

20 March 2020: ASX RELEASE

MSL Solutions Limited (ASX:MPW) Business Update & COVID-19 Update

MSL Solutions Limited (ASX: MSL) believe it's important to advise shareholders of the "state of play" as we work through these unprecedented times.

Fortunately, the business is underpinned by strong recurring revenues equating to 68% of total revenue (1H FY20), with these revenues tied to multiyear long-term technology licence fees and **NOT** usage fees tied to particular activities or organised events.

To further clarify our business activities:

- the Australian operation has very little exposure to the stadium market with a focus on Club, Pub POS and analytics;
- Denmark operations dedicated to golf software technologies and associated licence fee revenues.

In addition, our Golf footprint continues to grow through the recent deployment of our WHS (World Handicapping System) technology across 7 Golfing Nations since 27 January 2020 to over 1.4 million golfers. This includes implementations with the national federations of Australia, Finland, Norway, Iceland, Estonia, Latvia and Lithuania, with revenues **NOT** pinned to golf activities rather Golf membership.

Whilst the UK business has a strong stadia presence it is based on support and subscription revenues, not on usage fees on a per event basis.

We have had no cancellations of any implementation work, whilst recurring revenue from POS and Analytics continue to underpin overall revenues. Naturally we expect new business or non-recurring business to decline in the short term. However our pipeline remains strong, with various customers looking at their immediate downturn as a time to refresh and upgrade. Our POS analytics product can assist venues in complying with government changes in the number of people allowed at gatherings to help our customers continue to trade.

The previously announced and implemented "right sizing" has resulted in a significantly reduced operating structure which allows the business to continue to service and support our customers whilst containing costs. Further key staff reductions were announced in our half year results presentations, and we will continue to manage costs.

MSL is executing comprehensive short and longer term risk management and mitigation plans, with the intention to position the business to emerge from the challenges caused by COVID-19 as quickly and strongly as possible. MSL announced working from home measures for all staff globally prior to this week and are well equipped to work remotely.

The health and wellbeing of staff, their families and the broader communities in which we operate remains MSL's first priority.

The business will continue to closely monitor developments related to COVID-19 across all its global operations, and provide further disclosures if required, in line with its obligations.

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

MSL

MSL Solutions Limited (ASX: MPW) operates in the sports, leisure and hospitality sectors. Some of the world's iconic sports and entertainment companies and PGA's rely on MPower MSL every day. We create the systems that connect every department of a business from point of sale and membership to marketing and real time visibility on staff levels, customer engagement, profits and revenue. MPower MSL has 1,220+ customers with offices in Australia, UK and Denmark. To discover more about MPower MSL please visit www.mpowermsl.com.

Contact details

For media enquiries please contact:
Patrick Howard, CEO
+61 (0) 439 474 531