

Chairman's and CEO's address to the Annual General Meeting of MSL Solutions Limited

17 November 2020

Chairman's speech – Tony Toohey

Good afternoon and welcome to the 2020 Annual General Meeting of MSL Solutions Limited.

My name is Tony Toohey and as Executive Chairman of MSL, I will be leading proceedings today.

On behalf of MSL's Board of Directors, I thank you for joining us for this virtual event, which is a departure from our usual AGM format, but allows us to meet the necessary social distancing and safety requirements of this COVID-19 pandemic.

For many of the Board and Management team, this AGM marks our first full year with MSL. We thank you for the opportunity to be here. With us here today for the meeting is our Chief Executive Officer Pat Howard as well as David Trude, Rick Holzgreffe, David Usasz in Brisbane, Earl Eddings from Melbourne.

Also attending is David Marshall CFO and Andrew Ritter Company Secretary

and:

- Cameron Smith from Grant Thornton, the Company's auditors;
- Tim Dohrmann from NWR Communications; and
- Lewis Brimelow from Computershare Investor Services

Our AGM presents the opportunity for MSL to provide an overview of its activities over the past year and plans for the year ahead. Myself and our CEO Pat will give you an update before we move to the formal business of the meeting.

I will leave it to our CEO to discuss the strategic acquisition of SwiftPOS as announced earlier today. MSL is a leading software-as-a-service platform provider to the sports, leisure and hospitality sectors. We help venues around the world, including stadiums, arenas, pubs and member clubs, sporting associations, golf clubs and associations, marinas and other venues deliver outstanding customer engagement experiences every day.

We generate customer revenue through the sale of software, hardware, professional services, , subscription annuities and customer contract annuities. Revenue from these services relate to the sale of MSL's own internally generated software in addition to third party suppliers of software and hardware.

MSL operates with three main product pillars: Point of Sale (POS), Analytics and Engagement.

Remarkably, COVID-19 has actually highlighted and reinforced our value proposition. Our development and delivery of modular systems that connect customers to venues through mobile devices provides opportunities for contactless entry, ordering and payment. All of these features can help COVID-affected venues to reopen safely and efficiently. In addition, we can provide operational data and analytics to help venues understand their customers and also raise revenue and reduce costs for venues through our tools that enable personalised customer engagement.

To give you an idea of our business, MSL has more than 1,200 customers around the world with offices in Australia, the UK and Denmark.

MSL is working with several long-term iconic customers including Golf Australia, Stadium Australia and 14 of the 20 English Premier League clubs. We also support a strong contingent of customers in the pub and club venue sector; 66% of our Australian venue customers are in this sector.

FY20 saw us undertake a refresh of the board and management, develop a plan to achieve growth in key performance metrics and position MSL as a leaner, more focused business. We exited several business lines and reduced our costs to be more in line with recurring revenue, as well as address our working capital and cash position. This led to a stronger balance sheet at the end of the year, with an 83 per cent turnaround in our EBITDA and improved net operating cash flow. Pat will provide a more detailed overview of our results shortly.

We finished the year with a cash position of three point eight million dollars (\$3.8 million) which has continued to increase in the first part of FY21, with an undrawn standby facility of half a million dollars available. This puts MSL in a solid position to build on the foundations we have redeveloped and take advantage of new opportunities in the year ahead.

I thank our Board and management, many of whom are new to their roles, for tremendous efforts during the year to turn around the fortunes of MSL and provide positive signs for the year ahead. Our new CEO Pat Howard and our CFO/COO David Marshall have done a great job in steering MSL into a stronger position for the future.

Our staff are to be commended for their performance in a challenging year in light of the significant restructuring and rightsizing process and as we have navigated COVID-19 restrictions.

While we have negotiated some market uncertainty and made some difficult decisions in the past year, MSL has now laid the groundwork to deliver continued improvement in revenue and profitability in FY21. I look forward to seeing what our new team can achieve in its first full financial year of working together. I now hand over to Pat to provide some more insight into our business.

I will now pass to CEO Pat Howard.

CEO's address – Patrick Howard

Good afternoon everyone.

Thanks for this opportunity to provide an overview of our performance over the past 12 months and outline our goals for FY21. I will address today's announcement of MSL's acquisition of SwiftPOS, but firstly want to focus on FY20 and the review of the past 12 months.

After beginning in August 2019 and recruiting new management we feel that MSL collectively progressed positively in the second half of the year, even allowing for COVID-19. Our results for the year highlight how much progress has been made in a short time. This gives us a great foundation on which to build in the year ahead.

In turning around the company's performance, the focus for the management team was firstly operational sustainability, but more recently we have turn towards a clear strategy for growth and then execute on it. The acquisition of SwiftPOS is a key pillar in that growth strategy.

FY20 was about to returning the business to profitability. Considering the FY19 result and the economic and operating uncertainty in the second half of the year due to COVID-19, we were able to deliver a positive EBITDA during that second half of FY20. This was achieved after a review of our business led us to dispose of some non-core assets, such as the I-Seek-Golf website and business to NBC/Golf Now, and re-focus on what we do best. Considering the background of where the business was and the world that we are in, we are really buoyed by our first year together.

Our review of the business to right-size it, and improve our operating expenditure during the first half of the year, allowed us to respond to the challenges presented by decreased revenue as COVID's impact on operations was felt later in the year. We achieved an 18 per cent (18%) decrease in headcount costs and this is expected to decline further in FY21 as full year benefits are realised.

MSL achieved two million dollars (2.0 million) of net operating cash flow improvements in the second half of the year. In a like for like comparison with FY19, MSL had a positive EBITDA of point two-five million dollars (\$0.25 million) for the same period, and we delivered in FY20 a four point seven million dollar (\$4.7 million) improvement in EBITDA on our previous full year result. Pleasingly we have continued to strengthen our balance sheet and had positive operating cashflow from January to September 2020.

We generated 25 million dollars of revenue during the year, with 71 per cent of this being recurring. We improved our recurring revenue base compared to the previous year, particularly early in FY20, although this rate of growth slowed in the final few months of the year due to many businesses temporarily closing or operating under COVID-affected restrictions.

Despite the challenges of the year, we maintained our strong presence in the stadia and golf sectors, with the successful global launch of world handicapping in Australia leading another 8 countries to follow suit. Our golf business was largely unaffected by COVID thanks to revenues being generated by golf memberships rather than activities.

In FY20, we secured new long-term partnerships with Addvance IT which owns the Kappture point of sale software, allowing MSL to resell Kappture across Europe and the Asia-Pacific region. Post year end, we announced a three-year revenue sharing merchant agreement with OpenPay, a leading buy now, pay later or BNPL payment solution provider. We also recently struck a partnership agreement with Me&U to extend our Point of Sale capabilities into a premium in-seat ordering solution for our clients. All these agreements are important in supporting our long-term growth strategy.

We increased our partnership ties with ASM Global in supporting venues such RAC Perth Arena, Te Pae Christchurch Convention and Exhibition Centre in New Zealand, Brisbane Convention Centre and Sydney's International convention centre, or ICC Sydney, at Darling Harbour.

As these relationships have strengthened, we are increasingly focused on the potential to grow our venue network both in Australia and internationally. Today we are in less than 5 per cent of venues in Australia. Now that we have strengthened our relationship with suppliers, we are improving our conversation rates and focus.

The acquisition of SwiftPOS today is key in increasing those conversation rates. MSL was already the largest reseller of SwiftPOS, therefore automatically the gross margin and operational synergies will be obvious, but the ability to now work with groups such as ASM as owner rather than reseller will make a large difference to our sales conversions. SwiftPOS will be cashflow positive with a full year EBITDA contribution of \$1.5m, and significantly increases MSL's customer base to more than 5,000 venues. This strategic acquisition has been in our roadmap for a very long time, and the growth prospects that SwiftPOS presents make it incredibly pleasing to report that we have concluded this deal.

In golf, we already own our own IP. We continue to increase our market share in Australia, where we have about 20 per cent of market share in golf management systems. We continue to improve our golf management system offering where we have announced a digital score submission module. We have partnered with SOGO Sports to integrate a mobile scoring app into our golf management systems, allowing a player to submit their scores on the course for competitions and handicapping. We remain the trusted partner of Golf Australia after the successful launch of the World Handicap System, or WHS, with a contract out until 2025. On a global scale, Golf has remained open for business, and we maintain a competitive advantage as the only business that can deliver all of World Handicap solution, Golf Management software and Tournament Management Software across multiple golf federations and countries.

Looking ahead to FY21, we reiterate that so far in calendar year 2020 we are cashflow positive in both operational and overall cash movement, and our Q1 cash receipts are up nearly 28 per cent quarter on quarter, reflecting long-term contracted revenue through iconic customers.

This momentum to date is pleasing, and I look forward to keeping you up to date on our achievements through the remainder of the year, in which we plan to deliver continued growth in recurring revenue through new partners, customers and technology.

Thanks for your time today.

Patrick Howard, CEO

MSL Solutions Limited (ASX: MSL)

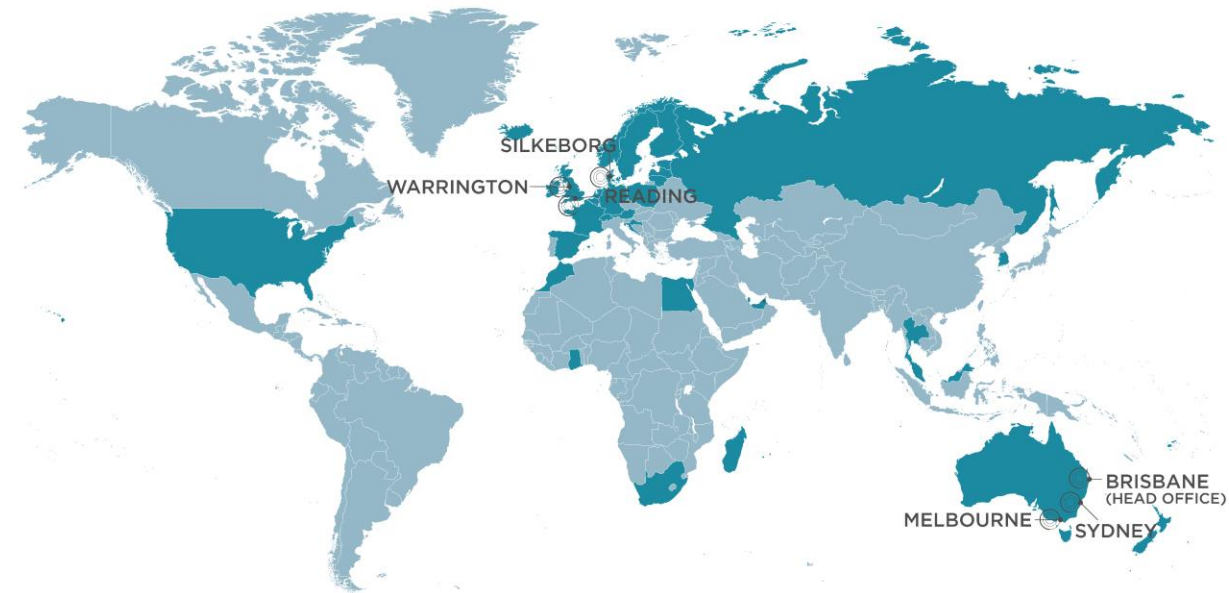
AGM Presentation
17th November 2020



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 | 101 Employees



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

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

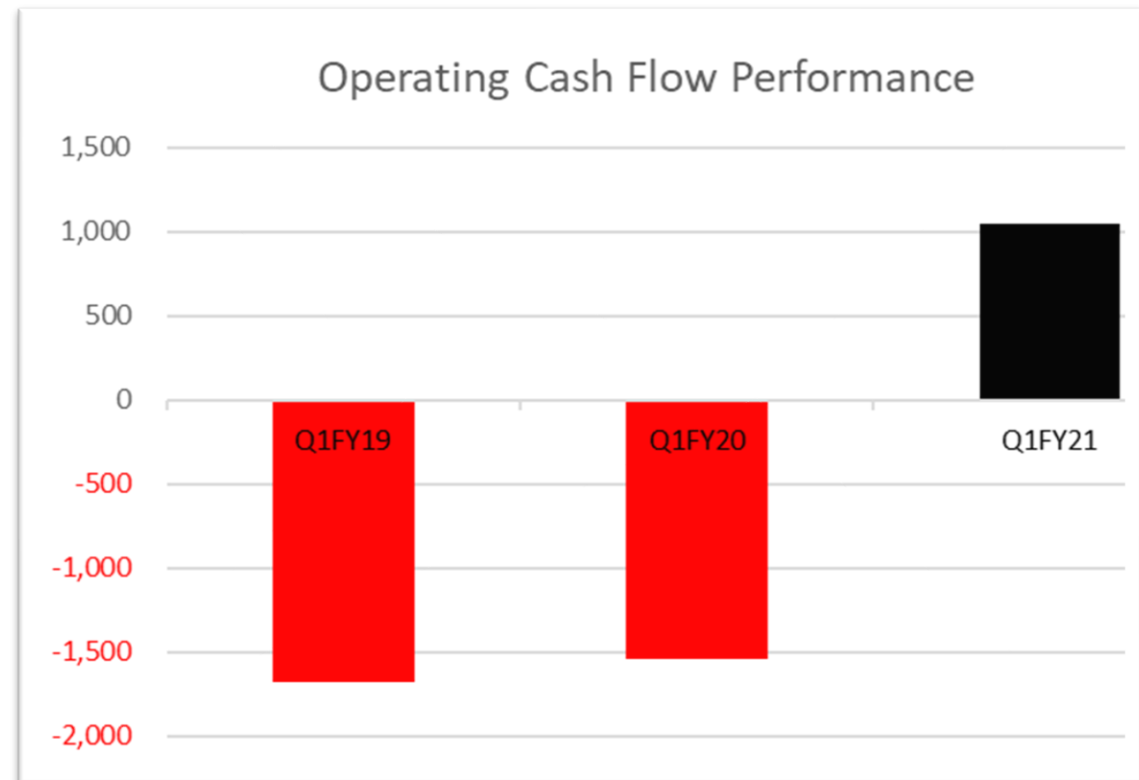
Stadia and Arenas	Member-Based Organisations (MBOs)
     	     
Golf Clubs & Associations	Other Hospitality & Leisure
    	    

MSL Key Points

- Strong turnaround following Board and management changes in August 2019:
 - EBITDA positive in H2 FY20 (*excludes government assistance*)
 - Cashflow positive in CY20 to 30th Sept 2020 (*both operational and overall cash movement*)
 - OPEX improved by right-sizing: headcount costs -18% in FY20, set to fall further in FY21
 - Recurring revenue now exceeding OPEX (*on a 3 month trailing basis*)
 - Q1 FY21 cash receipts up 27.7% quarter on quarter, reflecting long-term contracted revenue through iconic customers including Golf Australia, Stadium Australia and 14 of the 20 English Premier League clubs

Improving Cashflow

- Q1 FY21 - MSL delivers its best quarterly cash performance in more than two years, generating \$1.04m in net operational cashflow including \$0.9m in targeted government subsidies
- MSL enters FY21 with a healthy cash position of \$4.8 million as at 30 Sept 2020, with undrawn standby facilities available of \$0.5 million
- 25% increase to cash balance from Jun 30 to Sept 30
- Borrowings decreased to \$1.1m, -37% for FY20



Investment Highlights Entering FY21

- 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 H2 FY20, with positive EBITDA of \$0.25m
- Large addressable target markets - stadia, arenas, golf facilities, clubs & pubs and member-based organisations – with focused 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 premium in-seat services (newly partnered with Me&U)
- Opportunity to grow from modest valuation of 1.1x EV/recurring revenue

Clients

Stadiums



Golf



Clubs & Pubs



Sporting Associations



Services

POS



Engagement



Analytics



Venue Solutions and Progress

- 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
-
- ✓ New long-term partnerships secured with Advance IT/Kappture, OpenPay and Me&U
 - ✓ Partnership with ASM Global expanded to cover RAC (Perth) Arena

ASM GLOBAL / RAC ARENA

"We look forward to having MSL help ASM Global take a huge step forward in bringing a world class POS solution to RAC Arena... Deepening our relationship with MSL helps ASM Global to standardise our solutions across our venue footprint, and we look forward to continuing our long and successful partnership."

Jamie Abraham, IT Manager, ASM Global / RAC Arena



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



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

Venues: the Post-COVID Paradigm

- In FY21, 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 Golflink Partners remains the trusted name in Golf handicapping in Australia. Our European Golf business, Golfbox, is driving new sales – especially through the World Handicapping System (WHS)
- 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, registration, ordering on your own device in seat with click and collect, and more



SwiftPOS Acquisition

- MSL acquires Brisbane based point-of-sale software company SwiftPOS for \$4.25 million in cash and \$0.5m in shares plus \$750k, 12 month deferred payment.
- Acquisition is EBITDA earnings accretive with over \$1.5 million in EBITDA and positive cashflows
- Integration synergies and significant cross-sell opportunities are anticipated to be \$100K over the first full year
- Acquisition adds over \$2.3 million or an increase of 12% to MSL's annual recurring revenue, with maintainable recurring revenue a significant value driver for MSL. Increasing MSL recurring revenue to \$20m+



Benefits of SwiftPOS Acquisition

- SwiftPOS is one of Australia's leading hospitality and retail point-of-sale technology solution providers used in more than 4,000 venues and in 26 countries.
- Acquisition grows MSL's customer base by more than 300% from 1,220 venues to more than 5,000 and aligns with the Company's strategy to own all the IP for its end-to-end guest engagement solutions
- MSL is the largest reseller of SwiftPOS in Australia, has worked with SwiftPOS since 2010 and has a deep understanding of the technology and its strategic fit within the MSL product suite
- MSL will now own and govern its technology roadmap in POS, helping to win crucial larger customers
- MSL will now be working with rather than competing against 40 SwiftPOS reselling companies, broadening our sales reach



Golf Solutions and Progress

- Golf Management Systems (GMS)
- Golf Lesson Booking System
- Golf Tournament Management (TMS)
- Golf Association Management
 - Central Database of Handicaps
 - World Handicap System (WHS)
- ✓ World handicapping successfully launched in Australia, leading 8 additional countries to follow suit
- ✓ SOGO Sports partnership to integrate mobile scoring app
- ✓ Long-term partner of Golf Australia with a contract out to 2025

MSL is the only company exporting the full solution of WHS, GMS and TMS

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 golf technology advancements as a Federation, but more importantly the updated agreement also provides further access to GolfBox to Norwegian Golf Clubs."

**Tors Anders-Hansen, General Secretary,
Norwegian Golf Federation**



**Norwegian
Golf Federation**

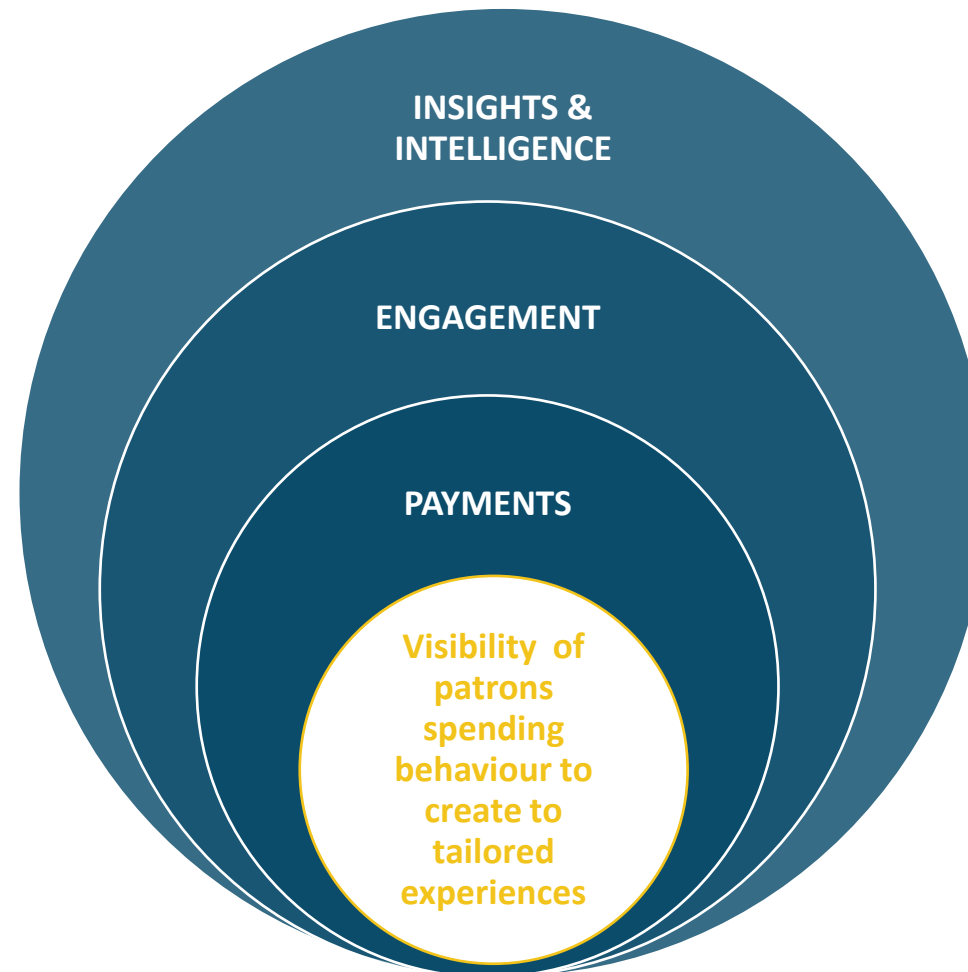


The MSL Connect Solution Platform

THRIVE FY21



SURVIVE FY20



- Organic growth in venues with a single view of the customer; current penetration is circa 5% in Australia
- MSL Golf has proven global capability and opportunity in North America (60%+ of global market) offering WHS, GMS and TMS as an end-to-end solution
- Partnerships with established products (*Kappture & Me&U*) and payment providers (*Openpay*) provide customers with new Covid ready products (*At-Table and In-Seat Ordering*)

Corporate Snapshot

ASX Stock Code	MSL
Listing date	3 May 2017
FY20 revenue	\$25.1m
Cash balance as at 30 Sept 2020	\$4.8m
Share price as at 13 Nov 2020	\$0.075
Shares on issue	322.26m
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
Perf rights (nil ex price, 30 Jul 2022, 21 Jul 2023, 23 Sep 2023, 1 Sep 2024)	9.32m
Fully diluted shares	337m
Fully diluted market cap	\$25.3m

12-month share price performance and volume



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 (10 Sept 2020)

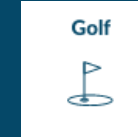
Rank	Name	Units	%
1	Forager Funds Management Pty Ltd	24.7m	7.7%
2	Portfolio Services Pty Ltd (Ariadne)	18.8m	5.8%
3	David Penner	17.4m	5.4%
4	Dr Richard Holzgrefe	16.8m	5.2%
	Other Top 20	95.8m	29.7%
	Total Top 20	173.5m	53.8%

Contact Us

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MSL SOLUTIONS

ASX: MSL



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