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CLOUDZEN “THE NETFLIX OF GAMING” EXCLUSIVE GLOBAL PARTNERSHIP

Highlights:

- Emerge Gaming executes exclusive global distribution agreement with Cloudzen Pte Ltd for use of revolutionary cloud streaming digital distribution platform ‘GameCloud’
- Cloudzen is the leading cloud gaming and mobile entertainment Platform as a Service provider
- GameCloud is regarded as the “Netflix of Gaming” for a potential 2 billion gamers
- GameCloud offers simple and instant streaming of hundreds of high quality 3D games for mobile devices, allowing multiplayer gaming, video streaming and social networking
- Partnership to showcase Emerge Gaming’s Arcade X technology to a significantly expanded gaming market using Cloudzen’s intellectual property to generate monthly subscription fees
- South America, Africa, India, Australia, United States and the United Kingdom to be targeted by Emerge Gaming and Cloudzen over next two years
- Easy access to AAA+ quality-CG Movie-Video games on phone, computer, tablet and more

Emerge Gaming Limited (ASX: EM1) (“Emerge Gaming” or the “Company”)

is pleased to advise that it has executed an exclusive global distribution agreement with Cloudzen Pte Ltd (“Cloudzen”) to use its intellectual property for “GameCloud”, the revolutionary digital platform that allows instant streaming of hundreds of high-quality games on mobile devices.

The execution of the distribution agreement formalises the Memorandum of Understanding previously signed between Emerge Gaming and Cloudzen (ASX: 30 October 2018).

About Cloudzen & GameCloud - www.cloudzen.tech

Singapore-based **Cloudzen** is a leading cloud gaming and mobile entertainment Platform as a Service provider which offers various means of communications channels through digital entertainment via game stores, communities and social networks. It was founded in 2004 by veteran game developer Mr Robin Tan and has revolutionised game streaming through its **GameCloud** technology platform.

GameCloud provides gamers with a one stop portal for instant access to hundreds of AAA rated 3D graphic games and live streaming on mobile devices without having to download the game or any further hardware requirements. Gamecloud enables gamers to play at any time from handheld devices and smart TVs, with multiplayer gaming, video streaming and social networking.

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Cloudzen offers significant synergies with Emerge Gaming's Arcade X platform, which caters for different segments of the online gaming community. The platform targets 2 billion mobile gamers worldwide¹ and has significant advantages over the PC and console game segment, which also represents a combined 255 million gamers.

Global Distribution Agreement

The strategic partnership provides Emerge Gaming with exposure to a wider range of mobile gamers to increase users on both platforms and solidify its revenue generating capabilities.

The Global Distribution Agreement will see Emerge Gaming enter a number of first world markets to promote its Arcade X and GameCloud's technology. This includes an initial rollout into South America, Africa, India, Australia, United States of America and the United Kingdom.

Prior to entering a new territory, it has been agreed that a territory schedule will be established highlighting each party's project contributions, payment schedules, specific personnel and background intellectual property used for that territory. In recognition for what each party brings to the partnership, the parties intend for any profits that arise from a project within a territory shall be distributed as set out in the relevant territory schedule. As each territory will have its profit distribution agreed separately, the financial impact of the partnership is not determinable at this time.

During the term of the two-year agreement, Cloudzen grants Emerge Gaming an exclusive licence to use its GameCloud intellectual property. Emerge Gaming will distribute the GameCloud into select territories with users paying a monthly subscription fee.

Outlook

Cloudzen is well positioned to disrupt the online gaming community with their innovative technology and view themselves as the "Netflix" or "Spotify" for games.

Emerge Gaming is gearing up for major developments in early 2019. With the release of Arcade X's new iteration and the rollout of GameCloud in its first territory, Emerge Gaming is positioned to revolutionise mobile gaming globally. Gaining a foothold in the above-mentioned territories is critical to Emerge Gaming's successful distribution of GameCloud technology and given the necessary exposure, the GameCloud offering is expected to gain significant traction.

Emerge Gaming's Chief Executive Officer, Greg Stevens, commented:

"Our strategic partnership with Cloudzen and its revolutionary GameCloud platform offers Emerge Gaming a significant opportunity to push the boundaries of cloud gaming, and accelerate revenue growth across a number of new territories in the near term."

Chief Executive Officer and Founder of Cloudzen, Robin Tan, commented:

"Once you experience game streaming, you will not go back to traditional gaming. Our partnership with Emerge Gaming will allow us to continue the disruption of the online gaming community, like the Netflix and Spotify of the gaming world."

¹ Source: Statista Number of active video gamers worldwide from 2014 to 2021 forecast - 2016

EMERGE GAMING

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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 Cloudzen at www.cloudzen.tech

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Annexure – Exclusive Distribution Agreement

Term: two (2) years unless the parties extend this Agreement by mutual written agreement, or this Agreement is terminated.

General: Upon the entry into this Agreement, EM1 (or a related body corporate of EM1) and Cloudzen will subsequently enter into 'Territory Schedule' for each territory, in order to outline each party's project contributions, payment schedules, specified personnel and background intellectual property used for that territory (each, being a Territory Schedule). Each Territory Schedule will be governed by this Agreement and the contents of the Territory Schedule.

Territory Schedule

- (a) Each Territory Schedule will form part of this Agreement on the date the Territory Schedule is signed by the last party to sign.
- (b) Each project will be carried out in accordance with the terms of this Agreement and the details set out in the relevant Territory Schedule.
- (c) Where there is any inconsistency between this Agreement and a Territory Schedule, the relevant terms of the Territory Schedule prevail to the extent of that inconsistency.

Profit Share: In recognition for what the other party brings to this Agreement, the parties intend for any profits that arise from a project within a Territory shall be distributed as set out in the relevant Territory Schedule.

Background IP: Each party retains ownership of its background intellectual property. Any intellectual property created, developed or discovered in the conduct of a project will be owned as set out in the relevant Territory Schedule.

License: Cloudzen grants to EM1 an exclusive licence to use its background intellectual property to the extent necessary to carry out the project within a territory in accordance with this Agreement.

Enterprise Partnership: a partnership, agreement, joint venture, arrangement or otherwise with an individual, body corporate, business, entity or other legal or natural person in a Territory.

Termination: A party may terminate this Agreement and a Territory Schedule immediately if another party:

- (a) commits a material breach of this Agreement which is unable to be rectified;
- (b) fails to initiate rectification of a breach to this Agreement within 14 days of receiving a written notice specifying the breach to be rectified; or
- (c) is subject to any form of insolvency, external administration or winding up.