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Appendix 4D Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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

APPENDIX 4D

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Results for Announcement to the Market

Set out below are the statutory results for MOQ Ltd ("MOQ" or the "Company") and its controlled entities for the period ended 31 December 2019.

	31 Dec 2019	31 Dec 2018	Movement %
Revenue from ordinary activities	32,701,575	34,678,728	(5.7%)
EBITDA	953,393 [1]	1,504,305	(36.6%)
Profit from ordinary activities after tax attributable to members	(770,424)	854,931	(190,1%)
Net profit after tax attributable to members	(770,242)	854,931	(190,1%)
Interim dividend per share (fully franked)	n/a	n/a	
Final dividend per share (fully franked)	n/a	n/a	
Basic (loss) / earnings per share (cents per share)			
- Continuing operations	(0.45)	0.53	(184.6%)
- Discontinuing operations	-	-	
Diluted (loss) / earnings per share (cents per share)			
- Continuing operations	(0.45)	0.51	(188.6%)
- Discontinuing operations	-	-	
Net Tangible Asset Backing per share	(3.02) cents	3.06 cents	(198.7%)

[1] Refer to page 7 for impact of AASB 16

Dividend information

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

The company does not have a dividend reinvestment plan.

Additional information

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

This Appendix 4D is based on the 31 December 2019 half-yearly financial report, which is reviewed by Stantons International Audit and Consulting Pty Ltd (Stantons International).

Please refer to the Directors' Report contained in the Half Yearly Report for a commentary on trading over this period.

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Half-yearly report FY20

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

MOQ

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

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CONTENTS

Corporate Directory	3
Directors' Report	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Condensed Notes to the Financial Statements	14
Directors' Declaration	26
Auditor independence declaration	27
Independent Auditor's Report	28

CORPORATE DIRECTORY

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Board of Directors

Mr David Shein	Non Executive Chairman
Mr Joe D'Addio	Executive Director and Chief Executive Officer
Mr Scott McPherson	Executive Director and Chief Operating Officer
Mr Joey Fridman	Non Executive Director
Mr Michael Pollak	Non Executive Director
Mr Alexander White	Non Executive Director (Appointed 1st June 2019)

Company Secretary

Mr (Danny) Wan Yee Loh
Mr Michael Pollak

Auditors

Stantons International Audit and Consulting Pty Ltd
6 Middlemiss Street, Lavender Bay
NSW 2060

Solicitors

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

Bankers

Westpac Banking Corporation
94 Church Street
Middle Brighton VIC 3186

St George Bank
Locked Bag 1
Kogarah NSW 1485

Registered Office

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

Share Registry

Link Market Services Limited
Level 4 Central Park 152 St Georges Terrace
PERTH WA 6000

Investor Enquiries:	1300 554 474
Facsimile:	+61 2 9287 0303

Stock Exchange Listing

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

Website

www.MOQ.com.au

DIRECTORS' REPORT

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Your directors present their report on the consolidated entity (referred to herein as the "**Group**") consisting of MOQ Limited ("MOQ" or "**Company**") and its controlled entities for the half-year ended 31 December 2019. The information in the preceding operating and financial review forms part of this directors' report for the half-year ended 31 December 2019 and is to be read in conjunction with the following information.

General Information

Officers and Directors

The names and particulars of the Directors during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Mr David Shein	Non Executive Chairman
Mr Joe D'Addio	Executive Director and Chief Executive Officer
Mr Scott McPherson	Executive Director and Chief Operating Officer
Mr Joey Fridman	Non Executive Director
Mr Michael Pollak	Non Executive Director
Mr Alexander White	Non Executive Director (appointed 1 June 2019)

Our Business Model and Objectives

MOQ Limited's strategy is to develop, build and acquire Cloud centric complementary technology businesses. The Directors of the Company have extensive experience and a proven track record in building and acquiring businesses, as well as providing strategic direction, in order to generate long term sustainable returns for shareholders. The Company is actively pursuing suitable growth opportunities by either organic investment or through synergistic acquisitions in the technology sector.

MOQ Limited's key priorities include:

- Investment in the organic growth of MOQdigital and a build out of capability in the New South Wales and Queensland markets;
- Continued and increased focus on the growth of recurring revenue streams such as managed services;
- Investment in function and feature improvement of the Skoolbag product, to further grow the user base and revenue streams;
- Prioritise investment in our Digital Transformation Services and specifically our Applications, Data and Analytics practice and associated solutions; and
- Growth via strategic acquisitions.

Summary of Items of Note for H1FY20

The key items of note for MOQ Limited in H1FY20 have been:

- From September 1, 2019 Wardy IT started trading as a wholly owned subsidiary of MOQ Limited. The Wardy IT business is performing well, the phased integration process is proceeding as planned and importantly we have received a very positive response from customers, staff and business partners.
- The MOQdigital business continues to recover momentum after a disappointing H2FY19. This is particularly evident in services momentum and the quality of key opportunity conversion in the latter period of this half.
- Technology Sales Revenue, a key income stream for MOQdigital, was down by 37% over the equivalent period in FY19 (Please note that H1FY19 was our best half ever for Technology Sales). **This has had a significant impact on bottom line performance for the period**. Whilst industry feedback seems to indicate that this was a common experience across the mid-tier market and a range of our competitors seem to have had a similar experience, from an MOQ perspective this has predominantly been driven by decision making delays by clients who were hesitant to commit to major investments during the 2019.
- With the addition of Wardy IT's market offering the Digital Services and Solutions side of the business has become an equivalent contributor both in Recurring and Professional Services revenues to the more traditional infrastructure services MOQ had on offer and consequently the value proposition to market. This is a significant and positive shift for MOQ Limited.
- In terms of financials please note:
    - H1FY20 was the first reporting period that MOQ Limited adopted the new leases accounting standard AASB 16. As this has a material impact on the statutory numbers, through decrease in occupancy costs and increase in depreciation and finance costs, Table A has been included below to provide an overview of the impact of the changes, and how any pre-AASB16 half year results would have compared to prior period.

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Consolidated Half Year	31 Dec 2019 Statutory $'000	31 Dec 2019 AASB16 Adjustment $'000	31 Dec 2019 pre-AASB16 $'000	31 Dec2018 pre-AASB16 (Statutory) $'000
Revenue from operations	**32,702**		**32,702**	**34,679**
Other Income (excluding interest)				56
Cost of sales	(24,856)		(24,856)	(27,806)
Gross Profit	7,846		7,846	6,929
Expenses				
Occupancy	(403)	(391)	(794)	(553)
Other expenses	(6,435)		(6,435)	(4,871)
Finance costs	(54)	54	-	-
Total expenses (excl. Depreciation & Amortisation)	**(6,892)**	**(336)**	**(7,228)**	**(5,424)**
EBITDA	**954**	**(336)**	**618**	**1,504**
Interest Income	2		2	11
Depreciation & Amortisation	(1,789)	355	(1,434)	(328)
Profit (Loss) before Income Tax	**(833)**	**19**	**(814)**	**1,188**
add back abnormal costs	1,762		1,762	
Underlying Profit before Income Tax	**929**	**19**	**948**	**1,188**
Underlying EBITDA[1]	**1,727**	**(336)**	**1,391**	**1,504**

[1] Underlying EBITDA is arrived at by adding back impact of abnormal costs (excluding amortisation) to Statutory EBITDA. See Table B below for a subtotal of the impact of abnormal cost items excluding amortisation.

- Also, as H1FY20 has some abnormal costs, primarily associated Wardy IT acquisition, we have provided a breakdown of the material items in a separate table below (Table B) to explain the difference between the statutory earnings and underlying earnings, as well as statutory EBITDA and underlying EBITDA. Also, as H1FY20 has some abnormal costs, primarily associated Wardy IT acquisition, we have provided a breakdown of the material items in a separate table below (Table B) to explain the difference between the statutory earnings and underlying earnings, as well as statutory EBITDA and underlying EBITDA.

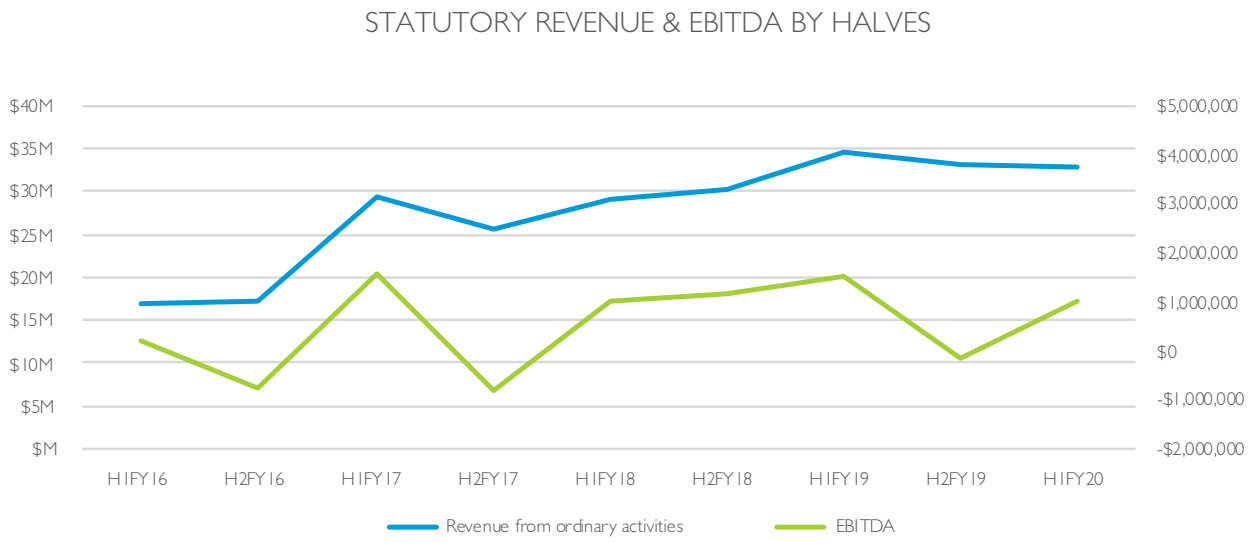
Abnormal Costs	31 Dec 2019 Statutory $'000
Amortisation Expenses - Wardy Intangible Assets	989
Subtotal (impact on amortisation expense)	**989**
M&A Advisory Costs	445
Wardy Integration Costs	50
Wardy establishment of provision for doubtful debts	106
MOQdigital additional doubtful debts for project	172
Subtotal (impact on operating expense exc amortisation)	**773**
Total Abnormal Costs	**1,762**

Notes for Table B

1. Abnormal amortisation expenses are related to Wardy IT Solutions intangible assets recognised as part of the acquisition, and being amortised over their useful life.
2. M&A advisory costs are related primarily to Wardy IT Solution acquisition.
3. Wardy integration costs relate to costs to establish the project to integrate Wardy IT Solutions into MOQdigital operation, with a view to completion by end of calendar year 2020.
4. We have established a provision for doubtful debts for the Wardy IT business and will review this provision regularly.
5. In relation to issues with onboarding a major client in FY19, we felt it prudent to provide for an additional $172k in doubtful debts in relation to the project. This will ensure that we have fully covered for any potential disputes for the work.

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- The following chart is consistent with those published each half by MOQ Limited to provide investors with an ongoing indication of operational EBITDA Performance and Trend (Using Pre AASB16 impact.). For H1FY20 the underlying EBITDA is **$1.391 Million**.



- With relation to MOQ Limited's cash position, please note:
  - Our cash position was primarily impacted by the payment for the acquisition of Wardy IT Solutions ($1.9m).
  - Additionally we experienced a combination of relatively weak trading conditions and seasonal factors with the slowdown in cash collections over the Christmas/New Year period.
  - Please note that the cash position (unaudited) as at 31st January 2020 has improved to $2.9m.
  - It is also worthwhile to note that we have accrued for $6m in current liabilities based on a conservative approach that the maximum earnout conditions for the Wardy IT acquisition will be met. According to the terms of the sale agreement, a minimum of one third of the earnout is to be paid in cash, and the balance in either shares (valued at a minimum of 27.5c per share) or cash at the discretion of the purchaser.
  - Tables C and D provide additional information

Table C

Summary Balance Sheet ($'000)	H1FY20	H2FY19	$ Variance	% Change
Cash	741	5,231	(4,490)	-86%
Current Assets	13,118	16,109	(2,991)	-19%
Current Liabilities	20,215	13,682	6,533	48%
Net Tangible Assets	(5,351)	6,277	(11,628)	-185%
Current Ratio	0.65 : 1	1.18 : 1		-45%

Table D

Summary Net Cashflow ($'000)	H1FY20	H2FY19	% Change
From operating activities	(1,623)	453	-458%
Used in investing activities	(2,516)	(900)	-180%
Used in financing activities	(350)	0	
Net increase /(decrease) in cash	(4,490)	(447)	905%

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Understanding the current and Potential Impact of Wardy IT on MOQ

Undoubtably, the major event for H1 FY20 for MOQ Limited was the completion of the Wardy IT acquisition. From September 1, 2019 **Wardy IT** started trading as a wholly owned subsidiary of MOQ Limited.

As indicated through information provided to investors during H1FY20, the merging of MOQdigital and Wardy IT's capability and capacity has created a higher value proposition in market for our combined client base and new clients, particularly those investing heavily in the Microsoft Applications and Cloud stack.

With only 4 months trading in H1FY20, there is already a significant impact to services and solution revenue streams for the business, which we are confident over the next period will start having a positive impact on earnings. The following outlines this 4 month impact, and also models what would have been a 6 month impact (i.e. pro forma if we had owned Wardy IT for the full 6 month period of H1FY20), and the ongoing evolution of the business model for MOQ.

1. Impact on Services Revenues:

With just 4 months of owenrship benefit, overall Services revenues have grown **33%**, with Recurring services revenues up by **46%**. **Recurring Services have now also grown as a contributor to be over 47% of total services revenues**, up from 43% in the equivalent period of H1FY19. This trend is in line with MOQ's stated objective to grow in contracted recurring services base and create a stronger, more predictable revenue model.

Note 1: Purely for indicative purposes, Chart 1 below, has also applied financial data from WardyIT's final two months of performance prior to the MOQ Ltd acquisition (i.e. the extra 2 months are not part of MOQ's actual operating results). This data will assist investors make a more comprehensive assessment of the potential impact over a full half year period and a base run rate as we commenced H2FY20.

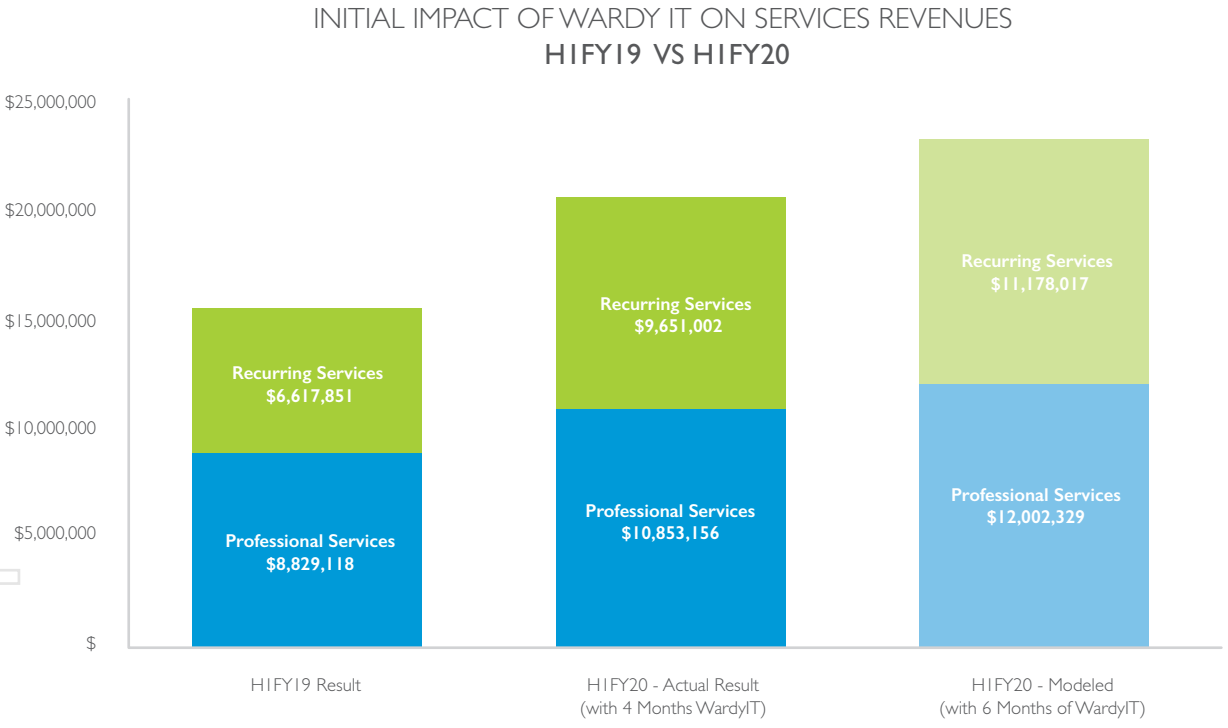


Chart 1 – Positive Impact on MOQ Revenue Result with 4 months WardyIT and with 6 months for Modeling purposes

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2. Impact on Offering to Market:

The introduction of Wardy IT into the MOQ business also significantly strengthens our value proposition in the Digital Transformation Services market and complements the MOQ's own growth path in this market area. This change will, over the next six to twelve months, improve Recurring and Professional Services returns and reshape MOQ's source of revenues. Chart 2 below, illustrates this evolving feature of the business.

With just 4 months of Wardy IT ownership benefit, overall Digital Services have moved from **26% to 47% of total services revenues**. It is envisaged that in the next period, Digital Services will provide over 50% of services revenues, even as our traditional infrastructure oriented services (Branded Foundation Services) continue to grow.

Note 2: Purely for indicative purposes, Chart 21 below, has also applied financial data from WardyIT's final two months of performance prior to the MOQ Ltd acquisition (i.e. the extra 2 months are not part of MOQ's actual operating results). This data will assist investors make a more comprehensive assessment of the potential impact over a full half year period and a base run rate as we commenced H2FY20.

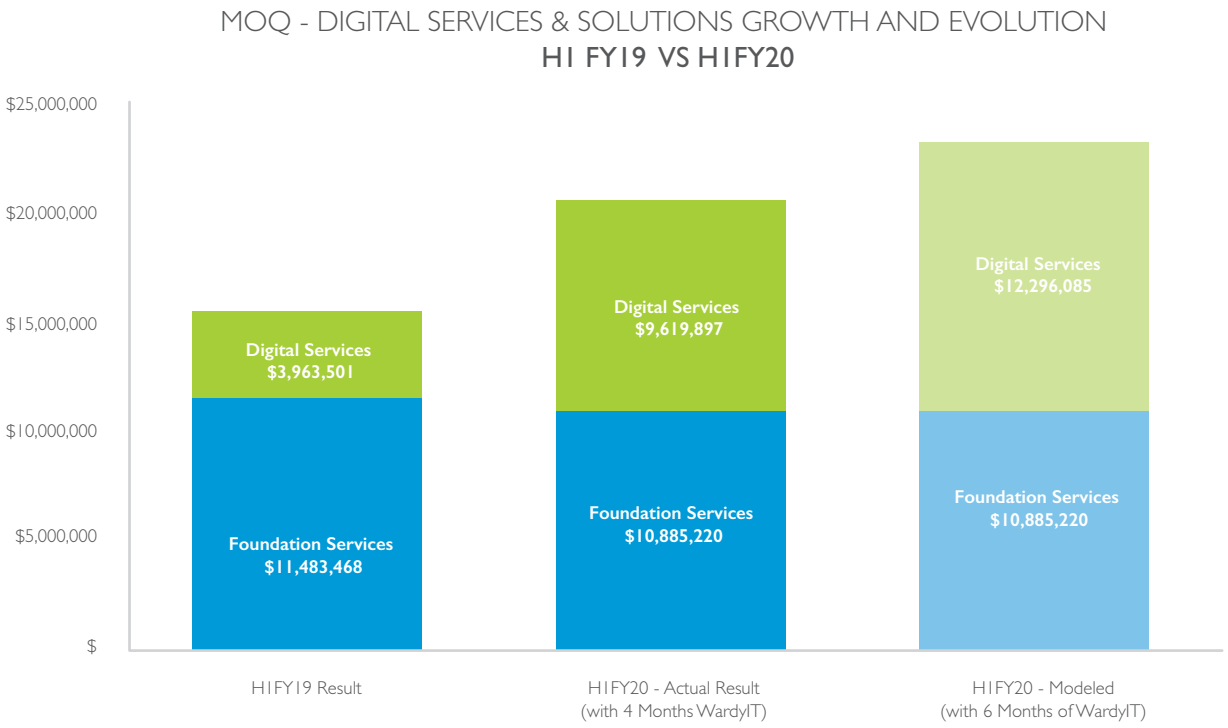


Chart 2 – Evolving Revenue mix across key focus Lines of Business with 4 months WardyIT and with 6 months for Modeling purposes

In summary, the business that MOQ derives from the provision of these specialist services and in-house solutions, such as Wardy IT's Virtual DBA and Skoolbag, have now become the main revenue stream for the business and we will continue to focus on growing MOQ around these services and the technology sales we are able to leverage through our market activities.

SkoolBag

The SkoolBag business operates and develops a market leading Software-as-a-Service ("SaaS") communications platform, including mobile apps, primarily for K-12 and Childcare and Education customers and also in the sports vertical.

For Skoolbag, H1 FY20 has been focused around the refactoring of legacy components within the back-end platform to improve speed, stability and security. Implementation of new technology frameworks are expected to deliver improved customer experience, as well as increase speed to market of new features and products. The new technology architecture is also expected to deliver considerable cloud hosting and server cost efficiencies.

SkoolBag continues to improve existing product functionality in order to deliver further value across all users - schools, teachers, parents and students. It maintains a feature roadmap driven by feedback from existing customers, new customers, prospective customers and also based on data analytics tools which give deeper insight into usage patterns.

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Summary

From an earnings perspective, H1FY20 has been disappointing. The shortfall is primarily attributable to soft Technology Sales, and the slow start in Professional Services during H1FY20. The latter part of the half showed a marked improvement for Professional Services and gradually improving Technology Sales into H2FY20.

As outlined above, there is much to be positive about, as we fully integrate Wardy IT solutions. This is reflected in our opportunity pipeline in quantity but also quality.

MOQ Limited continued to move its business forward, balancing short term returns with key strategic decisions and actions to maintain momentum as it continues to develop MOQ Limited into a high value, market leading publicly listed technology company geared around servicing the needs of enterprises seeking to drive digital transformation initiatives.

In alignment with this strategy the Directors of the Company would like to emphasise that MOQ Limited is continuing to actively seek strategic acquisitions through an ongoing program run by the MOQ Executive team and its advisors to identify and qualify suitable M&A partners.

Significant Changes in State of Affairs

MOQ Limited completed the acquisition of Wardy IT Solutions Pty Ltd (Wardy IT) on 1st September 2019.

The acquisition was settled for an upfront consideration of $6.4m in cash and shares (fair value of $5.7m), after adjusting for $1.1m in net debt and working capital.

The consideration was $1.92m funded out of existing MOQ cash reserves, and $4.44m issued in shares, equating to 16,142,939 MOQ shares issued at 27.5c per share.

A further earn-out capped at $6m may become payable in October 2020 with a minimum of one third in cash, and the balance in cash or shares at the purchaser's discretion, depending on Wardy IT financial performance for the 12 months ending 31 August 2020, subject to achieving certain performance criteria.

Dividends Paid or Recommended

In respect of the current year, no dividends have been declared or paid and none are recommended (2018: $nil).

Significant Events after the Reporting Period

The directors are not aware of any matters or circumstances that have arisen since the half-year ended 31 December 2019 that have significantly affected or may significantly affect the operations, results or state of affairs of the Group.

Options Exercised

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

Grant Date	Balance at 31/12/2018	Balance at the date of this report	Exercise price	Expiry
01/09/2016	3,690,901	3,690,901	$0.275	01/09/2020
05/07/2018	4,036,358	4,036,358	$0.255	01/07/2022
TOTAL	**7,727,259**	**7,727,259**		

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity.

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 31 December 2019 can be found on page 27 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Non-Executive Chairman
28 February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Notes	31 Dec 2019 $	31 Dec 2018 $
Revenue			
Revenue	4	32,701,575	34,678,728
Other income	4	1,980	67,414
Total Revenue		**32,703,555**	**34,746,142**
Cost of sales		(24,855,733)	(27,806,183)
Gross Profit	5	7,847,822	6,939,959
Expenses			
Share based payments		(69,313)	(98,782)
Depreciation expenses	5	(579,264)	(188,237)
Amortisation expenses	5	(1,208,572)	(139,773)
Employee costs	5	(3,982,206)	(3,329,301)
Legal costs	5	(72,341)	(55,794)
ASX and registry related expenses		(44,211)	(24,668)
Marketing expense		(396,707)	(329,156)
Occupancy expenses		(402,824)	(553,278)
Professional fees	5	(607,224)	(153,622)
Telecommunication carrier expenses		(156,415)	(140,652)
Other expenses		(1,161,259)	(739,169)
Total expenses		**(8,680,336)**	**(5,752,432)**
Profit before income tax expense		**(832,514)**	**1,187,527**
Income tax benefit / (expense)	6	62,272	(332,596)
Profit after income tax		**(770,242)**	**854,931**
Other comprehensive (loss) / profit for the year			
Exchange differences on translating foreign subsidiaries		22,099	(137,799)
Total comprehensive profit for the year		**(748,143)**	**717,132**
Profit is attributable to			
MOQ Limited		(770,242)	854,931
		(770,242)	854,931
Total comprehensive profit is attributable to			
MOQ Limited		(748,143)	717,132
		(748,143)	717,132
Earnings per share attributable to equity holders of the parent entity			
Basic (loss) / earnings per share (cents per share)	9	(0.45)	0.53
Diluted (loss) / earnings per share (cents per share)	9	(0.45)	0.51

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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	Notes	31 Dec 2019 $	30 Jun 2019 $
Current Assets			
Cash and cash equivalents		740,606	5,230,606
Trade and other receivables	8	10,673,814	9,824,238
Work In Progress		439,697	223,380
Tax Receivable	6	115,456	81,860
Other assets		1,148,839	749,317
		13,118,412	16,109,401
Non Current Assets			
Other Assets		1,039,731	1,069,524
Right of use assets	7	2,526,399	-
Deferred tax assets	6	3,130,315	2,055,485
Property plant and equipment		963,548	883,354
Intangibles	10	29,700,713	15,016,255
Total assets		37,360,706	19,024,618
		50,479,118	**35,134,019**
Current Liabilities			
Trade and other payables	11	13,787,275	8,963,037
Deferred revenue		3,377,288	2,891,056
Lease liability	7	687,673	-
Provisions		2,362,351	1,771,733
Current tax payable	6	-	56,019
		20,214,587	13,681,845
Non - Current Liabilities			
Provisions		388,825	159,224
Deferred Tax Liability	6	3,512,832	-
Lease liability	7	2,013,153	-
		5,914,810	159,224
Total Liabilities		**26,129,397**	**13,841,069**
Net Assets		**24,349,721**	**21,292,950**
Issued capital	12	53,490,057	49,615,752
Reserves		376,689	285,277
Accumulated losses		(29,517,025)	(28,608,079)
Total Equity		**24,349,721**	**21,292,950**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2019	**49,615,752**	**285,277**	**(28,608,079)**	**21,292,950**
Adjustment for adoption of AASB16 (note 1)	-	-	(138,705)	(138,705)
Restated balance as at 1 July 2019	**49,615,752**	**285,277**	**(28,746,784)**	**21,154,245**
Net loss for the period	-	-	(770,242)	(770,242)
Other comprehensive loss	-	22,099	-	22,099
Total comprehensive loss for the period	**-**	**22,099**	**(770,242)**	**(748,143)**
Transactions with owners in their capacity as owners	-	-	-	-
Issue of share capital	3,874,305	-	-	3,874,305
Option Premium Reserve	-	69,313	-	69,313
Balance as at 31 December 2019	**53,490,057**	**376,689**	**(29,517,025)**	**24,349,721**

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2018	**49,615,752**	**141,766**	**(30,896,102)**	**18,861,416**
Net profit for the year	**-**	**-**	**854,931**	**854,931**
Other comprehensive loss	**-**	**(137,799)**	**-**	**(137,799)**
Total comprehensive income for the period	**-**	**(137,799)**	**854,931**	**717,132**
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**
Issue of share capital	**-**	**-**	**-**	**-**
Option Premium Reserve	**-**	**98,782**	**-**	**98,782**
Balance as at 31 December 2018	**49,615,752**	**102,749**	**(30,041,171)**	**19,677,330**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2019



	Notes	31 Dec 2019 $	31 Dec 2018 $
Cash flow from operating activities			
Receipts from customers		34,724,845	39,255,773
Payments to suppliers and employees		(36,240,897)	(36,340,625)
Interest Received		1,929	11,232
Interest Paid		(9,751)	-
Income taxes paid		(99,618)	(6,246)
Net cash (used in) operating activities		(1,623,492)	2,920,134
Cash flow from investing activities			
Payment for property plant and equipment		(135,338)	(85,140)
Payments for intellectual property		(433,686)	(396,849)
Payments for acquisition of subsidiaries		(1,921,550)	-
Payment for deposits		(25,154)	44,171
Payments for other capitalised costs		-	(768,523)
Net cash (used in) investing activities		(2,515,728)	(1,206,341)
Cash flow from financing activities			
Repayments of lease liabilities		(350,780)	-
Net cash (used in) financing activities		(350,780)	-
Net (decrease) /increase in cash and cash equivalents		(4,490,000)	1,713,793
Cash and cash equivalents at the beginning of the period		5,230,606	3,963,738
Cash and cash equivalents at the end of the period		740,606	5,677,531

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

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial report of the Company and its controlled entities (the Group) for the period ended 31 December 2019 was authorised for issue at the date of the directors' report.

(a) Basis of preparation of the interim financial report

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's financial report for the financial year ended 30 June 2019, except for the adoption of AASB 16: Leases for period ended 31 December 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued for is not yet effective. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards

(b) New and revised accounting requirements applicable to the current half-year reporting period

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current period.

AASB 16 'Leases' (modified retrospective approach)

The Group has adopted AASB 16 from 1 July 2019. The standard replaced AASB 117 'Leases' and for lessees eliminated the classifications of operating leases and finance leases. Except for short term leases and leases of low value assets, right of use assets and corresponding lease liabilities are recognised in the statement of financial position, Straight line operating lease expense recognition is replaced with a depreciation charge for the right of use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to the lease expenses under AASB 117. However, EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit and loss. For classification within the statement of cashflows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Impact of adoption

AASB 16 is adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows

	July 2019 $'000
Operating lease commitments as at 1 July 2019 (AASB 117)	3,306
Accumulated depreciation as at 1 July 2019 (AASB 16)	(575)
Lease Liability – Current (AASB 16)	(743)
Lease Liability – Non Current (ASSB 16)	(2,016)
Provision for makegood	(120)
Tax effect of deferred tax asset and liability	10
Increase in operating accumulated losses as at 1 July 2019	**(139)**

Right of use assets

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

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

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Lease liabilities

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

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

Short term leases and leases of low value

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

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

Significant judgement in determining the lease term of contracts with renewal options

The Group determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Interpretation 23 Uncertainty over Income Tax

The Group has adopted Interpretation 23 from 1 January 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exists.

The interpretation requires:

The Group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty;

The Group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment, it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Interpretation 23 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening accumulated losses as at 1 January 2019.

(c) Critical accounting estimates and judgements

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

Key Estimates

Impairment of Non-Current Assets

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

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Debtors (Bad Debt Provision)

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

Impairment of goodwill

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

(d) Going Concern Basis

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The directors believe that preparation of the financial report on a going concern basis is appropriate.

NOTE 2: FINANCIAL RISK MANAGEMENT

Credit Risk

The Group has no significant concentrations of credit risk other than one large debtor amount of $1.2m (13% of total trade receivables as at 31 December 2019). As at the date of this report approximately $220k has been received. As there are no other major concentration of debtors, no sensitivity analysis has been prepared by the Group. The ageing of the Group's trade and other receivables net of bad debt provisions at the reporting date is:

	31 Dec 2019 $	30 Jun 2019 $
Current	6,411,654	6,301,563
30 - 60 days	1,704,571	1,700,488
60 - 90 days	757,703	539,351
More than 90 days	1,799,886	1,282,836
	10,673,814	9,824,238

Management believe that the above stated balances, less the provision for doubtful debt of $540,374, are fully recoverable.

NOTE 3: SEGMENT INFORMATION

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

We have identified three reportable segments, as follows:

Technology Sales – provision of vendor hardware, software and associated licenses and maintenance contracts.

Professional Services – provision of a range of specialist services including consulting, project management, systems and software engineering services to assist clients with strategy, architecture, design, development and implementation of ICT solutions.

Recurring Services – a combination of managed services including operations, support and ICT management, as well as a range of in-house developed commercialised IP and Cloud (SAAS) based solutions.

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

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: SEGMENT INFORMATION (cont.)

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

31 December 2019	Recurring Services $	Professional Services $	Technology Sales $	Unallocated $	Total $
Revenue from external customers	**9,651,002**	**10,853,156**	**12,197,417**	**-**	**32,701,575**
Other income	-	-	-	1,980	1,980
Total Reportable Segment results	**3,346,387**	**2,429,315**	**2,070,140**	**(8,678,356)**	**(832,514)**
Timing of revenue recognition					
Services/ goods transferred at a point in time			12,197,417		12,197,417
Services transferred over a point in time	9,651,002	10,853,156			20,504,158
Total segment assets	-	-	-	50,479,118	50,479,118
Total segment liabilities	-	-	-	26,129,397	26,129,397

31 December 2018	Recurring Services $	Professional Services $	Technology Sales $	Unallocated $	Total $
Revenue from external customers	**6,617,851**	**8,829,118**	**19,231,759**	**-**	**34,678,728**
Other income	-	-	-	67,414	67,414
Total Reportable Segment results	**1,783,133**	**1,796,531**	**3,292,881**	**(5,685,018)**	**1,187,527**
Timing of revenue recognition					
Services/ goods transferred at a point in time			19,231,759		19,231,759
Services transferred over a point in time	6,617,851	8,829,118			15,446,969
Total segment assets	-	-	-	33,580,808	35,580,808
Total segment liabilities	-	-	-	13,909,478	13,903,478

NOTE 4: REVENUE AND OTHER INCOME

	31 Dec 2019 $	31 Dec 2018 $
Revenue from operations	32,701,575	34,678,728
Interest received	1,929	11,232
Other income	51	56,182
Total Revenue	**32,703,555**	**34,746,142**

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: OPERATING PROFIT

Profit before income tax includes the following expenses:

		31 Dec 2019 $	31 Dec 2018 $
(a)	Cost of sales	10,127,277	15,938,878
	Technology	6,304,615	4,834,718
	Recurring services	8,423,841	7,032,587
	Professional services	24,855,733	27,806,183
(b)	Depreciation – office equipment, software and leases under AASB 16	579,264	188,237
	Amortisation – intangible asset	1,208,572	139,773
		1,787,836	328,010
(c)	Employee benefits, other labour and related expenses		
	Wages and salaries	2,766,887	2,430,154
	Superannuation	259,586	222,652
	Other employee benefits expenses	955,733	676,495
		3,982,206	3,329,301
(d)	Legal costs	72,341	55,794
(e)	Professional fees	501,491	65,344
	Consultants fees*	103,220	80,739
	Compliance fees	2,513	7,539
	Other Fees	607,224	153,622

* Includes advisory fees and other costs for acquisition of Wardy IT Solutions

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: INCOME TAX

	31 Dec 2019 $	31 Dec 2018 $
(a) The components tax benefit / (expense) comprise:		
Current tax	(94,539)	372,588
Deferred tax	90,661	(39,992)
Under / (over) provision in prior years	(58,394)	-
Total income tax expense / (benefit)	**(62,272)**	**332,596**
(b) Reconciliation of income tax expense to prima facie tax payable:		
Profit/(loss) from continuing operations before income tax expense	(832,514)	1,187,527
Tax at the Australian tax rate of 30% (2018: 30%)	(249,754)	356,258
Tax effect for amount which are non-deductible (taxable) in calculating taxable income:		
Permanent differences	125,727	58,262
Tax rate differential	(22,555)	(86,846)
Temporary income tax difference	84,310	4,922
Income tax expense / (benefit)	**(62,272)**	**332,596**
The applicable weighted average effective rates	7.48%	28.01%

(c) Tax effects relating to other comprehensive income

There is no tax effect relating to components of other comprehensive income.

(d) Unrecognised Tax losses

Potential tax benefit at 30% (2018: 30%)	-	-

(e) Current tax payable / recoverable

Current tax receivable is $115,456, relating to income tax for MOQdigital NZ Limited and MOQ Limited and image Technical Services Pty Ltd ("Skoolbag).

	31 Dec 2019 $	30 Jun 2019 $
(f) Recognised deferred tax assets and liabilities		
Deferred income tax balances at 31 December 2019 relate to the following:		
(i) Deferred tax liabilities		
Right of use asset	(704,882)	-
WIP	(108,076)	-
Acquired intangibles	(2,699,875)	-
Deferred tax liability recognised	**(3,512,832)**	**-**
(ii) Deferred tax assets		
Provisions	772,711	519,191
Section 40-880 costs	125,388	41,953
Deferred Revenue	571,832	360,662
Other Assets	227,760	262,877
Employee Obligations	694,846	537,761
Lease Liabilities	737,778	-
Tax losses	-	333,041
Deferred tax asset recognised	**3,130,315**	**2,055,485**

(g) Tax consolidation

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

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: RIGHT OF USE ASSETS AND LEASE LIABILITIES

The right of use assets and lease liabilities have arisen upon adaption of AASB16 Leases from 1 July 2019. Refer to note 1 for further information.

(a) Right of use assets

	Leased Property $
Adjustment on adoption of AASB16	2,731,040
Additions thorough business combinations	278,811
Depreciation charge	(483,452)
Closing net book value at 31 December 2019	2,526,399
Cost	3,584,527
Accumulated depreciation	(1,058,128)
Closing net book value at 31 December 2019	2,526,399

(b) Lease Liabilities

Current lease liabilities	687,673
Non current lease liabilities	2,013,153
Total lease liabilities at 31 December 2019	2,700,826

NOTE 8: TRADE AND OTHER RECEIVABLES

	31 Dec 2019 $	30 Jun 2019 $
Trade receivables	11,167,653	10,172,536
Provision for doubtful debts	(540,374)	(386,386)
Other receivables	46,535	38,088
	10,673,814	9,824,238

Management believes that any debts that have not been provided for and are past due by more than 30 days are still collectible in full based on historic payment behaviour. The amounts that are past due but not impaired are $3,721,787 at 31 December 2019 ($3,288,729 at 30 June 2019.)

Please refer to Note 2 for a further breakdown of the ageing of receivable amounts.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: (LOSS) / EARNINGS PER SHARE

	31 Dec 2019 $	31 Dec 2018 $
(a) Basic (loss) / earnings per share (cents per share)		
From continuing operations	(0.45)	0.53
(b) Diluted (loss) / earnings per share (cents per share)		
From continuing operations	(0.45)	0.51
(c) Reconciliation of earnings in calculating earnings per share		
Basic and diluted (loss)/ profit per share	(770,242)	854,931
Loss) / profit from continuing operations attributable to ordinary equity holders		
(d) Total shares		
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	171,848,706	161,320,702
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted earnings per share	171,848,706	169,047,461

The Company's 7,727,259 options on issue have been excluded from the diluted earnings calculations as they are anti-dilutive for the current financial period.

NOTE 10: INTANGIBLE ASSETS

	Notes	31 Dec 2019 $	30 Jun 2019 $
Goodwill on acquisition of TETRAN Group		9,339,308	9,339,308
Goodwill on acquisition of Skoolbag		3,942,630	3,942,630
Goodwill on acquisition of Wardy IT Solutions*	13	4,937,723	-
Intangible Property Acquired Skoolbag		413,674	488,196
Intangible Property Acquired Wardy IT Solutions*	13	9,562,915	-
		28,196,250	13,770,134
Intangible Property – Skoolbag software development – cost		1,845,277	1,441,875
Intangible Property – Skoolbag software development – accumulated depreciation		(340,814)	(195,754)
		1,504,463	1,246,121
		29,700,713	15,016,255

* Please refer to Note 13 for details of Wardy IT Solutions Intangible Property.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: INTANGIBLE ASSETS (cont.)

	Skoolbag software development $
At 1 July 2019	1,246,121
Additions	403,402
Disposals	-
Depreciation	(145,060)
At 31 December 2019	**1,504,463**
At 1 July 2018	563,178
Additions	396,849
Disposals	-
Depreciation	(57,769)
At 31 December 2018	**902,258**

NOTE 11:TRADE AND OTHER PAYABLES

	31 Dec 2019 $	30 Jun 2019 $
Trade creditors	4,387,917	7,020,552
Other payables and accrued expenses*	9,399,358	1,942,485
	13,787,275	8,963,037

* Other payables include an accrual of $6m in respect of a maximum earn-out achievable for Wardy IT Solutions, of which a minimum of one third is payable in cash, and the balance in shares or cash, should the performance targets be achieved.

NOTE 12: SHARE CAPITAL

(a) Details of share issues

	31 Dec 2019		30 Jun 2019	
	No. Of Shares	Share Value $	No. Of Shares	Share Value $
Balance at the beginning of the year	161,320,702	49,615,752	161,320,702	49,615,752
Movement	16,142,939	3,874,305	-	-
Balance at the end of the year	177,463,641	53,490,057	161,320,702	49,615,752

For the 2020 financial year:

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

(b) Options

	Balance at 31/12/2019	Balance at 31/12/2019	Exercise price	Expiry
Unlisted	3,690,901	3,690,901	$0.275	01/09/2020
Unlisted	4,036,358	4,036,358	$0.255	01/07/2022
Total	7,727,259	7,727,259		

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12: SHARE CAPITAL (cont)

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

	No. of Options	Weighted Average Exercise Price
Options outstanding at 30 June 2019	**7,727,259**	**$0.265**
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding at 31 December 2019	**7,727,259**	**$0.265**
Options exercisable as at 31 December 2019	3,690,901	$0.275

The weighted average life of the outstanding share options at 31 December 2019 is 1.63 years.

	No. of Options	Weighted Average Exercise Price
Options outstanding at 30 June 2018	**3,690,901**	**$0.275**
Granted	4,036,358	$0.255
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding at 31 December 2018	**7,727,259**	**$0.265**
Options exercisable as at 31 December 2018	1,804,951	$0.265

(d) Capital management

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

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

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

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

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

NOTE 13: ACQUISITION OF WARDY IT

MOQ Limited acquired 100% of the shares in Wardy IT Solutions Pty Ltd on 1st September 2019.

Wardy IT Solutions is a market leading provider of Microsoft specialist services and solutions in data platforms and data analytics.

It is a complementary business to MOQdigital, and supplier of high value services as well as a multi-award winning Australian Microsoft Gold partner.

It has a geographic footprint with 4 key locations and more than 60 staff across Australia and New Zealand.

The purchase was settled for an upfront consideration of $5.8m in cash and shares after adjusting for $1.1m in net debt and working capital.

A further earnout, which is capped at a maximum of $6m may become payable by October 2020 in relation to Wardy IT Solutions' financial results for the 12 months ending 31 August 2020, subject to achieving certain performance criteria and has been fully provided for as the maximum possible earnout that can be achieved. The maximum earnout is payable in a combination of one third cash, and two thirds at MOQ's discretion as to cash or shares, or a combination. The share component is based on a 20-day VWAP subject to a floor price of 27.5c.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: ACQUISITION OF WARDY IT (cont.)

The Acquisition meets the requirements of AASB 3 Business Combinations therefore Wardy IT Solutions has been consolidated into the financial statements of the Group from the date of acquisition, being 1 September 2019.

The fair value of the consideration has been determined using the market price of MOQ Limited shares at the date of Acquisition and probability of earnout being met. The Group has taken a conservative approach and provisioned for the maximum earn-out to be paid.

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

The valuation of customer contracts is based on management assessment of retention of customers, which remains provisional at as 31 December 2019. The expected customer retention period is between 3 – 5 years.

Asset Acquired	Valuation Technique
Software and Websites	An independent valuer was engaged to determine market value of the assets.

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

The statement of financial position of the acquired entity, Wardy IT Solutions, upon completion of the acquisition was as follows:

	Wardy IT Solutions $
Cash and cash equivalents	100
Work In Progress	185,870
Prepayments	95,143
Property, plant and equipment	94,197
Identifiable Intangibles	
Acquired customer contracts	9,946,906
Software	600,000
Websites	5,000
	10,551,906
Right of use assets	278,811
Deferred tax asset	548,604
Trade and other payables	(584,823)
Deferred income	(1,015,050)
Lease liability - current	(228,811)
Deferred tax liability	(3,067,715)
Identifiable net assets	**6,858,232**
Representing	
Shares issued in MOQ Limited (at fair value)	3,874,305
Up-front cash consideration	1,921,650
Contingent consideration	6,000,000
Fair value of consideration transferred	**11,795,955**
Goodwill on acquisition of Wardy IT Solutions	**4,937,723**

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

NOTE 13: ACQUISITION OF WARDY IT (cont.)

Set out below is the contribution for Wardy IT Solutions to the reporting entity's profit from ordinary activities during the period:

	Wardy IT Solutions Financial period 01 Sep 2019 to 31 Dec 2019 $
Summarised Financial Performance	
Revenue	4,754,424
Profit before tax	643,431
Profit after tax	437,265
Other comprehensive income after tax	-
Total comprehensive (loss)/income	437,265
Profit/(loss) attributable to non-controlling interests	-

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets as at the date of this report.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

The directors are not aware of any matters or circumstances that have arisen since the period ended 31 December 2019 that have significantly affected or may significantly affect the operations, results or state of affairs of the Company.

END OF AUDITED STATEMENTS

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DIRECTORS' DECLARATION

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

1. In the Directors opinion, the financial statements and notes, as set out on pages 10 to 25 are in accordance with the Corporations Act 2001 and

   i comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

   ii give a true and fair view of the financial position as at 31 December 2019 and of the performance for the half-year ended on that date of the consolidated group;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

On behalf of the Directors



David Shein
Non Executive Chairman
28 February 2020

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28 February 2020

Board of Directors
MOQ Limited
Suite G.01, Ground Floor
3-5 West Street
North Sydney, NSW, 2060

Dear Sirs

RE: MOQ LIMITED

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

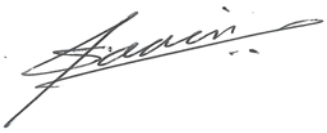
As Audit Director for the review of the financial statements of MOQ Limited for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

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



Samir Tirodkar
Director

Liability limited by a scheme approved
under Professional Standards Legislation

Member of Russell Bedford International

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MOQ LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MOQ Limited, which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for MOQ Limited (the consolidated entity). The consolidated entity comprises both MOQ Limited ("the Company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of MOQ Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of MOQ Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of MOQ Limited on 28 February 2020.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MOQ Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
28 February 2020

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