



24 April 2018

The Manager
Australian Securities Exchange
Level 5, 20 Bridge Street
Sydney NSW 2000

By Electronic Lodgment

March 2018 Quarter Update

MOQ Limited (ASX:MOQ) ("**MOQ**") is pleased to provide an update on its activities for the quarter ending 31 March 2018. MOQ has also released its Appendix 4C today.

MOQ operates **MOQdigital**, an agile Systems Integrator that delivers market leading technology solutions to drive business outcomes for customers in the new digital world, and **SkoolBag**, a market leading Software-as-a-Service ("**SaaS**") communications platform primarily for the Education market.

Business Update

- **MOQdigital**

The MOQdigital business provides consulting, integration, and managed services across infrastructure, applications and data in Australia and New Zealand with a Centre of Excellence ("**COE**") in Colombo, Sri Lanka. The COE provides cost effective highly skilled resources that allows MOQdigital to enhance its offer to its customers including 24*7 support.

For MOQdigital Q3 FY18 has featured:

1. **A slower than expected ramp up** from the traditional Christmas/New Year holiday period. Whilst the opportunity pipeline continues to grow, clients have been delaying sign off and project initiation. As a consequence, MOQdigital has experienced a flat quarter, which showed distinct signs of improvement as the quarter closed.
2. The following are a **sample of key wins***, of which importantly **3 are newly acquired clients**, who have been secured, signed and commenced during the quarter:
 - a. A three-year Managed Service for a major Australian based global Logistics Company (a newly acquired client), to deliver 24x7 IT operations and technical support.

**Note that none of the sample key wins above are material in themselves, nor market sensitive, and are included for illustrative purposes of outlining the type of engagement won and initiated in Q3 FY18.*

- b. A series of Projects for a major provider of electricity transmission services (a newly acquired client) to rebuild and upgrade their core Platform services.
- c. A significant digital transformation project to assist an Australian not-for-profit organization (a newly acquired client) build a business portal.
- d. A major engagement – to assist an existing financial services client to implement improved SEAM Security authentication and Authorisation services.

- **SkoolBag**

Focus during Q3 FY18 has been on completion and testing of the **new SkoolBag Mobile Application** and **eNewsletter** feature. There has been good progress, final testing and release is scheduled for this quarter. A formal announcement will be released as soon as schedules are finalised.

Commentary on Financials

Q3 FY18 operational cash flow was circa \$169k, in what is a reflection of the relatively quiet quarter. Activity levels were high in January, but this was tempered by a relatively quiet February and March. Cash generation was affected by the slowdown in activities leading into the end of the quarter. Based on strong pipeline, we are expecting technology sales volumes to increase during Q4 FY18, which should have a positive impact on cashflow.

Please note that approximately 185K of costs, associated with building out the Skoolbag platform and associated apps, was capitalised during the quarter. This forms the majority of the investments made during the quarter.

About MOQ Limited

MOQ is a global award winning, cloud systems integrator with more than 200 employees which provides ICT Consulting, Integration, Managed Services and Solutions around data, applications, and infrastructure that enables digital business. Our strategy is to build annuity revenue streams through managed services and commercialised IP to capitalise on a rapidly growing digital economy.

Our purpose is to enable our customers to achieve more through the smart use of technology as they embrace digital transformation. We pride ourselves on building lifetime relationships with our customers by driving outcomes to get the best results the business needs.

For further information, please contact:

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Company Secretary
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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

MOQ Limited

ABN

94 050 240 330

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	\$16,235	\$49,077
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(\$7,495)	(\$23,692)
(c) advertising and marketing	(\$74)	(\$369)
(d) leased assets	-	-
(e) staff costs	(\$7,479)	(\$20,957)
(f) administration and corporate costs	(\$959)	(\$2,579)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	\$6	\$12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(\$65)	(\$123)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	\$169	\$1,369

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(\$51)	(\$455)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	(\$185)	(\$406)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	\$32	\$31
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Working Capital adjustment paid	-	-
2.6 Net cash from / (used in) investing activities	(\$204)	(\$830)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	\$3,840	\$3,266
4.2 Net cash from / (used in) operating activities (item 1.9 above)	\$169	\$1,369

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(\$204)	(\$830)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	\$3,805	\$3,805

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	\$3,805	\$3,840
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	\$3,805	\$3,840

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

\$167

-

The amount shown in section 6.1 above relates to directors' salaries / fees and superannuation.

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	\$1,500	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(\$7,854)
9.3 Advertising and marketing	(\$160)
9.4 Leased assets	-
9.5 Staff costs	(\$7,400)
9.6 Administration and corporate costs	(\$950)
9.7 Working Capital Adjustment	-
9.8 Total estimated cash outflows	(\$16,364)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 24/04/2018

(Director/Company secretary)

Print name: Brad Cohen

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.