

27 March 2019

Emerge Completes Placement to underpin ArcadeX Launch

Highlights:

- **Emerge Gaming** has successfully completed a **placement to raise \$1.8 million**
- Placement strongly supported by institutional, sophisticated and strategic investors in the online gaming industry
- EmERGE fully funded for multiple initiatives specifically:
 - Accelerated roll out of the **GameCloud** game streaming technology;
 - Roll out of the ArcadeX VAS model across Africa; and
 - The launch of **ArcadeX** across Australia and other tier 1 markets

Emerge Gaming Limited (ASX: EM1) ("Emerge Gaming" or the "Company") is pleased to announce that firm acceptances have been received for a share placement to raise \$1.8 million before costs (Placement).

The Placement

The Placement of 60,000,000 shares will be issued at a price of 3.0 cents which represents a 11.9% discount to the volume weighted average price over the last five days of trade prior to the Company's trading halt on 26 March 2019. Investors who subscribed under the Placement will also receive one (1) free attaching EM1O listed option for every two (2) Placement shares issued. The EM1O options are exercisable at \$0.02 on or before 18 April 2021.

Placement shares issued under the Placement will rank equally with existing fully paid ordinary shares and will be issued within EmERGE Gaming's existing placement capacity under ASX Listing Rule 7.1 and 7.1A. Accordingly, no shareholder approval is required for the Placement.

Funds raised from the Placement will underpin the successful rollout of EmERGE Gaming's key offerings i.e. ArcadeX and GameCloud.

ArcadeX and GameCloud Initiatives

ArcadeX

The Company is currently preparing for the launch of its revolutionary Media Gaming Platform **ArcadeX** in Australia and other tier 1 countries. This follows extensive research and planning including:

- partnering with leading multinational brand agency Meerkats to provide first-class Australian brand access and support in developing trade marketing collateral;
- appointment of Simon Ingleson, an experienced marketing executive, as Strategic Marketing Consultant;
- A national roadshow presenting to major multinational brands, media buying agencies, creative agencies, Internet Service Providers and Telecommunications companies.

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In tandem with these efforts, the Company executed an agreement with leading mobile games and entertainment group iCandy Interactive Limited (ASX:ICI) (“iCandy”). This agreement gives Emerge Gaming access to both a significant user base and content in the form of iCandy’s 300+ mobile premium casual and social games portfolio (ASX:21 March 2019).

Updated Launch Strategy

With the introduction of additional funds, the Company is now bolstering its launch strategy to be more prominent, widespread, and robust. The launch will incorporate the newly formed partnership with iCandy with extra resources allocated to fast track integration of high-end content and expand the marketing strategy spend across a larger number of regions to capitalise on cross promotion opportunities across iCandy’s 350 million users. Launch focus has been broadened from concentrating primarily on Australia to a simultaneous Australia and Asia launch to capitalise on iCandy’s footprint in Asia. The strategy will also lead and tie into the subsequent roll out of GameCloud streaming technology, laying a strong foundation for the success and mass adoption of that product.

The Company is also nearing completion of a significant rollout into Africa and the Middle East, with unique integrations and setups on the technical side of the business, giving Emerge Gaming access to a number of new regions.

The Company is gaining significant traction with leading brands and the Company expects to launch ArcadeX with a leading brand over the coming weeks. With the implementation of the updated strategy the Company is now focused on increasing the scale and geographical reach of the launch. The timely access to additional funds from the Placement will ensure that the Company can execute its desired objectives. Given these exciting developments, the Board has made decision to launch ArcadeX in the coming weeks to ensure maximum impact for users.

GameCloud

The GameCloud technology has been validated and successfully tested across Singapore, Indonesia and has recently completed testing across all major telecommunications networks in both South Africa and Australia. This exercise has further endorsed and authenticated Emerge Gaming’s position as a first mover in the cloud game streaming space, a sector which has recently been the topic of much global attention and excitement. With GameCloud in its armoury the Company is now well positioned to capture significant market share leading into the product’s launch over the coming months.

The Company is focussed on accelerating its rollout plans for GameCloud to capitalise on its first mover advantage.

CEO, Gregory Stevens noted: *“The interest and support we have received over the last few months has been incredible, and we are riding a wave of interest in the online gaming space. The funds raised will allow the Company to aggressively pursue its goals in particular, the infrastructure rollout of the GameCloud technology and the highly anticipated international launch of the suite of ArcadeX products.”*

Placement Details

The Placement was made to investors qualifying under Section 708 of the Corporations Act and the Company will use its existing issue capacity under Listing Rules 7.1 and 7.1A to complete the issue.

The Company will issue 60,000,000 fully paid ordinary shares and 30,000,000 free attaching listed options. Of these securities 58,759,358 shares will be issued under Listing Rule 7.1A and the remaining securities will be issued under the Company’s 15% placement capacity under Listing Rule 7.1.

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About Emerge Gaming

Emerge Gaming Limited (ASX:EM1) is a leading eSports and Casual gaming tournament company. Emerge Gaming operates the online eSports and casual gaming tournament platform and lifestyle hub "Arcade X". Via this platform, casual, social and hardcore gamers can play hundreds of gaming titles against each other via their mobile, console or PC.

The platform uses its unique IP, advanced analytics tracking and proprietary algorithms to deliver an optimum tournament gaming experience for users while providing advertisers with the perfect vehicle for delivery of their messaging to a fully engaged audience.

More information: www.emergegaming.com.au and view the Arcade X platform at www.ArcadeX.co

About Cloudzen & GameCloud

Singapore-based **Cloudzen** is a leading cloud gaming and mobile entertainment Platform as a Service provider which offers various means of communications channels through digital entertainment via game stores, communities and social networks. It was founded in 2015 by veteran game developer Mr Robin Tan and has revolutionised game streaming through its **GameCloud** technology platform.

GameCloud provides gamers with a one stop portal for instant access to hundreds of AAA rated 3D graphic games and live streaming on mobile devices without having to download the game or any further hardware requirements. GameCloud enables gamers to play at any time from handheld devices and smart TVs, with multiplayer gaming, video streaming and social networking.

Cloudzen offers significant synergies with Emerge Gaming's Arcade X platform, which caters for different segments of the online gaming community. The platform targets 2 billion mobile gamers worldwide and has significant advantages over the PC and console game segment, which also represents a combined 255 million gamers.