



**26 July 2018**

The Manager  
Australian Securities Exchange  
Level 5, 20 Bridge Street  
Sydney NSW 2000

**By Electronic Lodgment**

### **June 2018 Quarter Update**

MOQ Limited (ASX:MOQ) ("**MOQ**") is pleased to provide an update on its activities for the quarter ending 30 June 2018. MOQ has also released its Appendix 4C today.

MOQ operates **MOQdigital**, an agile Systems Integrator that delivers market leading technology solutions to drive business outcomes for customers in the new digital world, and **SkoolBag**, a market leading Software-as-a-Service ("**SaaS**") communications platform primarily for the Education market.

#### **Business Update**

##### **MOQdigital**

The MOQdigital business provides consulting, integration, and managed services across infrastructure, applications and data in Australia and New Zealand with a Centre of Excellence ("**COE**") in Colombo, Sri Lanka. The COE provides cost effective highly skilled resources that allows MOQdigital to enhance its offer to its customers including 24\*7 support.

For MOQdigital, Q4 FY18 has featured:

1. Strong sales and delivery performance, in particular for Professional Services and Technology categories.
2. The successful conversion of Recurring Services opportunities with over \$11.7 Million of 3 and 5 year value of Managed Services contracts signed, and coming on line during H1FY19.
3. The single largest deal win in MOQ history for Enzen (see ASX announcement – 19 June 2018).
4. Pipeline for Q1FY19 continues to look healthy, with a good spread of short term opportunities in Technology and Professional Services categories. Additionally, after significant focus and investment over the last eighteen months, the business now has a solid and growing pipeline of Managed Services opportunities.
5. Importantly, the NSW business, a key investment within MOQdigital, is growing in terms of revenue contribution and opportunity generation as a portion of the overall business.

6. Our Applications, Data and Analytics (ADA) specialty practice is producing solid growth, having closed out a range of major projects for new clients. Importantly there is a strong pipeline of new opportunities and projects to deliver on in Q1FY19.

### **SkoolBag**

The SkoolBag business operates and develops a market leading Software-as-a-Service (“**SaaS**”) communications platform, including mobile apps, primarily for the education and sports verticals.

1. SkoolBag is scheduled to release its new eNewsletter feature and re-designed SkoolBag Mobile App this quarter, following final testing and improvements.
2. This month, SkoolBag re-launched the Family Essentials website (<https://www.moqproducts.com.au/skoolbag/family-essentials/>) following a successful soft launch of this offering earlier this year.
3. SkoolBag continues discussions regarding potential partnerships with a number of complementary products and services serving the education sector. The recent improvements to the SkoolBag platform and mobile app will facilitate the implementation of these partnerships.

### **Commentary on Financials**

**Q4 FY18 operational cash flow** was circa \$519k. We have started delivering on the Enzen contract in June 2018, however this will only have a positive contribution to our cashflows from Q1FY19. A strong pipeline of work, underpinned by the Enzen engagement along with onboarding new managed service contracts, should convert to stronger cashflows in Q1FY19.

We continued to invest in the Skoolbag app in Q4FY18 and have capitalised \$157k of costs associated with development of the app and the platform.

### **About MOQ Limited**

MOQ is a global award winning, cloud systems integrator with more than 200 employees which provides ICT Consulting, Integration, Managed Services and Solutions around data, applications, and infrastructure that enables digital business. Our strategy is to build annuity revenue streams through managed services and commercialised IP to capitalise on a rapidly growing digital economy.

Our purpose is to enable our customers to achieve more through the smart use of technology as they embrace digital transformation. We pride ourselves on building lifetime relationships with our customers by driving outcomes to get the best results the business needs.

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#### **For further information, please contact:**

Brad Cohen  
Company Secretary  
[info@moq.com.au](mailto:info@moq.com.au)  
+61 2 8039 5015



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Company Secretary  
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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

**Name of entity**

MOQ Limited

**ABN**

94 050 240 330

**Quarter ended ("current quarter")**

30 June 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	\$15,492	\$64,569
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(\$5,803)	(\$29,494)
(c) advertising and marketing	(\$241)	(\$610)
(d) leased assets	-	-
(e) staff costs	(\$8,090)	(\$29,046)
(f) administration and corporate costs	(\$824)	(\$3,404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	\$1	\$13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(\$16)	(\$139)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>\$519</b>	<b>\$1,889</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(\$101)	(\$556)
(b) businesses (see item 10)	-	-
(c) investments	-	-

**Appendix 4C**  
**Quarterly report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 12 months) \$A'000</b>
(d) intellectual property	(\$157)	(\$564)
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(\$102)	(\$71)
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Working Capital adjustment paid</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(\$360)</b>	<b>(\$1,191)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	\$3,805	\$3,266
4.2 Net cash from / (used in) operating activities (item 1.9 above)	\$519	\$1,889

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(\$360)	(\$1191)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>\$3,964</b>	<b>\$3,964</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	\$3,964	\$3,805
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>\$3,964</b>	<b>\$3,805</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

\$164

-

The amount shown in section 6.1 above relates to directors' salaries / fees and superannuation.

**Appendix 4C**  
**Quarterly report for entities subject to Listing Rule 4.7B**

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	\$1,500	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

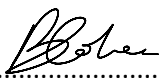
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(\$8,092)
9.3 Advertising and marketing	(\$198)
9.4 Leased assets	-
9.5 Staff costs	(\$7,293)
9.6 Administration and corporate costs	(\$950)
9.7 Working Capital Adjustment	-
<b>9.8 Total estimated cash outflows</b>	<b>(\$16,533)</b>



10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Director/Company secretary)

Date: **26/07/2018** .....

Print name: **Brad Cohen** .....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.