

26 July 2021: ASX RELEASE

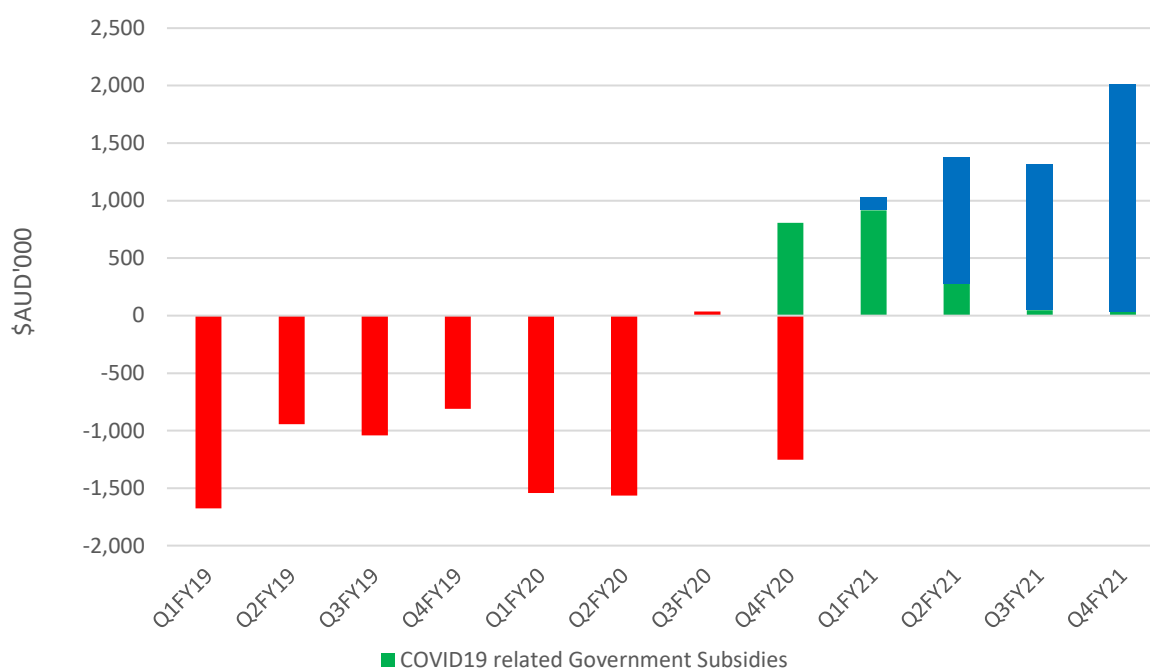
Appendix 4C — Q4 FY21 & FY21 Guidance

Highlights

- MSL delivers its fourth successive quarter of positive operational cash flows, generating \$2.0 million in net operating cash from \$8.1 million in cash receipts.
- Full year positive operational cash flow of \$5.7 million delivers MSL's first full year of positive operational cash flow since 2018.
- MSL provides FY21 EBITDA guidance of at least \$3.5 million (inclusive of Covid related Govt subsidies of \$1.0 million) based on unaudited management accounts.
- Full year EBITDA result of at least \$2.5 million (exclusive of Covid related Government subsidies) is an improvement of \$3.4 million when compared to the FY20 EBITDA loss of \$0.9 million.
- Closing Cash Balance of \$5.4 million.
- Since acquisition the revenue of SwiftPOS has increased more than 20%.
- Major Contract wins in FY21:
 - Doshii Partnership — Doshii is a technology company backed by Commonwealth Bank's x15ventures which expands the digital hospitality tools available to MSL's client base while delivering new business development and marketing opportunities.
 - ASM Global UK - 5-year contract signed with leading international venue and event management company, ASM Global, to deploy mobile point-of-sale (POS) solutions through 22 ASM venues across the UK, providing a £188k (~AUD\$335k) boost to MSL's annualised recurring revenue with total contract value of £1.96 million (~AUD\$3.5 million).
 - RAC Arena Perth- 5-year deal to deliver over 100 fixed POS and 60 mobile solutions to venue operator ASM Global.
- Subsequent to year end, MSL signed a three-year contract with Manchester City FC owner, City Football Group, to deploy POS solutions across two stadiums in Manchester, with annualised recurring revenue of £147k (~AUD\$273k).

MSL Solutions Limited (ASX: MSL, "MSL" or "the Company") is pleased to provide its Appendix 4C cash flow report for the quarter ended 30 June 2021.

Net Operational Cashflow by quarter from 1 July 2018 - 30 June 2021



Financial and operational performance

MSL delivers its fourth consecutive quarter of positive operational cash flows, resulting in a \$5.7 million surplus of cash from operations for FY21.

Despite the ongoing disruptions from COVID-19 across its international operations, the Company generated \$2.0 million in cash from operations in Q4FY21 a \$3.2 million year-on-year quarterly cashflow improvement (excluding government subsidies).

The strong financial performance has come alongside a series of business development wins for the Company. MSL continued to expand its strategic technology partnerships in partnering with Doshii, a part of x15ventures — a wholly-owned subsidiary of Commonwealth Bank and provides hospitality and other venues with the technology to access and integrate apps such as remote ordering available via its platform.

The agreement will enable MSL's POS venues to connect directly to the likes of Deliveroo, Mr Yum, OrderUp and Mobi2Go, along with MSL's existing partner me&u and reservations apps including OpenTable and Resy. Although the initial fees to be generated are not expected to be significant, the partnership will bring a number of material benefits to MSL, including:

- A reduction in MSL's development, maintenance and support expenses, leveraging Doshii as an integration partner and provider of 24/7 monitoring and support.
- The opportunity to act on qualified new and existing venue leads from Doshii sales executives and CBA business relationship managers.

The Company continued to expand its Stadia and Arena customer footprint with the following major contracts:

- A five-year contract with leading international venue and event management company, ASM Global.

The agreement provided for the supply of mobile POS solutions to 22 ASM Global venues across the United Kingdom and will see some of the UK's most iconic sports, leisure and entertainment venues convert across to MSL and Kappture's stadium-specific POS solution.

- RAC Arena Perth a 5- year POS solutions agreement with venue operator ASM Global.

And subsequent to year end, MSL, signed a multi-year contract with the world's leading private owner and operator of soccer clubs and facilities, City Football Group Ltd ("CFG").

Under the terms of the deal, MSL will install more than 450 terminals operating Kappture POS software across two CFG venues in Manchester, the United Kingdom, including Manchester City FC's home ground, Etihad Stadium.

Over the initial three-year term, MSL will earn upfront hardware and project services revenue in addition to the recurring software licencing and support revenue, with annualised revenue of £147k (~AUD\$273k) per annum for the initial 3-year period.

CFG, the majority owner of Manchester City FC, is the sole or substantial owner of soccer clubs and related businesses in major cities across the world, including Melbourne, Mumbai, New York, Sichuan and Yokohama.

MSL's Golf segment continues to see growth with golf experiencing a resurgence in Australia. Golf Australia have been buoyed by the increase in memberships, MSL's subsidiary, Golfink Partners, continues to provide handicapping for every golfer in Australia.

MSL's European subsidiary, Golfbox, continues to deliver outstanding systems to our long-term partners such as Norway, Switzerland and Denmark to name a few. Golfbox throughout Covid has continued to improve its bottom-line results.

FY21 Guidance and Outlook

Based on unaudited management accounts, the Company expects to deliver at least \$3.5 million of EBITDA (including government subsidies of \$1.0 million). This EBITDA result represents a \$4.4 million improvement on FY20 EBITDA loss of \$0.9 million.

SwiftPOS, acquired in November 2020, has experienced 20%+ growth in revenue since acquisition and there remains strong upside in FY22.

As a global stadia SaaS business headquartered in Brisbane, MSL is very excited that our hometown has been selected to host the Olympic and Paralympic Games in 2032. We are looking forward to supporting our many venue partners deliver a world-class event.

With the company's strong cash position and the robust recurring revenues, the Company remains focused on delivering organic growth while exploring acquisition and partnership opportunities that offer the capacity to strengthen the Company's technology platform and product mix.

MSL Solutions CEO, Pat Howard, said:

"The end of the June quarter marked a significant milestone for MSL as the company looks to the year ahead with optimism.

"Our fourth quarterly operational cash surplus, which we delivered without any material government subsidies, reflects the firm footing that MSL has established as we enter a period of technology investment among venue operators rising at a rapid pace.

“MSL’s latest contract with City Football Group represents a very positive start to FY22. This is the second deal with a major international venue operator that we have announced, following from the agreement we signed with ASM Global early in the June quarter.

We continue to explore the commercialisation options of our collective POS solutions transaction volumes which exceed \$5 billion annually.

“We are confident about the outlook for each of our businesses, although we remain aware of the challenges that COVID-19 continues to pose for some of our clients. We are focused on helping our customers to exit the pandemic with modern, versatile and feature-rich guest engagement solutions that help them to grow their business.”

Listing Rule 4.7C

In accordance with Listing Rule 4.7C, payments of \$120k made to related parties and their associates, included in item 6.1 of the Appendix 4C, are for director fees and salaries (including superannuation and short-term incentive payments) paid to MSL directors.

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

For further information, please contact:

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About MSL Solutions Limited

MSL Solutions Limited (ASX: MSL) is a leading SaaS technology provider to the sports, leisure and hospitality sectors. We help some of the world's most iconic venues around the world - stadiums & arenas, pubs & member clubs, sporting associations, golf federations and more – to deliver outstanding customer experiences during every engagement.

MSL develops and delivers fully integrated and modular systems that connect customers to venues through mobile and contactless entry, ordering and payment solutions. We seamlessly connect front-of-house to back-office, offering an end-to-end guest engagement platform which provides actionable insights on key success metrics to venues of all sizes.

MSL Solutions has over 5,000 customers with offices in Australia, UK and Denmark. To discover more about MSL, please visit www.mslsolutions.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MSL Solutions Limited

ABN

96 120 815 778

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,079	27,940
1.2 Payments for		
(a) research and development	(1,113)	(3,754)
(b) direct cost of sales	(1,798)	(5,740)
(c) sales, advertising and marketing	(761)	(3,086)
(d) customer and technical services	(1,010)	(4,393)
(e) general and administration	(1,316)	(5,902)
(f) other working capital costs	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	38
1.5 Interest and other costs of finance paid	(110)	(359)
1.6 Income taxes paid	-	(59)
1.7 Government grants and tax incentives*	34	1,278
1.8 Other (Restructuring Costs)	-	(235)
1.9 Net cash from / (used in) operating activities	2,011	5,728

* In Q4FY21, the Company received UK Government Coronavirus Job Retention Scheme payments of \$AUD 34k.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(4,250)
(b) businesses		
(c) property, plant and equipment	(55)	(79)
(d) investments		
(e) intellectual property	(216)	(1,044)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses	50	200
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities	-	424
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(221)	(4,749)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	-	2,561
3.6	Repayment of borrowings	(250)	(1,448)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Principal component of lease repayments)	(102)	(458)
3.10	Net cash from / (used in) financing activities	(352)	655

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,999	3,806
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,011	5,728
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(221)	(4,749)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(352)	655
4.5	Effect of movement in exchange rates on cash held	(10)	(13)
4.6	Cash and cash equivalents at end of period	5,427	5,427

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,070	3,642
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits supporting bank guarantees to property bonds)	357	357
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,427	5,427

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	N/A
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	2,915	2,250
7.2		
7.3	489	-
7.4	Total financing facilities	2,250
7.5	Unused financing facilities available at quarter end	1,154
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>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. The Company had received approval from Westpac under the banks COVID-19 relief to defer monthly amortisation payments for 6 months. During this period, interest continued to accrue and be capitalised against the loan balance. The facility term has been extended a further 6 months to April 2022 to maintain the monthly amortisation payments. The balance owing as at 30 June 2021 is \$Nil with undrawn facility available of \$665 k.</p> <p>During December 2019 the Company finalised and had fully drawn down a \$2.5m term loan facility with Export Finance Australia ("EFA"). The loan has an interest rate of Base Rate plus a margin of 6.8% payable quarterly in arrears for the term of the facility. The term of the facility is to 30 September 2023 with equal monthly repayments of principle commencing 30 April 2021 and continuing for the term of the loan. There is a financial covenant that the Company maintain a month end consolidated cash balance of \$AUD 1.5 mil increasing to \$AUD 2.5 mil after 30 June 2021 until the Final Repayment Date. The facility is secured by a GSA over the Australian entities of the MSL Group which ranks second behind the Westpac GSA and the overseas entities have provided guarantees. The balance owing as at 30 June 2021 is \$2.25 mil.</p> <p>The Bank overdrafts are held by the UK entities (£150k) and the Danish entity (DKK 1.0m) respectively. The UK bank overdraft of £150k is with Royal Bank of Scotland and is secured by a first ranking debenture over the UK entities of MSL Group with an interest rate on drawn funds at B + 3.3%. The Danish bank overdraft of DKK 1.0m is with Danske Bank and is unsecured with an interest rate on drawn funds at 4.5%.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1	2,011
8.2	5,427
8.3	1,154
8.4	6,581
8.5	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 26 July 2021

Authorised by: By order of the Board



Andrew Ritter (Company Secretary)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.