

**ASX Code: MOT**



**Securities on Issue**

247M Ordinary Shares  
27M unlisted Executive  
Options  
\$425,000 in debt  
securities

**Directors**

**Mike Mulvey**  
(Managing Director)

**Adrian Floate**  
(Executive Director)

**Marcus L'Estrange**  
(Non-Executive  
Chairman)

**Stephen Dale**  
(Non-Executive Director)

**Shaun Melville**  
(Non-Executive Director)

**Contact details**

**Sydney Office**

Level 13, 333 George  
Street,  
Sydney, NSW, 2000  
T: +61 3 8678 1746

E: [info@cirralto.com.au](mailto:info@cirralto.com.au)

W: [www.motopia.com](http://www.motopia.com)

## 2017 Activities Report

### Highlights

#### Corporate

- Completion of acquisition of Cirralto Business Services Pty Ltd.
- Completion of Rights Issue.
- Rights Issue shortfall placement has been fully subscribed.
- Executed key reseller agreement with Telstra Corporation Ltd.

#### Operational

- Mike Mulvey appointed Managing Director.
- Adrian Floate appointed Executive Director, Sales and Product Development.
- 2 key hires completed with the appointment of experienced Account Director and Project Manager.
- Integration of Cirralto Business Services employees in to the Company.
- Extension of capabilities in Flash Convert platform.
- Implementation of Go to Market strategy.
- Sydney office opened in community workspace WeWork at 333 George Street, Sydney.

#### Business Development

- Showcase booth at leading technology and innovation conference Telstra Vantage.

#### Financial

- Cash balance of \$781,000 at September 30, 2017.
- Forecast operational break-even by March 2018.

#### Marketing

- New investor meetings to support completion of Rights Issue shortfall allocation.

**Sydney, 1 November 2017;** The Board of Motopia Limited (ASX: MOT or “the Company”) is pleased to provide an update of activities during the quarter ending 30 September 2017.

## **CORPORATE**

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### **Acquisition of Cirralto and completion of Rights Issue**

The Company completed the acquisition of Cirralto Business Services Pty Ltd (Cirralto) on 7 September 2017. On completion:

- 132,500,000 shares were issued to Cirralto vendors as consideration for the acquisition (including 69,000,000 shares issued to related parties escrowed for 12 months)
- Shareholders subscribing for shares under the Rights Issue total \$395,000
- Shortfall allocation from Rights Issue of \$1.79m to be completed in two parts with \$971k being placed on 7 September. The remaining balance of \$816K is fully subscribed with shares to be issued in early November.

### **Execution of Reseller Agreement with Telstra Corporation Ltd**

Cirralto has signed a reselling agreement with Telstra whereby Cirralto products and services will be resold by Telstra’s business channels. The Company is currently undertaking a number of modernisation pilot programs with Telstra business customers and will make further announcements about the revenue impact in line with customer successes.

## **OPERATIONAL**

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### **Executive Appointments**

Mr Mike Mulvey was appointed Managing Director of the Company and Mr Adrian Floate moved into the role of Executive Director, Sales and Product Development. Bio’s for both Mike and Adrian can be located on the Company’s website.

### **Management Appointments**

The Company appointed Mr Bob Morrison to the position of Account Director to lead the engagement with Telstra and Mr Max Schreiber to establish the Project Management Office (PMO). The appointment of these two key resources ensures the Company has the ability to scale quickly to enable the ability to manage and implement several large projects at any one time.

Further, five Cirralto staff across sales and account management, channel management, web development and data base analysis (DBA) were absorbed in to the Company.

The Company will continue to add to its resource base at its recently opened Sydney office in the new WeWork community workspace on George Street, Sydney CBD as it continues to grow.

### **Flash Convert Extensions**

Further development on the Flash Convert migration platform has added migration capabilities for customer relationship management systems (CRMs), e-Commerce platforms and point of sales systems (PoS).

The Company expects further development on Flash Convert will result in the platform having

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the capability to offer customers a “one stop shop” data migration PaaS and position the Company as a much more significant player in the Australian modernisation PaaS marketplace. The expanded PaaS will allow customers to fulfil their digital and e-Commerce ambitions to better compete in the global marketplace, open new markets, acquire new customers.

### **Go to Market Strategy Execution**

Since completion of the transaction the Company has focused on expanding its sales capability, enhancing its sales structure and executing its Go to Market modernisation strategy. The initial focus has been on the market segments that will deliver the greatest revenue income in the short term. These include:

- Collaborations with aligned software companies to provide modernisation services to their customer and reseller networks;
- Direct customer relationships with a specific focus on multisite retailers, franchise networks and buying groups;
- Collaboration with Telstra to develop solutions for their customer base that improve value chain collaboration.

The execution of this strategy has placed an immediate focus on implementing new systems and processes to manage growth, deal-flow and recurring customer billing.

### **Business Development**

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The Company showcased its product and services at the Telstra Vantage technology and innovation conference in Melbourne.

The three-day event generated multiple lead opportunities for the Company that resulted in demonstrations to potential customers and interested channel partners. The Company's Sales team continues to follow up all leads generated from the conference and is pleased to report that as a result of successful demonstrations, has generated multiple pilot trials with customers.

The Company expects to make further announcements about the revenue impact of these pilot trials in line with customer successes and the sales team is optimistic of winning of other pilot initiatives in the franchise retail space pre-Christmas.

### **Financial**

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#### **Revenue Forecast FY 2018**

Given the recent significant sales enquiries to date, the Board is confident the Company will achieve stated revenue and financial performance targets in the 2018 financial year. Key highlights relating to financial performance are as follows:

- Q3 2017 revenue growth is 9% above budget.
- The Board-approved Annual Budget is on course to deliver revenue of at least \$2.5 million during FY 2018 (with positive expectation to the upside).
- The Company remains on track to achieve positive operational cash-flow by end of

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March (Q1 2018).

- The Company remains in a strong cash position to support its growth initiatives throughout 2018.

The Company's relationship with Telstra continues to grow and with a deeper engagement resulting in increased pipeline opportunities with Telstra customers including the implementation of a pilot program with 10 retail stores and (on successful completion of the pilot) moving to a commercial phase national rollout throughout 2018 to deliver a multi-site retail modernisation in the point of sale and e-Commerce space.

## Marketing

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As part of completing the Rights Issue shortfall allocation, the Company held multiple investor meetings with broking groups and sophisticated high-net worth investors.

With the year coming to a close, the Company is undertaking a strategic review of marketing activities to date and is planning a comprehensive marketing and promotion program for 2018 to position the Company front and center in the investor community as well as the business community as a market leader in the business modernisation segment.

This will include a complete re-branding of the Company and, subject to shareholder approval, relaunching as Cirralto Limited.

## MDs Comments

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MD Mike Mulvey stated:

“Motopia is delighted to report that strong progress has been made in the Company's transition from a newly-merged business into a progressive Digital Transformation company.

“The acquisition of Cirralto has been a major turning point for the Company and represents a key milestone in Motopia's growth. We are now realizing the potential that we knew was there with initial early engagements now entering Pilot Phase with multiple large opportunities.

“It is also extremely heartening to successfully complete the Rights Issue and Shortfall funding round that was oversubscribed and is now closed.

“We are confident that the Company will enable significant potential revenue opportunities in the Digital Transformation and Modernisation space within the SMB and SME business segments. The partnership with Telstra is delivering an abundance of business opportunities. Excellent progress is being made to scale and structure the business to cope with the ramp up of demand.

“The third quarter results are extremely encouraging as we see Sales exceed targets and Costs tracking below budgeted levels. Based on pipeline opportunities, we are forecasting a rapid rise in revenues throughout Q1 and Q2 CY2018 that will continue to pace well above

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budget expectation.

“The board of Motopia would like to thank all shareholders for their continued support throughout the acquisition process and we look forward to providing shareholders with updates regarding business operations, new contracts and revenue upgrades in due course.”

For more information, visit [www.motopia.com](http://www.motopia.com) or contact:

Peter Taylor  
Investor Relations  
T: +61 (0) 412 036 231  
E: [peter@nwrcommunications.com.au](mailto:peter@nwrcommunications.com.au)

**About Motopia Limited**

Motopia Ltd (ASX: MOT) is an ASX-listed company that owns and operates technology assets and services that enable modernization of business IT systems via the conversion, migration and management of server based legacy data and systems to the cloud.

With the acquisition of Cirralto, 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.

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