

**ASX RELEASE****MSL SOLUTIONS CONTINUES TO ACCELERATE GROWTH****Highlights**

- **Delivering on FY18 targets;**
  - **41% of target revenue in Q2 in line with expectations**
  - **52% of total group operating revenue was recurring annuity revenue**
- **Strong pipeline of qualified opportunities;**
- **Pursuing growth opportunities in the MPower Media Network, and United Arab Emirates and the United States;**
- **Strong balance sheet with \$6.5 million cash and no debt;**
- **Normalised operating cash flow for the half of \$0.8 million, after adjusting for one-off costs;**
- **Continuing to qualify acquisition opportunities in the Australian and UK markets**

**31 January 2018:** MSL Solutions Limited (ASX: MPW) (**MSL or the Company**) has today lodged its Appendix 4C Report and is pleased to provide a review of the Company's progress for the quarter and half-year ended 31 December 2017.

**Financial Performance**

MSL Solutions continues to successfully deploy its world-leading, proprietary open architecture SaaS software and data platform to the sports, entertainment and leisure industries, closing new sales in Europe, Australia and the United States. Additionally, the Company remains focused on progressing acquisitions activity to schedule.

The Company expects to achieve the FY18 targets, reporting 41% of its projected annual revenue for the first half, which is in line with expectations as previously reported. For the half-year, 52% of operating revenue was recurring annuity revenue.

Commenting on the Company's progress, Craig Kinross, CEO of MSL Solutions said: "Once again, it is pleasing to confirm that the fundamental performance metrics of the business are in line with expectations and on track to deliver a strong result. We continue to maintain our strong financial position, deepen our core relationships, accelerate sales and enhance our internal capabilities."

"As explained in our previous cash flow announcement, the sales pipeline is historically weighted more strongly to the second half. Our track record since listing in May 2017 demonstrates the Company's ability to deliver our unique proposition with confidence and competence, as we continue to play a vital role for our customers around the world and realise our growth ambitions."

"The global nature of our business has allowed us to successfully integrate several complementary brands including Verteda, GolfBox and Pallister Games, as we continue to expand. This has served to fortify our leading reputation as providers of member and fan engagement and experience solutions that drive sustainable revenue for our clients."

"Building and maintaining the tribal loyalty of our clients customers' is front and centre of everything we do, and we have come a long way as our technical team continues to: enhance business insights platforms and predictive analysis capabilities; introduce gamification and mobile registers; upgrade club management systems and tournament software and introduce scale. As a result, our member organisations continue to realise the value of empowered, engaged and rewarded communities and embrace our proprietary products."

**Operations and Key Sales Segments**

The Company continues to accelerate revenue generation across all key streams including: annuity fees, software licensing, database media revenue and booking and transaction fees, enjoying a high level of recurring revenue.

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As reported in the previous update, MSL continues to expand its global footprint by achieving strong organic growth within each sales segment, gaining its first US customer and first European stadium outside the United Kingdom, and selling the Australian product into the European customer base acquired via Verteda. A number of strategic agreements have been announced since listing in May 2017, and we are looking forward to continuing this momentum into Q3.

The business currently carries no debt and has approximately \$6.5 million cash in the bank.

## Outlook

The management team is pleased with the stable and consistent growth experienced since MPW listed on the ASX in May 2017. The Company continues to build sales and growth momentum, reinforcing its robust competitive position to take advantage of the huge market opportunity that exists.

The Company continues to focus on enhancing shareholder value with a focus on strict disciplines being maintained around capital expenditure and ongoing initiatives to grow market share. In addition to growth by acquisition and diversity of global footprint, the Company also expects to continue to generate organic growth from building deeper strategic partnerships with customers by providing additional solutions and services to meet their evolving enterprise requirements and positioning MSL Solutions as the partner of choice.

The Company expects to achieve its full year FY18 forecast.

## Ends

### For further information, please contact:

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### About MSL Solutions Limited

MSL Solutions Limited (ASX: MPW) is an Australian based global provider of hosted, software as a service (**SaaS**) and on-site deployed solutions to clients in the sport, leisure and hospitality sector. MSL services member organisations across APAC, EMEA and North America through its MPower Platform. MSL has a head office in Brisbane and offices in Sydney, Melbourne, UK and Denmark. To discover more about MSL please visit [www.mpowermsl.com](http://www.mpowermsl.com).

### About MPower Platform

MSL's MPower Platform connects member organisations' business software and data needs to improve guest engagement, loyalty, gain business efficiencies and improve governance. MSL provides scalable full venue business software applications and data solutions integrated through the MPower core integration architecture. This means that MSL can provide solutions to both small and large organisations and associations. MSL provides cloud based SaaS, hosted and on-site deployed software, data and loyalty/media solutions.

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## Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

MSL Solutions Limited

**ABN**

96 120 815 778

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

31 December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>YTD (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,063	16,667
1.2 Payments for		
(a) research and development	(1,083)	(2,012)
(b) direct costs of sales	(2,259)	(4,119)
(c) sales, advertising and marketing	(1,306)	(2,430)
(d) customer and technical services	(1,639)	(3,170)
(e) general and administration	(1,615)	(3,197)
(e) other working capital costs	(459)	(986)
1.3 Dividends received (see note 3)		
1.4 Interest received	26	64
1.5 Interest and other costs of finance paid	(1)	(5)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
(a) Prepaid & one-off costs	-	(734)
(b) Managements bonuses from FY17	-	(880)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(273)</b>	<b>(802)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(33)	(100)
(b) businesses (see item 10)	(1,826)	(3,954)
(c) investments		

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Consolidated statement of cash flows	Current quarter \$A'000	YTD (6 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	-	(25)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,859)</b>	<b>(4,079)</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	-	(129)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(9)	(173)
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>(9)</b>	<b>(302)</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	8,668	11,741
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(273)	(808)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,859)	(4,080)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(9)	(302)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>YTD (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(12)	(43)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>6,515</b>	<b>6,508</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	6,515	8,668
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>6,515</b>	<b>8,668</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	146
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	

Fees and salaries paid to Directors and the Managing Director.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A</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	

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities		
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.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	1,016
9.2 Direct costs of sales	2,259
9.3 Sales, advertising and marketing	1,385
9.4 Customer and technical services	1,511
9.6 General and administration	1,467
9.7 Other working capital	400
9.7 Other (acquisition payments)	500
<b>9.8 Total estimated cash outflows</b>	<b>8,538</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	Verteda Holdings Limited	
10.2 Place of incorporation or registration	United Kingdom	
10.3 Consideration for acquisition (final deferred instalment)	\$338,975	
10.4 Total net assets	\$5,938,000	
10.5 Nature of business	IT infrastructure sales and support and computer hardware sales.	
10.1 Name of entity	InfoGenesis Pty Ltd	
10.2 Place of incorporation or registration	Australia	
10.3 Consideration for acquisition (deferred)	\$18,750	
10.4 Total net assets	\$109,776	

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10.5	Nature of business	IT infrastructure sales and support and computer hardware sales.	
10.1	Name of entity	GolfBox A/S	
10.2	Place of incorporation or registration	Denmark	
10.3	Consideration for acquisition (final deferred instalment)	\$1,468,566	
10.4	Total net assets	\$5,649,000	
10.5	Nature of business	IT infrastructure sales and support and computer hardware sales.	

**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:   
Company Secretary

Date: 31 January 2018

Print name: Andrew Ritter

**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.

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