ASX AND MEDIA RELEASE



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Zipt Technology Officially Launched on Samsung's Tizen Platform

- New version of Zipt ("**Zipt Tizen**") developed, approved and officially launched on Samsung's Tizen Platform.
- Roll out of Zipt Tizen in conjunction with new Samsung handset releases to commence throughout Calendar Q1 2017.
- Zipt Tizen is **1 of only 2 featured marquee apps in the Communications section** of the Tizen App Store, along with WhatsApp.
- Zipt Tizen will be the only Tizen application allowing premium voice and video calling to mobiles, voice calling to landlines and low cost SMS.
- Marketing message to focus entirely on paying subscribers, all at no cost to ZipTel.
- New paying subscribers will have access to an **extensive list of subscription bundles** created to cater for all unique international calling behaviours.
- Zipt Out subscriptions integrated with quality tier 1 voice service carrier Tata Communications.
- Samsung are targeting 100 Million Tizen devices globally by EOY 2017.

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) is pleased to announce that the first Tizen platform version of Zipt has been developed, delivered and approved and is now available to download on the Tizen Application store. Tizen is Samsung's own smartphone operating system, rivalling Android and iOS. The launch of Zipt Tizen follows on from ZipTel being approached and subsequently selected by Samsung to have the Zipt app feature on the Tizen Platform as a marque application.

As announced on 20 July 2016, ZipTel entered into an arrangement with leading Tizen developers, under the direction of Samsung, to develop and roll-out a Tizen version of Zipt, at no cost to ZipTel. Integrating its proprietary low bandwidth Zipt technology to the Tizen platform presented some unique challenges to the Tizen developers and, in tandem with postponed Samsung handset launches, resulted in delays in delivery of the final Zipt Tizen product. As stated in the September 2016 Quarterly Report, Samsung assured the Company of an approval of the technology developments during the December quarter and is pleased to report this timeline has been met.

The selection of Zipt to be a marquee app on Tizen is a strong endorsement of ZipTel's technology from a global leader in telecommunications. It will assist the Company's consumer acquisition strategy to achieve growth in user installs and increased user adoption in the Subcontinent and South East Asia. Zipt's clear competitive advantage in low bandwidth areas has resulted in the huge uptake in these regions and has resulted in this opportunity with Samsung.

With version 1 of Zipt Tizen development completed, the Company can now focus on this roll out in conjunction with Samsung, through the holiday period and into the first calendar quarter of 2017. Version 1 introduces Zipt's proprietary rich messaging platform which will be made available to all Tizen users with Version 2 shortly to follow with full calling and video capabilities. The objective will be to maximise user uptake and revenue generation via Zipt bundle calling and subscriptions. Key to this is the strategic alliance with Tata Communications, as announced on 7 December 2016. Integrating Tata's voice termination network into the Zipt Consumer product (including Tizen) will result in improved quality of service, ensuring maximum uptake from this unique opportunity to build the consumer user base into paying users.

Zipt & Tizen

There are currently a limited number of applications available in the Tizen Application store with the focus being on high quality. Application retention rates on Tizen are much higher than other platforms, in part due to quality controls. Enterprise endorsement from Samsung benefits Zipt in areas such as significant brand exposure and marketing opportunities from upcoming global Samsung Tizen handset launch events.

In terms of geography, Tizen handsets will be focused on the Asia-Pacific region (where 61% of the world's population or 4.2 billion people are situated) – an area not covered by Samsung's agreement with Google for Android. This profile fits well with Zipt's emerging countries target markets.

Samsung Tizen handsets retail for USD\$200-\$250 which places them as a mid-tier handsets. In India, one of Zipt's key markets, this constitutes 65% of the total smart phone market and demographics to date show strength in the 18-25 year old range. Zipt will benefit from the higher retention rates seen on the Tizen platform and the higher value handsets being launched will drive higher revenue conversions in the Company's monetisation model.

The Zipt product will be showcased as a premium messaging and calling application, offering prepaid calling bundles across the platform to deliver a greater number of paying customers. As 1 of only 2 communication applications in the current Tizen application pipeline and the only app that has the ability to SMS and call landlines and mobiles, Zipt operates with minimal competition and clear points of difference to the other Tizen featured communications application WhatsApp. Product spotlight opportunities will position Zipt alongside WhatsApp as a low-bandwidth, premium alternative, offering low cost calling to landline and mobiles, messaging, SMS and video functionality. With Samsung targeting 100 Million Tizen devices globally by EOY 2017, if Zipt achieves material take up on the Tizen platform, this initiative could become the strongest channel for the Zipt Consumer Strategy offering monetisation at zero cost per install.

Bert Mondello, CEO, ZipTel commented:

"The Zipt Tizen product launch is a great milestone. We thank Samsung's Tizen developers for delivering the product and their continuing support. Integrating our proprietary technology was not straightforward but now that the development is largely complete, we can offer a point of difference to the emerging Tizen user base."

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About ZipTel Limited (ASX:ZIP)

ZipTel is an Australian owned and operated telecommunications technology business listed on the Australian Securities Exchange (ASX). ZipTel delivers customised rich communications solutions for businesses, with the Zipt Systems Enterprise suite and for consumers, with the Zipt mobile based communications application. ZipTel's competitive advantage is utilising state of the art technologies developed and wholly owned by ZipTel to provide communications solutions for environments where there are connectivity challenges.

About Zipt

Zipt is a mobile-based international communication App that enables consumers to send SMSs and make international calls for free between users. The App can also call any landline or mobile at some of the world's lowest call rates. Zipt delivers crystal clear sound quality in lower bandwidth data environments and allows consumers to retain their existing phone number, service provider and SIM card, with no lock-in contracts. Zipt does not require a SIM card and can be installed on any smartphone or tablet on compatible platforms. Zipt uses less data than similar products already available on the market, and can be used over Wi-Fi or any mobile network. For more information visit www.zipt.io.