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EMERGE GAMING COMPLETES ARCADE X INTEGRATION AHEAD OF MTN LAUNCH

- Emerge Gaming's eSport platform – "Arcade X", has been fully integrated into MTN Group's network and interface ready for rollout in this quarter
- The Emerge Gaming and MTN South Africa agreement will see joint marketing of the "Arcade X Mobi" interface, the most advanced mobile-optimised platform of its kind, to 31 million South African mobile phone customers
- MTN Group is the largest mobile operator in Africa by sales and the 12th largest company on the Johannesburg Stock Exchange serving 237 million people in 22 countries
- Emerge Gaming will receive immediate monthly revenue from MTN Group through a 40% share of the subscription revenue generated

Emerge Gaming Limited (ASX: EM1) ("Emerge" or the "Company") has finalised the complex integration of its Arcade X eSports platform into Africa's largest mobile network MTN Group ahead of the first dual eSports and casual games online tournament platform rollout ever seen in Africa.

This will allow the rollout in this quarter of the signed content distribution agreement with MTN South Africa (previously announced on 6 February 2018) to jointly market "Arcade X Mobi" to MTN Group's 31 million South African subscribers, inviting gamers to subscribe to eSports and casual game tournaments and win prizes on an advanced eSports platform never experienced before in Africa.

Emerge Gaming will receive immediate monthly revenue from MTN South Africa through 40% of revenue generated as daily subscription fees which are taken off users' monthly and pre-paid subscriptions with MTN South Africa.

More than just a casual games content provider to a telco, Arcade X will provide MTN South Africa with a tournament platform offering superior feature sets, UX and UI (User Experience and User Interface) for gamers. The platform is a conduit for country-specific gamer content with effective re-engagement tools, connecting telcos, corporates and gamers. Arcade X is the first dual, eSports and casual game, online competition platform which allows telcos to drive brand affinity with the eSports millennial gamer market.

MTN Group is the largest mobile operator in Africa by sales and the ninth biggest terrestrial telecommunications company in the world. The 12th largest company on the Johannesburg Stock Exchange (JSE), it has a market capitalisation of ~AUD\$ 25.4 Billion. MTN Group is one of the world-leading mobile operators in 'emerging markets', serving 237 million people in 22 countries.

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The new Arcade X Mobi interface is the most advanced mobile-optimised platform of its kind. Unlike other online game or eSport option available through a telco provider, Arcade X Mobi focuses on tournament services allowing gamers to access more than 300 platform-integrated games and win sponsored prizes on their smart phones and tablets – all without leaving the platform or needing to download games. This provides an enhanced user experience as integrated games appear in full screen view, allowing gamers to engage in a seamless competitive mobile gaming experience.

Emerge Gaming CEO, Greg Stevens said, “We are very excited to reach this complex pre-launch milestone where we have achieved all security, due diligence, network and billing system integration so players experience a seamless interaction. EmERGE Gaming is pleased to be one of the first movers in the eSports industry globally to focus on mobile gaming with complete embedded casual gaming functionality.”

Integrated airtime billing

The addition of integrated airtime billing into the Arcade X platform is consistent with the global trend of the availability, and use, of Alternative Payment Methods (APMs) when compared to traditional bank payment methods. As companies seek other methods of facilitating easy payments for services by their customers, the innovation is driving APMs such as integrated airtime billing.

“Unlike Australia’s telco billing systems where subscribers are generally billed retrospectively, South Africa is like the rest of the world where users generally pay a pre-paid fee and create credit on their account. As a result, telco providers are always looking for premium content partnerships to allow customers to interact on their phones resulting in data revenue. Globally, the proportion of data revenue to airtime revenue is increasing in telcos as mobile internet accessibility expands and improves in capability. MTN South Africa’s 31 million subscribers consists of 25 million pre-paid and 6 million post-paid subscribers.

Our Arcade X platform appeals to MTN Group as it provides an unmatched player experience and can integrate with their system structures. A key part of the nearly-three-month integration period was ensuring we could allow mobile subscribers to pay subscription fees using an integrated airtime billing system. We have achieved this and can now also scale this into other international agreements.”

Growth and scalability

MTN Group is one of the top-ten telecommunications companies in the world by number of subscribers so initially partnering with MTN Group was key. The distribution content agreement is in line with EmERGE’s international roll out strategy to expand into emerging markets, generate a high growth rate of registered users, enter into country corporate partnerships and to commercialise the Arcade X Platform.

Arcade X’s unique dual eSports and casual gaming online platform offers global telcos a competitive advantage to compete for gaming entertainment data revenue and attract the loyalty of millennial gaming subscribers.

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“The MTN South Africa contract will be used to generate a critical mass of gamers in that country before moving into the next phase of leveraging the “fibre to home” trend to deliver ‘Arcade X eSports’ AAA game tournaments and competitions to home PC’s and Consoles.”

In 2017, mobile gaming revenues grew 19% to \$46.1 billion, representing 42% of the total gaming market. It is predicted that mobile gaming will exceed 50% of the global gaming revenue by 2020.¹

Social and casual gamers represent approximately 90% of the 2.1 billion global gamers. In 2017, 844 million social and casual gamers engaged in gaming on mobile devices.

“Emerge Gaming in a strong position to expand into populous emerging gaming markets like Africa, the Asian sub-continent and Latin America where 74% of the world’s 2.1 billion gamers reside. We are currently pursuing telecommunications partnerships on the same basis in India, Brazil and the UK which will deliver scalability of registered user volume and revenue reach, driving growth in shareholder value.”

-ENDS-

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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 more than 300 gaming titles against each other via their mobile, console or PC.

The platform, which has to date hosted over 10,000 online tournaments, 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 www.arcadex.co

¹ Newzoo Global Games Report 2017

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