

QUARTERLY ACTIVITIES REPORT

Period ended 30 September 2021

HIGHLIGHTS

- During the Quarter, MSM continued to progress the documentary requirements in relation to the proposed merger with strategic partner, Riva Technology and Entertainment Limited ("RTE") to create a global digital media entertainment, Esports and gaming business
- RTE's associated Esports Company, Galaxy Racer (GXR), continued to strengthen its commercial portfolio and grow its executive team with a number of key personnel hires
- Subsequent to the Quarter, MSM announced the application to be removed from the Official List of ASX as the Company believes there is significant uncertainty whether the RTE merged entity's structure and operations will satisfy ASX's suitability requirements for a listing on the ASX as part of any re-compliance with Chapter 1 and 2 of the ASX Listing Rules

MSM Corporation International Limited ("MSM" or the "Company") is pleased to release its Quarterly Activities Report for the three month period ended 30 September 2021.

RTE Merger

During the Quarter, the Company continued to progress the documentary requirements in relation to the proposed merger with strategic partner, Riva Technology and Entertainment Limited ("RTE") to create a global digital media entertainment, Esports and gaming business.

Since establishing a strategic partnership with The Riva Group in 2017, MSM has developed a multi-faceted relationship with RTE, including an existing 10% equity interest in RTE as well as secured, first ranking interest free loan notes in RTE totalling US\$0.95M following the loan repayment received subsequent to the Quarter.

The merger of RTE and the Company is expected allow the Company to reduce the costs, time and barriers to entry for the commercialisation of the Megastar Version 2 platform in the mobile gaming and Esports space given RTE's significant expertise and growing presence in the entertainment, media and technology sectors.

During the Quarter, RTE's associated Esports company, Galaxy Racer (GXR) continued to strengthen its commercial portfolio. Alongside eLaLiga (refer ASX announcement 30 April 2021) and regional gaming technology distributor, Techxhub, GXR has secured a global partnership deal with Waverider, an IP content creation and management company centered around pop culture and entertainment. GXR and Waverider launched the inaugural POPC Live!, the Middle East's biggest Esports, comics and YouTubers' pop culture festival which will feature five days of unique experiences and activities in March 2022 in Dubai.



GXR has also grown its executive team with a number of key personnel hires including Mr Allan Phang as Chief Marketing Officer, who was formerly Regional Head of Marketing and PR at Southeast Asian esports organisation EVOS Esports and Mr Danny Lopez as Chief Content Officer. Mr Lopez was recently nominated as a finalist for 'Esports Creative Of The Year' by the Esports Awards. Ms Zoey Ng has also joined GXR as its Regional Marketing Manager for Southeast Asia and Mr Romeo Misao as its new head of marketing for India and South Asia.

GXR also signed one of the most popular content creators in the Arab speaking world, Ms Noor Stars, as its new content creator. Ms Stars was the first person in the region to reach 10 million subscribers on a social platform and one of the most popular content creators in the Arab speaking world.

To further increase its footprint in South Asia, GXR has also recently announced a partnership with celebrity and entrepreneur Fakhr-e-Alam and a partnership with Pakistan's Special Technology Zones Authority, a new government initiative that encourages foreign technology companies to invest in Pakistan. GXR, the first Esports company to invest in the initiative, will host an Esports tournament in Pakistan, seen as an emerging mobile gaming market, in December 2021.

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, in particular for utilisation of the Megastar online platform for mobile gaming and Esports, including the Recast application.

Corporate

During the Quarter, Project expenditure continued to be managed in conjunction with the Company's available working capital. In accordance with ASX Listing Rule 5.3.5 the Company advises that no payments were made to related parties or their associates in September 2021. As per the Notice of Annual General Meeting announced 19 October 2021, \$82k of unpaid directors and company secretarial fees are intended to be settled by fully paid ordinary shares in lieu of cash at \$0.059 per share, subject to shareholder approval.

Subsequent to the Quarter, MSM announced the application to be removed from the Official List of ASX as the Company believes there is significant uncertainty whether the RTE merged entity's structure and operations will satisfy ASX's suitability requirements for a listing on the ASX as part of any re-compliance with Chapter 1 and 2 of the ASX Listing Rules. The shareholder meeting to seek approval for the delisting is scheduled for 1.30pm WST on 22 November 2021.

The indicative timetable for the proposed delisting (subject to shareholder approval of the special resolution) is set out below.

Event	Date
Announcement of Proposal to delist	12 October 2021
Shareholder Meeting to approve delisting	22 November 2021
Delisting date (prior to commencement of trading)	23 November 2021

The dates above are indicative only and subject to change by the Company or ASX. The Company will inform security holders of any changes to the indicative timetable referred to above by announcement made via the ASX market announcements platform.

Further, the Company received the fifth loan repayment of US\$100k from RTE of the US\$1.5M waterfall loan note with regular repayments to follow. The Company has applied these funds for general working capital.



This announcement is authorised by the MSMCI Board.

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 2.0 version through the strategic partnership with The Riva Group's already established portfolio of industry specialists in Esports, gaming, user acquisition, IP delivery and infrastructure.

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 Riva Technology and Entertainment Limited in conjunction with Esports organization, Galaxy Racer.

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 licencing, 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 licencing 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.



Spread across a diverse international roster of teams and content creators, boasting professionals from multiple countries, The Riva Group's associated Esports company, GXR strives to be the central hub for all manner of gamers. Since its introduction to the competitive gaming scene in 2019, the team has already established top global ranking status across in the biggest games of the scene, including CS:GO, League of Legends, Dota 2, and PUBG Mobile, Rocket League, Freefire, Valorant and Fortnite. The Australian Esports tournament hosted in April 2021 was streamed on GXR's Twitch channel - <https://twitch.tv/galaxyracerdxb>

FORWARD-LOOKING STATEMENTS

This announcement has been prepared by the Company. This document contains background information about the Company and its associated entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, the Company does not undertake any obligation to update or revise any information.



Appendix 4C

Monthly report for entities subject to Listing Rule 4.7B

Name of entity

MSM CORPORATION INTERNATIONAL LIMITED

ABN

51 005 529 160

**Month ended
("current month")**

30 September 2021

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)	(14)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	-	(26)
	(f) administration and corporate costs	(14)	(162)
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	-	-
1.6	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	(16)	(202)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

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	72	253
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(16)	(202)
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)	-	-
4.5	Effect of movement in exchange rates on cash held	1	6
4.6	Cash and cash equivalents at end of month	57	57

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	82	97
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Credit card)	(25)	(25)
5.5	Cash and cash equivalents at end of month (should equal item 4.6 above)	57	72

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	-

7.	Financing facilities available <i>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.</i>	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
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)	(16)
8.2	Cash and cash equivalents at month end (Item 4.6)	57
8.3	Unused finance facilities available at month end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	57
8.5	Estimated months of funding available (Item 8.4 divided by Item 8.1)¹	4
8.6	<p>If Item 8.5 is less than 2 months, please provide answers to the following questions:</p> <p>¹The Company has provided further commentary below. <i>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.</i></p> <p>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?</p> <p>Yes</p> <p>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?</p> <p>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/October 2020, the US\$100k first repayment against the RTE US\$1.5M loan note was received and in December 2020 the US\$100k second repayment was received, in March 2021 a third payment of US\$100k was received, in May 2021 a fourth payment of US\$150k was received and subsequent to quarter end a fifth payment of US\$100k 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.</p> <p>3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p> <p>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.</p>	

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
29 October 2021

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.