



September 18, 2024

Dear Motio Shareholders,

- Revenue \$8.367M +27.1%
- CASH EBITDA increased to \$465,783
- Operating Cashflow Positive
- Reaffirm revenue and earnings guidance for FY25

On behalf of the Board and the **Motio** team I would like to thank you for your support of the business as we continue to deliver on our strategic milestones. **Motio** continues to outperform the industry (OOH +8% revenue growth for the first half of 2024) with **overall revenue +27% and media revenue +31.4%**. Cash EBITDA has **increased to \$465,783** which is inclusive of rent expense and is also ahead of our forecast.

Of course, we are pleased with the results and accomplishments. I would also acknowledge the languishing share price that, in my opinion, is far from reflective of the true value of the Motio business. Our team remains committed to the building a high-quality, sustainable, profitable business. As you may already know, much of our team, Board and Management are shareholders and I know I can speak on their behalf to say that we are all committed to drive shareholder return. Your support means a great deal.

Growth

Motio continues to grow and delivered a quality revenue result of \$8.36M, an increase of 27.1% on last year, ahead of guidance and positive Cash EBITDA of \$465,783. We remain operating cash flow positive and optimistic about our sustainable business model.

An increased share price would enable **Motio** to take advantage of its listed position. There is continued opportunity to expand onshore. The Board continue to evaluate opportunities of significance that are cash flow positive and accretive to the **Motio** business.

Our FY25 commitment is to profitability through increased utilisation of our media assets and efficiency of our team.

Media

The media sector continues to be under scrutiny. This past financial year, major media companies have been affected. One of the central causes has been Meta discontinuing its significant revenue commitments to major news publishers. This, among other factors that Broadcast media is contending with, streaming chiefly amongst them has had an undeniable impact. **Motio**, along with many other businesses in the Out Of Home advertising industry does not rely on this type of revenue.

Motio remains steadfast in delivering audiences in our environments, **regardless of other media consumption**. Our commitment to providing highly relevant, contextual information in our long dwell time environments has helped drive our continued growth. **Time, place and intent** are the drivers for brands to work with **Motio**. Our team continues to provide advertisers with one of the most reliable networks in the industry coupled with ideas that help our advertisers connect with **Motio's** sought after audiences.



Café and Venue “a year on”

The Café and Venue networks acquired from oOh!media in March 2023 have been important additions to the **Motio** network portfolio. We have been able to ‘click’ these networks into our operations seamlessly and the team has approached these networks with exceptional enthusiasm.

Whilst these networks were in far better shape than previous acquisitions, therefore not requiring the heavy capital previously deployed, we have had to re-build neglected relationships, upgrade equipment and launch new products (previously reported) which have begun to pay dividends.

These networks provide key audiences for **Motio** to offer advertisers, as opposed to more of the same. Examples are: **Cafés** provide **Motio** the opportunity to reach Small Business Owners that have a higher propensity to change telecommunication providers or CBD audiences that are much more likely to book a premium economy airfare than the average Australian. The **Venue** network has an incredible ability to reach 18–29-year-olds searching for entertainment information.

We are delighted to have acquired these networks and continue to grow and develop the offer, innovating and developing for brands, property partners and most importantly the audience.

Cost management & employment

One of the key cost reduction initiatives in FY24 has been the reduction of connectivity costs. Almost all of our networks are connected to a 4/5G network, enabling **Motio** to centrally monitor and service advertising in an instant, without the need to rely on localised networks. When we acquired the oOh!media Café/Venue networks, a free Wi-Fi service was in place, the utility value of which had been superseded. We undertook a significant upgrade to the network, removing most of the Wi-Fi hotspots and replacing them with lower cost, higher efficiency connections. This has resulted in a significant saving for FY25 and contributing to our bottom-line strategy.

We have had an increase in our employment costs this year. These include hiring a new Financial Controller who has made a significant contribution to the business as well as senior sales hires as we expand our market coverage to continue to drive revenue growth. Other costs relate to the change in personnel in the Finance area, sales commissions and general pay increases across the company to meet with market conditions.

Cost management continues to be a focus to drive the desired outcomes for the **Motio** business.

Spawtz

Our software and payments business **Spawtz**, has delivered on its targets in FY24. Revenue growth has increased across the board from existing customers as well as new client acquisitions including adoption of its payment’s functionality, a key driver of organic growth.

As well as maintaining its existing customer base, **Spawtz** has added new customers in Australia, New Zealand, the UK, Ireland and the USA, the latter being an exciting development during FY24.

The **Spawtz** team continues to enhance and develop the platform to create greater appeal to a widening group of customers with the mission to make competition management more effective for operators and players across its desktop, mobile and app-based formats.



Community support

We are also proud to have supported numerous non-profit and charity campaigns this year, including initiatives with The Brain Foundation, Unlimited, Polished Man, Remembrance Day, Cancer Chicks, Pass-It-On Clothing, RUOK Day, Stepping Stone House and our continued partnership with the Black Dog Institute.

Supporting charities with purpose is important. It's a passion point that the team marks as a critical part of our work at **Motio**.

Strategic focus

This past financial year **Motio** moved into our second phase of our strategy. This has involved 'growing into' our networks. Monetising the space that we have acquired, developed and strengthened. Our focus is on **strengthening our bottom line in FY25 and we reaffirm our revenue guidance of \$9.2-\$9.6M and Cash EBITDA of \$1.0M+**.

The team at **Motio** is incredibly proud of the energy and effort applied to build the business. The support of individual shareholders that have continued to stay invested with **Motio** has been motivating to the team and certainly to myself, and I thank every one of you.

I would like to extend my thanks to the Board and, most importantly, to the Motio team for their dedication. We continue to be successful and I am incredibly proud of what we have achieved.

I look forward to continuing the growth and success of the business into FY25.

On behalf of the Board and the team,

A handwritten signature in black ink, appearing to read "Adam Cadwallader".

Adam Cadwallader
CEO & Managing Director
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All financial statements are supported in the accompanying Annual Report

