

26 April 2016

Chairman's update to shareholders of Motopia Ltd.

Dear fellow shareholder,

I write to update you on recent and forthcoming activities for Motopia which has, over the past months, commenced a transition to become a leading **Cloud Services Migration** business with an exciting future ahead. I am confident that the pathway the company has chosen in its corporate evolution is one that will bring reward to current and future shareholders and I take this opportunity to share with you, the company's strategy for the future.

Cloud Hosting and Migration

Cloud hosted technology and development has advanced rapidly over the past few years and the migration of data, applications and other business elements from an organization's onsite computers to the **cloud**, is now a well-accepted and desired process for all enterprises, large and small. Cloud hosting of legacy data is now the norm for technology businesses and allows for more effective and efficient service application and ensures a flexible and cheap system for managing a broad range of applications and data.

With tens of millions of Microsoft Access databases still in use, Motopia's conversion solution away from MSAccess is in high demand and our solutions can be accessed as service or product offering.

Company Aim and Vision

Motopia today has a clear vision: ***"To be Australia's best Cloud Migration Service Provider by offering customers a clear path to simply and effectively connect to cloud software applications. The company vision is to establish diversified revenue streams from the execution of conversion services, consulting to clients and reselling value adding applications that enhance our customer's use of the cloud."***

There are 5 main participants influencing the push to the cloud:

- PaaS Vendors – eg Microsoft Azure (who are focused on transforming the client server seat licensing world to hosted subscription models).
- Telco's – eg Telstra (who are focused on transforming from voice telecommunication dependent revenue to a more data related business model).
- System Integrators – who are increasingly becoming facilitators of migration and partnering across the PaaS, Telco and Vendor horizontals.
- Accountants – who are becoming quasi-IT professionals as they strive to stay at the forefront in an increasingly self-service technology world.
- Vendors – who need to win customers quickly and painlessly for the subscription and freemium models to hit revenue targets in the absence of capital based seat + maintenance licensing models.

Through the products that Motopia now offers to this market, we can provide a range of solutions to cover most Cloud Migration aspects and ongoing assistance that such clients require. Key to our revenue model is ongoing subscription fees for hosting, maintaining and enhancing the Cloud system. Motopia will offer customers a model to modernise, migrate to the cloud and extend their utilisation of software in a cost effective way.

Current Motopia Assets

Motopia's portfolio of assets currently is a suite of complimentary packages for which there is an existing pipeline of clients:

- 2SQL - a program that automates the conversion of MSAccess Databases to SQL Server.
- MU2 - a conversion product that automates the conversion of MSAccess software to Web (HTML5) software using MS SQL or SQLAzure for the database and SOA platform.
- Parsing Engine – this is the foundation technology of both the MU2 and 2SQL Products. The Parsing Engine has been developed over the last 12 months under the MOTOPIA Ltd management. In 2016/2017 we intend to further develop the parser to create solutions for various MSAccess to COTS (Commercial Off The Shelf) software offerings.

- Inspirer License – a program that enables customers to migrate from legacy database applications some of which include Oracle, DB2, FoxPro and Progress to SQL Server.
- CU2Online – an online platform to process conversion clients globally. It currently enables 2SQL conversions and HTML5 conversions.

Motopia has already developed a significant pipeline of clients waiting to use the MU2 HTML product once it is officially launched. This pipeline of clients include Government Departments and other large corporations who are interested in utilising MU2 as a solution for their legacy modernization initiatives.

Appointment of Managing Director

Motopia will soon look to appoint a Managing Director to enable the company's transition and to drive the growth and market strategy. The company is in advanced discussions with a suitable candidate and will provide an update to the market once negotiations are complete.

Coming Milestones

There are a number of near term milestones that the company is working toward:

- Official launch of the HTML5 dashboard (MU2).
- Building on and executing a pipeline of work for MSAccess to Web.
- Building on and executing a pipeline of work for MSAccess to COTS.
- Achieve Microsoft competencies necessary for Gold Partner Status in Modernisation, e-Commerce and Customer Web Development.
- Continue to build Channel Distribution partners.
- Continue appointing key technical and sales staff.
- Further acquisitions of IT services and products that align with our company vision.
- Company name change.

There has been a lot of work in the background over the last year with product development and growing the IT Team. While we have what we believe to be quality viable assets in place, given the scale of the 'Global Conversion-to-Cloud' market and where we want to position ourselves in it, we have not wanted to push any one service too hard until we had the appropriate IT sales and services team in place.

With a new and experienced team of IT personnel in place and being built upon, to be led by an experienced Executive, who all share the same vision for the company, I am confident that Motopia will emerge from this transition period to establish itself as a new and promising IT industry leader, well positioned to take advantage of current technological business revolution.

We are also in preliminary negotiations for the acquisition of further services and products that align with our company vision ***To be Australia's best Cloud Migration Service Provider.*** We have recently engaged the services of NWR Communications to assist in promoting the company and its development into a fully functional IT services company to a wider IT investment community.

We are excited with the immediate future that is afforded to Motopia and its shareholders with the foundations of the fully functional Cloud Migration Services business now in place. I commend the new business model and our new IT team to you and I look forward to sharing the coming growth as the company achieves the numerous and exciting milestones ahead.

Yours faithfully,



Marcus L'Estrange
Chairman