

1 October 2021: ASX RELEASE

MSL acquires OrderMate POS business and partners with US based Taubman Capital to commence US growth strategy

Highlights:

- MSL acquires OrderMate (www.ordermate.com.au), hospitality point-of-sale systems business, for \$7.5m (\$5.5m cash and \$2m MSL shares)
- OrderMate generates circa \$6m revenue with over 50%, or \$3m, recurring and a normalised EBITDA of over \$1m, and a customer footprint of more than 2,400 locations in Australia, NZ and the UAE
- Acquisition part funded by a \$4.5m, 3 Year, unsecured Convertible Note with a 0% coupon rate to US based Taubman Capital. The partnership will leverage Taubman Capital's significant investment portfolio to support MSL's US entry strategy
- The Acquisition will grow MSL's footprint from ~6,000 venues to over ~8,000 venues and over \$7B in annual transactional value
- The OrderMate and previous successfully integrated SwiftPOS acquisitions support complimentary sectors broadening the MSL offer. MSL will look to leverage growth through its UK direct and POS reseller channels and broaden its digital ordering solutions
- Post completion the expanded MSL Group, based on combined FY21 numbers, would see group revenues increase to \$30.5m, recurring revenues increase to \$20m and EBITDA to \$4.1m (before government subsidies)
- MSL to offer existing eligible shareholders the opportunity to participate in a Share Purchase Plan at the same price as the Taubman Capital Convertible Note

Strategic investment by Taubman Capital

MSL Solutions Limited (ASX: MSL, "MSL" or "the Company") is pleased to welcome Taubman Capital as a new investor in the Company through the issue of \$4.5m in convertible notes on 30 September 2021 to its investment vehicle, TC MSL, LLC.

The Company views the unsecured convertible note issue as beneficial to existing shareholders, with key features including;

- a zero percent interest rate (i.e. no coupon payable),
- 36-month term and conversion into equity at any time prior to maturity
- a conversion rate of \$0.2078 per note (face value of \$1 per note), being the 10-day VWAP of MSL shares prior to this announcement.

Taubman Capital is a US-based private equity investment firm for the Taubman family and a prolific investor in the entertainment, hospitality, and technology sectors. Its investment in MSL comes on the heels of Taubman Capital's recent investment in Venuetize, a leading mobile technology and advanced e-commerce platform for the sports, hospitality and entertainment industries.

Over the last 71 years, the Taubman family has built Taubman Centres into a leading global owner and operator of regional and super regional malls. Through Taubman Capital, the family is building

an investment portfolio of world class businesses led by exceptional management teams outside of its core real estate holdings.

Taubman Capital Managing Director, Christian MacCarron, said:

"We are excited to continue to invest in the technological transformation occurring in the sports, hospitality, and entertainment industries. MSL has proven to be a leader in the POS and Golf markets, and we look forward to helping them expand their payments offering and expansion into North America as well as pursue other inorganic growth opportunities. The management team has proven the ability to execute a thoughtful, organic and inorganic growth strategy."

MSL is pleased to announce its acquisition of OrderMate Pty Ltd and OrderMate IP Pty Ltd, companies that together operate a leading Australian point-of-sale (POS) system provider to the restaurant and hospitality industry (OrderMate).

OrderMate Acquisition

The acquisition will see MSL expand its footprint from its established market in the stadium, arena, pubs and clubs' market into the adjacent and complementary restaurant and takeaway food vertical.

The acquisition will broaden MSL's customer network from ~6,000 venues to more than ~8,000 venues, processing over \$7B in transactions each year. The acquisition is accretive to group earnings and cashflow with OrderMate, in the year ending 30 June 2021, having generated:

- normalised EBITDA of over a \$1m;
- revenue of circa \$6m; and
- \$3m recurring revenue.

Founded in 2001 and based in Melbourne, OrderMate has developed a range of technologies for POS systems for new and established hospitality venues, including cloud POS, self-service kiosks, table and online ordering, inventory management and integration. These assets will provide MSL with long-term flexibility in the Company's technology roadmap.

MSL Chief Executive Officer, Pat Howard, said the acquisition will allow MSL to grow into a new vertical which complements its existing operations.

Mr Howard said:

"We are delighted to welcome OrderMate and its customers to the MSL Solutions group. OrderMate is a great brand and is an established restaurant point-of-sale provider across Australia which complements our existing SwiftPOS customer footprint."

"With approximately 2,400 venues and ~\$2B in annual transactional value, OrderMate allows MSL to take a further step toward increasing our financial and operational scale and growing our base of annualised recurring revenue by more than \$3m. We see this acquisition as highly complementary and are excited by what the future will bring us together."

"The deal is backed by US funder Taubman Capital which has agreed to subscribe for convertible notes to the value of \$4.5m which will fund the cash component of the acquisition consideration. MSL's choice of Taubman as a funding and growth partner aligns with our strategy to expand in the US market, providing access to new US venues along with opportunities for growth in payments and POS and possible synergies with Taubman's recent investment in Venuetize. We thank our investors for their support and look forward to delivering value for our expanded group's customers, staff and shareholders."

The co-founders of OrderMate, Mark Calabro and Shannon Hautot, said:

"We are extremely excited by this acquisition and look forward to seeing the future success and growth of OrderMate under MSL. It was very important for us that OrderMate found a new home, where it would be able to further scale and make a positive impact to so many hospitality business.

We know that we're leaving OrderMate in good hands led by our long term CEO Leigh Richardson and General Manager Narelle Yacoub and the team at MSL.

Becoming shareholders of MSL demonstrates our continued support of OrderMate and the broader MSL business, and we look forward to strengthening our relationship with Pat and the team through our ongoing partnership between MSL and our other venture HungryHungry.

Inner Circle Sports, a boutique investment bank based in New York City and focused on the global sports, media and entertainment industry, served as financial advisor to MSL.

The acquisition completed on 30 September 2021.

Material Terms of the Acquisition

MSL purchased all outstanding shares in OrderMate Pty Ltd and OrderMate IP Holding Pty Ltd via a share sale agreement for \$7.5m payable on the following terms:

- \$5.5m cash on completion
- \$0.95m in MSL shares, escrowed for 12 months and valued at the closing share price immediately prior to completion – 4,634,144 shares at \$0.205 per share
- \$1.05m in MSL shares, escrowed for 24 months and valued at the closing share price immediately prior to completion – 5,121,954 shares at \$0.205 per share

Share Purchase Plan

MSL will be offering eligible existing shareholders the opportunity to reinvest in the company at the 10-day VWAP of \$0.2078 per share (same per share price as the Convertible Note conversion price) up to a limit of \$30,000 per shareholder – further details to be provided in a separate notice.

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

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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 6,000 customers with offices in Australia, UK and Denmark. To discover more about MSL, please visit www.mslsolutions.com.