

MSL Solutions Ltd (ASX: MSL)

Investor Presentation

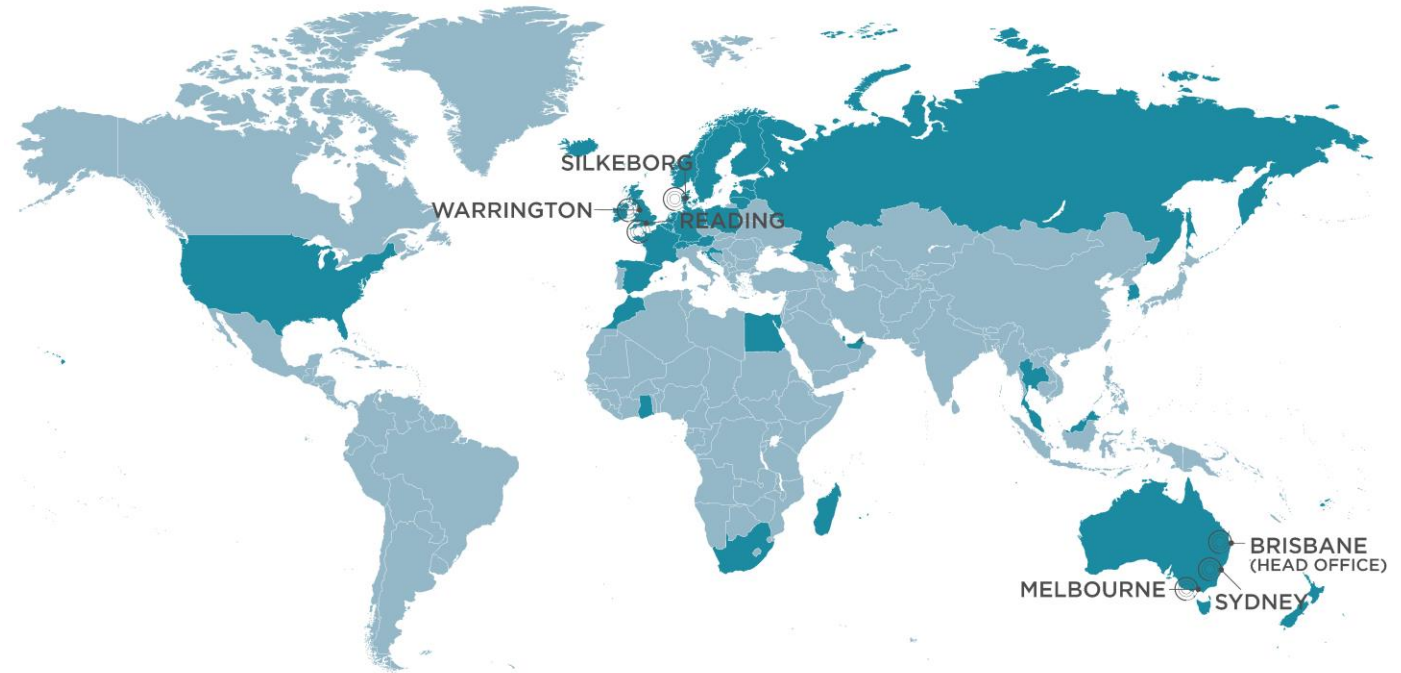
FY20 Full Year Results



MSL Solutions Ltd (ASX: MSL)

- A leading SaaS technology platform provider to the sports, leisure and hospitality sectors
- We help venues around the world – stadiums & arenas, pubs & member clubs, sporting associations, golf clubs and golf federations, marinas and more – to deliver outstanding customer experiences during every engagement
- We achieve this by developing and delivering modular systems that:
 - Connect customers to venues using mobile and contactless entry, ordering and payment solutions
 - Provide operational data and analytics to help venues understand their customers
 - Help venues to raise revenue and reduce costs with personalised customer engagement tools

1,220+ Clients | 6 Offices | 114 Employees

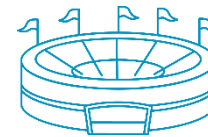


Investment Highlights

- Diverse revenue streams providing cloud and on-premise member engagement solutions
- A global book of sticky recurring business based on blue-chip clients: \$25m revenue in FY20, with 71% recurring
- Improving cash and earnings performance: \$2m year-on-year growth in HY net operating cashflow in H2FY20, with positive EBITDA of \$0.25m
- Large addressable target markets - stadia, arenas, golf facilities, clubs & pubs and member-based organisations – with clear strategy to boost penetration from current share across all industries of <5%
- Full impact of FY20 right-sizing expected to be realised in FY21, with tighter operational focus, significant decrease in operating costs and several drivers of sustainable growth: new customers, products, integrations and regions
- Growth in value of our customers and end-users to adjacent service providers, e.g. buy now pay later (MSL is newly partnered with Openpay)
- Opportunity to grow from modest valuation of 1.1x EV/recurring revenue

CLIENTS

STADIA & ARENA



GOLF



CLUBS & PUBS



SPORTING ASSOCIATIONS



SERVICES

MOBILE POS



REAL-TIME ANALYTICS



VENUE ANALYTICS

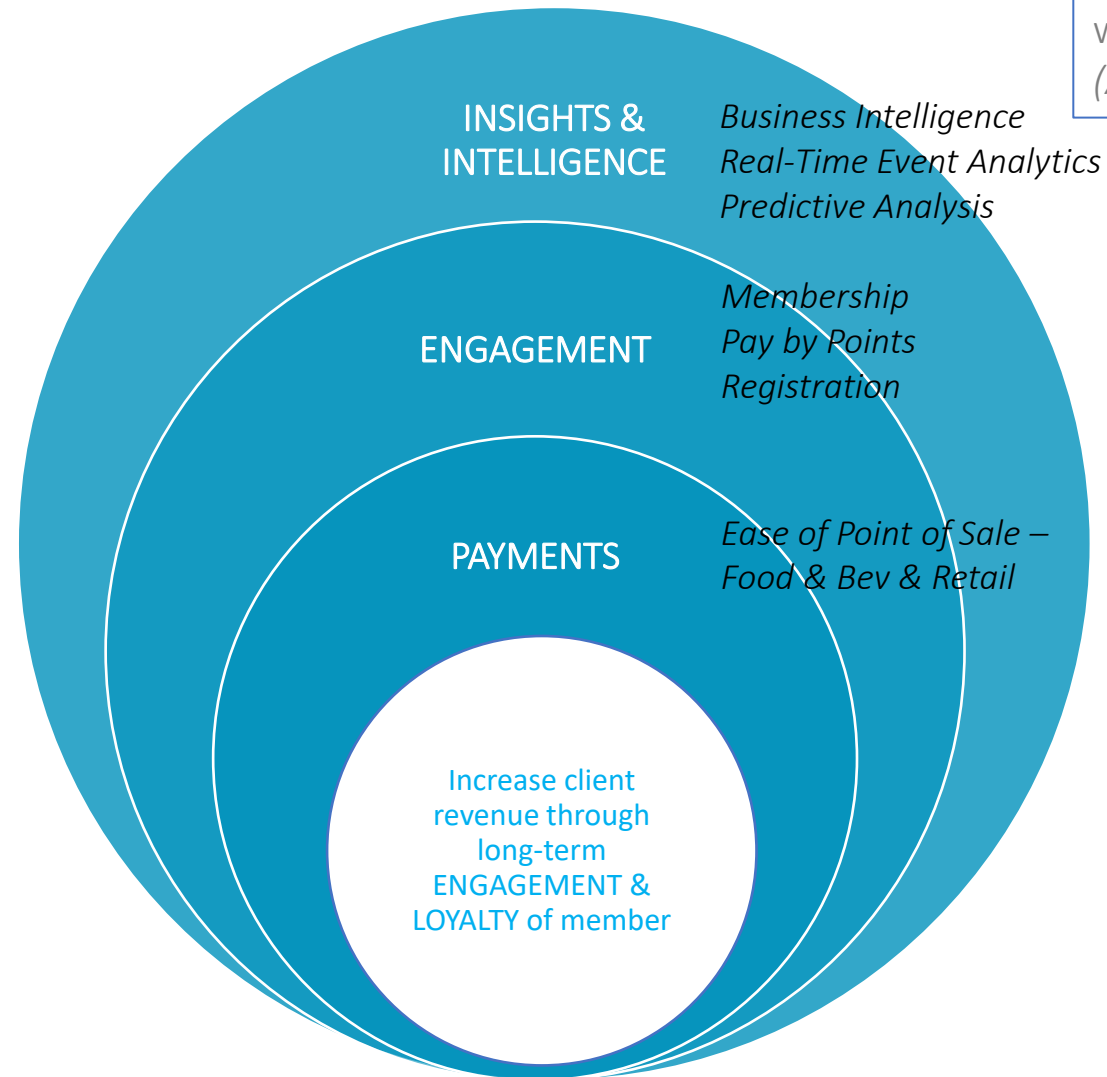


CLOUD GOLF SOLUTIONS



The MSL Connect Solution Platform

- We create the platform that **extends our clients' Point of Sale (POS) systems** from behind the counter to anywhere, anytime
- We integrate POS with membership and analytics to provide **real-time visibility** on staff levels, customer engagement, profit and revenue
- We provide a single view of the customer and remove the silos that can exist across the operational layer, **empowering operators with analytical insights** to deliver better products, services, loyalty and engagement
- MSL's platform integrates tech developed across a **suite of industries and scales**: the platforms we have acquired include Verteda, GolfBox, InfoGenesis, Pricap and Golf Computer Systems



Partnerships with established products (*Kappture*) and payment providers (*Openpay*) customer with new Covid ready products (*At-Table and In-Seat Ordering*)

THRIVE



SURVIVE

Our Clients

- Some of the world's most iconic stadium and large event venues, sports and entertainment companies and Profession Golfers' Associations (PGAs) rely on MSL Solutions every day to serve patrons, fans and members
- We serve Investors, Venues, Integrators, Partners and our customers across industries including Stadiums & Arenas, Clubs & Pubs, Member Clubs (Golf, Marina, Private), Education Campuses and Sport Associations
- MSL Solutions has over 1,220 customers with offices in Australia, UK and Denmark

Stadia and Arenas	Member-Based Organisations (MBOs)
     	     
Golf Clubs & Associations	Other Hospitality & Leisure
    	    

Golf Solutions

- Golf Management Systems
 - PPG - APAC
 - Slice - APAC
 - GolfBox Classic - EMEA
- Golf Lesson Booking System
 - ProPlanner
- Golf Tournament Management
 - GolfBox Tournament
- Golf Association Management
 - Central Database of Handicaps
 - WHS – World Handicap System

Golf customer testimonials

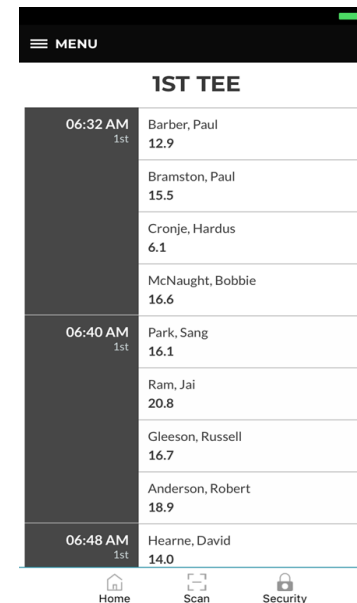
NORWEGIAN GOLF FEDERATION

"We are very pleased with this new 5-year agreement with GolfBox. It ensures that we continue to be at the forefront of technology advancements as a Federation, but more importantly the updated agreement also provides further access to GolfBox to Norwegian golf clubs."

**Tor-Anders Hansen, General Secretary
Norwegian Golf Federation.**



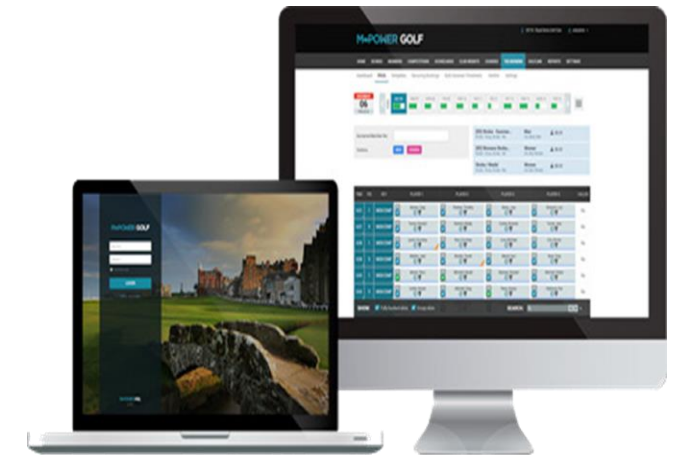
**Norwegian
Golf Federation**



1ST TEE

06:32 AM 1st	Barber, Paul 12.9
	Bramston, Paul 15.5
	Cronje, Hardus 6.1
	McNaught, Bobbie 16.6
06:40 AM 1st	Park, Sang 16.1
	Ram, Jai 20.8
	Gleeson, Russell 16.7
	Anderson, Robert 18.9
06:48 AM 1st	Hearne, David 14.0

Home Scan Security



Golf Solutions

- Example customer: Golf Australia
 - Governing body for the sport of golf in Australia
 - Technology partner on multiple projects:
 - Golf Link – management of the National Handicap System for Australian golfers
 - World Handicap System (WHS) – moved 400,000 Australian golfers to WHS in Jan 2020 – first golf federation and country to migrate
 - FY20 moved 1.5m golfers across 7 countries to WHS
 - MSL runs Tournament Management, Golfink helpdesk and over 20% of the Golf Management Systems on Australian golf courses

MSL IS THE TECHNOLOGY
PARTNER FOR GOLF
AUSTRALIA (exp: 2025)



*"MSL has been outstanding to work with.
They've made this transition so much
easier than it otherwise would have been.*

Simon Magdulski, WHS Project
(Golf Australia Play Management)

[Click here to view Simon's video testimonial](#)



Venue Solutions

- Fully integrated POS systems connecting front of house to back office
 - Integrated with eCommerce, inventory, workforce management and gaming solutions
- Contactless Visitor Entry
 - Electronic registration with a QR code
- In-seat, At-table & Delivery via Click'n'Order
 - Order & Pay using a mobile device
- Real Time Data & Analytics



Venue customer testimonials

INDIVIDUAL RESTAURANTS

"We are now able to be on the front foot, to see what people are ordering and get more transactional information than we've ever had before...We know who our top spenders are based on their visits and their spend through the system but they don't necessarily have to be a member."

Adam Purslow, IT Director, Individual Restaurants

INDIVIDUAL
RESTAURANTS

INDEPENDENT LIQUOR GROUP (ILG)

"ILG is committed to providing market leading supplier choice to our members. We look forward to partnering with MSL to provide our members with access to market leading POS technology to enable them to continue to provide excellent service to their customers."

Pat Kenny, NSW/VIC Sales Manager, ILG



Venue Solutions

- Example customer: Vikings Group
 - Four licensed premises in the ACT
 - Values a technology partner that specialises in club and member-based organisations
 - Uses MSL technology across multiple operational areas:
 - Contactless Visitor Registration
 - POS
 - Data & Real Time Analytics
 - Gaming Integration

MSL TECHNOLOGY HELPS
VIKINGS GROUP INCREASE
ENGAGEMENT AND REVENUE



“Time is the biggest factor; before some reports took me a week to put together which now only takes me 5 minutes.”

Ron Kent, Group Gaming Manager



Stadium Solutions

- Example customer: Queensland Cricketers' Club
 - Located at the GABBA, QCC offers members access to the best sporting and entertainment events all year round
 - In-seat ordering was introduced last summer during the cricket season (prior to COVID-19), allowing members to order and pay for food and beverages from their mobile device, powered by MSL

MSL TECHNOLOGY LETS QCC
MEMBERS CLICK'n'ORDER
FROM THEIR SEAT



"It's been superb. The longest I've waited for a beer is 3 minutes."

James, QCC Member

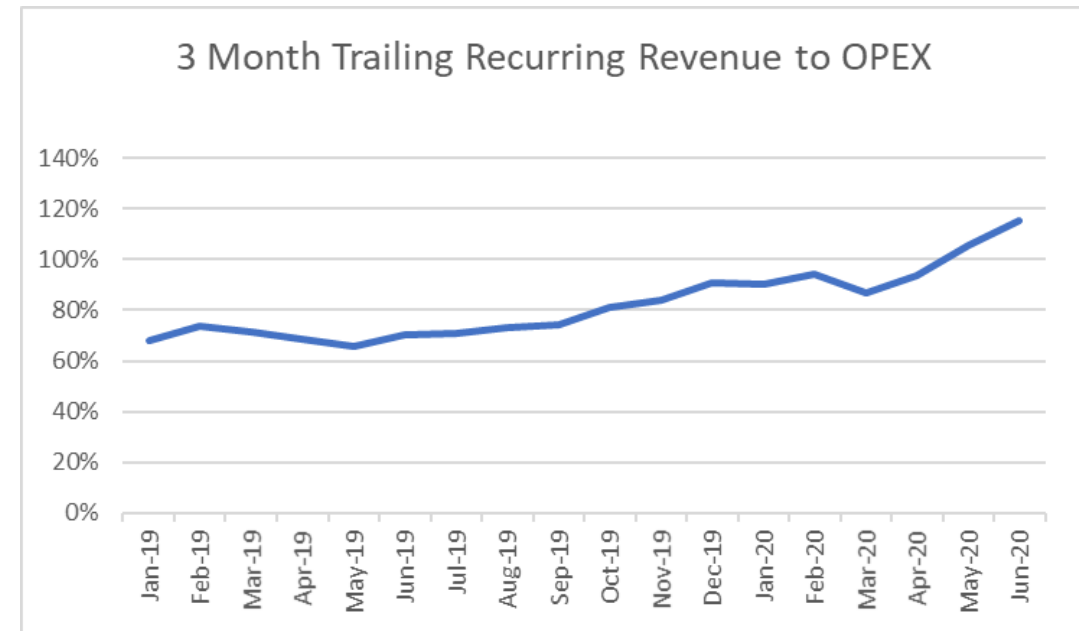
[Click here to view James' video testimonial](#)



FINANCIALS

Revenue Model Increasingly Focused on Recurring Sales

- Our customers have differing payment cycles depending on the product, region or customers
- The majority of invoicing is annual, although many customers are billed monthly or quarterly
- Examples:
 - Golf Australia pay monthly; this is MSL's biggest contract
 - MSL's InfoGenesis customers in Australia are billed annually in June with payments received through Q1
 - Circa 80% of MSL's customers in the UK are billed annually in December
 - Golfbox in Denmark has 97% of all its revenue already contracted for FY21
- New sales will have a mixture of recurring revenue and professional services and in some cases hardware



Note: supported by government subsidies from April 2020

The chart above indicates the continuous improvement that MSL has achieved in bolstering its base of recurring business while maintaining a tight focus on cost efficiencies

FY20 Results: Substantial Earnings Turnaround

	1H FY20	2H FY20	FY20	FY19
	A\$'000	A\$'000	A\$'000	A\$'000
Recurring Revenue	8,849	9,054	17,903	17,625
Non-Recurring Revenue	4,060	3,095	7,155	10,144
Revenue from ordinary activities	12,909	12,149	25,058	27,769
Other income	(17)	38	21	21
Cost of sales	(3,702)	(2,920)	(6,622)	(7,785)
Gross margin	9,190	9,267	18,457	20,005
Operating expenses	(10,385)	(9,012)	(19,397)	(25,597)
EBITDA *	(1,195)	255	(940)	(5,592)
Depreciation and amortisation	(2,833)	(2,796)	(5,629)	(4,872)
Restructure and transaction costs	(936)	4	(932)	(246)
Expected credit loss - prior period	(616)		(616)	
Impairment expense	(10,672)		(10,672)	(11,500)
Proceeds from Sale of Zuuse shares				3,071
Iseek Golf Sale (net of costs)		1,312	1,312	
Release of Deferred Consideration		165	165	
COVID-19 related Government subsidies		881	881	
EBIT	(16,252)	(179)	(16,431)	(19,139)
Net finance income/(costs)	(139)	(91)	(230)	(22)
NPBT	(16,391)	(270)	(16,661)	(19,161)
Income tax benefit	776	(517)	259	1,219
NPAT	(15,615)	(787)	(16,402)	(17,942)

*The EBITDA for 1H FY20 has been adjusted from the 31 December 2019 Financial Statements for 1H FY20 capitalisation of Research & Development Costs consistent with prior periods.

* EBITDA excludes the effects of significant non-recurring items of income and expenditure which may have an impact on the quality of earnings such as restructuring and transaction costs, material credit loss provision increase relating to sales and revenue from prior periods, impacts from fair value movements through the income statement (including impairment of goodwill), gains resulting from acquisition accounting and proceeds from disposal of assets (net of costs).

- Substantial earnings turnaround, with \$0.94 million EBITDA loss in FY20 representing a \$4.7 million year-on-year improvement
- Positive EBITDA of \$0.25 million achieved in 2H FY20, excluding the benefit of Government subsidies
- Resilient recurring revenue of \$17.9 million, with growth in MSL's Golf and Venue operations in EMEA
- Efficiency gains in FY20 saw a \$3.3m (18%) decrease in headcount costs. The headcount run rate is expected to decline further in FY21 as full year benefits are realised
- In FY20 MSL secured new long-term partnerships with AIT Kappture and OpenPay to support the Company's growth strategy
- In conjunction with the establishment of MPowerMSL UK and COVID-19 ready products, MSL has laid the groundwork to deliver continued improvement in revenue and profitability in FY21

FY20 Results: Improving Cash Flow

	1HFY20 A\$'000	2HFY20 A\$'000	FY20 A\$'000	FY19 A\$'000
Cashflow from operating activities				
Receipts from Customers	14,451	11,940	26,391	30,492
Payment to suppliers, employees and others	(15,696)	(12,345)	(28,041)	(36,366)
Restructure costs	(936)	11	(925)	-
Finance Costs	(165)	(104)	(269)	(101)
Interest received	27	85	112	80
Income tax paid	-	(52)	(52)	-
Govt grants and tax incentives	-	661	661	-
Net cash flows from/(used in) operating activities	(2,319)	196	(2,123)	(5,895)
Cashflows from investing activities				
Capital Expenditure	(14)	(13)	(27)	(90)
Purchase of intangibles	(508)	(602)	(1,110)	(448)
Acquisition of subsidiaries	(180)	-	(180)	(3,828)
Loans to other entities	-	212	212	-
Proceeds for disposal of assets	-	100	100	-
Proceeds for disposal of investments	652	-	652	4,248
Net cash flows used in investing activities	(50)	(303)	(353)	(118)
Cashflows from financing activities				
Proceeds from borrowings	-	-	-	1,594
Repayment of borrowings	(362)	(170)	(532)	(40)
Proceeds from issue of share capital	5,431	-	5,431	-
Costs paid on issuance of share capital	(221)	-	(221)	-
Lease principle repayments	(273)	(240)	(513)	-
Net cash flows from/(used in) financing activities	4,575	(410)	4,165	1,554
Net cash inflow/(outflow) for the period	2,206	(517)	1,689	(4,459)
Cash at beginning of the period	2,130	4,346	2,130	6,647
Effect of foreign Exchange	10	(23)	(13)	(58)
Cash at end of period	4,346	3,806	3,806	2,130
Based on Half Year and Full year report				

- Operating cash from operating activities in H2 FY20 of \$196k compares very favourably to the June 2019 half-year outflow of \$1.85m, representing a \$2.0m year-on-year improvement in cash performance for the half
- The trajectory prior to COVID-19 was positive with increasing sales and recurring revenue from a reset cost base
- COVID-19 negatively impacted new sales in Q4FY20, however recurring revenues remained resilient during the period. Management adjusted the cost base to ensure a strong cash outcome

FY20 Results: Balance Sheet Strength

	Jun-20	Jun-19		Jun-20	Jun-19
	A\$'000	A\$'000		A\$'000	A\$'000
ASSETS			LIABILITIES		
Current assets			Current liabilities		
Cash and cash equivalents	3,806	2,284	Trade and other payables	3,363	4,712
Trade and other receivables	5,015	5,610	Lease Liability	414	-
Contract assets	398	1,766	Borrowings	543	833
Prepaid income tax	39	-	Provisions	1,394	1,411
Other current assets	1,120	890	Income tax payable	-	217
Total current assets	10,378	10,550	Contract liabilities	5,125	6,298
Non-current assets			Total current liabilities	10,839	13,471
Receivables	1,200	646	Non-current liabilities		
Contract assets	707	818	Borrowings	554	914
Property, plant and equipment	189	222	Lease Liability	2,601	-
Right of Use Asset	2,640	-	Deferred tax liability	716	2,051
Intangible assets	13,543	27,974	Provisions	96	292
Deferred tax asset	-	1,314	Total non-current liabilities	3,967	3,257
Other non-current assets	34	115	Total liabilities	14,806	16,728
Total non-current assets	18,313	31,089	Net assets	13,885	24,911
Total assets	28,691	41,639			
			EQUITY		
			Contributed equity	66,186	61,003
			Reserves	2,923	2,730
			Accumulated losses	(55,224)	(38,822)
			Total equity	13,885	24,911

- MSL improved its cash performance over the course of FY20 and successfully raised capital from institutional and sophisticated investors as well as existing shareholders
- Compared with previous corresponding period:
 - 66% increase to cash balance, which has improved further since 30th June
 - 29% decrease in trade payables
 - Significant reduction in borrowings
 - Goodwill eliminated from balance sheet
 - Increase in expected credit loss provision at 31 December 2019 relating to sales & revenue in prior periods
- MSL enters FY21 with a healthy cash position of \$3.8 million as at 30 June 2020, with undrawn standby facilities available of \$0.5 million

Our Vision – The post-COVID paradigm

- FY21 presents MSL with enormous opportunities. There is a clear and pressing need for clubs and venues:
 - To adopt technology in order to re-open in a safe environment and to stay open – in essence, to adapt
 - To gain greater engagement with and insights into their customers
 - To match reduced operational revenue with a more appropriate cost base
- MSL and Golfink remains the trusted name in Golf handicapping in Australia. Our European Golf business, Golfbox, has driven new sales – especially through the World Handicapping system
- The impact of COVID-19 has encouraged MSL to develop and deliver a new suite of products which benefit our customers by providing non-traditional methods of engaging with their guests and members, including payments, services allowing for registration, ordering on your own device in seat with click and collect, and more
- We are seeing positive signs of growth in activity with our customers and larger partners in FY21 as customers increasingly adopt our safe and efficient technology solutions as economic conditions improve



Directors and Key Management



Tony Toohey
Executive Director &
Chairman



Dr Richard W Holzgrefe
Director, Non Executive



David Trude
Director, Non Executive



Earl Eddings
Director, Non Executive



David Usasz
Director, Non Executive



Pat Howard
CEO



David Marshall
CFO & COO



Jason Hold
EGM, R&D



Sarah Crealy
EGM, HR



Malcolm Foort
Head of Product

Corporate Snapshot

12-month share price performance and volume

ASX Stock Code	MSL
Listing date	3 May 2017
FY20 revenue	\$25.1m
Cash balance as at 30 June 2020	\$3.8m
Share price as at 21 Aug 2020	\$0.07
Shares on issue	322.26m
Options (30.8c, 21 Oct 2020)	1.25m
Options (21.7c, 18 Dec 2020)	2.36m
Options (30.8c, 30 May 2021)	1.07m
Options (35c, 15 May 2022)	0.3m
Options (11.25c, 14 Jan 2023)	1.02m
Performance rights (nil ex price, 30 Jul 2022, 23 Sep 2023, 1 Sep 2024)	5.04m
Fully diluted shares	334m
Fully diluted market cap	\$23.4m



Experienced and invested leadership team

KMP	Role	Shares held
Mr Tony Toohey	Executive Chairman	1.5m rights
Mr Pat Howard	Chief Executive Officer	0.65m (0.2%) 1.0m rights
Mr Earl Eddings	Non-Executive Director	2.6m (0.8%)
Mr David Usasz	Non-Executive Director	3.0m (0.9%)
Dr Richard Holzgrefe	Non-Executive Director	16.8m (5.2%)
Mr David Trude	Non-Executive Director	1.0m (0.3%)

Top shareholders (21 Aug 2020)

Rank	Name	Units	%
1	Forager Funds Management Pty Ltd	24.7m	7.7%
2	Portfolio Services Pty Ltd (Ariadne)	18.8m	5.8%
3	David Penner	17.4m	5.4%
4	Dr Richard Holzgrefe	16.8m	5.2%
	Other Top 20	96.1m	29.8%
	Total Top 20	173.9m	53.9%

Contact Us

Patrick Howard (CEO) / David Marshall (CFO & COO)

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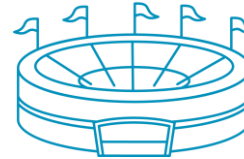
Email: investor@mpowermsl.com

Website: <http://mpowermsl.com/contact/>

M-POWER MSL

ASX: MSL

STADIA & ARENA



GOLF



CLUBS & PUBS



SPORTING ASSOCIATIONS



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