

12 March 2021

## Emerge Secures \$4.7M from Option Exercise Underwriting

**Emerge Gaming Limited (ASX: EM1) (“Emerge” or the “Company”)**, is pleased to announce that it has entered into an option exercise underwriting agreement (“Underwriting Agreement”) with Evolution Capital Advisors Pty Ltd (“Underwriter”) to secure commitments to fully underwrite the exercise of 237,091,175 listed EM1O options (“Options”) exercisable at \$0.02 with an expiry date of 18 April 2021. This represents an underwriting amount of up to ~\$4,741,823 (“Underwritten Amount”).

The Underwriter has received commitments from several (who are mainly institutional and sophisticated investors) of the Company's top 20 shareholders, to take up the vast majority of any unexercised options. The number of Options underwritten excludes the holdings of the Directors – each of the Directors intend to exercise their respective option holdings.

Any shares to be issued on exercise of the Options by the Underwriter are expected to be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and therefore shareholder approval will not be sought. The Underwriting Agreement contains indemnities and warranties usual for an agreement of this nature with material terms and condition set out in the Annexure to this announcement.

In accordance with ASX Listing Rule 3.11.3, the Company advises that the Underwriter is not a related party of the Company; and a management fee of 4% of the Underwritten Amount and an unwriting fee of 2% of the Underwritten Amount will be payable by the Company to the Underwriter (provided the Underwriting Agreement is not terminated). In addition, the Company will issue the Underwriter unlisted options as follows:

- 6,000,000 unlisted options exercisable at \$0.07 per options expiring 4 years from date of issue;
- 6,000,000 unlisted options exercisable at \$0.09 per options expiring 4 years from date of issue;
- 6,000,000 unlisted options exercisable at \$0.12 per options expiring 4 years from date of issue.

Funds raised will further strengthen Emerge's balance sheet and to help fund the Company's plans to expand the growth and reach of its eSports tournament platforms including the roll of new features, cloud gaming and opening new channels with other affiliate networks.

### For further information:

E: [info@emergegaming.com.au](mailto:info@emergegaming.com.au)

P: + 61 2 9680 8777

### About Emerge Gaming

Emerge Gaming Limited (ASX:EM1) is a leading eSports and gaming technology company. Emerge Gaming owns and operates an online eSports and casual gaming tournament platform technology and lifestyle hub. Via this platform, casual, social and hardcore gamers can play hundreds of gaming titles against each other via their mobile, console or PC, earning rewards and winning prizes.

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: view [www.emergegaming.com.au](http://www.emergegaming.com.au)

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

#### South African Office:

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

#### Contact Us:

Mail: [info@emergegaming.com.au](mailto:info@emergegaming.com.au)  
Call: + 61 2 9680 8777



[emergegaming.com.au](http://emergegaming.com.au)

## Annexure

The Underwriting Agreement is subject to the following material terms:

1. The Company has agreed:
  - a. Full underwriting of 237,091,175 listed options which expire prior to 18 April 2021 and have an exercise price of A\$0.02
  - b. Fees: management fee of 4% and an unwriting fee of 2% of the Underwritten Amount and the issue of three tranches, each tranche consisting of 6,000,000 unlisted options expiring 4 years from date of issue, with exercise prices of \$0.07, \$0.09 and \$0.12 for the three tranches respectively.
  - c. the Underwriter may at any time in its absolute discretion appoint a sub-underwriter or sub-underwriters to sub-underwrite the Issue for the Underwritten Amount and, in the case of any Shortfall Securities comprised in the Shortfall Amount, nominate the subscribers for any Shortfall Securities.
  - d. The termination events are outlined below.
2. Termination events

Subject to the provisions of this clause, if any of the following events occur at any time prior to the Final Allotment Date, the Underwriter in its absolute discretion and, without cost or liability to itself, may immediately terminate all its obligations under this Agreement by written notice to the Company:

- a. (No Default Certificate): the Company fails to deliver any No Default Certificate to the Underwriter in the form set out in the Agreement;
- b. (Certificate of Continuous Disclosure): the Company fails to deliver any Certificate of Continuous Disclosure to the Underwriter in the form set out in the Agreement;
- c. (ASIC Hearing and Investigation): ASIC gives notice of intention to hold a hearing examination, inspection, investigation, or it requires information to be disclosed, in connection with the Company or the Issue;
- d. (Court Order): an order is made in connection with the Issue, including under sections 1324 and 1325 of the Corporations Act;
- e. (Criminal Offence): any director or general manager of the Company is prosecuted for a criminal offence;
- f. (fails to comply): the Company or any of its Related Parties fail to comply with:
  - i. a clause of its Constitution;
  - ii. a statute;
  - iii. any policy or guideline of ASIC or any other requirement, order or request made by or on behalf of ASIC or any governmental agency.
- g. (charge): the Company or any of its Related Parties charges or agrees to charge or grant any other form of security) over the whole or a substantial part of its business or property to any third party without the prior written consent of the Underwriter;
- h. (breach): the Company defaults under any provision of this Agreement including any representation, warranty or undertaking;
- i. (material adverse change) if prior to the Final Allotment Date any of the following occurs:
  - i. there is any material adverse change in the assets, liabilities, financial position, profits, losses or prospects of:
    - (A) the Company; or
    - (B) a Related Party of the Company; or
  - ii. any act, omission or thing which could reasonably be expected to result in a material adverse change to the Company (including the appointment of an administrator, trustee or similar official being appointed over the assets or undertaking of the Company);
- j. (contracts) if a significant or material contract is, without the prior written consent of the Underwriter:
  - i. breached by the Company or any of its Related Parties;
  - ii. terminated (whether by breach or otherwise);
  - iii. altered or amended in any way; or
  - iv. found to be void or voidable;
- k. (Timetable) there is a delay in any date specified in the Timetable except where the Underwriter has consented in writing to the delay;
- l. (financial assistance) the Company or any of its Related Parties seeks the approval of shareholders under section 260B of the Corporations Act without the prior written consent of the Underwriter (such consent to not be unreasonably withheld);
- m. (business) the Company or any of its Related Parties:
  - i. dispose or agree to dispose of the whole or a substantial part of its business or property;
  - ii. ceases or threatens to cease to carry on business,in either case without the prior written consent of the Underwriter;
- n. (ASIC Prosecution) ASIC gives notice of an intention to prosecute the Company or any director or employee of the Company (or any Related Party of the Company);
- o. (Official quotation): on or before the Final Allotment Date, approval to grant Official Quotation (as that term is used in the Listing Rules) of all the Shares comprising the Issue is not granted or is granted subject to a condition which is unacceptable to the Underwriter;
- p. (ASX 300 Index) the ASX/300 Index falls by more than 10% below the ASX/300 Index as at close of business of the ASX on the Business Day immediately before the date of this Agreement (Reference Value) and remains more than 10% below the Reference Value for 5 consecutive Business Days;
- q. (Bill Rate) the Bill Rate moves more than 0.5% above the Bill Rate as at the Business Day immediately before this Agreement;

# EMERGE GAMING

ASX:EM1 | ABN 31 004 766 376

## Annexure (continued)

- r. (Legislation) there is:
  - i. introduced into the Parliament of the Commonwealth of Australia or of an Australian State or Territory a law intended to come into effect within 12 months; or
  - ii. an official announcement on behalf of the Government of the Commonwealth of Australia or of the Government of an Australian State or Territory, the Reserve Bank of Australia or any Commonwealth financial authority that a law will be introduced or policy adopted (as the case may be) with effect from the date of the announcement or within 3 months afterwards,  
  
which has altered adversely or could reasonably be expected to alter adversely:
    - iii. any condition or circumstances relating to the Issue existing at the time of execution of this Agreement; or
    - iv. the income tax position of the Company;
- s. (hostilities) there is any outbreak of hostilities (or, where applicable, there is an escalation of existing hostilities), whether war has been declared or not, actively involving any one of Australia, the United Kingdom, the United States of America, the Peoples Republic of China, the Republic of Taiwan or Japan; and
- t. (insolvency event) an Insolvency Event occurs in relation to the Company or any of its Related Parties.