

**MSL Solutions Limited (ASX: MPW)**  
**Appendix 4C – 30 June 2017**

**Monday, 31 July 2017:** In accordance with ASX Listing Rule 4.7B, MSL Solutions Limited (ASX: MPW) (**MSL or the Company**) is pleased to announce its Appendix 4C cash flow report for the quarter and financial year ended 30 June 2017.

The following key highlights are based on the unaudited cash flows for the period:

- Initial Public Offering (**IPO**) successfully raised \$15.0 million, and commenced trading on the ASX on 4 May 2017;
- Cash and cash equivalents as at 30 June 2017 of \$11.7 million;
- During the quarter, \$2.6 million of the net IPO proceeds was used to fund acquisitions, which are key to the Company's growth strategy;
- Receipts from customers of \$22.1 million for the year, and \$5.7 million for the quarter;
- For the year ended 30 June 2017, net cash used in operating activities of \$668k, ahead of the statutory operating cash flow use of \$1,029k as forecasted in the MSL Prospectus (section 4.6) – the following table provides a comparison of the actual operating cash flows for the full financial year against forecast provided in the Prospectus:

	Financial year ending 30 June 2017	
	Prospectus	Unaudited financials
Statutory Operating Cash Flows	(1,029)	(668)
<b>Impact of historical acquisitions - NPAT</b>		
Impact of historical acquisitions - NPAT	1,545	1,545
Depreciation of historical acquisitions	63	63
Senior management IPO Bonus	850	
Public Company costs	(369)	
IPO costs Expensed	76	76
Statutory v proforma working capital	1,739	1,667
<b>Pro forma operating cash flow</b>	<b>2,875</b>	<b>2,683</b>

In relation to the above variances, the senior management IPO bonuses of \$850k are expected to be paid in the current quarter. Public company costs of \$369k are incorporated into the statutory cashflows as they are not reported separately post IPO.

The attached Appendix 4C confirms that, as at 30 June 2017, the Company has strong cash reserves to fulfil its strategic objectives as outlined in the Prospectus.

The Board of Directors of MSL looks forward to releasing its audited financial results and commentary on its performance towards the end of August 2017.

**Ends**

**For further information, please contact:**

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**About MSL Solutions Limited**

MSL Solutions Limited (ASX: MPW) is an Australian based global provider of hosted, software as a service (**SaaS**) and on-site deployed solutions to clients in the sport, leisure and hospitality sector. MSL services member organisations across APAC, EMEA and North America through its MPower Platform. MSL has a head office in Brisbane and offices in Sydney, Melbourne, UK and Denmark. To discover more about MSL please visit [www.mpowermsl.com](http://www.mpowermsl.com).

**About MPower Platform**

MSL's MPower Platform connects member organisations' business software and data needs to improve guest engagement, loyalty, gain business efficiencies and improve governance. MSL provides scalable full venue business software applications and data solutions integrated through the MPower core integration architecture. This means that MSL can provide solutions to both small and large organisations and associations. MSL provides cloud based SaaS, hosted and on-site deployed software, data and loyalty/media solutions.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

MSL Solutions Limited

**ABN**

96 120 815 778

**Quarter ended ("current quarter")**

30 June 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,710,517	22,052,693
1.2 Payments for		
(a) research and development	(844,933)	(2,755,845)
(b) product manufacturing and operating costs	(1,580,811)	(9,020,319)
(c) sales, advertising and marketing	(1,382,444)	(4,696,036)
(d) leased assets		
(e) staff costs		
(f) administration and corporate costs	(1,890,640)	(6,844,840)
1.3 Dividends received (see note 3)		
1.4 Interest received		3,023
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		(127,742)
1.7 Government grants and tax incentives		720,555
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>11,689</b>	<b>(668,511)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(123,787)	(1,698,166)
(b) businesses (see item 10)	(2,586,971)	(18,641,191)
(c) investments		

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
2.2	(d) intellectual property		
	(e) other non-current assets		
	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments	35,000	35,000
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,675,758)</b>	<b>(20,304,357)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	15,000,000	15,974,502
3.2	Proceeds from issue of convertible notes		17,000,000
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(1,818,604)	(2,709,403)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		(173,500)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		(36,345)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>13,181,396</b>	<b>30,055,253</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,195,297	2,633,997
4.2	Net cash from / (used in) operating activities (item 1.9 above)	11,689	(668,511)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,675,758)	(20,304,357)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,181,396	30,055,253

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
4.5	Effect of movement in exchange rates on cash held	1,753	(2,005)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>11,714,377</b>	<b>11,714,377</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	11,871,221	1,349,041
5.2	Call deposits		
5.3	Bank overdrafts	(156,844)	(153,744)
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,714,377</b>	<b>1,195,297</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter  
\$A

105,831

0

Director and general manager fees and salaries.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter  
\$A

0

0

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	156,844	156,844
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Currently an overdraft facility with ANZ Bank Limited. Currently secured by a \$10,000 guaranteed amount held in trust by the bank.

9. <b>Estimated cash outflows for next quarter</b>	\$A
9.1 Research and development	889,267
9.2 Direct costs of sales	2,724,761
9.3 Sales, advertising and marketing	1,231,394
9.4 Leased assets	7,500
9.5 Staff costs	
9.6 Administration and corporate costs	1,690,500
9.7 Other (provide details if material)	2,776,124
<b>9.8 Total estimated cash outflows</b>	<b>9,319,547</b>

Note on 9.5: cash outflows in relation to staff costs are recorded in the relevant functional areas of the business as they were presented in the prospectus.

Note on 9.7: this represents a planned payment in relation to the October 2016 UK acquisition as well as the senior management IPO bonuses.

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	Verteda Holdings Limited	
10.2 Place of incorporation or registration	United Kingdom	
10.3 Consideration for acquisition or disposal	\$320,709	
10.4 Total net assets	\$1,082,600	
10.5 Nature of business	IT infrastructure sales and support and computer hardware sales.	
10.1 Name of entity	InfoGenesis Pty Ltd	

10.2	Place of incorporation or registration	Australia	
10.3	Consideration for acquisition or disposal	\$25,000	
10.4	Total net assets	\$109,776	
10.5	Nature of business	IT infrastructure sales and support and computer hardware sales.	
10.1	Name of entity	Rockit Pty Ltd	
10.2	Place of incorporation or registration	Australia	
10.3	Consideration for acquisition or disposal	\$555,000	
10.4	Total net assets	\$279,049	
10.5	Nature of business	IT infrastructure sales and support and computer hardware sales.	
10.1	Name of entity	Pallister Games	
10.2	Place of incorporation or registration	Australia	
10.3	Consideration for acquisition or disposal	\$1,686,262	
10.4	Total net assets	(\$61,059)	
10.5	Nature of business	IT infrastructure sales and support and computer hardware sales.	

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
Company Secretary

Date: 31 July 2017

Print name: Andrew Ritter

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.