

October 15, 2021

motio

Dear shareholders,

In a different time, we would have waited until the AGM to present the year ahead however due to the lockdown events across Australia over the past 3 months I thought it was important to provide an interim progress update on Motio's business activities as we emerge from the NSW lockdown.

Media

As the main revenue driver of our business, and like many other media businesses, the first quarter of the financial year has been challenging. The National advertising market has been slower than the April-June quarter but as of today and with the lockdowns beginning to be lifted, **Motio Media's forward revenue is up 101% compared to the same time last year.** This is due mainly to our strong local sales results and firming support from the national marketplace on our expanded network.

Motio Play

South Australia, Western Australia and Queensland have enjoyed normalised freedoms for Indoor Sport & Leisure. This has been positive for our business. The lockdown in New South Wales and Victoria has presented our partners in these states with significantly reduced participation rates however, players are re-booking games and audiences are expected to be up for the summer period. The Motio Play team are predicting a strong snap-back in this sector. Unlike Gym's, our centres are large scale and for those in affected locations, the easing of restrictions will see them quickly bounce back to normal.

Revenue for our represented software-as-a-service platform (Spawtz) in the July quarter experienced a minor impact. Our estimated software revenue on an annualised basis will be down by 10% or less and centres are returning to normal audience levels in NSW with Victoria anticipated to open by early to mid December.

The team is optimistic that operators in this sector have managed well throughout this period and used the down time to make positive operational developments to their businesses.

Many of the operational changes have benefited our Play payments stream with several new customers signing up to our platform. As always, we are excited about this growing part of our business and the engagement that the Sports and Leisure business communities are having with Motio. **We remain on track to deliver our forecasted net revenue of \$100K-120K+ this financial year.**

Medical Media Integration

We have just passed the 6-month anniversary of the Medical Media acquisition and as stated in the Annual Report, we are absolutely delighted to advise that the **Motio team has hit all key re-sign and integration metrics on time and under budget.** Over the next 4 weeks, we will be finalising our roll out of new equipment including the completion curated medical media locations on 3-year+ contracts with further optionality and a completion of sites that we have elected to decommission, in line with our acquisition strategy.

We are growing our media products within the General Practice sector. This has been supported by national, direct and local advertisers providing optimism to the team as we emerge from a challenging period in the media industry.

We are committed to the continuing development of 'Patient & Customer experience' platforms, enabling practices to utilise our displays for important communication to their patients. Our platform is constantly evolving, providing premium Place Based content and relevant brand advertising.

For personal use only

The opportunities emerging in the healthcare sector are very exciting. These extend to further, high quality organic growth with increased revenue opportunities, technology and data capability, strategic partnerships and further enhancement of our media and content engagement product in this sector.

Motio is leading the health media sector with Patient and Customer Experience, content and data. The Medical Media acquisition has provided the scale and incumbency we sought to acquire and a pathway to achieving our goals for the immediate future.

Our goals

As stated previously, these goals are subject to uncertainty, this is something we have experienced in the past 3 months. The team remain committed to striving for the achievement of these goals and believe we are on track to delivering for our shareholders in FY22.

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 digital-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 \$100K-\$120K **net** outcome for the business.

As previously stated, our culture is hardworking, caring and steeped in partnership with our team, customers, and suppliers. The team is incredibly optimistic, and the advertising market is responding favourably to the increased vaccination rates.

Thank you for your continued support of Motio, 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
adam@motio.com.au
M 0419 999 867



Michael Johnstone | COO
michael@motio.com.au
M 0414 671 000

October 15, 2021

Level 15
189 Kent Street
Sydney, NSW

For personal use only