

ASX:EM1 | ABN 31 004 766 376

ASX RELEASE

19 December 2019

ArcadeX officially launched in South Africa

Highlights:

- Emerge launches ArcadeX to 3 of the 4 major MNOs in South Africa
- ArcadeX gains potential access to the 88 million subscribers of major MNO's in South Africa
- Emerge begins its 3-month in-country feasibility to prove the annuitized scalable monetisation model
- Tiburon Media Group to Launch Digital Marketing Campaign in South Africa
- ArcadeX in South Africa will generate revenue for the quarter Jan to Mar 2020

Emerge Gaming Limited (ASX: EM1) ("Emerge" or the "Company"), the operator of online eSports and casual gaming tournament platform and lifestyle hub "ArcadeX", is pleased to advise that it has launched ArcadeX in South Africa.

Launch in South Africa

ArcadeX launches in South Africa and is live, with integrations into WorldPlay a direct carrier billing ("DCB") Aggregator and Content Distributor which provides mobile payment integration, subscription management, marketing services and content distribution into multiple Mobile Network Operators ("MNOs") in South Africa that gives ArcadeX potential access to ~88 million mobile subscribers.

Marketing Strategy

Emerge have engaged digital marketing experts Tiburon Media Group ("Tiburon") with the objective of generating paid leads to the ArcadeX site in South Africa. Limited marketing commences in the South African market in the December/January holiday period after which significant investment into the digital marketing campaign starts in January 2020. Tiburon will use their experience and expertise in the South African digital market to generate revenue generating leads at a targeted Cost per Acquisition ("CPA"). Their lead generation software and methodology has been developed in the competitive North American market over more than 15 years with the specific aim of driving high value, POPI compliant, Opt-in leads in real time and at a competitive CPA.

Emerge is engaging with above the line marketing experts and publishers with access to significant media assets to drive exposure of ArcadeX through various channels in support of the digital marketing strategy. Announcements in this regard will be made in due course.

This marketing is designed to deliver a CPA for each revenue paying subscriber.





ASX:EM1 | ABN 31 004 766 376

Competitions and Prizes

Central to the retention of mobile gamers on the platform is the entertainment factor of competitive eSports and mobile eSports. Emerge have designed and planned entertaining content calendars for ArcadeX for the launch period which is a key determinator in generating high APRU.



Tournaments include daily, weekly, weekend and monthly competitions with opportunities for gamers to enjoy mobile gaming whilst winning prizes and money. Grand prizes will encourage mobile gamers to engage for longer periods on the platform.



Above the line marketing experts and publishers engaged by Emerge will leverage the tournament and prize content of ArcadeX, and generate joint content with Emerge to promote momentum and market hype to attact mobile gamers to the platform.

Distribution and Monetisation Mechanics

Emerge's core strategy with regard to the Arcade X product is to leverage mobile subscribers from MNO networks by implementing multi-channel marketing with simple mobile signup user journeys customised by country which should deliver paying subscribers to the ArcadeX platform.

Distribution through WorldPlay's mobile technology platform in South Africa is a quick, efficient, powerful and cost effective medium for reaching potential customers on the mobile network. WorldPlay will direct user traffic to the platform which will benefit ArcadeX.

The ability of the ArcadeX platform to engage, entertain and retain paying subscribers is key to Emerge's commercial success. Whilst Emerge has engaged Tiburon to generate leads, it has outsourced its subscriber lifecycle management to WorldPlay's expert team to provide the most relevant services with the best touchpoints to those leads.

Average Revenue Per User and CPA of users for gaming content specific to that market, to determine whether the market is a potentially feasible market resulting in a positive Return on Investment ("ROI").

About WorldPlay

Founded in 2002, WorldPlay develop, manage and deliver effective wireless data services for consumers and businesses. WorldPlay also offer large-scale wireless billing, bulk SMS communication, mobile content provisions and mobile campaigns making it an end-to-end DCB aggregator and content distribution partner.



ASX:EM1 | ABN 31 004 766 376

WorldPlay offers a sophisticated mobile billing platform with direct links to South Africa's three largest MNOs; **Vodacom, MTN and Cell C**. Their strong relationship with these networks enables Emerge to directly debit consumer mobile account in exchange for Emerge's mobile gaming services.

WorldPlay provides ArcadeX with potential access to the ~88 million subscribers of three major MNO's in South Africa.

The ability of WorldPlay to process large volumes of transactions, offer live reporting and perform subscription recovery management and incremental billing using its state of the art Mobile Subscription Management and Billing platform makes it the ideal commercial partner for the distribution of the ArcadeX platform.

For further information:

Australia

Bert Mondello Chairman

E: <u>bmondello@illustrialcapital.com</u>

P: +61 8 6380 2555

South Africa

Gregory Stevens CEO

E: greg@emergegaming.com.au

P: +27 72 420 4811

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

ASX release authorised by the Board of Directors of Emerge Gaming Limited.