

ASX Announcement

28 September 2022

ASIC registration of Scheme Booklet

MOQ Limited (ASX:MOQ) (**MOQ**) refers to the announcement of 28 September 2022 regarding the orders made by the Federal Court of Australia (**Court**) that MOQ convene and hold a meeting of MOQ shareholders (**Scheme Meeting**) to consider and vote on the scheme of arrangement under which Brennan VDI Pty Ltd (**Brennan**) has agreed to acquire 100% of MOQ's issued shares (**Scheme**), and approving the despatch of an explanatory statement providing information about the Scheme and Notice of Scheme Meeting (**Scheme Booklet**) to MOQ Shareholders.

Following the Court hearing, the Scheme Booklet has been registered by the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet is attached to this announcement.

Scheme Meeting

The Scheme Meeting is scheduled to be held at 9:30am (AEDT) on Friday, 4 November 2022 in person at Thomson Geer, Level 14, 60 Martin Place, Sydney, NSW or virtually through an online platform at investor.automic.com.au. Details of how to access and participate in the Scheme Meeting virtually are contained in the Scheme Booklet.

Scheme Booklet

The Scheme Booklet includes a Notice of Meeting and an Independent Expert's Report from Lonergan Edwards & Associates Limited (**Independent Expert**). The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of MOQ Shareholders in the absence of a superior proposal.

The Scheme Booklet will be despatched to MOQ Shareholders on or before Tuesday, 4 October 2022. MOQ Shareholders who have elected to receive communications electronically from MOQ will receive an email containing instructions about how to view or download the Scheme Booklet, as well as instructions on how to lodge their proxies. MOQ Shareholders who have elected to receive Notices of Meeting via post will be mailed a copy of the Scheme Booklet and a personalised proxy form.

MOQ Shareholders who have not nominated a shareholder communication preference will receive a letter by post containing instructions on how to obtain a copy of the Scheme Booklet, together with a personalised proxy form.

MOQ Shareholders should read the Scheme Booklet in its entirety, including the material accompanying it, before deciding whether to vote in favour of the Scheme.

MOQ Board of Directors Unanimously Recommend the Scheme

The Directors of MOQ, including CEO Peter Ward, unanimously recommend that MOQ Shareholders vote in favour of the Scheme in the absence of a superior proposal and provided that the Independent Expert continues to conclude that the Scheme is in the best interests of MOQ Shareholders. Subject to those same qualifications, each Director of MOQ intends to vote all MOQ shares they hold or control in favour of the Scheme. The Directors of MOQ together hold or control approximately 34.1% of the issued share capital in MOQ.

Further Information

All MOQ Shareholders are encouraged to note the key events and indicative dates set out in the Scheme Booklet.

If you have any questions in respect of the conduct or attendance at the Scheme Meeting, lodging a proxy vote or your MOQ shareholding you can call the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30am and 5.30pm (AEDT).

Authorisation

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

For more information

Peter Ward

MOQ Limited

Chief Executive Officer & Executive Director

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About MOQ Limited (ASX:MOQ)

MOQ Limited is a global award-winning provider of market leading services and solutions, including Consulting, Integration, Managed Services and Solutions around data, applications, and infrastructure that enables digital business. Core to MOQ's strategy is to build annuity revenue streams through high value managed services and commercialised IP such as the Virtual DBA service and to capitalise on the rapidly growing digital economy. For more information visit: <https://www.moq.com.au/>



MOQ Limited

ACN 050 240 330

Scheme Booklet

In relation to a proposal from Brennan VDI Pty Ltd (ACN 125 976 007) to acquire 100% of the fully diluted share capital in MOQ by way of a scheme of arrangement between MOQ and its Shareholders.

The MOQ Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders.

The MOQ Directors intend to vote in favour of the Scheme the MOQ Shares that they hold or control, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and is in the best interests of MOQ Shareholders.

Your vote is important to determine if the Scheme proceeds.

This is an important document and requires your immediate attention. You should read this document in full before you decide whether or not to vote in favour of the Scheme. If you are in doubt as to what action you should take, please consult your legal, financial, tax or other professional advisers.

If you have any questions, please call the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30am and 5.30pm (AEDT).

Financial adviser to MOQ

 **monash**advisory

Legal adviser to MOQ

THOMSON GEER
LAWYERS

Important Notices

General

MOQ Shareholders should read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme to be considered at the Scheme Meeting. If you are in any doubt as to any action you should take, please consult your legal, financial, taxation or other professional adviser immediately.

This Scheme Booklet has been sent to you because you are shown in the Share Register as holding MOQ Shares. If you have recently sold all of your MOQ Shares, please disregard this Scheme Booklet.

Purpose of this document

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved) and to provide such information as is prescribed or otherwise material to the decision of MOQ Shareholders whether or not to vote in favour of the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to MOQ Shareholders under section 412(1) of the Corporations Act.

Responsibility for information

The information contained in this Scheme Booklet, other than the Brennan Information and the Independent Expert's Report, has been prepared and given by, and is the sole responsibility of, MOQ. MOQ's Advisers do not assume any responsibility for the accuracy or completeness of the MOQ Information. None of Brennan, its Related Bodies Corporate or their respective directors, officers, employees or Advisers have verified the MOQ Information and none of them assume any responsibility for the accuracy or completeness of the MOQ Information and, to the maximum extent permitted by law, those parties will not be responsible for any MOQ Information and disclaims liability for MOQ Information appearing in this Scheme Booklet.

The Brennan Information has been prepared and given by, and is the sole responsibility of, Brennan. Brennan's Advisers do not assume any responsibility for the accuracy or completeness of the Brennan Information. None of MOQ, its Related Bodies Corporate or their respective directors, officers, employees or Advisers assume any responsibility for the accuracy or completeness of the Brennan Information and, to the maximum extent permitted by law, those parties will not be responsible for any Brennan Information and disclaims liability for Brennan Information appearing in this Scheme Booklet.

Lonergan Edwards & Associates has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. None of MOQ, Brennan, their Related Bodies Corporate nor their respective directors, officers, employees and Advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

Deloitte has provided, and is responsible for, the information contained in Section 8 (Australian tax implications of the Scheme). None of MOQ, its Related Bodies Corporate and their respective directors, officers or Advisers, nor Brennan, its Related Bodies Corporate and their respective directors, officers, employees or Advisers assume any responsibility for the accuracy or completeness of the information in Section 8 or any part of it. Deloitte does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Section 8 (Australian tax implications of the Scheme). Section 8, which was provided by Deloitte, is general in nature. The exact tax consequences for each MOQ Shareholder will depend on their specific circumstances. In this regard, MOQ Shareholders should seek their own independent professional tax advice based on their particular circumstances.

ASIC and ASX

A copy of this Scheme Booklet has been provided to ASIC for review under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. MOQ has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of Corporations Act

The fact that, under subsection 411(1) of the Corporations Act the Court ordered on Tuesday, 27 September 2022 that the Scheme Meeting be convened and has directed that this explanatory statement accompany the Notice of Scheme Meeting (Attachment 4) does not mean that the Court:

- a. has formed any view as to the merits of the proposed Scheme or as to how MOQ Shareholders should vote (on this matter MOQ Shareholders must reach their own conclusion);
- b. has prepared, or is responsible for, the content of this Scheme Booklet; or
- c. has approved or will approve the terms of the Scheme.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Second Court Hearing and if a MOQ Shareholder wishes to oppose the Scheme

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote on the Scheme Resolution at the Scheme Meeting.

Any MOQ Shareholder has the right to appear and be heard at the Second Court Hearing, and may oppose the approval of the Scheme at the Second Court Hearing.

If you wish to oppose approval of the Scheme in this manner, you may do so by filing with the Court and serving on MOQ a notice of appearance, in the prescribed court form, together with any affidavit on which you wish to rely on at the Second Court Hearing. The notice of appearance and affidavit must be served on MOQ at its address for service at least one day before the Second Court Date.

The address for service for MOQ is: MOQ Limited, G.01 3-5 West Street, North Sydney attention: Company Secretary, or by email to **info@MOQ.com.au**.

The Second Court Hearing is currently scheduled to be held at 10.15am on Tuesday, 8 November 2022 at the Federal Court of Australia (Sydney Registry), though an earlier or later date may be sought. Any change to this date will be notified on MOQ's website (<https://www.moq.com.au/>) and on the ASX website (<https://www2.asx.com.au/>).

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any MOQ Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. MOQ Shareholders should seek independent financial and taxation advice before making any investment

decision and any decision as to whether or not to vote in favour of the Scheme.

Forward looking statements

Certain statements in this Scheme Booklet, including statements relating to MOQ's or an Brennan Group Member's plans, intentions or expectations of future costs or revenues, relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual events and results to vary significantly from those included in or contemplated by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

A description of those risks as they relate to MOQ is set out in Section 7.

Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intend', 'foresee', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', 'target' or other similar words or phrases. Similarly, statements that describe MOQ or Brennan's objectives, plans, goals or expectations may be forward looking statements.

Any estimates, targets or forecasts reflect certain assumptions which may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond a person's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of future performance or that actual events and results would not differ materially from them.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described in this Scheme Booklet and in the Independent Expert's Report.

Other than as required by law, neither MOQ nor Brennan, their Related Bodies Corporate or their respective directors, officers, employees or Advisers, nor any other person involved in the preparation of this Scheme Booklet, nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually or

are likely to occur. MOQ Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Additionally, statements of the intentions of any Brennan Group Member in this Scheme Booklet reflect present intentions as at the date of this Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Scheme Booklet and neither MOQ nor any Brennan Group Member undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

All subsequent written and oral forward looking statements attributable to MOQ or Brennan or any person acting on their behalf are qualified by this cautionary statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is at Attachment 4 to this Scheme Booklet.

Privacy

MOQ, Brennan and the Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, other contact details and details of the security holdings of MOQ Shareholders, and the names of individuals appointed by MOQ Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The personal information is collected for the primary purposes of assisting MOQ to conduct the Scheme Meeting and to enable the Scheme to be implemented. The personal information may be disclosed to MOQ's and Brennan's share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to conduct the Scheme Meeting and implement the Scheme.

If the information outlined above is not collected, MOQ may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

MOQ Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia) if they wish to exercise these rights.

MOQ Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meeting should inform that individual of the matters outlined above.

The Privacy Policy of MOQ is available at <https://www.moqdigital.com/privacy/>. The Privacy Policy contains information about how an individual may access personal information about the individual that is held by MOQ, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of Brennan is available at <https://www.brennanit.com.au/privacy-policy> and contains information about how an individual may access personal information about the individual that is held by Brennan, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside Australia who come into possession of this Scheme Booklet should seek advice on and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with laws and regulations outside Australia.

It is important that MOQ Shareholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific taxation advice in relation to the Australian and overseas tax consequences of the Scheme.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding, unless otherwise indicated. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Any discrepancies between the totals in tables and sums of components contained in this Scheme Booklet and between those figures and figures referred to in other parts of this Scheme Booklet are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the Last Practicable Date, unless otherwise stated.

Websites

The contents of MOQ's and Brennan's websites do not form part of this Scheme Booklet and MOQ Shareholders should not rely on their content.

Any reference in this Scheme Booklet to a website is for information purposes only and no information in any website forms part of this Scheme Booklet.

Defined terms and interpretation

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 10. If a word or phrase is defined, its other grammatical forms have a corresponding meaning. The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which may be different from those in the Glossary.

Charts and diagrams

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the Last Practicable Date. Any diagrams, charts, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

References to time and currency

All references to times in this Scheme Booklet are references to time in Sydney, New South Wales, Australia (AEDT), unless otherwise stated.

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.

Timetable and dates

All dates referred to in this Scheme Booklet are dates in Sydney, New South Wales, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

Queries

If you have any questions or require any further information, you can call the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30am and 5.30pm (AEDT).

Date of Scheme Booklet

This Scheme Booklet is dated 28 September 2022.

Key dates

Event	Date
First Court Date	Tuesday, 27 September 2022
Despatch of Scheme Booklet and Notice of Scheme Meeting to MOQ Shareholders	Tuesday, 4 October 2022
Latest time and date by which completed Proxy Forms, powers of attorney or appointments of corporate representatives for the Scheme Meeting must be received by the Share Registry (Last Date for Proxy Forms)	9.30am (AEDT) on Wednesday, 2 November 2022
Time and date for determining eligibility of MOQ Shareholders to vote at the Scheme Meeting	7.00pm (AEDT) on Wednesday, 2 November 2022
Scheme Meeting to be held at Thomson Geer, Level 14, 60 Martin Place, Sydney, New South Wales	9.30am (AEDT) on Friday, 4 November 2022
If the Scheme is approved by MOQ Shareholders:	
Second Court Date for approval of the Scheme	Tuesday, 8 November 2022
Effective Date	Wednesday, 9 November 2022
<ul style="list-style-type: none"> The date on which the Scheme comes into effect and is binding on MOQ Shareholders Court order lodged with ASIC and announcement to the ASX Last day of trading in MOQ Shares on the ASX (with MOQ Shares suspended from close of trading) 	
Record Date for determining entitlements to Scheme Consideration	7.00pm, Friday, 11 November 2022
Implementation Date for payment of Scheme Consideration to be made to eligible Scheme Shareholders	Friday, 18 November 2022

All dates and times are indicative only and, among other things, are subject to all necessary approvals from the Court and any relevant authority. Any changes to the remainder of the above key dates (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX website (<https://www2.asx.com.au/>) and notified on MOQ's website (<https://www.moq.com.au/>).

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Letter from the Chairman of MOQ

27 September 2022

Dear MOQ Shareholders,

On behalf of the MOQ Board, I am pleased to provide you with this Scheme Booklet, which outlines details you will need to consider in relation to the proposed acquisition of MOQ by Brennan VDI Pty Ltd.

On 16 August 2022, MOQ and Brennan announced they had entered into a Scheme Implementation Deed under which Brennan agreed to acquire all of the shares in MOQ by way of scheme of arrangement, subject to certain conditions precedent including MOQ Shareholder and court approval. On 21 September 2022, MOQ further announced the definition of Material Adverse Event in the Scheme Implementation Deed had been amended, by way of a deed of variation between MOQ and Brennan dated 21 September 2022, with effect from 21 September 2022.

If the Scheme is approved and implemented, MOQ Shareholders will receive a total cash payment of \$0.075 per MOQ Share, which values MOQ's fully diluted equity at approximately \$23.27 million¹.

The Scheme Consideration of \$0.075 cash per MOQ Share represents a:

- 56.3% premium to the closing price of MOQ Shares on 29 June 2022, being the last day prior to the announcement of the then proposed scheme of arrangement with Atturra and entry into the Atturra SID (**Undisturbed Share Price Date**) of \$0.048 per MOQ Share;
- 36.6% premium to the 30-trading day VWAP of MOQ Shares to the Undisturbed Share Price Date of \$0.0549 per MOQ Share; and
- 26.6% premium to the 90-trading day VWAP of MOQ Shares to the Undisturbed Share Price Date of \$0.0592 per MOQ Share.

Directors' recommendation

Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders. Subject to those same qualifications, each of your Directors intends to vote, or cause to be voted, all MOQ Shares held or controlled by them in favour of the Scheme, which, in aggregate, represents approximately 34.1% of all MOQ Shares on issue.

In assessing the Scheme, your Directors consider that the Scheme provides an attractive proposition for MOQ Shareholders, representing an opportunity for you to realise an attractive value for your MOQ Shares and to de-risk ongoing challenges faced by the business. Brennan can provide MOQ with infrastructure, expertise, resources and funding, which may better assist MOQ with returning to profitability. If the Scheme proceeds, your Directors believe that it will also deliver positive opportunities for MOQ's staff, customers and strategic partners.

In summary, your Directors have formed the view that the Scheme is in the best interests of MOQ Shareholders for several reasons, including, but not limited to the following:

- the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of MOQ Shareholders in the absence of a Superior Proposal;
- the value of the Scheme Consideration represents an attractive premium for your MOQ Shares;
- the all-cash consideration offered under the Scheme delivers certainty and immediate value for your MOQ Shares and eliminates the risks and uncertainties associated with MOQ's business and general market risks;
- MOQ Shares are relatively illiquid, and the Scheme provides all MOQ Shareholders with an opportunity to sell their shares; and
- as at the date of this Scheme Booklet, no Superior Proposal has emerged.

Please refer to Section 2.2 for further detail.

In forming their view that the Scheme is in the best interests of MOQ Shareholders, your Directors considered the disadvantages of the Scheme proceeding, in particular:

¹ Based on a total number of fully diluted MOQ Shares of 310,326,182.

- you may disagree with your Directors' recommendation and the opinion of the Independent Expert and consider that the Scheme is not in your best interests;
- you may prefer to keep your MOQ Shares to preserve your investment in a listed company with the specific characteristics of MOQ;
- you may believe a Superior Proposal could emerge in the foreseeable future; and
- the tax consequences of the Scheme may not suit your financial position.

Please refer to Section 2.3 for further detail.

Your Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

Independent Expert

Your Directors' unanimous recommendation of the Scheme is supported by the conclusion of Lonergan Edwards & Associates Limited, the Independent Expert engaged by your Directors to assess the merits of the Scheme and opine on whether it is in the best interests of MOQ Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of MOQ Shareholders in the absence of a Superior Proposal. A complete copy of the Independent Expert's Report is provided at Attachment 1 to this Scheme Booklet.

The Independent Expert has assessed the value of MOQ Shares on a 100% controlling interest basis to be in the range of \$0.042 and \$0.046 per MOQ Share. The Scheme Consideration is above this range.

How to vote

Your vote is important, regardless of how many MOQ Shares you own. I encourage you to vote by proxy either by completing the Proxy Form accompanying this Scheme Booklet or online at <https://investor.automic.com.au/#/loginsah> or alternatively by attending the Scheme Meeting which is expected to be held at 9.30am on Friday, 4 November 2022, both virtually and in person at Thomson Geer's Sydney office located at Level 14, 60 Martin Place, Sydney, New South Wales.

If you wish the Scheme to proceed, it is important that you vote in favour and approve the Scheme.

For more instructions on how you can vote and participate in the Scheme Meeting, please see Section 4 and the Notice of Meeting at Attachment 4 of this Scheme Booklet.

Further information

The Scheme Booklet sets out important information regarding the Scheme, including reasons for your Directors' unanimous recommendation and the Independent Expert's Report.

Please read the document carefully and in its entirety as it will assist you in making an informed decision on how to vote. If you are in any doubt as to what you should do, you should consult your financial, legal, tax or other professional advisers before making any investment decision in relation to your MOQ Shares.

If you require further information, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside of Australia) between 8.30am and 5.30pm (AEDT) on Monday to Friday.

Thank you

On behalf of the MOQ Board, I would like to take this opportunity to thank you for your ongoing support of MOQ and I look forward to your participation at the Scheme Meeting.

Yours sincerely,



David Shein

Non-Executive Chairman

1. Summary of Scheme

1.1. Scheme

Topic	Details	Section References
Overview	<p>On 16 August 2022 (Announcement Date), MOQ announced that it had entered into the Scheme Implementation Deed with Brennan under which it is proposed that Brennan will acquire 100% of the fully diluted share capital in MOQ by way of the Scheme (the Scheme Shares). On 21 September 2022, MOQ further announced that it had varied the Scheme Implementation Deed, by way of a deed of variation between MOQ and Brennan dated 21 September 2022, effective from 21 September 2022.</p> <p>If the Scheme is approved by MOQ Shareholders at the Scheme Meeting and by the Court, and if all other Conditions are satisfied or waived (as applicable), MOQ will become a wholly-owned subsidiary of Brennan and will be delisted from the ASX.</p>	Section 4.1
The Scheme Consideration	<p>If the Scheme becomes Effective, Scheme Shareholders will be entitled to receive the Scheme Consideration of \$0.075 cash for each MOQ Share they hold as at the Record Date.</p> <p>The Scheme Consideration will be paid on the Implementation Date. Payments will be made by electronic funds transfer to a bank account nominated by the Scheme Shareholder or, if no bank account has been nominated and no alternative arrangements have been agreed with MOQ, by cheque for the relevant amount in Australian currency.</p> <p>To update your nominated bank details with the Share Registry, MOQ Shareholder's must first create a username and password via Automic's investor portal (investor.automic.com.au/#/signup) and log on to update their bank details in the "my details" section prior to the Record Date.</p>	Section 4.3
Key Steps in the Scheme	<p>The key steps to implement the Scheme are:</p> <ul style="list-style-type: none">• MOQ Shareholders will have an opportunity to vote to approve the Scheme at the Scheme Meeting, which is scheduled to be held at 9.30am on Friday, 4 November 2022.• If Shareholder Approval is obtained, and all Conditions (other than Court approval) have been satisfied or waived, MOQ will apply to the Court for approval of the Scheme.• If the Court approves the Scheme, MOQ will lodge with ASIC a copy of the Court orders approving the Scheme. The Scheme will then become Effective and the date on which this occurs will be the Effective Date for the Scheme and will be the last day for trading of MOQ Shares on the ASX.• On the Implementation Date, Brennan will acquire all of the Scheme Shares from Scheme Shareholders in exchange for the Scheme Consideration.	Section 4.2
The MOQ Directors' recommendation	<p>The MOQ Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders.</p>	Section 2.2
Independent Expert's Conclusion	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of MOQ Shareholders.</p>	Attachment 1

1.2. Next Steps

You should read this Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Scheme (as set out in Section 2 of this Scheme Booklet) before making any decision as to how to vote on the Scheme Resolution. Answers to various frequently asked questions about the Scheme are set out in Section 3 of this Scheme Booklet.

Topic	Details	Section References
Who is entitled to vote at the Scheme Meeting?	The time for determining eligibility to vote at the Scheme Meeting is 7.00pm on Wednesday, 2 November 2022. Only those MOQ Shareholders entered on the Share Register at that time will be entitled to attend and vote at the Scheme Meeting.	Section 4.9
Your vote is important	Your vote is important in determining whether or not the Scheme proceeds. Your MOQ Directors strongly encourage you to participate in this important decision, either by attending the Scheme Meeting or by completing and lodging the Proxy Form as set out in the 'Voting by Proxy' section below.	N/A
Details of the Scheme Meeting	The Scheme Meeting to approve the Scheme is scheduled to be held at 9.30am on Friday, 4 November 2022 in person at Thomson Geer, Level 14, 60 Martin Place, Sydney, New South Wales or virtually through Automic's online meeting platform. Shareholders wishing to attend the meeting virtually will need to log in to Automic's investor portal at www.investor.automic.com.au with their username and password. Shareholders that do not have a username and password are encouraged to create one prior to the commencement of the meeting. Further details on how to create a username and password are contained within the Notice of Meeting. Persons who are attending the Scheme Meeting can choose whether to attend virtually or in person.	Attachment 4
Voting by attorney or corporate representation	Persons who are attending the Scheme Meeting as an attorney must provide a certified copy of the power of attorney to the Share Registry for notation by 9.30am (AEDT) on Wednesday, 2 November 2022. A MOQ Shareholder or proxy which is a corporation and which wishes to appoint an individual to act as its representative should contact the Share Registry on how to lodge the authority to act.	Section 4.7
Voting by Proxy	A proxy form for the Scheme Meeting accompanies this Scheme Booklet as Attachment 5. You may vote by proxy by completing and lodging the Proxy Form online through Automic's website (https://investor.automic.com.au/#/loginsah). Alternatively, the Proxy Form can be lodged by mail to: Automic, GPO Box 5193, Sydney NSW 2001, or in person at Automic's office located at Level 5, 126 Phillip Street, Sydney NSW 2000. Further information setting out how you may vote by proxy is contained in the Notice of Scheme Meeting at Attachment 4 and the Proxy Form at Attachment 5. If your proxy form is signed by an attorney, please enclose the authority under which the proxy is signed (or a certified copy of the authority). Proxy forms should be completed and lodged in accordance with the instructions set out on the proxy form. Proxy forms, together with any power of attorney or authority under which the proxy form is signed, must be received no later than the Last Date for Proxy Forms (48 hours prior to the commencement of the Scheme Meeting). Proxy forms received after this time will be invalid.	Section 4.8 and Attachment 5

2. Key considerations relevant to your vote

This Section sets out the reasons why the MOQ Directors consider that you should vote in favour of the Scheme. While the MOQ Directors acknowledge that there may be reasons for you to vote against the Scheme (see Section 2.3), they believe that the reasons to vote in favour of the Scheme (see Section 2.2) significantly outweigh the reasons to vote against the Scheme.

2.1. Summary of reasons why you might vote for and against the Scheme

Reasons why you might vote FOR the Scheme

- ✓ Your Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of MOQ Shareholders in the absence of a Superior Proposal
- ✓ The value of the Scheme Consideration represents an attractive premium to the undisturbed closing price of MOQ Shares on the Undisturbed Share Price Date
- ✓ The all-cash consideration offered under the Scheme delivers certainty and immediate value for your MOQ Shares
- ✓ If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with MOQ's business and general market risks
- ✓ The price of MOQ Shares may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal
- ✓ MOQ Shares are relatively illiquid, and the Scheme provides all MOQ Shareholders with an opportunity to sell their shares
- ✓ As at the date of this Scheme Booklet, no Superior Proposal has emerged
- ✓ No brokerage or stamp duty is payable on the transfer of your MOQ Shares if the Scheme proceeds

Reasons why you might vote AGAINST the Scheme

- ✗ You may disagree with your Directors' recommendation and the opinion of the Independent Expert and consider that the Scheme is not in your best interests
- ✗ You may prefer to keep your MOQ Shares to preserve your investment in a listed company with the specific characteristics of MOQ
- ✗ You may believe a Superior Proposal could emerge in the foreseeable future
- ✗ The tax consequences of the Scheme may not suit your financial position

2.2. Reasons why you might vote FOR the Scheme

2.2.1. Your Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders

In assessing the Scheme, your Directors consider that the Scheme provides an attractive proposition for MOQ Shareholders, representing an opportunity for you to realise an attractive value for your MOQ Shares and to de-risk ongoing challenges faced by the business. Brennan can provide MOQ with infrastructure, expertise, resources and funding, which may better assist MOQ with returning to profitability. If the Scheme proceeds, your Directors believe that it will also deliver positive opportunities for MOQ's staff, customers and strategic partners.

Your Directors consider the Scheme to be in the best interests of MOQ Shareholders, and unanimously recommend that MOQ Shareholders vote in favour of the Scheme at the upcoming Scheme Meeting, in the absence of a Superior Proposal.

Each Director intends to vote the MOQ Shares they hold or control (including any proxies given at their discretion) in favour of the Scheme, in the absence of a Superior Proposal. Collectively, the Directors hold or control 34.1% of MOQ's issued share capital. The interests of the Directors are set out in Section 9.1 of this Scheme Booklet.

2.2.2. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of MOQ Shareholders in the absence of a Superior Proposal

Your Directors commissioned the Independent Expert to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of MOQ Shareholders.

The Independent Expert has assessed the value of MOQ, on a controlling interest basis, in the range of \$0.042 and \$0.046 per MOQ Share. As the Scheme Consideration per MOQ Share is above the Independent Expert's valuation range, the Independent Expert has concluded that the Scheme is fair and reasonable, and is therefore in the best interests of MOQ Shareholders, in the absence of a Superior Proposal.

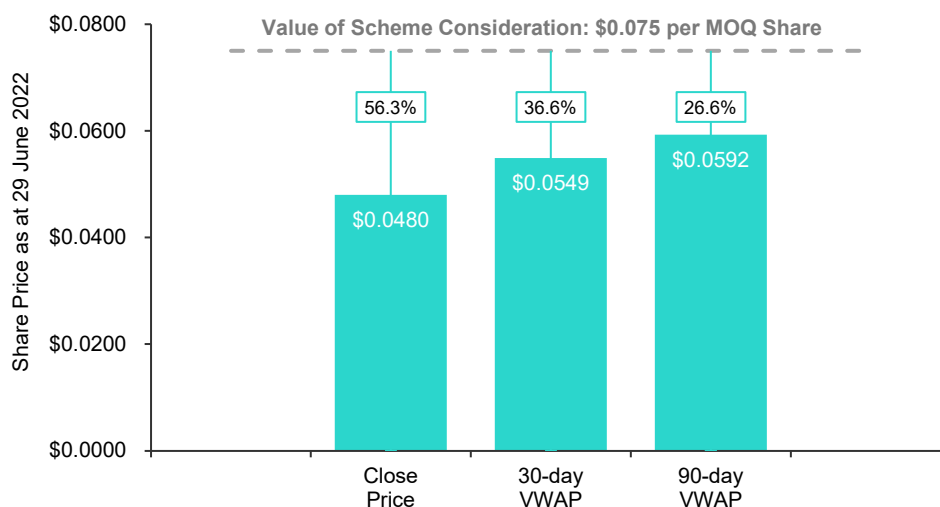
A complete copy of the Independent Expert's Report is included as Attachment 1 to this Scheme Booklet. The Independent Expert's Report should be read in its entirety as part of your assessment of the Scheme before casting your vote in relation to the Scheme.

2.2.3. The value of the Scheme Consideration represents an attractive premium to the undisturbed closing price of MOQ Shares on the Undisturbed Share Price Date

The Scheme Consideration of \$0.075 cash per MOQ Share represents a:

- 56.3% premium to the undisturbed closing price of MOQ Shares on the Undisturbed Share Price Date of \$0.048 per MOQ Share;
- 36.6% premium to the 30-trading day VWAP of MOQ Shares to the Undisturbed Share Price Date of \$0.0549 per MOQ Share; and
- 26.6% premium to the 90-trading day VWAP of MOQ Shares to the Undisturbed Share Price Date of \$0.0592 per MOQ Share.

The graph below illustrates the premium implied by the Scheme Consideration to the range of benchmarks listed above.



Source: VWAPs based on S&P Capital IQ data

The Scheme Consideration of \$0.075 cash per MOQ Share resulted from a series of competing proposals from two independent third parties (Atturra and Brennan) between 30 June 2022 and 16 August 2022. As described in further detail in Section 4.1, the competing proposals put forward by Atturra and Brennan led to a series of increasing offer prices per MOQ Share, as summarised below:

- 30 June 2022: \$0.050 cash per MOQ Share (from Atturra)
- 5 August 2022: \$0.060 cash per MOQ Share (from Atturra by exercising its matching right), representing a 20.0% increase to the offer price of 30 June 2022
- 8 August 2022: \$0.066 cash per MOQ Share (from Brennan), representing a 10.0% increase to the offer price of 5 August 2022

- 11 August 2022: \$0.070 per MOQ Share comprising \$0.055 in cash and \$0.015 in Atturra shares² (from Atturra by exercising its matching right), representing a 6.1% increase to the offer price of 8 August 2022
- 16 August 2022: \$0.075 cash per MOQ Share (by Brennan), representing a 7.1% increase to the offer price of 11 August 2022 (at which point Atturra elected not to exercise its matching right)

The Scheme Consideration of \$0.075 cash per MOQ Share represents a 50.0% increase compared with the original \$0.050 cash per MOQ share offered by Atturra.

2.2.4. The all-cash consideration offered under the Scheme delivers certainty and immediate value for your MOQ Shares

The proposal from Brennan is a 100% cash proposal. The Scheme Consideration of \$0.075 per Scheme Share provides MOQ Shareholders with certainty of value for their MOQ Shares (subject to the Scheme becoming Effective).

The certainty of the cash Scheme Consideration should be compared with the risks and uncertainties of remaining a MOQ Shareholder should the Scheme not become Effective, which include, but are not limited to, the risks set out in Section 7.

2.2.5. If the Scheme does not proceed, you will continue to be subject to the risks and uncertainties associated with MOQ's business and general market risks

If the Scheme does not become Effective, MOQ Shareholders will continue to be exposed to market risks, as well as other external risks and specific risks inherent in MOQ's business, including those summarised in more detail in Section 7.

The Scheme Consideration removes these risks and uncertainties for MOQ Shareholders and allows MOQ Shareholders to exit their investment in MOQ at a price that your Directors consider is attractive. If the Scheme is approved and implemented, these risks and uncertainties will be assumed by Brennan.

2.2.6. The price of MOQ Shares may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal

Prior to the Announcement Date, the undisturbed closing price of MOQ Shares was \$0.048 per MOQ Share on the Undisturbed Share Price Date. Since then, it has increased by 52.1% to \$0.073 per MOQ Share on the Last Practicable Date. In the absence of a Superior Proposal, if the Scheme is not implemented, there is a risk that the price of MOQ Shares may fall in the near term.

2.2.7. MOQ Shares are relatively illiquid, and the Scheme provides all MOQ Shareholders with an opportunity to sell their shares³

The Scheme gives all MOQ Shareholders the opportunity to dispose of their shares in a stock that is relatively illiquid. As an indication of the limited liquidity of MOQ Shares, during the 12-months to the Undisturbed Share Price Date:

- MOQ Shares did not trade on approximately 61% of the 253 Trading Days⁴;
- the average daily volume of MOQ Shares traded on ASX was approximately 0.030% of MOQ's 221 million weighted average number of shares outstanding (**WANOS**⁵); and
- approximately 16.9 million MOQ Shares traded, equating to approximately 7.7% of MOQ's WANOS.

The Scheme is the only liquidity opportunity that is currently available to all MOQ Shareholders to sell all their MOQ Shares for certain value, and there is no certainty that a similar liquidity event will materialise in the future.

² Approximately 0.02226 Atturra shares for each MOQ Share and calculated as \$0.015 divided by \$0.673899 being the 60-day volume weighted average price of Atturra shares up to 9 August 2022.

³ MOQ's share price and volume trading data referred to in this section 2.2.7 is sourced from S&P Capital IQ.

⁴ Trading Days are days on which ASX is open for trading (excludes weekends and certain Public Holidays).

⁵ Due to MOQ's recent capital raising via the MOQ Entitlement Offer under which approximately 120 million new MOQ Shares were issued on 25 March 2022, the use of WANOS is more appropriate for the purposes of gauging trading volumes than using the larger number of 310,326,182 MOQ Shares that are currently on issue.

2.2.8. As at the date of this Scheme Booklet, no Superior Proposal has emerged

Since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the MOQ Board is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

If MOQ receives a Superior Proposal from a Third Party, there are certain steps that must be taken by MOQ in respect of that proposal under the Scheme Implementation Deed, including providing Brennan with the opportunity to submit a counter proposal within two Business Days (pursuant to Brennan's matching right as detailed in Section 9.7.3 and clause 11.6 of the Scheme Implementation Deed).

2.2.9. No brokerage or stamp duty is payable on the transfer of your MOQ Shares if the Scheme proceeds

You should not incur any brokerage or stamp duty on the transfer of your MOQ Shares to Brennan pursuant to the Scheme. It is possible that such charges may be incurred if you transfer your MOQ Shares other than under the Scheme.

2.3. Reasons why you might vote AGAINST the Scheme

The Scheme has a number of potential disadvantages and risks that MOQ Shareholders must consider in deciding whether or not to vote in favour of the Scheme. While your Directors are of the opinion that these disadvantages are outweighed by the Scheme's advantages, MOQ Shareholders should consider their individual circumstances and make their own determination.

Factors which may lead MOQ Shareholders to consider voting against the Scheme include:

2.3.1. You may disagree with your Directors' recommendation and the opinion of the Independent Expert and consider that the Scheme is not in your best interests

In concluding that the Scheme is in the best interests of MOQ Shareholders, absent a Superior Proposal, your Directors and the Independent Expert are making judgments based on future trading conditions and events which cannot be predicted with any certainty and which may prove to be inaccurate (positively or negatively). You may hold a different view from, and are not obliged to follow the recommendation of, your Directors, and you may not agree with the Independent Expert's conclusion. You may believe it is in your best interests to maintain your current investment and risk profile in relation to MOQ.

2.3.2. You may prefer to keep your MOQ Shares to preserve your investment in a listed company with the specific characteristics of MOQ

You may consider that, despite the risk factors relevant to MOQ's potential future operations (including those set out in Section 7), MOQ may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future. MOQ Shareholders will no longer be able to participate in the future financial performance of the MOQ business.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of MOQ.

2.3.3. You may believe a Superior Proposal could emerge in the foreseeable future

It is possible that a more attractive proposal for MOQ Shareholders could materialise in the future, such as a takeover bid with a higher offer price than the Scheme Consideration.

However, as at the date of this Scheme Booklet, no Superior Proposal has emerged since the Announcement Date. In addition, no MOQ Director has received or is aware of any approach which could cause them to believe a Superior Proposal is likely to emerge in the foreseeable future.

As set out in the Scheme Implementation Deed, MOQ is bound by customary exclusivity obligations, including in relation to a Competing Proposal.

2.3.4. The tax consequences of the Scheme for you may not suit your financial position

If the Scheme becomes Effective, it may trigger tax consequences (including CGT) that are not optimal for individual MOQ Shareholders.

You should read the general outline of the taxation implications for MOQ Shareholders in relation to the Scheme in Section 8. MOQ Shareholders should seek their own professional advice regarding the taxation implications relevant to them.

You should also note that even if the Scheme does not proceed, Australian taxation consequences (including Australian income tax consequences) may arise at any future time that you sell or otherwise dispose of your MOQ Shares.

2.4. Other relevant considerations

2.4.1. The Scheme may be implemented even if you vote against the Scheme or you do not vote at all

You should be aware that if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it receives Shareholder Approval, is approved by the Court, and if the Scheme Conditions are satisfied or waived (as applicable). If this occurs, your Scheme Shares will be transferred to Brennan and you will receive the Scheme Consideration even though you voted against, or did not vote on, the Scheme at the Scheme Meeting.

2.4.2. If the Scheme is not implemented, MOQ Shareholders will not receive the Scheme Consideration

If the Scheme is not approved or all outstanding Scheme Conditions are not satisfied or waived (where capable of waiver), the Scheme will not proceed. In that case, Scheme Shareholders will not receive the Scheme Consideration and, in the absence of another proposal, MOQ will continue to operate as a standalone entity listed on the ASX and MOQ Shareholders will retain their MOQ Shares and continue to be exposed to risks and opportunities associated with their investment in MOQ. See Section 7.2 for a summary of the key risks relating to MOQ's business.

If the Scheme is not implemented, the advantages of the Scheme described in Section 2.2 will not be realised.

2.4.3. Conditionality of the Scheme

The implementation of the Scheme is subject to a number of Scheme Conditions. The outstanding Conditions are summarised in Section 9.7.1 and the Conditions are set out in full in clause 3.1 of the Scheme Implementation Deed.

If the Scheme Conditions are not satisfied or waived (as applicable), the Scheme will not be implemented and you will not receive the Scheme Consideration to which you are entitled under the Scheme.

2.4.4. Exclusivity

The Scheme Implementation Deed includes certain exclusivity arrangements that MOQ has made in favour of Brennan. These include customary no-shop and no-talk obligations, as well as obligations of notification of Competing Proposals and providing a matching right to Brennan in the event that a Superior Proposal is received by MOQ. These exclusivity arrangements are described in further detail in Section 9.7.3.

2.4.5. Costs

MOQ has incurred significant costs in preparing the proposed Scheme to the point that it is capable of being submitted to MOQ Shareholders as a scheme of arrangement for their consideration. These costs include negotiations with Brennan, retention of Advisers, provision of information to Brennan, facilitating Brennan's access to due diligence, engagement of the Independent Expert, and preparation of this Scheme Booklet.

In addition, MOQ has paid a reimbursement fee of \$190,000 plus GST to Atturra under the Atturra SID due to MOQ's termination of the Atturra SID.

If the Scheme is implemented these costs will not impact the Scheme Consideration that MOQ Shareholders receive. However, if the Scheme is not implemented and if no Superior Proposal emerges, MOQ expects to incur total costs of approximately \$0.68 million (plus GST) and this may impact the value of MOQ Shares.

2.4.6. Reimbursement Fee

MOQ must pay the Reimbursement Fee to Brennan in certain circumstances. The Reimbursement Fee is not payable merely because MOQ Shareholders do not vote in favour of the Scheme. The circumstances in which the Reimbursement Fee is payable are summarised in Section 9.7.5.

3. Frequently Asked Questions

This Scheme Booklet contains detailed information on the proposed Scheme. The following Section provides summary answers to some basic questions you may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet.

Question	Answer	Section references
The Scheme at a glance		
1. Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are a MOQ Shareholder, and MOQ Shareholders are being asked to vote on a Scheme which, if approved, will result in Brennan acquiring all MOQ Shares for the Scheme Consideration of \$0.075 cash for each MOQ Share held by a Scheme Shareholder on the Record Date.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme that needs to be passed at the Scheme Meeting to allow the Scheme to proceed and be implemented.</p>	Important Notices
2. What is a scheme of arrangement?	A scheme of arrangement is a statutory procedure under the Corporations Act that is commonly used in Australia to undertake an acquisition of a publicly listed company.	N/A
3. What is the Scheme?	<p>The Scheme involves Brennan acquiring all of the MOQ Shares held by MOQ Shareholders (other than Excluded Shareholders) on the Record Date by way of a scheme of arrangement between MOQ and the MOQ Shareholders under Part 5.1 of the Corporations Act. MOQ announced the proposed Scheme on the ASX on 16 August 2022.</p> <p>The Scheme requires Shareholder Approval at a meeting of MOQ Shareholders convened by the Court, followed by Court approval.</p> <p>If the Scheme is approved and implemented, Scheme Shareholders will receive the Scheme Consideration of \$0.075 cash per MOQ Share they own at the Record Date (provided they are a registered MOQ Shareholder on the Record Date) from Brennan in consideration for the transfer of their MOQ Shares to Brennan.</p>	Section 1
4. Is this a takeover?	The Scheme is not a takeover offer, it is a scheme of arrangement. If the Scheme is implemented, MOQ will become a fully-owned subsidiary of Brennan.	N/A
5. How will the Scheme be implemented?	In order for the Scheme to be implemented, all Conditions under the Scheme Implementation Deed must be satisfied or (if capable of waiver) waived, MOQ Shareholders must grant Shareholder Approval at the Scheme Meeting, and the Scheme must be approved by the Court.	Section 4.2
6. What is the Scheme Consideration?	If the Scheme is implemented, MOQ Shareholders who hold MOQ Shares on the Record Date (other than the Excluded Shareholders) will receive \$0.075 cash for each MOQ Share they hold on the Record Date.	Section 4.3
7. What premium is being offered?	<p>The Scheme Consideration of \$0.075 cash for each MOQ Share represents a:</p> <ul style="list-style-type: none"> • 56.3% premium to the undisturbed closing price of MOQ Shares on the Undisturbed Share Price Date of \$0.048 per MOQ Share; • 36.6% premium to the 30-trading day VWAP of MOQ Shares to the Undisturbed Share Price Date of \$0.0549 per MOQ Share; and • 26.6% premium to the 90-trading day VWAP of MOQ Shares to the Undisturbed Share Price Date of \$0.0592 per MOQ Share. 	Section 2.2.3
8. Is the Scheme subject to any conditions?	There are a number of Conditions that must either be satisfied or (if capable of waiver) waived in order for the Scheme to be implemented. The Conditions include:	Sections 9.7.1, 7.2.6 and 7.3.1

Question	Answer	Section references
	<ul style="list-style-type: none"> Regulatory approvals; Independent Expert not changing their conclusion; Shareholder Approval; Court approval of the Scheme; No Prescribed Occurrences occur between (and including) the date of the Scheme Implementation Deed being 16 August 2022 and 8:00am (AEDT) on the Second Court Date, which includes where the service levels of MOQ's service centre in Sri Lanka cease to be provided at the same (or better) service levels when compared to the services levels that were provided on average over the 6 months preceding the date of the Scheme Implementation Deed. Please refer to Section 7.2.6 for further details; the MOQ Options being exercised or cancelled for nil consideration before the Second Court Date. Please refer to Section 7.3.1 for further details; No legal restraints preventing or restricting the Scheme or its implementation in effect; and No Material Adverse Event. <p>The Scheme is subject to other standard Conditions for a scheme of this nature.</p> <p>The Conditions are summarised in Section 9.7.1, and set out in full in clause 3.1 of the Scheme Implementation Deed.</p> <p>As at the date of this Scheme Booklet, neither MOQ nor Brennan is aware of any reason why the other Conditions will not be satisfied.</p>	
9. What happens if the Conditions are not satisfied or the Scheme Implementation Deed is terminated?	<p>The Scheme can be terminated by MOQ or Brennan (as applicable) in limited circumstances which are customary for a transaction of this nature.</p> <p>The circumstances in which MOQ or Brennan (as applicable) can terminate the Scheme are summarised in Section 9.7.6 of this Scheme Booklet and set out in full in clauses 3.6 and 12 of the Scheme Implementation Deed.</p> <p>If the Conditions are not satisfied or waived, or the Scheme Implementation Deed is terminated for another reason, then the Scheme will not be implemented, and:</p> <ul style="list-style-type: none"> you will retain your MOQ Shares; you will not receive the Scheme Consideration; and MOQ will continue to operate as a standalone company listed on the ASX (it will not be acquired by Brennan). <p>Depending on the reasons for the Scheme not being implemented, MOQ may be liable to pay a Reimbursement Fee to Brennan.</p> <p>No MOQ Reimbursement Fee is payable merely because MOQ Shareholders do not approve the Scheme.</p>	Section 9.7.6
10. What happens if the Scheme is approved, all Conditions are satisfied and the Scheme is implemented?	<p>If the Scheme becomes Effective and is implemented:</p> <ul style="list-style-type: none"> provided that you are a MOQ Shareholder on the Record Date, all of your MOQ Shares will be transferred to Brennan, and you will receive the Scheme Consideration of \$0.075 cash for each Scheme Share you hold; and MOQ will be acquired by Brennan and delisted from the ASX, with the last day of trading on the ASX being close of trading on the Effective Date. 	Sections 4.2 and 4.3
11. When will the Scheme become Effective?	<p>Subject to the satisfaction or, as applicable, waiver of the Conditions, and approval of the Court at the Second Court Hearing, the Scheme will become Effective on the Effective Date.</p>	Section 4.2

Question	Answer	Section references
12. What do the MOQ Directors recommend?	The MOQ Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders ⁶ . The reasons for the MOQ Directors' recommendation are set out in Section 2.2 of this Scheme Booklet.	Section 2.2
13. How do the MOQ Directors intend to vote?	Each of the MOQ Directors who own or Control MOQ Shares at the time of the Scheme Meeting intend to vote in favour of the Scheme, in the absence of a Superior Proposal subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders.	Section 2.2
14. What is the Independent Expert's conclusion?	The Independent Expert has concluded that the Scheme is in the best interests of MOQ Shareholders. The Independent Expert, in arriving at that conclusion, assessed the Scheme was fair and reasonable to the MOQ Shareholders. The Independent Expert's Report is at Attachment 1 to this Scheme Booklet.	Attachment 1
15. When is the Exclusivity Period?	The Exclusivity Period commenced on 16 August 2022. It will expire on the earlier of: <ul style="list-style-type: none"> the date the Scheme Implementation Deed is terminated; the Implementation Date; and the End Date, being 16 January 2023, or such other later date as agreed by MOQ and Brennan. 	Section 9.7.3
16. What will happen if a Superior Proposal emerges?	If MOQ receives a Superior Proposal from a Third Party, there are certain steps that must be taken by MOQ in respect of that proposal, including providing Brennan with notice of the Superior Proposal. Brennan then have the right to submit a Bidder Counterproposal within two Business Days of receiving the notice. A summary of these steps is set out in Section 9.7.3. However, please see the question immediately below titled "What are the prospects of receiving a Superior Proposal?"	Section 9.7.3
17. What are the prospects of receiving a Superior Proposal?	Since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has emerged and there are no Third Party discussions underway with or anticipated by MOQ or its Advisers in relation to any Competing Proposal.	
18. When is a MOQ Reimbursement Fee payable to Brennan?	Under the Scheme Implementation Deed, MOQ must pay to Brennan a Reimbursement Fee in the circumstances detailed in Section 9.7.5. MOQ Shareholders failing to pass the Scheme Resolution will not, of itself, result in the payment of the Reimbursement Fee by MOQ.	Section 9.7.5

⁶ When assessing the MOQ Board's recommendation and considering how to vote on the Scheme Resolution, MOQ Shareholders should read and take into account the interests of the MOQ Directors set out in Section 9.1.

Question	Answer	Section references
19. Why should you vote in favour of the Scheme?	<p>The MOQ Directors have described in Section 2.2 of this Scheme Booklet the reasons why MOQ Shareholders should vote in favour of the Scheme.</p> <p>A summary of these reasons is:</p> <ul style="list-style-type: none"> • your Directors unanimously recommend the Scheme; • the Independent Expert has concluded that the Scheme is in the best interests of MOQ Shareholders; • the Scheme Consideration represents an attractive premium; • if Scheme is not implemented, MOQ Shareholders will continue to be subject to the risks associated with an investment in MOQ; • the MOQ Share price may fall in the near-term if the Scheme is not implemented; • the Scheme Consideration is in cash and presents an opportunity to realise value for all your Scheme Shares that may not otherwise be possible; • no Superior Proposal has emerged as at the date of this Scheme Booklet; and • no brokerage charges are payable on the transfer of your Scheme Shares to Brennan. 	Section 2.2
20. Why you might consider voting against the Scheme?	<p>The MOQ Directors have described in Section 2.3 of this Scheme Booklet the reasons why you may decide to vote against the Scheme.</p> <p>A summary of these reasons is:</p> <ul style="list-style-type: none"> • you may disagree with the recommendation of your Directors and the conclusion of the Independent Expert; • you may prefer to keep your MOQ Shares to preserve your investment in a listed company with the specific characteristics of MOQ; • you believe a Superior Proposal could emerge; and • the tax consequences of the Scheme may not be suitable to your financial position. 	Section 2.3
21. What are the risks for me if the Scheme is not implemented?	<p>If the Scheme is not implemented, and no Superior Proposal is received, you will continue to be a MOQ Shareholder and participate in the future financial performance of MOQ's business, and continue to be subject to the specific risks associated with MOQ's business, and other general risks.</p> <p>MOQ considers that MOQ's share price is likely to fall or trade at a price below the Scheme Consideration of \$0.075 cash per MOQ Share, at least in the near term, if the Scheme is not implemented.</p> <p>MOQ will also incur costs relating to the Scheme, which may impact the value of MOQ's shares if the Scheme is not implemented.</p> <p>Finally, depending on the reasons why the Scheme is not implemented, MOQ may have to pay the Reimbursement Fee to Brennan.</p>	Section 7
22. What happens if the Scheme becomes Effective?	<p>If the Scheme becomes Effective and is implemented, no further action is required on the part of the Scheme Shareholders in order to implement the Scheme.</p> <p>Under the Scheme, MOQ is given authority to effect a valid transfer of all Scheme Shares to Brennan and to enter the name of Brennan in the Share Register as holder of all the Scheme Shares.</p>	Section 4 and 6.4
23. What should I do?	<p>You should read this Scheme Booklet carefully and in its entirety and then vote by attending the Scheme Meeting (or appointing an attorney or, if you are a corporate</p>	Section 4.4

Question	Answer	Section references
	shareholder, a corporate representative to attend the Scheme Meeting on your behalf) or vote by proxy by completing and lodging the Proxy Form online through Automic's website (https://investor.automic.com.au/#/loginsah) or lodging via post or delivery to Automic's office. For further information on how to lodge a proxy vote please refer to the instructions in the Notice of Meeting or Proxy Form attached at Attachment 4 and Attachment 5.	
What Scheme Shareholders will receive under the Scheme		
24. Who is entitled to participate in the Scheme?	Each person who is a MOQ Shareholder on the Record Date (other than an Excluded Shareholder) will be entitled to participate in the Scheme. Refer to Section 4.11 for further information regarding Excluded Shareholders.	Section 4.11
25. What will I receive if the Scheme becomes Effective and is implemented?	If the Scheme is approved, becomes Effective and is implemented, MOQ Shareholders (other than an Excluded Shareholder) will receive \$0.075 cash per MOQ Share they hold on the Record Date.	Section 4.3
26. When will I be paid?	If you are a Scheme Shareholder, you will receive the Scheme Consideration on the Implementation Date.	Section 4.3
27. How will I be paid?	All payments will be made in AUD by direct deposit into the Scheme Shareholder's nominated Australian bank account as advised to the Share Registry. If no Australian bank account has been nominated, payments will be made by AUD cheque dispatched by prepaid post to the Scheme Shareholder's address shown in the Share Register as at the Record Date.	Section 4.3
28. What are the Australian tax implications of the Scheme?	The taxation implications of the Scheme will depend on your particular circumstances. Section 8 provides a general summary of the Australian taxation consequences of MOQ Shareholders. MOQ Shareholders should seek professional tax advice in relation to their particular circumstances.	Section 8
29. Will I have to pay brokerage fees or stamp duty?	No, you will not have to pay brokerage or stamp duty in relation to the implementation of the Scheme. If you dispose of your MOQ Shares before the Record Date, brokerage fees may be payable.	Section 2.2
Voting to approve the Scheme		
30. When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at 9.30am on Friday, 4 November 2022 in person at Thomson Geer, Level 14, 60 Martin Place, Sydney, New South Wales and virtually through Automic's investor portal at www.investor.automic.com.au . Shareholders will require a username and password to log into the investor portal. Shareholders that do not have a username and password are encouraged to create one prior to the commencement of the meeting. Further details on how to do so are contained within the Notice of Meeting.	Section 4.6 and Attachment 4
31. Am I entitled to vote at the Scheme Meeting?	If you are registered as a MOQ Shareholder on the Share Register at 7.00pm on the Record Date you will be entitled to attend and vote at the Scheme Meeting.	Section 4.9
32. What vote is required to approve the Scheme?	For the Scheme to proceed and be implemented, it must receive Shareholder Approval, being: <ul style="list-style-type: none"> a majority in number (more than 50%) of MOQ Shareholders present and voting (either in person or virtually, or by proxy, corporate representative or attorney) at the Scheme Meeting (referred to as the 'Headcount Test'); and at least 75% of the votes cast on the Scheme Resolution by MOQ Shareholders present and voting at 	Section 4.5

Question	Answer	Section references
	<p>the Scheme Meeting (either in person or virtually, or by proxy, corporate representative or attorney).</p> <p>It is also necessary for the Court to approve the Scheme at the Second Court Hearing before the Scheme can become Effective.</p>	
33. What choices do I have as a MOQ Shareholder?	<p>As a MOQ Shareholder, you have the following choices:</p> <ul style="list-style-type: none"> • you can vote for or against the Scheme online, by proxy, by attorney or by corporate representative (if you are a corporate shareholder) at the Scheme Meeting; • you can elect not to vote at the Scheme Meeting; • you can sell your MOQ Shares on market at any time before the close of trading on the ASX on the Effective Date; • you can sell your MOQ Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5.00pm on the day on which the Record Date occurs; or • you can do nothing, in which case, if the Scheme becomes Effective and is implemented, your MOQ Shares will be transferred to Brennan and you will receive the Scheme Consideration, or, if the Scheme does not become Effective and is not implemented, you will continue to hold your MOQ Shares. 	Section 4.4
34. Is voting compulsory?	<p>Voting is not compulsory. However, the Scheme will only be successful if it receives Shareholder Approval at the Scheme Meeting. The MOQ Directors believe that the Scheme is important for all MOQ Shareholders, and they unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders.⁷</p> <p>If the Scheme receives Shareholder Approval at the Scheme Meeting, is approved by the Court, and is implemented, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.</p>	Section 4
35. How do I vote?	<p>You may vote by attending the Scheme Meeting. Alternatively, you may vote by proxy by completing and lodging the Proxy Form online through Automic's website (https://investor.automic.com.au/#/loginsah). For further information on how to lodge a proxy vote please refer to the instructions in the Notice of Meeting or Proxy Form attached at Attachment 4 and Attachment 5.</p>	Sections 4.6, 4.7 and 4.8
36. What happens if I do not vote, or I vote against the Scheme?	<p>If you do not vote, or if you vote against the Scheme, the Scheme may not be approved at the Scheme Meeting. If this occurs the Scheme will not be implemented.</p> <p>If the Scheme is not implemented:</p> <ul style="list-style-type: none"> • the Scheme Consideration will not be paid to Scheme Shareholders; • MOQ will continue to be listed on the ASX; • MOQ Shareholders will retain their MOQ Shares and continue to share in any risks and benefits of MOQ's ongoing business. Details of these risks are set out in Section 7; and • if no Superior Proposal emerges, the price of MOQ Shares are likely to decline and trade at a discount to the Scheme Consideration. <p>If the Scheme receives Shareholder Approval at the Scheme Meeting, is approved by the Court, and is implemented, all Scheme Shares that you hold on the</p>	Section 2.4

⁷ When assessing the MOQ Board's recommendation and considering how to vote on the Scheme Resolution, MOQ Shareholders should read and take into account the interests of the MOQ Directors set out in Section 9.1 if the Scheme Resolution received Shareholder Approval at the Scheme Meeting.

Question	Answer	Section references
	Record Date will be transferred to Brennan and you will receive the Scheme Consideration for your Scheme Shares. This will occur even if you did not attend the Scheme Meeting, or did not vote, or voted against the Scheme.	
37. When will the result of the Scheme Meeting be known?	<p>The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX (https://www2.asx.com.au/) and accessible on the MOQ website (https://www.moq.com.au/).</p> <p>Even if the Scheme Resolution receives Shareholder Approval at the Scheme Meeting, the Scheme will not become Effective unless Court approval of the Scheme is obtained at the Second Court Hearing and all of the Conditions are satisfied or waived.</p>	Section 4.2
Questions about Brennan		
38. Who is Brennan and what are its intentions for MOQ?	<p>Brennan is primarily focused on delivering technology solutions to Australia's businesses, government and enterprise customers. It offers hybrid IT, networking, infrastructure, end-user, UC, and telephony, as well as IT security services.</p> <p>Brennan has operations and staff in Australia, Singapore, India, New Zealand and the Philippines.</p> <p>If the Scheme is implemented, MOQ and Brennan will continue servicing all MOQ's customers and no impact to operations are anticipated for customers.</p> <p>Brennan intends to add or integrate the MOQ operations into the Brennan operations and ultimately go to market with the single brand of Brennan with an integrated service, sales and back-office operation.</p>	Section 6
39. How is Brennan funding the Scheme Consideration?	<p>Brennan will fund the amount payable to MOQ Shareholders under the Scheme by drawdown under an approved debt facility from its banking partner, Macquarie Bank Limited.</p> <p>The Scheme is not subject to any financing condition precedent, including Brennan confirming its funding arrangements.</p>	Section 6.4
Other		
40. Can I keep my MOQ Shares?	<p>If the Scheme receives Shareholder Approval, is approved by the Court, and is implemented, all your MOQ Shares will be transferred to Brennan. This will happen even if you did not vote, or if you voted against the Scheme.</p> <p>If the Scheme does not become Effective and is not implemented, you will continue to hold your MOQ Shares.</p>	Section 2.4
41. Can I sell my MOQ Shares on the ASX before the Scheme becomes Effective?	<p>Yes, you can sell your MOQ Shares on the ASX up to and including the Effective Date. Trading in MOQ Shares on the ASX will be suspended following close of trading on the Effective Date, so you will not be able to sell your MOQ Shares on the ASX after that time.</p> <p>If you sell your MOQ Shares on the ASX:</p> <ul style="list-style-type: none"> • you may pay brokerage on the sale; and • you will not receive the Scheme Consideration. <p>Shareholders may also sell their MOQ Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5.00pm on the day on which the Record Date occurs.</p>	Section 4.4
42. Are there any other approvals required?	<p>The Scheme must be approved by the Court on the Second Court Date.</p> <p>If the Scheme receives Shareholder Approval at the Scheme Meeting, MOQ will apply to the Court for approval</p>	Section 4.16 and 9.8

Question	Answer	Section references
	of the Scheme. Further details of the Court approval process are set out in Section 4.16 of this Scheme Booklet.	
43. Do I need to do or sign anything to participate in the Scheme and transfer my MOQ Shares?	<p>No. If the Scheme becomes Effective and the Scheme is implemented:</p> <ul style="list-style-type: none"> • to participate in the Scheme (if it is implemented), you simply need to hold MOQ Shares on the Record Date; and • MOQ will automatically have authority to sign a transfer document on behalf of the Scheme Shareholders. <p>You should be aware that, if you are a MOQ Shareholder, you will be deemed to have warranted to MOQ, and authorised MOQ to warrant to Brennan on your behalf, that:</p> <ul style="list-style-type: none"> • all of your MOQ Shares are fully paid and free from all encumbrances (for example, mortgages or other Security Interests); • you have full power and capacity to transfer your MOQ Shares to Brennan; and <p>You have no existing right to be issued any MOQ Shares.</p>	Section 4
44. Who is the Independent Expert?	The MOQ Board appointed Lonergan Edwards & Associates Limited ACN 095 445 560 as Independent Expert to provide a report as to whether the Scheme is in the best interests of MOQ Shareholders.	N/A
45. What if I have further questions about the Scheme?	If MOQ Shareholders have any questions in relation to the Scheme or require further information they should call the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30am and 5.30pm (AEDT).	Important Notices – Queries

4. Details of the Scheme and how to vote

4.1. Overview

On 16 August 2022, MOQ announced that it had entered into the Scheme Implementation Deed with Brennan, which provides for Scheme Consideration of \$0.075 per MOQ Share. On 21 September 2022, MOQ further announced the parties had entered into a deed of variation dated 21 September 2022 varying the definition of Material Adverse Event as set out in the Scheme Implementation Deed with effect from 21 September 2022. Under the terms of the Scheme Implementation Deed it is proposed that Brennan will acquire 100% of the fully diluted share capital in MOQ by way of the Scheme. MOQ has agreed to propose the Scheme to MOQ Shareholders, noting the Scheme is subject to the satisfaction or waiver of certain Conditions. A copy of the Scheme Implementation Deed is attached to MOQ's ASX announcement of 16 August 2022 and is available on the ASX website (<https://www2.asx.com.au/>).

By way of background:

- On 30 June 2022, MOQ announced that it had entered into the Atturra SID, under which Atturra agreed that, subject to satisfaction of certain conditions, it would acquire 100% of the fully diluted share capital in MOQ by way of scheme of arrangement for consideration of \$0.05 cash per MOQ Share.
- On 5 August 2022, MOQ announced that Atturra had increased its cash offer by 20% from \$0.05 to \$0.06 per MOQ Share (**Atturra Revised Offer**). The increase was made under its 'matching right' provision pursuant to the Atturra SID in response to a competing proposal by a third-party bidder (later confirmed to be Brennan) of \$0.06 cash per MOQ Share.
- On 8 August 2022, MOQ announced that a superior proposal to the Atturra Revised Offer from Brennan had emerged at a price of \$0.066 cash per MOQ Share (**Brennan Offer**), being a 10% increase to the Atturra Revised Offer. Atturra then had a 'matching right' until Thursday, 11 August 2022 to match, or better the Brennan Offer.
- On 11 August 2022, MOQ announced that Atturra had increased its offer to \$0.070 per MOQ Share, comprising \$0.055 in cash and \$0.015 in Atturra shares⁸ (**Atturra Second Revised Offer**), which represented a premium of 6.1% to the Brennan Offer.
- On 16 August 2022, MOQ announced that it had received a superior proposal to the Atturra Second Revised Offer from Brennan at \$0.075 cash per MOQ Share, being a 7.1% premium to the Atturra Second Revised Offer and that Atturra had confirmed that it would not exercise its matching right. MOQ also announced that it had entered into a new scheme implementation deed with Brennan and that the Atturra SID would be terminated.
- Accordingly, on 16 August 2022, MOQ entered into the Scheme Implementation Deed with Brennan for the Scheme Consideration of \$0.075 cash per MOQ Share and on 18 August 2022, MOQ paid the reimbursement fee of \$190,000 plus GST to Atturra due to MOQ's termination of the Atturra SID.

4.2. Key steps

The key steps to implement the Scheme are:

- At the Scheme Meeting MOQ Shareholders will have an opportunity to vote to approve the Scheme.
- If the Scheme receives Shareholder Approval at the Scheme Meeting, and all Conditions (other than Court approval) have been satisfied or waived, MOQ will apply to the Court for approval of the Scheme.
- If the Court approves the Scheme, MOQ will lodge with ASIC a copy of the Court orders approving the Scheme. The date on which this occurs will be the Effective Date, and will be the last day for trading of MOQ Shares on the ASX.
- On the Implementation Date, Brennan will acquire all of the MOQ Shares from Scheme Shareholders and will pay the Scheme Consideration.
- After the Scheme becomes Effective, MOQ will apply for suspension of trading in MOQ Shares, and MOQ will be removed from the official list of the ASX.

⁸ Approximately 0.02226 Atturra shares for each MOQ Share and calculated as \$0.015 divided by \$0.673899 being the 60-day volume weighted average price of Atturra shares up to 9 August 2022.

4.3. Scheme Consideration

If the Scheme is implemented, MOQ Shareholders on the Share Register on the Record Date (being 7.00 pm (AEDT) on the second Business Day following the Effective Date), will receive the Scheme Consideration of \$0.075 cash per MOQ Share they hold on the Record Date.

The Scheme Consideration will be paid on the Implementation Date.

All payments will be made in AUD by electronic funds transfer to an Australian bank account nominated by the Scheme Shareholder. To update your nominated bank details with the Share Registry, MOQ Shareholder's must first create a username and password via Automic's investor portal (investor.automic.com.au/#/signup) and log on to update their bank details in the "my details" section prior to the Record Date.

If no Australian bank account has been nominated and no other arrangements have been agreed with MOQ, a cheque for the relevant amount in Australian currency will be dispatched by prepaid post to that Scheme Shareholder's registered address.

For MOQ Shares held in joint names, the relevant payment will be made to the joint holders and the cheque will be sent to the holder whose name appears first in the Share Register as at the Record Date.

MOQ may cancel a cheque if it is returned to MOQ or has not been presented for payment within six months after the date on which the cheque was sent, and the *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' under that Act.

If the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, payments of the Scheme Consideration to Scheme Shareholders described above may also be delayed.

Under the terms of the Scheme, Brennan is required to deposit (or procure the deposit of) an amount equal to the aggregate amount of the Scheme Consideration into an Australian dollar denominated trust account, operated by MOQ as trustee for the MOQ Shareholders, by no later than the Business Day before the Implementation Date. Then, on the Implementation Date, MOQ will procure the payment from the trust account of the Scheme Consideration to each Scheme Shareholder in accordance with the above.

4.4. Your choices as a MOQ Shareholder

As a Scheme Shareholder, you have the following choices:

- you can vote for or against the Scheme at the Scheme Meeting in person, by attorney, by proxy or, in the case of corporate shareholders, by corporate representative;
- you can elect not to vote at the Scheme Meeting;
- you can sell your MOQ Shares on market at any time before the close of trading on the ASX on the Effective Date;
- you can sell your MOQ Shares privately following the Effective Date provided that the transfer is lodged with the Share Registry by no later than 5.00pm on the day on which the Record Date occurs; or
- you can do nothing, in which case:
 - if the Scheme becomes Effective and is implemented, your Scheme Shares will be transferred to Brennan and you will receive the Scheme Consideration; or
 - if the Scheme does not become Effective and is not implemented, you will continue to hold your MOQ Shares.

You should be aware that even if you do not attend the Scheme Meeting, or do not vote, or vote against the Scheme, the Scheme may still be implemented if it receives Shareholder Approval, is approved by the Court, and if the Scheme becomes unconditional. If this occurs, any MOQ Shares that you hold on the Record Date will be transferred to Brennan and you will receive the Scheme Consideration for those Scheme Shares, even though you did not vote on, or voted against, the Scheme.

4.5. Voting majorities required

The Scheme needs to be approved by achieving Shareholder Approval at the Scheme Meeting, which is:

- at least 75% of the total number of votes cast on the Scheme Resolution by MOQ Shareholders present and voting (either in person or virtually, or by proxy, corporate representative or attorney); and
- a majority in number (more than 50%) of MOQ Shareholders present and voting (in person or virtually, or by proxy, corporate representative or attorney) at the Scheme Meeting.

The Court has the discretion to waive the second of these requirements if it considers it appropriate to do so.

If the Scheme is not approved by achieving Shareholder Approval and approved by the Court, the Scheme will not proceed.

4.6. How to attend and vote

MOQ Shareholders who want to vote in person, will need to attend Thomson Geer's Sydney office at Level 14, 60 Martin Place, Sydney, New South Wales on Friday, 4 November 2022 at 9.30am. Alternately, MOQ Shareholders who wish to attend the Scheme Meeting virtually, can do so through Automic's investor portal at www.investor.automic.com.au. Shareholders will require a username and password to login to the investor portal. Shareholders that do not have a username and password are encouraged to create one prior to the commencement of the meeting. Further details on how to do so are contained within the Notice of Meeting. Registration to access the virtual meeting will be made available one hour prior to the meeting commencing. To vote during the virtual meeting follow the prompts within the investor portal. Further instructions on how to vote during the virtual meeting can be found within the Notice of Meeting. Shareholders attending the Scheme Meeting in person will be required to provide evidence of your name and address at the point of entry to the Scheme Meeting.

4.7. How to vote by attorney or corporate representative

Persons who are attending by attorney must provide a certified copy of the power of attorney to the Share Registry by no later than 9.30am on Wednesday, 2 November 2022.

Persons who are attending as a corporate representative for a corporation must provide evidence of their appointment. The appointment must comply with section 250D of the Corporations Act and must be lodged with the Share Registry. You should contact the Share Registry on how to lodge the authority to act as a corporate representative.

4.8. How to vote by proxy

All Proxy Forms, together with any power of attorney or authority under which the Proxy Form is signed, must be received no later than the Last Date for Proxy Forms. Proxy votes received after this time will be invalid.

Your appointment of a proxy does not preclude you from attending in person and voting at the Scheme Meeting. The appointment of your proxy is not revoked merely by your attendance to, and participation in, the Scheme Meeting. However, if you vote on the Scheme Resolution, any vote made by your proxy on your behalf will not be counted. You can vote by proxy by completing and lodging the Proxy Form with the Share Registry in any of the following ways:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

For further information on how to lodge a proxy vote please refer to the instructions in the Notice of Meeting or Proxy Form attached at Attachment 4 and Attachment 5.

4.9. Eligibility to vote

The time for determining eligibility to vote at the Scheme Meeting is 7.00pm on Wednesday, 2 November 2022. Only those MOQ Shareholders entered on the Share Register at that time will be entitled to attend and vote at the Scheme Meeting.

4.10. How to ask questions

MOQ Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to **michael.austin@automicgroup.com.au**.

Alternatively, MOQ Shareholders can ask questions when attending the Scheme Meeting in person or online but only once they have been verified. It may not be possible to respond to all questions raised during the Scheme Meeting, therefore it is encouraged that MOQ Shareholder lodge questions prior to the Scheme Meeting. More information regarding how to participate in the Scheme Meeting is set out in Section 4.5 and in the Notice of Scheme Meeting set out in Attachment 4.

4.11. Record Date

Those MOQ Shareholders on the Share Register on the Record Date, being 7.00 pm (AEDT) on the second Business Day following the Effective Date, other than the Excluded Shareholders, will be entitled to receive the Scheme Consideration in respect of the MOQ Shares they hold as at the Record Date.

An "Excluded Shareholder" is any MOQ Shareholder who is, or becomes, a member of the Brennan Group or an Associate prior to the Record Date, or any MOQ Shareholder who holds any MOQ Shares on behalf of, or for the benefit of, any member of the Brennan Group or an Associate and does not hold MOQ Shares on behalf of, or for the benefit of, any other person.

4.12. No trading on ASX after Effective Date

After the Scheme becomes Effective, MOQ will apply for suspension of trading in MOQ Shares. The last date for trading MOQ Shares on the ASX will be the Effective Date.

4.13. Determination of entitlement to Scheme Consideration

For the purposes of establishing who are Scheme Shareholders, dealings in Scheme Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the day on which the Record Date occurs at the Share Registry.

Subject to the Corporations Act, Listing Rules and MOQ's constitution, MOQ must register transmission applications or transfers which it receives by 5.00pm on the day on which the Record Date occurs. MOQ will not accept for registration or recognise for any purpose any transmission application or transfer in respect of MOQ Shares received after that time.

4.14. Deemed warranty that MOQ Shares are fully paid and free of encumbrances on transfer of Scheme Shares to Brennan

Under the terms of the Scheme, each Scheme Shareholder is deemed to have warranted to Brennan, and appointed and authorised MOQ as its attorney and agent to warrant to Brennan that all of their MOQ Shares (including any rights and entitlements attaching to their MOQ Shares) will, at the time of the transfer, be fully paid and free from all encumbrances (such as mortgages and other Security Interests), that they have full power and capacity to transfer their Scheme Shares (including any rights and entitlements attaching to those MOQ Shares) to Brennan and that they have no existing right to be issued any MOQ Shares.

Under the terms of the Scheme, MOQ undertakes that it will provide such warranties to Brennan as agent and attorney of each Scheme Shareholder.

You should ensure that your MOQ Shares are free of all encumbrances (such as mortgages or other Security Interests).

Scheme Shareholders should be aware that, to the extent that this warranty is untrue in respect of their MOQ Shares, and their MOQ Shares are not transferred under the Scheme free from all encumbrances, they may be liable to compensate Brennan for any damage caused to Brennan resulting from that failure to transfer.

4.15. Deed Poll

On 23 September 2022, Brennan executed the Deed Poll under which Brennan agreed, subject to the Scheme becoming Effective, to pay the Scheme Consideration to MOQ for distribution to the Scheme Shareholders and require all Scheme Shares held by Scheme Shareholders under the Scheme. A copy of the Deed Poll is also included at Attachment 2.

4.16. Court approval

MOQ will apply to the Court for an order approving the Scheme if:

- the Scheme receives Shareholder Approval at the Scheme Meeting; and
- all other Conditions to the Scheme (except Court approval of the Scheme) have been satisfied or waived (if capable of waiver).

The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme receives Shareholder Approval.

Each MOQ Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Date.

The Second Court Date is currently scheduled to be 10.15am (AEDT) on Tuesday, 8 November 2022, though an earlier date may be sought. Any change to this date will be notified on MOQ's website at <https://www.moq.com.au/>.

5. Information on MOQ

5.1. Overview and history

5.1.1. Introduction

MOQ was founded as Montech Holdings Limited following a recapitalisation of a shell company listed on the ASX in June 2015. MOQ has since focused on developing IT solutions, and specifically cloud-focused technology solutions, both internally and through acquisitions. It changed its name to MOQ Limited in July 2016. MOQ is listed on the ASX under the ticker 'MOQ'.

MOQ's head office is located in Sydney, with other offices located in Brisbane, Melbourne and Perth in Australia and Colombo in Sri Lanka. MOQ employs approximately 394 staff, with 140 of these based in its Sri Lankan service centre, which serves as an offshore delivery centre that critically supports MOQ's managed services operations.

5.1.2. Current operations

MOQ develops, builds, and acquires cloud focused technology businesses and primarily services clients in Australia. It operates through three key segments:

- **Technology Sales:** provides vendor hardware, software, and associated licenses and maintenance contracts;
- **Professional Services:** offers various specialist services, including consulting, project management, infrastructure, cloud, and data analytics services to assist clients with strategy, architecture, design, development, and implementation of information and ICT solutions; and
- **Recurring Services:** provides a combination of managed services including operations, support, and ICT management, as well as a range of in-house developed IP and cloud-based solutions.

The table below provides an overview of the revenue, gross profit and gross profit margin from each of these three segments for the 12 months ended 30 June 2022 and 12 months ended 30 June 2021:

Period:	12 months ended 30 June 2022				12 months ended 30 June 2021 ⁹			
Segment	Revenue (\$000s)	% of Revenue	Gross Profit (\$000s)	Gross Profit Margin	Revenue (\$000s)	% of Revenue	Gross Profit (\$000s)	Gross Profit Margin
Technology Sales	27,082	33%	3,992	15%	24,899	36%	3,844	15%
Professional Services	28,659	35%	719	3%	24,362	35%	3,106	13%
Recurring Services	26,148	32%	6,686	26%	20,143	29%	7,236	36%
Total	81,889	100%	11,398	14%	69,404	100%	14,186	20%

As of 16 August 2022, MOQ had approximately 620 business customers across small and medium sized business, enterprise and government.

⁹ The financial results in this table reflect the 'continuing operations' of MOQ. For the avoidance of doubt, the discontinued operations relating to Skoolbag, which was sold on 30 September 2021, are excluded from these financial results.

5.1.3. Acquisitions and divestments

Since 2015, MOQ has acquired 100% of each of the companies below:

- **June 2015:** Technology Effect Pty Ltd, offering a range of consulting, integration and managed services solutions in information communications technology and cloud related areas with a focus on mid-tier enterprises and the public sectors;
- **June 2015:** Breeze Training Pty Ltd, a Microsoft Gold Partner specialising in application integration and development, cloud computing integration and migration and mobile development;
- **March 2016:** Tetran Group¹⁰, a managed IT services and professional services company;
- **March 2016:** iimage Technical Services Pty Ltd (trading as Skoolbag), a software-as-a-service provider, via web and mobile apps to educational institutions, childcare centres and sports clubs;
- **August 2019:** Wardy IT Solutions Pty Limited, a provider of Microsoft specialist services and solutions in data platforms and data analytics; and
- **July 2021:** Dienst Consulting Pty Ltd, a provider of IT consulting and software solutions primarily to mid-to-large Western Australian enterprises in a range of industries.

In September 2021, MOQ divested 100% of Skoolbag for \$4 million cash. MOQ considered Skoolbag to be a non-core asset and its divestment would better allow MOQ to solely focus its efforts on its cloud-centric technology services and solutions business.

5.2. MOQ Group structure

The following entities are subsidiaries of MOQ.

Name	Country of Incorporation	Ownership Interest
MOQDigital Pty Ltd ¹¹ (ACN 112 930 515)	Australia	100%
MOQDigital NZ Limited ¹² (Company No. 3386076)	New Zealand	100%
Tetran Pty Ltd (ACN 118 203 857)	Australia	100%
MOQDigital Asia Pacific (Pvt) Limited ¹³ (TIN 114 716 928-0000)	Sri Lanka	100%
Dienst Consulting Pty Ltd (ACN 158 396 813)	Australia	100%
Wardy IT Solutions Pty Ltd (ACN 634 547 023)	Australia	100%

5.3. Directors and senior management

5.3.1. MOQ Board

At the date of this Scheme Booklet, the MOQ Directors are:

Name	Current Position
David Shein	Chairman and Non-Executive Director
Peter Ward	Chief Executive Officer and Executive Director
Alex White	Non-Executive Director
Karen Bell	Non-Executive Director
Scott McPherson	Non-Executive Director

¹⁰ At the time of the acquisition, Tetran Group comprised the following entities: Tetran Pty Ltd, Tetran NZ Limited, T.I.M. Asia Pacific (Pvt) Ltd, Tetran (Singapore) Pte Ltd.

¹¹ Formerly known as Technology Effect Pty Ltd.

¹² Formerly known as Tetran NZ Limited.

¹³ Formerly known as T.I.M. Asia Pacific (Pvt) Limited.

5.3.2. The MOQ Board's intentions

It is the intention of all MOQ Directors (who collectively hold or control approximately 34.1% of the MOQ Shares on issue as at the date of this Scheme Booklet) to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of MOQ Shareholders.

The Corporations Regulations requires a statement by the MOQ Directors of their intentions regarding the MOQ business. If the Scheme is implemented, the existing MOQ Directors will resign and the MOQ Board will be reconstituted in accordance with the instructions of Brennan after the Implementation Date. Therefore, it is not possible for the MOQ Directors to provide a statement of their intentions after the Scheme is implemented regarding:

- the continuation of the business of MOQ or how MOQ's existing business will be conducted;
- major changes, if any, to be made to the business of MOQ; or
- any future employment of the present employees of MOQ,

as the shares in MOQ will be owned by Brennan.

The current intentions of Brennan with respect to these matters are set out in Section 6.4.

5.3.3. MOQ senior management

At the date of this Scheme Booklet, MOQ's key management personnel comprises:

Name	Current Position
Peter Ward	Chief Executive Officer
Brett Bergheim	Chief Financial Officer
Kelly Wilkes	Chief Operating Officer

5.4. Capital structure

The equity structure of MOQ as at the Last Practicable Date is as follows:

Type of Security	Number on Issue
Fully paid ordinary MOQ shares	310,326,182
Outstanding MOQ Options	4,681,814

As at the Last Practicable Date, MOQ had 310,326,182 MOQ Shares on issue, and the top 20 registered MOQ Shareholders held 242,487,399 MOQ Shares, equivalent to approximately 78% of the MOQ Shares on issue.

It is a Condition of the Scheme that, before the Second Court Date, the MOQ Optionholders either exercise the MOQ Options held by them prior to the business day before the Record Date, or enter into a deed agreeing to cancel their MOQ Options on or before the Implementation Date. The cancellation of the MOQ Options is subject to the Scheme becoming Effective.

The holder of MOQ Options will not be entitled to consideration for the cancellation of their MOQ Options. In accordance with ASX Listing Rule 6.23.1, the cancellation of the MOQ Options do not require approval of the MOQ Shareholders, as they are being cancelled for no consideration.

MOQ has no securities on issue other than MOQ Shares and MOQ Options.

5.5. MOQ substantial shareholders

As at the Last Practicable Date, the substantial shareholders of MOQ Shares were:

Substantial Shareholder	Number of MOQ Shares	Percentage of Issued Capital
Richmond Hill Capital Pty Ltd ¹⁴	38,277,378	12.3%
Entities associated with Peter Ward	31,273,925	10.1%
Monash Private Capital Pty Ltd	29,707,857	9.6%
Entities associated with Kathy Louise Edwards	27,655,978	8.9%
Entities associated with David Stevens ¹⁵	26,596,144	8.6%
Entities associated with Scott McPherson	23,243,610	7.5%

MOQ has relied on substantial holder notices provided to it up to the Last Practicable Date to compile the above table. Information in regard to substantial holdings arising, changing or increasing after this time is not included above.

As set out in Section 6.2.3, David Stevens and associated entities have a Relevant Interest of 100% of the shares in Brennan.

5.6. Historical financial information

This Section 5.6 sets out a summary of the following historical financial information in relation to MOQ for the purposes of this Scheme Booklet:

- historical consolidated income statements for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 (**MOQ Historical Income Statements**);
- historical consolidated statements of financial position for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 (**MOQ Historical Statements of Financial Position**); and
- historical consolidated statements of cash flows for the financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 (**MOQ Historical Statements of Cash Flows**), (together, the **MOQ Historical Financial Information**).

5.6.1. Historical financial information and basis of preparation

The MOQ Historical Financial Information has been extracted from the annual financial reports of MOQ for the years ended 30 June 2020, 30 June 2021 and 30 June 2022. As a result of MOQ's divestment of Skoolbag on 30 September 2021, the historical consolidated income statement for the year ended 30 June 2021 was restated in MOQ's annual financial report for the year ended 30 June 2022 to reflect the 'continuing operations' of MOQ and align with the presentation of MOQ's consolidated income statement for the year ended 30 June 2022. As such, the historical consolidated income statement for the year ended 30 June 2021 has been extracted from MOQ's 30 June 2022 annual financial report. The financial information has not been subject to further review by an independent accountant.

The MOQ Historical Financial Information presented is in an abbreviated form and does not contain all the disclosures, presentations, statements, notes or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

¹⁴ Alex White, a MOQ Director, is also a director of Richmond Hill Capital Pty Ltd and holds an indirect interest in Richmond Hill Capital Pty Ltd.

¹⁵ In addition to being (together with his associated entities) a substantial shareholder in MOQ, David Stevens is also the founder and managing director of Brennan. For further information, please refer to Section 6.

MOQ considers that for the purposes of this Scheme Booklet the MOQ Historical Financial Information presented in an abbreviated form is more meaningful to MOQ Shareholders. MOQ's full financial accounts, including all notes to those accounts and a full description of the accounting policies can be found in MOQ's financial statements for the respective periods (copies of which are available on the ASX website at www2.asx.com.au and MOQ's website at www.moq.com.au).

5.6.2. Statement of Profit or Loss and Other Comprehensive Income

For the period ended	2020 Full year 30 Jun 2020 \$	2021 Full year 30 Jun 2021 \$	2022 Full year 30 Jun 2022 \$
Revenue	65,185,592	69,403,994	81,889,047
Cost of sales	(50,637,538)	(55,218,075)	(70,491,259)
Gross profit	14,548,054	14,185,919	11,397,788
Other income	1,711,541	2,294,014	37,673
Expenses			
Share based payments	6,381	(364,948)	(170,004)
Depreciation expenses	(1,196,773)	(1,250,402)	(1,224,418)
Amortisation expenses	(2,910,233)	(2,902,807)	(2,993,753)
Employee costs	(8,279,438)	(9,364,987)	(11,576,268)
Legal Costs	(356,006)	(108,539)	(272,189)
ASX and registry related costs	(65,758)	(61,674)	(79,978)
Marketing expenses	(644,355)	(460,014)	(538,876)
Occupancy expenses	(798,505)	(411,935)	(411,485)
Professional fees	(701,215)	(962,520)	(1,189,459)
Telecommunication carrier expenses	(310,233)	(272,959)	(227,953)
Finance costs	(103,588)	(144,608)	(140,272)
Foreign Exchange Gain	-	217,312	1,501,433
Other expenses	(2,237,138)	(2,024,748)	(2,325,220)
Total Expenses	(17,596,861)	(18,112,829)	(19,648,442)
Profit/(Loss) before impairment	(1,337,266)	(1,632,896)	(8,212,981)
Impairment expense	(13,281,938)	-	-
Profit/(loss) after impairment	(14,619,204)	(1,632,896)	(8,212,981)
Profit/(loss) before income tax benefit for continuing operations	(14,619,204)	(1,632,896)	(8,212,981)
Income tax benefit	128,685	502,232	1,809,034
Profit/(loss) after income tax benefit for continuing operations	(14,490,519)	(1,130,664)	(6,403,947)
Discontinued Operations¹⁶			
Profit after tax from discontinued operations	-	120,016	1,533,712
Total profit/(loss) for the period	(14,490,519)	(1,010,648)	(4,870,235)
Other comprehensive (loss) for the period			
Exchange differences on translating foreign subsidiaries	(9,215)	(281,131)	(1,575,590)
Total comprehensive (loss) for the period	(14,499,734)	(1,291,779)	(6,445,825)

¹⁶ Discontinued Operations relates to Skoolbag, which was sold on 30 September 2021. For the avoidance of doubt, the financial year ended 30 June 2020 includes results attributable to Skoolbag and not shown separately as 'Discontinued Operations'.

5.6.3. Consolidated Statement of Financial Position

	2020 Full year 30 Jun 2020 \$	2021 Full year 30 Jun 2021 \$	2022 Full Year 30 Jun 2022 \$
For the period ended			
Current Assets			
Cash and cash equivalents	4,976,105	1,966,646	5,227,819
Trade and other receivables	7,455,073	12,627,259	12,123,600
Contract Assets	135,486	902,887	347,643
Tax receivable	5,659	334,337	578,648
Other Assets	891,060	1,319,286	1,444,754
	13,463,383	17,150,415	19,722,464
Non-Current Assets			
Other Assets	937,087	776,811	871,734
Right of use assets	2,274,763	1,915,895	1,492,758
Deferred tax assets	2,897,193	2,815,757	3,104,052
Property, plant and equipment	619,562	1,144,289	932,862
Intangibles	11,879,765	9,741,398	8,030,376
	18,608,370	16,394,150	14,431,782
Total Assets	32,071,753	33,544,565	34,154,246
Current Liabilities			
Trade and other payables	8,902,545	9,487,011	9,793,193
Loan	-	-	1,416,666
Contract liabilities	4,170,625	4,467,715	4,420,967
Provisions	2,760,795	3,170,477	2,756,881
Lease liabilities	620,692	622,084	499,030
Current tax payable	21,592	2,207	25,169
	16,476,249	17,749,494	18,911,906
Non-Current Liabilities			
Lease liabilities	1,737,893	1,466,734	1,101,655
Deferred tax liabilities	2,943,363	2,153,909	985,715
Provisions	391,645	364,145	422,420
	5,072,901	3,984,788	2,509,790
Total Liabilities	21,549,150	21,734,282	21,421,696
Net Assets	10,522,603	11,810,283	12,732,550
Equity			
Issued capital	53,490,057	55,704,569	62,902,657
Reserves	269,681	353,498	(1,052,089)
Accumulated losses	(43,237,135)	(44,247,784)	(49,118,018)
Total Equity	10,522,603	11,810,283	12,732,550

5.6.4. Consolidated Statement of Cash Flows

	2020 Full year 30 Jun 2020 \$	2021 Full year 30 Jun 2021 \$	2022 Full Year 30 Jun 2022 \$
For the period ended			
Cash flow from operating activities			
Receipts from customers	75,197,872	71,454,247	92,300,140
Receipts from other income	1,124,138	2,918,237	82,620
Payments to suppliers and employees	(72,447,237)	(73,008,737)	(96,803,277)
Interest received	12,403	10,136	11,499
Interest paid	(19,940)	-	(39,882)
Income taxes paid	(311,057)	(604,014)	(370,998)
Net cashflow by / (used in) operating activities	3,556,179	769,869	(4,819,898)
Cash flow from investing activities			
Payment for property, plant and equipment	(109,705)	(894,049)	(449,281)
payments for intellectual property	(1,002,976)	(1,008,724)	(250,505)
Payments for deposits	(37,752)	56,454	(228,856)
Divestment of subsidiaries (net of cash divested)	-	-	3,648,509
Acquisition of subsidiaries (including cash acquired)	(1,921,550)	(1,107,256)	(1,348,436)
Net cashflow by / (used in) investing activities	(3,071,983)	(2,953,575)	1,371,431
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	(738,697)	(825,754)	(695,513)
Net cashflow by / (used in) financing activities	(738,697)	(825,754)	6,709,641
Net increase / (decrease) in cash and cash equivalents	(254,501)	(3,009,459)	3,261,173
Cash and cash equivalents at beginning of period	5,230,606	4,976,105	1,966,646
Cash and cash equivalents at end of period	4,976,105	1,966,646	5,227,819

5.6.5. Material changes in MOQ's financial position

To the knowledge of the MOQ Directors, the financial position of MOQ as at the Last Practicable Date has not materially changed since 30 June 2022 being the date of MOQ's financial report for the year ended 30 June 2022, other than:

- in the ordinary course of trading;
- as a result of generally known market conditions; and
- as disclosed elsewhere in this Scheme Booklet or otherwise disclosed on the ASX by MOQ.

5.6.6. Reimbursement Fee

If the Scheme does not become Effective, a Reimbursement Fee of \$190,000 plus GST may be payable by MOQ to Brennan. The circumstances in which the Reimbursement Fee would be payable are set out in Section 9.7.5. The Reimbursement Fee triggers do not include a situation where the Scheme does not proceed simply because MOQ Shareholders do not approve the Scheme at the Scheme Meeting.

5.6.7. Further information

As an ASX listed company and a “disclosing entity” under the Corporations Act, MOQ is subject to regular reporting and disclosure obligations. These obligations require MOQ to:

- announce price sensitive information to the ASX as soon as MOQ becomes aware of that information, subject to certain exceptions for information that is confidential; and
- prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements.

Copies of the documents filed with the ASX can be obtained free of charge on the ASX website (www2.asx.com.au). Copies of the documents lodged with ASIC in relation to MOQ may be obtained from, or inspected at, an ASIC office. Please note ASIC may charge a fee in respect of such services.

MOQ’s announcements to ASX since 31 August 2022 are:

Date	Announcement
21 September 2022	Variation of Deed and Scheme Update
7 September 2022	Amended – Change in substantial holding
31 August 2022	Appendix 4G and Corporate Governance Statement
31 August 2022	Appendix 4E and Annual Report 30 June 2022

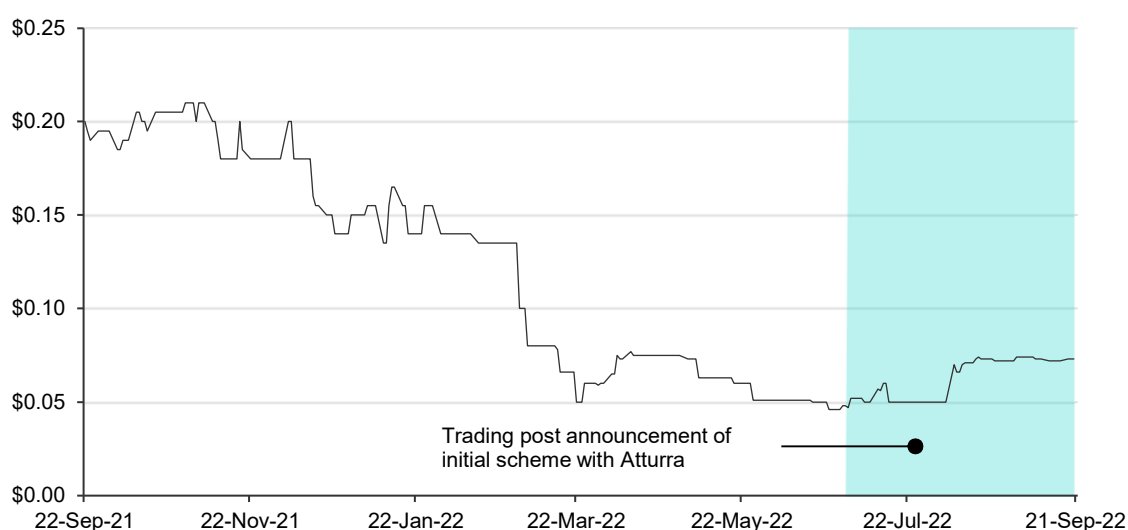
5.7. Recent MOQ Share price performance

MOQ Shares are listed on the ASX under the trading code “MOQ”. On the Undisturbed Share Price Date, the MOQ share price closed at \$0.048. On 30 June 2022, being the day of the announcement of the then proposed scheme of arrangement with Atturra and entry into the Atturra SID, the MOQ share price closed at \$0.047. From 1 July 2022 to the Last Practicable Date, the closing price of MOQ Shares has ranged between \$0.050 and \$0.074.

During the 12 months ending on the Last Practicable Date:

- the highest recorded daily closing price for MOQ Shares on ASX was \$0.21 on 29 October 2021, 1 November 2021 and between 3 November 2021 and 5 November 2021; and
- the lowest recorded daily closing price for MOQ Shares on ASX was \$0.046 between 23 June 2022 and 27 June 2022

Figure A – MOQ closing share price for the 12 months to the Last Practicable Date



6. Information on Brennan VDI Pty Ltd

6.1. Introduction

This Section 6 has been prepared by Brennan. It contains information relating to Brennan and outlines Brennan's business, operation, company structure and Brennan's funding arrangements, vision and intention in relation to MOQ.

Brennan delivers technology solutions and managed IT services for Australian businesses, enterprises and government organisations looking to securely grow, scale and optimise their business. Brennan is determined to help businesses use technology to achieve more and enhance customer service. It was founded by David Stevens approximately 20 years ago, who is currently the managing director and a shareholder of Brennan.

Brennan's vision is to be the #1 Australian technology company. Continuing to increase scale and enhance capabilities will enable Brennan to continue to deliver ever-better services to Australian companies.

6.2. Overview of Brennan

6.2.1. Principal business, operations and history of Brennan

- Brennan is primarily focused on delivering technology solutions to Australia's businesses, government and enterprise customers. It offers hybrid IT, networking, infrastructure, end-user, UC, and telephony, as well as IT security services.
- Brennan has operations and staff in Australia, Singapore, India, New Zealand and the Philippines.
- As of 6 September 2022, Brennan has approximately 675 employees following two successful acquisitions over financial year 2022.
- Further information on Brennan and its operations is available on its website at www.brennanit.com.au.

6.2.2. Advisory Board and Executive Management of Brennan

As at date of this Scheme Booklet, the Brennan board comprises of David Stevens, the founder and managing director.

As at date of this Scheme Booklet, the Brennan senior managers are as follows:

Name	Position
Belinda Giles	Chief Financial Officer
Nick Sone	Chief Customer Officer
Darryl Thompson	Director of Manage Operations
Helen Rutherford	Chief People Officer
Brendon Cook	Advisory Board Member
Stuart Nash	Advisory Board Member

6.2.3. Ownership structure of Brennan

Brennan is a proprietary company limited by shares incorporated in New South Wales. David Stevens is the sole director and company secretary of Brennan. The shareholders of Brennan are David Stevens holding 30% of the ordinary shares on issue and Galilei IT Solutions Limited (a company registered in the United Kingdom) holding 70% of the ordinary shares on issue.

Galilei IT Solutions Limited is ultimately owned by the Stevens Investment Trust, of which David Stevens is the trustee, the principal and the principal beneficiary.

David Stevens is the managing director of the Brennan Group comprising Brennan and various subsidiaries in Australia, India, Singapore and New Zealand. David Stevens is also the sole director of Brennan and a director of various subsidiaries in Australia, India, Singapore and New Zealand.

6.3. Rationale for proposed acquisition of MOQ

Brennan's vision is to be the #1 Australian technology company and the acquisition of MOQ adds further scale, talent, and capability towards the achievement of this vision. The proposed acquisition of MOQ is consistent with Brennan's strategy to grow its business.

6.4. Funding arrangements for the Scheme Consideration

If the Scheme is approved and implemented, MOQ Shareholders will receive a total cash payment of \$0.075 per MOQ Share, which values MOQ's fully diluted equity at approximately \$23.27 million and Brennan will fund this amount payable to Scheme Shareholders under the Scheme by drawdown under an approved debt facility from its banking partner, Macquarie Bank Limited (**Macquarie Bank**).

On the basis of the approved funding from Macquarie Bank, Brennan will be able to satisfy its obligation to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme.

The Scheme is not subject to any financing condition precedent.

Pursuant to a letter of offer dated 8 August 2022 from Macquarie Bank (**Macquarie Letter**), as accepted by Brennan, Brennan has a \$25 million cash advance acquisition facility for the purpose of funding the Scheme Consideration, and a \$3 million working capital facility (**Facilities**). The Facilities have a maturity date of June 2025.

The funding of the Facilities is subject to the satisfaction of certain conditions, which are customary for facilities of this nature and include:

- the obligations of Macquarie Bank to fund under the Facilities is subject to the absence, in Macquarie's opinion, of any circumstance which has or may adversely affect the business, condition or operations of Brennan since its last audited financial statements were prepared, or the ability of Brennan to perform its obligations under the Facilities, during the period from 8 August 2022 to the date of signing of an amended and restated facility agreement between Macquarie Bank and Brennan;
- each of the representations and warranties made by Brennan (or any member of Brennan) in connection with this acquisition being true and accurate, and is not misleading;
- the preparation, execution and delivery of an amended and restated facility agreement between Macquarie Bank and Brennan in form and substance satisfactory to Macquarie Bank, reflecting the Facilities;
- Brennan obtaining all necessary regulatory approvals in connection with the Facilities from any relevant authorities in any relevant jurisdiction;
- all terms of the acquisition documents of MOQ (including the Scheme Implementation Deed and this Scheme Booklet) are satisfactory in all respects to Macquarie Bank; and
- usual provisions relating to fees and expenses, confidentiality, payments and governing law.

Brennan is not aware of any reason the Facilities will not be made available on or before the Second Court Date as the conditions described above are customary and standard conditions for facilities of this nature.

As at the date of this Scheme Booklet, Brennan is not aware of any reason why, and has no basis to believe that, the conditions to the Facilities will not be satisfied so as to enable the relevant Macquarie Bank debt Facilities to be drawn for the purpose of funding the Scheme Consideration.

6.5. Brennan's intentions for MOQ if the Scheme is implemented

6.5.1. Business continuity and operations

After implementation of the Scheme, MOQ and Brennan will continue servicing all MOQ's customers and no impact to operations are anticipated for customers.

Brennan intends to continue running the Sri Lankan operation and utilising the staff based in New Zealand and contractors in the Philippines. Brennan has existing operations in India and would welcome MOQ's additional Columbo operation to expand its access to talent.

Brennan intends to add or integrate the MOQ operations into the Brennan operations and ultimately go to market with the single brand of Brennan with an integrated service, sales and back-office operation.

6.5.2. MOQ Board

Given Brennan's intention to delist MOQ from the official list of the ASX and integrate the MOQ business, the MOQ Board and its subsidiaries will be replaced by nominees of Brennan (who are yet to be identified at the date of this Scheme Booklet) on the Implementation Date.

6.5.3. Management team and employees

Following implementation of the Scheme, Brennan will review MOQ's business operations and organisational structure to ensure MOQ has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities. The MOQ acquisition represents an opportunity to acquire not only the MOQ customers and revenue but importantly the many talented leaders and employees at MOQ. This is a critical aspect to the acquisition in Brennan's view.

6.5.4. Head office

Brennan has made no decisions regarding changes to the MOQ head office. Brennan already has an office space in Brisbane and, in time, Brennan envisions consolidating its Brisbane offices into one location however it has not determined whether that will be into the existing MOQ location, existing Brennan location or a new location.

6.5.5. Delisting

If the Scheme is implemented, Brennan will procure that MOQ apply to the ASX for MOQ to be removed from the official list of ASX as soon as practical following implementation of the Scheme.

6.6. Other Information

6.6.1. Relevant Interests in MOQ Shares

David Stevens has been a long-term investor in MOQ with a current holding of 8.6% of MOQ's shares.¹⁷ David Stevens is a director and shareholder of Brennan. As at the Last Practicable Date, neither Brennan nor any member of Brennan had any Relevant Interests or voting power in any MOQ Shares other than the 8.6% interest held by David Stevens¹⁸ which has been disclosed in the substantial holder notices lodged with ASX on 31 March 2022, 29 August 2022 and 7 September 2022.

6.6.2. Dealings in MOQ Shares in the previous four months

During the four months before the date of this Scheme Booklet, other than pursuant to the Scheme Implementation Deed, Scheme, Deed Poll or the Share Transfer, neither Brennan nor any of its Associates has agreed to provide consideration for any MOQ Shares under any transaction or agreement.

6.6.3. No inducing benefits given during previous four months

During the four months before the date of this Scheme Booklet, none of Brennan or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to vote in favour of the Scheme or dispose of MOQ Shares, where the benefit was not offered to all MOQ Shareholders.

6.6.4. Benefits to current MOQ officers

None of Brennan or its Associates will be making any payment or giving any benefit to any current director, secretary or executive officer of MOQ as compensation for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

¹⁷ David Stevens holds his Relevant Interest in MOQ through entities 40 Baskets Pty Ltd and DWS Super Investments Pty Ltd.

¹⁸ Ibid.

6.6.5. No other material information

Except as otherwise disclosed in this Scheme Booklet, there is no other Brennan Information that is material to the making of a decision in relation to the Scheme, being Brennan Information that is within the knowledge of the directors of Brennan, at the date of this Scheme Booklet, which has not previously been disclosed to MOQ Shareholders.

7. Risks

MOQ Shareholders should be aware that there are a number of risks, both general and specific, associated with the Scheme. The MOQ Directors also consider that there are a number of risk factors, general and specific, which could materially adversely affect the future operating and financial performance of MOQ and the value of MOQ Shares.

The information set out in this Section 7 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting MOQ. Additional risks and uncertainties not currently known to MOQ may also have a material adverse effect on MOQ's operational and financial performance. While measures can be taken to mitigate some risk, the occurrence and consequences of some of the risks described in this Section 7 are partially or completely outside the control of MOQ and the MOQ Directors.

If the Scheme is implemented, you will receive the Scheme Consideration you are entitled to under the Scheme and you will cease to be a MOQ Shareholder from the Implementation Date. From that point in time, you will no longer be exposed to the risks set out in this Section 7.

You should carefully consider the risk factors discussed in this Section 7, as well as the other information contained in this Scheme Booklet before voting on the Scheme.

If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, you should seek independent financial, legal and taxation advice before making any decision regarding the Scheme.

7.1. General risk factors

7.1.1. General equity market risks

As an entity with listed ordinary shares on the ASX, the market price of MOQ Shares is influenced by a variety of general business cycles and economic and political factors in Australia and globally, including economic growth, interest rates, exchange rates, inflation, employment levels, changes in government policy (including fiscal, monetary and regulatory policies) in relevant jurisdictions and changes to accounting or financial reporting standards.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australia and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

7.1.2. Economic conditions and interest rates

Economics conditions, both domestic and global, may affect the performance of MOQ. Adverse changes in things such as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, insurance market conditions, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of MOQ and may result in material adverse impacts on the business and operating results of MOQ.

7.1.3. Liquidity and realisation

There may be few or many potential buyers or sellers of MOQ Shares on the ASX at any given time. This may affect the volatility of the market price of MOQ Shares. It may also affect the prevailing market price at which shareholders are able to sell their MOQ Shares.

7.1.4. Taxation

A change to the current taxation regime may affect MOQ and MOQ Shareholders. Personal tax liabilities are the responsibility of each individual investor in MOQ. MOQ is not responsible for taxation or penalties incurred by investors in MOQ.

7.1.5. Accounting standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgements applied by management in connection with complex accounting matters may adversely impact MOQ's financial statements, results or condition.

7.1.6. Force majeure

Events outside the control of MOQ, such as acts of terrorism, civil disturbance or protest (including civil unrest in Sri Lanka (noting that MOQ has operations in Colombo), which remains ongoing as at the date of this Scheme Booklet), acts of war and hostilities (including the Russia-Ukraine conflict, which remains ongoing as at the date of this Scheme Booklet), natural activities such as earthquakes, floods, fires and adverse weather conditions, catastrophes and disease or pandemic (including the outbreak, escalation or impact of, and recovery from the COVID-19 pandemic) may adversely impact MOQ by affecting its operations and those of its suppliers, service providers or personnel, the market for commodities, or the transport of other infrastructure relating to the operations of MOQ.

7.2. Specific risks for MOQ

7.2.1. Reliance on key relationships and customers

MOQ conducts business in particularly competitive commercial environments alongside various consultancies and digital service providers. MOQ's ability to service its client base and generate revenue from its service offering impacts its financial performance.

This depends in part on MOQ's existing clients renewing on commercially acceptable terms, and not terminating, their contracts. In addition, the failure by MOQ to adapt along with the market and successfully identify and win new work may have a negative effect on its sales pipeline and contract wins, leading in turn to a decline in MOQ's financial performance.

There is also a risk that poor project delivery by MOQ against contractual requirements could lead to the potential loss of key clients, engagements or relationships, financial penalties and/or reputational damage.

There is a further risk that MOQ's existing and prospective clients delay, reduce or cancel projects in respect of which they have engaged or may have intended to engage MOQ. This risk may be more prevalent in light of the current uncertain economic environment. Amongst other things, changes in the financial position of existing or prospective clients could result in key relationships or potential relationships becoming unprofitable or untenable.

7.2.2. Future contracts

From time to time, MOQ may be asked to submit responses to competitive tender situations for new contracts that MOQ wishes to win, or for existing contracts that come up for renewal. There can be no guarantee that MOQ will be successful in winning such competitive tender situations, whether they are in relation to work which is already undertaken by MOQ or for work which is new to MOQ. The ability for MOQ to be competitive and win such tenders may have a material impact on the future financial performance of MOQ.

7.2.3. Dependence on third party service providers and hardware

MOQ uses third party service providers as part of its operations. Such arrangements carry a risk that the third party service providers do not adequately or fully comply with their respective contractual rights and obligations. In particular, MOQ may store information within third-party datacentre hosting facilities located in the cloud. These facilities may be vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Such disruption, particularly if prolonged, in the operation of such third-party datacentre hosting facilities may have a material adverse impact on the reputation of MOQ and its business operations.

Further, there is no guarantee that these third party arrangements will be renewed on commercially accepted terms, or that MOQ's clients will continue to purchase such contracted products or services through MOQ. These developments may adversely impact MOQ's ability to conduct its business and maintain profitability.

7.2.4. Reliance on software vendors and customer concentration

Wholesale software distributors, such as MOQ, have significant reliance on vendors for access to the software licenses that they distribute to customers. MOQ would face significant downside risk if the relationship with vendors were to be jeopardised or significantly altered.

As at the date of this Scheme Booklet, MOQ's largest vendor relationship is with Microsoft with approximately 45% of licensing sales being Microsoft products. If Microsoft were to amend or terminate their relationship with MOQ, this could have a material adverse effect on the financial performance and/or financial position of MOQ.

7.2.5. Competition risk

MOQ's operating performance is influenced by a number of competitive factors including the awareness of its brand, the loyalty of its customers, the scope of its product offering, the pricing strategy of its competitors and its commitment to ongoing innovation.

An increasing number of competitors have entered the Asia Pacific region cloud services market, as the momentum towards the cloud continues to accelerate.

There is a risk that an existing or potential competitors allocates more resources to competing in the markets in which MOQ operates, develops a lower cost or more effective business model, responds to changes to regulations, new technologies or changes in customer requirements faster and more effectively or develops new services that compete more directly with MOQ.

An increase in competition from one or more of the above factors or consolidation in the industry in which MOQ operates may reduce MOQ's growth, market share and/or margins, one or a combination of which may have a material adverse impact on MOQ's financial position.

7.2.6. Sri Lankan operations

MOQ has operations in Colombo, Sri Lanka, including approximately 140 staff, which serve as an offshore delivery centre critically supporting MOQ's managed services operations.

MOQ's activities are subject to the effects of political changes, war and civil conflict, terrorist activities, economic crises, changes in government personnel and policy, nationalisation or expropriation of property, foreign exchange restrictions, lack of law enforcement and labour unrest within Sri Lanka. These changes may impact the profitability and viability of MOQ's activities.

MOQ Shareholders should note that the political turmoil and economic crisis in Sri Lanka is evolving and could be subject to rapid change and that the information set out in this Scheme Booklet may become outdated relatively quickly.

It is also important to note, that as set out in Section 9.7.1, the occurrence of a Prescribed Occurrence is a Condition of the Scheme. A Prescribed Occurrence is defined in the Scheme Implementation Deed to include where the services provided by MOQ's Sri Lankan service centre cease to be provided at the same (or better) service levels when compared to the service levels that were provided on average over the 6 months preceding the date of the Scheme Implementation Deed, being 16 August 2022. As such, there is a risk to MOQ Shareholders that the Scheme will not be implemented if a Prescribed Occurrence occurs in relation to the decrease in service levels in MOQ's Sri Lankan operations before 8.00am on the Second Court Date.

Notwithstanding these risks, as at the date of this Scheme Booklet, MOQ's Sri Lankan service centre is operating without disruption on a "business as usual" basis, such that the service levels remain the same (or better) than the services levels provided on average over the last 6 months prior to the date of the Scheme Implementation Deed. MOQ continues to monitor the situation in Sri Lanka and the potential impact on its staff and business.

7.2.7. Reliance on key personnel

MOQ is reliant on key people in the business who are subject matter experts for the performance of key client implementation, delivery or strategy development work.

Failure to retain current management and employees or recruit suitably qualified key staff as replacements or to support growth, would have an adverse impact on MOQ's future financial performance or position.

7.2.8. Staff turnover

Staff turnover levels may increase as a result of a range of factors including salary pressure, the financial position and performance of MOQ, management decisions, factors including the digital services industry as a whole, and the level of career progression opportunities outside of MOQ, including with its competitors. High levels of staff turnover may adversely affect the quality of MOQ's service offerings, as well as being associated with higher recruitment and training costs, and increases in compensation costs related to attracting and retaining personnel.

7.2.9. Debtors risk

MOQ generates revenue from customers in accordance with its payment terms. However, there is a risk that MOQ's customers may default on their payment obligations to MOQ or delay payment which may have an adverse effect on MOQ's financial position. MOQ closely monitors its aged debtors to ensure they remain within appropriate levels in the context of MOQ's industry and business.

7.2.10. Past and current acquisitions

In accordance with its growth strategy, MOQ has undertaken a number of acquisitions. At the time of each acquisition, MOQ conducted due diligence enquiries and typically engaged external legal expertise in its due diligence. Despite this, it is possible that one or more material issues or liabilities may not have been identified, or are of an amount greater than expected, and that the protections negotiated by MOQ prior to the relevant acquisition are inadequate in the circumstances and may materially affect MOQ and its business in the future.

7.2.11. Cyber security

MOQ may be subject to various IT related disruptions including IT system failures, network provider disruptions, cybersecurity attacks, breaches in data security, and other non-malicious disruptions and incidents, which may materially adversely affect its operations, reputation, financial condition and operating results, and could further lead to the loss of clients, potential investigations and regulatory action with exposure to penalties.

7.2.12. External technology risk

MOQ has developed its own software in house, which is used in conjunction with off-the-shelf software. Such software may be subject to external factors, such as obsolescence of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or other related issues. In addition, the software requires updating and maintenance. External factors may also affect the ability of MOQ to effectively update and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for MOQ, causing a need to rely on other solutions or develop these in house. Should MOQ's software not be adequately maintained, secured or updated, software failures may negatively impact on MOQ's performance.

7.2.13. Litigation risk

MOQ notes that in the ordinary course of business it may be exposed to potential claims, disputes, litigation and legal proceedings, which may result in an adverse financial and reputational impact. If MOQ is involved in such claims, disputes, litigation or legal proceedings, it may disrupt MOQ's business operations, cause MOQ to incur significant legal costs and may divert management's attention away from the day-to-day operations of the business.

7.2.14. Major shareholder risk

MOQ currently has a number of substantial shareholders on its share register. There is a risk that these shareholders or another substantial shareholder may sell their shares at a future date. This could cause the price of MOQ Shares to decline.

7.2.15. Regulatory risks

MOQ is subject to various laws and regulations. Amendments to current laws and regulations governing MOQ's operations, or more stringent implementation thereof could have a material adverse impact on MOQ and cause increases in expenses, capital expenditure or costs. Further,

changes to relevant laws and regulations can give rise to periods of uncertainty which may negatively impact MOQ.

7.2.16. Change in laws and regulations

MOQ is subject to, and must comply with, a variety of laws and regulations in the ordinary course of its business. These laws and regulations include those that relate to fair trading and consumer protection, product safety, employment and taxation. Changes to laws and regulations may adversely affect MOQ, including by increasing its costs either directly or indirectly (including by increasing the cost to the business of complying with legal requirements).

7.2.17. Other specific risks

Other areas of risk faced by MOQ include cyber risk, contractual risk, being the nature of the performance, payment terms and indemnity requirements in contracts with customers, financial risks arising from fraud, regulatory breaches and bad debts, and foreign exchange risks.

MOQ has in place what it considers are appropriate policies and procedures to help manage these risks, and MOQ continually updates and develops those policies. In addition, as a result of considering the Scheme, MOQ is exposed to risks associated with potential business distraction.

7.3. Risks in relation to the Scheme

7.3.1. MOQ Option risk

It is a Condition of the Scheme that the MOQ Options are exercised or cancelled before the Second Court Date. As the exercise prices for the MOQ Options¹⁹ exceed the Scheme Consideration, the MOQ Directors expect that the MOQ Optionholders will choose to cancel, rather than exercise, their MOQ Options. Nonetheless, there is a risk that one or more of the MOQ Optionholders will not exercise their MOQ Options or execute a deed cancelling their MOQ Options. If this occurs there would be a technical failure to satisfy the relevant Condition, in which case Brennan may elect to terminate the Scheme Implementation Deed or alternatively waive its right to terminate and proceed with the Scheme.

7.3.2. Implications for MOQ and MOQ Shareholders if the Scheme is not implemented

If the Scheme does not become Effective and is not implemented, MOQ will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX and MOQ Shareholders will retain their MOQ Shares and will not receive the Scheme Consideration.

Unless MOQ Shareholders choose to sell their MOQ Shares on the ASX, MOQ Shareholders will continue to hold MOQ Shares and be exposed to both the risks (including those set out in this Section 7) and potential future benefits in retaining exposure to MOQ's business.

The MOQ share price will also remain subject to market volatility and is likely to fall in the absence of a Superior Proposal.

7.3.3. Implications for MOQ and MOQ Shareholders if Brennan is unable to secure the funding arrangements described in Section 6.4

If the funds contemplated under Brennan's Facilities with Macquarie Bank described in Section 6.4 of this Scheme Booklet are not obtained, Brennan may not be able to fund the Scheme Consideration payable under the Scheme.

If Brennan does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed, the Scheme will not be implemented and the Scheme Shareholders will not transfer to Brennan their Scheme Shares (and will not receive the Scheme Consideration for their Scheme Shares). MOQ will continue, in the absence of a Superior Proposal, to operate as a standalone entity and remain listed on the ASX and MOQ Shareholders will be subject to the risks set out above in Section 7.3.1.

¹⁹ There are 3,636,360 MOQ Options with an exercise price of \$0.181, 363,636 MOQ Options with an exercise price of \$0.217 and 681,818 MOQ Options with an exercise price of \$0.234.

As further described in section 9.7.5, if the Scheme becomes Effective but Brennan does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed, a Reimbursement Fee of \$190,000 plus GST will be payable by Brennan to MOQ.

As indicated in section 6.4, as at the date of this Scheme Booklet, Brennan is not aware of any reason why, and has no basis to believe that, the conditions to the Facilities will not be satisfied so as to enable the relevant Macquarie Bank debt Facilities to be drawn for the purpose of funding the Scheme Consideration.

7.3.4. Transaction costs will be incurred

If the Scheme is implemented, MOQ expects to pay an aggregate of approximately \$1.63 million in transaction costs in connection with the Scheme. These transaction costs are primarily payable to MOQ financial, legal, tax and accounting advisers, insurance providers, the Independent Expert and the Share Registry.

If the Scheme is not implemented, MOQ expects to incur transaction costs of approximately \$0.68 million. In addition, under the Scheme Implementation Deed, MOQ is required to pay the Reimbursement Fee of \$190,000 plus GST to Brennan if the Scheme does not proceed in certain circumstances.

The difference between these two transaction costs in the scenario where the Scheme is implemented compared to where the Scheme is not implemented, is due to two fees payable by MOQ that are transaction dependent, namely D&O Run-Off Insurance and financial advisory costs.

8. Australian tax implications of the Scheme

8.1. Introduction

This Section 8 sets out a general summary of the key Australian income tax, stamp duty and GST consequences of the Scheme for certain MOQ Shareholders who participate in the Scheme (assuming it is implemented). This summary is not intended to be an authoritative or complete statement of the applicable Australian taxation laws and should not be relied upon as taxation advice. The Australian tax consequences arising to MOQ Shareholders in connection with the Scheme will vary depending on their specific profile, characteristics and circumstances. Accordingly, it is recommended that MOQ Shareholders obtain independent professional advice in relation to the Scheme, which takes into account their own particular circumstances.

The general Australian tax consequences outlined in this summary are relevant only to MOQ Shareholders who are individuals, companies, trusts or complying superannuation funds that hold their Scheme Shares on capital account for Australian income tax purposes. This summary does not cover MOQ Shareholders who:

- hold their Scheme Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes, or otherwise on revenue account;
- may be subject to special rules, such as banks, insurance companies, tax exempt organisations, certain trusts, superannuation funds (unless otherwise stated) or dealers in securities;
- are 'temporary residents' as that term is defined in subsection 995-1(1) of the Income Tax Assessment Act 1997 (Cth);
- change their tax residence whilst holding Scheme Shares;
- are non-residents for Australian income tax purposes and who hold their Scheme Shares as an asset of a permanent establishment in Australia;
- are non-residents for Australian income tax purposes who, together with their associates, hold (or have held in the preceding 24 months) 10% or more of the shares in MOQ;
- are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their Scheme Shares; or
- are subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 (Cth) in relation to their Scheme Shares.

The comments in this summary are based upon the Australian taxation laws and administrative practice of the tax authorities in effect at the date of this Scheme Booklet. Australian taxation laws are complex and are subject to frequent change, as is their interpretation by the courts and the tax authorities. MOQ Shareholders should be aware that any changes to the Australian taxation laws or administrative practices (including any changes which operate retrospectively) may affect the taxation treatment applicable to MOQ Shareholders as described in this summary.

This summary does not take into account the tax laws of countries other than Australia. MOQ Shareholders who are tax residents of a country other than Australia should consider the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law, and should obtain independent professional advice on their particular circumstances.

8.2. Australian resident shareholders

8.2.1. Capital gains tax (CGT)

A CGT event will happen to MOQ Shareholders when they dispose of their Scheme Shares to Brennan under the Scheme. The time of the disposal for CGT purposes should be the Implementation Date.

8.2.2. Calculation of capital gain or capital loss

MOQ Shareholders should make a capital gain from the disposal of their Scheme Shares to the extent that the capital proceeds received exceed the cost base of their Scheme Shares. Conversely, MOQ Shareholders should make a capital loss to the extent that the reduced cost base of their Scheme Shares exceeds the capital proceeds received.

8.2.3. Cost base

Broadly, the cost base or reduced cost base of each Scheme Share should equal the money an MOQ Shareholder paid or was required to pay to acquire the Scheme Share plus any non-deductible incidental costs incurred in acquiring or disposing of the Scheme Share (such as brokerage).

8.2.4. Capital proceeds

The capital proceeds received in respect of the disposal of each Scheme Share should be the Scheme Consideration, being \$0.075 cash per Scheme Share.

8.2.5. Calculating a net capital gain or net capital loss

A capital gain or capital loss made in respect of the disposal of the Scheme Shares should be aggregated with any other capital gains or capital losses that a MOQ Shareholder generates in the relevant income year in which the Scheme Shares are sold.

Where there is a resulting capital gain (after also offsetting available carried forward capital losses from prior income years), a MOQ Shareholder may be able to claim the CGT discount to reduce this capital gain and any remaining amount (referred to as a “net capital gain”) should then be included in a MOQ Shareholder’s assessable income. Further comments on the CGT discount are set out at section 8.2.6.

By contrast, where there is a resulting net capital loss, this may be carried forward and offset against future taxable capital gains generated by a MOQ Shareholder (subject to satisfying applicable loss recoupment rules). Net capital losses cannot be used to reduce ordinary assessable income (only capital gains).

8.2.6. CGT discount

MOQ Shareholders may be able to claim the CGT discount to effectively reduce any capital gain made in respect of the disposal of the Scheme Shares if those Scheme Shares have been held for at least 12 months before the Implementation Date. Where the CGT discount is applicable, any capital gain (after applying available capital losses) may be reduced by half in the case of an individual or trust, or one third in the case of a complying superannuation fund. No CGT discount is available for companies.

For completeness, where an MOQ Shareholder is the trustee of a trust (other than the trustee of a complying superannuation fund) that has held the Scheme Shares for at least 12 months before the Implementation Date, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the income tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

8.3. Non-resident shareholders

MOQ Shareholders that are non-residents of Australia for income tax purposes and who (together with their associates) hold an interest of less than 10% in MOQ should generally disregard a capital gain or capital loss arising from the disposal of their Scheme Shares as their Scheme Shares should not constitute ‘taxable Australian property’.

MOQ Shareholders that are non-residents of Australia for income tax purposes and who (together with their associates) hold an interest of 10% or more in MOQ or have held such an interest for a 12 month period in the 24 months preceding the Implementation Date should seek independent professional advice on the Australian income tax consequences arising from the disposal of their Scheme Shares, having regard to their particular circumstances.

8.4. Foreign resident capital gains withholding tax

The foreign resident capital gains withholding tax regime should not apply in relation to Scheme Shares held by MOQ Shareholders that are non-residents of Australia for income tax purposes and who (together with their associates) hold an interest of less than 10% in MOQ as their Scheme Shares should not constitute ‘indirect Australian real property interests’.

Accordingly, for these MOQ Shareholders, the foreign resident capital gains withholding tax regime should not operate to require Brennan to withhold an amount from the Scheme Consideration paid.

MOQ Shareholders that are non-residents of Australia for income tax purposes and who (together with their associates) hold an interest of 10% or more in MOQ or have held such an interest for a 12 month period in the 24 months preceding the Implementation Date should seek independent professional advice on the Australian income tax consequences arising from the disposal of their Scheme Shares, having regard to their particular circumstances.

8.5. GST

GST should not be payable on the disposal of the Scheme Shares under the Scheme.

MOQ Shareholders may be charged GST on costs incurred in relation to the Scheme (e.g., tax, legal or other advisory fees). Certain MOQ Shareholders that are registered (or required to be registered) for GST may be entitled to claim input tax credits (or reduced input tax credits) in relation to GST incurred on these costs.

MOQ Shareholders should seek their own independent tax advice on the GST consequences of participating in the Scheme having regard to their own particular circumstances.

8.6. Stamp Duty

MOQ Shareholders should not be liable for any stamp duty on the disposal of their Scheme Shares under the Scheme.

9. Additional information

9.1. Interests of MOQ Directors

9.1.1. MOQ Directors' interests in MOQ Shares

As at the Last Practicable Date, the MOQ Directors had the following interests in MOQ Shares:

Key Person	Number of MOQ Shares	Percentage of outstanding MOQ Shares
Entities associated with Alex White	38,277,378	12.3%
Entities associated with Peter Ward	31,273,925	10.1%
Entities associated with Scott McPherson	23,243,610	7.5%
Entities associated with David Shein	7,154,868	2.3%
Entities associated with Karen Bell	6,000,000	1.9%
Total	105,949,781	34.1%

Except in relation to the MOQ Entitlement Offer, no MOQ Director acquired or disposed of a Relevant Interest in any MOQ Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

9.1.2. Interests in Brennan securities

As at the Last Practicable Date, no MOQ Director had a Relevant Interest in any shares or other securities in any Brennan Group Member.

No MOQ Director acquired or disposed of a Relevant Interest in any shares or other securities in any Brennan Group Member in the four-month period ending on the date immediately before the date of this Scheme Booklet.

9.2. Payments or other benefits of MOQ Directors, secretaries or executive officers of MOQ

Except as set out below or otherwise disclosed in this Scheme Booklet:

- there is no payment or other benefit that is proposed to be made or given to any MOQ Director, secretary or executive officer of MOQ (or any of its Related Bodies Corporate) as compensation for the loss of, or as consideration or in connection with his or her retirement from, office in MOQ (or any of its Related Bodies Corporate) as a consequence of or in connection with the Scheme and no MOQ Director, or secretary or executive officer of MOQ (or any of its Related Bodies corporate) has had or is to have the amount of any payment or benefit which may have been made to them upon their loss of office or retirement from office, materially affected by the Scheme;
- the MOQ Directors do not have any other interests in a contract entered into by Brennan;
- there are no contracts or arrangements between a MOQ Director and any person in connection with or conditional upon the outcome of the Scheme; and
- the MOQ Directors do not have a material interest in relation to the Scheme (except as otherwise disclosed in this Scheme Booklet).

Brennan has no current intention to replace Mr Peter Ward as the CEO of MOQ after implementation of the Scheme. Any changes to Mr Ward's employment terms have not been finalised as at the Last Practicable Date.

9.3. Independent Expert

The Independent Expert has prepared the Independent Expert's Report at Attachment 1 of this Scheme Booklet advising as to whether, in its opinion, the Scheme is in the best interests of MOQ Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of MOQ Shareholders.

9.4. Consents and disclaimers

The Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- Brennan in respect of the Brennan Information only;
- Deloitte as Tax Adviser; and
- Lonergan Edwards & Associates Limited as the Independent Expert.

Each of those persons named above has consented to the inclusion in this Scheme Booklet of each statement it has made, in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

9.4.1. Independent Expert

Lonergan Edwards & Associates Limited has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- be named as Independent Expert in the form and context in which it is named;
- the inclusion of the Independent Expert's Report as Attachment 1; and
- the inclusion in this Scheme Booklet of statements by the Independent Expert, or said to be based on the Independent Expert's Report, and all references to those statements, in the form and context in which they are respectively included.

9.4.2. Brennan

Brennan has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to:

- be named in this Scheme Booklet in the form and context in which it is named; and
- the inclusion in this Scheme Booklet of the Brennan Information in the form and context in which it appears.

9.4.3. Advisers and Share Registry

Monash Advisory Pty Ltd has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as MOQ's financial Adviser in the form and context in which it is named.

Thomson Geer has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as MOQ's legal Adviser in the form and context in which it is named.

Deloitte has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as MOQ's tax Adviser in the form and context in which it is named.

Automic Pty Ltd has given, and has not withdrawn before the date of this Scheme Booklet, its written consent to be named in this Scheme Booklet as the Share Registry in the form and context in which it is named.

9.5. Fees

If the Scheme is implemented, the costs incurred by MOQ in relation to the Scheme will effectively be met by Brennan as the ultimate controller of MOQ following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and becomes effective, MOQ expects to incur total costs of approximately \$0.68 million.

9.6. Foreign jurisdictions

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. MOQ disclaims all liabilities to such persons. MOQ Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Scheme Booklet or any aspect of the Scheme in any jurisdiction outside of Australia.

9.7. Key terms of the Scheme Implementation Deed

MOQ and Brennan entered into the Scheme Implementation Deed on 16 August 2022, as varied pursuant to a deed of variation dated 21 September 2022.

The Scheme Implementation Deed sets out the obligations of MOQ and Brennan in connection with the implementation of the Scheme. A full copy of the Scheme Implementation Deed is attached to the MOQ ASX announcements of 16 August 2022 which is available on the ASX website (<https://www2.asx.com.au/>) and MOQ's website (<https://www.moq.com.au/>). A copy of the variation deed dated 21 September 2022, amending the Scheme Implementation Deed is attached to in MOQ's ASX announcement of 21 September 2022.

The following is a summary only and is qualified in its entirety by the full text of the Scheme Implementation Deed. All capitalised terms used in this Section have the meaning given to them in Section 10, unless otherwise indicated.

9.7.1. Scheme Conditions

The obligations of the parties to implement the Scheme is subject to the following Conditions, which are summarised below but set out in full in clause 3.1 of the Scheme Implementation Deed:

No.	Condition
1	Regulatory Approvals Before 8.00am on the Second Court Date, ASIC and ASX have issued or provided (and not withdrawn, revoked or varied) such consents, waivers, modifications and/or approvals or have done such other acts which are necessary or reasonably desirable to implement the Scheme. If such consents, waivers, modifications and/or approvals are subject to conditions those conditions must be acceptable to MOQ and Brennan (acting reasonably). Any other approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the Scheme are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
2	No restraints No law, statute, ordinance, regulation, rule, temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any court of competent jurisdiction or Government Agency or other legal restraint or prohibition preventing or materially restricting the Scheme or its implementation is in effect at 8:00am on the Second Court Date.
3	Independent Expert's Report The Independent Expert provides the Independent Expert's Report to MOQ, stating that in its opinion the Scheme is in the best interests of MOQ Shareholders, and the Independent Expert does not change its conclusion or withdraw the Independent Expert's Report by notice in writing to MOQ prior to 8:00am on the Second Court Date.
4	Order convening Scheme Meeting The Court order the convening of the Scheme Meeting.
5	Shareholder approval Shareholder Approval is obtained at the Scheme Meeting.

No.	Condition
6	Court approval The Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations on either party (acting reasonably).
7	Court Order lodgement An office copy of the Court order approving the Scheme is lodged with ASIC before the End Date.
8	Cancellation of MOQ Options Before 8:00am on the Second Court Date, arrangements have been put in place to cancel the existing MOQ Options for nil consideration and on such other terms acceptable to Brennan, such that the MOQ Options (or any other securities in MOQ other than MOQ Shares) are not in existence on the Record Date.
9	Prescribed Occurrence No Prescribed Occurrence occurs before 8:00am on the Second Court Date.
10	No Material Adverse Event No Material Adverse Event occurs or is discovered, announced, disclosed or otherwise becomes known to Brennan before 8:00am on the Second Court Date.
11	MOQ Warranties Each MOQ Representation and Warranty under the Scheme Implementation Deed is true and correct in all material respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date as set out in clause 9.5 of the Scheme Implementation Deed.
12	Brennan Warranties Each Brennan Representation and Warranty under the Scheme Implementation Deed is true and correct in all material respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date as set out in clause 9.5 of the Scheme Implementation Deed.

As far as MOQ is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which have caused or will cause any of the other Conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each Condition is to be satisfied, which for many of the Conditions is 8:00am on the Second Court Date.

9.7.2. Conduct of business

Subject to certain exceptions, during the Relevant Period, MOQ is required to comply with certain conduct of business requirements, which are summarised below but set out in full in clause 6.1 of the Scheme Implementation Deed.

Among other things MOQ must:

- conduct its business and operations in the ordinary course, subject to and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals;
- operates its businesses in a manner substantially consistent with the manner in which those businesses have been conducted prior to the date of the Scheme Implementation Deed;
- use best endeavours to:
 - preserve intact the MOQ Group's current business organisation;
 - maintain the condition of its business and assets in accordance with the ordinary course of its business, allowing for fair wear and tear;
 - keep Brennan informed of the MOQ Group's business by providing in a timely manner to Brennan financial and operational reports provided to the MOQ Board (but excluding

information relating to MOQ's directors' and management's consideration of the Scheme or any Competing Proposal);

- preserve their relationships with customers, suppliers, landlords, licensors, licensees and others having material business dealings with them;
- retain the services of and keep available the services of the directors, officers and all key employees;
- promptly notify Brennan of any material claim which may be threatened, brought, asserted or commenced against any member of the MOQ Group, or their officers and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any proceedings;
- not create, or agree to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property other than in the ordinary course of business;
- not enter into, vary or amend any material contract or agreement;
- do all things reasonably necessary to procure that member of the MOQ Group does notify the Brennan if it becomes aware of a breach of a MOQ Financing or the occurrence of a MOQ Financing Default, together with reasonable information in relation to the matter, event or circumstance giving rise to the breach or MOQ Financing Default;
- immediately notify Brennan of the proposed employment of employees of the MOQ Group having remuneration in excess of \$100,000; and
- immediately notify Brennan a proposed increase in remuneration of those employees who report directly to the Chief Executive Officer of MOQ Group.

9.7.3. Exclusivity arrangements and competing proposals

MOQ has agreed to certain exclusivity restrictions that are summarised below. Full details of these restrictions are contained in clause 11 of the Scheme Implementation Deed.

These restrictions apply to MOQ during the Exclusivity Period.

Restriction	Description
Notification of new approaches	MOQ must promptly (but in any event within 2 Business Days) notify Brennan if the MOQ Group is approached by any Third Party to take any action of a kind that would breach its obligations under the 'no shop', 'no talk' and 'no due diligence' restrictions set out below and MOQ must provide to Brennan all material information of the approach.
No shop	MOQ must not, except with the prior written consent of Brennan, directly or indirectly solicit, invite, encourage or initiate any Competing Proposal or any enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal, or communicate any intention to do any of those things.
No talk	Subject to the fiduciary exception (described below), MOQ must not, except with the prior written consent of Brennan, enter into, continue or participate in negotiations or discussions with, or enter into any agreement, arrangement or understanding with, any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal. Fiduciary exception: this restriction does not apply where the MOQ Board, acting in good faith and after receiving written advice from MOQ's external legal advisers and its Financial Advisor, determines that such Competing Proposal is, or may reasonably be expected to constitute, a Superior Proposal if it were proposed and that failing to respond to such Competing Proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of the MOQ Board.
No due diligence	Subject to the fiduciary exception (described above), MOQ must not, except with the prior written consent of Brennan, make available to any Third Party or permit any Third Party to receive any non-public information relating to any member of the MOQ Group in connection with such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

Restriction	Description
Brennan's Matching Right	<p>MOQ must not enter into any legally binding agreement, arrangement or understanding pursuant to which one or more of a Third Party, MOQ or any Related Body Corporate of MOQ proposes to undertake or give effect to a Competing Proposal unless it complies with the following:</p> <ul style="list-style-type: none"> • a prior written notice is sent promptly from MOQ to Brennan containing a summary of the material terms and conditions of the Competing Proposal; • during a period of 2 clear Business Days following receipt of such notice, Brennan will have the right to offer to amend the terms of the Scheme (Counterproposal) so that the terms of the Scheme (as amended) would provide an equivalent or superior outcome for the MOQ Shareholders than the applicable Counter Proposal; and • MOQ must procure that the MOQ Board consider any such Counterproposal and, if the MOQ Board determines, acting in good faith and after having taken advice from its legal and Financial Advisors that: <ul style="list-style-type: none"> ○ the Counterproposal is capable of being completed, taking into account all aspects of the Counterproposal, including its conditions; and ○ would, if completed, be more favourable to the MOQ Shareholders than the Competing Proposal, then MOQ and Brennan must use their best endeavours to: <ul style="list-style-type: none"> ○ agree to the amendments to the Transaction Documents that are reasonably necessary to reflect the Counterproposal; and ○ enter into one or more appropriate amended agreements to give effect to and implement the Counterproposal. • In each case, MOQ must use its best endeavours to procure that the MOQ Board continues to recommend the Counterproposal to MOQ Shareholders and not the applicable Competing Proposal. <p>Each successive material modification of any Third Party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal or potential Competing Proposal.</p>

9.7.4. Representations and warranties

The Scheme Implementation Deed contains customary and other representations and warranties by each of MOQ (in clause 9.1 of the Scheme Implementation Deed) and Brennan (in clause 9.3 of the Scheme Implementation Deed).

9.7.5. Reimbursement Fee arrangements

MOQ Reimbursement Fee

In relation to this Scheme, MOQ has agreed to pay to Brennan the Reimbursement Fee of \$190,000 plus GST if:

Reimbursement Fee circumstance	Description
Change of recommendation	<p>During the Exclusivity Period, any MOQ Board Member:</p> <ul style="list-style-type: none"> • withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Scheme or their recommendation that MOQ Shareholders (other than Excluded Shareholders) vote in favour of the Scheme or fails to recommend that MOQ Shareholders (other than Excluded Shareholders) vote in favour of the Scheme; or

Reimbursement Fee circumstance	Description
	<ul style="list-style-type: none"> recommends that MOQ Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Director MOQ Shares), a Competing Proposal that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period.
Competing Proposal	<p>A Competing Proposal is announced during the Exclusivity Period and within 12 months of the date of such announcement, the Third Party or any Associate of that Third Party:</p> <ul style="list-style-type: none"> enters into an agreement, arrangement or understanding with MOQ or any MOQ Group member, or completes a Competing Proposal that, when entered into or completed, means that the Third Party (either alone or together with any Associate) would: <ul style="list-style-type: none"> acquire Control of MOQ or any subsidiary of MOQ; directly or indirectly, acquire a Relevant Interest in or become the holder of more than 20% of the shares on issue in MOQ or the whole or a substantial or material part of the MOQ business or assets; otherwise acquire or merge with MOQ; or require MOQ to abandon, or otherwise fail to proceed with, the Scheme; or acquires (either alone or in aggregate) a Relevant Interest in more than 20% of the MOQ Shares or otherwise acquires (either alone or in aggregate) Control of MOQ.
Brennan terminates Scheme Implementation Deed	<p>Brennan terminates the Scheme Implementation Deed because at any time before 8.00am on the Second Court Date:</p> <ul style="list-style-type: none"> MOQ has materially breach the Scheme Implementation Deed and Brennan has given written notice to MOQ setting out the relevant circumstances and stating an intention to terminate the Scheme Implementation Deed, and the relevant circumstances continue to exist for fifteen Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given.
Breach of Matching Right provision	MOQ breaches the Matching Right provision (clause 11.6) in the Scheme Implementation Deed.
Court approval	The Court fails to approve the terms of the Scheme for which the approval of the requisite MOQ Shareholders has been obtained as a result of a material non-compliance by MOQ with any of its obligations under the Scheme Implementation Deed.

Brennan Reimbursement Fee

In relation to this Scheme, Brennan has agreed to pay to MOQ the Reimbursement Fee of \$190,000 plus GST if:

Reimbursement Fee circumstance	Description
MOQ terminates Scheme Implementation Deed	<p>MOQ terminates the Scheme Implementation Deed because at any time before 8.00am on the Second Court Date:</p> <ul style="list-style-type: none"> Brennan has materially breached the Scheme Implementation Deed and MOQ has given written notice to Brennan setting out the relevant circumstances and stating an intention to terminate the

Reimbursement Fee circumstance	Description
	<p>Scheme Implementation Deed, and the relevant circumstances continue to exist for fifteen Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given; or</p> <ul style="list-style-type: none"> any Brennan Board Member makes a public statement indicating that he or she recommends, supports or endorses any proposal, agreement, arrangement or transaction other than the Scheme which would have the effect of preventing Brennan or any member of the Brennan Group from proceeding with the Scheme.
Court approval	The Court fails to approve the terms of the Scheme for which the approval of the requisite MOQ Shareholders has been obtained as a result of a material non-compliance by Brennan with any of its obligations under the Scheme Implementation Deed.

Full details regarding the MOQ and Brennan Reimbursement Fee are set out in full in clause 13 of the Scheme Implementation Deed.

9.7.6. Termination of the Scheme Implementation Deed

The circumstances in which the Scheme Implementation Deed can be terminated are set out in full in clause 12 of the Scheme Implementation Deed.

Below is a summary of the termination rights of the parties under the Scheme Implementation Deed:

Mutual termination rights

Either party may terminate the Scheme Implementation Deed if:

- **(Material breach)** at any time before 8.00am on the Second Court Date, the other party is in material breach of any of clause of the Scheme Implementation Deed and the terminating party has given notice of the breach and stating their intention to terminate the Scheme Implementation Deed and the relevant circumstances giving rise to the breach continues to exist for 15 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) of being notified of that breach;
- **(Regulatory approvals)** at any time before 8.00am on the Second Court Date if the Court or another Government Agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing the Scheme, or has refused to do anything necessary to permit the Scheme to be implemented by the End Date, and the action or refusal has become final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of an appeal or review succeeding by the End Date;
- **(Conditions)** if a Scheme Condition becomes incapable of being satisfied or waived (if capable of waiver) and the parties have complied with the provisions in clause 3.6 of the Scheme Implementation Deed;
- **(Mutual Termination)** such termination is mutually agreed by the other party;
- **(End Date)** if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date; or
- **(Shareholder Approval)** if MOQ's Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majorities.

MOQ termination rights

MOQ may also terminate the Scheme Implementation Deed by notice in writing at any time before 8.00am on the Second Court Date if:

- **(Superior Proposal)** the MOQ Board determines and publicly announces that a Competing Proposal is a Superior Proposal; or
- **(no Counterproposal)** Brennan does not issue a Counterproposal or MOQ does not accept Counterproposal in accordance with clause 11.6 of the Scheme Implementation Deed.

Brennan termination rights

Brennan may also terminate the Scheme Implementation Deed by notice in writing at any time before 8.00am on the Second Court Date if the MOQ Board or a Director of the MOQ publicly changes (including by attaching qualifications to) or withdraws its, his or her statement that it, he or she considers the Scheme to be in the best interests of MOQ Shareholders or its, his or her recommendation that MOQ Shareholders approve the Scheme.

9.8. Regulatory approvals

All regulatory approvals that are Conditions to the Scheme are set out in Clause 3.1(a) of the Scheme Implementation Deed.

9.9. Other information material to the making of a decision in relation to the Scheme

Except as disclosed elsewhere in this Scheme Booklet, there is no other information that is material to the making of a decision by a MOQ Shareholder whether or not to vote in favour of the Scheme which is known to any MOQ Director and which has not previously been disclosed to MOQ Shareholders at the date of lodging this Scheme Booklet with ASIC for registration.

9.10. Supplementary information

MOQ will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Scheme Booklet is materially false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining relevant approvals, MOQ may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently placed newspaper which is circulated throughout Australia;
- posting the supplementary document to MOQ Shareholders at their address shown in the MOQ Share Register; and/or
- posting a statement on MOQ's website at <https://www.moq.com.au/>,

as MOQ, in its absolute discretion, considers appropriate. In particular, where the matter is not materially adverse to MOQ Shareholders such circulation and publication may only be announced to ASX.

10. Glossary

In this Scheme Booklet, unless the context other appears, the following terms have the meanings shown below:

Term	Definition
Adviser	means in relation to an entity: <ol style="list-style-type: none"> a financier to the entity in connection with the Scheme; a financial, corporate, legal, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Scheme by the entity
Announcement Date	means 16 August 2022
ASIC	means the Australian Securities and Investments Commission
Associate	has the meaning set out in section 12 of the Corporations Act
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates
ASX Listing Rule	means the official listing rules of the ASX
ATO	means the Australian Tax Office
Atturra	means Atturra Limited (ASX:ATA)
Atturra Holdings	means Atturra Holdings Pty Ltd, a wholly owned subsidiary of Atturra
Atturra SID	means the scheme implementation deed dated 30 June 2022 between MOQ and Atturra Holdings, as amended
Brennan	means Brennan VDI Pty Ltd ACN 125 976 007
Brennan Board Member	has the meaning given in the Scheme Implementation Deed
Brennan Group	means Brennan and each of its subsidiaries, and a reference to an Brennan Group Member or a member of the Brennan Group is to Brennan or any of its subsidiaries
Brennan Information	means the information about the Brennan Group contained in: <ol style="list-style-type: none"> the following questions and answers in Section 3 of this Scheme Booklet: <ol style="list-style-type: none"> "Who is Brennan and what are its intentions for MOQ?"; and "How is Brennan funding the Scheme Consideration?"; and Section 6 of this Scheme Booklet.
Brennan Representation and Warranty	means the representations and warranties given by Brennan in relation to the Scheme and as set out in clause 9.3 of the Scheme Implementation Deed
Business Day	means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia
Competing Proposal	has the meaning given in the Scheme Implementation Deed
Conditions or Scheme Conditions	means the conditions for implementation of the Scheme set out in clause 3.1 of the Scheme Implementation Deed as summarised in Section 9.7.1 of this Scheme Booklet
Control	has the meaning given in section 50AA of the Corporations Act
Corporations Act	means the Corporations Act 2001 (Cth)
Corporations Regulations	means the Corporations Regulations 2001 (Cth)
Counterproposal	has the meaning given to that term in clause 11.6(b) of the Scheme Implementation Deed

Term	Definition
Court	means the Federal Court of Australia
Deed Poll	means a deed poll executed under which Brennan covenants to favour the Scheme Shareholders to perform the obligations attributed to Brennan under the Scheme, a copy of which is attached at Attachment 2
Deloitte	means Deloitte Private Pty Limited ACN 120 167 455
Director(s)	means all directors of MOQ as at the date of this Scheme Booklet
Effective	means when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme
Effective Date	means the date on which the Scheme becomes Effective
End Date	means the date that is 5 months from the date of the Scheme Implementation Deed (being 16 January 2023), or such other date as agreed in writing by MOQ and Brennan
Excluded Shareholder	has the meaning given in the Scheme Implementation Deed, being any MOQ Shareholder who is, or becomes, a member of the Brennan Group or an Associate or any MOQ Shareholder who holds any MOQ Shares on behalf of, or for the benefit of, any member of the Brennan Group and does not hold MOQ Shares on behalf of, or for the benefit of, any other person
Exclusivity Period	means the period from and including the date of the Scheme Implementation Deed to the earliest of: <ul style="list-style-type: none"> a. the date of termination of the Scheme Implementation Deed; b. the End Date; and c. the Implementation Date
Financial Advisor	means a financial adviser retained by MOQ in relation to the Scheme or a Competing Proposal from time to time acting in its capacity as such
First Court Date	means the first day on which an application made to the Court by MOQ for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, means the first day on which the adjourned application is heard
Government Agency	means any government, governmental, semi-governmental, administrative, fiscal or judicial body department, commission, authority, tribunal, agency or entity including ASIC, the ASX, the Takeovers Panel, the Australian Taxation Office and the Australian Competition and Consumer Commission
GST	means goods and services tax or similar value added tax levied or imposed in Australia on a supply
Implementation Date	the date that is 5 Business Days after the Record Date, or such other date as Target and Bidder may agree in writing or as may be required by the ASX
Independent Expert	means the independent expert appointed by MOQ in respect of the Scheme, being Lonergan Edwards & Associates Limited ACN 095 445 560
Independent Expert's Report	means the report prepared by the Independent Expert attached to this Scheme Booklet at Attachment 1
Insolvency Event	has the meaning given in the Scheme Implementation Deed
Last Date for Proxy Forms	is the last day on or before which proxies must be lodged for the Scheme Meeting, which is currently expected to be 9.30am AEDT (Sydney) on Wednesday, 2 November 2022 or such other date as may

Term	Definition
	be agreed in writing between MOQ and Brennan or as may be required by ASIC or ASX
Last Practicable Date	means Wednesday, 21 September 2022, being the last practicable trading day prior to the date of this Scheme Booklet
Listing Rules	means the official listing rules of ASX
Material Adverse Event	has the meaning given in the Scheme Implementation Deed
MOQ Board	means the board of Directors of MOQ and a MOQ Board Member means any Director of MOQ comprising part of the MOQ Board
MOQ Entitlement Offer	means the partially underwritten, non-renounceable pro-rata entitlement offer by MOQ announced on the ASX on 28 February 2022, under which MOQ raised approximately \$6.0 million at an issue price of \$0.05 per new MOQ Share resulting in the issuance of 119,769,767 new MOQ Shares on 25 March 2022
MOQ Financing	means any existing financing agreement or arrangement for the provision of financial indebtedness by a Third Party to a member of the MOQ Group
MOQ Group	means MOQ and each of its subsidiaries, and a reference to a MOQ Group Member or a member of the MOQ Group is to MOQ or any of its subsidiaries
MOQ Information	means the information regarding the MOQ Group prepared by MOQ for inclusion in this Scheme Booklet, which for the avoidance of doubt comprises the entirety of this Scheme Booklet other than the Brennan Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions), any description of the taxation effect of the Scheme on Scheme Shareholders prepared by an external advisor to MOQ and any other report or letter issued by a third party that is not the MOQ Group, their Related Bodies Corporate or their Advisers or the Brennan Group, their Related Bodies Corporate or their Advisers
MOQ Options	means options to subscribe for new MOQ Shares
MOQ Optionholder	means the holder of a MOQ Option
MOQ Representation and Warranty	means the representations and warranties given by Brennan in relation to the Scheme and as set out in clause 9.1 of the Scheme Implementation Deed
MOQ Share	means a fully paid ordinary share in the capital of MOQ
MOQ Shareholder	means a holder of MOQ Shares
Prescribed Occurrence	has the meaning given in the Scheme Implementation Deed
Proxy Form	means the proxy form for the Scheme Meeting, a sample of which accompanies this Scheme Booklet or as the context requires, any replacement or substitute proxy form provided by or on behalf of MOQ
Record Date	is 7.00pm on the second Business Day after the Effective Date or such other time and date as the parties agree in writing
Reimbursement Fee	means \$190,000 (excluding GST)
Related Bodies Corporate	has the meaning given in section 50 of the Corporations Act
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act
Relevant Period	means the period commencing on the date of the Scheme Implementation Deed and ending on the earlier of the Implementation Date and the date the Scheme Implementation Deed is terminated

Term	Definition
Requisite Majorities	being: <ol style="list-style-type: none"> a majority in number (more than 50%) of MOQ Shareholders present and voting (either in person or by proxy, attorney or corporate representative) at the Scheme Meeting (referred to as the 'Headcount Test'); and at least 75% of the votes cast on the Scheme Resolution by MOQ Shareholders present and voting at the Scheme Meeting (either in person or virtually, or by proxy, corporate representative or attorney)
Scheme	means the scheme of arrangement under Part 5.1 of the Corporations Act between MOQ and the Scheme Shareholders, the form of which is set out in Annexure A of the Scheme Implementation Deed, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by MOQ and Brennan
Scheme Booklet	means this document, including each attachment
Scheme Consideration	means in respect of each Scheme Share, an amount of \$0.075 cash for each Scheme Share held by a Scheme Shareholder as at the Record Date
Scheme Implementation Deed	means the scheme implementation deed between MOQ and Brennan, dated 16 August 2022, as amended pursuant to a deed of variation dated 21 September 2022. A summary is set out in Section 9.7, and a copy is attached in full to MOQ's ASX announcement on 16 August 2022, which is available on ASX's website at https://www2.asx.com.au/markets/trade-our-cash-market/announcements.moq or MOQ's website at https://www.moq.com.au/
Scheme Meeting	means the meeting of Scheme Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting
Scheme Resolution	means the resolution to approve the Scheme to be voted on at the Scheme Meeting, the form of which is set out in the Notice of Meeting in Attachment 4
Scheme Share	means each MOQ Share held by the Scheme Shareholders as at the Record Date
Scheme Shareholder	means a holder of MOQ Shares recorded in the Share Register as at the Record Date (other than an Excluded Shareholder)
Second Court Date	is the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard
Second Court Hearing	the Court hearing on the Second Court Date
Security Interest	has the meaning given in section 51A of the Corporations Act
Share Register	means the register of members of MOQ maintained in accordance with the Corporations Act
Share Registry	means Automic Pty Ltd ACN 152 260 814
Shareholder Approval	means the approval of the Scheme by the Requisite Majorities at the Scheme Meeting
Superior Proposal	has the same meaning given in the Scheme Implementation Deed
Tax	means any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, stamp, transaction or registration

Term	Definition
	duty or similar charge that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of, any of the above
Third Party	has the meaning given in the Scheme Implementation Deed
Transaction	means the acquisition of the Scheme Shares by Brennan through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed
Undisturbed Share Price Date	has the meaning given in the Letter from the Chairman of MOQ at page 2 of this Scheme Booklet
VWAP	means the volume weighted average price
WANOS	means weighted average number of shares

Attachment 1 – Independent Expert’s Report

See over page.

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The Directors
MOQ Limited
Level 1
325 Flinders Lane
Melbourne VIC 3000

7 September 2022

Subject: Independent Expert's Report on proposed acquisition by way of Scheme

Dear Directors

Introduction

- 1 On 30 June 2022, MOQ Limited (MOQ or the Company) announced that it and Atturra Limited (Atturra) had entered into a Scheme Implementation Deed under which Atturra had agreed to acquire 100% of the fully diluted share capital of MOQ for a cash price of \$0.05 per share. Subsequent to this announcement, MOQ made a series of announcements relevant to the proposed acquisition of the Company, as follows:
 - (a) on 5 August 2022 Atturra increased the consideration to \$0.06 per MOQ share, following the exercise of a matching right provision by Atturra under the then prevailing Scheme Implementation Deed (the matching right provision was exercised in response to an alternative higher offer from Brennan VDI Pty Ltd (Brennan))
 - (b) on 8 August 2022 Brennan increased the consideration offered to \$0.066 per MOQ share
 - (c) on 11 August 2022 Atturra increased the consideration offered to \$0.07 per MOQ share, comprising cash of \$0.055 per MOQ share and shares in Atturra equivalent to a value of \$0.015 per MOQ share¹.
- 2 On 16 August 2022, MOQ made a further announcement that it and Brennan had entered into a Scheme Implementation Deed (SID or the Deed) under which Brennan has agreed to acquire 100% of the fully diluted share capital of MOQ for a cash price of \$0.075 per share (Scheme Consideration). This Deed was entered into following the receipt of advice from Atturra that it would no longer exercise its (previous) matching right provision in respect of the higher offer from Brennan².

¹ Based on an Atturra share price of \$0.673899 per share (i.e. the 60 day volume weighted average price).

² The previous Scheme Implementation Deed with Atturra has been terminated, associated with which MOQ has paid a reimbursement fee of \$190,000 (plus GST) to Atturra.

Authorised Representatives:

Wayne Lonergan • Craig Edwards* • Hung Chu • Martin Hall • Martin Holt* • Grant Kepler* • Julie Planinic* • Nathan Toscan • Jorge Resende

- 3 The proposed acquisition of the MOQ shares is to be implemented via a scheme of arrangement between MOQ and its shareholders (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I of our report)³. If the Scheme is approved and implemented, MOQ shareholders will receive \$0.075 cash for each MOQ share they hold on the Scheme Record Date⁴.

MOQ

- 4 MOQ is an Australian information technology (IT) solutions company focused on providing consulting, integration, managed services and solutions around data, applications and infrastructure. The Company provides both traditional infrastructure integration services and cloud based digital services. MOQ primarily services clients in Australia, with critical support services provided from Sri Lanka.

Brennan

- 5 Brennan is an award-winning Australian IT managed services provider. Brennan offers an extensive range of products, services and solutions, including hybrid infrastructure and networking, end-user support, unified communications and telephony, IT security, hardware and software procurement, as well as business applications via its Digital Workplace Solutions.

Purpose of report

- 6 There is no regulatory requirement for the MOQ Directors to commission an independent expert's report (IER). However, both a condition of the Scheme and the MOQ Directors' recommendation of the Scheme are subject to an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of MOQ shareholders⁵.
- 7 In addition the Australian Securities & Investments Commission's (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) states that where a scheme of arrangement is used as an alternative to a takeover bid to give effect to a control transaction, the form of analysis undertaken by any appointed independent expert should be substantially the same as for a takeover bid, and that form of analysis should consider whether the transaction is "fair and reasonable".
- 8 Accordingly, the Directors of MOQ have requested Lonergan Edwards & Associates Limited (LEA) to prepare an IER stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of MOQ shareholders and the reasons for that opinion. LEA is independent of MOQ and Brennan and has no other involvement or interest in the proposed Scheme.

³ Capitalised terms used, but not defined, in our report have the meaning given to them in the Scheme Booklet in respect of the Scheme (Scheme Booklet).

⁴ The Scheme Record Date is presently expected to be 7:00pm on the second business day after the Scheme becomes effective (or such other time and date as the parties agree in writing).

⁵ The Directors' recommendation of the Scheme is also in the absence of a superior proposal. Subject to these qualifications the Directors have advised an intention to vote all MOQ shares they hold or control in favour of the proposed Scheme. The Directors of MOQ together hold or control approximately 34.1% of the issued share capital in MOQ.

Summary of opinion

- 9 In our opinion, the Scheme is fair and reasonable and in the best interests of MOQ shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

Value of MOQ

- 10 We have assessed the standalone value of MOQ shares on a 100% controlling interest basis at \$0.042 to \$0.046 per share as shown below:

Valuation of MOQ		
	Low \$m	High \$m
Enterprise value	12.5	13.75
Add value of tax losses	1.0	1.0
Deferred consideration	(0.61)	(0.61)
Equity value	12.9	14.1
Fully diluted shares on issue (million)	310.3	310.3
Value per share (\$)	0.042	0.046

- 11 In arriving at our enterprise value of MOQ we adopted the capitalisation of future maintainable earnings approach, using the earnings before interest, tax, depreciation and amortisation EBITDA methodology.

Fair and reasonable opinion

- 12 Pursuant to RG 111 a scheme is “fair” if the value of the Scheme Consideration is equal to or greater than the value of the securities the subject of the Scheme. This comparison for MOQ shares is shown below:

Position of MOQ shareholders			
	Low \$/share	High \$/share	Mid-point \$/share
Value of Scheme Consideration	0.075	0.075	0.075
Value of 100% of MOQ	0.042	0.046	0.044
Extent to which the Scheme Consideration exceeds the value of MOQ	0.033	0.029	0.031

- 13 As the Scheme Consideration significantly exceeds our assessed valuation range for MOQ shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to MOQ shareholders when assessed based on the guidelines set out in RG 111.

- 14 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable” in the absence of a superior proposal.

In the best interests

- 15 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.

- 16 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 17 We therefore consider that the Scheme is also “in the best interests” of MOQ shareholders in the absence of a superior proposal.

Assessment of the Scheme

- 18 We summarise below the likely advantages and disadvantages of the Scheme for MOQ shareholders.

Advantages

- 19 In our opinion, the Scheme has the following benefits for MOQ shareholders:
- (a) the Scheme Consideration of \$0.075 cash per share significantly exceeds the high end of our assessed standalone value range for MOQ shares on a 100% controlling interest basis
 - (b) following the contested bidding for the Company between Brennan and Atturra, the Scheme Consideration represents a significant premium to the recent market prices of MOQ shares prior to the initial announcement of the now terminated scheme with Atturra on 30 June 2022
 - (c) shares in MOQ have historically been (very) thinly traded and the Scheme provides MOQ shareholders with a liquidity event, i.e. an opportunity for MOQ shareholders to monetise their investment for a certain cash price
 - (d) absent the Scheme the adequacy of the prevailing funding position of MOQ is primarily dependent on a successful outcome of the business turnaround strategy currently being implemented. In the event this strategy is further delayed as to implementation and/or only partially successful (or in a worst case scenario unsuccessful) then the MOQ business will require additional funding in the medium term (and potentially earlier). In our opinion, in such circumstances, this funding will need to be of an equity nature and is likely to be priced at a significant discount to the Scheme Consideration. In contrast the Scheme provides a cash certain outcome for shareholders (and avoids the potential need for shareholders to provide additional equity capital funding to the Company)
 - (e) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, MOQ shares are likely to trade at a significant discount to the Scheme Consideration due (in part) to the portfolio nature of individual shareholdings.

Disadvantages

- 20 MOQ shareholders should note that if the Scheme is implemented they will no longer hold an interest in MOQ. MOQ shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.

- 21 However, as noted above, there are a number of prevailing risks and uncertainties relevant to a consideration of the present value of MOQ's future potential, including a successful outcome to the business turnaround strategy currently being implemented and the adequacy of associated business funding. In addition, following the recently contested bidding for the Company, the Scheme Consideration significantly exceeds the high end of the range of our assessed standalone value of MOQ shares. In the circumstances, we consider that the present value of MOQ's future potential is (more than) adequately reflected in the Scheme Consideration.

Conclusion

- 22 Given the above analysis, we consider the acquisition of MOQ shares under the Scheme is fair and reasonable and in the best interests of MOQ shareholders in the absence of a superior proposal.

General

- 23 In preparing this report we have considered the interests of MOQ shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.
- 24 The impact of approving the Scheme on the tax position of MOQ shareholders depends on the individual circumstances of each investor. MOQ shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.
- 25 The ultimate decision whether to approve the Scheme should be based on each MOQ shareholder's assessment of their own circumstances. If MOQ shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice. For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that MOQ shareholders read the remainder of our report.

Yours faithfully



Craig Edwards
Authorised Representative



Jorge Resende
Authorised Representative

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I Key terms of the Scheme

Terms

- 26 MOQ has entered into the SID with Brennan that sets out the terms and conditions under which the Scheme is to be implemented. An overview of the key terms of the Scheme is set out at paragraph 2.

Conditions

- 27 Implementation of the Scheme is subject to a number of customary conditions, including ASIC and ASX regulatory approval, MOQ shareholder approval at the Scheme meeting, Court approval, an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of MOQ shareholders, cancellation of MOQ options, no “prescribed occurrences” or “material adverse changes” occurring (in relation to MOQ), and each of the respective warranties given by MOQ and Brennan being true and correct (in all material respects). Implementation of the Scheme is not subject to a capital raising, due diligence or financing condition.
- 28 Further information on these conditions is set out in the Scheme Booklet.

Exclusivity provisions and break fees

- 29 The SID also contains certain customary exclusivity provisions, including “no shop”, “no talk” and “no due diligence” restrictions, a notification obligation and a matching right in favour of Brennan in respect of a competing proposal that emerges during the Exclusivity Period. The SID also provides for certain circumstances under which a reimbursement fee of approximately \$190,000 (plus GST) may be payable by either MOQ or Brennan.
- 30 MOQ may undertake any of the activities restricted by the “no talk” and “no due diligence” provisions where the MOQ Board has:
- (a) determined in good faith that, after consultation with its advisers, such a bona fide competing proposal is a superior proposal or could reasonably be expected to become a superior proposal; and
 - (b) after having considered external written legal advice from external advisers, that not undertaking that act would, or would be reasonably likely to, constitute a breach of the fiduciary or statutory duties owed by any Director of MOQ, provided that the competing proposal was not brought about by a breach of the exclusivity provisions in the SID.

Resolution

- 31 MOQ shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the Notice of Scheme Meeting accompanying the Scheme Booklet.
- 32 If the resolution is passed by the requisite majorities and subject to all other conditions precedent in the SID (other than Court approval) being satisfied or waived (where permitted), MOQ must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC (at which time the Scheme will become effective) and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme and the Scheme becomes effective, it will become binding on MOQ, Brennan and all MOQ shareholders who hold MOQ shares as at the Scheme Record Date, whether or not they voted in favour of the Scheme (and even if they voted against the Scheme).

II Scope of our report

Purpose

- 33 The Scheme is to be effected pursuant to Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act), which governs schemes of arrangement. Part 3 of Schedule 8 of the Corporations Regulations 2001 (Corporations Regulations) prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act.
- 34 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 35 Entities associated with Mr David William Stevens⁶ own 26.6 million MOQ shares (8.6% of the total MOQ shares on issue) and Brennan has no representation on the MOQ Board. Accordingly, there is no regulatory requirement for an IER to be prepared for MOQ shareholders pursuant to the Corporations Act or the ASX Listing Rules. However:
- (a) both a condition of the Scheme and a qualification to the MOQ Directors' recommendation of the Scheme are that an independent expert concludes, and continues to conclude, that the Scheme is in the best interests of MOQ shareholders
 - (b) as the Scheme will give effect to a control transaction (as an alternative to a takeover bid), RG 111 also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 36 The Directors of MOQ have therefore requested LEA to prepare an IER stating whether, in LEA's opinion, the proposed acquisition of the shares in MOQ by Brennan under the Scheme is fair and reasonable and in the best interests of MOQ shareholders and the reasons for that opinion.
- 37 This report has been prepared by LEA for the benefit of MOQ shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the Scheme Booklet to be sent to MOQ shareholders (which will include the Notice of Scheme Meeting). The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of MOQ shareholders.
- 38 The ultimate decision whether to approve the Scheme should be based on each MOQ shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

⁶ In addition to being (together with his associated entities) a substantial shareholder in MOQ, Mr Stevens is also the founder and managing director of Brennan.

Basis of assessment

- 39 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111, which, inter alia, provides guidance as to how an expert should assess the merits of a transaction.
- 40 When an IER is prepared for a scheme that involves a change of control (like the proposed Scheme concerning MOQ), ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).
- 41 Fairness involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme (assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length, noting that any special value that may be derived by a particular “bidder” should not be taken into account⁷). A scheme is “fair” if the value of the scheme consideration is equal to, or greater than the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being compensated for the actual (or deemed) change of “control” in ownership.
- 42 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal (e.g. the bidder’s existing shareholding in the company, the likely market price of the company’s shares if the scheme is unsuccessful, the likelihood of a superior alternative offer emerging etc.). A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 43 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 44 Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.
- 45 Having regard to the above, our report has therefore considered:

Fairness

- (a) the market value of 100% of the shares in MOQ
- (b) the value of the consideration offered by Brennan (i.e. \$0.075 cash per share)
- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

⁷ For example, synergies that are not available to other bidders.

Reasonableness / in the best interests

- (d) the extent to which a control premium is being paid to MOQ shareholders
- (e) the current financial position of MOQ and the potential need for additional funding
- (f) the extent to which MOQ shareholders are being paid a share of any synergies likely to be generated if the Scheme is implemented
- (g) the listed market price of MOQ shares, both prior to and subsequent to the announcement of the proposed Scheme
- (h) the likely market price of MOQ securities if the proposed Scheme is not implemented (and a comparable or superior proposal does not emerge)
- (i) the value of MOQ to an alternative offeror and the likelihood of a higher alternative offer being made for MOQ prior to the date of the Scheme Meeting
- (j) the advantages and disadvantages of the Scheme from the perspective of MOQ shareholders
- (k) other qualitative and strategic issues associated with the Scheme.

Limitations and reliance on information

- 46 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 47 Our report is also based upon financial and other information provided by MOQ and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 48 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of MOQ shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 49 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the Scheme, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 50 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and

review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

- 51 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 52 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is not misleading or deceptive (including by omission) in any material respect
 - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the SID and the terms of the Scheme itself.

III Profile of MOQ

Overview

- 53 MOQ is an Australian IT solutions company focused on providing consulting, integration, managed services and solutions around data, applications and infrastructure. The Company provides both traditional infrastructure integration services and cloud based digital services. MOQ primarily services clients in Australia, with critical support services provided from its office in Sri Lanka.

History

- 54 MOQ was founded as Montech Holdings Limited following a recapitalisation of a shell company listed on the ASX in June 2015. The Company has since focused on developing IT solutions, and specifically cloud-focused technology solutions, both internally and through acquisitions. It changed its name to MOQ Limited in July 2016. A summary of the key acquisitions made by MOQ is as follows:

MOQ – acquisitions			
Date ⁽¹⁾	Company	Consideration \$m	Operations
Oct 14	Tech Effect	11.8	A Brisbane based IT services firm providing a range of consulting, integration and managed services solutions.
Oct 14	Breeze	5.0	A Sydney based company offering applications development and cloud integration services.
Mar 16	TETTRAN	9.0 ⁽²⁾	A managed IT service and professional services provider servicing mid-market customers across a range of industries.
Mar 16	Skoolbag ⁽³⁾	3.0 ⁽²⁾	A software as a service based communications platform for educational institutions, child-care centres and sports clubs, enabling the connection of parents or club members.
Aug 19	Wardy IT Solutions	7.5 ⁽²⁾	Provided specialist Microsoft services and solutions for data platforms and data analytics to companies in Australia and New Zealand.
Jul 21	Dienst Consulting	3.8 ⁽²⁾	An IT consulting and software solutions business primarily servicing mid-to-large Western Australian enterprises in a range of industries.

Note:

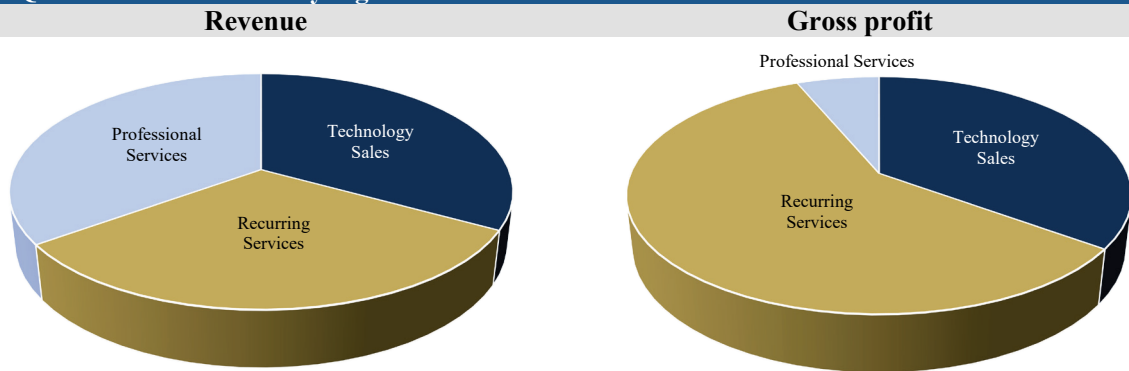
- 1 Date of transaction announcement.
- 2 Upfront consideration only.
- 3 Skoolbag was subsequently sold by MOQ (refer to paragraph 56).

- 55 MOQ's most recent acquisitions were of Wardy IT Solutions in August 2019 and Perth-based Dienst Consulting in July 2021, the latter of which provided the Company with greater exposure to the West Australian market.
- 56 In early September 2021, MOQ announced the sale of its Skoolbag business for cash consideration of \$4 million, stating that the Company intended on focusing on its core business (i.e. cloud centric technology and solutions services).

Current operations

- 57 MOQ operates from a Sydney head office, with other offices located in Brisbane, Melbourne and Perth in Australia, and Colombo in Sri Lanka. The Company employs around 394 staff, with some 140 of these operating out of the Sri Lankan office. The Sri Lankan office serves as a critical offshore delivery centre that supports MOQ's managed services operations.
- 58 As stated above, MOQ provides consulting, integration, managed services and solutions around data, applications and infrastructure and cloud based digital services. Core to MOQ's strategy is to build annuity revenue streams through high value managed services and commercialised intellectual property and to capitalise on the growing digital economy. The Company divides its business into two major services lines, being foundational services and digital services, which are described below:
- (a) **foundational services** – these relate to MOQ's infrastructure integration business, as well as the Company's cyber security line
 - (b) **digital services** – includes Wardy IT Solution's data and analytics services and MOQ's application development practice, both of which are underpinned by the Company's Microsoft partnership (for which software subscription and Azure cloud services are provided).
- 59 MOQ groups its revenue by three segments, being Technology Sales, Professional Services and Recurring Services. A description of each of these segments is as follows:
- (a) **Technology Sales** – revenue is generated from the sale of vendor hardware, software and associated licenses and maintenance contracts. Gross profit margins for Technology Sales are generally in the order of 10% to 15%
 - (b) **Professional Services** – the provision of a range of specialist services including consulting, project management, systems and software engineering services to assist clients with strategy, as well as the architecture, design, development and implementation of information communication technology solutions. Gross profit margins for Professional Services are typically around 15% to 20%, however margins have been significantly below this level in recent periods due to a number of loss making contracts
 - (c) **Recurring Services** – a combination of managed services, including operations, support and information communication technology management. Gross profit margins for Recurring Services are typically around 25 to 30%.
- 60 A summary of the revenue and gross profit contribution by segment for the year to 30 June 2022 (FY22) is as follows:

MOQ – FY22 contribution by segment



- 61 Revenue in FY22 was relatively even between segments (Recurring Services represented 32%, Professional Services were 35% and Technology Sales accounted for 33% of sales respectively). Given the differences in gross profit margins between segments and the relatively low contribution from Professional Services (in part due to underperforming contracts), Recurring Services accounted for more than half of the total gross profit in FY22.
- 62 The Company's digital technology solutions include, inter alia, the following:
- (a) **Business Continuity** – developing practical incident or crisis plans so that businesses can prepare for and continue to operate after an incident or crisis
 - (b) **Business Insights** – enabling the visualisation of data requirements for organisations in order to assist with evidence-based decisions and data-driven investments
 - (c) **Cyber Security** – securing against digital threats as well as monitoring and responding to events across an organisation's network
 - (d) **End User Experience** – providing tailored, flexible and adaptable IT architecture
 - (e) **Identity** – securely and actively managing the identity of an organisation for multiple cloud services
 - (f) **Internet of Things** – includes the use of “smart”, internet-connected devices and the management of large amounts of data stored on cloud scale platforms for analysis
 - (g) **Managed Cloud** – the strategy, planning, deployment, adoption and ongoing management of cloud based solutions, including digital infrastructure.

Financial performance

- 63 The historical financial performance for MOQ for the four years to FY22 is set out below:

MOQ – financial performance⁽¹⁾				
	FY19	FY20⁽²⁾	FY21⁽²⁾⁽³⁾	FY22⁽²⁾⁽³⁾
	\$000	\$000	\$000	\$000
Technology Sales revenue	36,532	23,649	24,899	27,082
Recurring Services revenue	13,545	20,095	20,143	26,148
Professional Services revenue	17,793	21,442	24,362	28,659
Total revenue	67,870	65,186	69,404	81,889
Cost of sales	(55,337)	(50,638)	(55,218)	(70,491)
Technology Sales gross profit	6,157	3,925	3,844	3,992
Recurring Services gross profit	3,304	7,215	7,236	6,686
Professional Services gross profit	3,072	3,408	3,106	719
Total gross profit	12,533	14,548	14,186	11,398
Other income	41	1,699 ⁽⁴⁾	2,284 ⁽⁴⁾	26
Operating expenses	(11,239)	(14,105)	(14,648)	(15,986)
Goodwill impairment (TETRAN & Skoolbag)	-	(13,282)	-	-
EBITDA from continuing operations	1,334	(11,140)	1,822	(4,562)
Depreciation and amortisation	(725)	(3,382) ⁽⁵⁾	(3,371) ⁽⁵⁾	(3,566) ⁽⁵⁾
Net interest income / (expense)	19	(7)	-	(28)
Profit / (loss) before tax from continuing operations	629	(14,529)	(1,549)	(8,156)
Income tax benefit	1,659	129	502	1,809
Profit / (loss) after tax from continuing operations	2,288	(14,401)	(1,047)	(6,347)
Profit from discontinued operations (Skoolbag)	-	-	120	1,534
Total profit / (loss) for the period	2,288	(14,401)	(927)	(4,814)

Note:

- 1 Rounding differences may exist.
- 2 The MOQ results have been adjusted to exclude the impact of changes required under Australian Accounting Standard AASB 16 – *Leases* (AASB 16) which was first adopted by MOQ in FY20. In summary, the adoption of AASB 16 increased reported EBITDA by \$0.7 million, \$0.8 million and \$0.7 million in FY20, FY21 and FY22 respectively as rent expenses have been replaced by depreciation charges and interest expenses. However, in our view this EBITDA uplift should be excluded as it is simply an accounting treatment which has no cash flow impact or impact on the underlying profitability of MOQ.
- 3 The financial performance for FY21 and FY22 is shown excluding Skoolbag, with the results from this business shown as profit from discontinued operations.
- 4 Relates to COVID-19 government assistance, predominantly JobKeeper.
- 5 Predominantly relates to the amortisation of intangible assets arising from the Wardy IT Solutions acquisition.

- 64 As shown above, MOQ has reported losses in each of its last three financial reporting periods. In response, and in addition to other initiatives undertaken, the Company is undertaking a “Back on Track” plan to implement a number of operational control and project governance improvements. As a result, there have been a number of associated one off costs (and other significant items) which we have considered in Section V for the purpose of our valuation.
- 65 As indicated above, the historical financial results for MOQ reflect a challenging period for the Company, with the following of particular note:
- (a) the COVID-19 pandemic – during FY20 and FY21 MOQ was impacted by the COVID-19 pandemic and received related government assistance (predominantly JobKeeper) of \$1.7 million and \$1.9 million respectively

- (b) goodwill impairment – due to uncertainty around the impact of the COVID-19 pandemic, MOQ fully impaired the goodwill for TETRAN and Skoolbag during FY20 (of \$13.3 million)
- (c) project cost over-runs – as announced to the ASX on 15 December 2021, following a comprehensive assessment of the Company’s Professional Services customer contracts in the half year to 31 December 2021 (1HY22), the MOQ Board determined that it is was prudent to write off and provide for total project cost over-runs in the order of \$3.5 million⁸
- (d) gross profits decrease – gross profits for the Professional Services segment reduced over the above period and were negative in 1HY22. This was primarily due to project over-runs as well as the loss making contracts announced to the ASX on 15 December 2021.

66 Whilst revenue increased by 18% in FY22 to \$81.9 million (noting that part of this growth was attributable to the revenue contribution from the Dienst Consulting acquisition which was acquired effective July 2022), this result was achieved in a period which included a disappointing performance in the half year to 31 December 2021, due primarily to the write down and provisions associated with the 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, which subsequently raised approximately \$6 million to recapitalise the business and support the implementation of the ‘Back on Track’ turnaround plan.

67 In relation to future financial performance, MOQ has not provided specific revenue or earnings guidance for the FY23 year.

Financial position

68 The financial position of MOQ as at 30 June 2021 and 30 June 2022 is set out below:

MOQ – statement of financial position⁽¹⁾		
	30 Jun 21	30 Jun 22
	\$000	\$000
Cash and cash equivalents	1,967	5,228
Debtors, contract assets and other current assets	15,183	14,495
Creditors, contract liabilities and provisions	(17,127)	(16,380)
Net working capital (including cash)	23	3,343
Property, plant and equipment	1,144	933
Intangible assets	9,741	8,030
Other non-current assets	777	872
Net deferred tax assets	662	2,118
Right of use assets / net of associated lease liabilities	(173)	(108)
Non-current provisions	(364)	(422)
Deferred consideration (in relation to Dienst Consulting)	-	(617)
Interest bearing liabilities	-	(1,417)
Net assets attributable to MOQ shareholders	11,810	12,732

Note:

1 Rounding differences may exist.

⁸ In light of the materiality of this write-off, the MOQ Board initiated a review of the Professional Services business and operations with the assistance of an external adviser, with a mandate to review and recommend steps to be taken to substantively improve the Company’s operational controls and project governance.

Net working capital

- 69 Consistent with the Company's operations, MOQ's working capital position can vary materially during the financial year due to the timing of product sales, the receipt of cash for these sales and payments to suppliers. As of 30 June 2022, MOQ had a net working capital position (including cash) of \$3.3 million⁹.

Entitlement Offer

- 70 Due to the Company's additional funding requirements¹⁰, in tandem with the release of its results for the half year to 31 December 2021 (on 28 February 2022), MOQ announced an entitlement offer for eligible shareholders on the basis of one new fully paid ordinary share for every existing 1.5879 shares held at an issue price of \$0.05 per share (Entitlement Offer). This represented a 63% discount to the closing price of MOQ shares on Friday 25 February 2022 and a 66% discount to the 30 day volume weighted average price (VWAP). MOQ raised approximately \$6 million from the Entitlement Offer, \$2.4 million of which had been pre-committed by the Directors of the Company.

Interest bearing debt

- 71 As at 30 June 2022, MOQ had \$1.4 million in interest bearing debt that was used to assist with the acquisition of Dienst Consulting. The interest bearing debt is a floating rate loan facility which is repayable by \$141,667 every calendar quarter from January 2022 with the final payment to be made after the September 2024 quarter.
- 72 During 1HY22 MOQ was notified of a potential breach of its loan facility covenants, for which it received a waiver due to the implementation of the Entitlement Offer and an agreed partial step down of the Company's overdraft facility from 30 June 2022.
- 73 The Company also has a \$1.75 million overdraft facility with ANZ Bank, which assists with working capital requirements. This facility was undrawn as at 30 June 2022.

Going concern

- 74 As part of MOQ's FY22 annual report, the MOQ Directors provided the following update:

"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.*

⁹ Noting that during this period the Company raised \$6 million from the Entitlement Offer (see paragraph 70).

¹⁰ The funds were raised in order to assist with general working capital and banking requirements, systems enhancement and the restructuring of the MOQ team.

- *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."*

Tax losses

- 75 As at 30 June 2022, MOQ had deferred tax assets of \$3.1 million, of which some \$0.7 million related to carried forward tax losses¹¹. In addition, the Company had a tax receivable of \$0.6 million as at 30 June 2022.

Share capital and performance

- 76 As at 31 August 2022, MOQ had 310.3 million fully paid ordinary shares on issue. In addition, the Company had 4.7 million options on issue at varying exercise prices and expiry dates, all of which are significantly out of the money at the Scheme Consideration of \$0.075 per MOQ share.

Significant shareholders

- 77 As at 31 August 2022, the six significant shareholders of MOQ held 57.0% of the Company, as shown in the table below. Entities associated with Mr David Stevens (the owner of Brennan) held 26.6 million MOQ shares (or 8.6%) of the total MOQ shares on issue:

MOQ – significant shareholders		
Significant shareholder	Shares held	
	Million	% interest
Richmond Hill Capital	38.3	12.3
Entities associated with Peter Ward	31.3	10.1
Monash Private Capital Pty Ltd	29.7	9.6
Entities associated with Kathy Louise Edwards	27.7	8.9
Entities associated with David William Stevens ⁽¹⁾	26.6	8.6
Entities associated with Scott McPherson	23.2	7.5
	<u>176.8</u>	<u>57.0</u>

Note:

- 1 In addition to being (together with his associated entities) a substantial shareholder in MOQ, Mr Stevens is also the founder and managing director of Brennan.

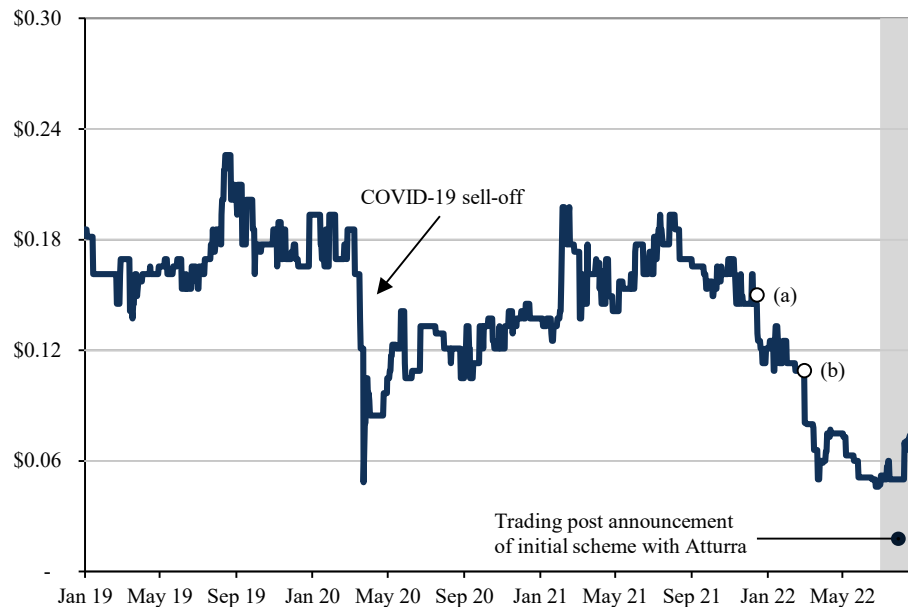
Share price performance

- 78 The following chart illustrates the movement in the share price of MOQ from 1 January 2019 to 31 August 2022:

¹¹ Noting that deferred tax assets and liabilities (including tax benefits) are not recognised on a present value basis in the financial statements.

MOQ – share price history⁽¹⁾

1 January 2019 to 31 August 2022



Note:

1 Based on closing prices.

Source: Bloomberg and LEA analysis.

- 79 MOQ shares are relatively illiquid (refer to paragraphs 81 and 82) and hence the Company's share price should be viewed in this context. Notwithstanding this, the MOQ share price responded negatively to both the:
- (a) trading update provided on 15 December 2021, which indicated that the Company would provide for total project cost over-runs in the order of \$3.5 million and 1HY22 EBITDA losses were forecast to be in the range of negative \$3.0 million to negative \$3.5 million
 - (b) release of the 1HY22 results, which reported an EBITDA loss from continuing operations of \$5.0 million (total EBITDA loss of \$3.3 million) and net loss before tax from continuing operations of \$7.2 million.
- 80 As stated in paragraphs 1 to 2 above, the initial scheme with Atturra announced to the ASX on 30 June 2022 (at a proposed cash price of \$0.05 per MOQ share) was subsequently superseded by the following:
- (a) an increase to \$0.06 per MOQ share on 5 August 2022, following the exercise by Atturra of a matching right provision under the then prevailing Scheme Implementation Deed¹²

¹² The matching right provision was exercised in response to an alternative higher offer from Brennan VDI Pty Ltd (Brennan)

- (b) an increase to \$0.066 per MOQ share by Brennan on 8 August 2022
- (c) an increase to \$0.07 per MOQ share, comprising cash of \$0.055 per MOQ share and shares in Atturra equivalent to a value of \$0.015 per MOQ share on 11 August 2022
- (d) the announcement on 16 August 2022, that MOQ and Brennan had entered into a SID under which Brennan has agreed to acquire 100% of MOQ for a cash price of \$0.075 per share (which was not matched by Atturra).

Liquidity in MOQ shares

- 81 The liquidity in MOQ shares based on trading on the ASX over the 12 month period prior to 29 June 2022¹³ is set out below:

MOQ – liquidity in shares						
Period	Start date	End date	No of shares traded	WANOS ⁽¹⁾ outstanding	Implied level of liquidity	
			000	000	Period ⁽²⁾ %	Annual ⁽³⁾ %
1 month	30 May 22	29 Jun 22	1,086	310,326	0.3	4.2
3 months	30 Mar 22	29 Jun 22	3,521	310,326	1.1	4.5
6 months	30 Dec 21	29 Jun 22	7,547	253,339	3.0	6.0
1 year	30 Jun 21	29 Jun 22	16,991	220,889	7.7	7.7

Note:

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

- 82 As indicated in the table above, total share turnover (on an annualised basis) in MOQ shares has consistently been less than 8% of the total number of shares issued over the 12 month period to 29 June 2022, indicating a very low level of market liquidity for MOQ shares.
- 83 Since the announcement of the initial scheme with Atturra, the total turnover in MOQ shares has increased significantly with 7.2% (86.1% annualised) and 9.6% (57.4% annualised) of the shares in MOQ trading in the subsequent one and two month periods. However, this increased liquidity was associated with the competing takeover offers for MOQ (as detailed in paragraph 80 above), and in our opinion should not be considered to reflect an indication of increased liquidity for MOQ in absence of this takeover activity.

¹³ Being the last trading day prior to the initial announcement of the now terminated scheme with Atturra.

IV Industry overview

Overview

84 MOQ is an Australian IT solutions company focused on providing consulting, integration, managed services and solutions around data, applications and infrastructure. MOQ's primary operations fall within the IT services segment of the broader IT industry, however the Company also provides traditional services that span across multiple industry subsectors.

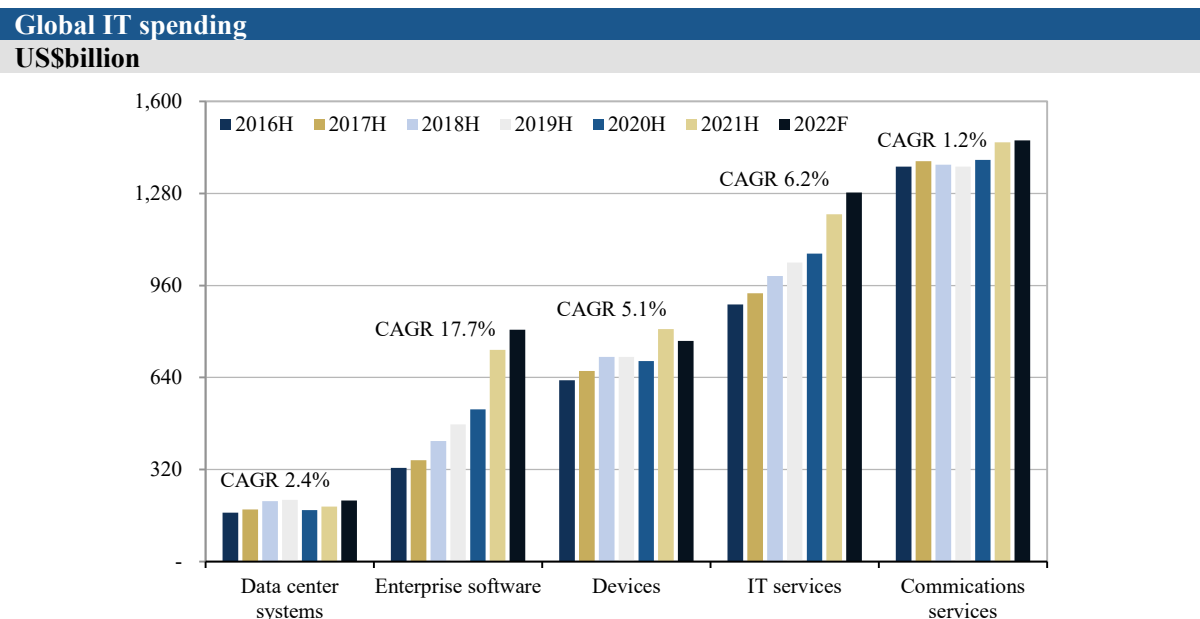
IT industry

85 IT is the use of computers to store, retrieve, transmit and manipulate data or information, often in the context of a business or other enterprise. IT, and the hardware and software associated with the IT industry, is an integral part of nearly every major global industry, and plays a key role in driving economic growth by increasing productivity. The IT industry can be broadly divided into:

- (a) infrastructure – hardware networks, data centres, facilities and related equipment used to develop, test, operate, monitor, manage and/or support IT services
- (b) software – system software such as operating systems and application software that performs specific functions separate from the computer itself
- (c) services – including consulting, implementation of hardware and software, IT outsourcing, user experience, infrastructure support and managed services.

Global IT industry

86 Over the five years to 2021, global IT spend grew at a compound annual growth rate (CAGR) of 5.3% to US\$4.4 trillion. As shown in the graphic below, certain sectors outperformed others, with enterprise software the standout with a CAGR of 17.7% over the five years to 2021, whilst IT services and devices growth was relatively strong (with CAGRs of 6.2% and 5.1% respectively over the same period).



Source: Gartner (2017 to 2022): IT spending forecast press releases. The above CAGRs represent the five years to 2021.

- 87 Global IT spending is projected to increase by 3% to US\$4.5 trillion in 2022, following an increase of 10.2% in 2021, which was due to accelerated demand for IT and related services due to changes in the way people work and live as a result of the COVID-19 pandemic (this includes working from home, home schooling, contactless sales and online shopping, video calls and connections).
- 88 The global IT industry is expected to benefit from increased expenditure across all categories in 2022 due to, inter alia:
- (a) increased expenditure on IT services from enterprises aiming to gain a competitive advantage through technological innovation, or close the IT gap with competitors that outperformed during the COVID-19 pandemic. An expected boost in infrastructure-as-a-service spending is a key theme within the IT services segment, as businesses' digital transformation objectives focus on reducing fixed costs whilst still supporting mission critical workloads
 - (b) government organisations accelerating IT spending to rapidly scale IT infrastructure and application systems and respond to unprecedented public demands, which have been amplified by the COVID-19 pandemic¹⁴
 - (c) a boost in consumer expenditure on software and devices due to higher levels of remote working and remote education services. Business expenditure is also expected to increase across these two categories due to organisations shifting their focus towards providing a more comfortable, innovative, and productive environment for their workforce.
- 89 More broadly, future growth is expected to be driven by the continued investment in digital business, blockchain, the "internet of things", cloud applications and the progression from big data and algorithms to machine learning and artificial intelligence.

IT services

- 90 IT services companies offer a range of service lines and specialisations, from installation and implementation of IT systems, to providing fully outsourced IT operations for businesses. Some of the key service lines are described below:
- (a) consulting services – analysing and improving the efficacy of business and technology strategies and operations. The main sub-segments are business consulting services and technology consulting services
 - (b) implementation services – usually project-based services, to install, develop and customise IT solutions, assets and processes, and to integrate them with established applications, infrastructure and processes
 - (c) application managed services – include annual or longer term contracts that provide services, processes and methodologies for maintaining, improving and managing enterprise application environments. Services may be provided onsite or offsite and cover customised and off-the-shelf software, software-as-a-service applications and platform-as-a-service applications

¹⁴ <https://fst.net.au/government-news/australian-govts-it-spending-predicted-to-swell-next-year/>.

- (d) infrastructure-as-a-service – a standardised, highly-automated product in which computing hardware, complemented by storage and networking capabilities, is owned by a service provider and offered to customers on-demand, usually via the internet
- (e) business process outsourcing services – classified as either traditional (the delegation of one or more IT-intensive business processes to an external provider) or the delivery of business process outsourcing services via the internet to multiple customers
- (f) user experience services – services related to the design and development of software products, websites and applications that focus on optimising the end-user experience, such as user interface design, usability testing and design thinking
- (g) infrastructure managed services – the provision of outsourced asset-based IT infrastructure services
- (h) hardware support services – these services are typically contract based (usually for one or three years) and may cover hardware replacement, onsite field engineering, technical support and proactive monitoring.

IT services market growth drivers

91 Key factors that are driving demand for IT services include:

- (a) increasing connectivity – broadband and mobile internet connections have been widely adopted over the past 15 years, reflecting a range of factors including improved broadband access and performance, increasing adoption and use of smartphones and the increasing proportion of business transactions conducted online
- (b) the rise of big data – rising business and consumer internet usage has created an abundance of data available for businesses to analyse, which enables the study of consumer spending, behaviours and patterns. This has contributed to a greater number of businesses outsourcing data processing activities to IT service providers
- (c) capital expenditure – IT expenditure is influenced by cyclical and structural factors. Businesses tend to implement new IT systems during periods of high levels of business confidence and strong economic performance, and defer or cancel technology upgrades during the converse. Likewise, in periods of structural change such as technological advancement (e.g. cloud computing), IT expenditure requirements tend to be greater
- (d) increased demand from key sectors – for instance, clients in the government sector have considerable data and transaction requirements, and have increasingly outsourced their data processing needs, particularly in areas such as healthcare. Other key sectors that are increasing their IT outsourcing include finance, insurance, information media and telecommunications
- (e) digital transformation – enterprises are increasingly focused on integrating technology to improve productivity and remain competitive in a rapidly growing digital economy. In most cases, this involves a fundamental change in one or more business processes that require specialist IT services for the design, implementation and support of new systems

- (f) security – IT security is a growing service area and has become a key priority for most medium to large organisations. Security concerns arise from the use of the internet to store and access information and from enterprises increasingly allowing employees to access company information and applications on their own mobile devices. Growth in the “internet of things” has specific security issues as organisations often do not have control over the source and nature of the software and hardware being used by devices connected via the internet.

92 Gartner expects global IT spending to increase by 6.1% in 2023, led by strong growth in enterprise software, IT services and data centre systems, which are expected to grow by 11.8%, 8.3% and 4.4% in 2023 respectively¹⁵. Growth is expected to be driven by digital business initiatives such as experiential end-consumer experience and supply chain optimisation to drive spending on enterprise applications and infrastructure software.

Australian IT industry

93 The Australian IT industry has expanded rapidly over the past five years due to regular upgrades and enhancements and increased online connectivity and cloud based applications. There are also a number of key trends, including¹⁶:

- (a) increased demand for IT services, such as:
 - (i) data and integration – increases in the volume of operational data being generated, as well as investments in cloud computing and artificial intelligence are driving demand for data visualisation, integration and analytics services
 - (ii) consulting / advisory – as more companies undertake digital transformation processes, IT consulting and advisory services such as system design, reviews and risk assessments, security consulting, testing, and implementation / transformation support are increasingly in demand
 - (iii) enterprise resource planning solutions – cloud-based enterprise resource planning solutions, which are supported by operational priorities around enhanced visibility, real-time decision making and greater efficiency are growing at a faster pace than traditional on-premises enterprise resource planning
- (b) increased reliance on outsourcing IT – growing IT complexity compels businesses to outsource solutions management to expert third parties to improve business agility and more effectively manage digital transformation. Enterprise customers increasingly need support in dealing with cyber security threats, ensuring network reliability, automating business processes, managing enterprise mobility, managing multi-vendor solutions and legacy systems integration
- (c) increased demand for services to enable remote working – the shift to hybrid work environments catalysed by COVID-19 is likely to drive demand for enterprise videoconferencing infrastructure, unified communications software as well as digital collaboration tools and workflows.

¹⁵ Gartner (2022): *Gartner Forecasts Worldwide IT Spending to Grow 3% in 2022*.

¹⁶ Parts of this paragraph are sourced from the Atturra prospectus, dated 17 November 2021.

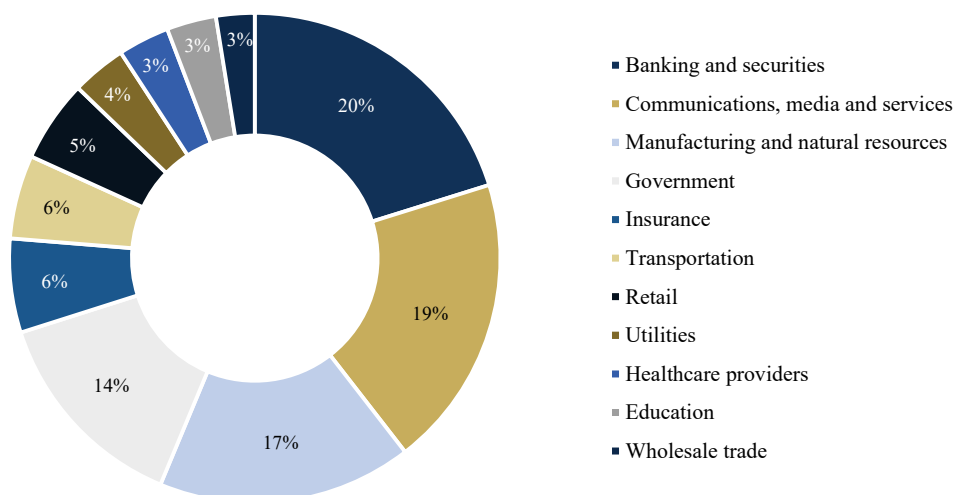
- 94 IT services is the largest sector of the Australian IT market, whilst software is the fastest growing sector. According to Gartner, Australian IT spending is expected to have increased by 7.2% to \$104.5 billion in 2021 and is forecast to grow by 6.3% to \$111.1 billion in 2022, as shown below.

Australian IT spending								
	2019 (historical)		2020 (historical)		2021 (forecast)		2022 (forecast)	
	Revenue	Growth	Revenue	Growth	Revenue	Growth	Revenue	Growth
	\$billion	%	\$billion	%	\$billion	%	\$billion	%
IT services	35.8	10.2	35.3	(1.5)	37.0	4.9	39.2	6.1
Communications services	24.2	(5.3)	23.7	(2.2)	23.6	(0.3)	23.9	1.1
Software	19.9	24.5	20.3	1.9	23.6	14.9	27.1	14.9
Devices	14.5	1.2	14.6	0.2	16.2	11.5	16.6	2.4
Data centre systems	2.9	(9.7)	2.6	(8.9)	4.1	19.1	4.2	4.2
Total end-user spend	97.4	6.3	96.5	(1.0)	104.5	7.2	111.1	6.3

Source: Gartner (2019 to 2022): Australia IT spending forecast press releases, LEA analysis.

- 95 According to forecasts provided by Gartner, Australian IT spend is expected to continue to grow across the board in 2022, primarily driven by strong growth in software (growth of 14.9%) and IT services¹⁷ (growth of 6.1%).
- 96 The chart below shows forecast enterprise IT spend in Australia for 2021 by industry:

Australian enterprise IT spending split by industry
2021 forecast



Source: Gartner (2020) Australian IT spending forecast press release, LEA analysis. Only forecast information is available.

¹⁷ <https://www.crn.com.au/news/aussie-technology-spending-to-reach-111-billion-in-2022-gartner-574894#>.

- 97 Some 70% of the enterprise IT spend in Australia is sourced from the four largest sectors, being banking and securities; communications, media and services; manufacturing and natural resources; and the Government. The fastest growing industries in 2021 were expected to be transportation (10.4% growth), education (8.6% growth) and healthcare providers (8.2% growth)¹⁸.

¹⁸ Gartner (2020): *Gartner forecasts Australian Enterprise IT Spending to Grow 3.6% in 2021*.

V Valuation of MOQ

Overview

- 98 The market value of the shares in MOQ has been assessed by aggregating the market value of its business operations (on a “control” basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings (or adding net cash). The valuation of MOQ’s business operations has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length within a reasonable timeframe.
- 99 An overview of generally accepted valuation approaches in the determination of market value is set out in Appendix C. The capitalisation of EBITDA method has been adopted as our primary valuation method for the MOQ business. Under this method the underlying EBITDA (before significant / non-recurring items) of the business is capitalised at an EBITDA multiple that reflects the risk and growth prospects of that business.
- 100 The resulting equity values have been cross-checked by reference to the share market trading in MOQ shares prior to the announcement of the Scheme, adjusted for a premium for control.

Underlying EBITDA

- 101 In order to assess the appropriate level of EBITDA for valuation purposes we have had regard to the historical and forecast results of MOQ, and have discussed the recent financial performance, operating environment and prospects with MOQ management.

Historical results

- 102 We set out below a summary of the historical financial performance for MOQ for the four years to FY22 on a normalised proforma basis:

MOQ – financial performance ⁽¹⁾					
	Paragraph reference	FY19 \$000	FY20 ⁽³⁾ \$000	FY21 ⁽³⁾ \$000	FY22 ⁽³⁾ \$000
Revenue	63	67,870	65,186	69,404 ⁽⁴⁾	81,889 ⁽⁴⁾
Proforma revenue adjustments ⁽²⁾	111	20,371	8,538	8,400	700
Proforma revenue		88,241	73,724	77,804	82,589
 EBITDA	63	 1,334	 (11,140)	 1,822 ⁽⁴⁾	 (4,562) ⁽⁴⁾
Significant items					
Acquisition and integration costs	103	281	601	1,387	879
Goodwill impairment	103	-	13,282	-	-
Doubtful debts	103	-	-	-	723
Restructuring and redundancies	103	-	-	-	128
Foreign exchange gain	103	-	-	-	(1,501)
Share based payments	104	198	(6)	365	170
COVID-19 related assistance	106	-	-	(1,889)	-
Contract loss adjustments	109	-	-	-	3,500
Proforma EBITDA adjustments ⁽²⁾	111	953	(297)	800	67
Total significant items / adjustments		1,432	13,580	663	3,966
 Underlying EBITDA		 2,766	 2,440	 2,485	 (596)
<i>Underlying EBITDA margin</i>		3.1%	3.3%	3.2%	nm

Note:

- 1 Rounding differences may exist.
 - 2 Relates to the acquisitions of Wardy IT Solutions and Dienst Consulting and the divestment of Skoolbag.
 - 3 The MOQ results have been adjusted to exclude the impact of changes required under AASB 16 which was first adopted by MOQ in FY20. In summary, the adoption of AASB 16 increased reported EBITDA by \$0.7 million, \$0.8 million and \$0.7 million in FY20, FY21 and FY22 respectively as rent expenses have been replaced by depreciation charges and interest expenses. However, in our view this EBITDA uplift should be excluded as it is simply an accounting treatment which has no cash flow impact or impact on the underlying profitability of MOQ.
 - 4 Excludes Skoolbag, which has been treated as a discontinued operation in FY21 and FY22.
- nm – not meaningful.

Significant items / adjustments

103 In relation to the significant items we note that:

- (a) **acquisition and integration costs** – these largely represent one off costs associated with the acquisition, capital raising and integration activities of the Wardy IT Solutions and Dienst Consulting businesses, as well as the sale of Skoolbag
- (b) **goodwill impairment** – due to uncertainty around the impact of the COVID-19 pandemic, MOQ fully impaired the goodwill for TETRAN and Skoolbag during FY20 (of \$13.3 million), noting this was a non-cash charge
- (c) **doubtful debts** – the doubtful debts of \$723,000 in FY22 relate to expected credit losses provided for based on the ageing profile of receivables at 30 June 2022 as prescribed by AASB 9
- (d) **restructuring and redundancies** – these are costs associated with restructuring and employee redundancies
- (e) **foreign exchange gains** – on 14 March 2022 the Central Bank of Sri Lanka devalued the rupee by 15%. As a result of the currency devaluation, MOQ received a positive (one off) benefit over the period from 14 March 2022 to 30 June 2022¹⁹ of \$1.5 million.

Share based payments

104 Share based payment expenses associated with the issue of options to employees and senior executives over recent years are set out below:

MOQ – share based payments				
	FY19	FY20	FY21	FY22
	\$000	\$000	\$000	\$000
Share based payments	198	(6) ⁽¹⁾	365	170

Note:

- 1 Relates to the reissue of options.

105 The above share based payments have been added back when arriving at the underlying EBITDA as we consider that the level of such benefits to be high given the recent financial performance of the Company.

¹⁹ The benefit of this was offset with the introduction of a cost-of-living allowance for all Sri Lankan employees payable in Sri Lankan rupiahs from May 2022.

COVID-19 related assistance

106 With regard to the impact of COVID-19 on the results of MOQ, the FY20 results presentation released on 28 August 2020 stated the following:

- “• *The COVID 19 Pandemic had such a significant impact on Sales Revenue through the March 1 to June 30 Four Month Period that MOQ Limited’s operating entities qualified for JobKeeper. Approximately 80% of our major project pipeline was either deferred or cancelled by customers in this period.*
- *Bookings and Revenues dropped significantly through March and April and into early May, as customers deferred plans to acquire technology or invest in major projects and initiatives. The initial negative impact on profitability and our cashflow position was significant.*
- *Initial signs of recovery started emerging in June and we can report that July and August trading has been very encouraging, with Professional Services bookings and delivery at highest levels since Q3. Indeed 3 projects that customers had delayed have been won and commenced in this period.”*

107 MOQ received COVID-19 government support (primarily JobKeeper) in FY20 and FY21 of \$1.6 million and \$1.9 million²⁰ respectively. In addition, the Company cut back on travel costs in FY21 and FY22, whilst executive remuneration was reduced over May 2020 to September 2020.

108 Whilst it is difficult to ascertain the total impact of the COVID-19 pandemic on the business (i.e. to weigh up if the business received government assistance plus other savings that exceeded the gross profit forgone from lost sales), we have treated the COVID-19 government assistance as follows:

- (a) FY20 – given that to qualify for JobKeeper MOQ’s sales must have reduced by more than 30% over final months of FY20, and having regard to the comments from the FY20 results presentation (as set out above), we consider that the impact of COVID-19 was at least equal to the level of government subsidies received in FY20, i.e. we have not excluded the government subsidies received in FY20 from underlying EBITDA
- (b) FY21 – given the rebound in sales into FY21, and subsequent commentary from MOQ, we have excluded the full amount of the government subsidies received in FY21 from underlying EBITDA (on the basis that in FY21 there was no material negative impact on earnings attributable to the pandemic).

Contract loss adjustments

109 Contract loss adjustments relate to the \$3.5 million of project cost over-runs announced to the ASX on 15 December 2021, following a comprehensive assessment of the Company’s Professional Services customer contracts in the half year to 31 December 2021. Of these costs, we understand that some \$0.25 million relates to work to be undertaken / expenses to be incurred in FY23.

²⁰ Excluding the component of JobKeeper that related to the Skoolbag business, which was sold in September 2021.

- 110 We have discussed the contracts for which the losses relate with MOQ management and understand that whilst some of these contracts will continue into FY23, no further losses above the amount already provided for (i.e. \$3.5 million) are envisaged. In addition, following the review of the Professional Services business and operations generally, the Company's operational controls and project governance have improved and MOQ does not believe that other contracts have similar issues.

Proforma adjustments

- 111 Over the historical period disclosed above MOQ acquired Wardy IT Solutions and Dienst Consulting, effective 1 September 2019 and 30 July 2021 respectively, and divested Skoolbag effective 30 September 2021. Accordingly, in the table below we have added or subtracted the net proforma earnings from these businesses to estimate the historical results on a consistent basis with the Company's current operations:

MOQ – proforma adjustments				
	FY19	FY20	FY21⁽³⁾	FY22⁽³⁾
	\$000	\$000	\$000	\$000
Revenue adjustment for:				
Wardy IT Solutions ⁽¹⁾⁽²⁾	14,200	2,367	-	-
Dienst Consulting ⁽¹⁾⁽²⁾	8,400	8,400	8,400	700
Skoolbag	(2,229)	(2,229)	-	-
Total proforma revenue adjustment	20,371	8,538	8,400	700
EBITDA adjustment for:				
Wardy IT Solutions ⁽¹⁾⁽²⁾	1,500	250	-	-
Dienst Consulting ⁽¹⁾⁽²⁾	800	800	800	67
Skoolbag	(1,347)	(1,347)	-	-
Total proforma EBITDA adjustment	953	(297)	800	67

Note:

- 1 The proforma adjustments assume that the revenue and earnings for Wardy IT Solutions and Dienst Consulting in each of the periods prior to acquisition were consistent with revenue and earnings provided in the acquisition announcement.
- 2 The earnings provided for Wardy IT Solutions and Dienst Consulting are EBIT, however, EBITDA was not materially different to EBIT for either of these companies at the time of acquisition.
- 3 The results for FY21 and FY22 have already been adjusted to exclude Skoolbag.

Commentary on historical results

- 112 As discussed in Section III, the historical financial results for MOQ reflect a challenging period for the Company, with MOQ reporting underlying EBITDA losses in FY22. In response, the Company is undertaking a “Back on Track” plan (amongst other initiatives) to implement a number of operational control and project governance improvements.
- 113 As shown at paragraph 102 and summarised below, over FY19 to FY21 the underlying proforma EBITDA for MOQ was between \$2.4 million to \$2.8 million, whilst underlying EBITDA for FY22 shows a loss. In the following table we have also considered the level of EBITDA derived by adopting FY22 revenue of \$82.6 million, and an underlying EBITDA margin of 3%²¹, broadly consistent with that achieved historically.

²¹ This EBITDA margin is relatively modest by observed industry standards.

MOQ – summary of EBITDA⁽¹⁾

	FY19	FY20⁽²⁾	FY21⁽²⁾	FY22⁽²⁾
	\$000	\$000	\$000	\$000
Proforma revenue	88,241	73,721	77,804	82,589
Underlying (proforma) EBITDA	2,766	2,440	2,485	(596)
<i>Underlying (proforma) EBITDA margin</i>	3.1%	3.3%	3.2%	nm
EBITDA based on 3% margin				
FY22 pro forma revenue				82,589
EBITDA margin				3%
EBITDA				<u>2,477</u>

nm – not meaningful.

EBITDA adopted for valuation purposes

114 For valuation purposes we have adopted EBITDA (prior to AASB 16 adjustments) of \$2.5 million. This has primary regard to²²:

- (a) the underlying EBITDA for the three years to FY21, which ranged from \$2.4 million to \$2.8 million and averaged \$2.56 million
- (b) the underlying EBITDA of \$2.5 million derived by adopting revenue for FY22 of \$82.6 million (consistent with FY22 revenue) and an underlying EBITDA margin of 3% (which is consistent with that achieved historically).

EBITDA multiple

115 The selection of the appropriate EBITDA multiple to apply is a matter of judgement but normally involves consideration of a number of factors including, but not limited to:

<ul style="list-style-type: none"> • The stability and quality of earnings • The quality of the management and the likely continuity of management • The nature and size of the business • The spread and financial standing of customers • The financial structure of the company and gearing level • The multiples attributed by share market investors to listed companies involved in similar activities or exposed to the same broad industry sectors • The multiples that have been paid in recent acquisitions of businesses involved in similar activities or exposed to the same broad industry sectors 	<ul style="list-style-type: none"> • The future prospects of the business including the growth potential of the industry in which it is engaged, strength of competitors, barriers to entry, etc. • The cyclical nature of the industry • Expected changes in interest rates • The asset backing of the underlying business of the company and the quality of the assets • The extent to which a premium for control is appropriate • Whether the assessment is consistent with historical and prospective earnings
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²² We have implicitly assumed the actual FY22 earnings performance to be non-recurring (due to the operational / managerial issues that arose during the period).

116 We discuss below specific factors taken into consideration when assessing the appropriate EBITDA multiple range for MOQ.

Listed company multiples

117 The EBITDA multiples for selected Australian IT services companies are as follows, with company descriptions set out in Appendix C:

Listed company trading multiples ⁽¹⁾			
	Enterprise value ⁽²⁾	EBITDA multiples ⁽³⁾	
	\$m	FY22 ⁽⁴⁾	FY23 ⁽⁴⁾
		x	x
Atturra	120	10.2	7.5
COSOL	103	12.9	8.1
Cirrus Networks Holdings	20	nm	4.6
CPT Global	16	7.4 ⁽⁵⁾	na

Note:

- 1 Enterprise value and earnings multiples calculated as at 31 August 2022.
- 2 Enterprise value includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution, and excludes surplus assets.
- 3 The EBITDA multiples have been calculated excluding the impact of AASB 16.
- 4 Forecast earnings are based on Bloomberg average analyst forecasts (excluding outliers and outdated forecasts), adjusted to remove the impact of AASB 16.

na – not available. nm – not meaningful.

Source: Bloomberg, latest full year statutory accounts, latest interim accounts, company announcements and LEA analysis.

118 In relation to the above, we note that:

- (a) the listed company multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)²³. This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company
- (b) regarding the Australian IT services companies, we note that COSOL has grown revenue and profits significantly in the last three years (which is expected to continue), and its relatively high FY22 EBITDA multiple reflects this
- (c) Cirrus Networks Holdings is in a turnaround phase following a period of relatively poor results. The Company is in the process of improving operational procedures and reducing costs. After allowing for a theoretical control premium of 32.5% (above the

²³ LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

market capitalisation of Cirrus Networks Holdings), the EBITDA multiple for Cirrus Networks Holdings (FY23²⁴) is 6.8 times

- (d) Atturra and COSOL are significantly larger than MOQ. Smaller listed companies (such as MOQ) often trade on lower multiples than larger listed companies provided other variables such as expected earnings growth are similar²⁵
- (e) CPT Global reported lower earnings in FY22 than the previous year and its EBITDA multiple appears relatively high.

MOQ acquisitions

- 119 Since listing on the ASX, MOQ has made a number of acquisitions, the EBITDA multiples²⁶ for these transactions are summarised in the table below, with a description set out in Section III (paragraph 54)²⁷:

Transaction (EBITDA) multiples		Enterprise value ⁽²⁾	EBITDA multiples ⁽³⁾
Date ⁽¹⁾	Target	\$m	x
Oct 14	Tech Effect and Breeze	16.8	5.6 H ⁽⁵⁾
Mar 16	TETRAN	9.0 ⁽⁴⁾	6.0 F
Aug 19	Wardy IT Solutions	7.5 ⁽⁴⁾	4.4 H
Jul 21	Dienst Consulting	3.5	4.3 H

Note:

- 1 Date of announcement.
- 2 Enterprise value on a 100% basis.
- 3 H – multiple based on historical EBIT. F – multiple based on forecast EBIT.
- 4 Includes upfront consideration only.
- 5 EBIT multiple.

Source: LEA analysis, ASX announcements and annual reports.

- 120 Given the time since acquisition and a subsequent change in strategy for MOQ, in our opinion, the Tech Effect, Breeze and TETRAN acquisitions are not as relevant as the Wardy IT Solutions and Dienst Consulting acquisitions. Further, the Wardy IT Solutions and Dienst Consulting businesses currently comprise a considerable proportion of MOQ's operations.
- 121 The EBITDA multiples implied by the Wardy IT Solutions and Dienst Consulting transactions were 4.4 times and 4.3 times EBIT respectively²⁸, and given the difference in

²⁴ Due to depressed earnings, the FY22 EBITDA multiple for Cirrus Networks Holdings is abnormally high and in our opinion is not reliable because of this.

²⁵ LEA has an extensive database of Australian company transactions, including details of prices paid, implied enterprise values and earnings multiples. This evidence indicates that:

- (a) small companies generally trade on significantly lower earnings multiples than larger companies (provided other variables such as expected earnings growth are similar); and
- (b) investors usually require a higher rate of return to compensate for the additional risks associated with small companies compared to larger ones.

²⁶ MOQ generally reported EBIT multiples (as opposed to EBITDA multiples) in its ASX announcements for its acquisitions.

²⁷ Skoolbag has not been included in the table as the business was sold by MOQ in September 2021.

²⁸ Noting that the EBITDA multiples for these transactions are slightly lower.

size and diversification, in our opinion, the appropriate EBITDA multiple for MOQ should be higher than these respective transactions.

Other transaction evidence

- 122 There have been a number of Australian transactions in the IT services sector over recent years, the acquisition terms and related EBITDA multiples for which are readily available. A summary of the larger transactions (with a value greater than or around \$100 million)²⁹ is set out below, with a description of the target companies provided in Appendix E:

Transaction (EBITDA) multiples					
Date ⁽¹⁾	Target	Acquirer	Interest %	Enterprise value ⁽²⁾ \$m	EBITDA multiples ⁽³⁾ x
Jul 21	Empired	Capgemini	100	233	9.6 F
Nov 20	RXP Services	Capgemini	100	106	7.6 F
Sep 20	DWS	HCL Technologies	100	200	7.7 H
Sep 20	Citadel Services ⁽⁴⁾	Pacific Equity Partners	100	— ⁽⁴⁾	7.0 F ⁽⁴⁾
May 17	SMS Management & Technology	Nomura Research Institute	100	132	14.2 H
Sep 16	ASG Group	Nomura Research Institute	100	348	10.6 F
Oct 15	UXC	CSC	100	470	9.9 F
Aug 14	Oakton	Dimension Data Holdings	100	171	10.6 F

Note:

1 Date of announcement.

2 Enterprise value on a 100% basis.

3 H – multiple based on historical EBITDA. F – multiple based on forecast EBITDA.

4 The Citadel Group Limited (Citadel) comprised a Software division and a (smaller) Services division (which provided technology and professional consulting services and is referred to as Citadel Services). The EBITDA multiple for Citadel Services of 7.0 is based on our best estimate of the relative value of both divisions implied by the offer consideration for Citadel.

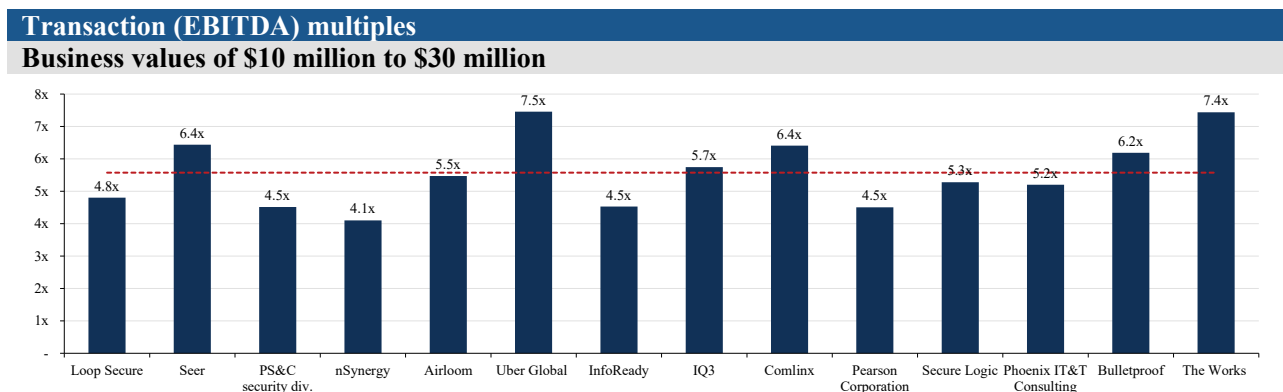
Source: LEA analysis using data from ASX announcements, analyst reports and company annual reports.

- 123 In relation to the transaction evidence (both above and below), we note that:

- (a) the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) none of the above companies that are the subject of the transaction are directly comparable to the MOQ business, i.e. they differ in terms of their size and nature of operations. In particular, all are many times larger than MOQ
- (c) the transaction multiples are calculated based on the most recent actual earnings (historical multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company's "maintainable" earnings
- (d) some transactions may reflect a strategic premium.

²⁹ Note, smaller more relevant transactions have been considered below.

- 124 Aside from the acquisition of Empired by Capgemini, announced in July 2021, which reflected a premium for the high revenue and earnings growth prospects of Empired at the time³⁰, there were three recent ASX listed company transactions (being RXP Services, DWS and Citadel Services) which were acquired on implied EBITDA multiples within a range of 7.0 to 7.7 times. However, MOQ is significantly smaller than RXP Services, DWS and Citadel Services (and all things equal, larger companies tend to trade on or transact at higher implied EBITDA multiples).
- 125 A summary of the implied EBITDA multiples for Australian transactions with business values of between around \$10 million to \$30 million (i.e. of a more comparable size to MOQ) is set out below (with a description of the target companies provided in Appendix E):



Note:

- 1 Where deferred consideration is payable contingent on financial performance targets, a consistent assumption of 50% of the contingent amount payable has been included in the enterprise value and EBITDA multiple calculations.

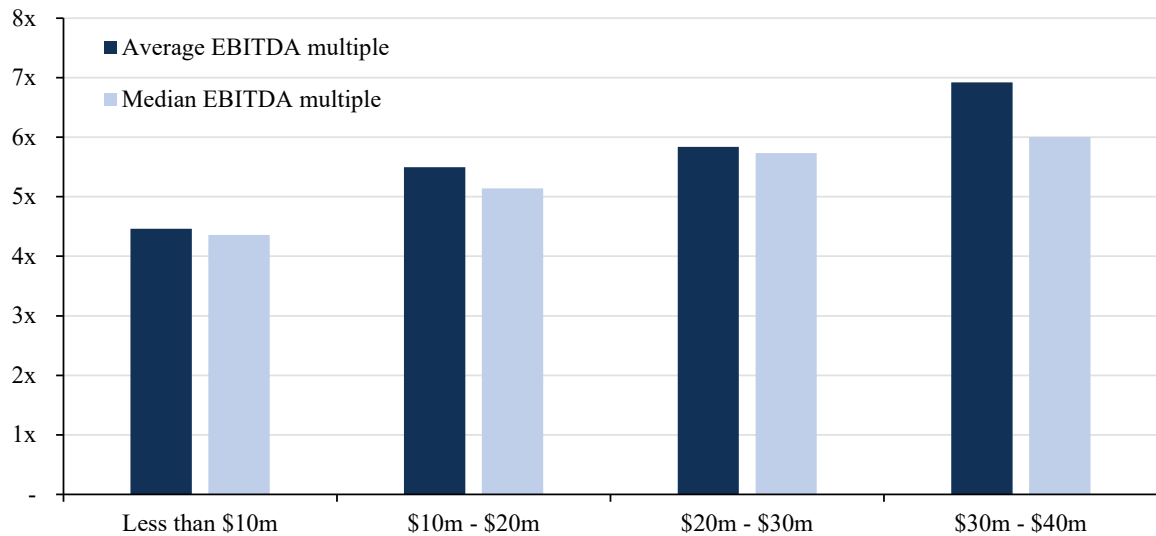
- 126 For the 14 transactions above we note that:

- (a) the EBITDA multiples ranged between 4.1 times and 7.5 times
- (b) the average EBITDA multiple (the red line in the chart) is 5.6 times, whilst the median EBITDA multiple is 5.4 times
- (c) from a revenue perspective, the above companies were all significantly smaller than MOQ, however, they typically achieved higher earnings margins.

- 127 The above multiple range is also confirmed by the following chart, which shows the EBITDA multiples for IT services transactions with consideration up to \$40 million set out by size (including those set out at paragraph 125 above):

³⁰ Due to the award of a number of large managed services contracts leading up to the date of acquisition.

Transaction (EBITDA) multiples
Business values up to \$40 million



Other factors

128 In assessing the EBITDA multiple for MOQ for valuation purposes we have also had regard to (inter alia):

- (a) **recent financial performance** – MOQ has reported losses in recent periods (with the underlying performance for FY22 at the EBITDA level also a loss)
- (b) **earnings margins** – MOQ derives relatively low margins by IT industry standards
- (c) **IT services industry** – demand for IT services is particularly strong at present.

EBITDA multiple adopted for valuation purposes

129 Having regard to the analysis above, we have adopted an EBITDA multiple range of 5.0 to 5.5 times for MOQ. This range is:

- (a) broadly consistent with the transaction evidence shown for companies of a similar transaction size (around \$10 million to \$30 million)
- (b) broadly consistent with the implied multiples for the smaller ASX listed companies after allowing for a theoretical control premium; and
- (c) higher than the implied multiples for the acquisitions of both Wardy IT Solutions and Dienst Consulting (which we consider appropriate).

Enterprise value

130 On this basis, the value of the MOQ business (on a cash and debt free basis) is as follows:

MOQ – enterprise value		
	Low \$m	High \$m
EBITDA	2.5	2.5
EBITDA multiple (x)	5.0	5.5
Enterprise value	12.50	13.75

Net cash

- 131 As at 30 June 2022, MOQ had net cash (excluding AASB 16 operating lease liabilities) of \$3.8 million³¹. MOQ's net cash position can vary materially during the financial year due to the timing of client payments. Given this, we have considered (inter-alia) the Company's net cash together with its working capital position (which was negative \$1.9 million as at 30 June 2022 excluding cash and debt), as well as MOQ's working capital requirements.
- 132 Based on this review, we consider that the net cash as at 30 June 2022 is required for working capital purposes (and is therefore not surplus cash). In this regard we note that MOQ's operations have been cash flow negative since it raised \$6 million in March 2022.

Other liabilities

- 133 As at 30 June 2022, MOQ owed \$0.617 million for deferred consideration outstanding to the vendors of Dienst Consulting.
- 134 We are not aware of any assets which are surplus to the business operations of MOQ, nor any other liabilities which should be deducted when assessing the equity value of MOQ.

Tax losses

- 135 As set out in Section III, MOQ has tax losses, of which a related benefit of some \$0.7 million was recognised as an asset in the financial statements for MOQ as at 30 June 2022³². In addition, as at 30 June 2022, the Company had a tax receivable of \$0.6 million.
- 136 For valuation purposes we have valued the tax receivable and the tax losses at a combined \$1.0 million. In determining the value placed on the tax losses, we have considered:
- (a) the extent to which the tax losses could be utilised, based on MOQ's earnings on a standalone basis
 - (b) the time period over which any utilisation of these tax assets could reasonably occur
 - (c) the reluctance by purchasers generally to pay significant value for tax losses due to, inter-alia, the inherent uncertainty associated with their ability to utilise the tax losses (in particular following a change of control).

Shares on issue

- 137 MOQ has 310.3 million fully paid ordinary shares on issue. In addition, there are 4.7 million options on issue which are all out of the money and will be cancelled under the SID. We have therefore adopted 310.3 million fully diluted shares on issue.

Valuation summary

- 138 Based on the above, the standalone value of 100% of MOQ on a controlling interest basis is as follows:

³¹ This is net of interest bearing debt.

³² It should be noted that deferred tax assets and liabilities (including tax benefits) are not recognised at their present value in financial statements.

Valuation of MOQ		
	Low \$m	High \$m
Enterprise value	12.50	13.75
Add value of tax losses	1.0	1.0
Deferred consideration	(0.61)	(0.61)
Equity value	12.9	14.1
Fully diluted shares on issue (million)	310.3	310.3
Value per share (\$)	0.042	0.046

Comparison with listed market price

- 139 We have also considered the listed market prices of MOQ shares up to and including 29 June 2022 (being the last trading day prior to the initial announcement of the now terminated scheme with Atturra). These market prices are shown below:

MOQ share prices prior to initial scheme announcement	
	MOQ share price A\$
Closing price on 29 June 2022	0.0480
VWAP for 1 month up to and including 29 June 2022	0.0496
VWAP for 3 months up to and including 29 June 2022	0.0583

- 140 For the purpose of our share price comparison we have had more regard to the VWAPs rather than the share price on the last trading day before the initial announcement of the (now terminated) scheme with Atturra, noting also the gradual decline in the prices at which MOQ shares traded over the period. Accordingly, for comparison purposes we have adopted an MOQ share price in the range of \$0.05 to \$0.055 per share.
- 141 Empirical research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover, and after adjusting the pre-bid market price as appropriate for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover)³³.
- 142 Adding a 30% to 35% premium for control to our adopted share price range of \$0.05 to \$0.055 would therefore result in a theoretical “control” value of \$0.065 to \$0.074 per share. As noted above, our assessed valuation of MOQ shares (on a 100% controlling interest basis) is lower than this theoretical range.
- 143 However, as stated in Section III, MOQ shares have historically been very thinly traded. In both the one and three month periods prior to the initial announcement of the Atturra scheme trading volumes (on an annualised basis) represented less than 5% of the MOQ shares on issue. In our view such low level of share market trading does not represent an appropriate basis from which to form an opinion on the value of the equity in MOQ. Notwithstanding the higher theoretical value range (and the Scheme Consideration being offered by Brennan), we therefore consider that our assessed valuation range is reasonable and appropriate.

³³ LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

VI Evaluation of the Scheme

144 In our opinion, the Scheme is fair and reasonable and in the best interests of MOQ shareholders in the absence of a superior proposal. We have formed this opinion for the following reasons.

Assessment of the Scheme

Value of MOQ

145 As set out in Section V we have assessed the standalone value of MOQ between \$0.042 and \$0.046 per share.

Value of Scheme Consideration

146 If the Scheme is approved and implemented, MOQ shareholders will receive \$0.075 in cash for each MOQ share they hold on the Scheme Record Date.

Fair and reasonable opinion

147 Pursuant to RG 111 the Scheme is “fair” if the value of the Scheme Consideration is equal to, or greater than, the value of the securities the subject of the Scheme. This comparison for MOQ shareholders is shown below:

Position of MOQ shareholders			
	Low \$/share	High \$/share	Mid-point \$/share
Value of Scheme Consideration	0.075	0.075	0.075
Value of 100% of MOQ	0.042	0.046	0.044
Extent to which the Scheme Consideration exceeds the value of MOQ	0.033	0.029	0.031

148 As the Scheme Consideration significantly exceeds our assessed valuation range for MOQ shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is fair to MOQ shareholders when assessed based on the guidelines set out in RG 111.

149 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is fair and reasonable.

In the best interests

150 There is no legal definition of the expression “in the best interests”. However, RG 111 states that a Scheme may be “in the best interests of the members of the company” if there are sufficient reasons for shareholders to vote in favour of the Scheme in the absence of a higher offer.

151 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because, if the Scheme Consideration is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.

152 We therefore consider that the Scheme is also “in the best interests” of MOQ shareholders in the absence of a superior proposal.

Other considerations

153 In assessing whether the Scheme is reasonable and in the best interests of MOQ shareholders LEA has also considered, in particular:

- (a) the extent to which a control premium is being paid to MOQ shareholders
- (b) the current financial position of MOQ and the need for additional funding
- (c) the extent to which MOQ shareholders are being paid a share of any synergies likely to be generated if the Scheme is implemented
- (d) the listed market price of the shares in MOQ, both prior to and subsequent to the announcement of the proposed Scheme
- (e) the likely market price of MOQ securities if the proposed Scheme is not implemented (and a comparable or superior proposal does not emerge)
- (f) the value of MOQ to an alternative offeror and the likelihood of a higher alternative offer being made for MOQ prior to the date of the Scheme Meeting
- (g) the advantages and disadvantages of the Scheme from the perspective of MOQ shareholders
- (h) other qualitative and strategic issues associated with the Scheme.

154 These issues are discussed in detail below.

Extent to which a control premium is being paid

155 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company's shares³⁴ three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)³⁵. This premium range reflects the fact that:

- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

³⁴ After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

³⁵ LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2020. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

156 Given the above, we have calculated the premium implied by the Scheme Consideration by reference to the market prices of MOQ shares (as traded on the ASX) for periods up to and including 29 June 2022 (being the last trading day prior to the initial announcement of the now terminated scheme with Atturra).

157 The implied offer premium relative to MOQ share prices up to this date is shown below:

Implied offer premium relative to recent MOQ share prices⁽¹⁾		
	MOQ share price	Implied offer premium
	\$	%
Closing share price on 29 June 2022 ⁽²⁾	0.0480	56.3
VWAP for 1 month up to and including 29 June 2022	0.0496	51.2
VWAP for 3 months up to and including 29 June 2022	0.0583	28.6

Note:

- 1 Rounding differences may exist.
- 2 Being the closing price on the last day of trading prior to the initial announcement of the (now terminated) scheme with Atturra

158 We note that based on the above share market trading, the Scheme Consideration provides MOQ shareholders with a significant premium to the recent market prices of MOQ shares prior to the initial announcement of the now terminated scheme with Atturra. Furthermore, the implied premium is consistent with and/or significantly above observed premiums generally paid in comparable circumstances. We have attributed this outcome to the contested bidding for the Company that took place between Brennan and Atturra.

159 However in this context MOQ shareholders should note that (as stated in Section III) MOQ shares have historically been very thinly traded. In both the one and three month periods prior to the initial announcement of the now terminated scheme with Atturra trading volumes (on an annualised basis) represented less than 5% of the MOQ shares on issue. In our view such low level of share market trading does not represent an appropriate basis from which to form an opinion on the value of the equity in MOQ or the appropriateness of the implied offer premium.

Financial position of MOQ

160 On 15 December 2021 MOQ announced that:

- (a) following a comprehensive assessment of the status of the Company's portfolio of professional services customer contracts, the status of work in progress on several of the Company's larger customer contracts and the Company's limited capacity to charge the relevant customers further material fees to complete those contracts in accordance with the Company's fixed fee arrangements with those customers, the Board of MOQ determined that it was prudent to write off and provide for total project cost over-runs in the order of \$3.5 million
- (b) given the materiality of the write-off / provision referred to above, MOQ appointed an independent third party to initiate an operational review and recommend steps to be taken to improve the Company's operational controls and project governance. The subsequent recommended changes arising from this review were adopted in principle.

- 161 Associated with the outcome of this review and the related implementation process, the MOQ Board determined that it would be optimal for the Company to procure and use a cash injection of approximately \$6 million to enable the Company to:
- (a) fully implement a range of personnel and processing changes to reset the Company's project management and finance functions; and
 - (b) satisfy its general working capital and banking requirements.
- 162 Accordingly, on 28 February 2022 MOQ announced a partially underwritten, pro-rata non-renounceable Entitlement Offer (on a 1 for 1.5879 basis) priced at \$0.05 per MOQ share seeking to raise approximately \$6 million. Subsequently, on 23 March 2022, MOQ announced that the Entitlement Offer had successfully raised approximately \$6 million.
- 163 On 30 June 2022, concurrent with the initial announcement of the now terminated scheme with Atturra, MOQ provided a trading update, the key aspects of which were:
- (a) operational challenges had continued from 1HY22
 - (b) although significant progress had been made on unprofitable Professional Services customer contracts on fixed fee arrangements, two of these contracts were now not expected to conclude until 1HY23 (later than originally anticipated)
 - (c) progress under the business turnaround (the "Back on Track" plan) had been slower than originally expected
 - (d) trading losses continued to be a challenge (notwithstanding that the Company was taking action to minimise cash outflows)
 - (e) as a result of the above, the net cash position as at 31 May 2022 had reduced to around \$2.7 million³⁶.
- 164 We have discussed the trading update and current financial position with MOQ management who have advised that (absent the Scheme) the adequacy of the prevailing funding position is primarily dependent on a successful outcome of the business turnaround strategy currently being implemented. It follows that if this strategy is further delayed as to implementation and/or only partially successful (or in a worst case scenario unsuccessful) then the business will require additional funding in the medium term (and potentially earlier). In our opinion, in such circumstances, this funding will (very likely) need to be of an equity nature³⁷.
- 165 Accordingly, if the Scheme is not implemented there is a significant risk that MOQ will require further equity capital (from existing shareholders and/or third-party investors). Such additional capital (if required and/or available) is likely to be priced at a (potentially significant) discount to the Scheme Consideration.

³⁶ The net cash position as at 30 June 2022 was \$3.8 million.

³⁷ In this regard, we note that in circumstances comparable to those currently faced by MOQ, there are inherent risks generally (including pricing and level of participation) in a company seeking further additional equity funding from shareholders within a relatively short period from a previous equity capital raising.

Extent to which MOQ shareholders are being paid a share of synergies

- 166 If the Scheme is approved by MOQ shareholders, Brennan will acquire a 100% interest in MOQ. As MOQ will be privatised, listed company costs will be eliminated with associated cost savings to the merged group. Such cost savings are inherent when listed companies are acquired and privatised and are typically one of the reasons why acquirers pay a control premium to target company shareholders.
- 167 In terms of potential operational synergies, Brennan is also a key participant in the IT services sector in Australia and therefore provides some services which are similar and/or complementary to those of MOQ. The potential therefore exists for operational synergies between the two business operations (which may be significant). However, we understand that this potential was not a major consideration in negotiations between the parties and to date has not been the subject of detailed review from both a qualitative and quantitative perspective.
- 168 As noted above, the Scheme Consideration significantly exceeds the high end of our assessed value range of MOQ (on a 100% controlling interest basis). We are therefore of the view that MOQ shareholders are being paid an appropriate share of the value of any synergy benefits which may potentially arise from the acquisition (particularly given the prevailing circumstances of MOQ).

Recent share prices subsequent to the announcement of the Scheme

- 169 Shareholders should note that MOQ shares have traded on the ASX in the range of \$0.072 to \$0.074 per share in the period since the announcement of the Scheme with Brennan up to 5 September 2022, with some 20.3 million shares (equivalent to 6.5% of the capital) traded. The VWAP for the period was \$0.0736 per share.
- 170 All of this trading took place at share prices below the Scheme Consideration which suggests that the market consensus view is that a superior offer or proposal is unlikely to emerge.
- 171 MOQ shareholders considering selling their MOQ shares on the ASX will need to consider brokerage costs and should note that:
- (a) the MOQ share price on the ASX is subject to daily fluctuation
 - (b) MOQ shareholders who sell their MOQ shares on the ASX will not obtain the benefit of the Scheme or any superior proposal should this eventuate.

Likely price of MOQ shares if the Scheme is not implemented

- 172 If the Scheme is not implemented we expect that, at least in the short term, MOQ shares will trade at a significant discount to the Scheme Consideration due (in part) to the difference between the value of MOQ shares on a portfolio basis and their value on a 100% controlling interest basis. In this regard we note that MOQ shares last traded at \$0.048 per share on 29 June 2022 (being the last trading day prior to the initial announcement of the now terminated scheme with Atturra). In addition (as noted above), absent the Scheme it is potentially the case that the MOQ business will require additional equity funding, the perceived need for which will likely have a negative effect on the MOQ share price.

- 173 If the Scheme is not implemented those MOQ shareholders who wish to sell their MOQ shares (assuming a required level of underlying market demand) are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

Likelihood of an alternative offer

- 174 On 28 February 2022, concurrent with the announcement of the 1HY22 results and Entitlement Offer, MOQ announced a strategic review with the objective of maximising shareholder value (in part the strategic review was in response to a number of unsolicited expressions of interest received). The strategic review process included further discussions (as appropriate) with those parties that had indicated an interest in the MOQ business³⁸.
- 175 We have been advised that, pursuant to these discussions, the previously proposed (initial) transaction with Atturra emerged as the most compelling having regard to factors including (inter alia) transaction logic, certainty of outcome and benefits for MOQ customers and employees.
- 176 As noted above Brennan subsequently emerged as an interested party and the Scheme is the outcome of a contested bidding process for the Company between Brennan and Atturra. In the circumstances we consider the prospects of an as yet unidentified additional interested party emerging as remote.
- 177 In this regard the Directors of MOQ have confirmed that no alternative offers or approaches from any third parties have been received subsequent to the announcement of the Scheme with Brennan.

Summary of opinion on the Scheme

- 178 We summarise below the likely advantages and disadvantages for MOQ shareholders if the Scheme proceeds.

Advantages

- 179 In our opinion, the Scheme has the following benefits for MOQ shareholders:
- (a) the Scheme Consideration of \$0.075 cash per share significantly exceeds the high end of our assessed standalone value range for MOQ shares on a 100% controlling interest basis
 - (b) following the contested bidding for the Company between Brennan and Atturra, the Scheme Consideration represents a significant premium to the recent market prices of MOQ shares prior to the initial announcement of the now terminated scheme with Atturra on 30 June 2022
 - (c) shares in MOQ have historically been (very) thinly traded and the Scheme provides MOQ shareholders with a liquidity event, i.e. an opportunity for MOQ shareholders to monetise their investment for a certain cash price
 - (d) absent the Scheme the adequacy of the prevailing funding position of MOQ is primarily dependent on a successful outcome of the business turnaround strategy currently being implemented. In the event this strategy is further delayed as to implementation and/or only partially successful (or in a worst case scenario unsuccessful) then the MOQ

³⁸ We have been advised that the strategic review process did not include a formal sale process.

business will require additional funding in the medium term (and potentially earlier). In our opinion, in such circumstances, this funding will need to be of an equity nature and is likely to be priced at a significant discount to the Scheme Consideration. In contrast the Scheme provides a cash certain outcome for shareholders (and avoids the potential need for shareholders to provide additional equity capital funding to the Company)

- (e) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, MOQ shares are likely to trade at a significant discount to the Scheme Consideration due (in part) to the portfolio nature of individual shareholdings.

Disadvantages

- 180 MOQ shareholders should note that if the Scheme is implemented they will no longer hold an interest in MOQ. MOQ shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.
- 181 However, as noted above, there are a number of prevailing risks and uncertainties relevant to a consideration of the present value of MOQ's future potential, including a successful outcome to the business turnaround strategy currently being implemented and the adequacy of associated business funding. In addition, following the recently contested bidding for the Company, the Scheme Consideration significantly exceeds the high end of the range of our assessed value of MOQ shares. In the circumstances, we consider that the present value of MOQ's future potential is (more than) adequately reflected in the Scheme Consideration.

Conclusion

- 182 Given the above analysis, we consider the acquisition of MOQ shares under the Scheme is fair and reasonable and in the best interests of MOQ shareholders in the absence of a superior proposal.

Appendix A

Financial Services Guide

Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to MOQ shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

Financial services we are licensed to provide

- 5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$130,000 plus GST.
- 9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

Appendix A

- 10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
- 11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Contact details

- 14 LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000
(or GPO Box 1640, Sydney NSW 2001)

Appendix B

Qualifications, declarations and consents

Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Craig Edwards and Mr Jorge Resende, who are each authorised representatives of LEA. Mr Edwards and Mr Resende have over 27 years and 20 years experience respectively in the provision of valuation advice (and related advisory services).

Declarations

- 3 This report has been prepared at the request of the Directors of MOQ to accompany the Scheme Booklet to be sent to MOQ shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of MOQ shareholders.

Interests

- 4 At the date of this report, neither LEA, Mr Edwards nor Mr Resende have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

Indemnification

- 6 As a condition of LEA's agreement to prepare this report, MOQ agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of MOQ which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

Appendix C

Valuation methodologies

- 1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
 - (a) the discounted cash flow (DCF) methodology
 - (b) the application of earnings multiples appropriate to the businesses in which the company or its profit centres are engaged or the industries in which they operate, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
 - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
 - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
 - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 2 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax, and amortisation of acquired intangibles (EBITA), earnings before interest and tax (EBIT) or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

Appendix C

- 5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company is adjusted for the time, cost and taxation consequences of realising the company's assets.

Appendix D

Listed company descriptions

Atturra Limited

- 1 Atturra is an Australian technology business providing a range of enterprise advisory, consulting, IT services and solutions with a focus on local government, utilities, education, defence, federal government, financial services and manufacturing industries. Atturra has partnerships with leading global providers including Microsoft, Boomi, Software AG, OpenText, Smartsheet, QAD, Infor and Solace and offers its services to a diverse range of public and private-sector clients in Australia.

COSOL Limited

- 2 COSOL is a global provider of digital and IT solutions, partnering with asset intensive businesses in the mining, utility, defence and public infrastructure industries to drive business improvements through the enhanced use of data and data analysis. The company's proprietary digital solutions include enterprise asset management and enterprise resource planning systems, data management platforms, subscription based solutions designed to keep enterprise systems current and business productivity tools associated with bulk data management.

Cirrus Networks Holdings Limited

- 3 Cirrus Networks Holdings is an Australian IT solutions provider focused on designing, building and managing IT infrastructure for small to medium enterprises, large corporations and government entities. The company offers bespoke technology solutions that are both cost effective and provide long term benefits. Its range of IT solutions includes advisory services, integration services and managed services.

CPT Global Limited

- 4 CPT Global is a specialist IT consulting services firm with operations covering 35 countries around the world. The company has been engaged by a number of the world's largest banks and has experience working for the federal and state governments in Australia, as well as companies in the finance, insurance, telecommunications, retail and manufacturing sectors, both in Australia, as well as globally.

Appendix E

Australian IT services transaction company descriptions

Transactions with values greater than \$100 million

Empired

- 1 Empired was an IT services provider focused on delivering enterprise digital solutions for medium to large corporate and government organisations within key industries, including public sector, energy and natural resources, financial services and insurance, utilities and transport. The company offered end-to-end business solutions, including managed services and digital transformation, consulting services, system integration, digital customer relationship management and engagement strategies, and IT security.

RXP Services

- 2 RXP Services was an Australian digital services consultancy business specialising in providing digital expertise and support across current and emerging channels. The company offered end-to-end solutions from the initial design phase through to the final build and implementation stage. RXP Services also provided digital marketing services and assisted organisations with innovation by fusing brand, insight, design and technology.

DWS

- 3 DWS was a professional services company which provided IT consulting services to large corporate entities and Australian government agencies. Services provided included consulting, digital advisory, program and project management, and managed application services. At the time of the acquisition, DWS employed over 750 staff and contractors and had offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra.

Citadel Services

- 4 Citadel Services was a division of The Citadel Group. The division had two key verticals, being Technology and Professional Services. The Technology vertical designed, supplied and implemented technology systems to meet business and government requirements. The Professional Services vertical was an advisory business that offered strategic advice, improved practice methodology, technologies and managed services to large enterprises and government departments.

SMS Management & Technology

- 5 SMS Management & Technology was an IT services company, providing business and IT advisory, technology solutions, managed services and recruitment to a range of large corporations and government bodies. Around the time of the acquisition, the company employed over 1,300 professional staff (including contractors) predominantly in Australia, with a presence in Hong Kong, Singapore and the Philippines. It consisted of two businesses, SMS Consulting and M&T Resources.

ASG Group

- 6 ASG Group specialised in the provision of professional IT business solutions to medium to large-scale enterprises and had expertise and experience in IT outsourcing, computer infrastructure, application development, systems integration and the provision of specialist

Appendix E

technical services and support. The company was founded in 1996 and was also an accredited partner of Oracle and SAP.

UXC

- 7 UXC provided integrated services across the IT value chain from design to implementation and enhancement, and operation and management of IT systems. It operated three divisions, being Advisory and Consulting, Enterprise Applications (by far the largest business unit) and IT Infrastructure. It employed 2,300 staff in offices in Brisbane, Sydney, Canberra, Melbourne, Hobart, Adelaide and Perth, and supported around 2,500 clients in Australia and internationally.

Oakton

- 8 Oakton was a consulting and technology firm, which worked with its clients to develop a broad range of solutions leveraging business and industry insight, intellectual property, the latest technologies and partnerships with cloud-based infrastructure and software providers. Oakton generated revenue through rate per hour roles and project based engagements, which focused on the delivery of particular aspects of an in-house IT department's IT capital expenditure requirements.

Transactions with values between \$10 million and \$30 million

Loop Secure

- 9 Headquartered in Sydney, and with offices in Melbourne and Brisbane, Loop Secure was an Australian cybersecurity firm providing managed security services, governance risk and compliance services and offensive security services. The firm operated a security operations centre located in Melbourne and worked predominantly with a range of international and domestic enterprises.

Seer

- 10 Seer was a company specialising in providing high security services and had delivery capabilities to Australian Federal Government departments and agencies including Defence and Law Enforcement. The company had operations in Canberra and Melbourne and was focused on the government-certified delivery of assurance and governance risk and compliance services alongside software development capabilities.

PS&C security division

- 11 The security division of PS&C had more than 20 years of experience in defending, protecting and assuring applications and IT infrastructure for customers. The business had completed thousands of penetration tests, security consulting engagements and managed services undertakings for organisations spanning various sectors.

nSynergy

- 12 Founded in 2002, nSynergy was a global solutions and consulting company, specialising in building modern business solutions predominantly in the Microsoft suite, with a strong differentiator in dynamic user experiences. The company, which had a presence in Australia, the United States of America, United Kingdom and China, had extensive SharePoint, Office 365 and Azure expertise.

Appendix E

Airloom

- 13 Airloom was a Sydney-based cybersecurity firm with a focus on security architecture and supporting organisations secure their journey to the cloud. The company held a number of locked-in recurring multi-year annuity-based contracts and was focused on the banking and finance sector as well as ASX top 50 customers.

Uber Global

- 14 Uber Global was a provider of direct domain registration, hosting and cloud applications together with white label business services through channel partners and bespoke cloud solutions. The company had a customer base of 70,000 clients plus over 400 resellers featuring brands including the following: Uber Enterprise, Uber Wholesale, ilisys Web Hosting and SmartyHost.

InfoReady

- 15 Founded in 2008, InfoReady was a data and analytics provider for the enterprise and government market. The company's expertise was in designing and implementing data platforms, combining and managing data and analysing data to provide meaningful and actionable insights. As of March 2016, InfoReady had 88 employees with offices in Melbourne, Sydney and Brisbane.

iQ3

- 16 iQ3 was a secure cloud services firm headquartered in Sydney with facilities in Melbourne and Brisbane, and a sales office in Singapore. iQ3 provided services to internationally established brands in Australia and Singapore, with particularly strong ties to NSW state and local governments. The firm had been delivering secure cloud infrastructure and related services to a range of government agencies since 2010.

Comlinx

- 17 Comlinx was a provider of IT managed solutions to corporate, enterprise and government customers. The company was established in 2006 and was headquartered in Brisbane, with approximately 20 staff. At the time of acquisition, Comlinx had approximately 100 clients with high levels of customer retention and long tenure of relationships with major customers.

Pearson Corporation

- 18 Pearson Corporation was a provider of programs designed around the delivery of the Essential 8 program, a set of mitigation strategies designed by the Australian Signals Directorate to provide organisations with a solid baseline of protection and make it harder for an adversary to compromise systems. The Australian Federal Government deployed the Essential 8 program across all departments and agencies, many with the support of Pearson Corporation.

Secure Logic

- 19 Secure Logic was a managed security services firm headquartered in Sydney, with additional sales offices located in Singapore, Kuala Lumpur and Bangalore. The firm operated a 24 hour a day, seven days a week security operations centre located in Sydney. It worked predominantly with NSW State Government and Federal Government departments and agencies, as well as a range of international and domestic corporate and financial institutions.

Appendix E

Phoenix IT&T Consulting

- 20 Phoenix IT&T provided managed IT infrastructure support services, including systems management, communications, remote telephone support, high-touch field services, project and consultancy services, and business continuity and disaster recovery services. The company employed 200 staff at the time of acquisition and its clients included a number of government agencies and blue chip companies.

Bulletproof

- 21 Bulletproof provided managed cloud, hosting and professional services primarily for corporate and enterprise customers in Australia and New Zealand. The company had three business units at the time of acquisition, including Public Cloud (Amazon Web Services and Microsoft Azure Cloud Services), Private Cloud and Professional Services (including cloud software engineering and migration, cloud security services, consulting services, digital strategy and application migration services).

The Works

- 22 Established in 2002, The Works was a digital and creative agency that provided digital and technical services (user experience, user interface, online and mobile devices) as well as strategy and consulting. At the time of acquisition, The Works employed 61 staff and was based in Sydney.

Appendix F

Glossary

Term	Meaning
1HY	Financial half year to 31 December
A\$	Australian dollar
AASB 16	Australian Accounting Standard AASB 16 – <i>Leases</i>
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Atturra	Atturra Limited
CAGR	Compound annual growth rate
Citadel	The Citadel Group Limited
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Corporations Regulations	Corporations Regulations 2001
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax, and amortisation of acquired intangibles
EBITDA	Earnings before interest, tax depreciation and amortisation
Entitlement Offer	One new fully paid ordinary share in MOQ for every existing 1.5879 shares held at an issue price of \$0.05 per share
FSG	Financial Services Guide
FY	Financial year
IER	Independent expert's report
IT	Information technology
LEA	LonerGAN Edwards & Associates Limited
MOQ / the Company	MOQ Limited
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
Scheme	Scheme of arrangement between MOQ and its shareholders to implement the SID
Scheme Booklet	The Scheme Booklet in respect of the Scheme
Scheme Consideration	\$0.05 cash for each MOQ share held on the Scheme Record Date
SID	Scheme Implementation Deed
US\$	US dollar
VWAP	Volume weighted average price
WANOS	Weighted average number of shares outstanding

Attachment 2 – Deed Poll

See over page.

Deed Poll

by

Brennan VDI Pty Limited
ACN 125 976 007
(Bidder)

in favour of

Each Scheme Participant

This deed poll is made on 23 September 2022

by **Brennan VDI Pty Limited** ACN 125 976 007 of Level 7, 45 – 53 Clarence Street,
Sydney, New South Wales (**Bidder**)

in favour of **Each Scheme Participant**

Recitals

- A Bidder and MOQ Limited ACN 050 240 330 (**Target**) have entered into a scheme implementation deed dated 16 August 2022 (**Implementation Deed**).
- B Pursuant to the Implementation Deed, Bidder proposes to acquire all of the Target Shares pursuant to a members' scheme of arrangement under Part 5.1 of the Corporations Act.
- C In accordance with the Implementation Deed, Bidder is entering into this deed poll for the purpose of covenanting in favour of the Scheme Participants that it will observe and perform the obligations attributed to it under the Scheme.
- D The effect of the Scheme will be that the Scheme Shares, together with all rights attaching to them, will be transferred to the Bidder on the Implementation Date in exchange for the Scheme Consideration.

Now it is covenanted and agreed as follows:

1 Definitions and interpretation

1.1 Definitions

Each capitalised term used but not defined in this deed poll has the meaning given to that expression in the Implementation Deed.

1.2 Interpretation

The provisions of clause 1.2 of the Implementation Deed form part of this deed poll as if set out in full in this deed poll, and on the basis that references to 'this deed' in that clause are references to 'this deed poll'.

2 Nature of deed poll

Bidder acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Participants in accordance with its terms, even though the Scheme Participants are not party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Target and each of its Officers (jointly and severally) as its agent and attorney to enforce this deed poll against Bidder on behalf of that Scheme Participant.

3 Conditions Precedent

3.1 Conditions Precedent

Bidder's obligations under this deed poll are subject to the Scheme becoming Effective.

3.2 Termination

The obligations of Bidder under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective on or before the End Date, unless Bidder and Target otherwise agree in writing.

3.3 Consequences of termination

If this deed poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder is released from its obligations under this deed poll, except those obligations under clauses 8.1 and 8.2; and
- (b) each Scheme Participant retains any rights, powers or remedies that Scheme Participant has against Bidder in respect of any breach of its obligations under this deed poll that occurred before termination of this deed poll.

4 Compliance with Scheme obligations

Subject to clause 3, Bidder covenants in favour of each Scheme Participant that Bidder will:

- (a) observe and perform all obligations, and give each acknowledgement, representation and warranty attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme;
- (b) if and only to the extent that Bidder controls the board of directors of Target after the Effective Date, procure that Target observes and performs all obligations contemplated of it under the Scheme; and
- (c) without limiting the generality of clause 4(a), provide to each Scheme Participant, or procure payment to each Scheme Participant of, their entitlement to the Scheme Consideration, subject to and in accordance with the terms of the Scheme.

5 Representations and warranties

Bidder represents and warrants in favour of each Scheme Participant that:

- (a) **incorporation:** it is a body corporate validly existing under the laws of its place of incorporation;
- (b) **power:** it has the corporate power to enter into and perform or cause to be performed its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) **corporate authorisations:** it has taken all necessary corporate action to authorise its entry into this deed poll and has taken all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) **binding obligations:** this deed poll is valid and binding upon it;
- (e) **solvency:** no Insolvency Event has occurred in relation to it;
- (f) **regulatory action:** no regulatory action of any nature has been taken which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this deed poll; and

- (g) **no default:** this deed poll does not conflict with, or result in the breach of or default under, any provision of Bidder's constitution, any material term or provision of any material agreement, or any writ, order or injunction, judgement, law, rule, regulation or instrument to which Bidder is party or subject or of which it is bound.

6 Continuing obligations

This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Bidder having fully performed its obligations under this deed poll; and
- (b) termination of this deed poll under clause 3.

7 Notices

7.1 Service of notices

A notice, consent, approval or other communication under this deed (**Notice**) must be:

- (a) in writing and signed by the sender or its duly authorised representative, addressed to the recipient and sent to the recipient's address specified in clause 7.3; and
- (b) delivered by personal service, sent by pre-paid mail or sent by email, or any other lawful means.

7.2 Effect of receipt

A Notice given in accordance with this clause 7 is treated as having been given and received:

- (a) if personally delivered, on the day of delivery if delivered before 5pm on a Business Day, otherwise on the next Business Day;
- (b) if sent by pre-paid mail, on the third clear Business Day after the date of posting (or the fifth Business Day after the date of posting if sent to or from an address outside Australia); and
- (c) if sent by email, before 5pm on a Business Day, on the day of the transmission (otherwise, if sent after 5pm, on the next Business Day), provided that the sender does not receive an automated notice generated by the sender's or the recipient's email server that the email was not delivered.

7.3 Addresses

- (a) The particulars for delivery of Notices are initially:

BIDDER

Name:	Brennan VDI Pty Limited
Attention:	Dave Stevens, Managing Director
Address:	Level 7, 45 – 53 Clarence Street, Sydney NSW 2000
Email:	DavidS@brennanit.com.au

- (b) A party may change its address for the delivery of Notices by notifying that change to each other party. The notification is effective on the later of the date specified in the Notice or five Business Days after the Notice is given.

8 General

8.1 Stamp duty

Bidder must pay all stamp duty (including any penalties) payable on, or arising out of or in connection with this deed poll and any document required by or contemplated under this deed poll.

8.2 Legal costs

Bidder must pay its own legal and other costs and expenses that it incurs in negotiating, preparing, executing and performing its obligations under this deed poll.

8.3 Governing law and jurisdiction

- (a) This deed poll is governed by and is to be construed in accordance with the laws applicable in New South Wales, Australia.
- (b) Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.
- (a) Bidder irrevocably appoints Dentons Australia Limited of Level 13, 77 Castlereagh Street Sydney NSW 2000 as its agent to receive service of process for any proceedings arising out of or in connection with the subject matter of this document. Bidder undertakes to maintain this appointment, and agrees that any such process served on that person is taken to be served on it.
- (c)

8.4 Severability

- (a) Subject to clause 8.4(b), if a provision of this deed poll is illegal or unenforceable in any relevant jurisdiction, it may be severed for the purposes of that jurisdiction without affecting the enforceability of the other provisions of this deed poll.
- (b) Clause 8.4(a) does not apply if severing the provision:
 - (i) materially alters the:
 - (A) scope and nature of this deed poll; or
 - (B) the relative commercial or financial positions of the parties; or
 - (ii) would be contrary to public policy.

8.5 Rights cumulative

Except as expressly stated otherwise in this deed poll, the rights, powers and remedies of Bidder and each Scheme Participant under this deed poll are cumulative and are in addition to any other rights, powers and remedies of that person.

8.6 Waiver and exercise of rights

- (a) Bidder may not rely on the words or conduct of any Scheme Participant as a waiver of any right unless the waiver is agreed in writing and signed by the Scheme Participant granting the waiver.
- (b) No Scheme Participant may rely on words or conduct of Bidder as a waiver of any right unless the waiver is in writing and signed by Bidder.

- (c) A single or partial exercise or waiver by Bidder or by any Scheme Participant of a right relating to this deed poll does not prevent any other exercise of that right or the exercise of any other right.

8.7 Amendment

This deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Target in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by Target in writing and the Court indicates that the variation would not of itself preclude approval by the Court of the Scheme,

in which event Bidder will enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

8.8 Assignment


The rights and obligations of Bidder and of each Scheme Participant under this deed poll are personal. They cannot be assigned encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior written consent of Bidder and Target (which consent may be given or withheld in their absolute discretion).

8.9 Further assurances

Bidder will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this deed poll and the transactions contemplated by it.

Executed as a deed poll

Executed by Brennan VDI Pty Limited ACN 125 976 007 in accordance with section 127 of the *Corporations Act 2001* (Cth):

DocuSigned by:

 453B3901D00C4CE...

Sole Director and Company Secretary

DAVID WILLIAM STEVENS

Name of Sole Director and Company Secretary
 BLOCK LETTERS

Attachment 3 – Scheme of Arrangement

See over page.

Scheme of Arrangement
pursuant to section 411 of the *Corporations Act 2001* (Cth)

between

MOQ Limited
ACN 050 240 330
(Target)

and

Scheme Participants

This Scheme is

between **MOQ Limited** (ACN 050 240 330) of Ground 1, 3 West Street, North Sydney, New South Wales (**Target**)

and **Scheme Participants**

Now it is agreed as follows:

1 Definitions and interpretation

1.1 Definitions

In this Scheme:

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning ascribed to that term in s12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this document and the Bidder was the designated body;

ASX means ASX Limited (ACN 008 624 691) or as the context requires the securities exchange which it operates;

Bidder means Brennan VDI Pty Limited ACN 125 976 007 of Level 7, 45 – 53 Clarence Street, Sydney, New South Wales;

Bidder Group means Bidder and its Subsidiaries and a reference to a **Bidder Group Member** or a member of the Bidder Group is to the Bidder or any of its Subsidiaries;

Business Day means:

- (a) for the purposes of receiving a Notice, a day which is not a Saturday, Sunday, public holiday or bank holiday in the city in which the Notice is to be received; and
- (b) for any other purpose not identified above, a day on which the banks are open for business in Sydney, New South Wales, Australia other than a Saturday, Sunday or public holiday in Sydney, New South Wales, Australia;

CHES means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited;

CHES Holding has the meaning ascribed to that term in the Settlement Rules;

Corporations Act means the *Corporations Act 2001* (Cth);

Court means the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and Target;

Deed Poll means the deed poll executed by Bidder in favour of the Scheme Participants dated 23 September 2022;

Effective means, when used in relation to the Scheme, the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme coming into effect pursuant to section 411(10) of the Corporations Act;

Effective Date means the date on which the Scheme becomes Effective;

End Date has the meaning given to that term in the Implementation Deed;

Excluded Shareholder means any Target Shareholder who is (or becomes under clause 5.2(h) of the Implementation Deed) a member of the Bidder Group or an Associate or any Target Shareholder who holds any Target Shares on behalf of, or for the benefit of, any member of the Bidder Group or an Associate and does not hold Target Shares on behalf of, or for the benefit of, any other person;

Government Agency means any government, governmental, semi governmental, administrative, fiscal or judicial body department, commission, authority, tribunal, agency or entity including ASIC, the ASX, the Australian Takeovers Panel, the Australian Taxation Office and the Australian Competition and Consumer Commission;;

Implementation Date has the meaning given to that term in the Implementation Deed;

Implementation Deed means the scheme implementation deed dated 16 August 2022 between Bidder and Target relating to (among other things) the implementation of this Scheme;

Issuer Sponsored Holding has the meaning ascribed to that term in the Settlement Rules;

Officer means, in relation to an entity, its directors, officers and company secretaries;

Record Date has the meaning given to that term in the Implementation Deed;

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Participants as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by Bidder and Target;

Scheme Consideration has the meaning given to that term in the Implementation Deed;

Scheme Meeting means the meeting(s) of Target Shareholders to be ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in relation to the Scheme, and includes any meeting convened following any adjournment or postponement of that meeting(s);

Scheme Participant means a Target Shareholder who is registered in the Target Register as at the Record Date (other than an Excluded Shareholder if it holds any Target Shares);

Scheme Shares means the Target Shares on issue as at the Record Date;

Scheme Transfer means, in relation to each Scheme Participant, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act, in favour of Bidder as transferee, which may be a master transfer of all or part of all of the Scheme Shares;

Second Court Date means the first day of hearing of an application made to the Court by Target for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned or if the application is subject to appeal for any reason, means the first day of the adjourned hearing or the first day on which the appeal is heard (as the case may be);

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd;

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act;

Target Registry means Automic Pty Ltd ACN 152 260 814;

Target Share means a fully paid ordinary share in the capital of Target;

Target Shareholder means a person who is registered in the Target Register as a holder of Target Shares from time to time; and

Trust Account means an Australian dollar denominated trust account operated by or on behalf of Target as trustee of the Scheme Participants.

1.2 Interpretation

In this Scheme, unless the context otherwise requires:

- (a) a reference to:
 - (i) one gender includes the others;
 - (ii) the singular includes the plural and the plural includes the singular;
 - (iii) a recital or clause is a reference to a clause of or recital to this Scheme and references to this Scheme include any recital;
 - (iv) any contract (including this Scheme) or other instrument includes any variation or replacement of it and as it may be assigned or novated;
 - (v) a statute, ordinance, code or other law includes subordinate legislation (including regulations) and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (vi) a person or entity includes an individual, a firm, a body corporate, a trust, an unincorporated association or an authority;
 - (vii) a person includes their legal personal representatives (including executors), administrators, successors, substitutes (including by way of novation) and permitted assigns;
 - (viii) a group of persons is a reference to any 2 or more of them taken together and to each of them individually;
 - (ix) an entity which has been reconstituted or merged means the body as reconstituted or merged, and to an entity which has ceased to exist where its functions have been substantially taken over by another body, means that other body;
 - (x) a reference to a day or a month means a calendar day or calendar month;
 - (xi) a reference to any time is to time in Sydney, New South Wales, Australia; and
 - (xii) money (including '\$', 'AUD' or 'dollars') is to Australian currency;
- (b) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', 'for example' or similar words are not words of limitation;
- (c) headings and the table of contents are for convenience only and do not form part of this Scheme or affect its interpretation; and
- (d) if the last day for doing an act is not a Business Day, the act must be done instead on the next Business Day.

2 Preliminary matters

- (a) Target is:
 - (i) a public company limited by shares;
 - (ii) registered under the Corporations Act;
-

- (iii) incorporated in Australia and registered in Victoria, Australia; and
 - (iv) admitted to the official list of ASX (ASX:MOQ) and Target Shares are quoted for trading on the ASX.
- (b) As at the date of the Implementation Deed, there were on issue 310,326,182 Target Shares.
- (c) Bidder is:
 - (i) proprietary company limited by shares;
 - (ii) registered under the Corporations Act; and
 - (iii) incorporated in New South Wales.
- (d) Bidder and Target have entered into the Implementation Deed pursuant to which they have agreed to (amongst other things) take certain steps to implement this Scheme.
- (e) If this Scheme becomes Effective:
 - (i) Bidder must provide, or procure the payment of, the Scheme Consideration to the Scheme Participants in accordance with the terms of this Scheme and the Deed Poll; and
 - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder, and Target will enter the name of Bidder in the Target Register as holder of the Scheme Shares, on the Implementation Date; and
 - (iii) in consideration of the transfer of the Scheme Shares, Target will pay or procure the payment of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme.
- (f) This Scheme attributes actions to Bidder but does not itself impose an obligation on Bidder to perform those actions. Bidder has entered into the Deed Poll for the purpose of covenanting in favour of each Scheme Participant that it will, subject to the Scheme becoming Effective, observe and perform the obligations attributed to it under this Scheme, including the provision of the Scheme Consideration to the Scheme Participants.

3 Conditions precedent

3.1 Conditions precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8:00am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Implementation Deed (other than the condition precedent relating to the Court approval of this Scheme and the condition precedent relating to the lodgement with ASIC of the Court order set out in clause 3.1(h) of the Implementation Deed) has been satisfied or waived in accordance with the Implementation Deed;
- (b) as at 8:00am on the Second Court Date, the Implementation Deed has not been terminated;
- (c) as at 8:00am on the Second Court Date, the Deed Poll has not been terminated;
- (d) the Court makes orders approving the Scheme under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under

section 411(6) of the Corporations Act and agreed to by Bidder and Target (such agreement not to be unreasonably withheld or delayed);

- (e) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme and agreed to by Bidder and Target (such agreement not to be unreasonably withheld or delayed) have been satisfied or waived; and
- (f) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme come into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date,

and the provisions of clauses 4, 5 and 6 will not come into effect unless and until each of these conditions precedent has been satisfied.

3.2 **Certificate in relation to conditions**

At or prior to the hearing on the Second Court Date, each of Target and Bidder will provide the Court a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all the conditions precedent allocated to them in column 5 of clause 3.1 of the Implementation Deed have been satisfied or, as applicable, waived as at 8:00am on the Second Court Date.

3.3 **Certificate constitutes conclusive evidence**

The certificates given by each of Target and Bidder in accordance with clause 3.2 constitute conclusive evidence, in the absence of manifest error, for the purpose only of assessing whether the conditions precedent referred to in that certificate have been satisfied or waived.

3.4 **Termination**

If:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) either the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

then, unless Bidder and Target otherwise agree in writing:

- (c) this Scheme will lapse and be of no further force or effect; and
- (d) subject to any rights and obligations arising pursuant to the Implementation Deed, each of Target and Bidder are released from:
 - (i) any further obligation to take steps to implement this Scheme; and
 - (ii) any liability with respect to this Scheme.

4 **Implementation of Scheme**

4.1 **Effective Date of Scheme**

Subject to clause 3.2, this Scheme takes effect on and from the Effective Date.

4.2 **Lodgement of Court order**

Subject to the satisfaction of all conditions in clause 3.1 (other than the condition in clause 3.1(f)), following the approval of this Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, Target will, as soon as possible and in any event no later than 5:00pm on the Business Day following that approval or such later time as may be agreed in writing between Target and Bidder, lodge with ASIC under section 411(10) of the

Corporations Act an office copy of the Court order under section 411(4)(b) of the Corporations Act approving this Scheme.

4.3 **Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to Bidder making (or procuring) payment of the Scheme Consideration in accordance with clause 5, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Participant (other than acts performed by Target or any of its Officers as attorney and agent for Scheme Participants under this Scheme), by:
 - (i) Target delivering to Bidder for execution a duly completed Scheme Transfer to transfer all of the Scheme Shares to Bidder, duly executed by Target (or any of its Officers) as the attorney and agent of each Scheme Participant as transferor under clause 7.1; and
 - (ii) Bidder executing the Scheme Transfer as transferee, attending to the stamping of the Scheme Transfer (if required) and delivering it to Target for registration; and
- (b) immediately after receiving the Scheme Transfer under clause 4.3(a)(ii) but subject to the stamping of the Scheme Transfer (if required), Target must enter, or procure the entry of, the name of Bidder in the Target Register as the holder of all of the Scheme Shares.

5 **Scheme Consideration**

5.1 **Entitlement to Scheme Consideration**

Subject to the terms of this Scheme and the Scheme becoming Effective, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each of the Scheme Shares held by that Scheme Participant.

5.2 **Payment of Scheme Consideration**

- (a) Bidder must, by no later than the Business Day before the Implementation Date, deposit (or procure the deposit of) in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account, provided that any interest on the amount deposited (less bank fees and other charges) will be credited to Bidder.
- (b) Target will notify Bidder of the details of the Trust Account at least 3 Business Days prior to the Implementation Date.
- (c) Subject to Bidder complying with clause 5.2(a):
 - (i) on the Implementation Date, Target will pay, and only release the Scheme Consideration for the sole purpose of satisfying Bidder's obligation to pay, from the Trust Account, to each Scheme Participant the Scheme Consideration attributable to that Scheme Participant, based on the number of Scheme Shares held by that Scheme Participant as at the Record Date; and
 - (ii) the obligations of Target under clause 5.2(c)(i) will be satisfied by Target (in its absolute discretion, and despite any election referred to in clause 5.2(c)(ii)(A) or authority referred to in clause 5.2(c)(ii)(B) made or given by the Scheme Participant):
 - (A) if a Scheme Participant has, before the Record Date, made a valid election in accordance with the requirements of the Target Registry to

receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;

- (B) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Participant by an appropriate authority from the Scheme Participant to Target; or
- (C) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Participant by prepaid post to their registered address as shown in the Target Register (as at the Record Date), such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 5.3.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.2(c)(ii), any Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Target, the holder whose name appears first in the Target Register as at the Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Target Register as at the Record Date or to the joint holders.

5.4 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.5 Unclaimed monies

- (a) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).
- (b) In the case of a deposit under clauses 5.2(c)(ii)(A) or 5.2(c)(ii)(B), if the deposit is rejected or refunded or a bank account which has previously been notified is no longer valid then Target may credit (or procure the Paying Agent to credit) the amount payable to a separate bank account of Target or the Paying Agent.
- (c) Target may cancel a cheque issued under clause 5.2 if the cheque:
 - (i) is returned to Target (or its agents); or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (d) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Participant to Target (or the Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under this clause 5.4.

5.6 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Target's obligations under this clause 5, there is a surplus in the amount held by Target as trustee for the Scheme Participants in the Trust Account, then (subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Implementation Deed) that surplus (less any bank fees and other charges) must be paid by Target (or the Target Registry on Target's behalf) to Bidder.

5.7 Orders of a court or Government Agency

- (a) If written notice is given to Target (or the Target Registry) of an order or direction made by a court or Government Agency that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable or required to be issued to that Scheme Participant by Target in accordance with clause 5.2, then Target is entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents Target from providing consideration to any particular Scheme Participant in accordance with clause 5.2, or the payment of such consideration is otherwise prohibitive by applicable law, Target is entitled to (as applicable) retain an amount equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration in accordance with clause 5.2 is permitted by that (or another) court or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 5.7(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6 Dealings in Target Shares

6.1 Dealings by Scheme Participants

For the purpose of establishing the persons who are Scheme Participants, dealings in Target Shares or other alterations to the Target Register will only be recognised by Target if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Register as the holder of the relevant Target Shares before the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Record Date at the place where the Target Register is kept,

and Target must not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Participants, any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Target Register

- (a) Target must register all registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) before the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target

Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a), 'marketable parcel' has the meaning given in the official Operating Rules of the ASX).

- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target is entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Target must maintain the Target Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Target Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Target Shares (other than statements of holding in favour of an Excluded Shareholder) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from the Record Date, each entry on the Target Register (other than entries on the Target Register in respect of and Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (e) As soon as possible on or after the Record Date, and in any event within 1 Business Day after the Record Date, Target will ensure that details of the names, registered addresses and holdings of Target Shares for each Scheme Participant as shown in the Target Register as at the Record Date are available to Bidder in the form Bidder reasonably requires.

6.3 Suspension and termination of quotation of Target Shares

- (a) Target must apply to the ASX to suspend trading of the Target Shares on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Bidder, Target must apply to the ASX for:
 - (i) termination of the official quotation of the Target Shares on the ASX; and
 - (ii) the removal of Target from the official list of the ASX.

7 General

7.1 Appointment of Target as attorney for implementation of Scheme

Upon this Scheme becoming Effective, each Scheme Participant, without the need for any further act by that Scheme Participant, irrevocably appoints Target and each of its Officers (jointly and severally) as that Scheme Participant's agent and attorney for the purposes of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) under clause 4.3; and
 - (b) enforcing the Deed Poll against Bidder,
- and Target accepts such appointment.

7.2 Enforcement of Deed Poll

Target undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Participants.

7.3 Scheme Participant's agreements and consents

Under this Scheme, each Scheme Participant:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Bidder in accordance with the terms of this Scheme;
- (b) irrevocably agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) irrevocably acknowledges that this Scheme binds Target and all Scheme Participants (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target;
- (d) who holds their Target Shares in a CHESS Holding agrees to the conversion of those Target Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
- (e) irrevocably consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental, expedient or desirable to the implementation and performance of this Scheme or to give full effect to the terms of this Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Participant.

7.4 Warranty by Scheme Participants

- (a) Each Scheme Participant is deemed to have warranted to Bidder, and, to the extent enforceable, to have appointed and authorised Target as that Scheme Participant's agent and attorney to warrant to Bidder, that:
 - (i) all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to Bidder pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
 - (ii) they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Bidder pursuant to this Scheme.
- (b) Target undertakes in favour of each Scheme Participant that it will provide such warranty, to the extent enforceable, to Bidder on behalf of that Scheme Participant.

7.5 Title to Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder will, at the time of transfer of them to Bidder, vest in Bidder free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.
- (b) Immediately upon payment of the Scheme Consideration in accordance with clause 5.2(c), Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Target of the name of Bidder in the Target Register as the holder of the Scheme Shares.

7.6 Appointment of Bidder as sole proxy and agent

Immediately upon payment of the Scheme Consideration in accordance with clause 5.2(c), and until Bidder is registered in the Target Register as the holder of all Scheme Shares, each Target Shareholder:

- (a) is deemed to have appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any Officer or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
- (b) acknowledges that no Scheme Shareholder may itself and undertakes not to attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 7.6(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers conferred in clause 7.6(a), Bidder and any Officer or agent nominated by Bidder under that clause may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.
- (e) Target undertakes in favour of each Scheme Shareholder that it will appoint the Officer or agent nominated by Bidder as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 7.6(a).

7.7 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Target's registered office or by the Target Registry, as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

7.8 No liability when acting in good faith

Each Scheme Participant agrees that neither Target, Bidder nor any of their respective Officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

7.9 Further assurance

Target will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

7.10 Consent

Each of the Scheme Participants consents to Target doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Participants, Target or otherwise.

7.11 Alterations and conditions to Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the prior consent of Bidder:

- (a) consent on behalf of all persons concerned, including each Target Shareholder, to those alterations or conditions, and

- (b) each Scheme Participant agrees to any such alterations or conditions which Target has consented to.

7.12 Binding effect of Scheme

This Scheme binds Target and all of the Target Shareholders from time to time (including those who did not attend the Scheme Meeting, did not vote at that meeting or voted against the Scheme) and, to the extent of any inconsistency, overrides the constitution of Target.

7.13 Stamp duty

Bidder will pay all duty (including stamp duty and any related fines, penalties and interest) payable on, arising out of, or in connection with the transfer by Scheme Participants of the Scheme Shares to Bidder pursuant to this Scheme.

7.14 No liability when acting in good faith

Each Scheme Participant agrees that neither Target, nor Bidder nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

7.15 Governing law and jurisdiction

- (a) This Scheme is governed by and is to be construed in accordance with the laws applicable in New South Wales, Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

Attachment 4 – Notice of Scheme Meeting

Notice of Scheme Meeting

Notice of Court Ordered Meeting of MOQ Shareholders

Notice is given that, by an order of the Federal Court of Australia (**Court**) made on 27 September 2022, pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Court has directed that a meeting of MOQ Shareholders, other than Excluded Shareholders (as defined in the proposed Scheme), will be held at 9.30am (AEDT) on Friday, 4 November 2022 in person at Thomson Geer, Level 14, 60 Martin Place, Sydney NSW 2000 and virtually via Automic's investor portal at www.investor.automic.com.au (**Scheme Meeting**).

The Court has also directed that David Shein act as Chairman of the Scheme Meeting or failing him, Alex White, and has directed the Chairman to report the result of the Scheme Meeting to the Court.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modification as approved by the Federal Court of Australia) the Scheme proposed to be made between MOQ and the MOQ Shareholders.

A copy of the Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this notice forms part.

Item of Business: Scheme Resolution

MOQ Shareholders entitled to vote at the Scheme Meeting will be asked to consider and, if thought fit, to pass, with or without modification, the following resolution:

*"That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between MOQ Limited and the holders of its fully paid ordinary shares (**Scheme**), the terms of which are contained in and more particularly described in the Scheme Booklet of which the Notice of Scheme Meeting forms part, is approved (with or without modification as approved by the Federal Court of Australia), and the Board of Directors is authorised to agree to such alterations or conditions as are thought fit by the Federal Court of Australia and, subject to the approval of the Scheme by the Federal Court of Australia, to implement the Scheme with any such alterations or additions."*

Dated 28 September 2022

By order of the Board

MOQ Limited

David Shein
Non-Executive Chairman

Explanatory Notes to Notice of Scheme Meeting

General

This Notice of Scheme Meeting, including the Scheme Resolution, should be read in conjunction with the Scheme Booklet of which this notice forms part.

Terms used in this Notice of Scheme Meeting, unless otherwise defined, have the same meaning as set out in the Glossary in Section 10 of the Scheme Booklet.

A copy of the Scheme is contained in Attachment 3 to the Scheme Booklet.

Required voting majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, in order for the Scheme to become Effective, the Scheme must be approved by:

- more than 50% of MOQ Shareholders present and voting at the Scheme Meeting (whether in person or virtually (online) or by proxy, attorney or corporate representative), unless the Court orders otherwise; and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by MOQ Shareholders present and voting (whether in person or virtually, or by proxy, corporate representative or attorney),

(Requisite Majorities).

Voting at the Scheme Meeting will be by poll rather than by show of hands.

Venue and Voting Information

The Scheme Meeting of the MOQ Shareholders to which this Notice of Meeting relates will be held at 9.30am (AEDT) on Friday, 4 November 2022 at Thomson Geer, Level 14, 60 Martin Place, Sydney, New South Wales and as a **virtual meeting**.

The company is pleased to provide MOQ Shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic.

MOQ Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

MOQ Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Scheme Meeting** to avoid any delays on the day of the Scheme Meeting. An account can be created via the following link **www.investor.automic.com.au** and then clicking on “register” and following the prompts. MOQ Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to **www.investor.automic.com.au**
2. Login with your username and password or click “**register**” if you haven’t already created an account. **MOQ Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

MOQ Shareholders will be able to vote (see the “Voting virtually at the Meeting” section of this Notice of Meeting below) and ask questions at the virtual meeting.

MOQ Shareholders are also encouraged to submit questions in advance of the Scheme Meeting to the Company.

Questions must be submitted in writing to **Michael Austin** at **michael.austin@automicgroup.com.au** at least 48 hours before the Scheme Meeting.

The Company will also provide MOQ Shareholders with the opportunity to ask questions during the Scheme Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

The business of the Scheme Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Scheme Meeting on the date and at the place set out above.

Voting virtually at the Scheme Meeting

MOQ Shareholders who wish to vote virtually on the day of the Scheme Meeting can do so through the online meeting platform powered by Automic.

Once the Chairman of the Scheme Meeting has declared the poll open for voting click on "Refresh" within the platform to be taken to the voting screen.

Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>.

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, MOQ Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. Proxy Forms received later than this time will be invalid. Please note that post only reaches the Share Registry on business days in Sydney, New South Wales.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their name and address at the point of entry to the Scheme Meeting. The return of a completed Proxy Form will not preclude a MOQ Shareholder from attending in person or virtually (online) and voting at the Scheme Meeting. The appointment of your proxy is not revoked merely by your attendance to and participation in the meeting, but if you vote on a resolution, any vote made by your proxy on your behalf will not be counted.

Voting by attorney

Your attorney may attend the Scheme Meeting and vote on your behalf.

If you wish to vote by attorney at the Scheme Meeting, you must, if you have not already presented an appropriate power of attorney to MOQ for notation, deliver to the Share Registry the original or certified copy of the power of attorney by post or by hand delivery (as per the addresses specified in Section 4.8) so that it is received by the Share Registry before the Scheme Meeting commences or, alternatively, it should be brought to the Scheme Meeting.

Your attorney will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their appointment, their name and address and the identity of their appointer (i.e., you) at the point of entry to the Scheme Meeting.

Voting by corporate representative

A corporation that is a MOQ Shareholder must appoint a person to act as its representative to vote at the Scheme Meeting (if it does not wish to vote by proxy or attorney). The appointment must comply with the Corporations Act. An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer at the point of entry to the Scheme Meeting.

Voting entitlement

If you are a MOQ Shareholder and are registered as such on the Share Register at 7.00pm (AEDT) on Wednesday, 2 November 2022, you will be entitled to attend and vote at the Scheme Meeting.

Accordingly, registrable transmission applications or transfers registered after the time specified above will be disregarded in determining entitlements to vote at the Scheme Meeting.

In the case of MOQ Shares held by joint holders, only one of the joint shareholders is entitled to vote. If more than one MOQ Shareholder votes in respect of jointly held MOQ Shares, only the vote of the MOQ Shareholder whose name appears first in the Share Register will be counted.

Further Information

If you have any questions in relation to the Scheme Meeting, please call the MOQ Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), Monday to Friday (excluding New South Wales public holidays), between 8.30am and 5.30pm (AEDT), or consult your licensed financial, legal, taxation or other professional advisor.

Court approval

If the Scheme is approved by the Requisite Majorities and all other Conditions are satisfied or waived (as applicable), MOQ will apply to the Court for orders approving the Scheme at the Second Court Hearing. The Court has broad discretion as to whether or not to approve the Scheme under section 411(4)(b) of the Corporations Act. The Court has a discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the Scheme Resolution but not by a majority in number of MOQ Shareholders present and voting at the Scheme Meeting.

Technical difficulties

Technical difficulties may arise during the Scheme Meeting. The Chairman has discretion as to whether and how the Scheme Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of MOQ Shareholders impacted and the extent to which participation in the business of the Scheme Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, MOQ Shareholders are encouraged to lodge a Proxy Form by 9.30am (AEDT) on Wednesday, 2 November 2022.

Attachment 5 – Proxy Form

See over page.



MOQ Limited | ACN 050 240 330

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **9.30am (AEDT) on Wednesday, 2 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

Corporate Directory

Directors

David Shein – Non-Executive Chairman
Peter Ward – Chief Executive Officer and Executive Director
Alex White – Non-Executive Director
Karen Bell – Non-Executive Director
Scott McPherson – Non-Executive Director

Company Secretaries

Lee Phillip Tamplin
Michael Patrick Austin

Registered Office

MOQ Limited
ACN 050 240 330
G 01, 3 West Street
North Sydney NSW 2060

Financial Advisers

Monash Advisory Pty Ltd
ACN 160 502 527
Level 2, 30-36 Bay Street
Double Bay NSW 2028
www.monashadvisory.com

Legal Advisers

Thomson Geer
ABN 21 442 367 363 Level 14, 60 Martin Place
Sydney NSW 2000
www.tglaw.com.au

Tax Advisers

Deloitte Private Pty Ltd
ACN 120 167 455
Grosvenor Place
225 George Street
Sydney NSW 2000
www.deloitte.com.au

Independent Expert

Lonergan Edwards & Associates Limited
ACN 095 445 560
Level 7, 64 Castlereagh Street
Sydney NSW 2000
www.lonerganedwards.com.au

Share Registry

Automic Pty Ltd
ACN 152 260 814
Level 5, 126 Phillip Street
Sydney NSW 2000
www.automicgroup.com.au

Securities Exchange Listing

Australian Securities Exchange
www2.asx.com.au

Company Website

www.moq.com.au
