

QUARTERLY ACTIVITIES AND CASH FLOW REPORT

Period ended 31 March 2019

HIGHLIGHTS

- Progressing licensing strategy for use across the global mobile competition framework including Esports and gaming
- Successful soft launch of *Dreamworks Universe of Legends* into selected countries
- Potential collaboration and partnering opportunities for Megastar India and WWT2
- Continued cost reduction strategy



Digital technology and entertainment company, MSM Corporation International Limited ("MSM" or the "Company") is pleased to release its Quarterly Activities Report and Appendix 4C for the three-month period ended 31 March 2019.

Market Update

Further to the announcement on 1 April 2019, the Company is pleased to advise it is on track to finalise licensing arrangements of the Company's extensively built Megastar online competition platform for use across other sectors and genres of the global mobile competition framework, initially focused around current partners and affiliates of the Riva Group's Esports talent identification, by 30 June 2019.

Mobile Games – Dreamworks Universe of Legends

The proposed global launch of *Dreamworks: Universe of Legends*, which is expected to be the first of numerous games that will launch through the collaboration of Firefly Games and Riva Technology and Entertainment Limited (RTE) (an associated company of the Riva Group) utilising intellectual property developed by the Riva Group and gaming delivery and implementation by Firefly Games, is also understood to be imminent.

Megastar India

The Riva Group is continuing to progress negotiations with several potential collaboration and partnering opportunities to deliver a premier digital multi-genre talent discovery and Esports platform in India, focusing initially on a creating a cricket specific competition headed by well-known cricketing figures.

Corporate

As announced on 26 November 2018, the Company agreed to subscribe for shares and secured, first ranking, interest free loan notes in RTE for US\$1.5M over two instalments (of which the final instalment of US\$0.5M was transferred during the quarter).

The balance of the \$1.44M convertible note funding Lead Managed by Emerald Capital Australia Pty Limited of approximately \$0.55M is expected to be completed shortly.

Cost reduction and path to relisting

During the quarter the Company has been focussed on resolving outstanding compliance matters, ongoing cost reductions and continuing to develop the relationship with RTE to foster and provide a framework around the potential license of the Megastar platform for mobile gaming and Esports and create a path to relisting.

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.

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





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. 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. (Google Play pre-registration page - <https://play.google.com/store/apps/details?id=com.firefly.dreamworks.dwuol&hl=en>)

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

MSM CORPORATION INTERNATIONAL LIMITED

ABN

51 005 529 160

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows

	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(16)	(555)
(c) advertising and marketing		(89)
(d) leased assets	-	-
(e) staff costs	(55)	(686)
(f) administration and corporate costs	(282)	(904)
1.3 Dividends received (see note 3)	-	-
1.4 Interest and other items of a similar nature received	-	1
1.5 Interest and other costs of finance paid	(1)	(44)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(354)	(2,277)

	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (RTE Loan)	(701)	(2,083)
2.6 Net cash from / (used in) investing activities	(701)	(2,083)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	3,537
3.2 Proceeds from issue of convertible notes	20	890
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(144)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(119)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	20	4,164
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,143	304
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(354)	(2,277)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(701)	(2,083)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	20	4,164
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	108	108

+ See chapter 19 for defined terms.

	Current quarter \$A'000	Previous quarter \$A'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	108	1,143
5.2 Call deposits	-	
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	108	1,143

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	53
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors fees.	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	20
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	-
9.6	Administration and corporate costs	70
9.7	Other (refer note below)	-
9.8	Total estimated cash outflows¹	90

Note¹: As per the ASX announcement dated 26 November 2018, Emerald Capital have committed on a best endeavours basis to raise \$1.440M of which \$0.89M has been received to date and the balance is expected to be received in the current quarter.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Mark Clements
Company Secretary
30 April 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.