

MOQ Limited Investor Update

FY21 Financial Highlights, Business Update,
Key Wins & Case Studies

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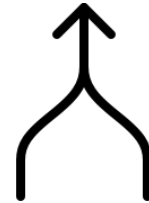
For MOQ, FY21 has been a period dominated by three key factors:

1. The exceptional and developing opportunity that **Digital Transformation** presents for our customers and our business.
2. The necessity to accelerate our re-engineering and acquisition efforts to ensure that we complete our business pivot initiative.
3. The social and market landscape that the COVID-19 pandemic has created – both in terms of opportunity and challenges.

The financial results for FY21 have been influenced by the Board and Executive team's determination to keep the MOQ business moving forward and strongly positioned for what is shaping up to be a very promising IT services market in FY22 and beyond.

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Joe D'Addio
CEO of MOQ Limited

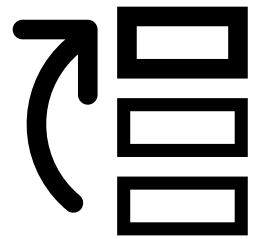


FY21 Financial Highlights and Key Data

The Digital Services Investments are now funding the business as we now invest in the Foundational and Cyber Security Lines of Business and seek to improve that return moving forward.



FY21 Financial Highlights



Revenue

**9% Growth over
FY20 to \$71M**

Driven by the **Digital** Services Line of Business and reflecting growth in customer demand for Transformation and Optimisation solutions and services.

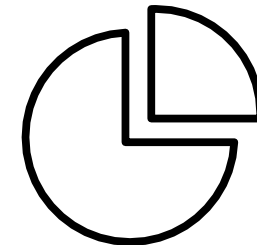


Gross Profit

**Growth in Digital
and Recurring**

Digital Services & Solutions Gross Profit
up 22.8%

Recurring Services
Gross Profit
up 13.5%



EBITDA¹

\$3.64m

Underlying EBITDA for FY21 has grown **86%** on FY20.

Note: This result excludes the JobKeeper² Subsidy received in Q1 FY21

1. Underlying EBITDA – for MOQ Limited is inclusive of all Corporate Expenses and exclusive of other income derived from government subsidies. Underlying EBITDA has been normalised to exclude one-off costs such as M&A costs, Wardy integration costs, establishment of WA office, investment into Microsoft Expert MSP program and refreshed employee share option plan.

2. Revenues have recovered sufficiently so that MOQ Limited no longer qualifies for the JobKeeper program from October 1, 2020.

FY21 Financial Data – Revenue, Gross Profit and EBITDA

Commentary

- **Foundational Services:** This Line of Business has been the target of a major re-engineering exercise to bring it in line with the requirements of customers seeking public cloud oriented solutions. Whilst it also contributes favourably to the Technology Sales numbers, revenue and Gross Profit from the main services streams have been impacted as we rebuild GTM capability and delivery capacity in line with the revised market strategy.
- **A secondary impact on the Foundation Services result:** is that the Cyber Security Line of Business has been broken out and there has been investment incurred for that purpose. That is reflected in the reduced GP line as a result of additional Cost of Sales. This will be separately reported from FY22.
- **Underlying EBITDA** (excluding JobKeeper) continues to grow, underpinned by growth from Digital Services (22.8% GP growth) and Recurring Services (13.5% GP growth).

for the 12 months ending June 30

	(\$'000)	FY21	FY20	% Growth
Digital Services		26,659	20,585	29.5%
Foundational Services		44,475	44,601	0.3%
Revenue Total		71,134	65,186	9.1%
Digital Services		8,974	7,310	22.8%
Foundational Services		6,165	7,238	-14.8%
Gross Profit Total		15,139	14,548	4.1%
Operating expenses		14,143	13,366	5.8%
Operational EBITDA		996	1,182	-15.8%
% of Revenue		1.4%	1.8%	
Other Income		2,393	1,699	
Statutory EBITDA (inc government subsidies)		3,389	2,881	17.6%
less:				
Government subsidies		-2,007	-1,702	
add abnormal items:				
M&A costs (legal, tax, finance and advisory fees)		504	445	
Wardy integration costs		703	50	
Microsoft Expert MSP program		203		
WA Investment		180		
Recruitment into Digital and Cyber LOBs		307		
Employee share options - new (less prior year expense)		365		
Wardy establishment of provision for doubtful debts		-	106	
MOQdigital additional doubtful debts for project		-	172	
Underlying EBITDA (exc government subsidies)		3,644	1,952	86.6%

Digital Services driving and funding change throughout the business



Business Update

The MOQ business continues to benefit from its key strategy of driving growth through investment in the Digital Transformation market.

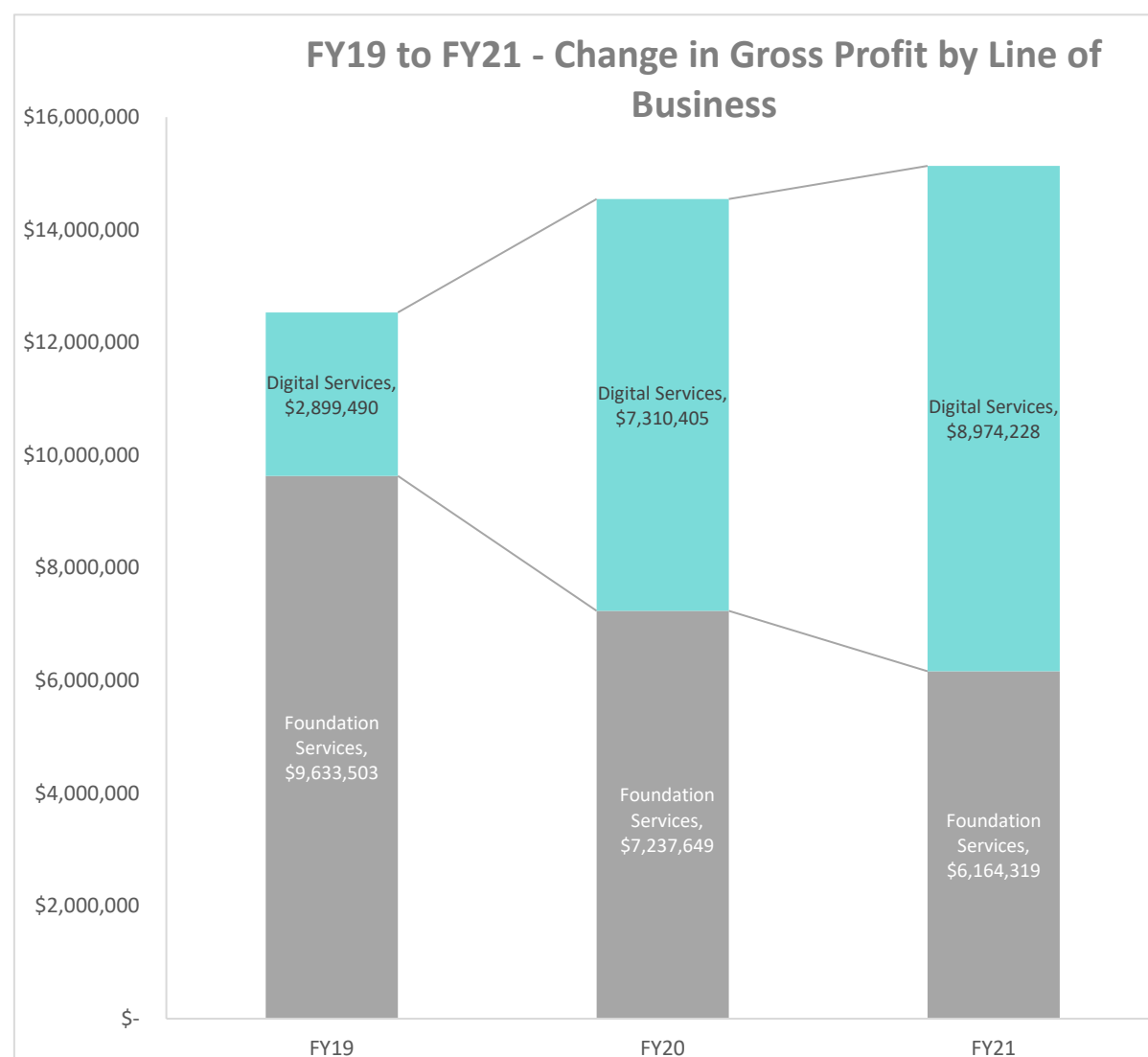
Our Digital Services Line of Business is now leading our growth, allowing attention to be turned to Foundational and Cyber Security Services Line of business re-engineering in H2FY21

Our key goal is the continuous development and provision of high value services and solutions to assist our customers with modernising their applications, data and infrastructure platforms.

We continue to drive towards this goal!



Continued Business Evolution – High Demand, High Value Digital Services



Digital Services & Solutions Growth

22.8% GP Growth in FY21

Whilst the traditional Foundation Services GP declined due to soft Technology Sales (COVID-19 and HI) Digital Services and Solutions now contributes 59% of Gross Profit for MOQ



The Digital Services line of business growth is a result of a combination of the Data services from the Wardy Acquisition plus organic growth in the Application Development Practices. We are experiencing high demand and taking a measured growth approach in this space.



The Microsoft Partnership is offering a range of revenue growth opportunities in addition to services offerings. This includes subscription services for software and Azure Cloud. MOQ has invested heavily in the partnership and sees this as a key to future business success.



There is very high market demand for **Cyber Security services** and MOQ has increased its investment in this Line of Business. In FY22 market financial reporting, MOQ will break out our financial data specifically to provide performance metrics for this focus sector.

Ongoing focus on Recurring Services and Solutions



Recurring services and solutions offerings continue to **contribute over 54%** of the Gross Profit generated by MOQ Limited.



As we have re-engineered the MOQ business and made key acquisitions since 2019, there has been strategic focus on Recurring Services growth. Recurring Services are now offered with all key MOQ's Go To Market Offerings. There is growing demand for Operational Services, movement to subscription models, including Azure Cloud services and evolving market maturity in terms of ongoing engagement models.

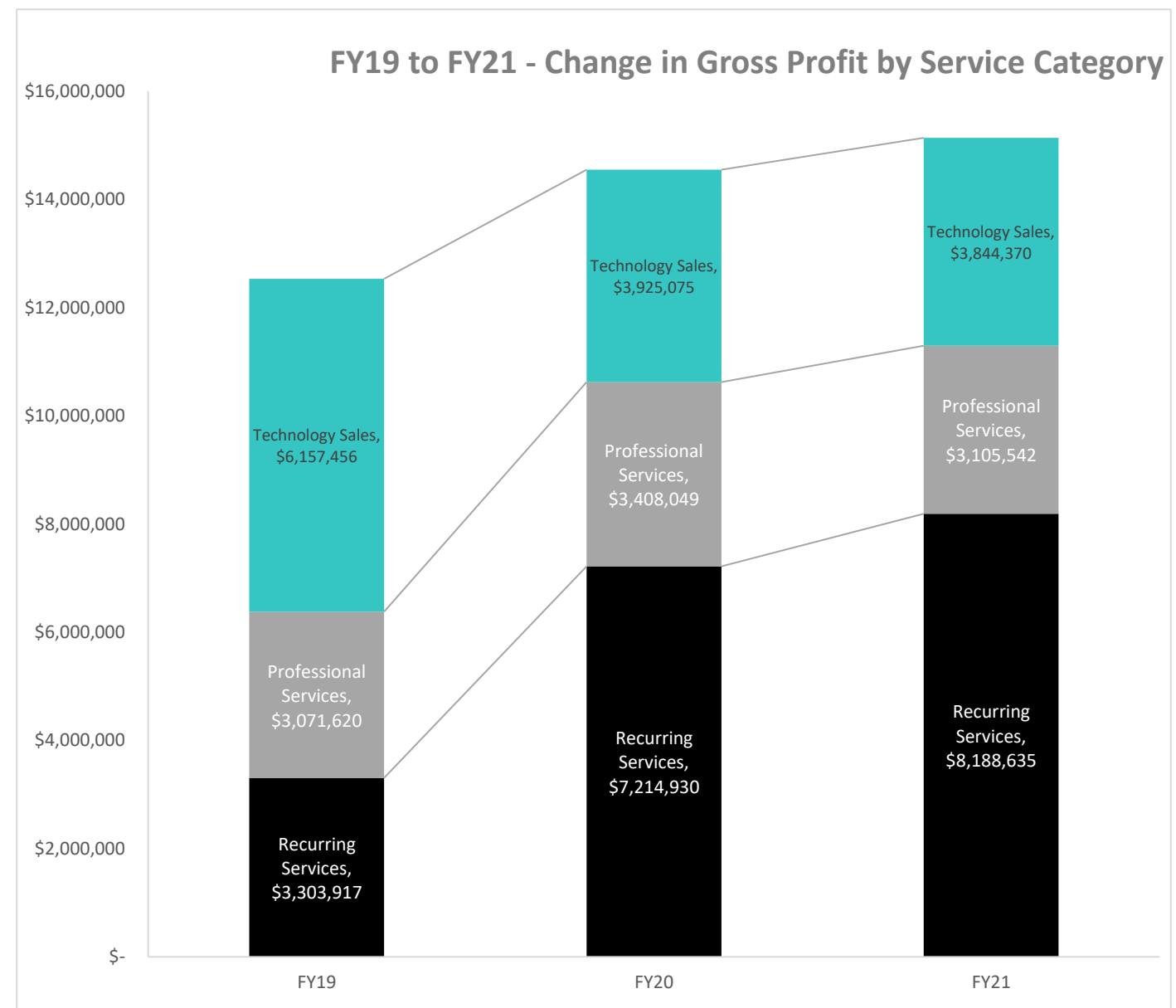


Digital Transformation initiatives are also driving increased demand for ongoing DevOps and Operational Support services. MOQ is positioning to provide these recurring services.

Recurring Services Growth

13.5% GP Growth in FY21

High quality Recurring services have been boosted by Wardy IT's offerings and now Recurring Services contributes 54% of total Gross Profit for MOQ



Positioning and Impact of the Dienst Consulting Acquisition

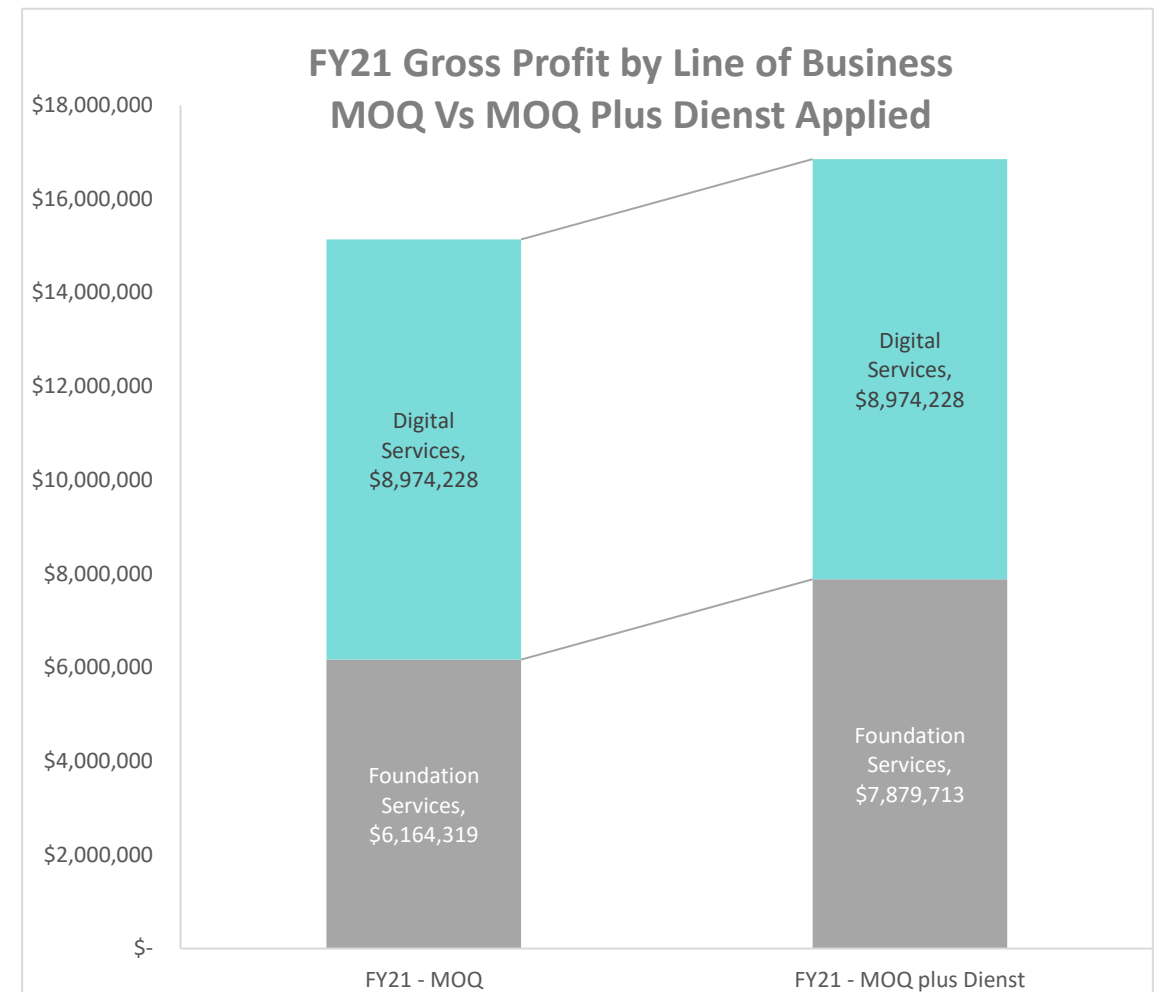
The Acquisition of Dienst Consulting¹ was completed on July 30, 2021.

This acquisition is a core component of the re-engineering and modernisation of our Foundational Services Line of Business and the breakout of a specialist Cyber Security Line of Business.

Dienst forms a pivotal part of MOQ's push into the Western Australian market.

Dienst results² for FY21 include revenues of over \$8.4M and EBIT in excess of \$0.8M.

These charts illustrate the direct and positive impact of Dienst's Gross Profit streams on MOQ's Foundational Services Line of Business, by overlaying Dienst's FY21 performance of MOQ's.



1. See ASX Announcements on July 2 and July 30, confirming the transaction

2. Dienst - Financial results are unaudited and are not included in MOQ audited results for FY21

Achievements in FY21 – Positioning for FY22 and beyond



The **finalisation of the Wardy IT Solutions transaction** and completed integration of the business into MOQdigital thereby making MOQ a significant competitor in the Digital Transformation Services market.



Western Australia – The establishment of a Perth Office which is focusing on Digital Services and Microsoft opportunities under the guidance of industry veteran Steve McNally.



The acquisition of Dienst Consulting in July 2021, a Perth based provider of technology services geared to modern ‘cloud first’ platforms to complement our Western Australia investment and also assist our reshaping of the Foundational Services Line of Business nationally.



A major re-engineering effort of the traditional MOQdigital infrastructure integration business – **Foundational Services, into a modern, “cloud-first” solution provider.**



Cyber Security – Whilst MOQ has been very active in the Security market, we have invested to create additional focus and specialisation. A Line of Business Manager has been appointed as we seek to provide a comprehensive service across applications, data and infrastructure.



Microsoft as the key Strategic Technology Partner – MOQ is investing strategically to differentiate, including certifying in the in Advanced Specialisations for Microsoft Solutions and the **Azure Expert Managed Services Provider (MSP)** program.



The strengthening of the Executive Team and additional investment in Industry leading technical capabilities to further enable MOQ’s capability and value in the modern Digital Transformation market.

Recent Key Wins



Recent Key Wins

A range of excellent customer wins over the last half.



Recent Key Wins



Sydney Catholic Schools

Sydney Catholic Schools is the system of 150 Catholic primary and secondary schools operating across the Archdiocese of Sydney providing more than 70,000 students with a high-quality, low fee Catholic education. MOQdigital was selected by Sydney Catholic Schools to capture security incidents and events from across Azure and external workload and resources to provide real time threat protection for schools and students, in turn promoting a safe and positive learning environment.



Surf Life Saving in Queensland

Surf Life Saving Queensland (SLSQ) was formally established in 1930 and has developed into a ground-breaking and highly innovative organisation. SLSQ has 57 established surf lifesaving clubs with members patrolling 8,000 kilometres of the Queensland coastline from Port Douglas to Rainbow Bay. MOQdigital were selected by Surf Life Saving Queensland to provide complete IT services to the State Centre assisting with their digital transformation activities whilst providing ongoing service desk and support.



JBS Foods Australia

JBS Foods Australia is the country's largest meat and food processing company, operating technologically advanced production and value-added facilities and feedlots, whilst also owning Australia's largest smallgoods manufacturer, and operating a leading high-quality meat cutting and case ready production facility. JBS engaged MOQdigital to deliver a solution based on Dynamics 365 Customer Engagement and Power Platform to streamline the processes for the livestock supply chain.

Case Studies Delivering positive outcomes for customers



Case Studies

There have been a number of major projects delivered over the last half. Here are a few, with links to our website.



Case Studies Delivering positive outcomes for customers



Brisbane Catholic Education

Brisbane Catholic Education (BCE) selected MOQdigital to secure their environment with our Azure Sentinel Managed Service, letting BCE focus on providing quality education for the students in their care. BCE engaged MOQdigital to deliver on this project, citing their broad and deep knowledge and experience in the cyber security sphere and capability to provide 24/7 coverage support and a wide breadth of cyber security managed service capabilities.

<https://www.moqdigital.com/bcesentinel>



Port of Brisbane

The Port of Brisbane is one of Australia's fastest growing container ports and Queensland's largest multi cargo port. MOQdigital was selected to design and deployed a modular, next generation network for Port of Brisbane which consisted of secure perimeter, data centre networking, campus networking, high density indoor wireless, outdoor wireless and industrialized edge networking. This solution enables the new Brisbane International Cruise Terminal to provide world class facilities supported by cutting edge technologies over modern, secure, and robust data communications infrastructure.

<https://www.moqdigital.com/case-studies/port-of-brisbane-cisco>

Continuing to Move Forward..



MOQ's focus and investment in capability to address the Digital Transformation market leaves it well positioned to achieve further organic growth and improved profitability.

MOQ will continue to invest in its **people, customers and strategic partnerships** to ensure a high value proposition into market.

MOQ is actively seeking further strategic M&A opportunities with a focus on:

- Digital Services
- Cyber Security
- Recurring Services
- Geographic coverage, specifically Western Australia and Victoria

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