



Montech Holdings Limited
ASX:MOOQ

INVESTOR UPDATE

March 2016

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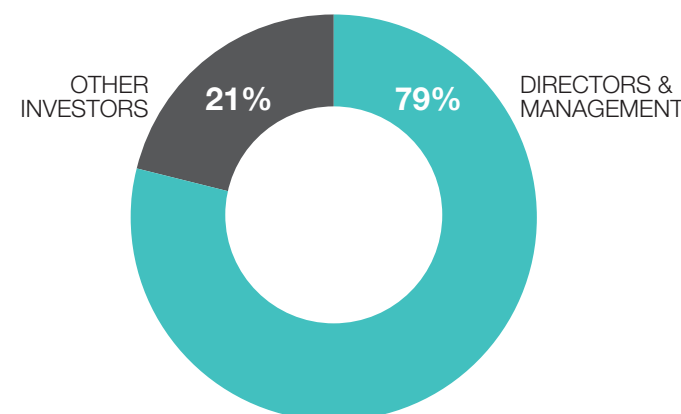
Strategy to build, develop and acquire complementary Cloud-focussed technology businesses to capitalise on the emerging digital economy

- The MOQ* Board and management team have a proven track record
- MOQdigital was created in June 2015 following the completion of the acquisitions of Technology Effect and Breeze
- MOQdigital offers a range of complementary cloud centric solutions and services focussing on applications, data, infrastructure and managed services
- MOQdigital is a Microsoft Gold Partner and selected as one of Microsoft's key partners for IoT
- Recurring revenue is a key focus for MOQdigital and 12% of current revenues are recurring (increases to >20% post-acquisitions)
- **Strategic focus on building an integrated cloud based services offering from both organic and acquisitive growth**

ASX	MOQ
52 Week Share Price*	\$0.31 - \$0.45
Shares on Issue*	107.7 million
Market Cap*	\$41 million

*On the basis of a proposed 10:1 share consolidation

Shareholders



*The listed entity, Montech Holdings Limited is proposing a name change to MOQ Limited

Highly credentialed leadership team with a proven track record



David Shein
**Non-Executive
Chairman**

- Established Com Tech Communications and built it to revenues of \$700m, 1,400 employees (Acquired by Dimension Data, 2001)
- Chairman & founding investor of Macromatix (Sold to TPG Ventures, 2012). Invests in and mentors early stage technology companies, many of which have been successfully exited



Nicki Page
**Exec Director /
CEO**

- 20+ years in IT in both UK and Australia as a Computer Scientist
- Background in Technical and Sales with companies such as KAZ Computing and Microsoft
- 2014 ARN Women in ICT Entrepreneur of the year



Joe D'Addio
**Exec Director /
COO**

- 35+ years in IT prof. services, technology consulting, system and network engineering
- Held key management & director positions building and leading IT businesses with Com Tech Communications, Dimension Data and co-founded Technology Effect



Scott McPherson
**Exec Director /
Director Solutions**

- 20+ years experience at Com Tech Communications, Dimension Data
- Started as a systems engineer, transitioned into a solutions architect and then into practice management. Co-founded Technology Effect



Mick Badran
**Chief Technology
Officer**

- 20+ years experience, mastermind behind projects that have achieved global recognition and renowned for ability to architect innovative integration solutions. Co-founded Breeze
- Awarded as a Microsoft Most Valuable Professional (MVP) every year since 2005

- **MOQdigital** was founded with 2 core acquisitions of global award winning companies effective June 2015.
 - Technology Effect (QLD based) managed services and professional services focus in IT infrastructure and Breeze (NSW based) application development and integration specialists.
 - Merged Tech Effect and Breeze, rebranded & launched as MOQdigital in Q1 FY16.
- MOQdigital strategy is to build recurring revenue through Managed Services and Commercialised IP as part of a broader integrated customer solution sale.
- In the 6 months following the merger, the businesses were integrated and expanded, Brisbane branch relocated to larger premises and key hires made (including sales, business development, finance, specialist IT staff and M&A capability)
- Backed by leading vendors including Cisco and Microsoft.
 - Microsoft Gold partner and IoT preferred partner.
 - Cisco innovation award 2016.

What we do

- Specialists in big data, IoT and business analytics
- Outsourced Managed Services
- Application development in the cloud
- Repeatable commercialised IP
- Integrated client solutions (consulting and technology sales)
- Focus on key verticals (incl. education, financial services, health and resources)

CLOUD - A BIG OPPORTUNITY

as users, devices, apps and data multiply



US\$ **108** billion

GLOBAL DEMAND BY 2017¹



EXPECTED TO **QUADRUPLE OVER FIVE YEARS** TO

AUD\$ **4.55** billion
BY 2018

FROM 1.23BN IN 2013, + 30% CAGR²

MOQdigital customer adoption drivers:

- Cloud is enabling new ways of doing business with increased flexibility, agility, speed and quality of service
- Businesses want to drive smarter and faster outcomes in real-time
- Massive amounts of data now being generated and Cloud delivers cost efficiencies as businesses shift from Capex to Opex models

MOQdigital's opportunity:

- We move customer infrastructure and application work loads to the cloud and provide managed services to support this
- We also have our own commercialised IP that handles common integration problems faced by many businesses with disparate systems and programs

Sources: 1. IDC, *Successful Cloud Partners 2.0*, 2014; 2. Frost & Sullivan, as reported in Rust Report of 27 October 2014

As technologies develop, it won't just be data collection that is more diffuse, but also the power to analyse that data

MOQdigital customer adoption drivers:

- Remote monitoring and asset management
- Business insights
- Improved customer experience
- Supply chain and logistics
- Health and safety
- Reduced costs
- Increased employee productivity
- Value in the data from disparate sources

MOQdigital's opportunity:

- We develop innovative systems, often using our existing commercialised IP at the core, to connect, cleanse, analyse and present data from disparate sources
- We help our customers derive value from their data by providing real-time visibility for pro-active decision making

\$14 TRILLION

ESTIMATED VALUE OF THE
GLOBAL IOT MARKET BY 2022¹

90%

OF IOT SERVICES REVENUE WILL
BE GENERATED BY ENTERPRISE,
NOT CONSUMER²

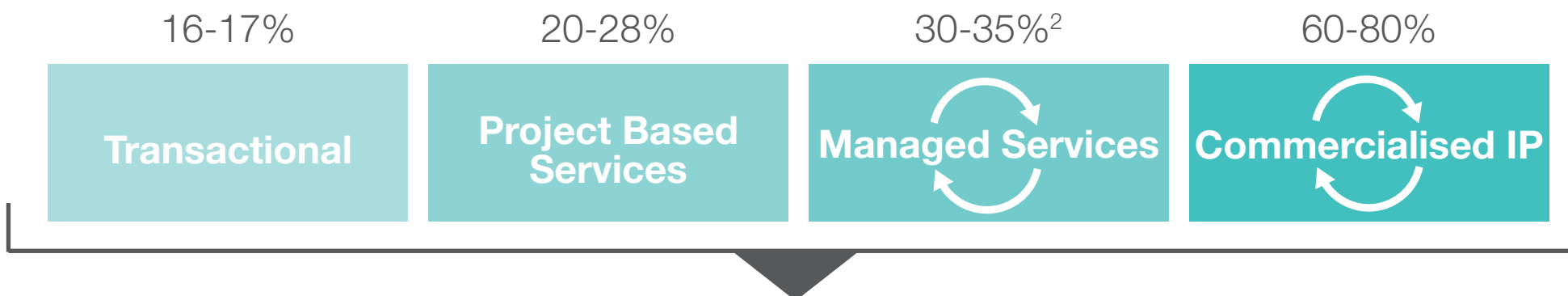


1. Cisco; 2. Deloitte TMT Predictions 2015; 3. BI Intelligence

MOQ offers exposure to the ongoing shift to cloud solutions and outsourcing

Pre-acquisitions:

- MOQ is on a run rate to achieve \$32m – \$36m revenue in FY16
- Historically c.10-15% YoY revenue growth trajectory
- Material 1H16 revenue generating investments (incl. strategic hires to increase depth and scale of sales team)
- MOQ's typical gross margins¹



Usually an integrated sale with overall GM of c.21%-24%

- Managed Services offers a scalable model with recent investments in cost base for future capacity and hence expected growth in margins
- Opex is c.\$5m - \$5.5m annualised
- MOQdigital's expanded cost base (post strategic investments) is expected to support revenues of c.\$45m-\$55m in addition to supporting the acquisitions of Tetran and Skoolbag
- Margins expected to improve due to synergies from acquisitions

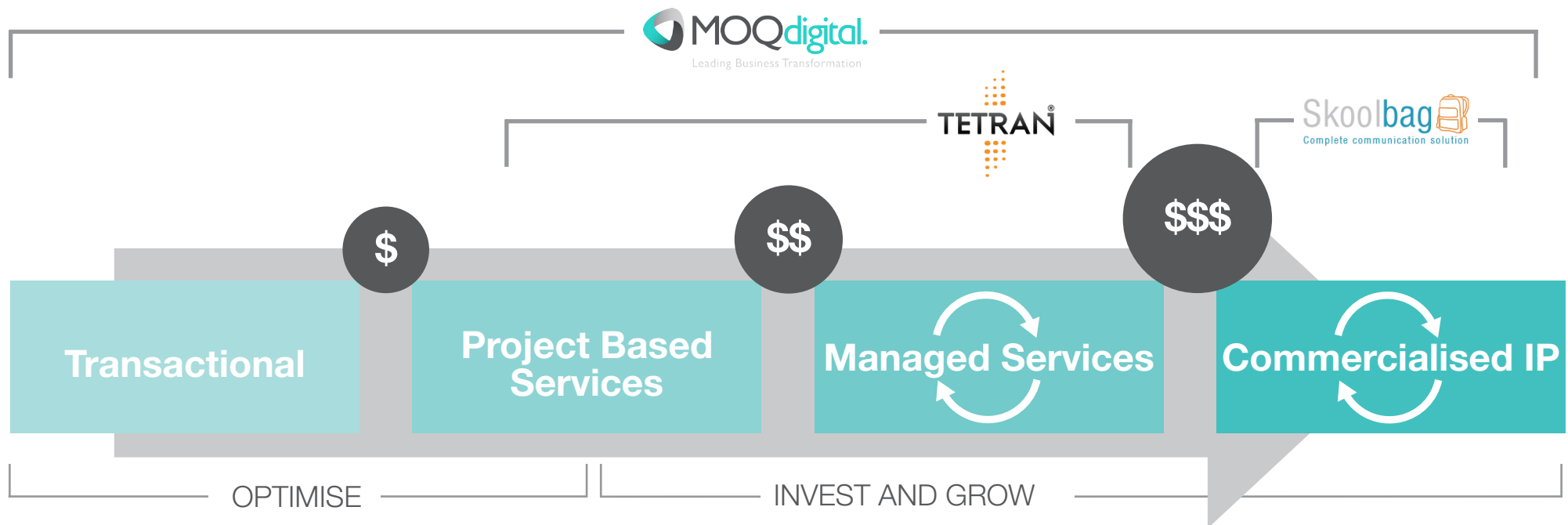
1. Based on pro-forma historical financials. FY16 GM impacted by significant investments in sales team, infrastructure, commercialised IP, systems, finance and M&A capability – scaled up to support recurring services growth strategy, organically and via acquisition (i.e. TETRAN, Skoolbag and future acquisitions)

2. Investments in managed services cost base has increased capacity and hence potential for margin uplift

BINDING AGREEMENTS

to acquire Tetran and Skoolbag

Transitioning along the 'Cloud Services Value Chain'



STRATEGIC RATIONALE:

- ✓ Propel MOQ's cloud, managed services and commercialised IP growth strategy
- ✓ Acquisitions are immediately earnings per share accretive (assuming no synergies)
- ✓ Majority of revenue is recurring

BINDING AGREEMENT

to acquire 100% of the TETRAN group



Company Overview

Founded in 2006, TETRAN offers managed IT services and professional services and has over 90 employees across offices in Australia, New Zealand, Singapore and a Centre of Excellence (CoE) in Sri Lanka

TETRAN has long-term relationships with predominantly mid-market customers across a range of industries in Australia (Sydney HQ), New Zealand, Singapore, Japan, London and New York

Highlights

- Well developed IT managed services offering translating into a high proportion of recurring revenues
- Experienced leadership team with a combined 80+ years of experience
- International footprint with 24x7 operations
- Cross industry customer base

Selected Customers

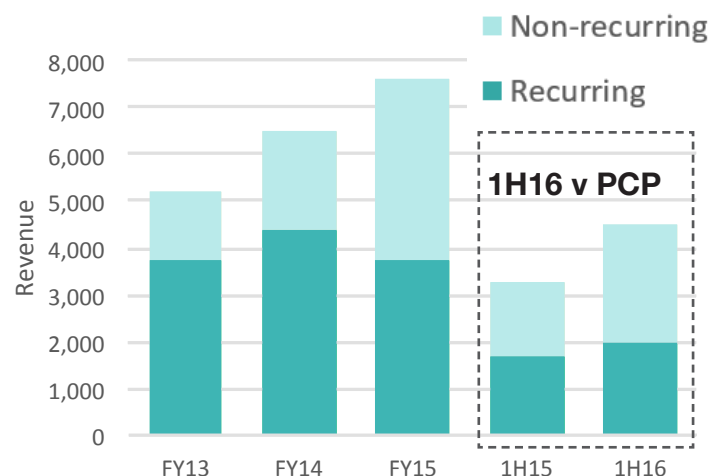


Technology Partners



TETRA ACQUISITION OVERVIEW

Financial Performance (\$'000)*



EBITDA	401	696	1,065	349	528
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*Note:

- Unaudited, normalised for market salaries
- FY15 reflects more conservative policy on recurring revenue classification and normalisation for market salaries

Strategic fit for MOQdigital

- Strong cultural fit
- Increased geographical reach and 24x7 managed services capabilities
- 20% Revenue CAGR (FY13-15)
- Revenue synergies through enhanced capabilities and merged client bases
- Improved positioning to secure larger & multi-national clients
- Sri Lanka CoE provides highly skilled resources at an attractive labour cost (and subsequently improved margins)
- Cost synergies through consolidation and optimisation of services
- Complementary technology partner relationships

Purchase Consideration

- Total consideration of \$9m (\$4m in cash plus 142,857,143 MOQ shares)
- The transaction also includes an additional performance component to enable the owners to earn up to a maximum of 28,571,429 MOQ shares based on FY16 EBITDA hurdles starting at \$1.65m
- Earnings accretive deal with budgeted FY16 EBITDA multiple expected to be circa 6x before synergies
- Key management committed to a long term future with MOQ with CEO of TETRA to join the MOQ Board
- Completion expected May 2016

BINDING AGREEMENT

to acquire 100% of Skoolbag



Company Overview

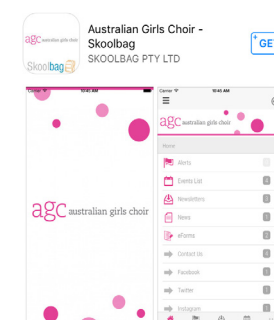
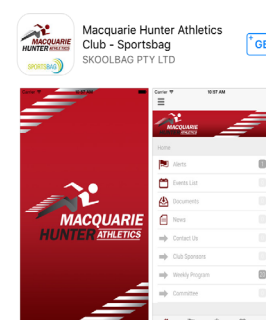
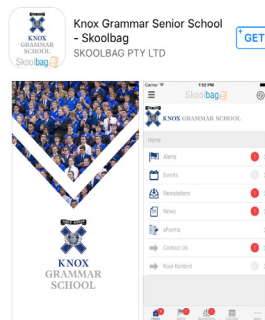
Skoolbag is a NSW based technology company providing Software-as-a-Service (SaaS) solutions to educational institutions, child care centres and sports clubs

Skoolbag is well-known for its 'Skoolbag platform' that enables schools to communicate with parents through a personalised smart phone/web application

Highlights

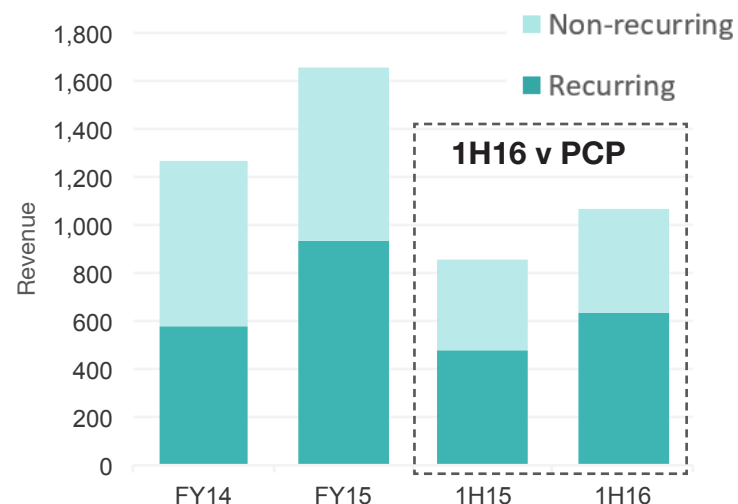
- Market-leading product provides a compelling development/distribution platform
- Strong reputation and customer satisfaction
- Used by more than 2,500 education institutions across Australia and overseas
- >1 million end users
- Subscription fee revenue model with significant leverage
- MOQdigital's application development capability enables broad opportunities to develop the Skoolbag platform both domestically and internationally

Selected Customers



SKOOLBAG ACQUISITION OVERVIEW

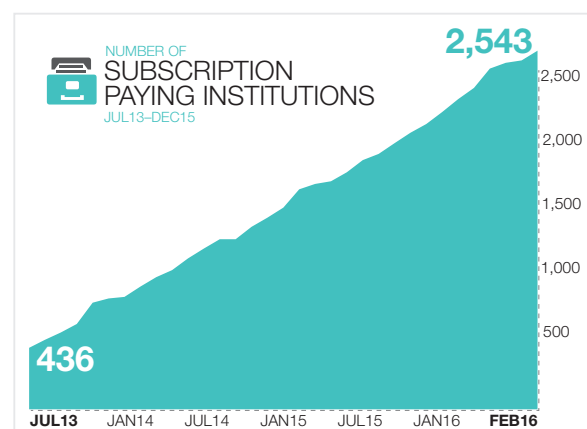
Financial Performance (\$'000)*



EBITDA	263	632	355	546
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*Note:

- Unaudited and based on company's existing revenue recognition basis
- EBITDA Normalised for market salaries



Strategic fit for MOQ

- Leading technology product in the Education sector - MOQdigital's largest industry sector
- 30% Revenue CAGR (FY14-15)
- MOQdigital to add value via IT capability, product development, relationships and leadership team experience
- Distribution opportunity spreading across 2,500+ clients and >1 million users
- Aligned focus on growing recurring subscription revenues - 60% and growing
- Entrenched product within c.20% school penetration in Australia (skewed to NSW with opportunity to increase penetration geographically)

Purchase Consideration

- Purchase consideration of \$3m in cash
- The acquisition includes performance based hurdles to enable the owners to earn up to a further 37,500,000 in MOQ shares per annum for each of FY16 and FY17
- Performance-based hurdles are based on achieving subscription revenue, customer acquisition and EBIT hurdles
- Earnings accretive deal with budgeted FY16 EBITDA multiple expected to be <4x
- Completion expected April 2016

MONTECH REMAINS ACQUISITIVE



Profitable, cash flow positive, growth businesses



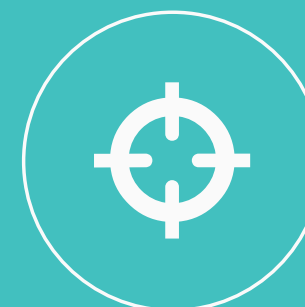
Earnings accretive (target 4 to 6 times EBTIDA), vendor/ key management **retention** and **alignment** via MOQ shares



Like-minded **culture**, complementary **skillsets**



Expand Australia and New Zealand **presence** with strong technology vendor **partnerships** and **revenue synergies** across client bases



Key themes:

- **managed services**
- **Internet of things (IoT)**
- **big data**
- **data analytics**
- **business intelligence**
- **security**



Add **recurring revenue** via Product (Software as a Service), managed services

- Leadership team with a proven track record of building technology businesses
- Cloud & IoT services is a big market opportunity
- MOQdigital – offers applications, data, infrastructure and managed services that enables mid-market enterprises and government to shift their infrastructure and applications to the cloud
 - Alliance with Tier 1 vendors
 - Diversified across industry sectors
 - Focus on creating recurring revenue
- Binding agreements to acquire 100% of TETRAN and Skoolbag
 - Earnings accretive acquisitions
 - Add recurring revenue via managed services and subscription (SaaS)
 - Adds geographic, product and skills capability

APPENDICES



Company Overview

MOQdigital offers a broad range of cloud centric services and solutions offering clients applications, data, infrastructure, commercialised IoT IP and managed services with over 90 employees based in Sydney and Brisbane.

The acquisition of Tetran and Skoolbag will enhance its core offer, double its workforce, provide a 24*7 international footprint and add SaaS product.

Highlights

- Strong culture with experienced and well respected management team
- Multi-awarded cloud focussed software and services businesses
- Actively promoted and engaged co-selling by tier one vendors
- Supports mid-market enterprises and government to shift their infrastructure and applications to private and hybrid cloud models
- Cloud application integration solutions
- Loyal customer base with high retention and across diversified industry sectors
- Strong focus on creating recurring revenue through managed services and development of commercialised IP

Selected Customers



Technology Partners

Microsoft Partner

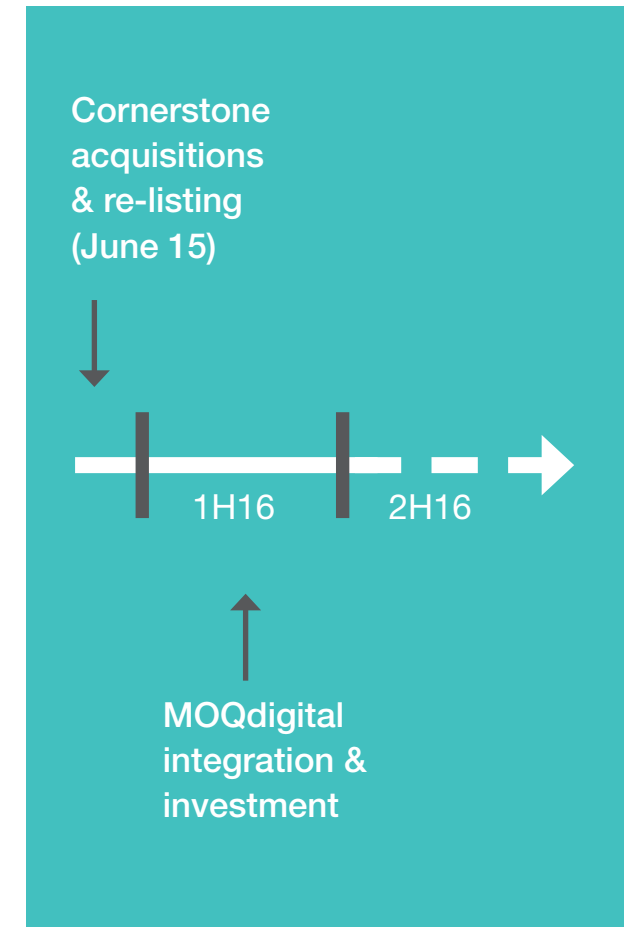
- Gold Cloud Platform
- Gold Cloud Productivity
- Gold Application Development
- Gold Devices and Deployment
- Gold Application Integration



In 1H16 MOQ invested in key areas of the business including:

- Tech Effect and Breeze merged and rebranded as 'MOQdigital'
- Moved to a larger QLD office
- Key hires - General Manager Finance, NSW Sales Director, NSW Sales BDM, Business Development Manager (M&A Capability), NSW & QLD Solution Architects and consultants
- Established NSW Optimised Platforms Practice and QLD Application Integration and Development Practice - combined offer has improved conversion rates
- Selected as one of Microsoft's Key Strategic IoT Partners
- Invested in Managed Services offering and enhanced existing 'application integration' solution – IoT Central
- Distribution Agreements for Business Intelligence (Panorama) and Security (Proficio) offerings
- Arranged working capital facility of \$1.5m (undrawn) to fund growth
- Agreements to acquire TETRAN and Skoolbag

These strategic investments have been made to build out business infrastructure and sales capability to support and absorb not just the first two acquisitions (Technology Effect and Breeze), but future acquisitions (including TETRAN and Skoolbag) in line with MOQ's focused acquisition strategy



GROUP KEY FINANCIAL METRICS

Financial Summary \$'000	FY15 ¹	1H15	1H16	Variance
<u>MOQdigital¹</u>				
Revenue	29,676	15,452	16,959	10%
<i>Recurring Revenue</i>	<i>2,717</i>	<i>1,271</i>	<i>1,883</i>	48%
<i>Technology Sales</i>	<i>16,801</i>	<i>8,891</i>	<i>10,049</i>	13%
<i>Professional Services</i>	<i>10,158</i>	<i>5,290</i>	<i>4,895</i>	-7%
<i>Other</i>	-	-	132	-
Gross Margin	6,267	3,025	2,782	-8%
Underlying EBITDA²	2,329	1,155	366	-68%
<u>Pro-forma MOQ Group</u>				
Group Overheads	1,280	455	161	-73%
Group EBITDA	1,049	700	205	-72%
Reported profit before tax³	NA	NA	164	-

*Note:

1. Pro-forma figures for FY15. Only one month of the FY15 P&L (being June 15) and the 1H16 figures have been subject to audit. Excludes FY15 goodwill impairment from June 15 acquisitions of Tech Effect and Breeze
2. Normalised for one-off merger and transaction related expenditure of \$200k in FY15
3. Not comparable to prior periods

1H16 in context

- Significant investment in brand, sales, finance, infrastructure, IP & products, systems and M&A capability
- Strong first half revenue growth and pipeline showing early benefits from investment to date
- Recurring revenue up 48% on PCP
- Professional Services revenue/GP impacted by integration costs and diverted focus
- Two professional services projects resulted in large credit note of \$280k - implemented new governance process to prevent similar issues reoccurring
- Technology sales includes mainly high-end equipment sold as part of integrated solutions with an average GM of 17%
- TETRAN and Skoolbag acquisitions executed. For the first six months to 31 December 2015, the transactions represent combined additional revenues of \$5.5m (50% recurring) and normalised EBITDA of \$1.1m for the half year

MOQ BOARD OF DIRECTORS



David Shein
Non-Executive
Chairman

- Established Com Tech Communications and built it to revenues of \$700m, 1,400 employees (Acquired by Dimension Data, 2001)
- Chairman & founding investor of Macromatix (Sold to TPG Ventures, 2012). Invests in and mentors early stage technology companies, many of which have been successfully exited



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- 20+ years in IT in both UK and Australia as a Computer Scientist
- Background in Technical and Sales with companies such as KAZ Computing and Microsoft
- 2014 ARN Women in ICT Entrepreneur of the year



Joe D'Addio
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COO

- 35+ years in IT prof. services, technology consulting, system and network engineering
- Held key management & director positions building and leading IT businesses with Com Tech Communications, Dimension Data and co-founded Technology Effect



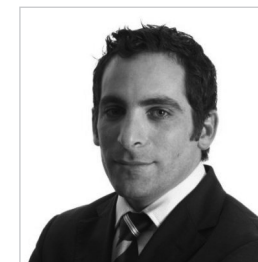
Scott McPherson
Exec Director /
Director Solutions

- 20+ years experience at Com Tech Communications, Dimension Data
- Started as a systems engineer, transitioned into a solutions architect and then into practice management. Co-founded Technology Effect



Jonathan Pager
Non-Exec
Director

- 20+ years experience in advisory, Managing Director of Pager Partners Business Consultants and Pager Partners Corporate Advisory.
- Currently Director of ASX-listed UCW Ltd (ASX:UCW), Noble Mineral Resources Ltd (ASX:NMG) & was more recently a director of AHAlife Holdings Ltd (ASX: AHL), Rhippe Ltd (ASX:RHP), Metalicity Ltd (ASX:MCT) and Prospect Resources Ltd (ASX:PSC).



Michael Pollak
Non-Exec
Director

- 15+ years experience in audit, insolvency and corporate advisory.
- Currently director of ASX-listed HJB Corp Ltd (ASX:HJB) and UCW Ltd (ASX:UCW), & was recently a director of Rhippe Ltd (ASX:RHP), Disruptive Investment Group Ltd (ASX:DVI), Prospect Resources Ltd (ASX:PSC) and Metalicity Ltd (ASX:MCT)



Joseph Fridman
Non-Exec
Director

- Co-founder and CEO of Monash Private Capital an independent principal investment and advisory firm.
- Previously CFO of Investec Bank Australia and Chairman of the bank's Investment Committee, Joey brings a comprehensive mix of financial, strategic, operational, risk management and commercial skills.

TRANSACTIONS OVERVIEW

Capital Structure Post-acquisitions

Indicative Capital Structure Post-acquisitions ¹	Up to \$9m Raise ^{2,3}
Existing Shares on issue at the date of this Prospectus	107,700,455
Existing options on issue as at the date of this Prospectus	2,533,333
Tranche 1 General Offer Shares	16,145,455
Tranche 2 General Offer Shares	16,581,818
TETTRAN Completion Shares	14,285,714
Fully diluted Share capital after completion of Tranche 2	157,246,775

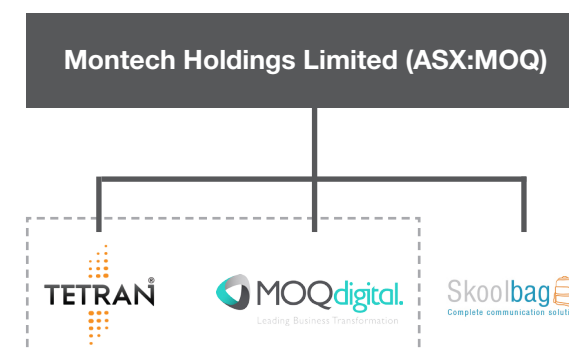
1. Does not include any performance share issues in FY16 and FY17 that may be payable if TETTRAN and Skoolbag exceed pre-determined performance targets.
2. On the basis of a proposed 10:1 share consolidation
3. Assuming that the General Offer Shares are raised at 2.75c

Transactions Timetable

Item ⁴	Date
Prospectus lodged and opened	24 March 2016
Prospectus closed	30 March 2016
Issue and allot Tranche 1 under 25% capacity	1 April 2016
Skoolbag Completion	1 April 2016
Notice of Meeting dispatched to MOQ Shareholders	7 April 2016
Extraordinary General Meeting of MOQ Shareholders	9 May 2016
Issue and allot Tranche 2 pursuant to shareholder approval	10 May 2016
TETTRAN Completion	10 May 2016

4. Please note the above dates are indicative only and subject to change.

Post-acquisition Corporate Structure



For further information please contact:

David Shein
Non-Executive Chairman

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& Company Secretary

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