EMERGE GAMING

ASX:EM1 | ABN 31 004 766 376

ASX RELEASE

28 August 2018

Arcade X Shows Strong Engagement with over Half a Million Games played to date

HIGHLIGHTS

- **Successful launch of Arcade X platforms in South Africa demonstrating strong user engagement. Preliminary statistics include:**
    - **530,000 games played in total from the beginning of the launch in South Africa;**
    - **60,000 users;**
    - **15+ minutes of average engagement duration on Arcade X**

- **Aggressive acquisition strategy now in place to secure significant market share in South Africa**

- **Emerge set to focus on expanding into other African/International markets**

Emerge Gaming Limited (ASX: EM1) ("**Emerge**" or the "**Company**") is pleased to report that the Arcade X platforms are performing exceptionally well, servicing 60,000 users who have all joined prior to the commencement of significant marketing efforts. Preliminary results have thus far exceeded expectations with strong engagement demonstrated in the initial userbase.

These results position Emerge to acquire a significant share of the South African mobile gaming market and set the stage for imminent expansion into other international markets.
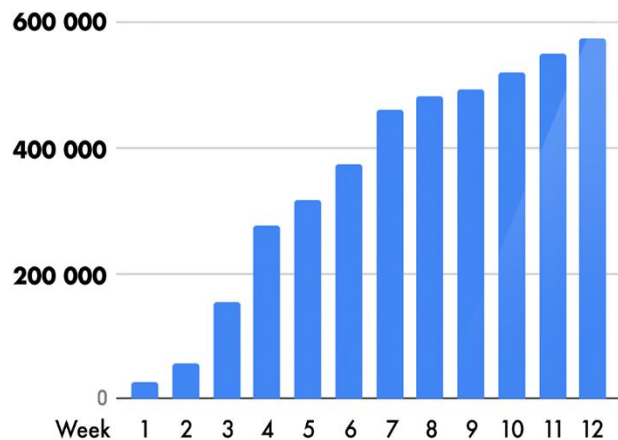
Arcade X Technology Launch Statistics

The Arcade X platforms have performed exceptionally well since the commencement of the first campaign (ASX: 6 June 2018) and at minimal acquisition costs to Emerge through leveraging strategic media relationships.

The technology has successfully managed concurrent users with no sign of error while organically onboarding users onto the platform. Arcade X is demonstrating its ability to engage with its users who have logged over 530,000 game sessions since launch.

Engagement times are currently averaging between 15 to 30 minutes per user, showcasing Emerge's ability to realise revenue from advertising partners and general platform robustness.

Figure 1 ▮ Cumulative games played on Arcade X platforms since launch

---

Head Office Address:
Suite 1
437 Roberts Road,
Subiaco, WA, 6008
Australia

South African Office:
3rd Floor, Edge Building
22 Somerset Road, Green Point
Cape Town, 8005
South Africa

Contact us:
Mail: info@emergegaming.com.au
Call: + 618 6380 2555

ER
emergegaming.com.au

To optimise the current engagement times and retain active users, Emerge will form key partnerships with gaming studios and publishers to consistently introduce new games to its subscriber base. The revenue model is highly scalable as brands will be paying a minimum fee of AUD $35 CPM (cost per thousand impressions) with some players reaching more than 100 impressions each while playing. The model itself has had a 47% acquisition of new players returning in the past month due to the quality of the product.
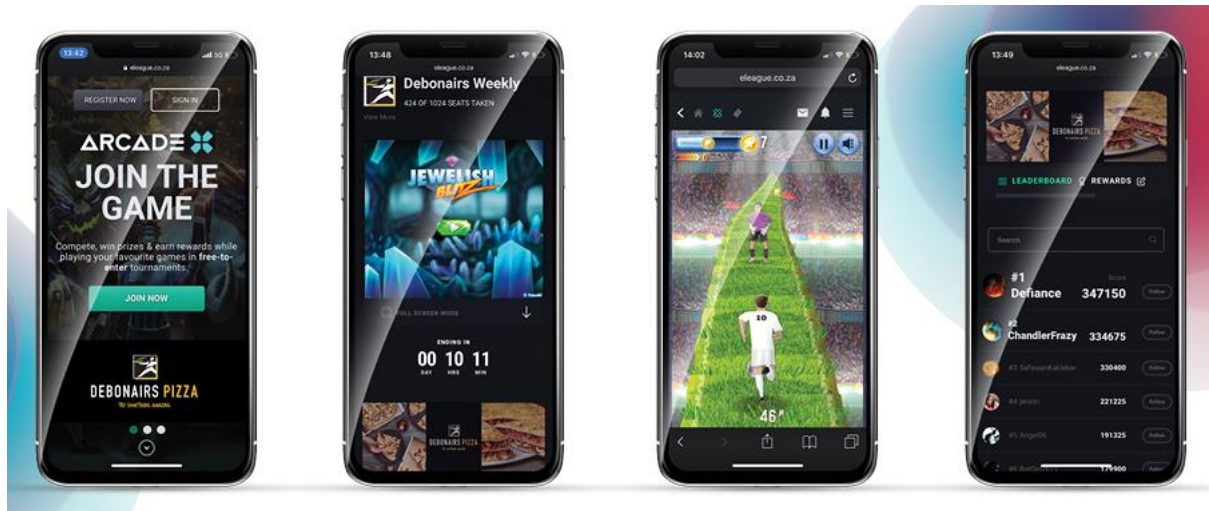

Figure 2: Arcade X platform screenshots

Acquisition Strategy & South African Market Share

Since the successful soft launch of the Arcade X technology in South Africa, Emerge is set to activate above-the-line (ATL) marketing strategies to scale up on its aggressive user acquisitions to take on a significant share of the South African mobile gaming market. Emerge's strategy is set to result in mass user adoption in the coming months, which will provide a platform to engage with corporate clients and promote advertising media space from which advertising revenue can be derived.

Brands will have the opportunity to take native positions throughout the platform and will be strategically placed so that gamers around South Africa will see multiple brand impressions in the form of native banners and logos and will have the opportunity to interact with click-through banners and allow players to interact with the brands directly. The acquisition of players nationally across South Africa will put thousands of people into a digital stadium that displays strategic ads while gamers remained intrigued and hooked on the platform.

Near-Term Outlook: Expansion into Other African Markets

Based on the success of Arcade X's soft launch and engagement times, Emerge has set its sights on expanding its operations into international and other African markets. With South Africa's continental reach, the established partner relationships formed in South Africa during the soft launch will allow for much faster deployment times into these markets, which are expected to surpass the successes achieved in South Africa.

Greg Stevens, Emerge's Chief Executive Officer and Executive Director commented:

> *"I am very excited that we have successfully proven two of our revenue models. The preliminary results for the launch of Arcade X in South Africa were excellent, demonstrating high potential for our aggressive user acquisition strategy to secure a significant market share in South Africa. Our core focus going forward is to duplicate this successful model in other international markets and reduce operating costs to drive profitability."*

For further information:

Australia	**South Africa**
Bert Mondello	Gregory Stevens
Chairman	CEO
E: bmondello@regencycorporate.com.au	E: greg@emergegaming.com.au
P: +61 8 6380 2555	P: +27 72 420 4811

Media Enquiries

Michael Lovesey
MMR Corporate Services
E: Michaell@mmrcorporate.com
P: +61 2 9251 7177

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 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