

Motopia progresses Cirralto acquisition and appoints Managing Director

- **Acquisition of Cirralto receives shareholder approval**
- **Transforming to be the leading cloud data conversion provider**
- **Reseller agreement signed with major telco**
- **Mike Mulvey appointed Managing Director**
- **Cirralto expands Flash Convert capabilities**
- **Motopia progresses transaction towards Completion**

Melbourne, 12 July 2017; The Board of Motopia Limited, (ASX: MOT or the Company) is pleased to provide the following update to the market on the progress of the Acquisition of Cirralto Business Services Pty Ltd (Cirralto) (Acquisition Update), Board and Management changes (Corporate Update) and recent development and commercialisation success of Cirralto's Flash Convert Platform (Business Modernisation Update).

Acquisition Update

On June 30, 2017 the Company convened its General Meeting and shareholders voted and overwhelmingly approved the Company's acquisition of Cirralto. The Company is now nearing completion of the Acquisition and is in the final stages of satisfying the outstanding Conditions Precedent to the transaction.

The Company and Cirralto are working diligently to merge the respective businesses and implement an organisational hierarchy and reporting structure to ensure the merged business has a strong foundation from which to launch its combined business modernisation technology platform as a service (PaaS) offering to the SMB and SME business segment.

In line with the merger, all technology licences; contracts; IP and corporate documentation are being reviewed and refreshed to ensure the Company is corporately compliant.

The completion date for the Acquisition has been extended to on or before September 30, 2017. The Company will provide the market with additional progress updates on completion of the Acquisition.

Corporate Update

At the General Meeting, shareholders approved the election of Mr Mike Mulvey as a director of the Company at the General Meeting. As such, the Company has restructured the Board and is pleased to announce the appointment of Mike as Managing Director of the Company. Details of Mike's experience can be found in the announcement made by the Company on May 17, 2017 appointing Mike as interim CEO.

Further, Mr Adrian Floate has moved into the role of Executive Director, Sales and Product Development.

In addition to the executive changes, on Completion, the Company will absorb seven (7) full time Cirralto staff across sales and account management, channel management, web development and data base analysis (DBA). During H1 FY2018, the Company will add to its resource base with the addition of account and channel managers plus additional web developers and DBAs located at its recently opened Sydney office in the new WeWork collaboration space on George Street, Sydney CBD.

The Company will provide the market with additional updates as further changes are implemented to its operating structure and management team.

Business Modernisation Update

The Company is pleased to announce that since entering into the agreement to acquire Cirralto (announced November 10, 2016), Cirralto has made significant progress in the development and commercialisation of the Flash Convert data migration platform (www.flashconvert.com).

At the time of the announcement of the Acquisition, Cirralto's data migration PaaS technology solution migrated legacy, on premise accounting data files to cloud accounting platforms. The Flash Convert migration platform was able to read, convert, clean and write data from a source accounting platform and send it to the destination cloud accounting service.

Since then, Cirralto has further developed the Flash Convert migration platform and added additional capabilities to its customer relationship management systems (CRMs) migrations; added the technological capability to migrate data across eCommerce platforms and point of sales systems (PoS). These additions and expanded capabilities are complimentary with the Company's existing MU2 data migration technology.

Flash Convert harvests the data from a customers backup file, runs a background processing tool to convert the data in to a contemporary format compatible with the destination system; identifies errors via an online visualisation tool prior to posting allowing the customer to correct errors to ensure the new environment is populated with clean, correct data.

The Company expects to merge the MU2 migration capabilities into the Flash Convert platform, thereby having the capability to offer customers a "one stop shop" data migration PaaS. The expanded PaaS will allow customers to fulfil their digital and eCommerce ambitions to better compete in the global marketplace, open new markets and in turn acquire new customers and position the Company as a much more significant player in the Australian Modernisation PaaS marketplace.

Cirralto has been beta testing Flash Convert's eCommerce and PoS migration capabilities in advance of a commercial launch. Feedback to date has been positive and Cirralto has been working on automation of the platform to reduce the conversion completion time.

Cirralto has been in discussions with a major global telecommunications company and has signed a commercial in confidence agreement with the telco to resell Cirralto's products and services to the telco's business customers. In addition, Cirralto is currently in discussions with an eCommerce vendor to provide Flash Convert migration services to the vendor's customers when migrating to the vendor's eCommerce platform.

Further, Cirralto has receipted in excess of \$560k in revenue for FY2017 and on Completion, the Company expects to provide a consolidated forward cash-flow budget as it forecasts its 12 month and 2 year activities.

The Company will provide the market with further details on execution of contracts and partnerships with third parties, subject to confidentiality provisions, as soon as it is practicable.

Message to shareholders from Mike Mulvey, Managing Director

The Company's fundamental mission is to help our customers' customer, evolve the way they buy, sell and do business to meet the demands of the global, mobile, cloud economy.

The newly merged business brings together the under resourced and under utilised Motopia capability with the existing expert resource base and successful business experience held within Cirralto. This will enable significant potential revenue opportunities in the business modernisation space within the SMB and SME business segments.

The merged Company will be positioned to play a dominant role in the Australian cloud market – especially around eCommerce; PoS; and supply chain management for the retail, hospitality and health sectors. The initial focus will be on integrating the two businesses and setting a path to sustained growth by working with the team to rationalize our existing customer base and further developing relationships with channel partners and key players representing the SMBs and SMEs.

I'm excited to see such a healthy pipeline of opportunities via multiple channels to market that validates the investments made in the technology platform and the sales strategy to date. Further investment will be made on growing the team in the newly established Sydney office to grow our channel partners and more development in our technology platform to broaden the capabilities of Flash Convert.

Work is already well advanced in these areas and there will be announcements regarding these in due course."

For more information, visit www.motopia.com or contact:

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About Motopia Limited

Motopia Ltd (ASX: MOT) is an ASX listed software company that owns and operates technology assets that enable legacy data and systems migration to the cloud. Motopia's 2SQL product is regarded by Microsoft and other technology experts as the best of breed Access to SQL migration solution. In response to the growth of cloud computing services and broadening demand for legacy migration away from Access, Motopia has invested in a SaaS platform (www.convertu2online.com) to complement its on premise migration offerings. We have also formed new relationships to support our commercialisation plans that encompass 24hr a day platform operations, support and channel sales. Moving forward, the board is positioning Motopia as a "migrate anything" technology company to offer our customers a set of tools to migrate from any legacy custom software platform to the cloud.