

MSM EXECUTES BINDING HOA WITH RIVA GROUP TO LAUNCH MEGASTAR INDIA

- + MSM and the Riva Group have executed a binding HoA for the launch of Megastar India via a licensing model similar to those being used by other media and talent competitions, such as the Voice, X-Factor and Got Talent
- + MSM will retain a 15% non-dilutionary shareholding in the venture and is entitled to an annual royalty equal to 5% of gross revenue with a minimum annual guarantee of US\$500,000 commencing June 2019
- + The launch into India will massively accelerate the growth of Megastar's user base. The Indian market has 1.3B+ people with 400M+ smartphone/tablet users¹
- + Riva has first right of refusal to be the market entry founder for the major markets of China and the Philippines
- + Riva has confirmed its commitment to MSMCI via a priority shortfall allocation of 37 million new fully paid ordinary shares at A\$0.043 per share to raise \$1,591,000 in the Entitlement Offer announced 17 April 2018

Digital technology and entertainment company, MSM Corporation International Limited ("MSM" or the "Company") is pleased to announce that it has completed a binding Heads of Agreement with The Riva Group ("Riva") which commits both parties to work together to launch Megastar as the premier digital talent discovery platform in **India**. The Indian market has 1.3B+ people with 400M+ smartphone or tablet users and is expected to massively accelerate the growth of Megastar's user base¹.

The Agreement is a major milestone in further expanding the global footprint of Megastar across non-English speaking territories and draws on the highly popular culture and following of Bollywood globally. The agreement structure leverages terms that are commonly used by other successful entertainment companies and intellectual properties when entering in to new territories. The Company has undertaken expansive research of various territories and globally popular genres over the last 12 months in deciding on Bollywood as the most culturally diverse and exciting opportunity to enter in the next phase of Megastar's growth strategy.

MSM and Riva intend to incorporate a new joint venture entity ("Joint Venture"), which will enter into a license agreement with MSM for the Megastar platform and Brand. The Joint Venture will use the Megastar platform and brand to operate Megastar talent competitions in India. Riva also has the first right of refusal to be, or nominate, the market entry founder for **China** and the **Philippines** on the condition that Riva offers the same or better terms than any other potential market entry founder in those territories.

Under the agreement, Riva has committed to:

- **Develop a strategy and market entry plan to execute the launch of Megastar India by 30 August 2018**



- Identify and secure agreement with high-profile individuals and organisations in the media, entertainment, telecommunications, and technology sectors in India by 31 December 2018
- Incorporate the Joint venture and raise a minimum of US\$2.5M in initial working capital no later than 31 December 2018

MSM shall assist with the strategy of the Joint Venture, provide access to its unique technology, and then build, test and deploy changes to the video competition platform as specified by the Joint Venture and mutually agreed by MSM. MSM will also provide rights and licenses to use existing video content, Megastar brand and media assets for marketing within India.

The Joint Venture will be a new commercial operating entity incorporated in India and initially owned 85% by Riva. MSM's shareholding will be 15% non-dilutionary in perpetuity and applies to all associated branded ventures and related activities in India. The Joint Venture shall pay MSM an annual royalty equal to 5% of gross revenue with a minimum annual guarantee of US\$500,000 - the first payment due by 30 June 2019 and subsequent payments due annually thereafter.

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 licenses. 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 licenses for world class entertainment Intellectual Property with; Dreamworks Animation, Marvel, Sony Pictures, Electronic Arts, Lionsgate, Square Enix, Microsoft Studios, Cartoon Network, Capcom and Konami. In October 2017, The Riva Group in partnership with Los Angeles-based Firefly Games developed and launched the cutting-edge Dreamworks Universe of Legends Mobile Game where Shrek meets Kung-Fu Panda in a Dreamworks Hero mashup.

MSM Managing Director, Dion Sullivan commented:

"This is a very exciting milestone for the growth of Megastar. This Heads of Agreement with Riva establishes a clear path to monetization of MSM's intellectual property by partnering with leading entertainment operators in international markets. This agreement establishes a framework to accelerate user growth with targeted offerings in international markets leveraging the knowledge, relationships, funding, talent and audiences of existing leaders in global entertainment markets. Using local partners to operate Megastar in specific geographic markets will allow MSM to accelerate penetration in international markets and capture global audiences much more rapidly."





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Chairman of The Riva Group, Paul Roy commented:

"We are very excited to partner with MSM to drive the expansion of Megastar in international markets leveraging the combined strengths of our businesses. This agreement, along with our strategic investment in MSM creates a solid foundation for our companies to work closely together to accelerate user growth and drive monetisation of MSM's intellectual property assets."

¹Indian Market Statistics – Statista - 2018 India SmartPhone Report/2018 India Tablet Report.

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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 to learn more or to [sign up for the investor newsletter](#)

