	643,233
Superannuation	159,040	54,962
Payroll Tax Expense	38,079	-
Directors fees	104,221	183,567
Employee benefits expense	29,700	-
	<b>2,140,209</b>	<b>881,762</b>
<b>Depreciation expenses</b>		
Property, plant and equipment	299,770	398,550
Buildings right-of-use assets	89,127	28,198
	<b>388,897</b>	<b>426,748</b>
<b>Finance costs</b>		
Interest and finance charges paid/payable on lease liabilities	15,843	4,661
	<b>15,843</b>	<b>4,661</b>

9. INCOME TAX EXPENSES

	30-Jun-21	30-Jun-20
	\$	\$
<b>(a) Income tax expense:</b>		
Current income tax	-	-
Deferred income tax	(153,203)	(37,340)
Current income tax benefit	-	-
	<u>(153,203)</u>	<u>(37,340)</u>
Income tax expense/(benefit) attributable to:		
- Continuing operations	(115,858)	(37,340)
- Discontinued operations	(37,345)	-
	<u>(153,203)</u>	<u>(37,340)</u>
	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	<b>\$</b>	<b>\$</b>
<b>(b) Reconciliation of Income tax expense to prima facie tax payable:</b>		
Loss before income tax	(526,710)	(189,940)
Prima facie income tax at 27.5%	(136,795)	(52,234)
Non-deductible expenditure	70,206	(11,010)
Impact of reduction in future corporate income tax rate	-	80,809
Timing differences not recognized	(86,464)	(54,906)
	<u>-</u>	<u>-</u>
Income tax benefit not recognized	-	-
Income tax expense/(benefit)	<u>(153,203)</u>	<u>(37,340)</u>
<b>(c) Recognised deferred tax assets arising on timing differences and losses</b>		
Intangibles – contract rights	205,130	37,345
<b>Recognised deferred tax assets</b>	<b><u>205,130</u></b>	<b><u>37,345</u></b>
<b>(d) Unrecognised deferred tax assets arising on timing differences and losses</b>		
Carry forward revenue losses-Australia	718,025	687,085
Deductible temporary differences	114,958	23,267
<b>Unrecognised deferred tax assets</b>	<b><u>832,938</u></b>	<b><u>710,352</u></b>
<b>(e) Deferred tax liabilities</b>		
Other temporary differences	27,256	20,968
Property, plant and equipment	25,726	25,726
	<b><u>52,982</u></b>	<b><u>46,694</u></b>
Net unrecognised deferred tax asset	<b><u>780,001</u></b>	<b><u>663,658</u></b>

**9. INCOME TAX EXPENSES** (continued)

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

- a. The Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- b. The Group continues to comply with the conditions for deductibility imposed by law; and
- c. No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

**(e) Tax consolidation**

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

**(f) Change in corporate tax rate**

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

**10. CASH AND CASH EQUIVALENTS**

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

	30-Jun-21	30-Jun-20
Cash at bank and in hand	\$ 4,500,946	\$ 1,644,942
	<u>4,500,946</u>	<u>1,644,942</u>

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

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

**SHAREHOLDER INFORMATION**  
FOR THE YEAR ENDED 30 JUNE 2021

**11. TRADE & OTHER RECEIVABLES**

	30-Jun-21	30-Jun-20
	\$	\$
Trade and other receivables	1,499,612	238,292
Prepayments	104,193	52,404
	<u>1,603,805</u>	<u>290,696</u>

**(a) Expected credit losses**

There were no expected credit losses.

**(b) Fair value and credit risk**

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

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

<b>12. FINANCIAL ASSETS AT FAIR VALUE TURNOVER PROFIT AND LOSS</b>	30-Jun-21	30-Jun-20
	\$	\$
Investment shares – listed companies	<u>222,602</u>	-
	<u>222,602</u>	-
Reconciliation:		
Balance at the beginning of the year	-	-
Additions	217,770	-
Revaluation – market price	4,832	-
Balance at the end of the year	<u>222,602</u>	-



**SHAREHOLDER INFORMATION**  
FOR THE YEAR ENDED 30 JUNE 2021

<b>13. PROPERTY, PLANT AND EQUIPMENT</b>	<b>30-Jun-21</b> <b>\$</b>	<b>30-Jun-20</b> <b>\$</b> <b>Restated</b>
Property, plant and equipment	926,408	1,110,827
	<u>926,408</u>	<u>1,110,827</u>
Reconciliation:		
Balance at the beginning of the year	1,110,827	1,014,916
Additions	461,906	462,010
Additions – discontinued operation		
Acquired via acquisition of Adline Media	-	34,395
Acquired via acquisition of Medical Channel	317,366	-
Provision for impairment	-	-
Loss on disposal of property, plant and equipment	-	(19,444)
Disposals	-	20,000
Depreciation expense – discontinued operations	(663,921)	-
Depreciation expense	(299,770)	(401,050)
Balance at the end of the year	<u>926,408</u>	<u>1,110,827</u>

See note 2(d)(iii) for impairment considerations

**14. INTANGIBLES**

	<b>30-Jun-21</b> <b>\$</b>	<b>30-Jun-20</b> <b>\$</b>
Contract Rights (a)	3,131,473	1,525,638
Goodwill (a)	2,123,138	-
Software Intangibles	16,409	-
Less: Amortisation	(1,695,147)	(746,820)
Balance at the end of the year	<u>3,575,873</u>	<u>778,818</u>

14. INTANGIBLES (continued)

*Reconciliations*

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

Consolidated	Goodwill (a)	Contract Assets (Adline Media and Medical Channel) (b)	Software Intangibles	Total
Balance at 30 June 2019	-	248,935	-	248,935
Additions/(Disposal)	-	654,353	-	654,353
Amortisation expense	-	(124,470)	-	(124,470)
Balance at 30 June 2020	<u>-</u>	<u>778,818</u>	<u>-</u>	<u>778,818</u>
Additions/(Disposal)	2,123,138	1,605,835	16,409	3,745,382
Amortisation expense	-	(947,332)	(995)	(948,327)
Balance at 30 June 2021	<u>2,123,138</u>	<u>1,437,321</u>	<u>15,414</u>	<u>3,575,873</u>

(a) Business combinations

**Outdoor Digital Solutions Pty Ltd**

On 2 January 2013, the Company acquired 100% of the issued capital of Outdoor Digital Solutions Pty Ltd. The consideration for the acquisition was made up of a \$90,000 cash deposit and a \$520,000 cash payment on settlement. Outdoor Digital Solutions owns the rights to each of the Melbourne and Queensland rail advertising contracts. The commencement date of the contract was 1 July 2014. A deferred tax liability of \$261,385 was recognized in respect of this acquisition. The contract is being amortised on a straight-line basis over the contract term (7 years).

**Adline Media Pty Ltd**

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. Provisional goodwill of \$654,352 was recognised in the 30 June 2020 audited annual report. This amount has been re-classified as contract rights in the current period and comparative periods. 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**

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. The customer contracts have a range of commencement and expiry dates. A deferred tax liability of \$321,167 was recognised in respect of this acquisition. The contracts are being amortised on a straight-line basis over the effective average revenue contract terms (0.74 years).

**14. INTANGIBLES** (continued)

*Sensitivity*

As disclosed in note 2(x), the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Net profit would need to decrease by more than 14% for Medical Channel before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase to over 27% for Medical Channel before goodwill would need to be impaired, with all other assumptions remaining constant.

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

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

**15. RIGHT OF USE ASSETS**

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	\$	\$
Land and buildings - right-of-use	398,798	366,022
Less: Accumulated depreciation	(48,635)	(52,871)
	<b>350,163</b>	<b>313,151</b>

Additions to the right-of-use assets during the year were \$398,798 (2020: \$252,145), and \$nil (2020: \$89,204) were consolidated on acquisition of Adline Media Pty Ltd.

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

**16. TRADE & OTHER PAYABLES**

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	\$	\$
		<b>Restated</b>
Trade creditors	551,899	193,113
Accrued expenses	891,290	177,845
GST and PAYG Withholding Payable	251,589	18,998
Other payables	222,710	197,842
	<b>1,917,488</b>	<b>587,798</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.

SHAREHOLDER INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2021

17. PROVISIONS

	30-Jun-21 \$	30-Jun-20 \$
Provision for annual leave	114,961	33,179
	<b>114,961</b>	<b>33,179</b>

18. ISSUED CAPITAL

(a) Share Capital

	30-Jun-21	
	\$	No.
Issued Capital	23,041,232	
Cost of shares issued	(1,560,227)	
Fully paid ordinary shares	<b>21,481,005</b>	<b>234,033,857</b>

	30-Jun-20	
	\$	No.
Issued Capital	17,264,647	
Cost of share issued	(1,223,638)	
Fully paid ordinary shares	<b>16,041,009</b>	<b>137,986,077</b>

(b) Movements in ordinary share capital

	30-Jun-2021		
	\$	No.	Issue price per ordinary share
Opening balance	16,041,009	137,986,077	
Placement	735,014	18,846,518	0.039
Rights entitlement	727,925	18,664,740	0.039
Rights entitlement shortfall	495,370	12,701,779	0.039
Placement	550,000	14,102,570	0.039
Shares issued in lieu of cash to creditors and employees	28,076	802,173	0.035
Shares issued in lieu of cash to employees	29,700	330,000	0.090
Shares issued for Medical Channel Acquisition	2,200,000	20,000,000	0.110
Shares issued for Medical Channel Acquisition	1,000,000	10,000,000	0.100
Conversion of performance shares to ordinary shares	10,500	600,000	0.0175
Capital raising fees	(336,589)		
	<b>21,481,005</b>	<b>234,033,857</b>	

**SHAREHOLDER INFORMATION**  
FOR THE YEAR ENDED 30 JUNE 2021

**18. ISSUED CAPITAL** (continued)

	<b>30-Jun-20</b>		<b>Issue price per ordinary share</b>
	<b>\$</b>	<b>No.</b>	
Opening balance	15,891,009	132,986,077	
Issue of shares – acquisition of Adline Media	150,000	5,000,000	0.03
<b>Balance at 30 June 2020</b>	<b>16,041,009</b>	<b>137,986,077</b>	

**Ordinary shares**

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

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

**Capital risk management**

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

**(b) Options**

Motio Ltd issued nil listed options during the year.

**(c) Performance Rights and Options – Employees and Management**

During the year Motio Ltd issued performance rights and options to key management and consultants as part of their remuneration of \$236,714. Refer to note 28 for further details on the performance rights and options issued.

**SHAREHOLDER INFORMATION**  
FOR THE YEAR ENDED 30 JUNE 2021

**19. RESERVES**

	30-Jun-21 \$	30-Jun-20 \$
Share-based payments reserve	271,160	44,946
Options premium reserve	134,536	-
Foreign currency translation reserve	(17,223)	(14,081)
Balance at the end of the year	<b>388,473</b>	<b>30,865</b>

	30-Jun-21 \$	30-Jun-20 \$
<b>Share-based payments reserve</b>		
Balance at the beginning of the year	44,946	-
Performance rights and options vesting expense	236,714	44,946
Conversion of performance rights to ordinary shares	(10,500)	-
Balance at the end of the year	<b>271,160</b>	<b>44,946</b>

Refer to note 28 for further details on the performance shares issued.

	30-Jun-21 \$	30-Jun-20 \$
<b>Options premium reserve</b>		
Balance at the beginning of the year	-	212,774
Options issued	134,536	-
Expiry of options	-	(212,774)
Balance at the end of the year	<b>134,536</b>	-

Refer to note 28 for further details on the options issued.

	30-Jun-21 \$	30-Jun-20 \$
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(14,081)	(4,912)
Exchange difference arising on translation of foreign operations	(3,142)	(9,169)
Balance at the end of the year	<b>(17,223)</b>	<b>(14,081)</b>

**(a) Nature and Purposes of Reserves**

*(i) Share-based Payment and Options Premium Reserves*

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

**19. RESERVES** (continued)

*(ii) Foreign Currency Translation Reserve*

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

**20. ACCUMULATED LOSSES**

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	<b>\$</b>	<b>\$</b>
		<b>Restated</b>
Accumulated losses at the beginning of the financial year	(12,885,454)	(12,954,797)
Net profit/(loss) attributable to members of the Company	(373,507)	(152,600)
Expiry of options	-	212,774
Exchange differences on translation of foreign operations	3,142	9,169
Accumulated losses at the end of the financial year	<u>(13,255,819)</u>	<u>(12,885,454)</u>

## 21. INTERESTS IN ASSOCIATES

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

	Country of incorporation	Ownership interest 2021	Ownership interest 2020
Contact Light Pty Ltd	Australia	43%	43%
<i>Summarised financial information</i>			
		<b>Contact Light Pty Ltd</b>	
		<b>30-Jun-21</b>	<b>30-Jun-20</b>
		<b>\$</b>	<b>\$</b>
<i>Summarised statement of financial position</i>			
Current assets		101,273	75,410
Non-current assets		142	898
Total assets		<u>101,415</u>	<u>76,308</u>
Current liabilities		9,794	29,750
Non-current liabilities		-	-
Total liabilities		<u>9,794</u>	<u>29,750</u>
Net assets		<u>91,621</u>	<u>46,558</u>
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue		133,329	159,125
Expenses		(88,266)	(255,270)
Profit before income tax		45,063	(96,145)
Income tax expense		-	-
Profit after income tax		45,063	(96,145)
Other comprehensive income		-	-
Total comprehensive income		<u>45,063</u>	<u>(96,145)</u>
<i>Reconciliation of the consolidated entity's carrying amount</i>			
Carrying amount at date of loss of control		107,461	107,461
Share of loss after income tax		(68,159)	(87,490)
Closing carrying amount		<u>39,302</u>	<u>19,971</u>

Motio Ltd maintains significant influence over Contact Light via its 42.90% ownership. The board of Motio Ltd has impaired the overall value of the investment in Contact Light to \$39,302 (2020: \$19,971) during the period as a result of strategic review of Motio Ltd's business.



## 22. RELATED PARTY TRANSACTIONS

### (a) Parent entities

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

### (b) Subsidiaries

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

#### Group structure

	Country of incorporation	Class of shares	Ownership interest 2021	Ownership interest 2020
<b>Parent Entity</b>				
Lunalite International Pty Ltd	Australia	Ordinary	-	-
<b>Subsidiaries</b>				
Motio Media Pty Ltd (formerly Red Hawk Resources Ltd)	Australia	Ordinary	100%	100%
Enormity Pty Ltd	Australia	Ordinary	100%	100%
Motio Play Pty Ltd	Australia	Ordinary	100%	100%
Motio Ltd	Australia	Ordinary	100%	100%
Outdoor Digital Solutions Pty Ltd	Australia	Ordinary	100%	100%
XTD India Private Limited	India	Ordinary	-	-
Motio Health Pty Ltd (formerly Medical Channel Pty Ltd)	Australia	Ordinary	100%	-
<b>Associate</b>				
Contact Light Pty Ltd	Australia	Ordinary	42%	42%

Motio Media Pty Ltd (formerly Red Hawk Resources Ltd) was incorporated on 16 May 2011 and set up as a trading business on 1 April 2020.

Enormity Pty Ltd was incorporated on 13 November 2019 and set up as a trading business on 1 July 2020.

Motio Play Pty Ltd (formerly Adline Media Pty Ltd) was incorporated on 5 September 2008 and consolidated in the group on 6 January 2020.

Motio Health Pty Ltd (formerly Medical Channel Pty Ltd) was incorporated on 1 July 2002 and consolidated in the group on 1 April 2021.

Lunalite International Pty Ltd was incorporated on 16 August 2005.

Contact Light Pty Ltd was incorporated on 7 August 2014.

Outdoor Digital Solutions Pty Ltd was incorporated on 3 July 2009.

XTD India was incorporated on 15 February 2019.

Motio as at 31 October 2018 no longer has control over Contact Light Pty Ltd as common control of Contact Light Pty Ltd has been lost due to the resignation of Motio board members.

**22. RELATED PARTY TRANSACTIONS** (continued)

**(c) Key management personnel compensation**

The key management personnel compensation is as follows:

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	<b>\$</b>	<b>\$</b>
Short-term benefits	423,886	443,638
Post-employment benefits	25,722	21,726
Share-based payments	159,255	43,000
	<u>608,863</u>	<u>508,364</u>

**23. REMUNERATION OF AUDITORS**

	<b>30-Jun-21</b>	<b>30-Jun-20</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts received or due and receivable by PKF Perth for:</b>		
(i) An audit or review of the financial report of the entity	<u>53,700</u>	<u>28,765</u>
<b>Amounts received or due and receivable by PKF Perth for:</b>		
(ii) Other services in relation to the entity and any other entity in the consolidated group – Income tax	<u>7,983</u>	<u>4,800</u>
	<u>7,983</u>	<u>4,800</u>
<b>Total of non-audit services provided to the Group</b>	<u><u>7,983</u></u>	<u><u>4,800</u></u>

**24. GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

No other guarantee or contingent liabilities/assets were noted for the Group for the year ended 30 June 2021.

## 25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### Issue of Long Term Incentives

Subsequent to the Period on 16 July 2021 the Company issued a total of 11,600,000 performance rights pursuant to the following long term incentive plans to Directors and COO following shareholder approval on 18 June 2021:

- (a) 6,000,000 Performance Rights to Adam Cadwallader comprising:
  - (i) 2,000,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 15¢;
  - (ii) 2,000,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 18¢; and
  - (iii) 2,000,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 25¢.
- (b) 2,400,000 Performance Rights Justus Wilde comprising:
  - (i) 800,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 15¢;
  - (ii) 800,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 18¢; and
  - (iii) 800,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 25¢.
- (c) 3,600,000 Performance Rights to Jason Byrne comprising:
  - (i) 1,200,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 15¢;
  - (ii) 1,200,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 18¢; and
  - (iii) 1,200,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 25¢.
- (d) 4,000,000 Performance Rights to Michael Johnstone comprising:
  - (i) 1,000,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 15¢;
  - (ii) 1,000,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 18¢; and
  - (iii) 2,000,000 Performance Rights that vest and become exercisable into ordinary shares upon the 30-day Volume Weighted Average Price (VWAP) of the Company's shares being at least 25¢.
- (e) 7,938,461 Restricted Options exercisable at 12¢ each on or before the date that is 3 years from the date of issue to Harley Grosser comprising:
  - (i) 4,000,000 Options that vest and become exercisable upon the 30-day VWAP of the Company's shares being at least 15¢;
  - (ii) 2,400,000 Options that vest and become exercisable upon the 30-day VWAP of the Company's shares being at least 18¢; and
  - (iii) 1,538,461 Options that vest and become exercisable upon the 30-day VWAP of the Company's shares being at least 25¢.

### Details of Company Address

Subsequent to the end of the Period 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

No other matter or circumstance has arisen since 30 June 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.

SHAREHOLDER INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2021

26. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	30-Jun-21	30-Jun-20
	\$	\$
<b>Reconciliation of net loss after income tax to net cash flows from operating activities.</b>		
<b>Net loss after income tax</b>	<b>(373,507)</b>	<b>(72,205)</b>
<b>Adjustments for:</b>		
Amortisation of intangibles	949,324	124,470
Depreciation	1,052,819	426,748
Impairment - carrying value of Contact Light investment	4,450	18,841
Interest on unwinding of lease	15,843	4,661
Loss on disposal of property, plant and equipment	-	19,444
Loss on disposal of operating lease – AASB 16	33,741	-
Profit on disposal of property, plant and equipment (discontinued operation)	(173,766)	-
Debt forgiven	(172,644)	-
Bad debts	22,444	-
Share-based payments	266,412	44,946
<b>Change in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(1,152,163)	(132,528)
Increase/(decrease) in trade and other payables	263,924	(164,859)
Increase/(decrease) in provisions	81,782	24,407
Increase/(decrease) in deferred tax liability	(153,203)	(37,340)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>665,456</b>	<b>256,585</b>

27. EARNINGS PER SHARE

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

The calculation of basic profit/(loss) per share at 30 June 2021 was based on the profit attributable to ordinary shareholders of (\$373,507) (\$152,600) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2021 of 191,491,141 (2020: 135,767,460) calculated as follows:

	30-Jun-21	30-Jun-20
	\$	\$
		<b>Restated</b>
Loss attributable to ordinary shareholders	(373,507)	(152,600)
Weighted average number of ordinary shares	191,491,141	135,767,460
<b>Basic profit/ (loss) per share (cents per share)</b>	<b>(0.20)</b>	<b>(0.11)</b>

**Diluted loss per share**

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

## 28. 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:

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 year in relation to the performance rights issued amounts to \$63,627 (2020: \$20,410).

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

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

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

**28. SHARE-BASED PAYMENTS (continued)**

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

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

The total expense arising from share based payment transactions recognised during the year in relation to the performance options issued amounts to \$76,793 (2020: \$24,536).

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

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

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

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

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

The total expense arising from share based payment transactions recognised during the period in relation to the performance options issued amounts to \$75,150 (2020: \$nil).

28. SHARE-BASED PAYMENTS (continued)

(d) Options – Broker - 6 November 2020

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk free rate	Dividend yield	Number of options	Value per Option	Total Value \$	Vesting terms
06/11/2020	30/09/23	\$0.061	\$0.08	100%	0.10%	0%	4,000,000	\$0.0336	134,536	Immediately

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

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

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

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

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

The total expense arising from share based payment transactions recognised during the period in relation to the performance options issued amounts to \$15,959 (2020: \$nil).

**28. SHARE-BASED PAYMENTS (continued)**

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

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

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

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

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

The total expense arising from share based payment transactions recognised during the year in relation to the performance options issued amounts to \$5,183 (2020: \$nil).



SHAREHOLDER INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2021

29. PARENT ENTITY FINANCIAL INFORMATION

	30-Jun-21	30-Jun-20
	\$	\$
Current Assets	4,535,796	2,296,763
Non-Current Assets	35,637	709,773
<b>Total Assets</b>	<b>4,571,433</b>	<b>3,006,536</b>
Current Liabilities	219,289	172,521
Non-Current Liabilities	-	37,345
<b>Total liabilities</b>	<b>219,289</b>	<b>209,866</b>
Contributed equity	5,108,554	5,108,554
Accumulated losses	(756,410)	(2,311,884)
<b>Total equity</b>	<b>4,352,144</b>	<b>2,796,670</b>
Profit/(Loss) for the year	1,555,474	845,380
Other comprehensive loss for the year	-	-
<b>Total comprehensive profit/(loss) for the year</b>	<b>1,555,474</b>	<b>845,380</b>

a. Guarantees and Contingent Liabilities

Refer to note 24 for details of guarantees and contingent liabilities.

b. Contractual Commitments

There are no significant commitments.

**30. DISCONTINUED OPERATIONS – EXPIRY OF CROSS-TRACK RAIL CONTRACTS**

During the year, the Company's cross-track rail contracts expired. Property, plant and equipment in respect to these sites was disposed of for \$173,766. The profit for the year ended 30 June 2021 from this discontinued operation was \$1,633,527.

*Financial performance information*

	Note	30-Jun-21 \$	30-Jun-20 \$ (Restated)
Lease income		2,681,791	2,324,558
Other revenues		16,696	9,011
Gain on disposal of fixed assets		173,860	-
Cost of sales		(192,883)	-
Commission expense		(93,581)	(521,847)
<b>Gross profit</b>		<b>2,585,883</b>	<b>1,811,722</b>
Amortisation of intangibles		(124,470)	(124,470)
Consulting and advisory fees		(108,000)	(169,293)
Depreciation expense		(663,921)	(359,640)
Legal fees		-	(63,313)
Loss on disposal of fixed assets		-	(19,444)
Other expenses		(63,310)	(267,522)
<b>Profit before income tax</b>		<b>1,626,182</b>	<b>808,040</b>
Income tax benefit	10	37,345	37,340
<b>Profit after income tax</b>		<b>1,663,527</b>	<b>845,380</b>

*Cash flow information*

	30-Jun-21 \$	30-Jun-20 \$
Net cash from operating activities	1,836,754	1,329,357
Net cash from investing activities	-	(7,690)
<b>Net increase in cash and cash equivalents from discontinued operations</b>	<b>1,836,754</b>	<b>1,321,667</b>

**SHAREHOLDER INFORMATION**  
FOR THE YEAR ENDED 30 JUNE 2021

**30. DISCONTINUED OPERATIONS – EXPIRY OF CROSS-TRACK RAIL CONTRACTS (continued)**

*Financial position information*

	30-Jun-21	30-Jun-20
	\$	\$
<b>Current Assets</b>		
Cash & cash equivalents	409,159	-
Trade & other receivables	604,291	-
<b>Total Current Assets</b>	<b>1,013,450</b>	-
<b>TOTAL ASSETS</b>	<b>1,013,450</b>	-
<b>Current Liabilities</b>		
Trade & other payables	231,251	-
<b>Total Current Liabilities</b>	<b>231,251</b>	-
<b>TOTAL LIABILITIES</b>	<b>231,251</b>	-
<b>NET ASSETS</b>	<b>782,199</b>	-

**31. BUSINESS COMBINATIONS**

Adline Media Pty Ltd

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. Adline specialises in indoor and recreational sporting environments and delivers out-of-home, online advertising, content as well as software reseller agreements and amenity based, buying group agreements. The goodwill of \$654,352 represents the commencement of MOTIO's diversified media future enabling the growth of the business in the community sport and leisure sector with clearly identified plans to expand the Adline business in the pursuit of reaching people that play for fun. The acquired business contributed revenues of \$363,012 to the consolidated entity for the period from 6 January 2020 to 30 June 2020. If the acquisition occurred on 1 July 2019, the full year contributions would have been revenues of \$918,103. The values identified in relation to the acquisition of Adline Media are provisional as at 30 June 2020.

**31. BUSINESS COMBINATIONS** (continued)

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	95,131
Trade receivables	63,329
Prepayments	20,985
Plant and equipment	34,395
Right of use assets	89,204
Trade payables	(187,964)
Employee benefits	(8,772)
Lease liabilities	(76,436)
	<u>29,872</u>
Net assets acquired	29,872
Goodwill	654,353
	<u>684,225</u>
Acquisition-date fair value of the total consideration transferred	<u>684,225</u>
Representing:	
Cash paid or payable to vendor	518,000
Shares issued	150,000
Legal fees	16,225
	<u>684,225</u>
Total acquisition price	<u>684,225</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	518,000
Legal fees	16,225
Less: cash and cash equivalents	(95,131)
Less: payments made in prior periods	(50,000)
	<u>389,094</u>
Net cash used	<u>389,094</u>

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

*Medical Channel Pty Ltd*

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

**SHAREHOLDER INFORMATION**  
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**31. BUSINESS COMBINATIONS** (continued)

Details of the acquisition are as follows:

	<b>Fair value</b> <b>\$</b>
Cash and cash equivalents	45,534
Trade receivables	175,615
Prepayments	7,774
GST receivable	14,657
Sundry receivable	730,000
Plant and equipment	317,166
Trade payables	(83,487)
Borrowings	(72,256)
Sundry payables	(489,371)
Accrued expenses	(800,718)
Employee benefits	(52,720)
Net liabilities acquired	(207,806)
Customer contracts	1,605,835
Deferred tax liability	(321,167)
Goodwill	2,123,138
Acquisition-date fair value of the total consideration transferred	<u>3,200,000</u>
Representing:	
Shares issued	<u>3,200,000</u>
Total acquisition price	<u>3,200,000</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	-
Less: cash and cash equivalents	<u>(45,534)</u>
Net cash used	<u>(45,534)</u>

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