

MSM PATENT PORTFOLIO : VIDEO COMPETITION PLATFORM

HIGHLIGHTS

- + Strategic patents secure valuable inventions created as part of the development of MSM's socially integrated, mobile-first video competition platform
- + Over USD\$6.7M in research and development spending has enabled MSM to develop a considerable patent application portfolio relating to the Megastar video competition platform
- + MSM's patent portfolio has the potential to create a monopoly to disrupt talent discovery markets using machine learning technology
- + Independent valuation of MSM's patent application portfolio currently being undertaken and is expected to be completed and announced in coming weeks



Digital technology and entertainment company, MSM Corporation International Limited ("MSM" or the "Company") is pleased to provide an update on the progress of three patents pending. MSM relies on trademark, copyright, trade secret, domain-name-protection, and patent laws to protect our proprietary rights. A key component of the Company's strategy to create shareholder value is the strategic use of patent law to protect the inventions created by its world-class team.

The Company is pleased to report that three patent applications have progressed from provisional filings, which were first filed October 2015 and July 2017, to non-provisional utility patent applications, which provide the strongest form of protection that the Company can file at this stage of the patent life-cycle.

These filings allow the Company to reasonably perform a valuation on the IP based on the prospective 20-year monopoly that the Company, and its legal advisors, Eandi Fitzpatrick LLP now expect MSM to achieve following the examination of the patents by the examiner. The valuation of the patents is currently being undertaken by Five Prime Advisors LLC and is expected to be available to report to the market within the next two weeks. The patent applications are highly relevant and valuable to MSM but also have other potential uses outside of the Company's existing ecosystem. Furthermore, MSM will be entitled to enforce its rights in relation to the patents, should they be infringed.

PATENT APPLICATION (US15/877118): SYSTEM AND METHOD FOR ANALYZING AND TRACKING MEDIA FOR TALENT DISCOVERY

Patent Application (US15/877118) relates to the system and methods used for media recognition, tracking and analysis. More particularly, the invention relates to certain new and useful advances in computer-based systems utilizing machine learning methodologies that can be used by companies to automate the discovery of quality media (e.g. images, videos, writings) and talent (e.g., musicians, singers, dancers, athletes, comedians, artists, film makers, actors, etc.) across a variety of creative platforms (e.g., YouTube, Instagram, Twitter) based upon the analysis of media in which any of the talent appears.

This application is directed toward a system and method to analyse media and predict, with a high degree of accuracy, which talent in media (e.g., Youtube®) is likely to be a commercial success.



The system is configured to (1) transform objective video content into quantitative data that can be analysed by a machine learning algorithm, (2) utilize subjective data from subject matter experts to train the machine learning algorithm and, (3) provide a score or ranking of the talent in the media based on the objective video content and the subjective data received during machine learning algorithm training.

Furthermore, the system may be used to develop the talent database of a talent scout in the field of artists and repertoire ("A&R"). The system is configured to sort artists based on a type (pop, rock, R&B) of talent that the scout is interested in procuring and representing. The talent scout can transmit its requisite parameters to the system, which then scores and ranks the talent pool from the web. Record companies are estimated to invest \$4.5 billion per annum globally on A&R, combined with marketing, which represents approximately 26% of industry revenues¹.

PATENT (US15/886523): SYSTEM AND METHOD FOR EVALUATING THE TRUE REACH OF SOCIAL MEDIA INFLUENCERS

Patent Application (US15/886523) relates to marketing management systems and methods. More particularly, it relates to new and useful advances in computer-based systems utilizing machine learning methodologies and social media metrics found across a variety of social networks (e.g., YouTube®, Instagram®, Facebook®, Twitter®). Companies may use these metrics to determine the best social media influencer to hire and promote a brand that would provide a marketing agent and brand with the greatest return on their investment.

External to the online contest space, an important use for this patent application is in the social media influencer market, which is estimated at over \$1 billion per annum and growing². Most companies do not receive commensurate value based on the cost of the paying the social influencer. This invention obviates this issue by using a series of metrics that measure the true reach of these influencers based on the industry the marketing client belongs.

The application provides a system and method for identifying, ranking and matching social media influencers to certain brands. The system utilizes social media elements and social media statistics to ascertain the actual influence of the user and to predict with a certain degree of accuracy which influencers will have the greatest impact on the target consumers.

The system incorporates machine learning techniques to data-mine and to extract datasets within a specific category to extract patterns from groups of data records. Furthermore, it is configured to classify the type of product or service and to determine a score for each influencer for each class of product or service.

PATENT APPLICATION (US15/746786): SYSTEM AND METHOD FOR A MEDIA PLATFORM

Patent Application (US15/746786) relates to networked and web-based computer systems. More particularly, the invention relates to an interactive media platform for optimizing media competitions for which prizes and/or rewards are distributed to contestants and users on the network, and any associated marketplace.

The application directs a system and method to ensure a contestant is eligible for a contest, and to group users and contestants according to behaviour during the contest. A data storage module is communicatively coupled to the application server to identify the location of contestant using the input from the constant geo-location of a client. A policy server is communicatively coupled to the database and configured to schedule contests based on geo-location data of users, and automatically sets authorizations for contestants and consumers based on the geo-location data.

The system also has a key performance indicator module, configurable by an operator at a graphical user interface, and an advertising module configured to apply advertisements to the contestants using cross-usage matrix data to optimize advertisement targeting.

William Fitzpatrick, Managing Partner, Eandi Fitzpatrick LLP commented;

"We believe patent development and protection is a critical component of MSM's growth strategy, and this is particularly important in an increasingly iterative and rapidly expanding sector. To this end, the Company has implemented a well-executed patent strategy that is closely aligned with Company goals and has defined global objectives. We aim to protect the novel and proprietary aspects of MSM's talent-discovery platform, specifically as it relates to the machine learning techniques used to enable talent discovery and brand promotion."

¹International Federation of the Phonographic Industry; Investing in Music: The Value of Record Companies: <http://www.ifpi.org/news/IFPIs-Investing-in-Music-report-2016>

²Media Kix: Instagram Influencer Marketing Is A \$1 Billion Dollar Industry: <http://mediakix.com/2017/03/instagram-influencer-marketing-industry-size-how-big/#gs.Ez85aGI>

FOR FURTHER INFORMATION CONTACT:

Media queries: press@msmci.com

Investor queries: Jane Morgan
Jane Morgan Management
P: + 61 (0) 405 555 618
E: jm@janemorganmanagement.com.au



ABOUT MSMCI

MSM Corporation International Limited (“MSMCI”) is an online entertainment company that specialises in building and launching new digital entertainment products to audiences in the US, Great Britain, Australia, Canada, New Zealand and South Africa. MSMCI partners with local operators in non-English speaking markets to maximise the reach of its products and services globally.

MSMCI's flagship product is Megastar, a global, mobile-first talent competition, featuring performers of any category, who competed to win one Million US Dollars, a role in a film and various other prizes. Winners are chosen by fans voting in the competition through the Megastar App.

The first Megastar competition launched in MSMCI's six core markets with the App available for download from the Apple and Google Stores. Additional Megastar competitions will subsequently launch in non-English speaking markets via partnering and licensing agreements.

Megastar was founded by Adam Wellisch and Dion Sullivan in February 2014 and listed on the Australian Securities Exchange becoming MSMCI (ASX:MSM) in January 2016. The Company is currently headquartered in Sydney, Australia and Oakland, California, USA.

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