VTX Holdings Limited
ABN 80 096 870 978

Wangle Technologies™

QUARTERLY ACTIVITIES REPORT

*For the 3 months ending 31 December 2015 (**Period**)*

- Shareholder approval received for the acquisition of NexGen Networks Limited.
- Wangle Technologies Limited approved by shareholders as the new company name.
- Re-admission to the ASX expected in early February 2016 based on ASX guidance.
- Compliance prospectus completed and closed.
- US patents lodged.
- Wangle's ability to enhance Internet speeds, security and privacy places the Company at the forefront of a rapidly growing mobile internet market.
- Partnership agreement with Spinova opens up significant potential revenue streams.
- Limited Beta testing of the App commenced, further confirming Wangle's ability to increase speed and data savings across the mobile and video content market.

VTX Holdings Limited (ASX: VTX) ("**VTX**" or the "**Company**") today released its Appendix 4C Report and is pleased to provide a review of the progress by NexGen Networks Limited ("**NexGen**") during the December 2015 quarter.

CORPORATE

Transaction Update

Following a General Meeting of shareholders held on 23 December 2015, approval was granted for the acquisition of NexGen.

As part of the acquisition, NexGen has agreed to grant the Company an exclusive and irrevocable option to acquire 100% of the intellectual property in which NexGen has, or will acquire.

The Company is currently undergoing the process for re-listing and expects to be reinstated to the official list of the ASX in early February 2016.

Cash Position

The Company is well funded with $4.4 million cash at bank to fund the development and expansion of the Wangle platform.

OPERATIONAL

Significant Platform Development and Strategy Implementation

During the quarter, NexGen announced the name of its web optimisation platform – Wangle. Wangle offers substantial data savings and speed improvements for users on any mobile or desktop device. The platform has the ability to significantly enhance privacy and security, increase Internet speeds by up to 100% and lower data consumption by up to 50% across popular applications including Facebook, Netflix and Instagram.

The platform will be available in both a consumer and enterprise offering. For consumers the mobile app will be free to download and monetised via subscription packages, add-on features and premium services.

During the quarter NexGen also appointed Degordian, one of the world's leading full-service digital and social media marketing agencies, to accelerate the customer acquisition of the Wangle app as part of the first phase of its marketing and acquisition campaign.

The enterprise solution will enable enterprises to both white-label the platform to its customers and be available as a software development kit (SDK), to plug the technology directly into their own applications.

NexGen also advised that it had successfully lodged two key patents in the US to protect the optimisation technology underpinning the Wangle platform and that additional IP protection strategies were in development with leading IP & Patenting specialist firm Griffith Hack.

Soft Launch Commenced

NexGen commenced the soft launch of the Wangle app in Australia and New Zealand in late 2015. The soft launch of Wangle over iOS and Android follows the successful completion of the Alpha testing phase of the platform in December and January.

The launch of the Wangle app is to occur across three phases, targeting an initial 1.8 million users within two years. Following completion of the soft launch (phase 1), phase 2 is expected to commence in February 2016, followed by the 3rd phase, which will include an official global launch in June 2016.

The launch phases of the Wangle Platform are as follows:

- **Phase 1** (Nov 2015 – Feb 2016): Soft Launch to Australia and New Zealand, targeting 20,000 users within three months across both iOS and Android
- **Phase 2** (Feb 2016 – May 2016): Regional roll-out to Australia, New Zealand, South America and South Africa, targeting 250,000 users over iOS and Android
- **Phase 3** (June 2016 – July 2017): Global Official Launch, targeting an initial 1.8m users globally over the iOS and Android platforms

Wangle to Enter African Enterprise Market

NexGen have identified a significant market opportunity for Wangle in the African telecoms market. The African telecoms market is the world's fastest growing and is expected to be worth over US$65 billion by 2018[1].

During the period, NexGen announced that it had entered into an exclusive partnership agreement with Spinova Pty Limited, a global business innovator that specialises in facilitating the entry of technology companies into emerging markets.

Spinova are expected to facilitate Wangle's enterprise opportunity with Spinova already in advanced discussions with a number of leading African companies.

OUTLOOK

The Wangle platform is optimally positioned in a rapidly growing mobile internet market, with smart phones expected to account for three quarters of mobile data traffic by 2019[2].

There is a positive outlook for Wangle as it takes advantage of the growing demand from users for applications and tools to reduce data consumption and increase Internet speeds, which comes as modern Internet applications require more and more data.

In February, NexGen will commence the second phase of its rollout strategy, which will see the launch of the Wangle app in Australia and New Zealand, targeting 250,000 users and expansion into Latin America.

NexGen will also begin to implement add-ons and subscriptions, adding the first revenue stream to the business model.

Jason Gitmans, CEO, NexGen Networks Limited commented:

"The December quarter has seen NexGen deliver on a number of key milestones. Substantial progress has been made towards the launch of our revolutionary web optimisation technology platform, Wangle, with the commencement of the soft launch in November.

"We are confident that Wangle is a strong contender to become a market leading platform that increases data speeds and data savings across mobile video content in a rapidly growing mobile Internet market."

- ENDS -

[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] Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update 2014-2019 White Paper – http://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/white_paper_c11-520862.html

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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.

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

VTX HOLDINGS LIMITED

ABN	Quarter ended ("current quarter")
80 096 870 978	**31 December 2015**

Consolidated statement of cash flows

	Cash flows related to operating activities		**Current quarter (Dec 2015) $A'000**	**Year to date (6 months) $A'000**
1.1	Receipts from customers		-	-
1.2	Payments for	(a) staff costs	(50)	(99)
		(b) advertising and marketing	(28)	(62)
		(c) research and development	-	-
		(d) leased assets	-	-
		(e) other working capital	(59)	(207)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		7	14
1.5	Interest and other costs of finance paid		-	1
1.6	Income taxes paid		-	-
1.7	Other (ATO Refunds)		37	55
	Net operating cash flows		**(93)**	**(300)**

+ See chapter 19 for defined terms.

		Current quarter (Dec 2015) $A'000	Year to date (6 months) $A'000
1.8	Net operating cash flows (carried forward)	(93)	(300)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses:		
	Acquisition Expenses - NexGen Networks	(135)	(201)
	(b) equity investments	-	-
	(c) intellectual property	(62)	(62)
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities – NexGen Networks	(380)	(890)
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	**(577)**	**(1,153)**
1.14	**Total operating and investing cash flows**	**(670)**	**(1,453)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	3,387	5,256
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (Share issue costs)	(123)	(237)
	Net financing cash flows	**3,265**	**5,019**
	Net increase (decrease) in cash held	2,595	3,566
1.21	Cash at beginning of quarter/year to date	1,909	938
1.22	Exchange rate adjustments to item 1.21	-	-
1.23	**Cash at end of quarter**	**4,504**	**4,504**

+ See chapter 19 for defined terms.

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(81)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payment of director's fees, rent, administration expenses and reimbursements as well as capital raising costs on normal commercial terms to Cicero Advisory Services Pty Ltd, a related party of James Robinson.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		**Current quarter (Dec 2015) $A'000**	**Previous quarter (Sept 2015) $A'000**
4.1	Cash on hand and at bank	204	1,109
4.2	Deposits at call	4,300	800
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	**4,504**	**1,909**

Acquisitions and disposals of business entities

		Acquisitions ***(Item 1.9(a))***	**Disposals** ***(Item 1.10(a))***
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Loren Jones
Company Secretary
29 January 2016

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.

3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.