

**ASX RELEASE – MSL SOLUTIONS LIMITED (ASX: MPW)
27th November 2017**

**CHAIRMAN & MANAGING DIRECTOR ADDRESS TO SHAREHOLDERS
2017 ANNUAL GENERAL MEETING**

CHAIRMAN'S ADDRESS

A year of solid progress

There has never been a better time to be driving the success of Community Organisations in the sports, entertainment and leisure sectors around the world.

From its origins as a small Queensland start-up, this company has come a long way, but it hasn't been without its challenges. We acknowledge there have been some obstacles, many lessons and difficult decisions, but a real turning point was appointing Craig Kinross. His vision has enabled the company to redefine its place in the market.

We now stand as a as a global leader and innovative pioneer in the sport, leisure and entertainment industries.

We are a homegrown technology story – developing and delivering world-leading proprietary technology solutions across the globe and appear to be earning a respectable reputation as we go about our business. Our reputation continues to distinguish us in a highly fragmented market.

Financials

I am pleased to be able to confirm we are in pretty good shape.

Certainly the 2017 Financial year was both successful and transformative for MSL Solutions having listed on the ASX on the 4th of May this year. Our successful listing established our position in the capital market by increasing our profile and signalling a new era of influence and growth.

Growth

The challenge in this business is to support a growth strategy yet stay disciplined and focused, continue to innovate, create new opportunities, and look to take appropriate risk in order to meet competitive threats.

We have always indicated we are pursuing an aggressive organic growth strategy, and the team continue to expand its global footprint by achieving strong organic growth within each

sales segment, gaining its first US customer and first European stadium outside the United Kingdom and selling the Australian product into the European customer base acquired via Verteda.

In addition, we are also aggressively looking to increase our market footprint through appropriate acquisitions.

The business is strong, the balance sheet is strong, and we continue to successfully execute the strategy and carefully manage our growth ambitions.

This is a company on the move. There have been many highlights to celebrate, as the company continued to accelerate its global reach and revenue generation. I will leave it to the Managing Director to provide more detail on the Company's 2017 achievements.

Dividends

The intention of management and the Board is to continue to grow shareholder wealth and to provide an annual return to shareholders over the long term. That being said, a dividend will always depend on the circumstances at the time.

It is the current intention of the Board to target a dividend payout ratio of not less than 40% of the Company's statutory NPATA. The first dividend following quotation of shares in the Company on ASX is expected to be declared for the year ending 30 June 2018.

People and Innovation

It is our people and their innovative skills that define and drive our success at MSL. As we grow we continue to review our structures and personnel to ensure we can capitalise on all of the opportunities presented to us through our organic and acquisitive strategies.

Board and Governance

I'm pleased to say that we have a very cohesive board with an excellent balance of experience and skills to preside over this business.

We take leadership, risk management and good governance very seriously. In March 2017 Kaylene Gaffney joined our board as an independent Non-Executive Director and Chair of the Audit and Risk Committee. David Trude also joined our board at the same time as an

independent Non-Executive Director and Chair of the Remuneration Committee. They both bring outstanding software and listed company experience.

In addition, the company has upgraded its financial accountability with the appointment of Andrew Ritter as Chief Financial Officer and Company Secretary.

I must thank my Board colleagues for their diligence and support throughout the year and extend the Board's thanks to the management team and all our employees for their ongoing commitment.

Finally, I would like to thank our loyal shareholders for their longstanding commitment and support.

I would now like to invite Craig Kinross to discuss in some detail the financial results, operational highlights, capital management and our growth strategies.

Thank you.

MANAGING DIRECTOR'S ADDRESS, CRAIG KINROSS

WELCOME

Thank you John. Good afternoon ladies and gentleman.

My name is Craig Kinross and I am proud to be the Managing Director of this great company. Thank you for joining us today.

I feel very privileged to get up every day and work in a sector I am so passionate about – sport & leisure, and to work with a great team of people that share a common vision to make a difference with our technology platform.

VISION & WHAT WE STAND FOR

MSL exists to Develop Loyal Communities so that we can empower Sport, Leisure & Hospitality businesses and the people they connect.

The sustainability of these businesses is very important for our communities. Sport, leisure and hospitality businesses are major contributors to our economy and key to our collective social well-being.

In Australia, in excess of 3/4 of our adult population is connected to a member based organisation. Our customers are established to serve their members, their fans, and their patrons. We therefore focus on the member or fan experience first.

Our approach is based upon the following attributes:

- Every day we **seek to learn** more, and the possibility of utilising technology enhancements to solve our customers problems and improve their operations;
- Our people strive to **provide excellent service** when delivering our technology solutions. We care about our customers and we want to make a positive difference;
- We **re-imagine the future** in these venues where technology innovation continues to provide opportunities at an ever-increasing rate to make it easier and more engaging for people to connect.

- The **Power of One Team** is key to delivering great outcomes. The team collectively includes our Board, staff, customers and shareholders.

MSL Solutions has earned itself a respected and trusted global reputation as it continues to successfully deploy its world-leading, proprietary software, data and media solutions through our MPower platform.

This is a great time to be in the business of what we do. We live in a dynamic world where technology is changing the way consumers and businesses engage in commerce, communities and consumption. And the pace of change is accelerating, which provides us with more opportunities to seize.

We now serve over 2,000 clients in more than 20 countries around the world, servicing millions of members. We now have offices in Australia, the United Kingdom and Denmark, employing over 130 staff. And our footprint continues to grow.

Our business model provides us with a compelling advantage in a highly fragmented market that is a great platform for the future. Our balance sheet is in good shape and we continue to seek synergies and complementary businesses to keep ahead of the curve.

But let's review the year behind us and celebrate some of the key milestones and achievements that have helped define our success to date.

This past year has been a transformative year for MSL. I would like to thank the entire MSL team for their tremendous efforts and for executing our business strategy, laying a solid platform for sustainable growth and shareholder value.

FINANCIALS

The company reported operating revenue of \$23.7 million for the year, in line with our forecast, up 110% on the prior reporting period.

EBITDA before significant items was \$1.6 million, compared to \$0.5 million in the prior period up 243%. NPATA was \$2.5 million, up 194%. Our net cash position at 30 June 2017 was \$11.7 million.

These results included \$4.3 million of Research & Development fully expensed in the profit and loss statement, which is largely an investment in our future growth.

Over 50% of our operating revenue was from sticky recurring annuity stream, which as a base gives us great confidence to continue our program of investment in growth going into the new year.

Further proof that our acquisition strategy is delivering value, the newly acquired UK-based Verteda and Denmark-based GolfBox made strong contributions to topline earnings and bottom line profits in these results. With a full-year of these businesses in the 2017 year's result MSL would have shown operating revenues of \$28.7 million and an EBITDA, pre-significant items, of \$3.3 million.

WHAT WE OFFER

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

Member based organisations within the sport, leisure and hospitality sector face increasing competition to stay relevant to their guests evolving needs. They require a robust operating platform to better understand their business, make more informed choices and ultimately engage with their members and customers effectively and developing loyal, deep relationships. We help these communities thrive and prosper.

INVESTING IN THE FUTURE

MSL continues to invest in the MPower platform of products to meet the market needs of the key sales segments of golf clubs and associations, registered clubs, stadia/arena and other hospitality and entertainment venues.

In this last year, MSL's spend on R&D amounted to approximately 18% of operating revenue to support future growth opportunities, which is above industry average. We remain committed to investing in R&D to help us unleash inventive ideas for the future and retain our competitive advantage.

Key areas of innovation for the business in 2017 included:

1. A focus on Full Venue Analytics – we enhanced the business insights and predictive analysis capability to the business to improve operations and elevate the understanding of their guests to improve engagement.
2. Member & Fan Engagement Tools – turning the traditional CRM into a customer engagement model. In today's world people have a short attention span and are impatient, they demand convenience and increased value from their relationship. We enhanced our mobile offerings and gamification of the customer interaction with the venue to increase the fun factor – driving more engagement and diversity in revenue streams.
3. We enhanced the convenience & ease of making a Transaction – we refer to it as “PoS Anywhere” – this is evolving the point of sale from the traditional physical register to allow transactions at remote kiosks, on tablet devices, and even from the convenience of your own smart-device such as your phone.
4. The industry refers to creating tribal Loyalty. Our customers were asking for us to make localised loyalty programs more rewarding for the member or fan. This is achieved by allowing interaction within the venue, but also facilitating the transacting of loyalty points with national and local retail merchants building a relationship with the venue. Because of our partnering with Community First Credit Union in Australia local venue loyalty points can be transferred into real cash on a debit card and transacted outside of the venue. We will look for opportunities to extend this locally and into other regions.

5. Golf – is the origin of our Company. We continue to excel in our full value chain solution offerings globally, from association to the venue. We see great opportunities here for MSL, as the segment evolves to a unified world handicapping system, given our leading presence across Australia and Europe. During the year we rolled out upgraded club management systems, tournament software and a pro-lesson booking cloud based platforms.

A CRITICAL FOCUS ON REVENUE AND GROWTH

We continue to accelerate revenue generation across all key revenue streams including: annuity maintenance and subscription fees, software licensing & associated hardware, database media revenue and transaction fees, enjoying a high level of recurring revenue.

During the year we also successfully accelerated our growth through acquisitions. We completed the acquisitions of Verteda (UK), GolfBox (Denmark) and Pallister Games (Australia). These acquisitions have increased our geographic footprint and client base, expanded our technology offerings and contributed positively to our bottom line profitability.

KEY HIGHLIGHTS IN 2017 IN OUR KEY SEGMENTS

MPower Venues

This MPower Venues segment services the stadia, arena and registered clubs (excluding golf clubs) on a global basis.

The segment revenue in the year was \$15.8 million, up 112% on the prior reporting period, contributing \$2.4 million EBITDA.

Highlights during the year included:

- The successful integration of the UK-based Verteda, including deployment of Australian products into the UK customer-base in the first 6 months post-acquisition;
- Our first US customer on-boarded in December 2016, now we have now established a dozen clients in the US;
- A sale to a high-profile Spanish stadium, our first European stadium sale outside of the UK; and
- An upgrade to our existing customer Village Roadshow supporting the inaugural TopGolf site in Australia

MPower Golf

The MPower Golf segment services the golf clubs and associations markets on a global basis. Golf is a huge market comprising 35,000 facilities globally.

The segment revenue in the year was \$6.4 million, up 87% on the prior reporting period. Golf contributed \$1.3 million EBITDA, up from \$0.5 million in the prior year.

Highlights included:

- The successful integration of the Denmark-based business GolfBox;
- Our entry into the UK golf market, making our first facility sale to a leading England golf resort. The UK market has over 3,000 facilities to grow into.
- We announced a partnership with Chronogolf to sell our cloud golf solutions into the US market – the US has half the world's golf courses with circa 17,500 Venues. This partnership puts an iron in the fire in a massive market;
- We were appointed strategic technology partner of Golf Australia in October 2016, following on from our earlier appointment as strategic technology partner of the PGA Australia, reflecting our progression in the industry; and
- The PGA's of Europe endorsed our MPower Tournament & ProPlanner products across 35 countries.

MPower BI

This segment services sports, leisure and hospitality clients with a business analytics solution providing historical, current and predictive views of the business operations. We deliver a cloud software as a service solution able to be sold stand-alone or in conjunction with Venue & Golf products.

The segment revenue in the year gained good traction, generating \$0.7 million in revenue, up 378% on the prior reporting period.

This is a high-margin growth segment of our business in coming years, with highlights during 2017 including:

- The endorsement of our MPower BI platform by MaxGaming, a Tatts Group company;
- Our first enterprise sale to a customer group; and
- Commitment from Golf Australia to roll-out a base level analytics solution to 1,600 golf clubs in Australia

MPower Media

MPower Media services our clients with loyalty and media member engagement solutions, as well as facilitating relationships with media partners.

The segment revenue in the year was \$0.9 million, up 182% on the prior period.

Key highlights in the year included:

- Integration of Pallister Games into our MPower platform to the transacting point i.e. Point of Sale and our NGage App. Pallister promotes member attendance and participation at a venue; and
- The integration of club loyalty points to Community First Credit Union debit cards.

RESPONSIBLE GROWTH

The management team is pleased with the steady growth experienced since we listed on the ASX in May. The Company continues to show positive momentum, reinforcing its strong competitive position to take advantage of the huge market opportunity that exists.

We continue to focus on enhancing shareholder value with a focus on strict disciplines being maintained around capital expenditure and ongoing initiatives to grow market share.

In addition to growth by acquisition and diversity of global footprint, the Company also expects to continue to generate organic growth from building deeper strategic partnerships with customers by providing additional solutions and services to meet their evolving enterprise requirements positioning MSL as the partner of choice.

MSL's growth strategy is based upon four key levers:

Organic Growth:

1. Organic growth within each sales segment

The scalability of the MPower platform enables clients to use as much of the MPower platform as their size and sophistication requires. Once clients are on the MPower platform they have more flexibility to bring on more MPower modules or 3rd party products via the open Application Programming Interface (API) to continue meeting their requirements into the future as their operational requirements evolve.

2. Increasing customers using the MPower BI solution

Central to the value proposition in the future of the MPower platform is our Business Intelligence and Analytics solution. Our clients have a need to not only know their customers but how they will behave. The ability for the MPower BI solution to collect data from multiple systems in a venue and provide actionable insights quickly allows our clients to achieve this.

3. Cross-sell of products across geographical and sales segments

MSL can leverage the core open architecture of the MPower platform to scale products into new segments and geographies leveraging the integration core. This has been demonstrated during the year, leveraging sales synergies quickly in relation to the new acquired businesses.

Acquisition Growth:

4. Accelerating growth through acquisitions

MSL has demonstrated a strong track record of successfully acquiring good businesses and integrating these into the core operations. MSL uses acquisitions to enter new markets and new geographies, acquire new software capabilities and knowledge, acquire new customer bases and ultimately develop cross-sell opportunities among acquisitions and existing sales segments. We believe the acquisition of complementary software companies to be an efficient and relatively low-cost growth strategy to build our presence and expand our customer base.

MSL's key criteria for assessing acquisitions are:

- › Growth of the marketplace of clients;
- › Filling a gap in relation to technology or staff capabilities;
- › Positively improve EBITDA; and
- › Complement the international profile of MSL.

MSL continues to qualify and progress several strategic opportunities in a fragmented market of software providers globally.

INVESTMENTS

Zuuse

At 30 June 2017, MSL held a 30% investment in the Zuuse business, which is being held for sale. The asset in the balance sheet is recorded at \$2.2 million, with the investment recorded at 6c per share.

Zuuse is non-core to the MSL business, and is a full asset lifecycle solution with market leading technology blending 3D building information modelling (BIM) capability, mobility and information management.

Post year-end Zuuse has been successfully acquired in a scrip-for-scrip merger with Progressclaim. MSL now hold an 11.5% interest in the new merged entity, with a notional value of over \$100 million, based upon our prior capital raisings, and continue to hold this investment for sale.

LOOKING AHEAD IT'S A BRIGHT FUTURE

The management team is pleased with the steady growth experienced since MPW listed on the ASX in May 2017. The Company continues to show positive momentum, reinforcing its strong competitive position and will continue to sow the seeds for ongoing success and prosperity.

The Company continues to focus on enhancing shareholder value with a focus on strict disciplines being maintained around capital expenditure and ongoing initiatives to grow market share. With a strong pipeline of clients, several key contract wins and significant growth potential from both acquired and organic sources.

The Company reconfirms the FY18 forecast guidance as follows:

Revenue	\$35.5 million
EBITDA	\$6.5 million
NPATA	\$5.9 million

We expect profit to be back-ended in the second half of the year consistent with prior reporting periods.

Ours is a relationship business. And we take nothing for granted. Our purpose is to help communities and businesses thrive through the power of every connection. And we will continue to prosper as we carefully manage our growth ambitions and demonstrate sensible corporate stewardship.

Thank you for your continuing support in our business. We will continue to work hard to deliver on our promises.

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.

About MPower Platform

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