Appendix 4E

Preliminary final report

Year ended 30 June 2017

Name of entity

MOTOPIA LIMITED

ABN

67 099 084 143

Financial year ended ("current year")

30 June 2017

Comparative year ended ("prior year")

30 June 2016

Statement

This report is based on information extracted from the Annual Financial Report of Motopia Limited (Company) and the entities it controlled at the end of, or during the year ended 30 June 2017 (Consolidated Entity or Group). The preliminary financial report is based upon financial statements that are in the process of being audited. Whilst the Group's financial statements are still in the process of being audited and the content of the Group's annual report has not yet been finalised, it will contain a going concern note. The independent audit report will also contain an emphasis of matter paragraph drawing attention to the Group's ability to continue as a going concern.

Results for announcement to the market

	2017 $	2016 $	CHANGE $	% CHANGE
Revenues from ordinary activities	**37,955**	**6,000**	31,955	533%
Revenue from ordinary activities for the year has increased due to increased activities from Motopia Ltd and the entities it controlled this year. Refer to the summary review of operations in the directors' report attached for further information.				
Profit / (Loss) from ordinary activities after tax attributable to members.	**(1,938,065)**	**(1,773,798)**	**(164,267)**	**(9%)**
Net profit / (loss) for the period attributable to members	**(1,938,065)**	**(1,773,798)**	**(164,267)**	**(9%)**
2Play Mobile Pty Ltd and Pro Fantasy Sports Pty Ltd have been deregistered in the financial year ended 30 June 2017 hence have been removed from the consolidated group.				
No dividends have been paid during or proposed in respect of the financial year ended 30 June 2017.				

	2017 ¢	2016 ¢
Net Tangible Assets per Security	**(2.2837)**	**(0.2592)**

Commentary on results

For the year ended 30 June 2017
Significant Features of Operating Performance

Motopia and its subsidiaries recorded a loss of $1,938,065 for the financial year ended 30 June 2017 (2016: $1,773,798) with an operating cash outflow of $714,615 (2016: $869,489).

Acquisition Update

The Company's acquisition of Cirralto Business Services Pty Ltd (Cirralto) is nearing completion with a Rights Issue closing on 31 August 2017. The Company is in the final stages of completing the outstanding capital raising conditions precedent to enable the transaction to complete.

To this end, the Company and Cirralto have commenced the recruitment process of key staff hires in the new Sydney office and Perth offices of Cirralto. These new team members are essential to enable the sales growth and the successful commercialisation of the company's modernisation technology Platform as a Service (PaaS) offering to the SMB and SME business segment.

To support the commercial initiatives of the Company, a review of and consolidation of all agreements is near completion. The Company looks forward to announcing news of the Completion of the Acquisition shortly.

Sales Update

Since the appointment of Mr Mulvey as Managing Director and Mr Floate as Executive Director, Sales and Product Development, the Company has been focussed on its sales structure and the execution of its go to market strategy.

In line with its expectation of the imminent completion of the acquisition, the "New Motopia" is implementing its integrated Go To Market plan with three primary customer acquisition strategies that in turn drive revenue.

These include collaborating with other software companies to provide modernisation services to them and their reseller networks. The Company expects to make further announcements about agreements in this segment of strategy before the end of the quarter.

Additionally, the Company is also developing direct relationships with customers with specific focus on franchise retailers and buying groups needing to modernise their POS and e-commerce, not-for-profit healthcare providers seeking to improve their e-commerce and procurement and hospitality venues seeking to modernise their POS and procurement. The Company expects to make further announcements on revenue from this segment in the run up to Christmas.

Finally, the Company is also developing reselling relationships with synergistic partners who have incumbent customers and an ambition to modernise and build upon those relationships in our target markets. To that end, the Company can announce that Cirralto has signed a reselling agreement with Telstra whereby Cirralto products and services will be resold by Telstra. The terms of this agreement are confidential but the Company is confident it will make further announcements about the revenue impact of this agreement in line with customer successes.

These combined strategies have created strong demand for our collective products and services and the Company can already confirm a longer term sales pipeline in excess of A$20M. With the expansion of our team over the next year we would expect this sales pipeline figure to further increase.

Revenue Forecast FY 2018

The Company has made significant progress in the integration of the MU2 and Flash Convert data migration platforms as well as developing new revenue sharing and collaboration agreements with various parties.

Given the progress of the Company to date, the board is confident in the achievement of the following revenue and financial performance targets in the 2018 financial year. The board has approved an Annual Budget that delivers strong revenue of a minimum of $2.5M during FY 2018, based on current resources, and transitions to being cash flow positive by March 2018. As the team is expanded off the back of the current Rights Issue funding, we expect to achieve revenues in excess of this minimum benchmark. The Company will enjoy a strong monthly cash position throughout this period and will show further significant growth and profitability during FY 2019.

The following table highlights revenue by source:

Solution Type	**%**
Modernisation	3%
Integration	10%
Vertical Solutions	87%

Whilst the greatest percentage of income flows from our vertical solutions initiatives it should be noted that these solutions utilise the Company's modernisation assets as the foundation for delivering repeatable and sustainable recurring revenues. Initial focus is on the market segments that will deliver the greatest revenue income in the short term. Based on demand and market factor, new sales channels will be developed in the future.

The Company's team recruitment is focused upon building out its modernisation and integration capability to enable acceleration of growth in its vertical solutions initiatives.

The Company's fundamental mission is to help its 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 Company's technological 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.

Great progress has been made in the integration of the two businesses and the Company will be in excellent shape once the transaction has been completed in early September 2017.

Justyn Stedwell
Company Secretary
On behalf of the Board of Motopia Limited

MOTOPIA LIMITED

AND ITS

CONTROLLED ENTITIES

ABN: 67 099 084 143

PRELIMINARY FINAL REPORT
APPENDIX 4E

YEAR ENDED
30 JUNE 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue from continuing operations	1	37,955	6,000
Other income	1	309,901	114
Employee & directors benefits expense	2a	(132,000)	(162,000)
Amortisation expense	2b	(137,008)	(110,925)
Impairment of assets	2b	(66,375)	(626,892)
Consulting fees		(1,433,525)	(555,944)
Legal and other professional fees		(198,288)	(117,682)
Regulatory listing fees		(45,912)	(45,297)
Occupancy and office expenses		(45,725)	(11,504)
Other expenses		(197,354)	(147,842)
Finance costs		(29,734)	(1,826)
Loss before income tax from continuing operations		**(1,938,065)**	**(1,773,798)**
Income tax benefit		-	-
Loss after income tax from continuing operations		**(1,938,065)**	**(1,773,798)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(1,938,065)**	**(1,773,798)**
Loss for the year is attributable to:			
- members of the parent entity		**(1,938,065)**	**(1,773,798)**
		(1,938,065)	**(1,773,798)**
Total comprehensive loss for the year is attributable to:			
- members of the parent entity		**(1,938,065)**	**(1,773,798)**
		(1,938,065)	**(1,773,798)**
Earnings per share ($ per share)			
Continuing operations			
- Basic loss per share	3	(0.0281)	(0.0321)
- Diluted loss per share	3	(0.0281)	(0.0321)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Consolidated Group 2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents		4,048	71,744
Trade and other receivables	4	67,497	36,454
Other current assets	5	6,274	11,609
Total current assets		77,819	119,807
Non-current assets			
Intangible assets	6	234,764	438,147
Total non-current assets		234,764	438,147
Total assets		**312,583**	**557,954**
Liabilities			
Current liabilities			
Trade and other payables		1,069,014	287,230
Loans from related parties		106,466	-
Other loans		107,888	-
Convertible notes		444,652	-
Total current liabilities		1,728,020	287,230
Non-current liabilities			
Other loans		-	2,015
Total non-current liabilities		-	2,015
Total liabilities		**1,728,020**	**289,245**
Net (liabilities)/assets		**(1,415,437)**	**268,709**
Equity			
Contributed equity	7	45,400,961	45,147,042
Accumulated losses		(46,816,398)	(44,878,333)
Total equity		**(1,415,437)**	**268,709**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Attributable to Equity Holders of the Parent		
	Contributed Equity $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2016	**45,147,042**	**(44,878,333)**	**268,709**
Loss for the year	-	(1,938,065)	**(1,938,065)**
Total Comprehensive loss for the year	-	(1,938,065)	**(1,938,065)**
Transactions with owners in their capacity as owners:			
Issue of share capital	276,000	-	**276,000**
Transactions costs related to share issue	(22,081)	-	**(22,081)**
Balance as at 30 June 2017	**45,400,961**	**(46,816,398)**	**(1,415,437)**
Balance as at 1 July 2015	**44,072,718**	**(43,104,535)**	**968,183**
Loss for the year	-	(1,773,798)	**(1,773,798)**
Total Comprehensive loss for the year	-	(1,773,798)	**(1,773,798)**
Transactions with owners in their capacity as owners:			
Issue of share capital	1,165,879	-	1,165,879
Transactions costs related to share issue	(91,555)	-	(91,555)
Balance as at 30 June 2016	**45,147,042**	**(44,878,333)**	**268,709**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated 2017 $	 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		34,000	-
R&D Tax Refund		309,887	-
Interest received		14	114
Payments to suppliers and employees		(1,057,803)	(869,466)
Bank charges and interest paid		(713)	(137)
Net cash used in operating activities		(714,615)	(869,489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans extended		-	75
Acquisition of non-current assets		-	(175,400)
Net cash used in investing activities		-	(175,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from related parties		(7,000)	-
Other loans		(22,000)	-
Proceeds from issue of shares		253,919	1,065,167
Proceeds from convertible shares		422,000	-
Net cash provided by financing activities		646,919	1,065,167
Net (decrease)/increase in cash held		(67,696)	20,353
Cash at beginning of financial year		71,744	51,391
Cash at end of financial year		4,048	71,744

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1 Revenue and Other Income

	Consolidated 2017 $	2016 $
Revenue		
Revenue from the rendering of services	37,955	6,000
Other Income		
Interest revenue	14	114
R&D tax concession	309,887	-
	309,901	114

Note 2 Expenses

		2017 $	2016 $
2a	**Employee & Directors benefits expense**		
	Director & company secretary fees	132,000	162,000
2b	**Amortisation & impairment**		
	Amortisation expenses	137,008	110,925
	Impairment charges:		
	- Intangible assets	66,375	180,732
	- Investment	-	174,292
	Loan receivables	-	271,868
	Total Amortisation & impairment charges	203,383	737,817

Note 3 Earnings Per Share

Basic earnings or loss per share are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings or loss per share amounts are calculated by dividing the net profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Share options are considered to be anti-dilutive and not used in the calculation of diluted EPS.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2017	2016
Loss after income tax expense from continuing operations	(1,938,065)	(1,773,798)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS	68,988,227	55,287,034
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS	68,988,227	55,287,034
Basic loss per share	(0.0281)	(0.0321)
Diluted loss per share	(0.0281)	(0.0321)

Note 4 Trade and Other Receivables

	2017	2016
Trade receivables	48,350	6,600
Other receivables	19,147	29,854
	67,497	36,454

Note 5 Other Current Assets

	Consolidated 2017 $	Consolidated 2016 $
Prepaid insurance	6,174	5,509
Prepaid legal fees	-	6,000
Other assets	100	100
	6,274	11,609

Note 6 Intangible Assets

		2017 $	2016 $
Lemon & Lime platform – at cost	(a)	5,500	5,500
Less: Accumulated amortisation		(4,125)	(2,750)
Less: Provision for impairment		(1,375)	-
		-	2,750
ConvertU2Online Platform – at cost	(b)	292,527	292,527
Less: Accumulated amortisation		(117,763)	(44,630)
		174,764	247,897
Modac IP – at cost	(c)	250,000	250,000
Less: Accumulated amortisation		(125,000)	(62,500)
Less: Provision for impairment		(65,000)	-
		60,000	187,500
Total intangibles		234,764	438,147

(a) Lemon & Lime Platform

The directors do not believe sufficient revenue will be derived over the next three years and have fully impaired this asset in the financial year ended 30 June 2017.

(b) ConvertU2 Online Platform

Motopia's current proprietary platform technology is the ConvertU2online platform which hosts 2SQL Microsoft Access to Sequel Server (SQL) migration technology. This is the first commercialisation product with an extremely large market size, both domestically and internationally.

The platform enables the 2SQL migration technology to be deployed through the online portal www.convertU2online.com

The platform is recognised and measured as an intangible asset based on the development costs incurred. The directors have assessed the useful life of the asset as 4 years and have amortised the asset from 1 July 2015.

(c) Modac Group Pty Ltd (Modac) – IP

On 24th April 2015, the company gained control in Modac Group Pty Ltd ("Modac") by acquiring 100% of the shares in Modac through ConvertU2Online Pty Ltd ("CU2O"), a wholly owned subsidiary, for $250,000. The investment in Modac is held by CU2O.

Modac is the Pacific licensee of iSpirer technology. Like 2SQL, iSpirer's technology enables customers to migrate from legacy database applications some of which include Oracle, DB2, FoxPro and Progress to SQL Server. The acquisition of iSpirer technology capabilities builds upon on the vision of Motopia to be Australia's best provider of legacy migration solutions and further cements Motopia's ambition to realise the full commercial potential of the 2SQL software.

The total consideration of $250,000 paid for the acquisition of Modac is recognized as the fair value of the IP in Modac. The directors have assessed the useful life of the asset as 4 years and have amortised the asset from 1 July 2015.

The asset has been impaired by $65,000 in the financial year ended 30 June 2017 to reflect the fair value of the asset as at 30 June 2017.

Note 6 Intangible Assets (cont….)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated		Software $	Trademarks & IP $	Total $
Balance at 30 June 2015		184,027	508,404	**692,431**
Acquisition	(a)	114,000	-	**114,000**
Amortisation		(47,380)	(62,714)	**(110,094)**
Impairment of assets		-	(258,190)	**(258,190)**
Balance at 30 June 2016		250,647	187,500	**438,147**
Amortisation		(74,508)	(62,500)	**(137,008)**
Impairment of assets		(1,375)	(65,000)	**(66,375)**
Balance at 30 June 2017		174,764	60,000	**234,764**

(a) ConvertU2 Online Platform

Motopia's current proprietary platform technology is the ConvertU2online platform which enables the company to fully realise the commercial potential of the 2SQL technology and leverage the market trends to remove Microsoft Access databases from operating environments. The platform is recognized and measured as an intangible asset based on the development costs incurred.

Note 7 Contributed Equity

	Consolidated 2017 $	2016 $
Ordinary shares	45,400,961	45,147,042
	45,400,961	**45,147,042**

Ordinary Shares

Ordinary shareholders have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and moneys paid up on shares held. The fully paid ordinary shares have no par value. Ordinary shareholders are entitled to one vote, either in person or by proxy at a meeting of the Company.

Ordinary Shares	2017		2016	
	No. of Shares	$	No. of Shares	$
Opening balance	**6,535,843,372**	**45,147,042**	**4,897,866,370**	**44,072,718**
Consolidation of shares (100:1) - (i)	(6,470,484,734)	-	-	-
Rights issue and share placements	6,900,000	276,000	1,616,549,002	1,144,451
Option exercised	-	-	21,428,000	21,428
Transactions costs related to share issue	-	(22,081)	-	(91,555)
Closing balance	**72,258,638**	**45,400,961**	**6,535,843,372**	**45,147,042**

(i) Consolidation of ordinary fully paid shares on the basis of 100 for 1 announced on 17 October 2016 and effective on 22 November 2016.

Notes to the Consolidated Financial Statements (cont….)

Note 8 Segment Reporting

The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity operates predominantly in the IT industry focusing on data migration, and a single geographic segment being Australia.

At regular intervals, the CODM is provided management information at a consolidated level for the entity's cash position, the carrying values of intangible assets and a cash flow forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

Note 9 Events occurring after the reporting date

The completion date for the acquisition of Cirralto Business Services Pty Ltd has been extended to on or before 30 September 2017 and the Company is currently completing the rights issue which is the final conditional precedent. The Company will provide the market with additional progress updates on completion of the acquisition.

Note 10 Contingent Liability

There are no contingent liabilities as at 30 June 2017.

Justyn Stedwell

Company Secretary