

QUARTERLY ACTIVITIES REPORT

Period ended 30 June 2020

HIGHLIGHTS

- Riva Technology and Entertainment Limited (RTE) has entered into an agreement with Galaxy Racer Esports to manage all Esports content for the Megastar Version 2.0 platform
- Firefly Games Terminator: Dark Fate downloads approaching 500k
- 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
- Continued cost reduction strategy

MSM Corporation International Limited ("MSM" or the "Company") is pleased to release its Quarterly Activities Report for the three month period ended 30 June 2020.

Megastar Version 2.0

The Megastar Version 2.0 platform is planned to deliver a more gamified and interactive experience skill based competition with Esports and mobile gaming under the license agreement executed with The Riva Group's subsidiary, Riva Technology and Entertainment Limited (RTE) (refer ASX announcement dated 15 July 2019).

During the Quarter, the lockdowns associated with the COVID-19 pandemic created some delays in relation to the Megastar Version 2.0 development. However RTE entered into an agreement with Galaxy Racer Esports to manage all of their Esports platforms and tournaments which results in a clearer development pathway for the Megastar platform.

During the period, The Riva Group and MSMCI modified the milestones attributed to the Heads of Agreement (announced on 15 July 2019) to reflect the significant global opportunities presented with a rapidly evolving Esports industry,

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.



The Esports industry has experienced a significant boost in user engagement as a result of COVID-19, accelerating what is already a growth industry. Covered under the agreement between RTE and Galaxy Racer Esports is the management of the Megastar Version 2.0 platform licenced to RTE which will deliver Esports content (refer ASX announcement dated 15 July 2019).

Galaxy Racer Esports is an Esports organization founded by CEO, Mr Paul Roy and is the organizer of GIRLGAMER Esports Festival established in 2017. Galaxy Racer Esports has a roster of 7 teams in CS:GO, League of Legends, Dota2 and PubG Mobile.

Firefly Games *Terminator: Dark Fate* & COVID-19 Update

As announced on 11 November 2019, Firefly Games Inc. a strategic partner forged through MSMCI's investment in The Riva Group, successfully completed its global launch of the multiplayer online strategy game, *Terminator: Dark Fate*.

During the Quarter, the lockdowns associated with COVID-19 pandemic created some operational challenges in relation to the creation of new content due to the location of the game production team in China and the production supervision team in the US. However these obstacles have been resolved with both locations now operational and new content updates expected in the current quarter.

During the Quarter there was an unanticipated boom in the gaming industry as COVID-19 has pushed more users online. This resulted in increased monthly download and revenue figures for the *Terminator: Dark Fate* game with total downloads approaching half a million with very little marketing spend.

As announced on 26 November 2018, the Company has an equity position and secured, first ranking, interest free loan notes in RTE. RTE is a 70% shareholder in J&D Holdings Limited (J&D), which is the sole legal and beneficial owner of Firefly Games. The Company (along with other subscribers of the loan notes) have a priority right to be paid all profits or distributions received by RTE from J&D in repayment of the notes with MSMCI also benefiting from any ongoing distributions post loan repayment as an RTE shareholder.

Intellectual Property

During the Quarter the Company continued to advance its intellectual property assets to maximise the benefit of the Megastar platform concepts in the global digital technology and entertainment industry.

Corporate

During the Quarter the Company was focussed on ongoing cost reductions and maintaining the support of all stakeholders including strengthening the strategic partnership with The Riva Group, Galaxy Racer Esports and Firefly Games to maximise shareholder value.

As such, project expenditure has been managed in conjunction with the Company's available working capital and Director and company secretarial fees have been deferred since January 2020.

Subsequent to period end, the Company announced it had 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.

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.

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. 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/galaxyracerdxb>

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>



FORWARD-LOOKING STATEMENTS

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