



## CLARIFICATION - MSM EXECUTES BINDING HOA WITH RIVA GROUP TO LAUNCH MEGASTAR INDIA

In response to queries by several shareholders, MSM Corporation International Limited ("MSM" or the "Company") wishes to provide clarification of its announcement of 4 June 2018, "MSM Executes Binding HOA with Riva Group to Launch Megastar India".

MSM's Strategy of partnering with leading entertainment operators in international markets is intended to accelerate growth and monetisation of the Company's Intellectual Property whilst minimizing further capital expenditure.

Under the Heads of Agreement with The Riva Group ("Riva"):

- + **MSM will receive 5% of Revenue from the Joint Venture, with a minimum annual guaranteed payment of US\$500,000**
- + **The first payment is due by 30 June 2019 and subsequent payments due annually thereafter**
  - To clarify, regardless of revenue produced by the Joint Venture, MSM will receive a minimum of US\$500,000 per annum
  - The minimum guarantee is intended to drive the rapid mobilisation and monetisation of Megastar in India by our Joint Venture partners
- + **In addition, MSM will have a 15% shareholding in the Joint Venture which entitles MSM to 15% of profit distributions paid by the Megastar India Joint Venture to its shareholders**
  - MSM's 15% shareholding is non-dilutable in perpetuity
  - MSM's 15% shareholding is in addition to the 5% of Revenue (with a US\$500,000 minimum guarantee)
- + **The Joint Venture will pay all of the costs of any building, testing and deployment of changes to MSMCI's video competition platform as specified by the Joint Venture for Megastar India**

The effect of the HOA terms provide MSM with exposure to more than 20% of the profit of the Megastar India Joint Venture in perpetuity regardless of the amount of equity that is issued for cash or services in kind to any other partners in the Joint Venture without any further capital contribution by MSM. In addition, the non-dilutable 15% applies to all Megastar India associated ventures for branded and or related activities.

### About The Riva Group

Founded in 2002, with Headquarters in Dubai and offices across the world from the USA to East Asia; The Riva Group have successfully been delivering the vision of tomorrow for over 15 years. The Riva Group of companies hold an industry advantage in their ability to take every project from concept to execution all housed under one roof. The complementary divisions cover: creative design and development of theme parks, brand and Intellectual Property licensing, 3D animation and visual effects for films, games and TV content.



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## FOR FURTHER INFORMATION CONTACT:

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## 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.

Visit [www.msmci.com](http://www.msmci.com) to learn more or to [sign up for the investor newsletter](#)

