

8 December 2020

Daniel Nicholson, Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park,
152-158 St Georges Terrace
Perth WA 6000

Dear Daniel,

EMERGE GAMING LIMITED ('EM1'): GENERAL – QUERY

In reference to your letter of 3 December 2020 entitled "Emerge Gaming Limited ('EM1'): General Query" which refers to: -

- A. EM1's Partnership Announcement lodged on MAP and released on 10 September 2020, with particular reference to significant terms of agreement with TIM;
- B. ASX's query letter dated 29 October 2020 ('Initial Query') and EM1's response to the Initial Query dated 2 November 2020 (the 'Initial Response'), released on MAP at 6.39 PM AEDT on 3 November 2020;
- C. ASX's query letter dated 4 November 2020 ('Second Query') and EM1's response to the Second Query dated 9 November 2020 (the 'Second Response'), released on MAP at 2.29 PM AEDT on 10 November 2020.
- D. EM1's announcement titled "Additional Information: MIGGSTER launch and pre-registrations" lodged on MAP and released at 8.06 PM AEDT on 13 November 2020 ('November Announcement').
- E. ASX's query letter dated 16 November 2020 ('Third Query') and EM1's response to the Third Query dated 1 December 2020 ('Third Response'), released on MAP at 1:06 PM AEDT on 1 December 2020, with particular, reference to EM1's response to question 3 of the Third Query

EM1's response to the Query Letter dated 3 November 2020, a further response to your further ASX queries and further requests for further information, in number order is as follows:

1. *Further to EM1's response to Question 3 of the Third Query, which, amongst other things, states that 'Emerge have been informed by TIM that during this technical live testing launch period, invitations were sent to approximately 925,000 pre-registrants, of which 800,000 invitations have been sent since 28 November 2020', please provide details of:*

Head Office Address:

642 Newcastle Street,
Leederville,
WA, 6007
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



emergegaming.com.au

1.1. How the 925,000 pre-registrants to whom invitations had been sent were determined?

EM1 has been informed that the first 12,000 invitations were sent to a pre-selected group of Crowd1 affiliate members from select countries who had pre-registered for Miggster. The remaining 913,000 invitations have been sent to pre-registrants in the order in which they registered their interest in Miggster.

1.2. The basis for the method adopted in determining the 925,000 pre-registrants to whom invitations were sent first during the live testing launch period.

EM1 have been informed that the first 12,000 invitations were determined as a sample of Crowd1 affiliate members as a representative of countries of high pre-registrant interest in Miggster, whilst the remaining 913,000 invitations have been sent to pre-registrants in the order in which they registered their respective interests in Miggster.

1.3. How the identity of pre-registrants to whom further invitations to use the MIGGSTER Platform will be sent, will be determined? Please provide further details regarding this process.

In the November Announcement EM1 explained under the "Captured Pre-registration Data" that:

"Potential pre-registrants provide their personal and contact details and are required to opt into the following:

- *Accepting the Terms and Conditions*
- *Accepting the Privacy Policy*
- *Authorising the sharing of their personal details provided with Emerge Gaming*
- *Receiving information and marketing material on MIGGSTER"*

In pre-registering interest in Miggster, pre-registrants must provide their name, surname and email address.

The identity of the pre-registrants that will receive invitations is therefore determined from the information submitted by the pre-registrant themselves when registering their interest in Miggster.

2. The terms of the Partnership Agreement disclosed in the Partnership Announcement state that subscribers will be charged USD\$8.50 (~AUD\$12.00) per month ('Subscription Fee'). Please outline the process of payment for a participant to subscribe for MIGGSTER. In answering this question, please specifically address:

2.1. In addition to the Subscription Fee, whether there are any other fee(s) or charge(s) that subscribers must pay to subscribe for MIGGSTER pursuant to the Partnership Agreement or otherwise ('Other Fees')? If so, please provide details, including the amount of any Other Fee.

No other fees or charges need to be paid to subscribe for MIGGSTER.

2.2. Who do subscribers pay the Subscription Fee and Other Fees (if any) to? For example, "Crowd1", TIM, EM1 or otherwise.

Miggster subscribers pay Subscription Fees either directly to EM1 by way of online payment or by purchasing a MIGGSTER voucher from Crowd1 which can subsequently be redeemed into MIGGSTER subscription fees. In this case, all the proceeds from the sale of the vouchers are remitted by Crowd1 to EM1.

2.3. How do the subscribers pay for the Subscription Fee and Other Fees (if any)? For example, please confirm whether the payment(s) are in cash (USD or otherwise), or some other form of currency, including cryptocurrency.

EM1 and TIM agreed as a term of agreement that the MIGGSTER subscription fee that will be charged is USD\$8.50 (~AUD\$12.00) per month, with bi-annual and discounted annual subscription packages also being offered.

EM1 and TIM have subsequently agreed to change the primary currency of subscription offer from USD to the Euro (EUR) with the subscription fee being EUR7.50 (~AUD\$12.00) per month. Subscription prices offered are denominated in EUR.

Subscribers can elect to pay the subscriptions, or subscription vouchers, in either EUR, ZAR (South African Rand) or Bitcoin. EM1 receives payments in EUR, ZAR or Bitcoin based on the EUR subscription price offered and where applicable converted at the prevailing exchange rate at the time of payment. These funds received are subsequently converted into AUD at the prevailing exchange rate applicable at the time of conversion.

By the order of the Board.

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



3 December 2020

Reference: 26777

Mr Derek Hall
Company Secretary
Emerge Gaming Limited

By email

Dear Mr Hall

Emerge Gaming Limited ('EM1'): General – Query

ASX Limited ('ASX') refers to:

- A. EM1's Partnership Announcement lodged on MAP and released on 10 September 2020. In particular, the following disclosure in that announcement:

"The significant terms of the agreement with TIM are:

- *Emerge to operate the white labelled mobile tournament platform*
- *Subscribers will be charged USD\$8.50 (~AUD\$12.00) per month*
- *TIM is responsible for marketing the platform at its own cost*
- *Emerge to provide prizes to a value of USD\$250,000 over 12 months with a grand prize of USD\$250,000 at the end of the 12 months*
- *TIM guarantees a minimum of 100,000 subscribers will subscribe to the platform within 6 months from launch date*
- *If the target is not reached, TIM will pay Emerge 50% of the cost of prizes put up by Emerge. If the Agreement is terminated prior to the end of the 12 months and the target is not reached, TIM will pay Emerge 50% of the cost of prizes put up by Emerge until the end of the contract*
- *Net Revenue under the agreement is determined as gross subscriptions received less direct taxes and other directly attributable platform costs*
- *Emerge will earn 64.5% of the Net Revenue from the platform"*

- B. ASX's query letter dated 29 October 2020 ('Initial Query') and EM1's response to the Initial Query dated 2 November 2020 (the 'Initial Response'), released on MAP at 6.39 PM AEDT on 3 November 2020.
- C. ASX's query letter dated 4 November 2020 ('Second Query') and EM1's response to the Second Query dated 9 November 2020 (the 'Second Response'), released on MAP at 2.29 PM AEDT on 10 November 2020.
- D. EM1's announcement titled "Additional Information: MIGGSTER launch and pre-registrations" lodged on MAP and released at 8.06 PM AEDT on 13 November 2020 ('November Announcement').
- E. ASX's query letter dated 16 November 2020 ('Third Query') and EM1's response to the Third Query dated 1 December 2020 ('Third Response'), released on MAP at 1:06 PM AEDT on 1 December 2020. In particular, EM1's response to question 3 of the Third Query, as follows:

"The first 4-weeks from the launch date is a 'technical live testing launch' period, the purpose of which is to ensure user onboarding and experience is as seamless and refined as possible. During this period, only a

limited number of pre-selected pre-registrants are being invited to use the MIGGSTER Platform, on a gradual basis.

Emerge have been informed by TIM that during this technical live testing launch period, invitations were sent to approximately 925,000 pre-registrants, of which 800,000 invitations have been sent since 28 November 2020.

As on 30 November 2020, the total number of invited pre-registrants converted into paying subscribers is 6,279 with the breakdown per packages sold being: -

Annual Package – 4,596

Bi-annual Package – 356

Monthly Package – 1,327

Subscription numbers are affected by the following dynamic variables: the number of pre-registrants who have been invited; when the invitation has been sent; the number of pre-registrants who have opened the invitation; and the number of pre-registrants who have started the subscription process,

The rollout of MIGGSTER is an ongoing campaign over several months with a systematic onboarding process carefully managed by TIM. The Company's priority is to monitor the platform performance, functionality and the onboarding process. This will be an ongoing process throughout the subscriber acquisition campaign.

The November Announcement provided details of the marketing approach and activities. In particular, EM1 announced that: -

- "Emerge and TIM will be engaging in ongoing, systematic and regular marketing activities targeting the captive pre-registrant audience with the objective of converting the pre-registrants to paying subscribers.

The pre-registrants have opted in to receive information and marketing material on MIGGSTER. Emerge and TIM will continue marketing to pre-registrants until such time as pre-registrants opt out of receiving further information and marketing material of MIGGSTER."; and

- "Whilst TIM will proactively promote and market the MIGGSTER product to the pre-registrants with the purpose of converting the pre-registrants to paying subscribers, Emerge does not yet have sufficient information available to reliably forecast the rate of this conversion.

The time at which pre-registrants may register and become paying subscribers is not yet known. The timing is dependent on the marketing process, to be undertaken by TIM."

In the context of the voluminous numbers of pre-registrants a marketing strategy has been adopted which involves a staggered roll out of marketing activities to multiple continents using a 4-week technical live testing launch period followed by a dynamic queuing strategy in the marketing acceleration.

This marketing approach allows an assessment of the country specific user onboarding journeys identifying bugs or improvements. The objective is to ensure a seamless onboarding offering to all countries thereby improving conversion rates before large scale deployment of marketing acceleration activities in each country and region."

Unless otherwise defined, defined terms in this letter have the same meaning as in the Initial Query, Initial Response, Second Query, Second Response, November Announcement, Third Query or the Third Response.

Further ASX Queries and Requests for Further Information

1. Further to EM1's response to Question 3 of the Third Query, which, amongst other things, states that 'Emerge have been informed by TIM that during this technical live testing launch period, invitations were sent to

approximately 925,000 pre-registrants, of which 800,000 invitations have been sent since 28 November 2020', please provide details of:

- 1.1 How the 925,000 pre-registrants to whom invitations had been sent were determined?
 - 1.2 The basis for the method adopted in determining the 925,000 pre-registrants to whom invitations were sent first during the live testing launch period.
 - 1.3 How the identity of pre-registrants to whom further invitations to use the MIGGSTER Platform will be sent, will be determined? Please provide further details regarding this process.
2. The terms of the Partnership Agreement disclosed in the Partnership Announcement state that subscribers will be charged USD\$8.50 (~AUD\$12.00) per month ('Subscription Fee'). Please outline the process of payment for a participant to subscribe for MIGGSTER. In answering this question, please specifically address:
- 2.1 In addition to the Subscription Fee, whether there are any other fee(s) or charge(s) that subscribers must pay to subscribe for MIGGSTER pursuant to the Partnership Agreement or otherwise ('Other Fees')? If so, please provide details, including the amount of any Other Fee.
 - 2.2 Who do subscribers pay the Subscription Fee and Other Fees (if any) to? For example, "Crowd1", TIM, EM1 or otherwise.
 - 2.3 How do the subscribers pay for the Subscription Fee and Other Fees (if any)? For example, please confirm whether the payment(s) are in cash (USD or otherwise), or some other form of currency, including cryptocurrency.

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:00 PM AWST Tuesday, 8 December 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EM1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require EM1 to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to EM1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that EM1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

Daniel Nicholson

Adviser, Listings Compliance (Perth)