APPENDIX 4E

PRELIMINARY FINAL REPORT

Name of Entity:	MOQ LIMITED
ABN:	94 050 240 330
Reporting period:	Financial year ended 30 June 2022
Previous corresponding period:	Financial year ended 30 June 2021

APPENDIX 4E

Results for Announcement to the Market

Set out below are the results for MOQ Ltd ("MOQ" or the "Company" or the "Group") and its controlled entities* for the year ended 30 June 2022 based on the audited accounts in the attached annual report.

	30 June 2022	FY 2020	Movement %
Revenue from ordinary activities	**82,358,663**	**71,134,102**	**16%**
Revenue from continuing operations	81,889,047	69,403,994	18%
Revenue from discontinued operations**	469,616	1,730,108	(73%)
EBITDA	**(2,089,382)**	**3,388,567**	**(162%)**
EBITDA from continuing operations	(3,866,025)	2,654,836	(246%)
EBITDA from discontinued operations**	1,776,643	733,731	144%
Net (loss) after tax	**(4,870,234)**	**(1,010,648)**	**(382%)**
Net (loss) after tax from continuing operations	(6,403,946)	(1,130,664)	(468%)
Net profit after tax from discontinued operations**	1,533,712	120,016	1192%
Net (loss) after tax attributable to members	**(4,870,234)**	**(1,010,648)**	**(382%)**
Net (loss) after tax from continuing operations attributable to members	(6,403,946)	(1,130,664)	(468%)
Net profit after tax from discontinued operations attributable to members**	1,533,712	120,016	1192%
Interim dividend per share	**n/a**	**n/a**	**-**
Final dividend per share	**n/a**	**n/a**	**-**
Basic Earnings/(Loss) per share (cents per share)	**(2.19)**	**(0.57)**	**(288%)**
Continuing operations	(2.88)	(0.64)	(357%)
Discontinued operations**	0.69	0.07	934%
Diluted Earnings/(Loss) per share (cents per share)	**(2.19)**	**(0.57)**	**(288%)**
Continuing operations	(2.88)	(0.64)	(357%)
Discontinued operations**	0.69	0.07	934%
Net Tangible Asset Backing per share (cents per share)	**2.12**	**1.16**	**82%**

*controlled entities included iimage Technical Services Pty Ltd ("Skoolbag") prior to its sale on 30 September 2021, and Dienst Consulting Pty Ltd, acquired on 30 July 2021.

** Discontinued operations refer to Skoolbag which was sold on 30 September 2021. Refer to Note 29.

Dividend information

	Amount (cents per share)	Record Date	Payment Date
Interim dividend	n/a	n/a	n/a
Final dividend	n/a	n/a	n/a

The company does not have a dividend reinvestment plan.

Additional information

Additional Appendix 4E disclosures can be found in the Notes accompanying the Statement of Profit or Loss and other comprehensive income and Statement of Financial Position.

This Appendix 4E is based on the 30 June 2022 financial report, which has been audited by Stantons International Audit and Consulting Pty Ltd (Stantons International).

Annual Report 2022

FOR THE YEAR ENDED 30 JUNE 2022

MOQ LIMITED
AND ITS CONTROLLED ENTITIES
ABN: 94 050 240 330

CONTENTS

Corporate Directory	3
Directors' Report	4
Statement of Corporate Governance	16
Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Consolidated Statement of Financial Position	18
Consolidated Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Notes to the Financial Statements	21
Directors' Declaration	51
Auditor independence declaration	52
Independent Auditor's Report	53
ASX Additional Information	58

CORPORATE DIRECTORY

Board of Directors

Mr David Shein	Non Executive Chairman
Mr Peter Ward	Executive Director and Chief Executive Officer
Mr Scott McPherson	Non Executive Director
Ms Karen Bell	Non Executive Director
Mr Alexander White	Non Executive Director

Company Secretary
Mr Lee Tamplin and Mr Michael Austin (Appointed joint Company Secretaries 25 January 2022)

Auditors
Stantons
Level 36, Gateway 1
Macquarie Place
Sydney NSW 2000

Solicitors
Thomson Geer
Level 25, 1 O'Connell Street
Sydney NSW 2000

Bankers
Westpac Banking Corporation
94 Church Street
Middle Brighton VIC 3186

St George Bank
Locked Bag 1
Kogarah NSW 1485

ANZ Bank
242 Pitt Street
Sydney NSW 2000

Registered Office
Suite 1, Ground Floor
3-5 West Street
North Sydney NSW 2060

Share Registry
Automic Pty Limited
Level 5, 126 Phillip Street
Sydney NSW 2000

Investor Enquiries:	1300 288 664
Email:	hello@automic.com.au

Stock Exchange Listing
Securities of MOQ Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: MOQ

Website
www.moq.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the "**Group**" or "**Company**") consisting of MOQ Limited and its controlled entities for the financial year ended 30 June 2022. The information in the proceeding operating and financial review forms part of this directors' report for the financial year ended 30 June 2022 and is to be read in conjunction with the following information.

General Information

Officers and Directors

The names and particulars of the Directors and other officers during or since the end of the financial year are:

Name	Particulars
Mr David Shein	Non Executive Chairman
Mr Peter Ward	Executive Director and Chief Executive Officer (appointed CEO 8 November 2021 and Director 1 December 2021)
Mr Joe D'Addio	Non Executive Director (transitioned from Executive to Non Executive Director effective 8 November 2021 and resigned 4 April 2022)
Mr Scott McPherson	Non Executive Director
Mr Joey Fridman	Non Executive Director (resigned 3 June 2022)
Mr Alexander White	Non Executive Director
Ms Karen Bell	Non Executive Director
Mr Danny Loh	Company Secretary (resigned 25 January 2022)
Mr Lee Tamplin	Joint Company Secretary (appointed 25 January 2022)
Mr Michael Austin	Joint Company Secretary (appointed 25 January 2022)

The above named Directors held office during and since the financial year, except as otherwise indicated.

Particulars of each director's experience and qualifications are set out later in this report.

Meetings of Directors

During the financial year, 20 meetings of directors (including committees of directors) were held:

Director	Board Member Since	Eligible Board Meetings	Attended	Eligible Audit and Risk Committee Meetings	Attended
Mr David Shein	17 February 2014	17	15		
Mr Joe D'Addio (resigned 4 April 2022)	29 May 2015	11	9	2	2
Mr Scott McPherson	29 May 2015	17	16		
Mr Joey Fridman (resigned 3 June 2022)	17 February 2014	14	14	3	3
Mr Alexander White	1 June 2019	17	17		
Ms Karen Bell	1 April 2021	17	15	3	3
Mr Peter Ward	1 December 2021	10	10	1	1

Information Relating to Directors and Company Secretary

David Shein (Non-Executive Chairman)

In June 1987, David, having recently migrated from South Africa, founded Com Tech Communications as a specialist supplier of networking and communications products. 14 years later, Com Tech was sold to Dimension Data at an enterprise value of over $1billion. At the time of sale, Com Tech employed over 1,400 people, had offices Australia wide and achieved revenues of $700 million with no external debt. David prides himself on the recognition Com Tech achieved being regularly recognised as one of the leading companies to work for in Australia. Since then, David has been actively involved in mentoring young management teams. David firmly believes while products and technologies come and go, what remains constant is the requirement for any company to build a company that is fanatical about providing legendary customer service and creating an environment that enables an organisation to attract and retain the best team of people. David has been an investor and mentor to a number of start-ups, many of which have been successfully exited. These include Zipmoney, CalReply, Latam Autos, RangeMe, Pocketbook, Centric Wealth, MacromatiX and Holly Connects. David is also Co-Founder of Our Innovation Fund, a $50 million early stage venture capital fund that invests in exciting Australian start-ups as well as a founding partner in the Israeli venture capital enterprise, OurCrowd, the first Global Equity Based Crowd Funding Platform.

Interests in shares and options:	7,154,868 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Member of Audit and Risk Committee effective 28 June 2022

Alexander White (Non-Executive Director)

Alex is a Director of Richmond Hill Capital ("RH Capital") and is jointly responsible for managing the RH High Conviction Fund. Alex has over fourteen years of corporate and investment management experience and prior to co-founding RH Capital, he was jointly responsible for the portfolio management of the VF High Conviction Fund at Viburnum Funds for six years (now the RH High Conviction Fund). Alex joined Viburnum following over three years with Cooper Investors, a privately owned specialist investment manager, where he focused on investment research for the successful CI Australian Equities Fund and CI Brunswick Fund. Alex previously gained industry experience working for Fletcher Building (ASX: FBU) as a Strategy Analyst, while also working as a Credit Analyst for ratings agency Standard and Poor's.

Alex is also a current director of HRL Holdings (ASX:HRL).

Interests in shares and options:	38,277,378 fully paid ordinary shares*
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Chair of Remuneration Committee and Member of Audit and Risk Committee effective 28 June 2022

*Shares owned by Richmond Hill Capital for which Mr White has an indirect interest as a director.

Karen Bell (Non-Executive Director)

Karen has worked in the financial markets for 30 years. In January 2021 she took on the role of Chief Operating Officer for Privatus Capital Partners and since May 2017, she has been the Executive Chairperson of Bell Partners. Prior to these roles, Karen spent 20 years at Deutsche Bank in Sydney, Singapore and London across a number of areas including the Business, Technology, Operations, Real Estate, Physical Security and Procurement where her primary focus was driving technology led transformation. Before Deutsche Bank Karen was at KPMG for 5 years in their Banking and Finance division and at Security Pacific Investment Bank for 2 years in their Financial Markets Group. Karen is a member of the Young Global Leaders Forum established by the World Economic Forum.

Interests in shares and options:	6,000,000 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Chair of Audit and Risk Committee effective 28 June 2022 (prior was a Member) and Member of Remuneration Committee

Peter Ward (Executive Director and Chief Executive Officer)

Peter is an experienced business leader. As Managing Director for WARDY IT Solutions prior to its acquisition by MOQ Limited, he grew the company to be Australia's leading provider of Data Platform and Data Analytics services and solutions. Peter has a proven track record of productising IT services into high value recurring revenue streams as demonstrated with the Virtual DBA service. More recently, Peter has held the position of Chief Solutions Officer at MOQ, where he has been responsible for the growth of the Digital Services businesses and the broad go-to-market strategy. Peter was appointed Chief Executive Officer on 8 November 2021 and Executive Board Director on 1 December 2021.

Interests in shares and options:	31,273,925 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Chief Executive Officer

Scott McPherson (Non-Executive Director)

Scott was a co-founder and Director of Technology Effect, MOQ Limited's first acquisition. Since forming the company in 2005, Tech Effect grew from providing Infrastructure related Integration Services, to offering Consulting and Managed Services to assist their clients to overcome both business and technical ICT related challenges.

Scott previously held the position of Solutions Director drawing upon more than two and a half decades of industry experience where he has worked for iconic market leaders Com Tech Communications and Dimension Data. During this time, Scott has honed his engineering, management and people skills to create a customer-centric organisation that develops solutions that solve real business problems. These traits contributed to building Tech Effect into the successful, highly respected organisation. As the business grew, Scott's responsibilities evolved to focus on managing the Integration Services Practice, along with setting the vision and go to market strategy for the 'Cloud World'. Scott's technology career started at Queensland University of Technology where he studied for his Bachelor of Business degree in Information Management. Scott held the position as Chief Operating Officer within MOQdigital and worked closely with the CEO to ensure that efficient operations of the business. Scott's experience was tapped to help ensure that the business is in a position of predictability, scalability and profitability, while making sure of the quality of the services delivered.

In September 2020, Scott resigned from his operational role within MOQdigital to take on the Managing Director's role of his family's business. As the MD of SGESCO-MAX, Scott is responsible for working with his team to develop market-leading safety solutions for commercial heavy vehicles and ensuring that they deliver great customer service. Scott is driving a new wave of innovation within the company combining his experience in the IT industry with advancements in sensor technologies to deliver new solutions.

Interests in shares and options:	23,243,610 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Member of Remuneration Committee effective 28 June 2022

Lee Tamplin (Joint Company Secretary)

Lee Tamplin has almost twenty years' experience in a variety of roles covering investment management, financial services and corporate governance in both Australia and the UK. Mr Tamplin is currently Company Secretary for a number of ASX listed and unlisted public and private companies across a range of industries. He has a Degree in Financial Services, a diploma in Financial Planning and is a Graduate of the Australian Institute of Company Directors Course. He is also a member of the Governance Institute of Australia. Lee was appointed joint Company Secretary on 25 January 2022.

Michael Austin (Joint Company Secretary)

Michael has over five years' experience as a company secretary in both the commercial and non-for-profit sectors. He is a solicitor and holds double honours degrees in Arts and Law from Macquarie University. Michael has completed a Graduate Diploma of Applied Corporate Governance and Risk Management and is a Fellow of the Governance Institute of Australia. Michael was appointed joint Company Secretary on 25 January 2022.

CEO Update

Executive Review of FY22

MOQ Limited (MOQ) delivered Revenue from continuing operations for FY22 of $81.9 million, up 18.0% from $69.4 million in FY21. This record result for MOQ was achieved despite the disappointing performance in H1 FY22 with the write down and provisions of $3.5 million from professional services contract cost overruns as announced on 15 December 2021.

Following a review of operations, an entitlement offer was announced on 28 February 2022 and raised approximately $6 million to better capitalise the business and support the implementation of the 'Back on Track' turnaround plan. This plan included a number of initiatives to improve operational controls and project governance.

The turnaround plan resulted in a H2 FY22 EBITDA of $1.18 million versus a H1 FY22 EBITDA of ($3.27 million) and H2 FY21 EBITDA of ($0.66 million). The positive H2 FY22 result is built on the momentum of the turnaround and the completion of the unprofitable professional services customer contracts with the exception of two contracts with an expected completion date in H1 FY23.

The Directors would like to extend their thanks to all the staff at MOQ who have made substantial contributions to the turnaround plan during this challenging period. Through these efforts MOQ was able to deliver the following results for the five strategic initiatives outlined at the Annual General Meeting on 9 November 2021:

Grow Services revenue

- Services revenue has increased 23.1% from $44.5 million in FY21 to $54.8 million in FY22

Increase annuity type revenue

- Annuity/recurring services has increased 29.8% from $20.1 million in FY21 to $26.1 million in FY22

Grow Azure Cloud Services revenue

- Azure cloud services revenue has increased $4.4 million from FY21

Deliver Sustained Profit Growth

- EBITDA increased 136% from ($3.27 million) in H1 FY22 to $1.18 million in H2 FY22

Increase Margins

- Gross profit margin increased from 11.4% in H1 FY22 to 16.6% for H2 FY22

Consolidated Year-end reporting 30 Jun 2022	Continuing Operations exc Skoolbag $'000	Discontinued Operations - Skoolbag (disposed 30 Sep 2021) $'000	Total (Continuing and Discontinued Operations) $'000
Revenue from operations	**81,889**	**470**	**82,359**
Cost of sales	(70,491)	(195)	(70,686)
Gross Profit	11,398	274	11,729
Other Income (excluding interest)	26	56	82
Gain on sale of Skoolbag	-	1,443	1,443
Expenses			
Occupancy	(411)	(2)	(413)
Other expenses	(14,879)	5	(14,874)
Total Expenses (excl. depreciation, amortisation, and finance costs)	**(15,290)**	**3**	**(15,287)**
EBITDA	**(3,866)**	**1,777**	**(2,089)**
Interest Income	11		11
Interest & Finance Expense	(140)		(140)
Depreciation & Amortisation	(4,218)	(206)	(4,424)
Profit (Loss) before Impairment & Income Tax	**(8,213)**	**1,571**	**(6,642)**
Income tax credit / (expense)	1,809	(37)	1,772
Profit (Loss) after Tax	**(6,404)**	**1,534**	**(4,870)**

Executive Review of FY22 (cont)

Despite the challenging internal and external headwinds strong growth continued to be delivered in the focus area of Recurring Services with this strategic focus increasing revenue by 29.8% to $26.1 million in FY22, contributing 58.7% of the gross profit for the financial year.

The Microsoft partnership underpins our growth as the market for cloud technologies continues to accelerate. This is highlighted in the 1,244% growth of our Microsoft Azure cloud services revenue and the 71.4% growth in revenue for Applications and Data & AI in FY22 versus FY21. We have significantly focused on the Microsoft partnership through an extensive transformation process to capitalise on the technology transformation opportunity which was recognised in February 2022 with the Azure Expert MSP certification. This certification recognises the most capable Microsoft partners and forms an elite tier for Microsoft's Azure managed services providers with only four other partners headquartered in Australia.

MOQ continues to focus on positioning itself as a valued and successful provider in the growing technology transformation market.

Transaction with Atturra

On 30 June 2022, MOQ announced that it had executed a Scheme Implementation Deed under which it is proposed that Atturra Holdings Pty Ltd (a wholly owned subsidiary of Atturra Limited (ASX: ATA) (Atturra)) will acquire 100% of the fully diluted share capital in MOQ by way of scheme of arrangement. Please refer to significant events after the reporting period for further details.

General Items of Note for FY22

On 14 March 2022 the Central Bank of Sri Lanka devalued the rupee by 15%, moving the exchange rate against the US dollar from USD 1 / LKR 200 to LKR 230. As a result of the currency devaluation, MOQ received the positive benefit of the foreign exchange from AUD to LKR from 14 March 2022 to 30 June 2022. The benefit of this was offset with the introduction of a cost-of-living allowance for all Sri Lankan employees payable in LKR calculated based on a fixed exchange rate of AUD 1 / LKR 149 from May 2022.

Significant Changes in State of Affairs

There are no significant changes in the state of affairs of the group other than discussed above.

Dividends Paid or Recommended

In respect of the current year, no dividends have been declared or paid and none are recommended (2021: $nil).

Significant Events after the Reporting Period

On 16 August 2022, MOQ announced that Atturra Holdings Pty Limited (Atturra Holdings), elected not to exercise its matching right under clause 11.4 of the Scheme Implementation Deed dated 30 June 2022 (as amended and restated on 11 August 2022) in response to an MOQ Competing Proposal made by Brennan VDI Pty Ltd of $0.075 per MOQ share.

Following the above announcement, MOQ announced that it had executed a new Scheme Implementation Deed under which it is proposed that Brennan VDI Pty Ltd will acquire 100% of the fully diluted share capital in MOQ by way of scheme of arrangement.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental Issues

There are no applicable environmental regulations that would have an effect on the Company.

Indemnifying Officers or Auditor

During the year, the Company paid a premium to insure the Directors and Officers of the Group against a liability incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Proceeding on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year

Auditor

Stantons International Audit and Consulting Pty Limited are the appointed auditors of the Company. The auditor has not been indemnified under any circumstance.

Non-audit Services

There have been no non-audit services provided during the year.

The Board of Directors considers that there have been no independence issues imposed by the Corporations Act 2001.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 can be found on page 52 of the financial report.

Options

At the date of this report, the unissued ordinary shares of MOQ Limited under option are as follows:

Grant Date	Balance at the date of this report	Exercise price	Expiry
01/01/2021	4,272,723	$0.181	01/01/2025
02/03/2021	818,181	$0.209	01/01/2025
09/07/2021	363,636	$0.217	09/07/2025
01/10/2021	681,818	$0.234	01/10/2025
TOTAL	**6,136,358**		

All options listed above were granted to employees under the Company's Employee Option Plan as approved at the Company's Extraordinary General Meeting on 22 September 2020.

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity. For details of options issued to directors and executives as remuneration, refer to the remuneration report.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Remuneration Policy

The remuneration policy of MOQ Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering performance incentives based on key performance areas affecting the consolidated group's financial results. The Board of MOQ Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is to have the remuneration policy developed by the Board after professional advice is sought where appropriate from independent external consultants. No external advice was sought to prepare remuneration policies for the current financial year.

- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- The Board reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

The performance of KMP is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options.

KMP receive at a minimum, a superannuation guarantee contribution required by the government, which for the year ending 30 June 2022 was 10.0% (2021: 9.5%) of the individual's average weekly ordinary time earnings. KMP do not receive any retirement benefits. All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No external remuneration consultants were hired for the year ending 30 June 2022. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders. Currently, the maximum aggregate remuneration of non-executive directors is $500,000.

Remuneration Expense Details:

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group:

Personnel	Year	Short-term benefits Salary & fees	Cash Bonus	Other payments	Post-employment benefits Superannuation	Share based payments	Total	Performance based percentage of remuneration
Executive Directors								
Mr Peter Ward [1]	2022	384,351	-	-	23,568	-	407,919	-
	2021	276,923	-	-	21,955	-	298,878	-
Mr Joe D'Addio [2]	2022	179,439	-	-	10,000	-	189,439	-
	2021	180,000	-	-	17,100	-	197,100	-
Non-executive Directors and Company Secretary								
Mr David Shein	2022	54,545	-	-	5,455	-	60,000	-
	2021	51,596	-	-	3,904	-	55,500	-
Mr Joey Fridman [3]	2022	50,620	-	-	5,062	-	55,682	-
	2021	42,397	-	-	2,603	-	45,000	-
Mr Michael Pollak [4]	2022	-	-	-	-	-	-	-
	2021	56,988		16,438	6,074	-	79,500	-
Mr Alexander White	2022	60,000	-	-	-	-	60,000	-
	2021	43,265	-	-	1,735	-	45,000	-
Mr Scott McPherson [5]	2022	45,455	-	-	4,545	-	50,000	-
	2021	136,252	-	-	5,424	-	141,676	-
Ms Karen Bell [6]	2022	54,545	-	-	5,455	-	60,000	-
	2021	13,699	-	-	1,301	-	15,000	-
Key Management								
Mr Brett Bergheim [7] (Chief Financial Officer)	2022	144,346	-	-	12,926	-	157,272	-
	2021	-	-	-	-	-	-	-
Mrs Kelly Wilkes [8] (Chief Operating Officer)	2022	236,167	-	-	21,217	21,705	279,089	8%
	2021	-	-	-	-	-	-	-
Mr Matthew Goggin [9] (Chief Sales Officer)	2022	457,332	-	-	23,404	-	480,736	-
	2021	335,333	-	-	21,694	-	357,028	-
Mr Chad Lurie (NSW State Manager)	2022	200,000	98,319	-	23,568	-	321,887	33%
	2021	196,667	47,806	-	20,704	-	265,177	20%
Mr (Danny) Wan Yee Loh [10] (Chief Financial Officer)	2022	200,227	-	-	15,142	(39,668)	175,701	-
	2021	251,500	-	-	20,926	39,668	312,094	13%
Mr Glenn Scown (Chief Operating Officer) [11]	2022	254,021	-	-	13,748	(39,668)	228,101	-
	2021	330,667	-	-	21,694	39,668	392,029	10%
2022 Total		**2,321,048**	**98,319**	**0**	**164,090**	**(57,631)**	**2,525,825**	
2021 Total		**1,915,287**	**47,806**	**16,438**	**145,114**	**79,336**	**2,203,981**	

1 Mr Peter Ward appointed CEO 8 November 2021 and Executive Director 1 December 2021. Peter was the Chief Solutions Officer prior to CEO.
2 Mr Joe D'Addio transitioned from Executive to Non-Executive Director effective 8 November 2021 and resigned 4 April 2022.
3 Mr Joey Fridman resigned 3 June 2022.
4 Mr Michael Pollack resigned 31 March 2011 and the other payments are related to his role as joint Company Secretary.
5 Mr Scott McPherson resigned from the position as Chief Operating officer effective 30 September 2020. He continues to serve as a non-executive director.
6 Ms Karen Bell appointed 1 April 2021.
7 Mr Brett Bergheim appointed Chief Financial Officer 13 December 2021
8 Mrs Kelly Wilkes appointed as Acting Chief Operating Officer 1 February 2022 and became KMP effective at this date. Appointment as Chief Operating officer 1 May 2022. Remuneration is included in the above table for the period 1 July 2021 to 30 June 2022.
9 Mr Matthew Goggin resigned 17 June 2022.
10 Mr (Danny) Wan Yee Loh resigned as Chief Financial Officer on 13 December 2021 and Company Secretary on 25 January 2022. Remuneration is included in the above table for the period 1 July 2021 to 28 February 2022.
11 Mr Glenn Scown appointed as Chief Operating Officer effective 1 October 2020 and resigned 21 January 2022.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Personnel	Fixed Remuneration	At Risk – Short Term Incentives	At Risk - Options
Executive Directors			
Mr Peter Ward	100%	-	-
Mr Joe D'Addio	100%	-	-
Other Key Management Personnel			
Mr Brett Bergheim	100%	-	-
Mrs Kelly Wilkes	92%	-	8%
Mr Matthew Goggin	100%	-	-
Mr Chad Lurie	67%	33%	-
Mr (Danny) Wan Yee Loh	100%	-	-
Mr Glenn Scown	100%	-	-

Service agreements (audited):

The directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the Corporations Act 2001, or are not re-elected to office.

The directors entered into service agreements on the following terms:

- Mr Shein, Mr Fridman (until his resignation on 3 June 2022), Mr Pollak (until his resignation on 31 March 2021), Mr White and Ms Bell - Base salary (including director's fees) of $60,000 per annum (including superannuation or similar contributions). They may receive additional payments as approved by the Board.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all non-executive director remuneration were waived from 1 May 2020 for 5 months.
- Mr D'Addio - Base salary (including director's fees) of $200,000 per annum (plus superannuation or similar contributions) up to 8 November 2021.
- Mr McPherson – Base salary (including director's fees) of $300,000 per annum (plus superannuation or similar contributions) up to 30th September 2020. Commencing 1 September 2021, Base salary (including director's fees) of $60,000 per annum (including superannuation or similar contributions).
  - Annual incentive payment of up to $81,217 each based on pre-determined key metrics.
  - The Company may also, in its absolute discretion, provide a bonus, the value of which, the conditions attached to and the frequency of such a bonus, remain matters over which the Company exercises sole discretion.
  - If the Company terminates the agreement with reason (such as gross misconduct conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the Director with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.
  - The Director may terminate the agreement at his or her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees.
  - After the termination of their employment with the Company and MOQdigital, the Director will be subject to a contractual restraint which may apply for 6 months after the termination and cover up to all of Australia.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, Mr McPherson's salary was temporarily reduced by 20% effective from 1 May 2020, for 3 months. Mr D'Addio's salary was temporarily reduced by 40% effective from 1 May 2020, for 6 months.
- Mr Ward – Base salary of $400,000 per annum (plus superannuation or similar contributions).
  - Participation in MOQ's Short Term (STI) Plan from FY22 of $140,000, being 33% of Total Fixed Remuneration subject to the achievement of Board Approved KPIs, including both financial and non-financial KPIs.
  - If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the KMP with no notice or compensation and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the KMP with up to 3 months' written notice or make a payment of up to 3 months' salary in lieu of the notice period.

  - The KMP may terminate the agreement at his or her sole discretion by providing 3 months' notice in writing. A payment in lieu of notice may be made at the Company's discretion.
  - After the termination of their employment with the Company, the KMP will be subject to a contractual restraint which may apply for 6 months after the termination and cover up to all of Australia.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all KMP salaries were temporarily reduced by 20% effective from 1 May 2020, for 3 months.

Key Management Personnel entered into service agreements on the following terms:

- Mr Goggin - Base salary of $360,000 per annum (plus superannuation or similar contributions) up to his resignation on 17 June 2022.
- Mr Loh -Base salary of $270,000 per annum (plus superannuation or similar contributions) up to his resignation on 28 February 2022.
- Mr Scown – Base salary of $360,000 per annum (plus superannuation or similar contributions) up to his resignation on 21 January 2022.
  - There was no change in the contract terms from 1 July 22 to date of resignation.
- Mr Lurie – Base salary of $200,000 per annum (plus superannuation or similar contributions).
  - Mr Lurie was provided with a commission plan during the year which allowed him to earn up to $100,000 if he achieved particular targets.
  - If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the KMP with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement) within 12 months of commencement, the Company will provide the KMP with 6 months' written notice, and thereafter with 2 months' written notice.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all KMP salaries were temporarily reduced by 20% effective from 1 May 2020, for 3 months.
- Mr Bergheim – Base salary of $270,000 per annum (plus superannuation or similar contributions).
  - If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the KMP with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the KMP with up to 3 months' written notice or make a payment of up to 3 months' salary in lieu of the notice period.
  - The KMP may terminate the agreement at his or her sole discretion and at any time, by providing 3 month's written notice. Company may make a payment of up to 3 months' salary in lieu of the notice period.
  - After the termination of their employment with the Company and MOQdigital, the KMP will be subject to a contractual restraint which may apply for 3 months after the termination and cover New South Wales.
- Mrs Wilkes – Base salary of $300,000 per annum (plus superannuation or similar contributions).
  - If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the KMP with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the KMP with up to 1 months' written notice or make a payment of up to 1 months' salary in lieu of the notice period
  - After the termination of their employment with the Company and MOQdigital, the KMP will be subject to a contractual restraint which may apply for 6 months after the termination and cover up to all of Australia.

Shareholding and option holding of directors and other key management personnel (audited)

Options held by Directors and Key Management Personnel

The number of options in the Company during the 2022 reporting period held by each of the Group's Directors and Key Management Personnel, including their related parties, is set out below:

Year ended 30 June 2022					
Personnel	Balance at the start of the year	Options acquired	Received as part of remuneration	Options exercised / disposed	Held at the end of the year
Mr Joe D'Addio	-	-	-	-	-
Mr Scott McPherson	-	-	-	-	-
Mr David Shein	-	-	-	-	-
Mr Joey Fridman	-	-	-	-	-
Mr Michael Pollak	-	-	-	-	-
Mr Alexander White	-	-	-	-	-
Ms Karen Bell	-	-	-	-	-
Mr Brett Bergheim	-	-	-	-	-
Mrs Kelly Wilkes	545,454	-	-	-	545,454
Mr Matthew Goggin	-	-	-	-	-
Mr Chad Lurie	-	-	-	-	-
Mr Danny Loh	1,363,635	-	-	(1,363,635)	-
Mr Peter Ward	-	-	-	-	-
Mr Glenn Scown	1,363,635	-	-	(1,363,635)	-

Year ended 30 June 2021					
Personnel	Balance at the start of the year	Options acquired	Received as part of remuneration	Options exercised / disposed	Held at the end of the year
Mr Joe D'Addio	-	-	-	-	-
Mr Scott McPherson	-	-	-	-	-
Mr David Shein	-	-	-	-	-
Mr Joey Fridman	-	-	-	-	-
Mr Michael Pollak	-	-	-	-	-
Mr Alexander White	-	-	-	-	-
Ms Karen Bell	-	-	-	-	-
Mr Matthew Goggin	-	-	-	-	-
Mr Chad Lurie	-	-	-	-	-
Mr Danny Loh	363,636	-	1,363,635	(363,636)	1,363,635
Mr Peter Ward	-	-	-	-	-
Mr Glenn Scown	-	-	1,363,635	-	1,363,635

Additional Information

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2022	2021	2020	2019	2018
Share Price at financial year end	0.05	0.200	0.165	0.195	0.24
Basic earnings per share (cents per share)	(2.19)	(0.57)	(8.30)	1.42	0.70
Diluted earnings per share (cents per share)	(2.19)	(0.57)	(8.30)	1.35	0.68

Name	Grant Date	Held at 1 July 2021	Granted as remuneration	Net change other	Held at 30 June 2022	Vested during the year and as at 30 June 2022	Total unvested at 30 June 2022	Vesting Date	Expiry Date	Value per option at grant date	Total value of options at grant date	Exercise price per option
Wan Yee (Danny) Loh	01-Jan-2021	409,090	-	(409,090)	-	-	-	01-Jan-2023	01-Jan-2025	$0.0955	$39,068.10	$0.181
	2-Mar-2021	272,727	-	(272,727)	-	-	-	01-Jan-2024	01-Jan-2025	$0.1294	$35,290.87	$0.209
	01-Jan-2021	409,091	-	(409,091)	-	-	-	01-Jan-2023	01-Jan-2025	$0.0955	$39,068.19	$0.181
	2-Mar-2021	272,727	-	(272,727)	-	-	-	01-Jan-2024	01-Jan-2025	$0.1294	$35,290-87	$0.209
Glenn Scown	01-Jan-2021	409,090	-	(409,090)	-	-	-	01-Jan-2023	01-Jan-2025	$0.0955	$39,068.10	$0.181
	2-Mar-2021	272,727	-	(272,727)	-	-	-	01-Jan-2024	01-Jan-2025	$0.1294	$35,290.87	$0.209
	01-Jan-2021	409,091	-	(409,091)	-	-	-	01-Jan-2023	01-Jan-2025	$0.0955	$39,068.19	$0.181
	2-Mar-2021	272,727	-	(272,727)	-	-	-	01-Jan-2024	01-Jan-2025	$0.1294	$35,290.87	$0.209
Kelly Wilkes**	01-Jan-2021	272,727	-	-	272,727	-	272,727	01-Jan-2023	01-Jan-2025	$0.0955	$26,045.43	$0.181
	01-Jan-2021	272,727	-	-	272,727	-	272,727	01-Jan-2023	01-Jan-2025	$0.0955	$26,045.43	$0.181

*No other Key Management Personnel were granted remuneration options during the year.
** Mrs Wilkes options were granted in FY21 prior to being a KMP.

Shares held by Directors and Key Management Personnel

The number of ordinary shares in the Company during the 2022 reporting period held by each of the Group's Key Management Personnel, including their related parties, is set out below:

	Year ended 30 June 2022					
Personnel	Balance at the start of the year	Received as part of remuneration	Other changes	Acquired	Disposal	Held at the end of reporting period
Mr Joe D'Addio	17,655,978	-	-	10,000,000	-	27,655,978
Mr Scott McPherson	17,943,478	-	-	5,300,132	-	23,243,610
Mr David Shein	4,083,335	-	-	3,071,533	-	7,154,868
Mr Joey Fridman	18,328,334	-	-	11,542,500	-	29,870,834
Mr Michael Pollak	-	-		-	-	-
Mr Alexander White	21,571,214	-	-	16,706,164	-	38,277,378
Ms Karen Bell	-	-	-	6,000,000	-	6,000,000
Mr Peter Ward	21,234,249	-	-	10,039,676	-	31,273,925
Mr Brett Bergheim	-	-	-	-	-	-
Mrs Kelly Wilkes	150,000	-	-	-	-	150,000
Mr Matthew Goggin	8,827,989	-	-	-	-	8,827,989
Mr Chad Lurie	3,025,000	-	-	1,000,000	(300,000)	3,725,000
Mr Danny Loh	-	-	-	-	-	-
Mr Glenn Scown	-	-	-	-	-	-

Shares held by Directors and Key Management Personnel (cont)

	Year ended 30 June 2021					
Personnel	Balance at the start of the year	Received as part of remuneration	Other changes	Acquired	Disposal	Held at the end of reporting period
Mr Joe D'Addio	17,655,978	-	-	-	-	17,655,978
Mr Scott McPherson	17,943,478	-	-	-	-	17,943,478
Mr David Shein	4,083,335	-	-	-	-	4,083,335
Mr Joey Fridman	18,328,334	-	-	-	-	18,328,334
Mr Michael Pollak	2,130,000	-	(2,130,000)	-	-	-
Mr Alexander White	21,571,214	-	-	-	-	21,571,214
Ms Karen Bell	-	-	-	-	-	-
Mr Matthew Goggin	8,827,989	-	-	-	-	8,827,989
Mr Chad Lurie	3,025,000	-	-	-	-	3,025,000
Mr Danny Loh	-	-	-	-	-	-
Mr Peter Ward	14,188,072	-	-	7,046,177	-	21,234,249
Mr Glenn Scown	-	-	-	-	-	-

Other Equity-related KMP Transactions

There were no other equity equity-related KMP transactions during the year.

Loans to KMP

No loans have been made to KMP during, or since, the year ended 30 June 2022 (2021: $Nil).

Other transactions with KMP or their related parties

During the year MOQdigital provided products and services of $62,294 to SGESCO-MAX, a company of which Scott McPherson is a director. At 30 June 2022, no amounts relating to these services was outstanding.This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

David Shein
Non-Executive Chairman
31 August 2022

STATEMENT OF CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, MOQ Limited and its Group have adopted the fourth edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 February 2019 and became effective for financial years beginning on or after 1 July 2020.

The Group's current Corporate Governance Statement for this reporting period is available on MOQ Limited's website at www.moq.com.au/corporate-governance/

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $	2021 $
Revenue from continuing operations	6	**81,889,047**	**69,403,994**
Cost of Sales	7	**(70,491,259)**	**(55,218,075)**
Gross Profit		**11,397,788**	**14,185,919**
Other Income	6	**37,673**	**2,294,014**
Expenses			
Share based payments		(170,004)	(364,948)
Depreciation	7	(1,224,418)	(1,250,402)
Amortisation	7	(2,993,753)	(2,902,807)
Employee costs	7	(11,576,268)	(9,364,987)
Legal costs	7	(272,189)	(108,539)
ASX and registry related expenses		(79,978)	(61,674)
Marketing expense		(538,876)	(460,014)
Occupancy expenses		(411,485)	(411,935)
Professional fees	7	(1,189,459)	(962,520)
Telecommunication carrier expenses		(227,953)	(272,959)
Finance costs		(140,272)	(144,608)
Foreign Exchange gain		1,501,433	217,312
Other expenses		(2,325,220)	(2,024,748)
Total expenses		**(19,648,442)**	**(18,112,829)**
(Loss) before income tax benefit for continuing operations		**(8,212,981)**	**(1,632,896)**
Income tax benefit	8	1,809,034	502,232
(Loss) after income tax for continuing operations		**(6,403,946)**	**(1,130,664)**
Discontinued Operations			
Profit / (Loss) from discontinued operations	29	1,533,712	120,016
Profit / (Loss) for the year		**(4,870,234)**	**(1,010,648)**
Other comprehensive (loss) for the year			
Exchange differences on translating foreign subsidiaries	21	(1,575,590)	(281,131)
Total comprehensive (loss) for the year		**(6,445,825)**	**(1,291,779)**
(Loss) is attributable to			
MOQ Limited		(4,870,234)	(1,010,648)
		(4,870,234)	**(1,010,648)**
Total comprehensive (loss) is attributable to			
MOQ Limited		(6,445,825)	(1,291,779)
		(6,445,825)	**(1,291,779)**
Earnings per share attributable to equity holders of the parent entity			
Basic (loss) / earnings per share (cents per share)	30	(2.19)	(0.57)
Diluted (loss) / earnings per share (cents per share)	30	(2.19)	(0.57)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 $	2021 $
Current Assets			
Cash and cash equivalents	9	5,227,819	1,966,646
Trade and other receivables	10	12,123,600	12,627,259
Contract assets	11	347,643	902,887
Tax receivable	8	578,648	334,337
Other assets	12	1,444,754	1,319,286
		19,722,464	17,150,415
Non-Current Assets			
Other assets	12	871,734	776,811
Right of use assets	19	1,492,758	1,915,895
Deferred tax assets	8	3,104,052	2,815,757
Property plant and equipment	13	932,862	1,144,289
Intangibles	14	8,030,376	9,741,398
		14,431,782	16,394,150
Total Assets		**34,154,246**	**33,544,565**
Current Liabilities			
Trade and other payables	15	9,793,193	9,487,011
Current loan liability	16	1,416,666	-
Contract liabilities	17	4,420,967	4,467,715
Provisions	18	2,756,881	3,170,477
Lease liability	19	499,030	622,084
Current tax payable	8	25,169	2,207
		18,911,906	17,749,494
Non-Current Liabilities			
Lease liability	19	1,101,655	1,466,734
Deferred tax liability	8	985,715	2,153,909
Provisions	18	422,420	364,145
		2,509,791	3,984,788
Total Liabilities		**21,421,696**	**21,734,282**
Net Assets		**12,732,550**	**11,810,283**
Equity			
Issued capital	20	62,902,657	55,704,569
Reserves	21	(1,052,089)	353,498
Accumulated losses	22	(49,118,018)	(44,247,784)
Total Equity		**12,732,550**	**11,810,283**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital $	Reserves $	Accumulated Losses $	Equity $
Balance as at 1 July 2021	**55,704,569**	**353,498**	**(44,247,784)**	**11,810,283**
Net loss for the year	-	-	(4,870,234)	(4,870,234)
Other comprehensive loss	-	(1,575,590)	-	(1,575,590)
Total comprehensive loss for the year	**-**	**(1,575,590)**	**(4,870,234)**	**(6,445,824)**
Transactions with owners in their capacity as owners	-	-	-	-
Issue of share capital	7,198,088	-	-	7,198,088
Option Premium Reserve	-	170,004	-	170,004
Balance as at 30 June 2022	**62,902,657**	**(1,052,089)**	**(49,118,018)**	**12,732,551**

	Issued Capital $	Reserves $	Accumulated Losses $	Equity $
Balance as at 1 July 2020	**53,490,057**	**269,681**	**(43,237,136)**	**10,522,602**
Net loss for the year	-	-	(1,010,648)	(1,010,648)
Other comprehensive loss	-	(281,131)	-	(281,131)
Total comprehensive loss for the year	**-**	**(281,131)**	**(1,010,648)**	**(1,291,779)**
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**
Issue of share capital	2,214,512	-	-	2,214,512
Option Premium Reserve	-	364,948	-	364,948
Balance as at 30 June 2021	**55,704,569**	**353,498**	**(44,247,784)**	**11,810,283**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $	2021 $
Cash flow from operating activities			
Receipts from customers		92,300,140	71,454,247
Receipts from other income		82,620	2,918,237
Payments to suppliers and employees		(96,803,277)	(73,008,737)
Interest received		11,499	10,136
Interest paid		(39,882)	-
Income taxes received / (paid)		(370,998)	(604,014)
Net cash (used in)/ provided by operating activities	**31**	(4,819,899)	769,869
Cash flow from investing activities			
Payments for property plant and equipment	**13**	(449,281)	(894,049)
Payments for intellectual property	**14**	(250,505)	(1,008,724)
Payments for deposits		(228,856)	56,454
Acquisition of subsidiaries		(1,348,436)	(1,107,256)
Disposal of subsidiaries		3,648,509	-
Net cash provided by / (used in) investing activities		1,371,431	(2,953,575)
Cash flow from financing activities			
Net proceeds from share issues		5,988,488	-
Proceeds from loans		1,700,000	-
Repayment of loans		(283,334)	-
Lease payments for right of use assets		(695,513)	(825,754)
Net cash provided by / (used in) financing activities		6,709,641	(825,754)
Net increase (decrease) in cash and cash equivalents		3,261,173	(3,009,459)
Cash and cash equivalents at beginning of year		1,966,646	4,976,105
Cash and cash equivalents at end of year	**9**	5,227,819	1,966,646

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements cover MOQ Limited ("Company or "parent entity") and its controlled entity as a consolidated entity (also referred to as "the Group"). MOQ Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity and is primarily involved in the information technology industry being the field of software and services.

The separate financial statements of the parent entity, MOQ Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The consolidated financial statements were authorised for issue by the Board of Directors on 31 August 2022.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of preparation of the financial report

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

On 16 August 2022, MOQ announced that Atturra Holdings Pty Limited (Atturra Holdings), elected not to exercise its matching right under clause 11.4 of the Scheme Implementation Deed dated 30 June 2022 (as amended and restated on 11 August 2022) in response to an MOQ Competing Proposal made by Brennan VDI Pty Ltd of $0.075 per MOQ share.

Following the above announcement, MOQ announced that it had executed a new Scheme Implementation Deed under which it is proposed that Brennan VDI Pty Ltd will acquire 100% of the fully diluted share capital in MOQ by way of scheme of arrangement.

At the date of this report, the Directors are of the opinion that there are reasonable grounds to expect that the Group will be able to continue as a going concern, in addition to the pending Scheme of Arrangement. In arriving at this conclusion, the Directors considered the following:

- The successful implementation of the Back on Track plan to return the business to profitability in FY23.
- Successfully undertook an entitlement offer on 23 March 2022 to further inject additional capital equity of $6 million to implement the required personnel and process changes to prudently and effectively deliver on its contractual and other obligations going forward for the next 12 months or more.
- MOQ has received a waiver of the potential breach of its covenants from its bank. The covenants will not be tested again until reporting period ending 31 December 2022, with the implementation of the Entitlement offer and an agreed partial step down of the Company's overdraft facility. The company's current facilities with the bank will continue to be available and serviced in accordance with agreed terms.

The Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2022. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern.

Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS'). It is recommended that this financial report be read in conjunction with the public announcements made by MOQ Limited during the year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001.*

The financial report has been prepared on the historical cost basis.

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

c) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Further details can be found in Note 14.

d) Critical accounting estimates

The preparation of the financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

e) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (MOQ Limited) and all of the subsidiaries. Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in in Note 32.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

f) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa;
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

g) Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense or income for the year is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax asset and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

h) Tax Consolidation Legislation

The Company and its Australian wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation legislation for the whole of the financial year. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The Group notified the Australian Tax Office it had formed an income tax consolidated group with an effective date of 1 June 2015. The tax consolidated group has entered a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

i) Plant and equipment

Each class of plant and equipment is carried at cost less any applicable accumulated depreciation and any accumulated impairment losses. Plant and equipment is measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

The depreciated amount of all fixed assets including capitalised leased assets is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

The expected useful life of plant and equipment ranges from 3 to 15 years.

The assets' residual values and useful life are reviewed at the balances date. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included net in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

i) Plant and equipment (cont)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	Term of lease
Plant and Equipment	33.33%- 66.67%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated losses.

j) Financial instruments

The Group initially recognises financial assets on the trade date at which the Group becomes a party to a contractual provision of the instrument.

Financial assets are initially measured at cost. If the financial asset is not subsequently measured at fair value through profit or loss, the initial measurement includes transaction costs that are directly attributed to the asset's acquisition. The Group subsequently measures financial assets at either amortised costs or fair value.

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- The asset is held with an objective to collect cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets other than those classified as financial assets measured at amortised costs are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payment and amortisation.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are offset when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

k) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have occurred after the initial recognition of the asset and that the loss event has a negative effect on the estimated future cash flows of that assets which can be estimated reliably.

The Group considers evidence of impairment for receivables at both a specific and collective level. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

l) Impairment of non-financial assets

Intangible assets are tested annually for impairment or more frequently if changes in circumstances indicate that they might be impaired.

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current marked assessment of the time value of money and the risks specific to the asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

m) Intangible assets

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Fair value is assessed based on the income streams generated from customer contracts after allowing for cost specific to the generation of those income streams. In the assessment of the carrying value of the intangible assets costs not related to the generation of the contract related income streams were excluded. These intangibles are separate from the business to which they relate and have been assessed on this basis. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 3 years to 8 years.

Software acquired as part of a business combination is recognised separately from goodwill. The software is carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 3 years.

Software created internally is carried at fair value less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows over their estimated useful lives, which at present are 5 years.

n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax.

If the entity reacquires its own equity instruments, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs net of any taxes is recognised directly in equity.

o) Foreign currency transactions and balances

The functional currency of each entity in the consolidated entity is measured using the currency of the primary economic environment in which that consolidated entity operates. The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated using the spot rate at the end of the financial year. Non-monetary items measured at historical cost continue to be carried at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined. Material exchange differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge. Material exchange differences arising on the translation of non-monetary items are recognised in equity to the extent that the gain or loss is directly recognised in equity otherwise the exchange is recognised in profit or loss.

p) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, and annual leave, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables, in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, on an undiscounted basis.

Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made for services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Termination benefits

Termination benefits are payable when employments are terminated before the normal retirement date, or when the employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

r) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, deposits held on call with banks, other short term highly liquid investments with an original maturity date of three months or less held and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

s) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The group has identified the following main categories by segment:

- Technology – sale of ICT hardware, software and licensing.
- Professional Services – Infrastructure, Cloud, Data & Analytics and Consulting Professional Services.
- Recurring Services – Managed Services.

(i) Rendering of Recurring Services – Recurring Services – Managed Services

Managed Services revenues primarily derives from provision of IT infrastructure, cloud, data and analytics service desk and outsourced IT services. Where consideration is received in advance of performance, it is initially recorded as deferred revenue. Revenue is recognised as the performance obligations are satisfied which is considered to be evenly over the contracted term.

(ii) Rendering of Services – Professional Services

Revenue from professional services for Infrastructure, Cloud, Data & Analytics and Consulting are recognised over time either by reference to the stage of completion of the contracts, or by the labour hours incurred to date if provided for contractually. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the outcome cannot be reasonably measured, revenue is only recognised to the extent of the recoverable costs incurred to date of the performance obligation.

(iii) Technology Sales and Transaction prices

The Group's customer contracts may include multiple performance obligations. In these cases the Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of each distinct service. Standalone selling prices are determined based on prices charged to customers for individual products and services taking into consideration the size and length of contracts, service rate cards and the Group's overall go to market strategy.

(iv) Principal versus agent considerations

The Group acts as an agent for vendors of Cloud Services and recommends such services to customers where appropriate. Where consumption of such services meet certain criteria set by the vendor, the Group may be entitled to rebates. Such rebates are recognised in arrears upon confirmation by the vendors of the rebates earned.

(v) Customer acquisition costs

Incremental costs of obtaining a contract with a customer are capitalised when expected to be recovered under the contract.

Where costs are incurred in transitioning a Managed Services contract, such costs are capitalised and amortised over the expected period of benefit. AASB 15 allows entities to immediately expense costs which would have been amortised within a year or less and for such situations the Group recognises the incremental costs of obtaining contracts as an expense when incurred.

All revenue is stated net of the amount of goods and services tax (GST).

t) New amended standards adopted by the Group (or Company)

The Group (or the Company) has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021

The amendment amends AASB 16 to extend by one year, the application of the practical expedient added to AASB 16 by AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications. The amendment has not had a material impact on the Group's financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

u) Leases

Right of use assets

A right of use asset is recognised at the commencement date of the lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right of use assets are subject to impairment or adjusted remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of the lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual guarantees, exercise price of a purchase option where the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or rate used; residual; guarantee; lease term; certainty of a purchase option and termination penalties. When a lease lability is remeasured, an adjustment is made to the corresponding right of use asset, or the profit or loss if the carrying amount of the right of use asset is fully written down.

Short term leases and leases of low value

The Group applies the low-value assets recognition exemption to leases of office equipment that are considered of low value ($10,000 or less). Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group currently has a number of short-term leases which are being expensed directly to the profit and loss, on a straight line basis over the lease term.

v) Finance costs

Finance costs are expenses in the period in which they are incurred and reported in the profit and loss.

w) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

x) Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group writes off fully any amounts that are more than 90 days past due.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

y) Contract Assets

Contract assets is stated as the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. Cost includes all costs directly related to specific contracts, and an allocation of overhead costs attributable to contract activity in general.

Project revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract. Any credit balance in contract assets is reclassified as contract liabilities. Where losses are anticipated they are provided for in full.

When the outcome of the project cannot be estimated reliably, revenue is only recognised to the extent that the costs incurred are recoverable.

z) Trade and other payables

Trade and other payables represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest. These amounts are unsecured and are usually settled within 30 days of recognition.

aa) Operating segments

The Company has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) to make financial and operational decisions and to allocate resources. We attribute sales to an operating segment based on the type of product or service provided to the customer.

We have identified three reportable segments, as follows:

- Technology Sales – provision of vendor hardware, software and associated licenses and maintenance contracts;
- Professional Services – provision of a range of specialist services including consulting, project management, infrastructure, cloud and data analytics services to assist clients with strategy, architecture, design, development and implementation of ICT solutions; and
- Recurring Services – a combination of managed services including operations, support and ICT management, as well as a range of in-house developed commercialised IP and Cloud (SAAS) based solutions.
- Unallocated/Corporate – this segment captures general miscellaneous income, operating expenses and corporate costs that have not been otherwise allocated to the other reportable segments.

The consolidated entity primarily services clients in one geographical segment being Australia, with support from Australia, Sri Lanka and New Zealand. However, there are no material revenues generated outside of Australia, and as a result no additional geographical segment information has been provided.

bb) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

cc) New Accounting Standards for Application in Future Periods

The Group will assess the Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods. For the FY22 year there are no new accounting standards to assess.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The impact of some of these standards has not been assessed yet.

- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

  The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

- *AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

  AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

cc) New Accounting Standards for Application in Future Periods (cont)

- *AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

  The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

  The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

- *AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

dd) Government Grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Government grants include amounts received or receivables under the Federal Governments' Jobkeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID 19. The company has booked these payments in Other Income (see Note 34).

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assumed a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Estimates

Impairment of Non-Current Assets

The Company assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Expected Credit Losses

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, historical collection rates and specific knowledge of the individual debtors' financial position.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Taxation

The Group's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and deferred tax liabilities are recognised in the Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses and temporary differences are recognised only where it is considered more likely than not that they will be recovered, which is dependent upon the generation of sufficient future taxable profits.

Assumptions about the generation of future profits depend upon management's estimates of future profitability and cash flows. These depend upon estimates of future income, operating costs, capital expenditure, dividends and other capital management transactions. Judgments and assumptions are also required in relation to the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty. Therefore there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the Statement of Financial Position and the amount of tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont)

deferred tax assets and liabilities may require adjustment, resulting in a correction to the Statement of Profit or Loss and Comprehensive Income.

Share-Based Payments

The fair value of options issued under the MOQ Limited Employee Incentive Plan is measured by reference to the fair value of options granted. The fair value estimate is based on the Black Scholes option-pricing model. The contractual life of the options is used as an input into the model. Further information regarding assumptions is included in Note 20.

NOTE 3: FINANCIAL RISK MANAGEMENT

Recoverability of Contract Assets

The Company assesses contract assets on a monthly basis to determine whether the amounts accrued are recoverable to the Group when billed to customers. At the reporting date, the Directors believe that the carrying value of contract assets is recoverable in full.

Valuation of Provisions

The Company has assessed the value of provisions at the reporting date in line with the accounting policy at Note 1(q).

Risk management is the role and responsibility of the Board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to credit, liquidity, foreign currency and interest rate risks.

Determination of Intangible Property Acquired

The Company has assessed the value of intangible property acquired from the acquisition of Wardy IT Solutions and Dienst Consulting using management's judgement in determining the fair values of the property acquired.

(a) Credit Risk

The Group has five large debtor amount of $5.8M (43% of total debtors) as at 30 June 2022. As at the date of the report, $2.5M has been received. There are no other significant concentrations of credit risk. As there are no other major concentration of debtors, no sensitivity analysis has been prepared by the Group. The ageing of the Group's trade and other receivables net of expected credit losses of $1,389,647 at the reporting date is:

	2022 $	2021 $
Current	9,032,196	10,363,457
30 - 60 days	1,828,655	1,123,037
60 - 90 days	620,734	938,471
More than 90 days	642,015	202,294
	12,123,600	12,627,259

The Directors believe that the above stated balances are fully recoverable.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2022 is determined as follows; the expected credit losses also incorporate forward-looking information.

(b) Liquidity

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group has a committed credit line available of $1.75M with ANZ Bank, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation and St George which is available as required.

The material liquidity risk for the Group is the ability to raise equity or access debt finance as required in the future.

NOTE 3: FINANCIAL RISK MANAGEMENT (cont)

(c) Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is:

	1 Year or Less			Over 1 to 5 years		
	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Fixed Interest Rate $	Non Interest Bearing $	Total $
30 June 2022						
Financial assets						
Cash and deposits	1,759,195	-	3,468,624	-	-	5,227,819
Current receivables	-	-	12,123,600	-	-	12,123,600
Right of use asset	-	-	1,492,758	1,492,758	-	1,492,758
Contract assets	-	-	347,643	-	-	347,643
Tax Receivable	-	-	578,648	-	-	578,648
Other assets	-	-	-	-	786,722	786,722
	1,759,195	-	16,518,515	1,492,758	786,722	20,557,190
Weighted average interest rate	0%					
Financial liabilities						
Trade and other payables	-	-	(9,793,193)	-	-	(9,793,193)
Lease liability	-	(499,030)	-	(1,101,655)	(1,101,655)	(1,600,685)
Borrowings	(1,416,666)	-		-	-	(1,416,666)
Contract liabilities	-	-	(4,420,967)	-	-	(4,420,967)
Tax Payable	-	-	(25,169)	-		(25,169)
	(1,416,666)	(499,030)	(14,239,329)	(1,101,655)	(1,101,655)	(17,256,681)
Weighted average interest rate	0%					
Net financial assets / (liabilities)	342,529	(499,030)	3,771,944	391,103	786,722	3,300,509

The directors do not consider the results of the Group to be subject to significant sensitivity arising from interest rate risks.

	1 Year or Less			Over 1 to 5 years		
	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Fixed Interest Rate $	Non Interest Bearing $	Total $
30 June 2021						
Financial assets						
Cash and deposits	1	-	1,966,645	-	-	1,966,646
Current receivables	-	-	12,627,259	-	-	12,627,259
Right of use asset	-	-	-	1,915,895	-	1,915,895
Contract assets	-	-	902,887	-	-	902,887
Tax Receivable	-	-	-	-	-	-
Other assets	-	-	-	-	593,902	593,902
	1	-	15,496,791	1,915,895	593,902	18,006,589
Weighted average interest rate	0%					
Financial liabilities						
Trade and other payables	-	-	(9,487,012)	-	-	(9,487,012)
Lease liability	-	(622,084)	-	(1,466,734)	-	(2,088,818)
Borrowings	-	-		-	-	-
Contract liabilities	-	-	(4,467,715)	-	-	(4,467,715)
Tax Payable	-	-	(2,207)	-	-	(2,207)
	-	(622,084)	(13,956,934)	(1,466,734)	-	(17,256,681)
Weighted average interest rate	0%					
Net financial assets / (liabilities)	1	(622,084)	1,539,857	449,161	593,902	1,960,837

NOTE 3: FINANCIAL RISK MANAGEMENT (cont)

(d) Foreign currency risk

The Group has subsidiaries in Sri Lanka and New Zealand, which serves primarily as service and support centres. All intercompany loans are repayable in AUD$. During the year the Sri Lankan Rupee significantly depreciated against the Australian dollar, from an average of 150 at June 2021 to 250 at June 2022, resulting in an exchange gain of $1.48m which was recognised in the Sri Lankan entity and consolidated into the group accounts at 30 June 2022. The group is not materially exposed to any other foreign currency risk and as such, no sensitivity analysis has been made by the Group.

(e) Fair value hierarchy

The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables because their carrying amounts are a reasonable approximation of their fair values.

NOTE 4: SEGMENT INFORMATION

The segment information provided to the Board of Directors, for the reportable segments* is as follows:

30 June 2022	Recurring Services $	Professional Services $	Technology Sales $	Unallocated / Corporate $	Total $
Revenue from external customers	26,148,149	28,658,840	27,082,058	-	81,889,047
Other income	-	-	-	37,673	37,673
Total Reportable Segment results	6,686,018	719,353	3,992,417	(19,610,769)	(8,212,981)
Total segment assets	-	-	-	34,154,246	34,154,246
Total segment liabilities	-	-	-	21,421,696	21,421,696

30 June 2021	Recurring Services $	Professional Services $	Technology Sales $	Unallocated / Corporate $	Total $
Revenue from external customers	20,142,834	24,361,872	24,899,288	-	69,403,994
Other income	-	-	-	2,294,014	2,294,014
Total Reportable Segment results	7,236,007	3,105,542	3,844,370	(15,818,815)	(1,632,896)
Total segment assets	-	-	-	33,544,565	33,544,565
Total segment liabilities	-	-	-	21,734,282	21,734,282

*please refer to Note 1(aa) for a description of each of the Reportable Segments.

NOTE 5: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, MOQ Limited:

(a) Summarised statement of financial position

	2022 $	2021 $
Assets		
Current assets	646,631	533,714
Non current assets	13,452,697	8,979,290
Total assets	14,099,327	9,513,004
Liabilities		
Current liabilities	(659,406)	(60,878)
Non current liabilities	(192,654)	(3,457,007)
Total liabilities	(852,060)	(3,517,885)
Net assets	**13,247,267**	**5,995,119**
Equity		
Share Capital	62,902,657	55,704,569
Reserves	1,007,182	837,178
Accumulated losses	(50,662,572)	(50,546,628)
Total equity	13,247,267	5,995,119

(b) Summarised statement of comprehensive income

	2022 $	2021 $
(Loss) for the year after tax	(115,945)	(3,283,501)
Total comprehensive (loss) for the year	(115,945)	(3,283,501)

(c) Guarantees entered into by the parent

The parent has provided a guarantee for the ANZ working capital loan facility.

(d) Contingent liabilities of the parent

The parent does not have any contingent liabilities other than disclosed in this report.

(e) Commitments of the parent

The parent does not have any commitments other than disclosed in this report.

NOTE 6: REVENUE AND OTHER INCOME

	2022 $	2021 $
(a) Revenue from operations	81,889,047	69,403,994
(b) Other income		
Interest received	11,499	10,085
Other income	26,175	394,929
Government grants[1]	0	1,889,000
	37,674	2,294,014
Total revenue and other income	81,926,720	71,698,008

[1] Government grants include $0; (2021: Jobkeeper of $1,839,000 and Cashflow Boost of $50,000).

NOTE 7: OPERATING (LOSS)

(Loss) before income tax includes the following expenses

		2022 $	2021 $
(a)	Cost of sales		
	Technology	23,089,641	21,054,918
	Recurring services	19,462,130	12,906,827
	Professional services	27.939.488	21,256,330
		70,491,259	55,218,075
(b)	Depreciation – office equipment, software and right of use asset	1,224,418	1,250,402
	Amortisation – intangible assets	2,993,753	2,902,807
		4,218,171	4,153,209
(c)	Employee benefits, other labour and related expenses		
	Wages and salaries	8,346,884	7,206,597
	Superannuation	754,364	580,638
	Other employee benefits expenses	2,475,020	1,577,752
		11,576,268	9,364,987
(d)	Legal costs	272,189	108,539
(e)	Professional fees		
	Consultants fees	891,306	720,000
	Compliance fees	292,758	236,309
	Other fees	5,395	6,211
		1,189,459	962,520

NOTE 8: INCOME TAX

		2022 $	2021 $
(a)	**The components of tax benefit / (expense) comprise:**		
	Current tax	(3,632,609)	(1,394,768)
	Deferred tax	1,823,575	892,536
		(1,809,034)	(502,232)
(b)	**Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable**		
	(Loss)before income tax expense	(8,212,981)	(1,632,896)
	Income tax calculated at 30% (2021: 30%)	(2,463,894)	(489,869)
	Tax rate differential	(542,737)	(119,295)
	Other expenditure not allowed for income tax purposes	729,342	(30,832)
	(Under) / over Provision in respect of prior years	(135,261)	39,187
	Temporary income tax differences	603,516	98,577
	Income tax (benefit)	(1,809,034)	(502,232)
	The applicable weighted average effective tax rates are as follows:	22.03%	30.76%

NOTE 8: INCOME TAX (continued)

	2022 $	2021 $
(c) Tax effects relating to other comprehensive income		
There is no tax effect relating to components of other comprehensive income.		
(d) Unrecognised tax losses		
Potential tax benefit at 30% (2021: 30%)	-	-

(e) Current tax payable / recoverable

Current tax payable is $25,169, relating to income tax for MOQdigital NZ Limited

Current tax receivable for the group is $578,648 for MOQ Limited, of which $332,928 is relating to loss carry back tax offset provisions related to Covid 19. All calculations are subject to review by the Australian Tax office upon filing of the financial year 2022 tax return.

(f) Recognised deferred tax assets and liabilities

Deferred income tax balances at 30 June 2022 relate to the following:

	2022 $	2021 $
(i) Deferred tax liabilities		
Right of use assets	(312,274)	(462,056)
Contract assets	(105,046)	(270,866)
Acquired customer contracts	(568,395)	(1,420,987)
Deferred Tax Liabilities	(985,715)	(2,153,909)
(ii) Deferred tax assets		
Provisions	1,229,600	1,366,015
M&A costs	117,361	286,463
Contract liabilities	-	389,104
Employee obligations	771,613	352,629
Lease liabilities	274,530	421,545
Tax Losses	710,948	-
Deferred Tax Assets	3,104,052	2,815,757

(g) Tax consolidation

For the purposes of income taxation, MOQ Limited and its 100% Australian owned subsidiaries form a tax consolidated group. The head entity of the consolidated group is MOQ Limited.

The head entity is responsible for the liabilities of the group. Intra group transactions are ignored for tax purposes and there is a single return lodged on behalf of the Australian entities in the Group.

NOTE 9: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank*	5,227,819	1,966,646
	5,227,819	1,966,646

*The Group has a working capital loan facility of $1.75M with ANZ Bank, which was unutilised as at 30 June 2022.

NOTE 10: TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Trade receivables	13,513,248	13,350,802
Expected credit losses	(1,389,647)	(736,360)
Other receivables	-	12,817
	12,123,600	12,627,259

Management believes that any debts that have not been provided for and are past due by more than 30 days are still collectible in full based on historic payment behaviour. The amounts that are past due but not impaired are $3,091,404 at 30 June 2022.

Please refer to Note 3(a) for a further breakdown of the ageing of receivable amounts.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision at 30 June 2022 is determined as follows; the expected credit losses incorporate forward-looking information.

2022	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Gross Carrying amount	9,138,102	1,908,488	675,411	1,791,247	13,513,248
Loss allowing provision	105,906	79,832	54,677	1,149,232	1,389,647

2021	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Gross Carrying amount	10,363,457	1,123,037	938,471	925,838	13,350,802
Loss allowing provision	-	-	$391,443	$344,917	$736,360

NOTE 11: CONTRACT ASSETS

	2022 $	2021 $
Contract assets	347,643	902,887
	347,643	902,887

A contract asset is recognised for work previously performed. When invoicing takes place, any amount that has previously been classified as a contract asset will be reclassified to trade receivables.

NOTE 12: OTHER ASSETS

	2022 $	2021 $
(a) OTHER ASSETS - CURRENT		
Deposits	8,488	23,928
Prepayments	1,302,162	1,161,389
Other	134,104	133,969
	1,444,754	1,319,286
(a) OTHER ASSETS – NON-CURRENT		
Deposits	785,717	556,862
Other	86,017	219,949
	871,734	776,811

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements $	Office Equipment & Software $	Total $
At 30 June 2022			
Cost	1,348,456	1,688,444	3,036,900
Accumulated depreciation	(950,514)	(1,153,524)	(2,104,038)
	397,942	534,920	932,862
At 30 June 2021			
Cost	1,293,132	1,633,930	2,927,062
Accumulated depreciation	(773,276)	(1,009,497)	(1,782,773)
	519,856	624,433	1,144,289

Reconciliation of carrying amounts at the beginning and end of the year:

	Leasehold Improvements $	Office Equipment & Software $	Total $
At 1 July 2021	519,856	624,433	1,144,289
Additions[1]	103,506	430,281	533,787
Disposals[2]	(24,236)	(22,270)	(46,506)
Depreciation[1]	(204,119)	(439,243)	(643,361)
Foreign currency translation differences	2,934	(58,280)	(55,347)
At 30 June 2022	397,942	534,920	932,862

1 As part of the acquisition of Dienst Consulting Pty Ltd on 30 July 2021, $84,506 plant and equipment cost and $84,506 accumulated depreciation was acquired.
2 As part of the divestment of iimage Technical Services Pty Ltd on 30 September 2021, $112,892 plant and equipment cost and $82,328 accumulated depreciation was disposed of.

	Leasehold Improvements $	Office Equipment & Software $	Total $
At 1 July 2020	260,534	359,028	619,562
Additions	441,747	541,074	982,821
Disposals	-	(24,384)	(24,384)
Depreciation	(175,533)	(232,557)	(408,091)
Foreign currency translation differences	(6,891)	(18,729)	(25,620)
At 30 June 2021	519,856	624,433	1,144,289

NOTE 14: INTANGIBLE ASSETS

	2022 $	2021 $
Goodwill on acquisition of Wardy IT Solutions	1,840,440	1,840,440
Goodwill on acquisition of Dienst Consulting	3,971,727	-
Intangible Property Acquired Skoolbag	-	250,678
	5,812,167	2,091,118
Intangible Property - Skoolbag software development - cost	-	3,453,575
Intangible Property - Skoolbag software development - accumulated depreciation	-	(919,917)
	-	2,533,658
Intangible Property - Wardy IT Solutions acquired customers	9,946,906	9,946,906
Intangible Property - Wardy IT Solutions acquired customers - accumulated depreciation	(8,052,257)	(5,210,284)
Intangible Property - Wardy IT Solutions acquired intangible	600,000	600,000
Intangible Property - Wardy IT Solutions acquired intangible - accumulated depreciation	(340,000)	(220,000)
	2,154,649	5,116,622
Intangible Property - Dienst Consulting acquired customers	95,341	-
Intangible Property - Dienst Consulting acquired customers - accumulated depreciation	(31,780)	-
	63,561	-
	8,030,377	9,741,398

Reconciliation of carrying amounts (excluding goodwill on acquisition) at the beginning and end of the year:

	Skoolbag software development $	Wardy IT Solutions Intangible $	Dienst Consulting Intangible $
At 1 July 2021	2,533,658	5,116,622	-
Additions	250,505	-	95,341
Disposals	(2,583,625)	-	-
Amortisation	(200,538)	(2,961,973)	(31,780)
At 30 June 2022	-	2,154,649	63,561
At 1 July 2020	1,960,386	8,079,428	-
Additions	1,008,724	-	-
Disposals	-	(833)	-
Amortisation	(435,452)	(2,961,973)	-
At 30 June 2021	2,533,658	5,116,622	-

Impairment Testing:

Goodwill arising from a business combination is allocated to CGUs (cash generating units) or groups that are expected to benefit from the synergies of the combination. During FY22, Dienst Consulting operations were integrated into MOQdigital. Therefore for the purposes of impairment testing, goodwill and acquired customer relationships (which is being amortised over 2.75 years) has been allocated to MOQ's CGUs, split evenly across Technology and Professional Services. During FY21, Wardy IT Solutions' operations were integrated into MOQdigital. Therefore, for the purposes of impairment testing, goodwill and acquired customer relationships (which is being amortised over 3.5 years) has been allocated to MOQ's CGUs split evenly across Professional Services and Managed Services.

	2022 $	2021 $
Skoolbag*	-	2,784,336
MOQdigital – Professional Services	4,015,188	3,478,531
MOQdigital – Managed Services	1,997,545	3,478,531
MOQdigital – Technology	2,017,644	-
	8,030,377	9,741,398

** Skoolbag CGU was sold effective 1 October 2021.*

NOTE 14: INTANGIBLE ASSETS (cont)

The recoverable amounts were based on fair values estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represents management's assessment of future trends in the ICT industry and have been based on data from both external and internal sources.

MOQdigital	2022
Professional Services and Managed Services	
Discount rate	10.3%
Terminal Value Growth Rate	2.5%
Average Budgeted EBITDA growth rate	3.4%
Technology	
Discount rate	10.3%
Terminal Value Growth Rate	1.0%
Average Budgeted EBITDA growth rate	0.1%

The discount rate was a post-tax measure estimated based on a conservative mix of historical weighted average cost of capital and debt.

The cashflow projections included specific estimates for 3 years for MOQdigital. The basis of estimation of the three-year cash flows uses the following key operating assumptions:

- Three year budgeted EBITDA is based on management's forecasts of revenue from its operating segments. Revenue forecasts take into account historical revenue and consider external factors such as market sector.
- Costs are calculated taking into account historical margins, known increases and estimated inflation rates over the period.

The estimated recoverable amount of the CGUs exceeded their carrying amounts by $15.4M for MOQdigital – Professional Services, $19.2M for MOQdigital – Managed Services and $6.4M for MOQdigital – Technology. Management recognises that actual results (EBITDA) may vary to what has been estimated. Management has identified that a possible change in either of key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	MOQdigital - Managed Services 2022	MOQdigital - Professional Services 2022	MOQdigital – Technology 2022
Discount Rate	66%	34%	33%

NOTE 15: TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade creditors	5,749,129	6,872,668
Other payables and accrued expenses*	4,044,064	2,614,343
	9,793,193	9,487,011

* Included in other payables at 30 June 2022 is an amount of $616,653 provided for in respect of the final amount payable for the acquisition of Dienst Consulting (refer Note 28).

There are no trade and other payables that are considered past due.

NOTE 16: INEREST-BEARING LOANS AND BORROWING

The group has a $1.7million floating rate loan facility with a termination date of 1 September 2024 and a principal of $141,667 repayable every calendar quarter. As at 30 June 2022 there was a possible technical breach of the covenants on the facility, therefore the loan was classed as current at the period end. The Group has received a waiver of the potential breach of its covenants from its bank. The covenants will not be tested again until reporting period ending 31 December 2022 and the company's current facilities with the bank will continue to be available and serviced in accordance with the agreed terms.

	2022 $	2021 $
Current loan liability	1,416,666	-
	1,416,666	-

NOTE 17: CONTRACT LIABILITIES

	2022 $	2021 $
CURRENT		
Contract liabilities – subscription, consulting and licenses	4,420,967	4,467,715
	4,420,967	4,467,715

A contract liability is recognised in relation to revenue associated with services billed in advance as per contract milestones.

There were no significant changes in the contract liability balances during the 2022 year.

NOTE 18: PROVISIONS

	2022 $	2021 $
CURRENT		
Employee entitlements		
- Provision for Annual Leave	1,984,430	2,063,385
- Provision for Long Service Leave	772,451	1,107,092
	2,756,881	3,170,477
NON-CURRENT		
Employee entitlements		
- Provision for Long Service Leave	242,420	244,145
- Provision for Makegood	180,000	120,000
	422,420	364,145

Employee provisions includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTE 19: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

	2022 $	2021 $
Payable - minimum lease payments		
- not later than 1 year	572,973	688,091
- later than 1 year and not later than 5 years	1,162,005	1,584,833
	1,734,978	2,272,924

(b) Right of use assets and lease liabilities

Right of use assets

	2022 $	2021 $
Cost	2,708,984	3,720,641
Accumulated depreciation	(1,216,226)	(1,804,746)
	1,492,758	1,915,895

Reconciliation of carrying amounts at the beginning and end of the year:

	2022 $	2021 $
Opening balance	1,915,895	2,274,763
Additions	470,802	466,409
Amortisation	(623,692)	(802,250)
Disposal	(67,083)	-
Foreign currency translation differences	(203,164)	(23,027)
Closing balance	1,492,758	1,915,895

Lease liabilities

	2022 $	2021 $
Current	(499,030)	(622,084)
Non Current	(1,101,655)	(1,466,734)
	(1,600,685)	(2,088,818)

NOTE 20: SHARE CAPITAL

(a) Details of share issues

	2022		2021	
	No. Of Shares	Share Value $	No. Of Shares	Share Value $
Balance at the beginning of the year	185,516,415	55,704,569	177,463,641	53,490,057
Acquisition of Wardy IT Solutions	-	-	8,052,774	2,214,512
Acquisition of Dienst Consulting	5,040,000	1,209,600	-	-
Entitlement offer	119,769,767	5,988,488	-	-
Balance at the end of the year	310,326,182	62,902,657	185,516,415	55,704,569

NOTE 20: SHARE CAPITAL (cont)

(a) Details of share issues (cont)

For the 2022 financial year:

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(b) Options

	Balance at 30/06/2022	Balance at 30/06/2021	Exercise price	Expiry
Unlisted	4,272,723	10,636,353	$0.181	01/01/2025
Unlisted	818,181	1,909,089	$0.209	01/01/2025
Unlisted	363,636	-	$0.217	09/07/2025
Unlisted	681,818	-	$0.234	01/10/2025
Total	6,136,358	12,545,442		

(c) Share based payments

The Company has the following share option scheme in place:

Employee share option scheme

The Group established the Employee Share Option Plan (ESOP) on 16th May 2016 as a long-term incentive scheme to recognise talent and motivate employees to strive for Group performance. Employees are granted options which vest over 3 years, subject to meeting the criteria set out in the ESOP. The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group.

On 22 September 2020, 3,854,540 unlisted employee share options were cancelled. On 1 January 2021, 9,545,445 share options were granted to employees of the Group at an exercise price of $0.181. On 4th February 2021, 1,090,908 share options were issued at an exercise price of $0.181. A further 1,909,089 share options were granted on 2 March 2021 at an exercise price of $0.209. The options are exercisable on or before 1 January 2025. The options hold no voting or dividend rights and are not transferrable.

During the current reporting period, 6,363,630 share options with an exercise price of $0.181 were forfeited (363,636 on 6 July 2021, 3,454,542 on 1 April 2021 and 2,545,452 on 30 June 2022), while 1,090,908 share options with an exercise price of $0.209 were forfeited on 1 April 2022. On 12 Jul 2021, 363,636 share options were granted at an exercise price of $0.217. The options are exercisable on or before 9 July 2025. A further 681,818 share options were granted on 1 October 2021 at an exercise price of $0.234. The options are exercisable on or before 1 October 2025. The options hold no voting or dividend rights and are not transferrable.

The fair value of options issued is calculated by using a Black-Scholes option pricing model. Historical volatility has been the basis for determining expecting share price volatility as it assumed that this is indicative of potential future movements, which may not eventuate. This method includes the inputs set out in the table below.

Expiry Date	01 Jan 2025	01 Jan 2025	09 Jul 2025	1 Oct 2025
Share price of the asset at the grant date	$0.170	$0.215	$0.23	$0.195
Exercise price ($)	$0.181	$0.209	$0.217	$0.234
Risk free rate	0.36%	0.36%	0.85%	0.96%
Annualised time to expiry (years)	2.51	2.51	3.03	3.26
Volatility of asset	73%	73%	73%	73%

Included under share option expense in the statement of profit or loss and other comprehensive income is an expense of $170,004 (2021: $364,948).

Options granted to key management personnel are disclosed in the Remuneration Report at page 11.

A summary of the movements of all company options issues is as follows:

NOTE 20: SHARE CAPITAL (cont)

(c) Share based payments (cont)

	No. of Options	Weighted Average Exercise Price
Options outstanding at 30 June 2021	**12,545,442**	**$0.1853**
Granted	1,045,454	$0.2281
Forfeited	(7,454,538)	$0.1851
Exercised	-	-
Expired	-	-
Options outstanding at 30 June 2022	**6,136,358**	**$0.1928**
Options exercisable as at 30 June 2022	-	-

The weighted average life of the outstanding share options at 30 June 2022 is 2.62 years.

	No. of Options	Weighted Average Exercise Price
Options outstanding at 30 June 2020	**4,545,446**	**$0.2660**
Granted	12,545,442	$0.1853
Forfeited	(4,545,446)	$0.2660
Exercised	-	-
Expired	-	-
Options outstanding at 30 June 2021	**12,545,442**	**$0.1853**
Options exercisable as at 30 June 2021	-	-

The weighted average life of the outstanding share options at 30 June 2021 is 3.51 years.

(d) Capital management

Management controls the capital of the Group in order to generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

In addition to controlling capital to fund operations, in the FY22 year the group has obtained funding for the acquisition of Dienst Consulting Pty Ltd.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 21: RESERVES

	2022 $	2021 $
Reserves at the beginning of financial year	353,498	269,681
Option Premium Reserve movement [1]	170,004	364,948
Foreign Exchange Translation Reserve	(1,575,590)	(281,131)
Reserves at end of financial year	(1,052,089)	353,498

[1] Refer to note 20(b) for details of options outstanding at 30 June 2022

NOTE 22: ACCUMULATED LOSSES

	2022 $	2021 $
Accumulated losses at beginning of financial year	(44,247,784)	(43,237,135)
Net (loss) for the year after income tax	(4,870,235)	(1,010,648)
Accumulated losses at end of financial year	(49,118,018)	(44,247,783)

NOTE 23: FRANKING CREDITS

	2022 $	2021 $
Franking credits available for subsequent financial years based on a tax rate of 30%	1,375,060	1,681,766

NOTE 24: KEY MANAGEMENT PERSONNEL DISCLOSURE

	2022 $	2021 $
Compensation received by key management personnel of the consolidated entity*:		
Short-term employee benefits	2,321,048	1,931,725
Cash bonus and other payments	98,319	47,806
Other long-term employee benefits	(57,632)	79,336
Postemployment benefits	164,090	145,114
	2,525,825	2,203,981

*Kelly Wilkes became a KMP effective 1 February 2022 when he was appointed as Acting Chief Operating Officer. Her remuneration is included above for the period 1 July 2021 to 30 June 2022. Comparatives do not include her remuneration.

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits (annual and long service) and fringe benefits.

Other payments

These amounts represent cash bonus and commissions payments awarded to Executive Directors and KMP.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits, deferred bonus and share based payments.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Group's superannuation contributions made during the year.

Further information in relation to KMP remuneration can be found in the Directors' Report.

NOTE 25: RELATED PARTY TRANSACTIONS

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 24.

(ii) Other related parties:

Other related parties include entities over which key management personnel have joint control.

NOTE 25: RELATED PARTY TRANSACTIONS (cont)

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year MOQdigital provided products and services of $62,294 (2021: $55,950) to SGESCO-MAX, a company of which Scott McPherson is a director. No amounts were outstanding as at 30 June 2022.

(c) Loans to/from related parties:

There are no amounts outstanding or payable to related parties as at 30 June 2022 (2021: $Nil).

NOTE 26: AUDITOR'S REMUNERATION

	2022 $	2021 $
Amounts paid / payable to Stantons for audit and review work undertaken under the *Corporation Act 2001*	108,828	130,318
Amounts paid / payable to Ernst and Young for audit and review work undertaken in Sri Lanka	2,740	3,142
	111,568	133,460

NOTE 27: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

On 16 August 2022, MOQ announced that it had executed a new Scheme Implementation Deed under which it is proposed that Brennan VDI Pty Ltd will acquire 100% of the fully diluted share capital in MOQ by way of scheme of arrangement. Transaction costs associated with the completion of this transaction will become payable in the future on the successful implementation of the Scheme of Arrangement.

NOTE 28: ACQUISITION OF DIENST CONSULTING PTY LTD

MOQ Limited acquired 100% of the shares in Dienst Consulting Pty Limited on 30 July 2021.

Dienst Consulting Pty Limited 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. It is a complementary business to MOQdigital, specialising in mobility, cloud and data, increasing MOQ's existing Western Australian presence to more than 30 team members.

The purchase was settled for a total consideration of $3.5 million, comprising $2.3 million in cash (after adjusting for working capital of $0.33 million) and the issue of 5.04 million MOQ Shares with a fair value of $1.2 million. Of the $2.3 million cash payment, $0.62 million is payable within 18 months of the completion date. The final cash payment has been accrued for in Other Payables as at 30 June 2022.

The Acquisition meets the requirements of AASB 3 Business Combinations therefore Dienst has been consolidated into the financial statements of the Group from the date of acquisition, being 30 July 2021.

The fair value of the consideration has been determined using the market price of MOQ Limited shares at the date of Acquisition.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

The valuation of customer contracts is based on management assessment of retention of customers. The expected customer retention period is between 3 – 3.5 years.

Provisional details of consideration and the fair value of identified assets acquired, liabilities assumed, and goodwill determined are set out in the following tables. These values are provisional as the group is still pending information used to determine the fair value of assets acquired on acquisition. Amendments may be made to these values up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

The statement of financial position of the acquired entity, Dienst Consulting, upon completion of the acquisition was as follows:

NOTE 28: ACQUISITION OF DIENST CONSULTING PTY LTD (cont)

	30 July 2021
Cash and cash equivalents	341,165
Trade and other receivables	996,560
Identifiable Intangibles	
Acquired customer contracts	95,341
Deferred Tax Asset	63,902
	1,496,968
Trade and other payables	(1,840,257)
Deferred income	(101,185)
Identifiable net assets	**(444,474)**
Representing	
Shares issued in MOQ Limited (at fair value)	1,209,600
Up-front cash consideration	1,701,000
Hold back consideration	616,653
Fair value of consideration transferred	3,527,253
Goodwill on acquisition of Dienst Consulting	**3,971,727**

Acquisition costs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.

Set out below is the contribution for Dienst Consulting to the reporting entity's profit from ordinary activities during the period:

	30 Jul 2021 to 30 Jun 2022 $
Summarised Financial Performance	
Revenue	3,437,727
Profit before tax	1,254,657
Profit after tax	837,241
Other comprehensive income after tax	-
Total comprehensive (loss)/income*	837,241
Profit/(loss) attributable to non-controlling interests	-

* The Dienst Consulting business has been integrated into the MOQdigital business during the period and from1 January 2022 all operations were taken over by MOQdigital. The above number only reflects transactions recorded in the legal entity and are not an accurate reflection of the former Dienst business.

NOTE 29: DIVESTMENT IN IIMAGE TECHNICAL SERVICES PTY LTD (SKOOLBAG)

On 3 September 2021, MOQ Limited entered into a binding conditional agreement for the sale of 100% of the shares in iimage Technical Services Pty Ltd to Skilligence Pty Ltd, trading as Junior Engineers, for a purchase price of $4 million cash, subject to working capital adjustments. The sale was completed on 1 October 2021.

The results of iimage Technical Services for the reporting period are as follows:

	2022 $	2021 $
Revenue	469,616	1,730,389
Cost of Sales	(195,153)	(777,480)
Gross Profit	274,463	952,909
Gain on sale of Skoolbag	1,443,182	-
Other Income	56,445	109,078
Expenses	(202,927)	(873,411)
(Loss)/ Profit before income tax	1,571,163	188,576
Tax benefit / (expense)	(37,451)	(68,560)
(Loss)/ Profit for the year from discontinued operations	1,533,712	120,016

The major class of assets held by iimage Technical Services immediately prior to divestment are as follows

	30 Sep 2021 $
Current Assets	
Cash and cash equivalents	351,491
Trade and other receivables	130,353
Other assets	4,048
	485,892
Non Current Assets	
Deferred tax assets	275,656
Property plant and equipment	30,564
Intangibles	2,834,302
	3,140,522
Total assets	**3,626,414**
Current Liabilities	
Trade and other payables	(135,667)
Contract liabilities	(667,300)
Provisions	(54,258)
Total Liabilities	**(857,225)**
Net Assets	**2,769,189**
Equity	
Issued Capital	(2)
Accumulated Losses	(2,769,187)
Total Equity	**(2,769,189)**

NOTE 29: DIVESTMENT IN IIMAGE TECHNICAL SERVICES PTY LTD (SKOOLBAG) (cont)

Net Cashflows for iimage Technical Services Pty Ltd are as follows:

	2022 $	2021 $
Operating	399,914	715,806
Investing	(250,505)	(1,008,724)
Financing	-	-
Net Cashflow	149,409	(292,918)

NOTE 30: (LOSS) PER SHARE

	2022 $	2021 $
(a) Basic earnings/ (loss) per share (cents per share)	(2.19)	(0.57)
From continuing operations	(2.88)	(0.64)
From discontinued operations	0.69	0.07
(b) Diluted earnings / (loss) per share (cents per share)	(2.19)	(0.57)
From continuing operations	(2.88)	(0.64)
From discontinued operations	0.69	0.07
(c) Reconciliation of earnings / (loss) in calculating earnings per share	(4,870,234)	(1,010,648)
Basic and diluted profit per share		
From continuing operations	(6,403,946)	(1,130,664)
From discontinued operations	1,533,712	120,016
(d) Total shares		
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic earnings per share	221,971,394	177,463,641
Weighted average number of ordinary shares outstanding during the half year used in the calculation of diluted earnings per share	221,971,394	177,463,641

NOTE 31: CASH FLOW INFORMATION

Reconciliation of net cash provided by operating activities to net loss after tax

	2022 $	2021 $
(Loss) for the period after tax	(4,870,234)	(1,010,648)
Add back: Income tax (benefit) / expense	(1,771,583)	(433,672)
Profit for the period before tax	(6,641,817)	(1,444,320)
Non cashflows and non-operating cashflows in loss:		
Depreciation / Amortisation	4,423,652	4,698,415
Share option expense	170,004	364,948
Gain on sale of investments (discontinued operations)	(1,443,182)	-
Change in assets and liabilities:		
Decrease / (Increase) in trade debtors	1,150,367	(5,500,864)
Decrease / (Increase) in contract assets	555,244	(767,401)
Decrease / (Increase) in other current assets	20,115	(847,937)
Increase / (Decrease) in payables	(2,922,731)	3,537,763
Increase / (Decrease) in contract liabilities	519,367	297,090
Increase / (Decrease) in provision for employee entitlements	(650,918)	432,182
Cash flow from operations	4,819,899	769,869

NOTE 32: CONTROLLED ENTITIES

			Equity holding	
Name of entity	Country of Incorporation	Class of Shares	2022	2021
MOQdigital Pty Ltd	Australia	Ordinary	100%	100%
TETRAN Pty Ltd	Australia	Ordinary	100%	100%
MOQdigital NZ Limited	New Zealand	Ordinary	100%	100%
MOQdigital Asia Pacific (PVT) Limited	Sri Lanka	Ordinary	100%	100%
iimage Technical Services Pty Ltd *	Australia	Ordinary	-	100%
Coral Communities Pty Ltd *	Australia	Ordinary	-	100%
Wardy IT Solutions Pty Ltd	Australia	Ordinary	100%	100%
Dienst Consulting Pty Ltd **	Australia	Ordinary	100%	-

* iimage Technical Services Pty Ltd and Coral Communities Pty Ltd were sold effective 1 October 2021

** Dienst Consulting Pty Ltd was acquired on 30 July 2021

NOTE 33: EVENTS SUBSEQUENT TO REPORTING DATE

On 16 August 2022, MOQ announced that Atturra Holdings Pty Limited (Atturra Holdings), elected not to exercise its matching right under clause 11.4 of the Scheme Implementation Deed dated 30 June 2022 (as amended and restated on 11 August 2022) in response to an MOQ Competing Proposal made by Brennan VDI Pty Ltd of $0.075 per MOQ share.

Following the above announcement, MOQ announced that it had executed a new Scheme Implementation Deed under which it is proposed that Brennan VDI Pty Ltd will acquire 100% of the fully diluted share capital in MOQ by way of scheme of arrangement.

NOTE 34: COVID-19

The Group has not benefitted from any government grants for the year ending 30 June 2022. In the prior period, the Group has in receipt of significant government packages as a result of COVID-19.

JobKeeper Scheme

For the year ending 30 June 2021, due to the impact of COVID-19 on the Group's turnover, government subsidies of $1,947,000 were received under the Australian Federal Government's JobKeeper scheme. The Group became eligible for the Scheme from its inception in March 2020 up to September 2020. The amounts were paid to employees in line with government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve. The Group has booked receipts for JobKeeper in other income.

Cash Flow Boost Scheme

For the year ending 30 June 2021, due to the impact of COVID-19, the Group received government subsidies of $50,000 were received under the Australian Federal Government's Cash Flow Boost scheme. The Group has booked receipts for Cash Flow Boost scheme in other income.

END OF AUDITED STATEMENTS

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of MOQ Limited (the "Company"), the directors of the company declare that:

1. In the opinion of the Directors of the Company, the financial statements and notes, as set out on pages 17 to 50 are in accordance with the *Corporations Act 2001* and
   i. comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   ii. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated group;
2. in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the audited remuneration disclosures set out on pages 10 to 16 of the directors' report comply with accounting standard AASB 124 *Related Party Disclosures* and the Corporation Regulations 2001; and
4. the Directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer.

On behalf of the Directors

David Shein
Non-Executive Chairman
31 August 2022

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

31 August 2022

Board of Directors
MOQ Limited
Suite 1, Ground Floor
3-5 West Street
North Sydney NSW 2060

Dear Directors

RE: MOQ LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of MOQ Limited.

As Audit Director for the audit of the financial statements of MOQ Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Liability limited by a scheme approved under Professional Standards Legislation

Russell Bedford
taking you further

Stantons Is a member of the Russell Bedford International network of firms

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MOQ LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MOQ Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined the matter described below to be Key Audit Matter to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Intangible Assets	
As at 30 June 2022, Intangible Assets totalled \$8,030,376 (refer to Note 14 of the financial report). The carrying value of Intangible Assets is a key audit matter due to: • The significance of the Intangible Assets representing 24% of total assets; • The necessity to assess management's application of the requirements of the accounting standards, in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the internally generated assets.	Inter alia, our audit procedures included the following: i. We evaluated the Group's accounting policy and compliance with AASB 138 (Intangible Assets); ii. Vouched a sample of the expenses capitalised to supporting documentation and ensured appropriate to capitalise; iii. Requested the Group complete an impairment review in line with AASB 138 and Impairment of Assets (AASB 136), reviewed their assumptions for reasonableness and satisfied ourselves that no impairment was necessary; and iv. Reviewed the disclosures included in the annual report.

Stantons

Key Audit Matters	How the matter was addressed in the audit

Revenue Recognition

Revenue recognition is a key audit matter due to the material amounts and significant audit effort required by us.

These included, to address the unique circumstances of the individualised contract arrangements the Group enters into and the complexities associated with unbundling single service contracts with a customer for multiple services, and to consider the significance of the Group's judgements relating to the point in time at which revenue is recorded, in particular those relating to the satisfaction of performance obligations and transfer of control of assets.

We focused on these sales as a key audit matter due to these conditions leading to increased risk of incorrect revenue recognition.

Inter alia, our audit procedures included the following:

i. We assessed the Group's revenue recognition policies against the requirements of AASB 15 (Revenue from Contracts with Customers);

ii. We tested a sample of significant customer contracts and read the terms and conditions of sale to understand the features distinguishing the revenue elements vis. performance obligations and revenue recognition,

iii. We obtained management's written assessments and discussed with management the compliance with the performance obligations and revenue recognition within these significant contracts, including the accounting for contract assets and contract liabilities.

Credit loss allowances in respect of Account receivables

As at 30 June 2022, the company had an gross Trade receivable gross balance is $13,513,248 and the credit loss allowance of account receivables amounted to $1,389,647 (refer to Note 10 of the financial report).

Credit loss allowances in respect of account receivables represent management's best estimate of expected credit loss ('ECLs') at the reporting date.

Credit loss allowances in respect of Account receivables is a key audit matter due to:

- The significance of the Gross Trade receivables representing 39% of total assets;
- The necessity to assess management's application of the requirements of the accounting standards, in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to ECLs.

Inter alia, our audit procedures included the following:

i. We evaluated the Group's accounting policy and compliance with AASB 9 (Financial Instruments);

ii. Performed an overall assessment of the ECL provision to determine if they were reasonable considering the recoverability of debtor balance;

iii. Agreed where applicable to post year end receipts ;

iv. Completed confirmations on sample basis;

v. Analysed significant balances not recovered at audit of our report and challenged management why balances not impaired

vi. Reviewed the disclosures included in the annual report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

Stantons

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of MOQ Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director
West Perth, Western Australia
31 August 2022

The following information is current as at 25 August 2022.

ORDINARY SHARES

310,326,182 fully paid ordinary shares held by 699 individual shareholders of which 2,520,000 Escrowed Ordinary Shares until 30 July 2023. All ordinary shares carry one vote per share on a poll.

UNQUOTED OPTIONS

The Company has on issue:

- 3,636,360 options exercisable at 18.1 cents expiring on 1 January 2025 amongst MOQ employees.
- 363,636 options exercisable at 21.7 cents expiring on 9 July 2025 amongst MOQ employees.
- 681,818 options exercisable at 23.4 cents expiring on 1 October 2025 amongst MOQ employees.

Options do not carry any votes

DISTRIBUTION OF HOLDERS FULLY PAID ORDINARY SHARES

Category	Number of holders	Number held	% of issued shares
100,001 and Over	152	301,254,158	97.08
10,001 to 100,000	188	8,452,264	2.72
5,001 to 10,000	55	441,316	0.14
1,001 to 5,000	49	149,341	0.05
1 to 1,000	255	29,103	0.01
Total	**699**	**310,326,182**	**100.00**

The number of holders who held less than a marketable parcel of shares was 314 on 25 August 2022.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Holder	A/C designation	No. of ordinary shares	% of issued shares
PWJAW PTY LTD	THE WARD DEARNESS FAMILY	31,273,925	10.08
KATHY LOUISE EDWARDS		27,655,978	8.91
DAVID WILLIAM STEVENS		25,598,421	8.25
SCOTT MCPHERSON		23,243,610	7.49
RICHMOND HILL CAPITAL		21,571,214	6.95
MONASH PRIVATE CAPITAL PTY LTD		18,228,334	5.87

TOP 20 HOLDERS OF EQUITY SECURITIES

Rank	Name	17 Aug 2022	%IC
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	40,793,710	13.15
2	PWJAW PTY LTD <THE WARD DEARNESS FAMILY A/C>	31,171,249	10.04
3	MONASH PRIVATE CAPITAL PTY LTD	29,707,857	9.57
4	40 BASKETS PTY LTD	26,586,902	8.57
5	MS KATHY LOUISE EDWARDS <JOKAT INVESTMENT A/C>	25,215,692	8.13
6	MR SCOTT MCPHERSON <SCOTT MACPHERSON FAMILY A/C>	22,775,053	7.34
7	MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	10,500,000	3.38
8	MATTHEW CHARLES GOGGIN & ROMILY JANE GOGGIN <GOGGIN FAMILY A/C>	8,827,989	2.84
9	KENSINGTON TRUST SINGAPORE LTD ATO IS&P SINGAPORE RETIREMENT FUND SUB-FUND 291	6,000,000	1.93
10	BLACKANCO NOMINEES PTY LTD <754140 A/C>	5,609,478	1.81
11	HODSON INVESTMENTS PTY LTD <A AND K HODSON FAMILY A/C>	5,040,000	1.62
12	DAVCOL NOMINEES PTY LTD <DAVCOL SUPERFUND A/C>	4,574,409	1.47
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,892,790	1.25
14	HOLLOWAY COVE PTY LTD <HOLLOWAY COVE S/F A/C>	3,850,000	1.24
15	MR DON AMAL NANAYAKKARA	2,989,145	0.96
16	MR HAMISH ROBBIE DEE & MS JULIANNE CLAIRE DEE <JULHAM SUPER FUND A/C>	2,651,905	0.85
17	JARREN INVESTMENTS PTY LTD	2,580,459	0.83
18	MERCANTILE GENERAL PTY LTD	2,500,000	0.81
19	J & K SUPER PTY LTD <JOKAT SUPER FUND A/C>	2,440,286	0.79
20	UNITED EQUITY PARTNERS PTY LTD <POLYCORP FAMILY A/C>	2,100,000	0.68
	Total	**239,806,924**	**77.28**
	Grand total	**310,326,182**	**100.00**

MOQ

MOQ