

MOQ Limited – Annual General Meeting

Monday, 21 November 2016

Chairman's Introduction

Good morning ladies and gentlemen,

It is my pleasure to welcome you to the MOQ AGM.

The 2016 Financial Year has seen considerable growth across all lines of business, but there remains lots to be done. I'm confident that I will be saying the same thing at our 2017 AGM. We are satisfied but not complacent.

We continue on our strategy of growing our annuity revenue streams through both managed services and our own commercialised IP and enhancing our professional services capability. We are at a unique time in the marketplace where we are positioned to take advantage of the massive shift in the industry – customers, both large and small, are rapidly migrating from on premise solutions to the cloud.

To build a long term, sustainable business, our Management team is focused on 5 Key performance Indicators – each as important and in no particular order:

- **Market Standing** – our ability to attract and retain customers, staff and suppliers
- **Innovative Performance** – what are we doing this year that we didn't do last year?
- **Productivity** or now more commonly referred to as digital transformation – what are we doing to make it easier for our customers to do business with us and what are we doing to make it easier for our staff to work at MOQ
- **Cash Flow** and **Profitability** – both critical to ensure that we are able to invest in our people and infrastructure to enable us to continue to add value to our customers and ensure superior returns for our shareholders

It is our intention to ensure that for each of these KPI's, we mark better next year than we did this year. We know that there will always be room for improvement!

We continue to look at acquisitions but are only committed when firstly there is a cultural fit and secondly, the financial metrics make it an earnings accretive acquisition. We are confident that our strategy is sound not because I am telling you this, but rather because our customers are. We have had a number of great wins with both existing and new customers who like the full range of services that the merged entities are now able to provide.

Finally I would like to thank our customers who continue to support us, our Management team and staff who have been and will always be key to the success of MOQ. Without our amazing team, we are unable to add value to our customers and vendors. We see our suppliers, Cisco Systems, Microsoft, Nutanix, EMC and Palo Alto as an extension of our business. Our aim is to market and support their products as effectively as they would. Finally, to you, our shareholders thanks again for your support. We are laser focussed on ensuring that we deliver excellent returns by continuing to deliver for our customers and staff.

MOQ Limited – Annual General Meeting

Monday, 21 November 2016

CEO's Address

Good morning everyone and welcome to the MOQ AGM.

The IT industry continues to be in a state of rapid transformation as customers seek new and faster ways of doing business by leveraging smart technologies and the competitive advantages that the Cloud as an intelligent platform is enabling. We have seen this as an opportunity to help our customers drive business outcomes as we capitalise on the digital economy by developing, building & acquiring cloud focused technology companies.

During the 2016 financial year MOQ continued to execute on our strategy to build the recurring revenue and successfully completed two value accretive acquisitions of synergistic companies, TETRAN and Skoolbag. Both acquisitions aligned to our vision and strategy to grow annuity revenue through managed services and our own IP. TETRAN will be fully integrated in to MOQ's core System Integrator business – MOQdigital and we expect that to be complete this financial year, whereas Skoolbag will remain as a separate brand name within the MOQ group and leveraging resources across the group accordingly.

MOQdigital has built tremendous momentum over the last year with our initial sales investments now showing a return as we continue to provide innovative and high quality end to end project services for our customers. It is a great time to be a trusted technology advisor in an industry that is experiencing much change. Nearly every company has a list of IT projects the business would like to implement as soon as possible or requires help with their IT strategy, our opportunity is to capitalise on this.

The integration of the Tetran business into MOQdigital is well underway and I'm pleased to say customers are responding extremely well to the additional managed services capabilities we are now able to provide.

The expanded MOQdigital business now provides consulting, integration and managed services across infrastructure, applications and data in both QLD and NSW with a Centre of Excellence in Sri Lanka enabling cost effective 24*7 support for our customers. This puts us in a very competitive market position. As a result, we are already winning new business with a strong Q1 and a healthy pipeline of opportunity in to Q2 & Q3.

New significant wins include Queensland Investment Corporation, a global network infrastructure and security project with a 3-year managed services contract and Brisbane Catholic Education enterprise wireless refresh project to over 140 schools.

I also had the great pleasure of visiting our new team in Sri Lanka last month and was extremely impressed by the highly skilled operations, exceptional customer service and strong sense of family people culture amongst the teams. A recipe that I have every confidence will only provide a very positive experience for our customers and therefore success for MOQ as we grow. Our commitment is to continue to add value and build long term relationships with our customers by offering high quality and competitive end to end services.

And just as we said last year, to ensure that we stay on the leading edge, we continue to be committed to driving innovation for our customers by aligning closely with our key vendors' innovation strategies and obtaining new technical skills such as the Internet of Things, business intelligence tools, machine learning and data analytics. This year MOQdigital was recognised both globally and locally for our innovative IoT solutions receiving both Microsoft and Cisco industry innovation awards.

Skoolbag continues to be an exceptional market leading communications application in the education vertical with now over 2,700 customers and over 1,000,000 end users. MOQ is investing in Skoolbag to enhance the product roadmap and grow revenue through richer features and functionality as well as expanding geographically and targeting new industry verticals.

Whilst it's still early days with Skoolbag we've engaged additional resources from our Regional Office and have made some initial product improvements which we're confident are setting us up for future return.

Excitingly Sportsbag product is showing signs of strong initial growth through a channel partnership arrangement in the sports vertical and we will continue to drive channel sales opportunities for future growth.

It's all about profitability in 2017...

We have much work ahead but now have the building blocks in place to build an exceptional business and the management team remain laser focused on execution and profitability this year. The business is on target in FY17 to meet revenues between \$50m - \$55m with a gross margin of 22-25%.

Our investments in NSW sales last financial year are now beginning to show a return and the acquisition of Tetran has provided immediate scale which we're confident will only improve as sales momentum builds further. Sales continues to be strong in the QLD market and new opportunities are also being realised as a result of the acquisitions.

Once the Centre of Excellence in Sri Lanka is fully integrated into MOQdigital we anticipate the full benefits will flow with improved revenue and margins particularly for managed services.

I would personally like to thank our outstanding Chairman and board members for their tremendous support and dedication as we continue to build the business through organic growth opportunities and potential acquisitions.

Thank you to our valued customers, partners and investors for believing in us and for your continued support on our journey.

I hope we can stand here a year from now and tell you we've made twice the difference we hoped.

Finally, I would like to thank our entire team who work above and beyond to bring the businesses together and deliver results whilst continuing to provide exceptional service for our customers.

That concludes my address. Have a good day.