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Market Announcements Platform
ASX Limited

Binding agreement for the sale of Spawtz

Highlights:

- Motio has entered into a Binding Agreement to divest the Spawtz software business for \$1.35M cash whilst maintaining long term, fee free access to key media related services
- Enhances the opportunity to pursue organic and acquisitive growth as well as strengthen the balance sheet
- Guidance of \$1.2M+ Cash EBITDA affirmed post transaction (pro forma)
- Completion expected March 31, 2025

Motio Limited (ASX:MXO) today announced it will enhance its focus on the core Media business and reduce debt following the signing of binding Heads of Agreement (**Agreement**) to sell Spawtz Pty Ltd to a consortium of Motio staff members currently managing the Spawtz software business.

Under the Agreement, Motio will be given a long term, fee free licence to Spawtz (5+5) providing continued access to audience data, uninterrupted XML feeds to the digital displays from the software and the ability to sell online advertising inventory and Electronic Direct Mail to advertisers. This enables the business to continue to develop the growing motio.**play** media channel, which is in 80 sports centres across Australia.

Motio's CEO Adam Cadwallader said the sale marked a significant step forward in ensuring Motio continued its evolution to being a unique media business that carried unmatched benefits for advertisers.

"Motio is more than out-of-home advertising, digital, and video — it's a Dynamic Media Interface that combines the best aspects of all three into a single platform designed to influence, engage, and connect in ways no one else can," Cadwallader said.

"With the sale of Spawtz, this will allow a singular focus on continuing to develop our platform by expanding our current channels and to energise our continued development of new ones."

"Importantly, the sale will not change our earnings guidance of \$1.2m+ EBITDA for FY25, despite a drop in revenue from the sale of Spawtz, as a result of the strong underlying performance of our core media assets."

Revenue and EBITDA Forecast Summary for FY25

	Pre-Transaction	Post-Transaction
FY25F Revenue	\$9.6M	\$8.4M
FY25F EBITDA	\$1.2M+	\$1.2M+

Group forecast figures above are unaudited

The Motio Board believes the sale of Spawtz allows the management team to focus entirely on its core business at a time when the investments of prior years are delivering value through continued top line growth and operating leverage.

Chair of Motio Jason Byrne said the sale proceeds would ensure the balance sheet is de-risked and the Company is self-funded for future growth, with the Company continuing to pursue potential acquisition opportunities in the Media space, subject to achieving terms that the Board deems accretive to shareholder value.

“Spawtz has taught us a great deal about how we run the business and where our focus needs to be, which is clearly in the development of how we continue to grow our Dynamic Media company and its unique characteristics,” he said.

“Seeing Spawtz continue to thrive under the existing team is also great to see, and we have managed to garner a very positive outcome for shareholders and importantly the future of Motio.”

The Motio & Spawtz team will work to complete the transaction – which includes subsidiaries Liquid Thinking Ltd (UK) and Motio NZ Tapui Ltd – over the next 6 weeks in readiness for expected completion on March 31, 2025.

Key Terms of the Agreement

Motio has entered into a binding Heads of Agreement with Michael Johnstone to divest Spawtz Pty Ltd and its subsidiaries (Liquid Thinking Ltd + Motio Tapui NZ) on the following material terms:

- Payment to Motio of \$1.35 million cash in consideration for 100% of the issued capital of Spawtz Pty Ltd and its subsidiaries;
- Five team members will move to the new company (2 UK and 3 Australia) including Michael Johnstone;
- Michael Johnstone has agreed to enter into a voluntary escrow agreement of existing Motio shares for 6 months post completion;
- Motio will retain sales rights to online properties as well as access to URLs that provide content for the digital displays within **motio.play**;
- Completion of the Agreement is subject to the following conditions precedent:
 - The parties signing a long form share sale agreement;
 - Michael Johnstone and Brett Kearney entering into a transitional services agreement with the Company;
 - Execution of a sales representation agreement granting Motio the rights to access URLs that provide content for digital displays; and
 - Regulatory approval if required.

This announcement has been authorised for release by the Board.

ENDS

Media & Investor relations
Adam Cadwallader
Managing Director

ABOUT MOTIO LIMITED

Motio redefines how brands connect with their audiences, through its unique digital place based network. It offers the best elements of Out-of-Home, Digital and Video with dedicated digital display channels carrying dynamic, engaging and hyper-relevant content tailored to the natural high dwell times of its environments. These include cafés, medical centres, indoor sports and Bar/Pub environments. Motio has unique characteristics enabling brands to tell their stories to people where they are naturally engaged. The Motio network includes more than 1500 state-of-art digital displays across in excess of 1000 high-value locations, underpinned by first party data and location intelligence technology to deliver brands with maximum returns.

By blending the storytelling power of video, the immediacy of digital, the effectiveness of place based Out of Home with the precision of contextual placement, Motio is a platform that isn't just seen, it's remembered.