

ASX Announcement

2 July 2021

MOQ expands West Coast business with strategic acquisition of Dienst Consulting

The Directors of MOQ Limited (ASX: MOQ) (**MOQ or the Company**) today announce that the Company has executed a binding agreement to acquire 100% of the shares in Dienst Consulting Pty Ltd (**Dienst**). Dienst provides IT consulting and software solutions primarily to mid-to-large Western Australian enterprises in a range of industries including mineral resources, not-for-profits and government.

The acquisition provides an exceptional opportunity for MOQ by providing it with:

- A complementary business specialising in mobility, cloud and data.
- A quality supplier of high value cyber security and Azure services.
- Increased geographic footprint growing MOQ's existing Western Australian presence to more than 30 team members.
- Growth of MOQ's Modern Workplace Practice through the Citrix Platinum Plus Solutions Advisor partnership.
- Direct access to over 100 customers across a variety of sectors with very limited overlap.
- An opportunity to overlay high value Digital Services to Western Australian clients and help accelerate their digital transformation initiatives.
- A platform for additional growth for MOQ's combined Foundational Services and Cyber Security lines of business.

MOQ CEO, Joe D'Addio, said: "The acquisition of Perth based Dienst builds on MOQ's growth strategy and accelerates our entry into the Western Australian market. Alan Hodson and his team at Dienst have, over the last 10 years, built a successful business by providing high value specialist services to a range of enterprise customers and partnering with leading technology providers such as Microsoft and Citrix. Dienst's capabilities are complementary to MOQdigital's Foundation Services lines of business and provides a further platform for extending our Digital and Cyber Security Services focus into the Western Australian market."

Transaction overview

- Dienst has unaudited FY21 revenues of over \$8.4 million and normalised EBIT in excess of \$0.8 million.
- The purchase price of \$3.78 million will be settled as to 70% in cash (\$2.65 million) and 30% in shares in MOQ (\$1.13 million, up to a maximum of 5.04 million shares¹). MOQ shares will be issued from existing capacity at the higher of 22.5 cents per share (**cps**) and the 30-day volume weighted average price (**VWAP**) prior to completion, which is expected to be on or around 2 August 2021.
- The acquisition is on a 'debt-free, cash-free' basis but with an agreed normal level of working capital at completion to fund the ongoing business operations in the ordinary course.
- The vendors and key management team, including Alan Hodson, will remain with the business.
- The vendors' shareholding will be escrowed 100% for one year and 50% for two years from completion. These voluntary escrow undertakings ensure a close alignment of interests with MOQ's future success.
- The transaction is immediately earnings per share accretive for MOQ shareholders.

¹ Based on: (a) an issue price of 22.5cps; and (b) share-based consideration of c. \$1.13 million.

“Dienst Consulting has built a 10-year legacy of service in the market. In joining forces with MOQdigital, we see an exciting opportunity to further our capability and capacity to deliver world-class services and support to our current and future customers. Together with MOQdigital, we will continue to drive the acceleration of cloud adoption and digital transformation with end-to-end solutions from technology partners such as Citrix and Microsoft to deliver Hybrid Infrastructure, Collaboration, Application Innovation as well as Security, Data and AI solutions” said Dienst founder and Managing Director, Alan Hodson.

MOQ CEO Joe D’Addio, concluded: “Almost two years ago, MOQ embarked on the acquisition, transition, and integration of Wardy IT Solutions. This proved to be a very successful transaction that has positioned MOQ as a competitive provider in the Digital Transformation services market. MOQ will be taking a similar approach to the transition of Dienst’s staff, customers and partners into the MOQ business model. MOQ is confident that this acquisition will be equally successful and have a strong positive impact on the business going forward.”

Mergers & Acquisition strategy

The Digital Transformation market opportunity is creating very high demand for ICT specialist services. MOQ is well positioned to grow its business organically whilst Management seeks quality acquisitions to capitalise on the platform that has been built to date.

Consequently, MOQ will continue to commit resources to identify and source high quality IT Services businesses which:

- complement MOQ’s vision and go-to-market strategy;
- are profitable and well-managed;
- have a strong cultural alignment; and
- feature a blend of high value market leading services, recurring services and differentiating IP.

FY21 Results

MOQ expects to release its full year results on or before 31 August 2021.

This announcement has been authorised by the MOQ Limited Board of Directors.

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Advisers: MOQ is advised by Monash Advisory (corporate adviser) and Thomson Geer (legal adviser).