

MSM ALIGNS ESPORTS STRATEGY AS PLATFORM HOA FUNDS RECEIVED

- Partnership with The Riva Group continues to strengthen with second milestone payment for Megastar Version 2.0
- HoA modified to reflect evolving platform branding, mobile gamification and Esports strategy
- MSMCI expects further funding to flow via the RTE waterfall loan agreement now the COVID-19 and operational challenges have been overcome

MSM Corporation International Limited (ASX: MSM) (MSMCI or the Company) is pleased to advise that it has received the second of five milestone payments of US\$100k from The Riva Group to fund the continued development of Megastar Version 2.0 with a more gamified and interactive experience skill based competition with Esports and mobile gaming.

The lockdowns associated with the COVID-19 pandemic created some delays in relation to the Megastar Version 2.0 development. However with the introduction of Galaxy Racer Esports as the manager of the Esports content (as announced 26 June 2020) and the second milestone payment, the development pathway for the platform is now clearer.

As part of the significant global opportunities presented with a rapidly evolving Esports industry, The Riva Group and MSMCI have modified the milestones attributed to the Heads of Agreement (announced on 15 July 2019)(Refer Appendix A).

Both parties continue to be committed to clear strategic priorities to maximise user engagement and monetisation opportunities to optimise the user experience. By doing so, enabling an increase in the global reach of Megastar Version 2.0 by utilising The Riva Group's already established portfolio of industry contacts, IP and infrastructure.

In addition to the above, MSMCI is scheduled to receive US\$100k from The Riva Group's subsidiary, Riva Technology and Entertainment Limited (RTE), as the first instalment of the US\$1.5M waterfall loan note with regular quarterly repayments to follow. The Company will apply these funds for general working capital and expects to provide an update once received.

As noted in the ASX announcement of 26 June 2020, it is anticipated that MSMCI's working capital requirements going forward will be met by these waterfall loan note repayments as gamification revenue is generated by Firefly Games and distributed via RTE to MSMCI who has a priority right, along with other loan note holders, to be paid all profits or distributions received by RTE in repayment of the notes. MSMCI may also benefit from any ongoing distributions post loan repayment as an RTE shareholder.



MSMCI Chairman, Antoine Massad commented

"We are very pleased to have reaffirmed the strategic partnership with The Riva Group. Along with Firefly Games and Galaxy Racer Esports we are aligned in our belief that we are well-placed to benefit from the opportunities evolving in the digital entertainment sector, in particular the rapidly evolving Esports industry."

"Whilst the lockdowns associated with COVID-19 pandemic have created some development delays, this second milestone payment puts us back on track."

"Our approach in these changing times as a result of COVID-19 is to remain disciplined and to collaborate with The Riva Group and others to maximise shareholder value."

Chairman of The Riva Group and CEO & Founder of Galaxy Racer Esports, Paul Roy commented

"The strengthening of the HoA partnership was logical given the developments and alignment that have occurred since its inception. We see significant potential in evolving MSMCI's robust competition platform to be utilised as an Esports tournament platform."

"We are also excited to have recently acquired our first Esports athlete from an organization originating in Perth, Australia. In addition, we have a team competing in the PUBG Mobile World League, as well as teams in DreamHack and La Ligue Feminine."

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Appendix A

The revised remaining milestone payments are as follows:

- (i) US\$100,000 by 10 July 2020 to complete research findings and gamification and implementation strategy documentation; and commence brand refresh documentation for Megastar Version 2.0;
- (ii) US\$100,000 upon MSMCI completing the first phase competition and gamification functionality of Megastar Version 2.0;
- (iii) US\$100,000 upon MSMCI completing the alpha or minimum viable product (MVP) version of Megastar Version 2.0 to allow for competition and gamification functionality for Esports, mobile gaming or a licensed other use; and
- (iv) US\$100,000 upon MSMCI completing a live Esports tournament-formatted Megastar Version 2.0, with competition and gamification functionality for Esports, mobile gaming or a licensed other use.

Upon MSMCI completing the delivery of Megastar Version 2.0, JV NEWCO shall pay MSMCI an annual royalty equal to 5% of gross revenue with a minimum annual guarantee of US\$500,000 regardless of actual revenue generated. The first payment shall be due on 30 June 2021 with subsequent payments due annually thereafter.



ABOUT MSMCI

MSM Corporation International Limited ("MSMCI") is an online entertainment company that specialises in building and launching new digital entertainment products. MSMCI partners with local operators in non-English speaking markets to maximise the reach of its products and services globally.

MSMCI's first product to delivery was 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 core markets with the App available for download from the Apple and Google Stores. MSMCI will now capitalise on this platform by optimising the Megastar Version 2.0 through the strategic partnership with The Riva Group's already established portfolio of industry specialists in Esports, gaming, user acquisition, IP delivery and infrastructure.



ABOUT RIVA

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.

The Riva Group recently played an instrumental role in the concept, design and development of major theme parks in the middle east, based on world class IP licences. The concepts for one of the parks was inspired by The Riva Group's Chairman; Mr Paul Roy and his Mumbai based celebrity partners who specialise in directing, screenwriting and production for Bollywood and have won numerous awards and international accolades over the last 15 years.

The Riva Group have vast experience specialising in licensing agreements where they have successfully negotiated and arranged for licences for world class entertainment Intellectual Property with; Dreamworks Animation, Marvel, Sony Pictures, Electronic Arts, Lionsgate, Square Enix, Microsoft Studios, Cartoon Network, Capcom and Konami. The Riva Group in partnership with Los Angeles-based Firefly Games have developed the cutting-edge Dreamworks: Universe of Legends Mobile Game where Shrek meets Kung-Fu Panda in a Dreamworks Hero mashup.

ABOUT GALAXY RACER ESPORTS

Galaxy Racer Esports is one of the fastest growing Esports organizations in the world. Boasting an impressive roster of 7 teams already in CS:GO, League of Legends, Dota2 and PUBG Mobile, Galaxy Racer Esports is the youngest Esports organization to have ever been given a headline feature on CNN. CNN feature - <https://edition.cnn.com/2020/03/21/sport/girl-gamers-uae-spc/index.html>. Follow Galaxy Racer Esports on Twitter - <https://twitter.com/galaxyracerdx>

ABOUT FIREFLY GAMES

Firefly Games, founded in 2015, is a mobile game publisher and developer for the global iOS and Android markets. Firefly's team has worked on titles such as Kung Fu Panda, How to Train Your Dragon, Shrek, Madagascar, and more. The *Terminator: Dark Fate* movie trailer is at <https://www.youtube.com/watch?v=oxy8udgWRmo>. The links to *Terminator: Dark Fate* in the Apple and Google Stores are <https://apps.apple.com/ae/app/terminator-dark-fate/id1481147640> and <https://play.google.com/store/apps/details?id=com.fireflygames.tdf>

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