



ASX Announcement
14 August 2017

MSM SUCCESSFULLY RAISES \$10.5M AHEAD OF GLOBAL LAUNCH

HIGHLIGHTS

- + Firm commitments received for in excess of **\$10.5 million capital raise** at 20c per share
- + Funds to be used for **marketing, production and judges** for the Megastar competition
- + **Strong support** from new and existing institutional and strategic family office investors

MSM Corporation International Limited (ASX: MSM), a leading digital technology and entertainment company, is pleased to announce that it has successfully undertaken a capital raising to raise a total of \$10.5 million (before costs).

The capital raising is comprised of:

- firm commitments for a placement of shares to raise \$8.63M at 20c per share, through the issue of 43,150,000 new ordinary shares;
- convertible loans raising \$1.87M convertible at 20c per share with a 10% coupon of which \$1,370,000 (plus interest) will be immediately converted through the issue of 7,210,000 new fully paid ordinary shares and \$0.5M (plus interest) will be repaid.

The share issues are in accordance with the Company's available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

The funds raised (after costs) are intended to be used for:

- \$1.895M allocated towards marketing and production plans for the first Megastar competition, including music licencing rights and optimising the platform infrastructure;
- \$5.7M allocated towards talent acquisition costs for payments to celebrity judges and mentors for the competition, including additional judges and mentors to be engaged following the recent appointment of an A-list celebrity who will be the competition's Chief Creative Director and headline Judge. Payments due to celebrity judges and mentors are proposed to be made in staged payments partially linked with key milestones in the development of the Megastar competition; and
- general working capital.

The Company received strong support from new and existing institutional investors, as well as strategic family office investors.

Acting as joint lead managers, the capital raise was led by CPS Capital Group Pty Ltd and Cadmon Advisory Pty Ltd.



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MSM Managing Director, Dion Sullivan commented;

“We are delighted with the exceptional and continued support we’ve received from institutional investors, as well as strategic family office investors for this capital raise which has given the Company a \$10 million boost. MSM has delivered an incredible platform and the Megastar competition is really building momentum now. With the funds raised, we will be able to continue this momentum and further build the success of the global competition.”

MSM Executive Director Asia-Pacific, Sophie McGill commented;

“MSM is well funded to ensure the commercial success of the Megastar competition following this \$10 million fund raise. Already we’re seeing excellent engagement from Fans and Performers in the competition and are looking forward to the coming launches in Australia and the US.”

Performance Rights

To align the celebrity judges, mentors and other parties engaged and to be engaged as part of the Megastar competition, the Company has resolved to authorise a pool of up to 12,500,000 performance rights. To the extent permitted, these performance rights are intended to be issued pursuant to MSM’s stock incentive plan, approved by shareholders on 29 November 2016. The performance rights will be issued subject to vesting conditions tied with the satisfaction of certain agreed market capitalisation thresholds.

FOR FURTHER INFORMATION, CONTACT:

Media queries:

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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, competing 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 launches 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 to learn more or to sign up for the investor newsletter.

