

31 October 2019: ASX RELEASE

Appendix 4C – Q1 FY2020

MSL Solutions Limited (ASX: MPW) (“MSL or “the Company”) has today lodged its Appendix 4C cash flow report for the quarter ended 30 September 2019.

The cash flow results for Q1 FY2020 are attached and reflects the costs of restructuring as previously announced in August 2019 and commenced shortly thereafter.

The Board intends to provide an update to shareholders and the market at the Company’s Annual General Meeting (“AGM”), which will take place on Wednesday, 27 November 2019.

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 Connect Platform. MSL has a head office in Brisbane and offices in Australia, UK and Denmark. To discover more about MSL please visit www.mpowermsl.com.

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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")

30 September 2019

Consolidated statement of cash flows		Current quarter	YTD (3 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	7,975	7,975
1.2	Payments for		
	(a) research and development	(1,572)	(1,572)
	(b) direct costs of sales	(1,824)	(1,824)
	(c) sales, advertising and marketing	(1,277)	(1,277)
	(d) customer and technical services	(1,701)	(1,701)
	(e) general and administration	(2,349)	(2,349)
	(f) other working capital costs	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	27	27
1.5	Interest and other costs of finance paid	(26)	(26)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Restructuring Costs)	(794)	(794)
1.9	Net cash from / (used in) operating activities	(1,542)	(1,542)

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Consolidated statement of cash flows		Current quarter \$A'000	YTD (3 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(4)	(4)
	(b) businesses (see item 10)	(180)	(180)
	(c) investments	-	-
	(d) intellectual property	29	29
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	568	568
	(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)	-	-
2.6	Net cash from / (used in) investing activities	413	413
	Cash flows from financing activities		
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	(107)	(107)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	(107)	(107)

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4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,130	6,647
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,542)	(5,895)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	413	(118)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(107)	1,554
4.5	Effect of movement in exchange rates on cash held	(2)	(58)
4.6	Cash and cash equivalents at end of quarter	892	2,130
	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
5	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	937	1,980
5.2	Call deposits	-	-
5.3	Bank overdrafts	(349)	(154)
5.4	Other (provide details) – Deposits & guarantees **	304	304
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	892	2,130
	** Leased premises bank guarantee deposits		

6	Payments to directors of the entity and their associates	Current quarter	
		\$A'000	
6.1	Aggregate amount of payments to these parties included in item 1.2	56	
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.			
7	Payments to related entities of the entity and their associates	Current quarter	
		\$A	
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		
8	Financing facilities available	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Add notes as necessary for an understanding of the position</i>	\$A	\$A
8.1	Loan facilities	1,482,756	1,482,756
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.		
The Company put in place a \$2m facility with Westpac in October 2018, with an indicative interest rate of 6.6% and amortisation of the limit over 36 months. There are no financial covenants, and the facility is secured by a GSA over the Australian entities of the MSL Group.			

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9	Estimated cash outflows for next quarter		\$A'000
9.1	Research and development		1,212
9.2	Direct costs of sales		2,363
9.3	Sales, advertising and marketing		994
9.4	Customer and technical services		1,175
9.6	General and administration		1,904
9.7	Other working capital		500
9.8	Total estimated cash outflows		8,148
10	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A	Disposals
10.1	Name of entity	Pallister Games	
10.2	Place of incorporation or registration	Australia	
10.3	Consideration for acquisition (earnout and deferred payment)	\$180,000	
10.4	Total net assets		
10.5	Nature of business	IT infrastructure sales and support and computer hardware sales.	

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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:



Date: 31 October 2019

By order of the Board

Company Secretary

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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