

ASX:EM1 | ABN 31 004 766 376

**ASX RELEASE** 

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# Emerge Gaming signs Billing and Distribution Agreement with WorldPlay

### Highlights:

- WorldPlay Mobile Solutions delivers access for 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
- Agreement furthers Emerge's annuitized scalable monetisation model and strategy
- Emerge plans to launch on the WorldPlay platform in December 2019

**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 signed a billing and distribution agreement for ArcadeX with leading South African full solutions mobile aggregator **WorldPlay Mobile Solutions ("WorldPlay")**.

### Agreement with WorldPlay

WorldPlay is 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.

Emerge has concluded a billing and distribution agreement with WorldPlay to distribute and commercialise the ArcadeX platform across South Africa.

#### 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.

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.





#### **Distribution, Marketing 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 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.

WorldPlay and other digital marketing agencies will be engaged to drive gamers to the ArcadeX platform, through on and off WorldPlay platform marketing, using mobile advertising. Using the advanced data analytics of the ArcadeX platform we will engage and entertain them, boost revenue, manage churn, and expand the ArcadeX database. This marketing is designed to deliver a cost effective Cost per Acquisition ("CPA") for each revenue paying subscriber. Gamer targeting can be fine tuned to suit Emerge's marketing requirements across all mobile channels, with the technology supporting SMS, MMS, Mobile WAP, USSD Push and AVM campaigns.

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

WorldPlay will pay Emerge the revenues generated by users, less any applicable deductions, (including WorldPlay commission of 10% to 8% on a sliding scale based on volume), and taxes, for which a Billing Request was successfully completed and which successfully received the digital services from Emerge over the applicable billing period. Emerge's revenue share depends on commercial arrangements with each MNO and will be calculated as a percentage of revenue generated from users.

#### Market selection, feasibility and scaling

Markets are selected for feasibility testing via pilot launch by analysing the 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").

Similar to its strategy in other markets across Africa and the Middle East, Emerge will run an 8 to 12 week pilot launch process and a fixed marketing investment budget, during which the feasibility is established prior to scaling. Once a market segment/ MNO relationship is proven to be feasible, significant marketing investment is allocated to scaling that market to drive users to ArcadeX.

South Africa has been earmarked as a priority market due to its relatively high ROIs and smart mobile device penetration.

## Strategy and outlook

This agreement with WorldPlay adds to the distribution network of ArcadeX and the WorldPlay platform provides key data insights which will be useful in targeting and iterating the product offering.

Emerge continues to look to add to the distribution network of ArcadeX via other DCB Aggregators, Mobile Content Distributors and MNOs to drive the commercial expansion of ArcadeX.



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#### For further information:

**Australia** 

Bert Mondello Chairman

E: bmondello@illustrialcapital.com

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 "ArcadeX". 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