

28 February 2022

ASX Announcement

Non-renounceable entitlement offer – Cleansing notice

This notice is given by MOQ Limited (ASX:MOQ) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

On 28 February 2022, MOQ announced an approximate \$6.0 million non-renounceable, pro-rata entitlement offer to eligible shareholders to subscribe for 1 new ordinary share in MOQ (**Shares**) (**New Shares**) for every 1.5879 existing Shares held at 7.00pm (Sydney time) on Thursday, 3 March 2022 (**Record Date**) at the offer price of \$0.05 per New Share (**Entitlement Offer**). MOQ shareholders registered at the Record Date with a registered address in Australia or New Zealand will be entitled to participate in the Entitlement Offer (**Eligible Shareholders**).

The Entitlement Offer is partially underwritten (to approximately \$0.8 million) by Richmond Hill Capital Pty Ltd, Kensington Trust Singapore Limited ATO IS&P Singapore Retirement Fund, Sub-fund 291, Monash Private Capital Pty Ltd and Davcol Nominees Pty Ltd, which are associated with MOQ directors Mr Alex White, Ms Karen Bell, Mr Joseph Fridman and Mr David Shein, respectively (**Underwriters**). Eligible Shareholders who are associated with the directors of the Company (including some of the Underwriters and their associates) (**Committed Eligible Shareholders**) have pre-committed to take up approximately \$2.4 million of their entitlements under the Entitlement Offer. This assures that the Company will raise at least approximately \$3.2 million under the Entitlement Offer.

The Entitlement Offer is seeking to raise approximately \$6.0 million before costs, which will, depending on how much is actually raised, be used for general working capital and banking requirements, systems enhancement, restructuring the MOQdigital team and paying the costs of the Entitlement Offer. Further information on the Entitlement Offer is detailed in an ASX announcement dated Monday, 28 February 2022 and an entitlement offer booklet, which will be dispatched to shareholders on or about Tuesday, 8 March 2022 and be available on the ASX's company announcement platform at www.asx2.com.au and at www.moq.com.au.

Information required under section 708AA(7) of the Corporations Act

As required under sections 708AA(2)(f) and 708AA(7) of the Corporations Act, MOQ gives notice that:

- 1 MOQ will offer the New Shares for issue without disclosure under Part 6D.2 of the Corporations Act;
- 2 this notice is being given under section 708AA(2)(f) of the Corporations Act;
- 3 as at the date of this notice, MOQ has complied with:
 - a the provisions of Chapter 2M of the Corporations Act as they apply to MOQ; and
 - b sections 674 and 674A of the Corporations Act;
- 4 as at the date of this notice, there is no 'excluded information' as defined in section 708AA(8) or 708AA(9) of the Corporations Act; and
- 5 the potential effects the Entitlement Offer will have on the control of MOQ, and the consequences of that effect, is set out below.

Effect of the Entitlement Offer on control

The issue of New Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of MOQ, but is dependent on a number of factors including investor demand. Therefore, it is not possible to predict the effect of the Entitlement Offer on the control of MOQ. There are a number of possible outcomes that may arise which will largely depend on the extent to which Eligible Shareholders take up their entitlements under the Entitlement Offer, as discussed below.

If all Eligible Shareholders take up their entitlements under the Entitlement Offer, each Eligible Shareholder's ownership interest (and voting power) in MOQ will remain unchanged and there will be no significant change to the control of MOQ.

If Eligible Shareholders (excluding Committed Eligible Shareholders) do not take up their full entitlements under the Entitlement Offer, those Eligible Shareholders that do not take up their full entitlement under the Entitlement Offer will have their shareholding in MOQ diluted. Eligible Shareholders may apply for New Shares which have not been taken up in full by other Eligible Shareholders under a top up facility and, in those circumstances, the Eligible Shareholders who apply for additional New Shares will increase their shareholding in MOQ, provided their 'relevant interests' under the Corporations Act do not exceed 20%. The Underwriters will also be required to subscribe for some shortfall shares under the portion of the Entitlement Offer which they are underwriting (to approximately \$0.8 million) (**Underwritten Entitlement Offer**) and their shareholding in MOQ will increase by the acquisition of those remaining entitlements not taken up by the Eligible Shareholders under the Underwritten Entitlement Offer.

If no Eligible Shareholders (excluding Committed Eligible Shareholders) take up their entitlement under the Entitlement Offer or under the top up facility, the Underwriters will be required to subscribe for the shortfall shares under the Underwritten Entitlement Offer and their shareholding in MOQ will increase by the acquisition of those remaining entitlements not taken up by those Eligible Shareholders under the Underwritten Entitlement Offer. As noted above, Committed Eligible Shareholders have committed to take up \$2.4 million of their entitlements under the Entitlement Offer.

The table below sets out, for illustrative purposes only, the existing Share capital structure (before the Entitlement Offer), together with the impact of the issue of the New Shares under the Entitlement Offer.

Holders	At the date of this Offer Booklet		If all Eligible Shareholders take up all of their Entitlements under the partially Underwritten Entitlement Offer		If all Eligible Shareholders take up 50% of their Entitlements under the partially Underwritten Entitlement Offer		If all Eligible Shareholders do not take up any of their Entitlements under the partially Underwritten Entitlement Offer	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Existing Shareholders (excluding the Underwriters and Committed Eligible Shareholders)	107,395,805	56.36%	174,794,126	56.33%	141,094,966	48.90%	107,395,805	42.14%
Committed Eligible Shareholders (excluding the Underwriters)	40,861,061	21.44%	66,593,832	21.46%	62,141,896	21.54%	62,141,896	24.38%
Richmond Hill Capital Pty Ltd, being an Underwriter	21,571,214	11.32%	35,155,958	11.33%	41,571,218	14.41%	41,571,218	16.31%
Kensington Trust Singapore Limited ATO IS&P Singapore Retirement Fund, Sub-fund 291, being an Underwriter	0	0.00%	0	0.00%	6,000,000	2.08%	6,000,000	2.35%
Monash Private Capital, being an Underwriter	18,228,334	9.57%	29,707,857	9.57%	33,228,337	11.52%	33,228,337	13.04%
Davcol Nominees Pty Ltd, being an Underwriter	2,500,001	1.31%	4,074,409	1.31%	4,502,889	1.56%	4,502,889	1.77%
Total	190,556,415	100.00%	310,326,182	100.00%	288,539,306	100.00%	254,840,145	100.00%

Notes:

¹ Assumes Committed Eligible Shareholders (which include some Underwriters) take up approximately \$2.4 million of their entitlements under the Entitlement Offer.

² Assumes no Shares or other securities in MOQ are issued on or after the date of this notice other than the New Shares.

³ Assumes no Shares or other securities in MOQ are cancelled on or after the date of this notice.

⁴ Assumes no options to be issued Shares or other securities on issue in MOQ which are not Shares are converted into Shares on or after the date of this notice.

For all shareholders who are not Eligible Shareholders (**Ineligible Shareholders**), their shareholdings will be diluted because they are not entitled to participate in the Entitlement Offer.

This announcement has been authorised by the Board of MOQ.

If you have any queries, please contact Peter Ward at +61 7 3118 9592 or pward@moqdigital.com.au.