

17 January 2023: ASX RELEASE

Pemba Capital Partners declare best and final offer

MSL Solutions (**ASX:MSL**) ("**MSL**") today announces that it has received the attached letter from Pemba Capital Partners in relation to the Scheme Implementation Agreement between Plutus Bidco Pty Ltd ACN 663 418 184 and MSL dated 14 November 2022.

This announcement has been approved for distribution by the Board of Directors of MSL Solutions Limited.

For information regarding your shareholding, or for information regarding the Scheme, please contact:

Patrick Howard (CEO) / David Marshall (CFO)

MSL Solutions Limited

Email: investor@mslsolutions.com

Website: <https://www.mslsolutions.com/investors/>

About MSL Solutions Limited

MSL Solutions Limited 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 8,500 customers with offices in Australia, UK and Denmark. To discover more about MSL, please visit www.mslsolutions.com.

About Pemba Capital Partners

Established in 1998, Pemba Capital Partners is a leading investor in small and mid-sized businesses in Australia and New Zealand. Since inception, the investment firm has specialised in partnering with the owners and managers of businesses to help them accelerate growth. Pemba has to date completed over 170 transactions. Their primary sector focus is Education & Training, Business Services, Healthcare, Non-Bank Financial Services and Technology.



17 January 2023

Tony Toohey
Chairperson
MSL Solutions Ltd
Level 1, 307 Queen Street
Brisbane, QLD 4000

Via email: ttoohey@ttmanagement.com.au

Dear Tony,

We refer to the Scheme Implementation Agreement between Plutus Bidco Pty Ltd (ACN 663 418 184) (“**Plutus Bidco**”), an entity managed and advised by Pemba Capital Partners (“**Pemba**”), and MSL Solutions (ACN 120 815 778) (“**MSL**”) dated 14 November 2022 (“**SIA**”) whereby Plutus Bidco is seeking to acquire 100% of the issued share capital of MSL under a Scheme of Arrangement (“**Scheme**”).

We wanted to provide an update on our position with respect to the Scheme. This is to ensure that MSL’s Board, management and shareholders remain fully informed on the Scheme in advance of the Scheme Meeting on Tuesday, 31 January 2023.

Pemba confirms today that the all cash consideration of \$0.295 per MSL share under the Scheme (“Scheme Consideration”) is its best and final offer and will not increase its offer.

We continue to believe the Scheme Consideration is highly compelling for MSL shareholders for the following reasons:

1. **Attractive premium:** The Scheme Consideration of \$0.295 per MSL share represents a significant premium to the recent historical MSL share prices and well above average market transaction premia:
 - 80.7% premium to the \$0.163 one-month volume weighted average price of MSL shares up to and including 14 November 2022 (being the last trading day prior to the announcement of entry into the SIA);
 - 78.0% premium to the \$0.166 three-month volume weighted average price of MSL shares up to and including 14 November 2022; and
 - 81.4% premium to the \$0.163 six-month volume weighted average price of MSL shares up to and including 14 November 2022.
2. **Compelling multiples:** the Enterprise Value implied by the Scheme Consideration represents extremely attractive multiples for MSL:
 - Implied EV / FY22A EBITDA multiple of 21.0x¹; and

¹ Enterprise Value of \$112.1m based on the Scheme Consideration of \$0.295 per share, 404.6m fully diluted shares outstanding (369.1m ordinary shares, 13.8m unlisted performance rights with nil exercise price and \$4.5m worth of convertible notes convertible at \$0.2078 per share) and \$7.3m net cash based on \$9.4m gross cash less \$2.1m deferred consideration. FY22A underlying EBITDA of \$5.34m.

- Implied EV / FY22A Cash EBITDA multiple of 25.0x².
- 3. **Certainty of value:** The all cash Scheme Consideration provides MSL shareholders with certainty of value and the opportunity to realise their investment in MSL for cash, which is particularly relevant in the context of highly uncertain and volatile macro economic conditions.
- 4. **The Independent Expert has concluded that the Scheme is in the best interests of MSL shareholders** in the absence of a Superior Proposal, and the Scheme Consideration is **significantly above** the Independent Expert's assessed value of the equity in MSL of \$0.230 to \$0.266 per MSL Share.

We remain fully committed to the Scheme and look forward to working with the MSL Board and management to deliver a successful Scheme vote such that all MSL shareholders have the opportunity to receive the compelling Scheme Consideration.

Kind regards,



Mark Bryan

Partner

Pemba Capital

² Based on Enterprise Value of \$112.1m and FY22A underlying EBITDA of \$5.34m per footnote 1, less capitalised software development costs of \$0.86m.