



MOQ Limited

ASX:MOQ

FINANCIAL RESULTS

H1FY17

DISCLAIMER



This presentation has been prepared by MOQ Limited ACN 050 240 330 (MOQ). Each Recipient of this presentation is deemed to have agreed to accept the qualifications, limitations and disclaimers set out below.

None of MOQ and or its subsidiaries or their respective directors, officers, employees, advisers or representatives (Beneficiaries) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation, including any forecast or prospective information. The forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Beneficiaries. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward looking statements.

This presentation is a general overview only and does not purport to contain all the information that may be required to evaluate an investment in MOQ.

The information in this presentation is provided personally to the Recipient as a matter of interest only. It does not amount to an express or implied recommendation with respect to any investment in MOQ nor does it constitute financial product advice.

The Recipient, intending investors and respective advisers, should:

- conduct their own independent review, investigations and analysis of MOQ and of the information contained or referred to in this presentation; and/or
- seek professional advice as to whether an investment in MOQ is appropriate for them, having regard to their personal objectives, risk profile, financial situation and needs.

Nothing in this presentation is or is to be taken to be an offer, invitation or other proposal to subscribe for shares in MOQ.

The Recipient specifically agrees, understands and acknowledges that some of the information contained herein has been provided by third parties and the Beneficiaries accept no responsibility for any inaccuracy, misstatement, misrepresentation or omission in relation to that information.

Except insofar as liability under any law cannot be excluded, none of the Beneficiaries shall have any responsibility for the information contained in this presentation or in any other way for errors or omissions (including responsibility to any persons by reason of negligence).

H1 FY17 Highlights*

- Net profit after tax of \$862,610, an increase of 929% on PCP
- Statutory EBITDA of \$1,563,981, an increase of 662% on PCP
- Underlying EBITDA of \$1.9m, an increase of 833% on PCP**
- Revenue of \$29.4m, an increase of 75% on PCP
 - Recurring Services Revenue of \$5.1m, an increase of 172% on PCP
 - Professional Services Revenue of \$7.6m, an increase of 55% on PCP
 - Technology Revenue of \$16.7m, an increase of 66% on PCP
- Earnings per share (cents) of 0.5589c, an increase of 7065% on PCP
- \$1.25m in net operating cash inflows generated in H1FY17
- \$3.95m in cash, with no debt as at 31st December 2016
- Strategic investments made in Managed Services and Skoolbag

* note that prior comparable period (PCP) derived from H1FY16 half year report, which did not include any trading results from Skoolbag and TETRAN.

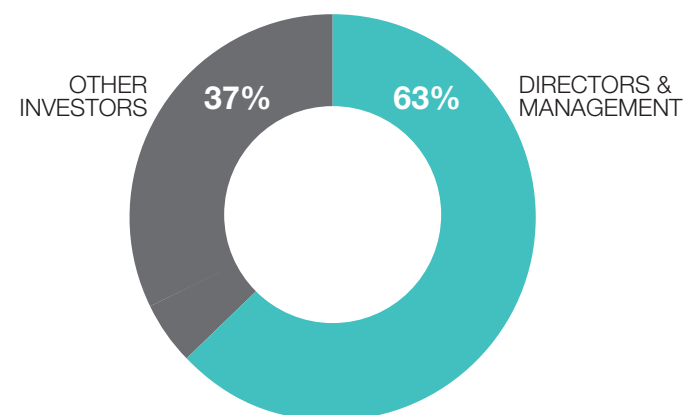
** Underlying EBITDA excludes Integration / Transition expenditure which are one-off costs

Strategy to build, develop and acquire complementary Cloud-focused technology businesses to capitalise on the emerging digital economy

- MOQ is a global award winning, cloud focused technology company with over 200 employees, providing technical solutions, managed services and owns its own commercialised IP
- Building an integrated cloud based services offering from both organic and acquisitive growth
- FY17 is a year of executing on our strategy, winning new business, making strategic investments and consolidating operations
- Strategic focus on growing recurring revenue via managed services and commercialised IP such as the Skoolbag Software-as-a-Service (SaaS) product
- Strong momentum in H1 FY17, on track to deliver \$52-\$57m revenue and 22%-25% gross margins

ASX	MOQ
52 Week Share Price	\$0.21 - \$0.39
Shares on Issue	159.7 million
Market Cap*	\$55.1 million
Cash*	\$3.95 million

Shareholders



* As at 31st December 2016

Highly credentialed leadership team with a proven track record



David Shein
Non-Executive
Chairman

- Established Com Tech Communications and built it to revenues of \$700m, 1,400 employees (Acquired by Dimension Data, 2001)
- Chairman & founding investor of Macromatix (Sold to TPG Ventures, 2012). Invests in and mentors early stage technology companies, many of which have been successfully exited



Nicki Page
Exec Director /
CEO

- 20+ years in IT in both UK and Australia as a Computer Scientist
- Background in Technical and Sales with companies such as KAZ Computing and Microsoft.
- 2014 ARN Women in ICT Entrepreneur of the year
- National Board director of AIIA



Joe D'Addio
Exec Director /
COO

- 35+ years in IT prof. services, technology consulting, system and network engineering
- Held key management & director positions building and leading IT businesses with Com Tech Communications, Dimension Data and co-founded Technology Effect



Scott McPherson
Exec Director /
Director Solutions

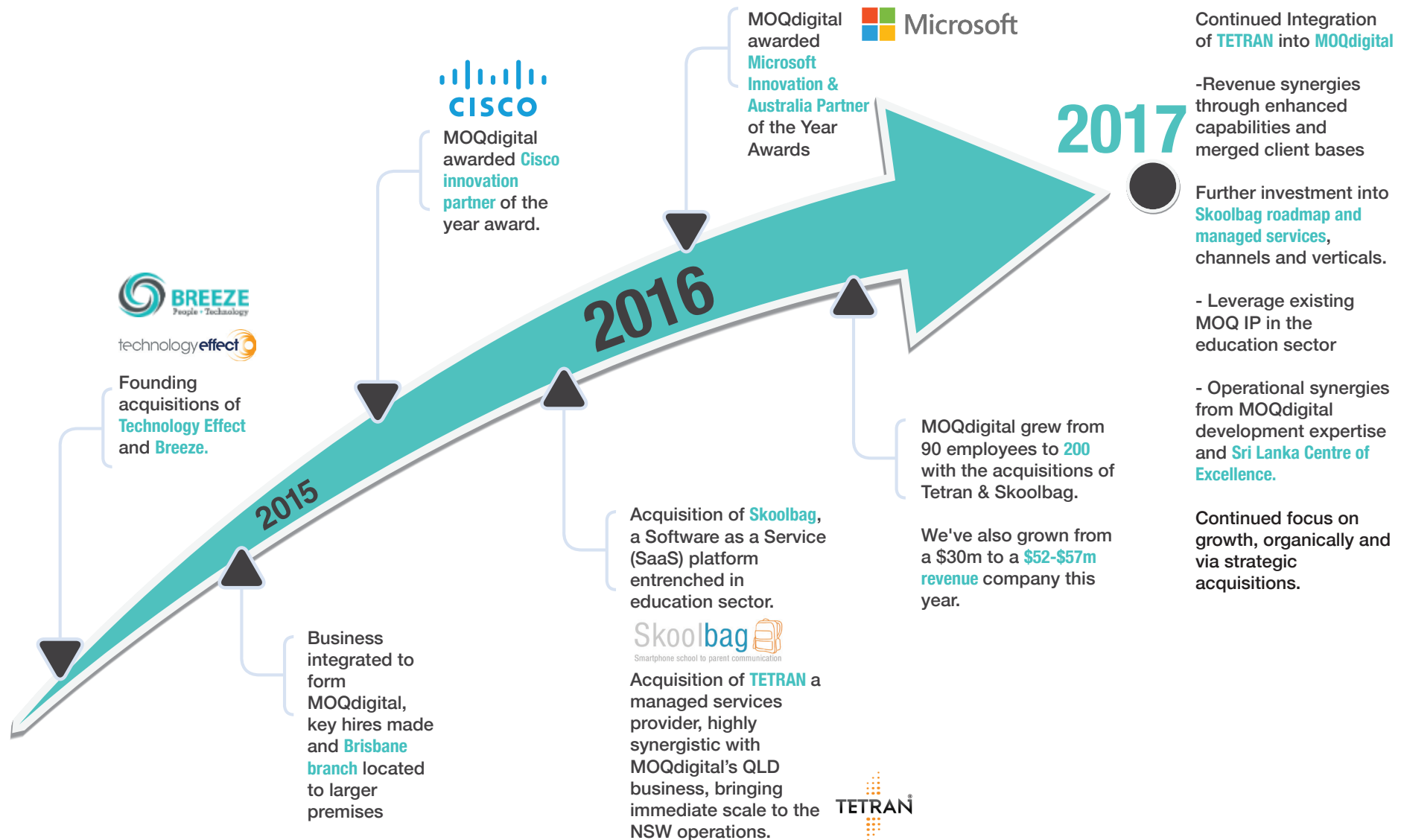
- 20+ years experience at Com Tech Communications, Dimension Data
- Started as a systems engineer, transitioned into a solutions architect and then into practice management. Co-founded Technology Effect



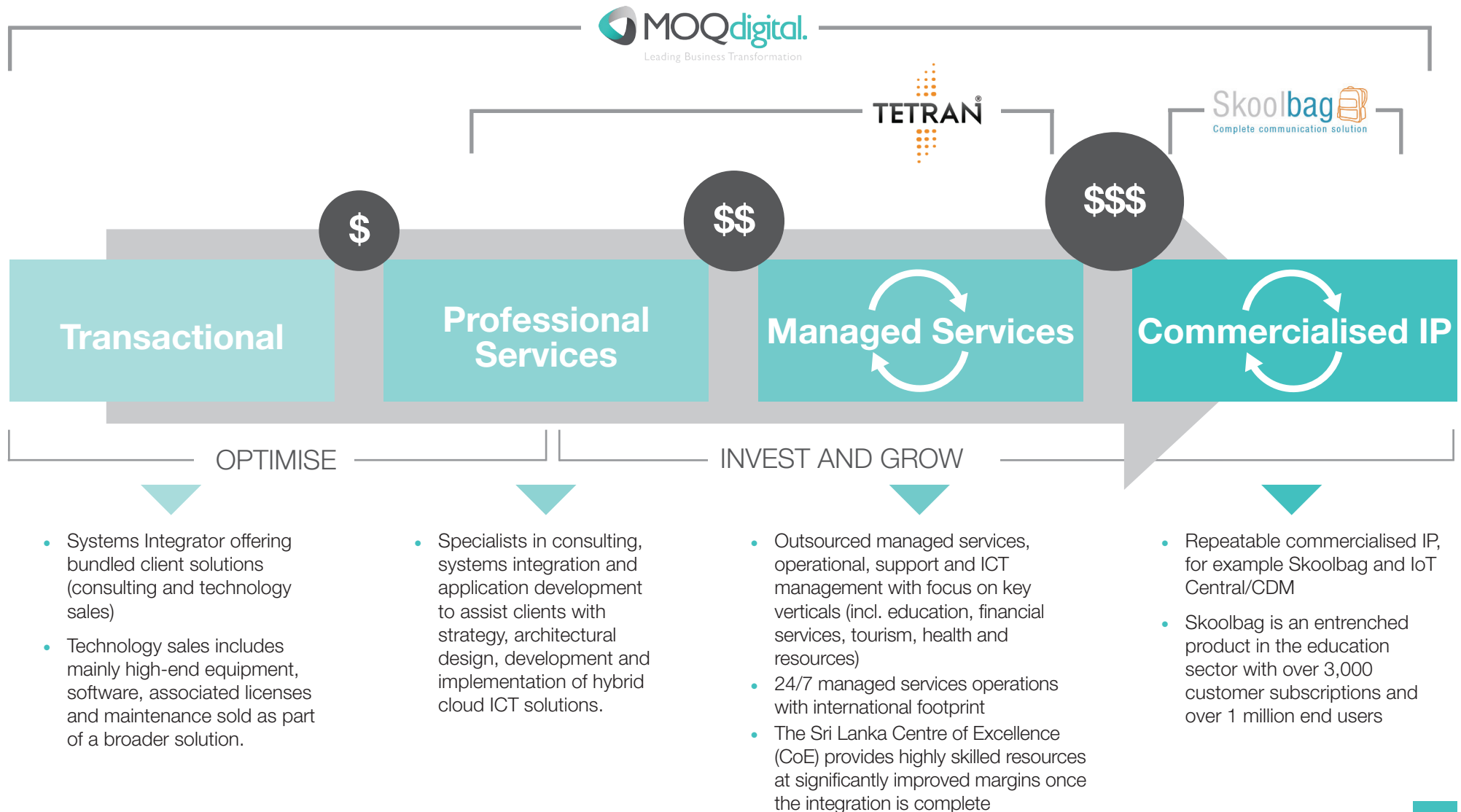
Don Francis
Director

- 20+ years experience in IT industry with focus on managed services
- Holds key management & director positions including co-founding TETRAN and expanding the business globally by setting up Sri Lanka Centre of Excellence, Singapore and New Zealand operations

MOQ HIGHLIGHTS



Transitioning along the 'Cloud Services Value Chain'



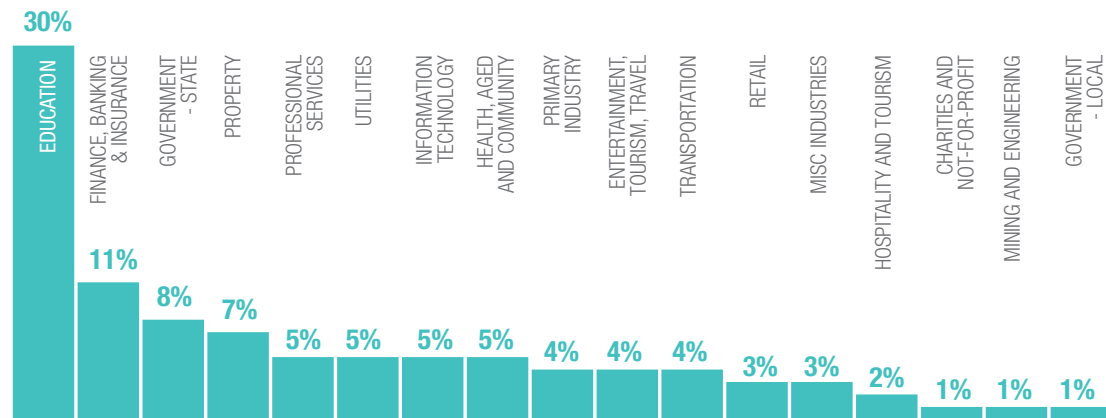
Loyal customer base with high retention and broad spread



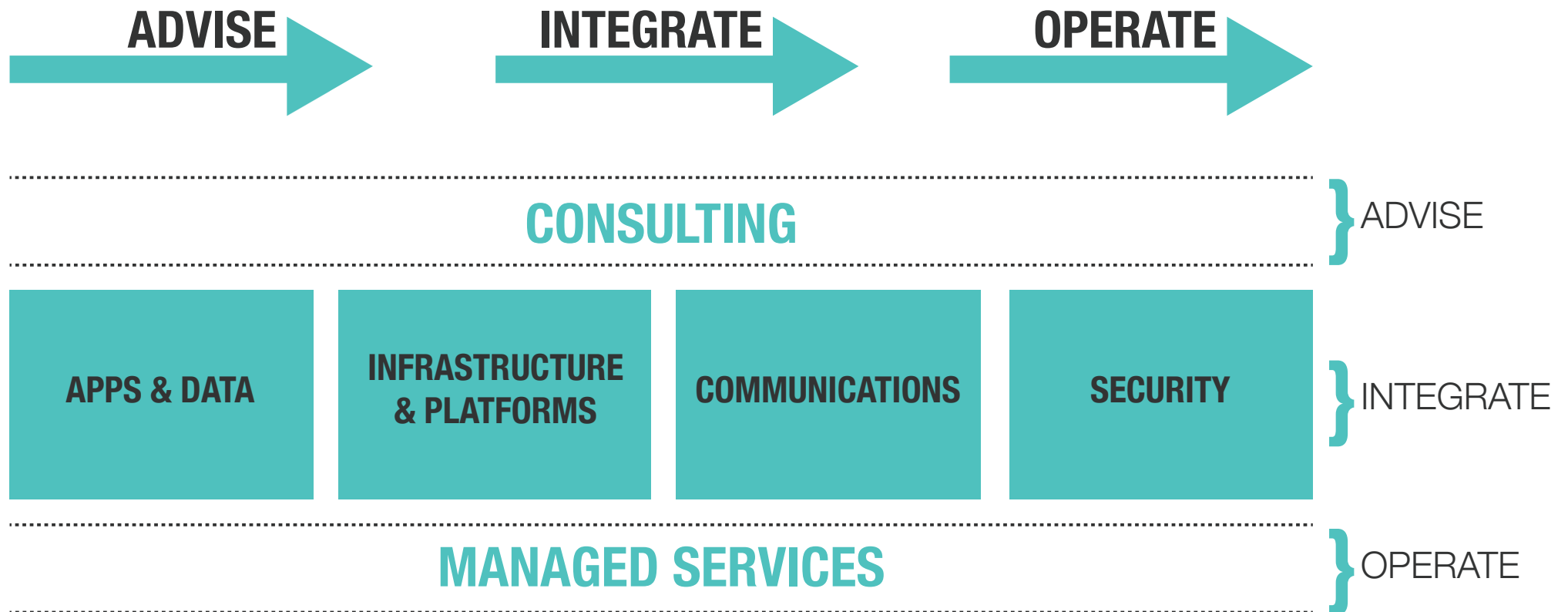
MOQdigital is a cloud focused, agile Systems Integrator that delivers technical solutions and drives outcomes for customers in a new digital world.

- Provides consulting, integration, managed services and specialised IP across infrastructure, applications and data.
- Global business with over 200 employees in total, located across NSW, QLD, VIC, New Zealand and Sri Lanka.
- TETRAN merge has brought immediate scale to MOQdigital NSW and new compelling wins as a result of the combined capabilities and enhanced managed services offering.
- The transition of existing MOQdigital managed services customers to the improved integrated business model is well underway and progressing successfully. Once completed it will provide a very scalable platform for the future.

REVENUE BY SECTOR*



* Excludes Skoolbag





TOGA CASE STUDY

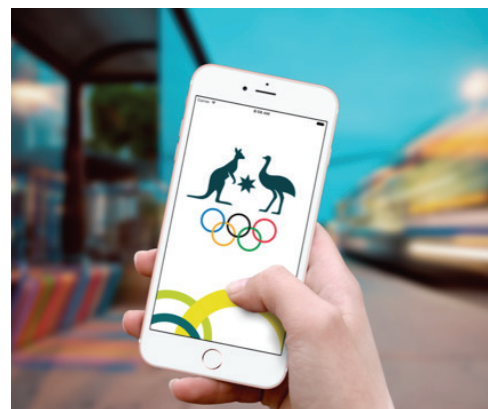
- Significant 3-year managed services contract to increase managed services from 7 to 70 hotels worldwide, Head Office and Development Sites together with Data Centre operations management
- 24/7 Global Service Desk plus Field Services Coverage

 **TOGA**

SKOOLBAG BUSINESS UPDATE



- Market leading Software-as-a-Service (SaaS) product in the Education sector, MOQ's largest industry sector by revenue
- Annuity revenue across 3,000 customer subscriptions and over 1 million end users
- Total revenue in H1FY17 of \$820k (c.76% recurring)
- Skoolbag has continued to grow its subscriber base and now has over 3,000 customer subscriptions and over 1 million end users
- **Investing in developing product revenue by adding functionality, expanding geographically and targeting new industry verticals**



1. New features and services

Compelling development/distribution platform. Add higher value offerings through development of proprietary features and through joint ventures/partnerships with 3rd party bolt-on services.

2. Expand geographic reach

Majority of customers are based in Australia. Have commenced marketing/co-selling the platform to additional geographies.

3. Industry vertical products

Skoolbag entrenched in primary/ secondary education market in Australia. Now targeting sports clubs, higher/ vocational education and corporates. Sportsbag product used by the Australian Olympic Committee and all Australian Olympic Athletes during the Rio Olympics.

FY16 RESULTS



MOQ Limited Financial Summary \$'000 ¹	H1FY17 Statutory ²	% Rev	FY16 Pro-Forma ³	% Rev	% achieved to FY16 Proforma
Revenue	29,371		43,330		68%
Recurring Revenue	5,117	17%	9,563	22%	54%
Technology Sales	16,678	57%	20,810	48%	80%
Professional	7,576	26%	12,957	30%	58%
Gross Margin	6,479	22%	10,738	25%	60%
Recurring	1,785	35%	4,644	49%	38%
Technology	3,042	18%	3,819	18%	80%
Professional	1,652	22%	2,275	18%	73%
EBITDA	1,564	5%	1,700	4%	92%
Adjustments for investments/ non-recurring costs	337	1%	1,359	3%	25%
Underlying EBITDA	1,901	6%	3,059	7%	62%

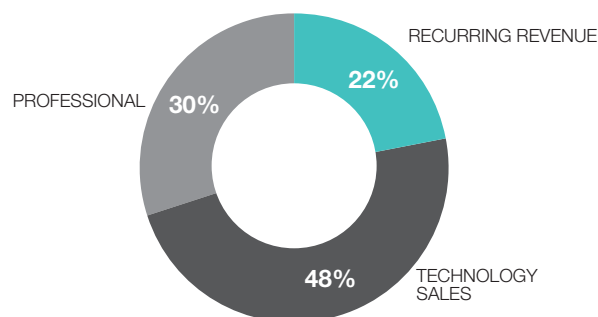
Notes:

1. Financials are unaudited

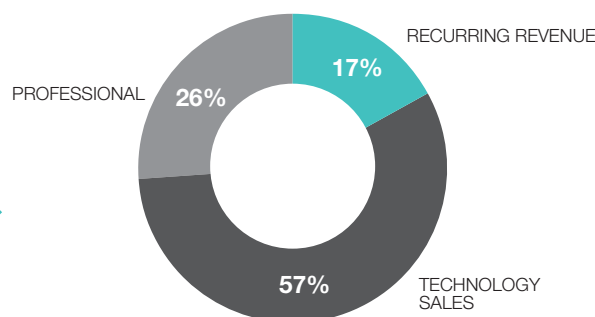
2. H1FY17 statutory results are as per audited half year report

3. FY16 Pro-forma results are unaudited and include full year performance of Skoolbag and Tetran. Underlying EBITDA excludes \$1.15m of non-recurring costs, including \$400k Due diligence and acquisition costs, \$164k integration costs, \$280k in one-off project write-downs, \$306k of restructuring costs and \$209k of a non-cash adjustment to Long Service Leave provisions through adoption of a more conservative policy.

PRO-FORMA FY16 REVENUE MIX



PRO-FORMA H1FY17 REVENUE MIX



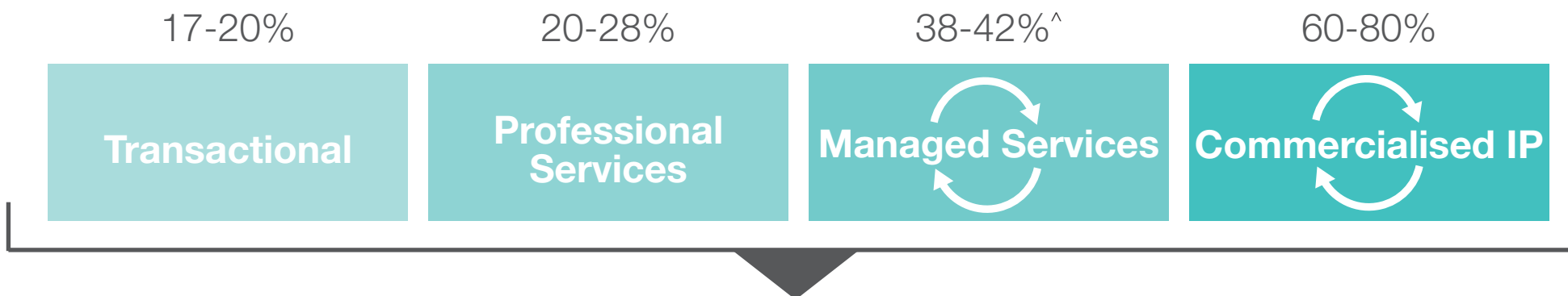
FY17 H1 RESULTS IN CONTEXT

- Strong performance in H1 particularly in technology sales and professional services, showing an increase in EBITDA of 662%* on the prior corresponding period.
- Revising target revenue in FY17 of \$52m-\$57m with an overall blended gross margin of 22%-25%.
- New opportunities won as a result of the merged capabilities and enhanced managed services offering.
- MOQdigital now scalable in NSW/QLD with Sri Lanka Centre of Excellence. (CoE)
- The transition of existing MOQdigital managed services customers to the improved integrated business model is well underway and progressing successfully. Once completed it will provide a highly scalable platform for the future.
- Commercialised IP bolstered with Skoolbag SaaS offering. Continued execution on platform growth strategy.

* Note that prior comparable period (PCP) derived from H1FY16 half year report, which did not include any trading results from Skoolbag and TETRAN.

MOQ Group is focused on profitability in FY17

- Targeting to achieve \$52m-\$57m revenue in FY17 with between 22%-25% overall gross margin
- Once businesses are fully integrated expected gross margins are outlined below



Usually an integrated sale with overall GM of c.22%-25%

- Managed Services and Skoolbag provide scalable model and margins have the potential to improve substantially with additional revenue
- MOQ is targeting a revised recurring revenue of circa 20% (up from 11% in FY16). Revised due to strong growth in H1FY17 in technology sales
- Opex in FY17 is expected to be between \$8.9m - \$9.1m*

* Excludes Corporate overheads and Integration / Transition costs. Previous guidance excluded Skoolbag.

^ These are achievable margins once the businesses are integrated. Currently taking longer than anticipated so typical margins not expected to be realised this FY.

MOQ REMAINS ACQUISITIVE



Profitable, cash flow positive, growth businesses



Earnings accretive (target 4 to 6 times EBTIDA), vendor/key management **retention** and **alignment** via MOQ shares



Like-minded **culture**, complementary **skillsets**



Expand Australia and New Zealand **presence** with strong technology vendor **partnerships** and **revenue synergies** across client bases



Key themes:

- **managed services**
- **education**
- **Internet of things (IoT)**
- **big data**
- **data analytics**
- **business intelligence**
- **security**



Add **recurring revenue** via Product (Software as a Service), managed services

- FY17 is a year of executing on our strategy, winning new business, making strategic investments and consolidating operations.
- Strong performance in H1 FY17 particularly in technology sales and professional services.
- MOQ Group is revising its target revenue of between \$52-\$57m in FY17 with an overall blended gross margin of 22%-25%.
- Compelling new wins due to merged capabilities and enhanced managed services offering.
- Transition of existing MOQdigital managed services customers to the improved integrated business model is progressing successfully, albeit at a slower pace than originally anticipated. Prioritising customer service and satisfaction during this phase, and continued investment into building out a robust and scalable business model.
- Investing in developing Skoolbag product revenue by adding functionality, partnerships, expanding geographically and targeting new industry verticals.
- Management focused on increasing profitability in FY17.

APPENDICES



David Shein
Non-Executive Chairman

- Established Com Tech Communications and built it to revenues of \$700m, 1,400 employees (Acquired by Dimension Data, 2001)
- Chairman & founding investor of Macromatix (Sold to TPG Ventures, 2012). Invests in and mentors early stage technology companies, many of which have been successfully exited



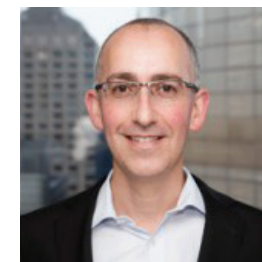
Jonathan Pager
Non-Exec Director

- 20+ years experience in advisory, Managing Director of Pager Partners Business Consultants and Pager Partners Corporate Advisory
- Currently Director of ASX-listed UCW Ltd (ASX:UCW), Noble Mineral Resources Ltd (ASX:NMG) & was more recently a director of AHAlife Holdings Ltd (ASX: AHL), Rhipe Ltd (ASX:RHP), Metalicity Ltd (ASX:MCT) and Prospect Resources Ltd (ASX:PSC)



Michael Pollak
Non-Exec Director

- 15+ years experience in audit, insolvency and corporate advisory
- Currently director of ASX-listed HJB Corp Ltd (ASX:HJB) and UCW Ltd (ASX:UCW), & was recently a director of Rhipe Ltd (ASX:RHP), Disruptive Investment Group Ltd (ASX:DVI), Prospect Resources Ltd (ASX:PSC) and Metalicity Ltd (ASX:MCT)



Joseph Fridman
Non-Exec Director

- Co-founder and CEO of Monash Private Capital an independent principal investment and advisory firm
- Previously CFO of Investec Bank Australia and Chairman of the bank's Investment Committee, Joey brings a comprehensive mix of financial, strategic, operational, risk management and commercial skills

For further information please contact:

David Shein
Non-Executive Chairman

MOQ Limited
T: +61 (2) 8039 5015
E: Info@MOQ.com.au

Brad Cohen
**Corporate Development Manager
& Company Secretary**

MOQ Limited
T: +61 (2) 8039 5015
E: Info@MOQ.com.au

Or visit our website at: www.MOQ.com.au