

21 September 2020

Emerge becomes a Microsoft ISV Partner

Highlights:

- **Emerge becomes a Microsoft Independent Software Vendor (ISV) partner to launch its Game Cloud Streaming Product**
- **ISV partnership delivers a scalable infrastructure and access to 61 countries**
- **Technology successfully tested and demonstrated on MS Azure leveraging Azure PlayFab**
- **Significant opportunity to enter Microsoft's ecosystem with partner revenues of US\$8 Billion**
- **Emerge can demonstrate commercially feasible revenue models for Cloud Streaming**
- **B2B Go-to-market ("GTM") Strategy targeting MNOs, PayTV providers and other CDNs**
- **GTM targets an addressable market of ~475 million subscribers in Africa and the Middle East**
- **Emerge is seeking to co-sell the Game Cloud Streaming Product with Microsoft**

Emerge Gaming Limited (ASX: EM1) ("Emerge" or the "Company"), is pleased to advise that it has become an Independent Software Vendor ("ISV") partner of Microsoft driving the development of its Game Cloud Streaming Product. An ISV is a tech industry term used by Microsoft and other companies to describe individuals and organizations who develop, market and sell software that runs on third-party software and hardware platforms, such as Microsoft's Azure.

Gregory Stevens CEO of Emerge: *"The future of gaming is the streaming of immersive and interactive high-quality 3D graphic content delivered in high definition video and with 5.1 surround sound to smartphones, tablets and smart TVs. No downloads, no hardware and no patches."*

First movers such as Google Stadia and Nvidia have launched Game Cloud streaming products into the market and continue to struggle for user adoption and commercial feasibility. The key to success lies in the quality of service, entertaining content and the price to end users.

Developing the game cloud streaming with Microsoft as a partner gives Emerge an advantage of scalable access to hardware to deliver high quality streaming services to the end user. To add to this, with Microsoft we have demonstrated that a more affordable price offering to the end user is feasible."

Game cloud streaming - Scalable hardware solution

As a Microsoft ISV Partner, Emerge has designed and successfully tested a unique scalable hardware infrastructure solution that seamlessly operates its game cloud streaming technology solution on the Azure servers integrating the Azure PlayFab software. Emerge is leveraging Microsoft's new edge zone computing capabilities to efficiently stream high quality immersive gaming experiences to mobile devices, smart TVs and PCs, with no downloads required.

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By partnering with Microsoft, Emerge eliminates the need for significant upfront investment into expensive server and GPU infrastructure required for streaming immersive high quality games and content. Microsoft will offer its infrastructure solution on a pay-as-you-use basis, meaning Emerge and its distribution partners can offer commercially feasible game cloud streaming services to the end user accelerating business development by overcoming the major infrastructure entry barrier in the industry.

B2B GTM Strategy

One of Emerge's B2B Go-to-market ("GTM") strategies is to co-sell the cloud streaming technology, together with Microsoft's hardware infrastructure, to mobile network operators ("MNOs"), PayTV providers and other content delivery networks ("CDNs"), prioritising emerging markets.

Microsoft MS Azure is available in 61 countries, with 5 more African & Middle Eastern countries launching soon. African and Middle Eastern MNOs and PayTV providers give Emerge access to an addressable market of ~475 million subscribers.



The regional roll-out strategy of Emerge's cloud streaming product is highly correlated with Microsoft's current and planned regional infrastructure. Emerge is exploring co-selling opportunities touting its technology as an ideal use case for Microsoft Azure's edge zone computing solutions. The hardware deployment reach and common corporate customers with Microsoft provide Emerge with access to highly scalable B2B opportunities.

Cloud Game Streaming – The B2B Opportunity

The opportunity exists to deliver subscription-based gaming and eSports products to mobile and Pay TV subscribers in partnership with Microsoft to MNOs and CDNs leveraging MS Azure's upfront, investment free, scalable infrastructure partnership solutions.

Mobile Gaming and eSports industry is growing rapidly (Sectoral Driver)



- Globally more users are gaining access to affordable smartphones and tablets
- 5G & 4G technology deployment is expanding
- Culture of mobile gaming fuelling an insatiable appetite for entertaining Content

2.4 billion global mobile gamers in 2020. That number is projected to grow to 2.7 billion by 2021.

Source: Statista

Cloud Streaming Tech delivers subscription-based products (Technology Driver)



- Growing appetite for entertaining high-quality content requires costly infrastructure
- Subscription focussed technologies driven by rapidly growing gaming communities
- User culture of gaming related technology subscriptions becoming the norm

By 2021, gamers are predicted to spend \$180 billion on games. 2018 spend was \$137 billion.

Source: Leftronic

Immediate and Scalable Solution (Affordable infrastructure Driver)



- Scalable plug & play solution for Mobile Network Operators & PayTV providers
- Partnership with MS Azure allows immediate deployment and for no upfront investment
- Solution can be deployed in any country globally

Mobile games dominate 51% of total global gaming industry revenue with console and PC accounting for 25% and 24%.

Source: Dot Com Infoway

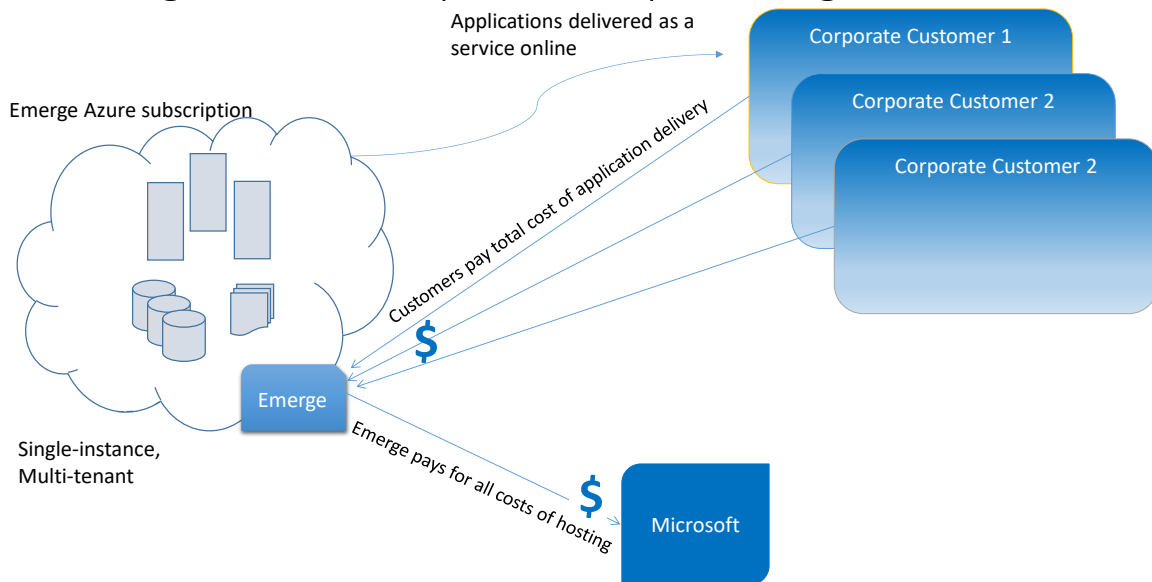
Emerge's B2B offerings will be marketed via Microsoft Azure's online marketplace. Repeatable and scalable offerings help EmERGE GTM quicker and faster with Microsoft providing the right resources, best practices, frameworks and tools.

With Microsoft ISV co-sell partner revenue of more than US\$8 billion globally and 95% of Microsoft's commercial revenue flows coming from partners, EmERGE's entry into this vast partner ecosystem is a significant opportunity to deliver on one of EmERGE's B2B strategies.

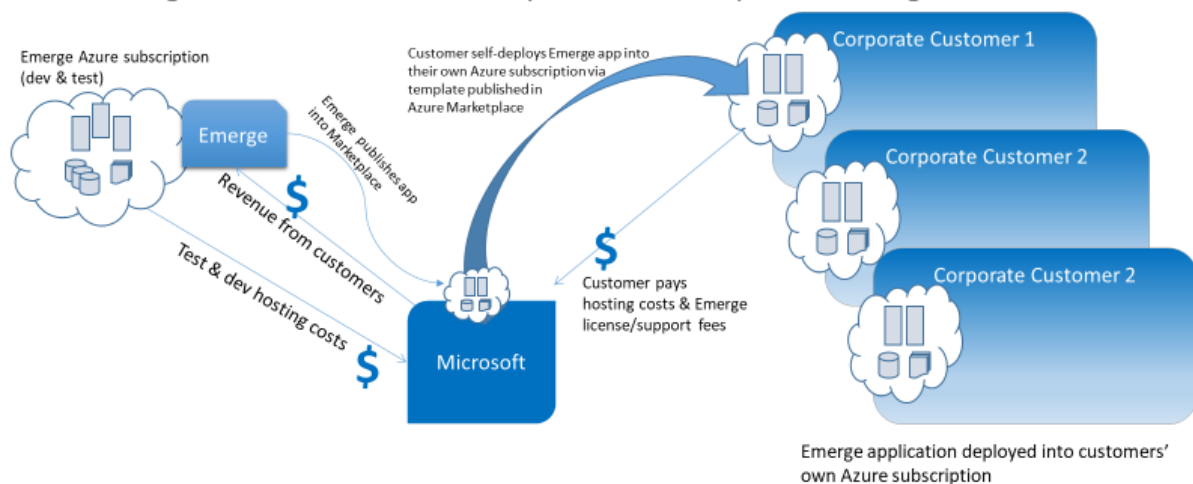
Although the financial impact of EmERGE becoming a Microsoft ISV is not determinable at this time, this development provides the Company with a clear path to market for game cloud streaming.

Emerge is offering two B2B partnership structures for its Cloud Streaming Technology:

1. Emerge B2B - SaaS partnership offering



2. Emerge B2B - Licenced partnership offering



Co-Sell B2B Products with Microsoft

Emerge's cloud streaming technology is an ideal gaming and eSports use case for Microsoft Azure and we have identified co-selling opportunities with Microsoft, specifically to MNOs, PayTV Providers and other CDNs.

Co-sell is traditionally the synergistic joint selling relationship between an ISV Partner and Microsoft where partners collaborate on an opportunity to close the deal, aid the corporate customer in procuring the proper licensing, deploying the software, and receiving accurate revenue attribution.

Emerge is currently in discussions with Microsoft to elevate its ISV partnership to a formal co-sell status.

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Azure PlayFab Software

Azure PlayFab software allows game developers and publishers to build and operate live games with a single platform. PlayFab gives game developers and publishers everything they need—game services, data analytics, and live operation tools—to launch faster, extend the game’s lifecycle, and reduce development and operating costs.



Azure PlayFab works with all major platforms (Google Stadia), consoles (Xbox, PS4, Switch), mobile devices (iOS, Android), and PCs (Windows, Mac)—as well as with Facebook, HTML5, Steam, broadcasting services (Twitch, Mixer), and engines (Unity, Unreal, Cocos, Corona, Java, Phaser, Lumberyard).

Emerge’s cloud streaming technology solution will leverage PlayFab to integrate a global content library of games, eSports tournaments and competitions, live comics, augmented and virtual reality gaming products.

Cloud Game Streaming - The future of eSports and Gaming

In the eSports and gaming markets, services that stream high quality immersive games have been slow to commercialise being hampered by restrictions of bandwidth resulting in latency challenges and expensive hardware solutions. Today, most games are downloaded to a device—a smartphone, gaming console, or PC, by gamers.

Cloud gaming moves content execution off the consumer’s device and into the cloud. Similar to how video streaming services deliver content (Netflix, Showmax, YouTube, Twitch, etc.), the games are streamed to the player’s device via CDNs with regional points of presence near densely populated cities. In addition to streaming the game’s video content, the gamers commands to control the gameplay are rapidly sent back to the Cloud. Essentially the “Console” is in the cloud.

First there was music on demand, then there were videos on demand and the next trend is games on demand. Emerge’s game cloud streaming solution delivers games on demand.

Emerge's cloud streaming technology solution is an all-in-one gaming and entertainment platform for mobile devices and smart TV's encompassing cloud gaming, live streaming, video, comics, esports and ecommerce. Offering download free cloud-based multiplayer AAA games with graphic interface overlays ("on screen soft buttons as a controller") seamlessly to mobile devices is a key differentiator of the technology.

Cloud game streaming of high-quality immersive games to mobile devices and smart TV's requires cost-effective scalable hardware solution and a low latency connectivity.

Connectivity – 5G and Fibre

High bandwidth connectivity for eSports and gaming is delivered through 5G internet to mobile devices and through fibre internet to PC's, Smart TV's and mobile devices. Globally, the rapid deployment of 5G and fibre is providing billions of people with unprecedented access to high bandwidth connectivity at increasingly affordable cost.

Emerge's new cloud streaming technology delivered with Microsoft, combined with 5G and fibre, will unlock the full capabilities of hardware free next-generation services such as virtual and augmented reality, ultra-high-definition game and video streaming, to mobile devices and smart TV's.

Emerge showcased its cloud streaming technology on MTN's new 5G Network being the first in the southern hemisphere to demonstrate this AAA game streaming technology on 5G (ASX: 1 July 2020).

This demonstration seamlessly streamed AAA games over a 5G network to a mobile device. Cloud gaming is poised to do to gaming what video-on-demand has done to TV- a complete game-changer delivered by 5G and fibre.

Strategic Partnerships

Emerge Gaming Limited is continually delivering on its global strategy developing and providing immersive and entertaining gaming and eSports content solutions underpinned by four building blocks:











- Innovative Technology
- Distribution Partnerships
- **Hardware & Software Partnerships**
- Building Communities

Becoming a Microsoft ISV partner strengthens EmERGE's partner network and furthers the execution of our strategy.

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Emerge Strategic Overview

Innovative Technology	  GAME CLOUD
Distribution Partnerships	  
Hardware & Software Partnerships	 Microsoft  
Building Communities	 

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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 and miggster.com

About MTN

Launched in 1994, the MTN Group is a leading emerging markets operator with a clear vision to lead the delivery of a bold new digital world to our 250 million customers in 22 countries in Africa and the Middle East. We are inspired by our belief that everyone deserves the benefits of a modern connected life. The MTN Group is listed on the JSE Securities Exchange in South Africa under the share code “MTN”. MTN are pursuing its BRIGHT strategy with a major focus on growth in data, fintech and digital businesses.

Emerge Gaming and MTN signed an agreement to distribute, market and operate Emerge’s platform technology under the brand “MTN Arena” in South Africa (ASX: 23 June 2020).

More information: view.arena.mtn.co.za

About TIM (“MIGGSTER”)

Tecnología de Impacto Múltiple SL (TIM) is part of the Impact Crowd Technology Group (ICT). It is a Spanish company group with its headquarters in Madrid. The ICT Group’s vision is to create the world’s largest sales force, disrupting the traditional value chain and distribution of apps, software, products and services. By using its network, the ICT Group sells products directly to the end customer. Similar to Uber and Airbnb, who own neither cars nor beds, the ICT Group does not sell any products of its own. The ICT Group markets other companies’ products and services.

Emerge and TIM have entered into an agreement under which TIM will market Emerge’s tournament platform technology platform under the MIGGSTER Mobile brand. TIM have guaranteed that MIGGSTER Mobile will acquire a minimum of 100,000 platform subscribers from its marketing efforts and Emerge will earn 64.5% of the net revenue from the platform (ASX: 10 & 14 September 2020).

More information: view.impactct.com and miggster.com