

Motopia Outlines 2018 Operational and Revenue Outlook

- \$2.5M Revenue Forecast for FY18 from current contracts
- Longer term sales pipeline in excess of \$20M
- Operating Cashflow is forecast to breakeven March 2018
- Cirralto completes reseller agreement with Telstra
- Recruitment of Sydney team is underway
- Motopia progresses Cirralto transaction towards Completion

Sydney, 24 August 2017; The Board of Motopia Limited, (ASX: MOT or the Company) is pleased to provide the following update to the market on the Company's revenue outlook for the coming 24 months (Revenue Forecast), update on the Company's go to market execution (Sales Update) and an update on the progress of the merger (Acquisition Update).

Acquisition Update

The Company's acquisition of Cirralto is nearing completion with a Rights Issue closing next Thursday the 31st 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 in the coming days.

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 our 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.

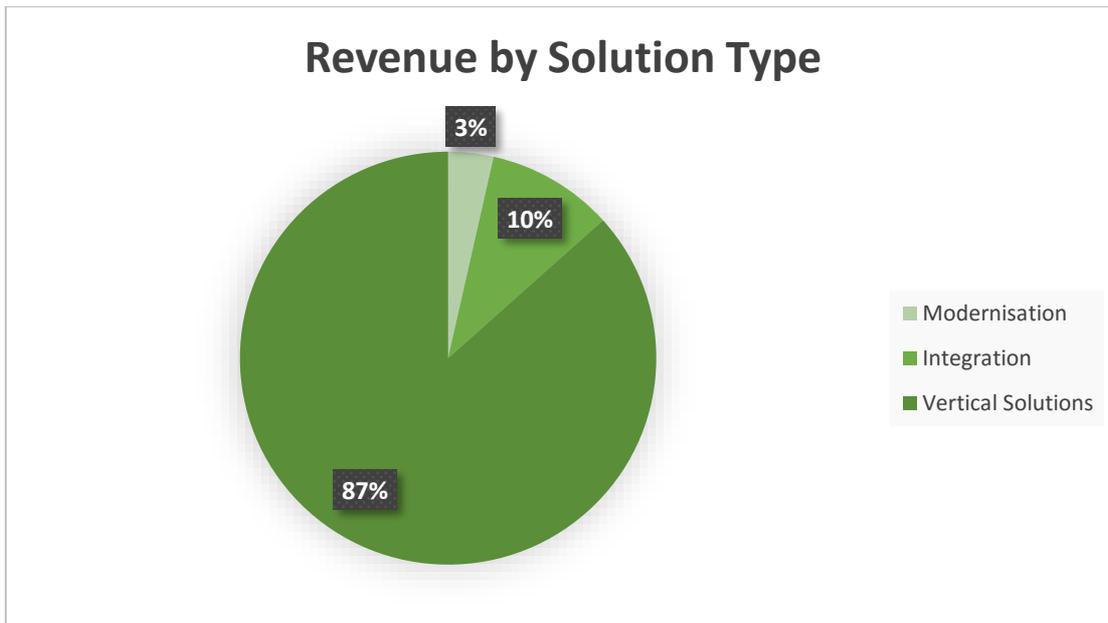
Revenue Forecast FY 2018

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 chart highlights revenue by source. 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.

Our team recruitment is focused upon building out our modernisation and integration capability to enable acceleration of growth in our vertical solutions initiatives.



From Mike:

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 Motopia 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.

It is extremely heartening to see better than expected customer engagement in the early stages of our revitalised business. This is resulting in a strong pipeline of opportunities and we will need to build scale quickly in order to capture the business that is being presented. Hiring of key staff is well underway to ensure that this potential is captured. This will enable us to be well positioned to play a dominant role in the Australian Cloud market – especially around e-commerce; POS; and supply chain management for the retail, hospitality and health sectors.

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

I look forward to sharing more announcements regarding business operations and individual projects 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 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.