VTX Holdings Limited
ABN 80 096 870 978

wangle

1 December 2015

Wangle to enter the African Enterprise Market via Exclusive Partnership Agreement with Global Business Innovator, Spinova

Highlights

- Exclusive partnership agreement signed with Spinova Pty Limited ("Spinova") to facilitate Wangle's enterprise opportunity across a large and untapped African enterprise market
- Spinova is a global business innovator, which specialises in facilitating the entry of technology companies into emerging markets. Spinova holds strong, long standing relationships with leading enterprises throughout the African continent
- Under the agreement, Spinova will promote NexGen's revolutionary Wangle platform and facilitate opportunities for commercial growth across the African telecoms market worth over US$65 billion by 2018[1]
- Agreement provides strong validation for the Wangle platform and provides third party validation of its competitive and defensive offering to the enterprise market
- Wangle platform offers increased internet speeds, lower data usage and reduced operating costs
- Partnership agreement will commence via a four stage testing roll out program:
    - Stage 1: Initial proof of concept to commence at Stellenbosch University Data Centre in Cape Town, South Africa
    - Stage 2: Opportunity and prospects for Wangle's use over university local area networks
    - Stage 3: Exploration of Wangle's use over long distances, Country-wide
    - Stage 4: Exploration of the potential for Wangle's use across the continent
- Partnership opens up significant revenue potential for Wangle, with Spinova already in advanced discussions with leading African companies
- Smartphone shipments to Africa continue to grow (expected to reach 191 million by 2020[2]) more consumers will be accessing information online, increasing the need for data compression solutions from enterprise data providers to alleviate pressure on networks

VTX Holdings Limited (ASX: VTX) ("VTX" or the "Company") (to be renamed "Wangle Technologies Limited") is pleased to announce that NexGen Networks Limited ("NexGen") has signed an exclusive six month partnership agreement with Spinova to represent and promote Wangle as it seeks to enter the African Enterprise market.

1 Sub-Saharan Africa (SSA) telecoms market: Trends and forecast 2013-2018 - http://www.itnewsafrica.com/2014/08/africas-telecoms-market-to-be-worth-65bn-by-2018/
2 GSMA – The Mobile Economy, Sub-Saharan Africa 2014

Spinova is a global specialist business innovator that assists technology companies to enter emerging growth markets. Spinova has strong business links throughout the African market and this agreement opens up significant opportunities for NexGen to roll out its revolutionary Wangle platform to a rapidly growing region.

Significant Market Opportunity – African Continent

The African continent represents a significant market opportunity for Wangle with its telecoms market currently the fastest-growing on the planet and expected to be worth US$65 Billion by 2018. Its mobile market is also experiencing significant growth at a CAGR of 6.7%[3].

Smartphone connections on the continent are growing rapidly and are estimated to reach 191 million by 2020. This means more consumers will be online, increasing the need for data compression solutions such as Wangle from enterprise data providers to alleviate pressure on their networks.

According to leading telecommunications consultants, Analysys Mason, mobile data revenue is also set to grow far faster than mobile voice revenue (at a 5-year CAGR of 19.6% compared with 4.7% for voice[4]). Mobile handset data's share of total telecoms revenue will almost double by 2018, reflecting the role of mobile devices as the main Internet access point for most users in Africa.

Partnership Provides Strong Validation of Wangle Platform

The partnership agreement provides strong validation of the Wangle platform, as well as strong third party recognition of the potential of the Wangle product. The Wangle platform can significantly increase the capacity for data transmission across existing hardware infrastructure. Therefore offering enterprises the potential for significant cost savings, which can also be passed onto consumers of mobile data as the usage increases.

Under the terms of the agreement, Spinova will promote the Wangle platform and facilitate commercial growth opportunities across the African Enterprise market, which can be replicated in other global markets.

Four Stage Testing Roll Out

Spinova will commence a four stage testing roll out of the Wangle platform, with the first phase commencing on 15 December 2015 to be a proof of concept at the University of Stellenbosch Data Centre in South Africa.

The next phases of the testing and commercial opportunity include:

- Stage 2: Opportunity and prospects for Wangle's use over university local area network
- Stage 3: Exploration of Wangle's use over long distances, Country-wide
- Stage 4: Exploration of the potential for Wangle's use across the continent

The partnership agreement opens up significant revenue potential for Wangle with Spinova already in advanced discussions with leading African companies, including an operator of an African undersea cable.

[3] Sub-Saharan Africa (SSA) telecoms market: Trends and forecast 2013-2018 - http://www.itnewsafrica.com/2014/08/africas-telecoms-market-to-be-worth-65bn-by-2018/
[4] Ibid

Jason Gitmans, CEO, NexGen Networks Limited commented:

"We are extremely pleased with the third party recognition and validation from Spinova for our Wangle platform and offering. This agreement opens up significant revenue potential in a region and enterprise market that is largely untapped and has the fastest growing mobile subscriber population in the world. With the support and recognition of Spinova, we are excited by the opportunity and potential for our enterprise software in the African continent, which will form the basis of our global enterprise offering."

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 to be sought at the Meeting of Shareholders to be held on 23 December 2015. For further information, please review the Notice of Meeting lodged with ASX on 23 November 2015.

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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.

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.