

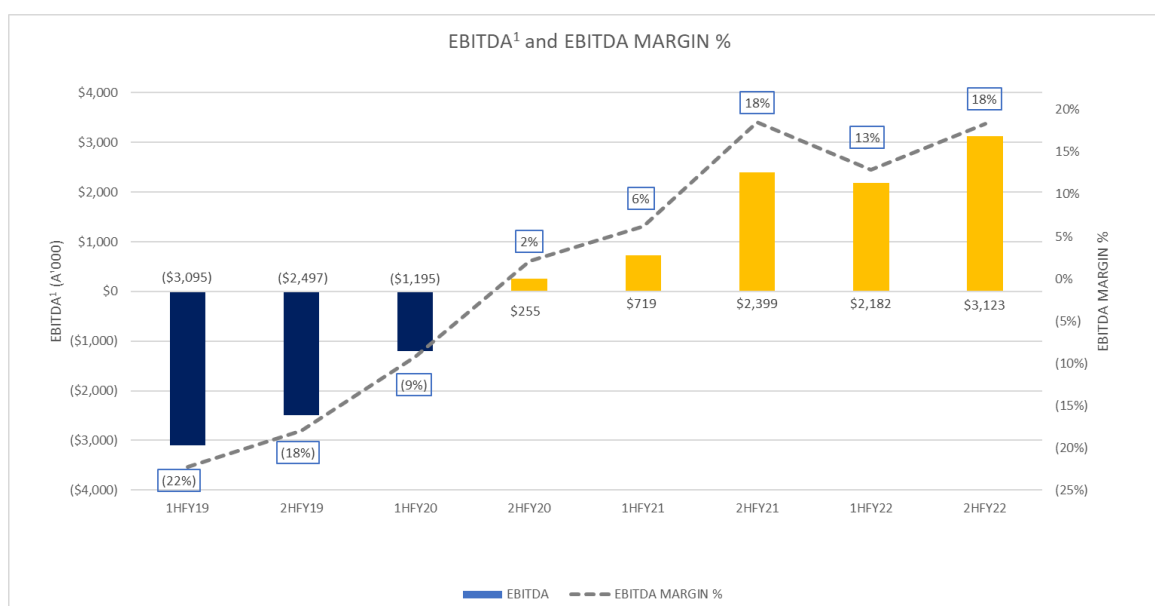
18 August 2022: ASX RELEASE

MSL exceeds on Revenue, EBITDA and Cash guidance Annual Report and Appendix 4E for the year ended 30 June 2022

Highlights

- MSL Solutions Limited (ASX:MSL) delivers revenue growth of 37% to a record \$33.93 m (FY21: \$24.67 m) through organic growth of \$4.04 m or 16% and from the inclusion of the acquired OrderMate business from 1 October 2021 of \$5.22 m or 21%
- Continued EBITDA¹ growth of 70% to its highest annual EBITDA¹ of \$5.31 m (FY21: \$3.12m)
- EBITDA¹ margin of 15.6% (FY21: 12.6%)
- Generating net cash from operations before Income Tax of \$4.5 m (excluding government subsidies) (FY21: \$4.5 m)
- Cash balance at 30 June 2022 of \$9.39 m (FY21: \$5.43 m) with no interest bearing debt (FY21: \$2.25 m)
- Net Profit after Tax for FY22 of \$0.8 m (FY21: \$0.9 m)
- OrderMate acquisition, completed in September 2021 and now fully integrated, has resulted in a 20% increase in FY21 revenue on a like-for-like basis. OrderMate is placed in over 2,400 locations
- SwiftPOS allows MSL to compete successfully in the stadium and enterprise hospitality market with success in both APAC and UK, examples include AAMI Park, Eden Park, the Gabba, Angus Steak House and the Thames Valley Theme Park.
- OrderMate (acquired in September 2021) provided scale, opportunity and capability to MSL in the restaurant sector of APAC during FY22.

Continued half on half EBITDA growth and margin improvement



¹ EBITDA is before COVID-19 related Government Subsidies which were material in FY21

Sports, leisure and hospitality SaaS technology provider MSL Solutions Limited (ASX: MSL, “MSL” or “the Company”) is pleased to provide its Annual Report and Appendix 4E for the year ended 30 June 2022.

Financial and operational performance

As indicated in its 30 May 2022 Business Update, MSL continues to achieve profitable performances on the back of revenue growth attributed to both organic growth and acquisitions. Each of reported Revenue, EBITDA¹ and cash balance exceeded the upper range provided in the Business Update.

Revenue of \$33.93 m is 37% higher than prior year (FY21: \$24.67 m) with \$5.22 m, or 21% from the acquisition of OrderMate and \$4.04 m, and 16% from organic growth.

Recurring Revenue of \$20.10 m grew by 17% (FY21: \$17.09 m) of which \$2.67 m, or 16% was from the acquisition of OrderMate. The growth of SwiftPOS recurring revenue was 30% with the Group’s overall growth in recurring revenue offset by the reduction in revenue from legacy/third party products at lower margins as previously foreshadowed and is expected to continue in FY23.

New Sales revenue for FY22 was \$13.84 m which is an 82% increase from the prior year (FY21: \$7.58 m). This has been driven by MSL’s SwiftPOS product winning larger value, higher margin enterprise customers. The backlog and pipeline leading into FY23 in both APAC and UK continues to see growing opportunities in these markets.

EBITDA¹ of \$5.31 m is a 70% increase compared to EBITDA¹ of \$3.12 m in FY21. The EBITDA¹ margin for FY22 of 15.6% (FY21: 12.6%) continues to grow as MSL exits legacy/third party products and drives growth in its higher value, higher margin markets with its own products whilst maintaining strong cost control measures.

Net Profit after Tax for FY22 is \$816 k compared to \$886 k in FY21 with available R&D Tax offsets and Losses still available for future tax years.

Cash generated from operations before income tax (excluding government subsidies) was \$4.5 million (FY21: \$4.5 m) and, together with strong capital management, resulted in a year end cash balance of \$9.39 m (FY21: \$5.43 m) and no interest-bearing debt (FY21: \$2.25 m) following the issue of an interest free \$4.5 m convertible note and support of MSL shareholders who participated in a Share Purchase Plan during the year raising \$4.46 m after costs.

The markets in which MSL’s Golf segment operates continued to see growth in participation during the year boosted by a resurgence in the sport in Australia, lifting membership numbers for Golf Australia. The Company’s European subsidiary, Golfbox, continued to improve its profitability, despite the pandemic, through ongoing contracts with long-term partner federations in Norway, Switzerland and Denmark, among others.

Outlook

MSL enters FY23 in a position of strength. The trajectory of MSL’s financial performance continues to reflect the Company’s international growth boosted by a high-profile client base. The new contract announced in July 2022 with Stadiums Queensland for the provision of 880 SwiftPOS terminals and mobile enhanced devices across The Gabba and SunCorp Stadium in a five-year deal reinforced MSL’s prospects in the year ahead especially within the stadium and arena markets in APAC and the UK.

For FY23, the Company expects to continue to achieve overall Revenue and EBITDA growth with improved EBITDA margin as it wins higher value enterprise customers and increases the proportion of Recurring Revenue from its SwiftPOS and OrderMate products as lower margin legacy/third party products reduce.

The Company’s momentum will continue to benefit from the growing market for enterprise software-as-a-service (SaaS) products among hospitality and venue businesses. The digitisation trend across

¹ EBITDA is before COVID-19 related Government Subsidies which were material in FY21

businesses of all sizes servicing patrons and attendees in pubs, clubs, entertainment venues and stadiums show no sign of slowing after the COVID-19 pandemic accelerated uptake, complementing the growth outlook from the Company's internal initiatives.

With a strong cash position, no interest-bearing debt and robust recurring revenues, the Company remains focused on delivering organic growth while exploring acquisition and partnership opportunities that offer the capacity to strengthen the Company's technology platform and product mix.

MSL Solutions CEO, Pat Howard, said:

MSL is proud of the results delivered in the FY22 Financial year particularly as the first half of the year was still heavily impacted by the global pandemic. MSL has delivered record Revenue, Gross Margin and EBITDA¹ in FY22.

As stated last year, we were very positive about our enterprise customer pipeline and have delivered an 82% increase in new sales. MSL has won 6 new stadiums in the financial year and have a stronghold in the Australian convention market. MSL is now the dominant point of sale business in the enterprise market in APAC with new wins occurring overseas.

The opening of the borders has allowed MSL to invest in new leadership in our overseas teams to drive new sales of our POS, Golf and Digital products. MSL has a strong financial base to grow our products in to FY23.

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

¹ EBITDA is before COVID-19 related Government Subsidies which were material in FY21