

20 June 2016

ASX Announcement
Motopia launches Cloud Migration conversion solution MU2 and commences sales

Highlights:

- **MU2 conversion solution enables rapid cloud migration of Access Software to HTML5 (Web)**
- **Beta testing of MU2 has been successfully completed**
- **Early sales revenue generated via Cirralto partnership contracts**
- **Negotiations underway with key reselling partners**
- **Sales team expansion to commence on East Coast in 2nd half 2016**

Motopia Limited (ASX: MOT, the Company) is pleased to announce it has launched and commenced sales of the Cloud Migration conversion solution **MU2**, with beta testing now completed and early revenue commenced via partnership with Cirralto. During the beta testing phase for the automated software conversion tool the Company worked closely with several key clients and potential channel partners to assess their particular modernisation requirements and adapt the software solution offering accordingly. MU2 conversion solution enables data migrations from many other international systems.

In October 2015 the Company announced the extension of the cloud migration platform and the incorporation of automated Access Software to HTML5 (Web) software conversion tool and commenced Beta testing the HTML5 (Web) software conversion solution.

The Company is now pleased to advise that this Beta testing phase has been successfully completed and that the Access Software to HTML5 (Web) solution has now been officially released under the product name of MU2. The Company will be updating its website and collateral shortly to reflect the new product launch.

At the same time that the beta testing of MU2 was carried out, the Company, through its partnership with Cirralto, generated revenue from paid service contracts and entered in to negotiations with several key reselling partners to roll out the MU2 service offering.

Concurrently the Company commenced building a sales and services team to cope with the anticipated demand based on early feedback from reselling partners. Following on from the release of MU2 the Company is now focused on rapidly expanding the pipeline of clients and resellers. Sales of MU2 have commenced and the Company is confident in the service and delivery being provided to customers.

To date the sales and services team has been primarily located in Perth. The Company is now looking at expanding the sales and channel management team into the east coast in the second half of this year as the market size for the Company's data migration and conversion solutions on the east coast, is substantially larger than on the west coast.

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Utilisation and Integration of other Asset Capabilities

The data migration platform with MU2's conversion capability enables data migration from many internationally recognized source systems. The development ties this capacity together and enables the delivery of rapid application developments services for sale to Customers.

Increase in Average / Job Revenue

Data migration (whether from Access, DB2 or Oracle) must be undertaken with 100% integrity in order to complete any modernisation project. However, the migration itself is usually less than 10% of the overall modernisation cost. The migration of custom systems and the delivery of technical services labour provides high margin, high value project revenues. The Company continues to position itself to capitalise on the other 90% of modernisation project revenues.

Alignment to Strategy

The Company is committed to enabling Customers to migrate to the cloud and cloud enabled applications. The Company's cloud platform currently enables the hosted migration of Access data to SQL Server. The new MU2 solution will enable the rapid cloud migration of the Access Software to the web and the integration of this software with data in SQL Server.

The Company continues to consider further investments in technologies that enable legacy data and software migration to support the high demand for migration services from Customers to enable them to move to a cloud environment thereby leveraging the cloud and cloud enabled applications.

Marcus L'Estrange, Non-Executive Chairman, "This is another significant step in our strategy to build Motopia into the leading Cloud Migration and Services company in Australasia and I thank shareholders for their support throughout this transition process. As we continue to rollout our strategy I look forward to announcing more on new clients and new revenue streams in the near term."

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