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MSL Solutions Limited (ASX:MPW) Further Business & COVID-19 Update

MSL Solutions Limited (ASX: MPW) (“MSL” or “the Company”) today provides a further update.

The Board and Management of MSL remain focussed on the execution of its comprehensive short- and longer-term risk management and mitigation plans, with the intention of positioning the business to emerge from the challenges caused by COVID-19 as strongly as possible.

Following the successful capital raisings in late 2019, the balance sheet and cash reserves of the Company have ensured that we are in a strong position to support the business, its employees and customers, through this period to ensure long term success for our shareholders and stakeholders alike.

The Company continues to monitor the impact that mandated closures are having on the customer base and the consequential impact on cash inflows going forward. The Company has expanded its release of its “click and collect” product capabilities to enable venues to continue to trade as takeaway outlets where appropriate.

Golfing activities remain strong due to the sport’s natural social distancing element, and subsequently its recurring revenues derived remain consistent with previous years.

It is prudent to anticipate that cash inflows will reduce in the short term. The Company has taken the following mitigation steps, effective immediately, to ensure the preservation of cash by matching our outflows to the expected reduction of inflows, in line with our goal of matching recurring revenues to operating expenses:

- all Australian staff and the MSL Board have agreed to a minimum reduction of 20% of current remuneration, with some staff opting for more reduced arrangements due to personal circumstances;
- the majority of the UK staff have been notified they will be stood down as “furloughed workers” in accordance with the UK Coronavirus Job Retention Scheme. A skeleton staff will be kept in place on reduced hours;
- Patrick Howard, CEO, will take no salary for the next three months to 30 June 2020;
- there will be no immediate change to staff arrangements in Denmark given the strength of the recurring revenue from its Golf Federation customer base, but will remain under review; and
- all contracting staff agreements existing outside the UK, Denmark and Australia will be terminated.

The Company will continue to closely monitor developments related to COVID-19 across all its global operations, and provide further disclosures if required, in line with its obligations.

Approved for distribution by the Board of Directors of MSL Solutions Limited.

MSL

MSL Solutions Limited (ASX: MPW) operates in the sports, leisure and hospitality sectors. Some of the world's iconic sports and entertainment companies and PGA's rely on MPower MSL every day. We create the systems that connect every department of a business from point of sale and membership to marketing and real time visibility on staff levels, customer engagement, profits and revenue. MPower MSL has 1,220+ customers with offices in Australia, UK and Denmark. To discover more about MPower MSL please visit www.mpowermsl.com.

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