

**ASX RELEASE****MSL SOLUTIONS CONTINUES TO EXPAND GLOBAL FOOTPRINT, DELIVER ON ITS GROWTH STRATEGY AND REAFFIRMS GUIDANCE FOR FY18****Highlights**

- **On-track to deliver FY18 targets;**
  - **20% of annual target revenue in Q1 in line with expectations**
  - **15% increase in prior corresponding period recurring revenue, on a pro forma basis**
  - **47% of FY18 revenue target already contracted**
- **Strong, growing pipeline of qualified opportunities;**
- **Strong balance sheet with \$8.7 million cash and no debt;**
- **Normalised operating cash flow of \$1.1 million for the quarter (excluding one-off items);**
- **More than 2,000 customers across 20+ countries and growing;**
- **The successful merging of Zuuse with Progressclaim is expected to enhance the value of MSL's carried investment in this entity.**

**31 October 2017:** 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 ended 30 September 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 and strengthen its market leading reputation.

The company is on track to meet guidance, reporting 20% of its projected annual revenue for the first quarter, which is in line with expectations. During the quarter, over 50% of operating revenue was recurring annuity revenue, and represented a 15% uplift from the same corresponding quarter last year, on a pro-forma basis.

Commenting on the Company's progress, Craig Kinross, CEO of MSL Solutions said: "The key performance metrics of the business are in line with seasonal expectations and on track to deliver a positive result, as we strengthen our competitive positioning."

"As in previous years, we see the sales pipeline once again weighted more strongly to the second half. Given the strength of our business and our balance sheet, our strategy has proven to be the right one, at the right time, as we strategically manage our growth ambitions, consolidate a highly fragmented market and seek operational synergies and complementary businesses."

"The key sales divisions have made solid progress to grow our global footprint and deepen existing customer relationships by gaining a greater share-of-wallet and increasing the number of orders closed with new and existing clients. We will continue to stay focussed and invest in our core capabilities to help our clients and their communities, thrive."

"It's great to see strong, quality and consistent earnings growth, with our 2,000+ customer base across 20 countries continuing to expand. Through a combination of innovation and acquisitions we continue to grow our pipeline and partnerships, as more member organisations realise the value of empowered, engaged and rewarded communities and embrace our proprietary products."

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## 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.

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, as reported in the previous update. A number of strategic agreements have been announced since listing in May 2017 including:

- Manchester City FC Etihad Stadium, new Tunnel Club;
- Community First Credit Union (**CFCU**) integration of club loyalty to bank debit cards;
- Maxgaming, a Tatts Group company, endorsement of MPower BI platform;
- Chronogolf partnership established to sell MSL Solutions' products into the US market;
- PGA Europe's endorsement of MPower Tournament & ProPlanner products;
- Sale to first high-profile Spanish stadium, the first European stadium outside of UK;
- Village Roadshow upgrade for inaugural TopGolf site in Australia; and
- Entry into the UK golf market, being the first club sale to a leading England golf resort.

The portfolio of products has performed well for the period. The data analytics business MPower BI is gaining traction, with Golf Australia committing to roll out the base product to its 1,600 clubs in Australia.

The business currently carries no debt and has approximately \$8.7 million cash in the bank.

## Outlook

The management team is pleased with the steady growth experienced since MPW listed on the ASX in May 2017. The Company continues to show positive momentum, reinforcing its strong 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 is pleased to reconfirm its FY18 forecast guidance as follows:

Revenue	\$ 35.5 million
EBITDA	\$ 6.5 million
NPATA	\$ 5.9 million

**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")**

30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>YTD (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	8,604	8,604
1.2 Payments for		
(a) research and development	(929)	(929)
(b) direct costs of sales	(2,387)	(2,387)
(c) sales, advertising and marketing	(1,124)	(1,124)
(d) customer and technical services	(1,531)	(1,531)
(e) general and administration	(1,582)	(1,582)
1.3 Dividends received (see note 3)		
1.4 Interest received	38	38
1.5 Interest and other costs of finance paid	(4)	(4)
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)	(734)
(b) Managements bonuses from FY17	(880)	(880)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(529)</b>	<b>(529)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(67)	(67)
(b) businesses (see item 10)	(2,128)	(2,128)
(c) investments		

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Consolidated statement of cash flows	Current quarter \$A'000	YTD (12 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)	(25)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,220)</b>	<b>(2,220)</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)	(129)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(164)	(164)
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>(293)</b>	<b>(293)</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	11,741	11,741
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(529)	(529)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2,220)	(2,220)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(293)	(293)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>YTD (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(31)	(31)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>8,668</b>	<b>8,668</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	8,668	11,897
5.2	Call deposits		
5.3	Bank overdrafts	-	(157)
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>8,668</b>	<b>11,741</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**

934

Fees and salaries paid to Directors and the Managing Director. In addition, a bonus payment of \$800,000 (accrued in the financial statements ended 30 June 2017) was paid to the Managing Director based on the successful completion of the Company's IPO, and is included under item 1.8b of the above Consolidated Cash Flow Statement.

**7. Payments to related entities of the entity and their associates**

- 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

**Current quarter  
\$A**

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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	2,659
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 (provide details if material)	1,875
<b>9.8 Total estimated cash outflows</b>	<b>9,913</b>

Note on 9.7: Represents deferred payments related to the acquisitions of Verteda Holdings Limited, GolfBox A/S, Infogenesis Pty Ltd and Golf Computer Systems (Rockit Pty Ltd).

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 (deferred)	\$2,084,657	
10.4 Total net assets	\$1,082,600	
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	Rockit Pty Ltd	
10.2	Place of incorporation or registration	Australia	
10.3	Consideration for acquisition (deferred)	\$25,000	
10.4	Total net assets	\$279,049	
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:  Date: 31 October 2017  
 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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