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21 October 2015

World Leading Digital and Social Media Agency Appointed for Roll Out of Wangle™ Globally

- Agreement signed with Degordian, one the world's leading full service digital and social media marketing agencies specialising in performance based campaigns
- Agreement to accelerate customer acquisition of the Wangle™ App upon beta launch in November
- Enhances the Company's marketing strategy and expected to increase exposure among target audience in initial markets of Australia, New Zealand, UK, US and Latin America
- NexGen to benefit from Degordian's superior analytical software and expertise in performance driven campaigns to optimise roll out strategy
- Represents the first key phase of the Company's marketing campaign and acquisition strategy

VTX Holdings Limited (ASX: VTX) ("VTX" or the "Company") is pleased to announce that NexGen Networks Limited ("NexGen") has signed an agreement with Degordian to drive customer acquisition of its soon to be launched (in beta) consumer application Wangle™.

Degordian is one the world's leading full service digital and social media marketing agencies specialising in performance based campaigns working across client campaigns for leading brands such as Lufthansa, LEGO, Dell, Bosch & Heineken.

Degordian has been tasked with implementing a highly cost effective marketing strategy to promote the brand, acquire and monetise the user base.

The agreement in place with Degordian forms a key part of the NexGens's marketing and acquisition strategy to drive customer growth and scale of the Wangle™ product upon public beta launch in November 2015 targeting 20,000 users throughout Australia and New Zealand.

Upon a wider global launch Degordian will roll out a wider campaign in parallel to NexGen's additional marketing activities to achieve 100,000 users of the targeted total 250,000 users throughout February to May 2016.

Degordian have a proven track record with reducing CPIs (cost per installs) across campaigns globally for some the largest mobile based applications in the world including Zipt (ASX: ZIP).

The parties have determined a number Key Performance Indicators (KPIs) based on the number of user acquisitions and user retention. NexGen expects the agreement to enable it to acquire a substantial amount of consumers through a number of channels and acquisition and retention campaigns.

Advertising and retention campaigns will run across Google and Facebook to acquire high quality users with high Average Revenue per User (ARPU) and Life Time Value (LTV). Degordian will provide web analytical services to track the cost per acquisition (CPA), ARPU, LTV and Return on Investment (ROI) of campaigns.

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Keaton Wallace, Director, NexGen Networks Limited commented:

"This is the first distribution agreement to form part of our marketing strategy to acquire the targeted number of users for our beta launch in November and wider global launch next year. I am confident in Degordian's ability to provide us with access to the necessary digital channels and analytical tools to enable us to acquire high quality users and sustain high levels of retention.

"Ahead of the beta launch we have a number of marketing strategies we will be implementing, which will enable us to reach our goal of 2 million users by H1 2017."

Daniel Akermann, CEO, Degordian commented:

"I am pleased to be partnering with NexGen in the launch of its highly innovative and revolutionary Wangle™ application. The capabilities of the Wangle™ technology are extraordinary and it has the potential to change the way in which we consume online content."

Transaction Update

VTX is in the process of acquiring NexGen, having executed a Binding Terms Sheet and completed due diligence. The acquisition is still subject to various conditions precedent including the receipt of shareholder approvals and the Company expects to lodge a Notice of Meeting in this regard in the coming weeks. For further details of the acquisition, please refer to the ASX announcement made by the Company on 16 June 2015.

- ENDS –

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ABOUT NEXGEN NETWORKS

NexGen is a New Zealand based software technology company founded in 2013, by experienced technology entrepreneurs and retail executives Jason Gitmans and Robert Pole. NexGen has developed cutting edge software technology, which uses intelligent customised algorithms to optimise data flow between devices and facilitates faster speeds on existing hardware. The ability to deliver such optimal results is due to NexGen's customised virtual based technology, which re-directs data through to its own proprietary server, delivering faster and more efficient data usage to each user through existing infrastructure.

ABOUT DEGORDIAN

Degordian is a full service digital agency with a large global footprint and boasting successful campaigns for large brands including Lufthansa, LEGO, Dell, Bosch & Heineken. The agency is one of 5,000 companies globally to hold Google Partner status and is credited as a preferred developer for Facebook. The business has over 110 staff that have executed many successful multi channel marketing campaigns globally, receiving both local and global awards for their work.

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TECHNICAL ADVISOR – MR CAM WORTH

Technical information contained in the announcement has been prepared under the supervision of Mr Cam Worth of Simplisite Business Solutions - a specialist web, software & IT solutions provider. As announced on 2 July 2015, Mr Worth has been engaged as Technical and Commercial Advisor to the Board of VTX.

Mr Worth has led projects across multiple jurisdictions and successfully launched platforms and deployed large-scale business intelligence systems in multiple markets. He has extensive experience in the design and development of web-based software solutions and has consulted extensively in software development and cloud solutions. Mr Worth also acts as an Industry representative, in Communication and Cultural Studies for Curtin University, Western Australia. Mr Worth consents to the inclusion in this report of the information in the form and context in which it appears.