

Appendix 4C

Monthly report for entities subject to Listing Rule 4.7B

Name of entity		
MSM CORPORATION INTERNATIONAL LIMITED		
ABN	Month ended ("current month")	
51 005 529 160	30 September 2020	

Consolidated statement of cash flows		Current month	Year to date (3 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	(2)	(8)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	-
	(f) administration and corporate costs	(34)	(56)
1.3	Dividends received (see note 3)	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) ¹	-	144
1.9	Net cash from / (used in) operating activities	(37)	79

Note ¹ The Company received the second instalment of the Megastar HoA with RTE (US\$100k) (as announced on 13 July 2020).

2. Cash flows from investing activities			
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant & equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current month \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) ²	67	67
3.10	Net cash from / (used in) financing activities	67	67

Note² The Company received US\$48,000 as part payment of the US\$100,000 loan repayment. The loan repayment represents the first loan repayment for the US\$1.5million loan with Riva Technology and Entertainment (as announced on 6 October 2020).

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of month/year to date	133	26
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(37)	79
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	67	67
4.5	Effect of movement in exchange rates on cash held	4	(5)
4.6	Cash and cash equivalents at end of month	167	167

5.	Reconciliation of cash and cash equivalents at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1	Bank balances	190	146
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Credit card)	(23)	(13)
5.5	Cash and cash equivalents at end of month (should equal item 4.6 above)	167	133

6.	Payments to related parties of the entity and their associates	Current month \$A'000
6.1	Aggregate amount of payments to these parties included in item 1	-
6.2	Aggregate amount of cash flow from loans to these parties included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.		

7.	Financing facilities available	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(37)
8.2	Cash and cash equivalents at month end (Item 4.6)	167
8.3	Unused finance facilities available at month end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	167
8.5	Estimated months of funding available (Item 8.4 divided by Item 8.1)¹	5
8.6	If Item 8.5 is less than 2 months, please provide answers to the following questions: ¹The Company has provided further commentary below. Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5. 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Yes 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? As per the ASX announcement of 26 November 2018, Riva Group subsidiary, Riva Technology and Entertainment Limited (RTE) was due to repay the Company USD\$1.5M by 31 December 2019 in accordance with the terms and conditions of the loan note. Further, as per the ASX announcement of 15 July 2019, RTE was due to pay the Company the first instalment of the Esports and Gaming licence fee of US\$125k (of a US\$2M commitment over 4 years) by 31 December 2019. In July 2020, the Riva Group transferred the second instalment of the Megastar HoA (US\$100k) to complete research findings and gamification and implementation strategy documentation and commence brand refresh documentation for Megastar Version 2.0. In September 2020, US\$48k of the US\$100k first repayment against the RTE US\$1.5M loan note was received with regular repayments to follow. The Riva Group has confirmed its commitment to make these payments. The inflow of funds from the Riva Group is likely to meet the current level of net operating cash flows. 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? The Company expects it will have negative net operating cash flows until and unless the RTE USD\$1.5M loan note is repaid and the US\$125k instalments of the RTE Esports and Gaming licence fee commitment of US\$2M over 4 years are met. The Company is not aware of any reason why it will not receive full repayment of the RTE US\$1.5M loan note or the US\$2M Esports and Gaming licence fee commitment over a 4 year period. The Company has been highly focused upon ongoing cost reductions and is expected to manage these costs with consideration to its working capital position.	

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.

Authorised by the MSMCI Board.

Mark Clements
Company Secretary
30 October 2020

Notes

1. This monthly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this monthly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.