

2<sup>nd</sup> November 2021: ASX RELEASE

## MSL Business Update

### Highlights:

- MSL Q1 FY22 revenue of \$7.7m (unaudited) is an increase of 40%+ from Q1 FY21 (prior corresponding period), driven by UK business rebound post-COVID and the positive contribution of the SwiftPOS acquisition completed in November 2020.
- Q1 Positive operating cashflow of ~\$500k, the 5<sup>th</sup> quarter in a row of generating operating cash.
- Strong Sales in Q1 FY22 driven by enterprise sales deals for SwiftPOS in APAC, including new wins at AAMI Park, MyState Bank Arena, Logan City Council, Theatre Royal with Trafalgar Entertainment and NSW National Parks and Wildlife Service
- Additional new UK enterprise client wins for SwiftPOS with Angus Steak House and British Airways i360
- Cash balance of \$4.6m as at 30 September 2021, and a projected cash balance of over \$6m which includes the SPP contribution, the retirement of all interest-bearing debt and outgoing deferred and earnout payments related to the SwiftPOS acquisition
- The company completed the acquisition of complementary POS provider OrderMate on 30<sup>th</sup> September 2021. The initial signs through October have been positive. The timing of the OrderMate acquisition has coincided with the NSW and Victoria states emerging from lockdown seeing 85 sales orders closed making October OrderMate's highest sales month for 2021. The profile of OrderMate and its acquisition is:
  - \$5.5m cash on Completion
  - \$2.0m MSL share on Completion (subject to escrow)
  - Normalised FY21 EBITDA of over \$1m
  - FY21 revenue of over \$6m with \$3m of recurring revenue
  - Positive operating cashflow

Sports, leisure and hospitality SaaS technology provider MSL Solutions Limited (ASX: MSL, "MSL" or "the Company") is pleased to provide a business update.

MSL Chief Executive Officer, Pat Howard, said:

*"We are very encouraged and pleased that despite the lockdowns for MSL's major hospitality and venue customers in Sydney and Melbourne, the Company has continued to report strong fundamental performance and progress across its 3 operating segments of POS, Golf and Digital."*

### Q1 FY22 Financial Performance

Based on the unaudited management accounts, the Company's total revenue for the quarter of \$7.7m is more than 40% above the same period last year. This revenue growth is largely driven by the Company's UK subsidiary, MSL Verteda, and the inclusion of SwiftPOS revenue following its acquisition in November 2020.

The revenue of MSL Verteda has almost doubled in the quarter compared to the same period last year, driven by POS upgrades in major stadiums and venues, notably Manchester City FC and ASM Global, as this sector has reopened following an extended lockdown. As a further indicator of the

return to growth of the UK business, the quarterly revenue was also 40% higher than pre-COVID levels 2 years ago.

The recurring revenues of SwiftPOS have grown by 25% since MSL acquired the business in November 2020. Despite lockdowns in the key markets of the SwiftPOS reseller network, 120 new venues were acquired during the September quarter. With venues re-opening across these market from October 2021, the Company expects this growth to continue.

Mr Howard said:

*“We are pleased to deliver strong quarterly revenue growth, driven by POS sales in both our UK business and through the SwiftPOS business, ahead of venues reopening across our key markets. This achievement has allowed the Company to continue to report the key financial metrics of positive EBITDA and positive operating cash flow.*

*“Although we have seen some deferral of investment in the APAC POS market during the September quarter, enterprise sales wins have been strong in this sector and will support revenue growth in the next quarter, together with the inevitable catch up on deferred projects.”*

### **Enterprise SwiftPOS wins in APAC**

Significant enterprise wins in the APAC POS sector during the quarter include:

- **O’Brien Group/AAMI Park, Melbourne** – O’Brien Group is Australia and New Zealand’s largest privately owned hospitality, entertainment and leisure company, operating across stadiums, arenas, hotels, clubs and restaurants. O’Brien Group selected SwiftPOS due to its ability to handle the peaks of services in stadia;
- **Logan City Council, Brisbane** – MSL is continuing to push into the government sector, where SwiftPOS is well suited as it works well across many POS applications and provides comprehensive reporting for management;
- **LK Group/MyState Bank Arena, Hobart** – LK Group operates worldwide across a diverse range of industries including property, technology, human resources, business transformation and outsourcing, digital animation and sports. LK Group selected SwiftPOS as its preferred solution to support the reopening of the revamped MyState Bank Arena in Hobart;
- **Trafalgar Entertainment/Theatre Royal, Sydney** – Trafalgar Entertainment is a premium international live entertainment business focussed on new productions and the distribution of live-streaming innovative content, and owns and operates a further 12 major live production theatres in the UK. Trafalgar Entertainment is looking to further expand its international presence in live production theatres, and selected MSL to deliver POS solutions for Sydney’s Theatre Royal based on the Company’s demonstrated ability to provide efficiency for venue staff and a better experience for guests.
- **NSW National Parks and Wildlife Service** - NSW National Parks and Wildlife Service is the custodian of NSW’s most treasured outdoor locations. They have a large number of visitor centres and administration offices spread across remote and regional NSW and selected SwiftPOS due to its versatility and redundancy capabilities

During the quarter, MSL Verteda in the UK won two significant SwiftPOS enterprise contracts which will be included in future revenue. The first of these deals is a three-year contract with the British Airways i360 observation tower on the seafront in Brighton, UK, and the second is a five-year contract with the Angus Steak House restaurant group, including 62 POS terminals across 11 new sites.

### **Golf**

New sales of GolfBox, the Company’s golf management platform, were ahead of both budget and the same period of last year. MSL expects GolfBox revenue to continue bounce back through its base of long-term contracts delivering core products GolfBox Classic, Tournament and ProPlanner. MSL golf management systems currently support 68% of Australian golf clubs.

## Digital

The Company's acquisition of OrderMate, on the 30<sup>th</sup> September 2021, will see a significant increase in Digital revenues post completion. OrderMate has earned net revenue of ~ \$50k per month through 3<sup>rd</sup> party app integrations during the recent periods of Australian government-imposed lockdown. MSL expects this component of OrderMate's revenue stream to grow further in Q2 FY22.

MSL also has developed and recently launched its own self-service ordering solution, OrderAway, designed for both in-venue and outside venue guest ordering. OrderAway has grown to deliver more than \$1m in transactional value in Q1 FY22.

The Company has a positive outlook for Digital revenue growth with the integration of Doshii to SwiftPOS, Hungry Hungry to OrderMate and further integrations and revenue share from other 3<sup>rd</sup> party applications.

## Capital Management

As previously announced:

- MSL has introduced a strategic investor in Taubman Capital via the issuing of \$4.5m in unsecured, convertible notes at 0% interest rate (i.e. no coupon payable); and
- The oversubscribed invitation to existing Eligible Shareholders to invest at the same price as Taubman Capital via a Share Purchase Plan raised \$4.5m by the issue of 21,655,773 shares in new capital.

Mr Howard said:

*"As pleasing as the Company's performance has been in the most recent quarter, we are even more excited by the potential impact of our new acquisition, OrderMate, and by MSL's prospects of entering the US POS and payments space with our strategic partner, Taubman Capital."*

*"The strong support of shareholders for the Share Purchase Plan has allowed us to go to our Annual General Meeting on 29 November 2021 with a strong balance sheet, no interest-bearing debt and growth options for POS and payments in each of APAC, UK and USA."*

***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 8,000 customers with offices in Australia, UK and Denmark.