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**zipt.**  
*just call*

## Investor Presentation

**ZipTel.**

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# ZIPTTEL OVERVIEW



**ZipTel Limited (ASX:ZIP)** is an ASX listed telecommunications business focused on providing international roaming and calling solutions.

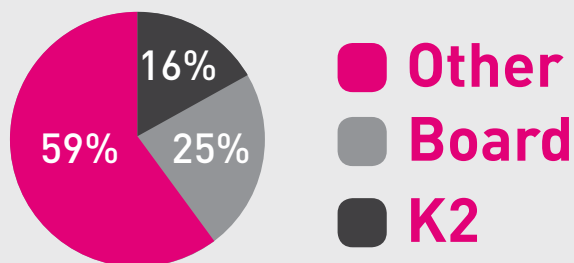
The Company was listed in **July 2014** via a reverse takeover of Skywards Limited following a successful capital raise of \$5 million .

## Two core product offerings:

**AussieSim** an international pre-paid travel sim card offering consumers significant savings (up to 95%) on talk, text and data across more than 180 countries.

**ZipT** a free to download mobile-based data application, which allows customers to send and receive free calls and SMS internationally. It has the ability to deliver superior crystal clear call quality in 2G and low bandwidth data environments globally where current applications on the market are unable to operate.

## Capital structure



## ASX:ZIP MARKET DATA AS 24/10/14

Share Price	\$0.45
Shares on Issue	61.1 million
Market Cap	\$27.5 million
52 Week High	\$0.45
52 Week Low	\$0.14
Cash	\$3.5 million

# MANAGEMENT TEAM



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**Bert Mondello**  
**Co-founder and CEO**

Over 16 years experience in the telco industry. Before 2002, he managed key retail distribution channels for Optus and Vodafone. In 2002, he was invited to assist in building the business model & blueprint of Vodafone's outsourced pilot distribution model – Vodafone Alliance. As an equity partner & GM of Vodafone Alliance, his responsibility was to build & manage a national B2B sales team. In 2004, his private company iCommunications was appointed by 3 Mobile to manage part of their Australian business channel. In 2009, Vodafone & 3 Mobile subsequently merged in Australia & iCommunications became one of Australia's largest Vodafone business channels. iCommunications remains a prominent & long-standing business partner of Vodafone.



**Keaton Wallace**  
**Co-founder and Executive Director**

Recently oversaw the tender & negotiation process with Indonesia's four major telco network providers and Thailand's three major telco providers. Also recently successfully reached terms with Indosat Pt Indonesia & DTAC Thailand for partnerships with AussieSim. Prior to co-founding AussieSim, Keaton was in property management & development – overseeing major property development syndications & capital raisings within Australia & Indonesia, with award-winning results for Parkwater.



**Josh Hunt**  
**Director**

A lawyer and Principal of project law firm Hunt & Humphry, with experience in providing advice to listed public and private companies and in all aspects of project acquisitions and disposals. His experience extends internationally, where he has acted for a number of companies with operations in Africa, South East Asia, Mongolia, the United States, Canada, United Kingdom and throughout South America.



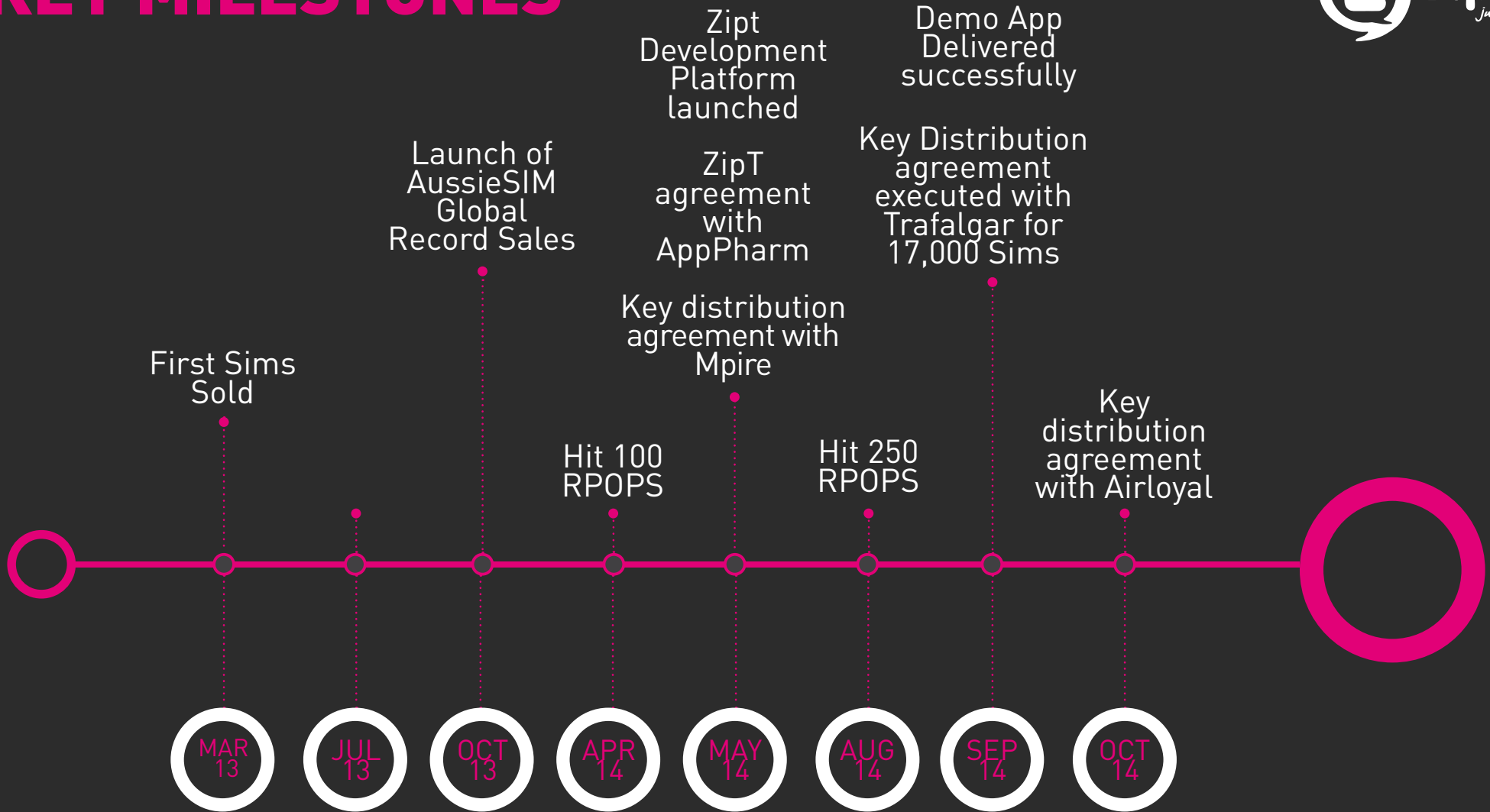
**Salvatore Vallelonga**  
**Director**

Mr Salvatore Vallelonga is a Chartered Accountant and a Director of Plexus Wealth Pty Ltd, a Chartered Accounting and business advisory business specialising in the provision of tailored tax and consultative solutions to its SME and emerging growth clients. He is also a Director of Plexus Wealth ty Ltd, which provides financial planning and wealth solutions to clients. Salvatore is a Director of numerous private companies and is also on a number of Boards and Committees of Non-Profit organisations. Salvatore has worked closely with his clients in business to business distribution and retail channels in the telecommunication industry, servicing clients working with national and global brands such as Telstra, Vodafone, 3Mobile, Optus, People telecom, M2 Communication and Commander.

# KEY MILESTONES



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# AUSSIESIM OVERVIEW



- AussieSim is an international pre-paid travel sim card offering consumers up to 95% savings on talk, text and data whilst travelling overseas across more than 180 countries.
- Business model underpinned by 4 years R&D creating superior scalable products.
- AussieSim has a fully integrated retail and online trading solution for the travel sim marketplace.
- Direct partnerships with a number of international telecommunications networks.
- Over 250 RPOPS Australia wide and growing.
- Operation since April 2013 with ongoing sales and revenue growth.

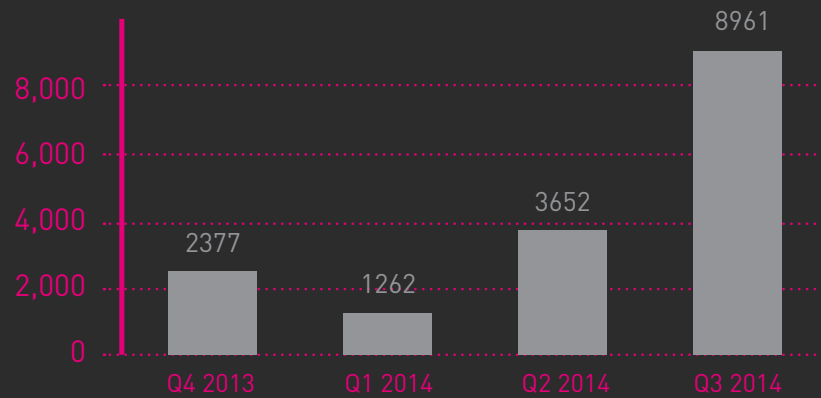
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# SOLID TRACTION TO DATE

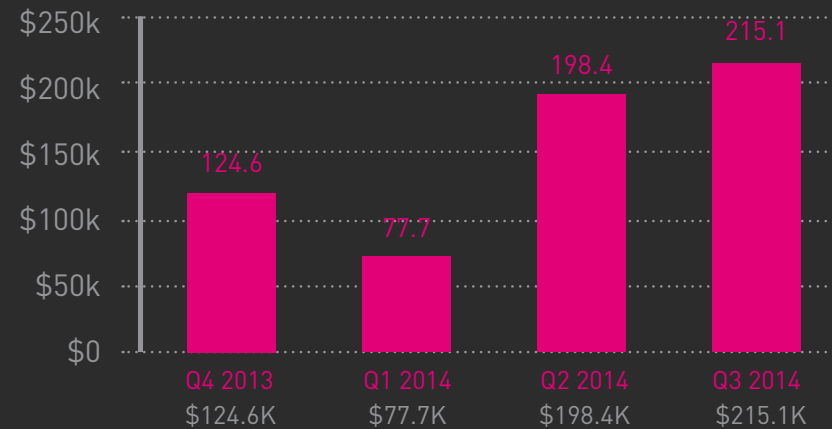


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- Record monthly SIM sales achieved in May and June 2014, 1,250 and 1,440 sold respectively
- Six month supply agreement with Trafalgar Tours for 17,000 SIM cards in July 2014



SALES



REVENUE

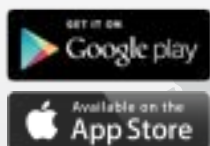


# ZIPT OVERVIEW



- Free to download Mobile based application allowing customers to SMS and **make international calls at low rates**
- **ZipT works on any mobile or wifi network** and has the ability to deliver superior crystal clear call quality in 2G and low bandwidth data environments globally
- **Launches globally** in December 2014
- **Available on** Apple IOS, Android and Windows platforms

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Download ZipT from your preferred appstore



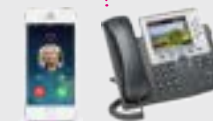
Make Calls and Send SMS anywhere Globally



Free Zipt to Zipt



1c per minute Zipt to Mobile/Landline





# ZIPT APP OPPORTUNITY



- **Significant market opportunity** across a highly profitable sector
  - International telco revenue from roaming set to reach \$80 billion by 2017
  - Over 1 Billion MAU
  - 1.9 billion globally reside in low bandwidth and 2G network areas
- **Disruptive proprietary technology** targeting the traditional and rapidly growing telco industry
- **First to market:** Proprietary mobile calling application compressing data and encrypting calls at bandwidths of 8kbs
- **Superior product offering** providing crystal clear voice quality in all data networks including 2G, 3G, 4G and Wi-Fi
- **Compelling customer offering:** No lock ins, competitive pricing, only one party requires the app, which is “free” to download on any platform including Apple IOS, Android and Windows.
- **Attractive commercialisation model** low cost base and highly scalable business
- Fully funded to achieve over 5 Million subscribers through **established distribution agreements**
- **Experienced and strong board and management team** to drive company growth and expansion

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# TARGET MARKETS

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## INTERNATIONAL DIRECT DIALING (IDD) MARKET

Expats and global travellers who traditionally use Skype and Viber.



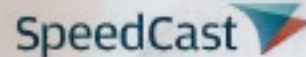
## INTERNATIONAL CALLING CARD MARKET

Global travellers and holiday makers; traditionally serviced by domestic Sim card providers such as Lebara and Lyca.



## WHITE LABEL OPPORTUNITIES

Airlines, remote mining camps, Oil & gas rigs, Cruise ships and Navy vessels – currently using International data satellite providers such as Speedcast and Inmarsat.



# ZIPT KEY FEATURES



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## Free to download for Apple IOS, Android and Windows platforms

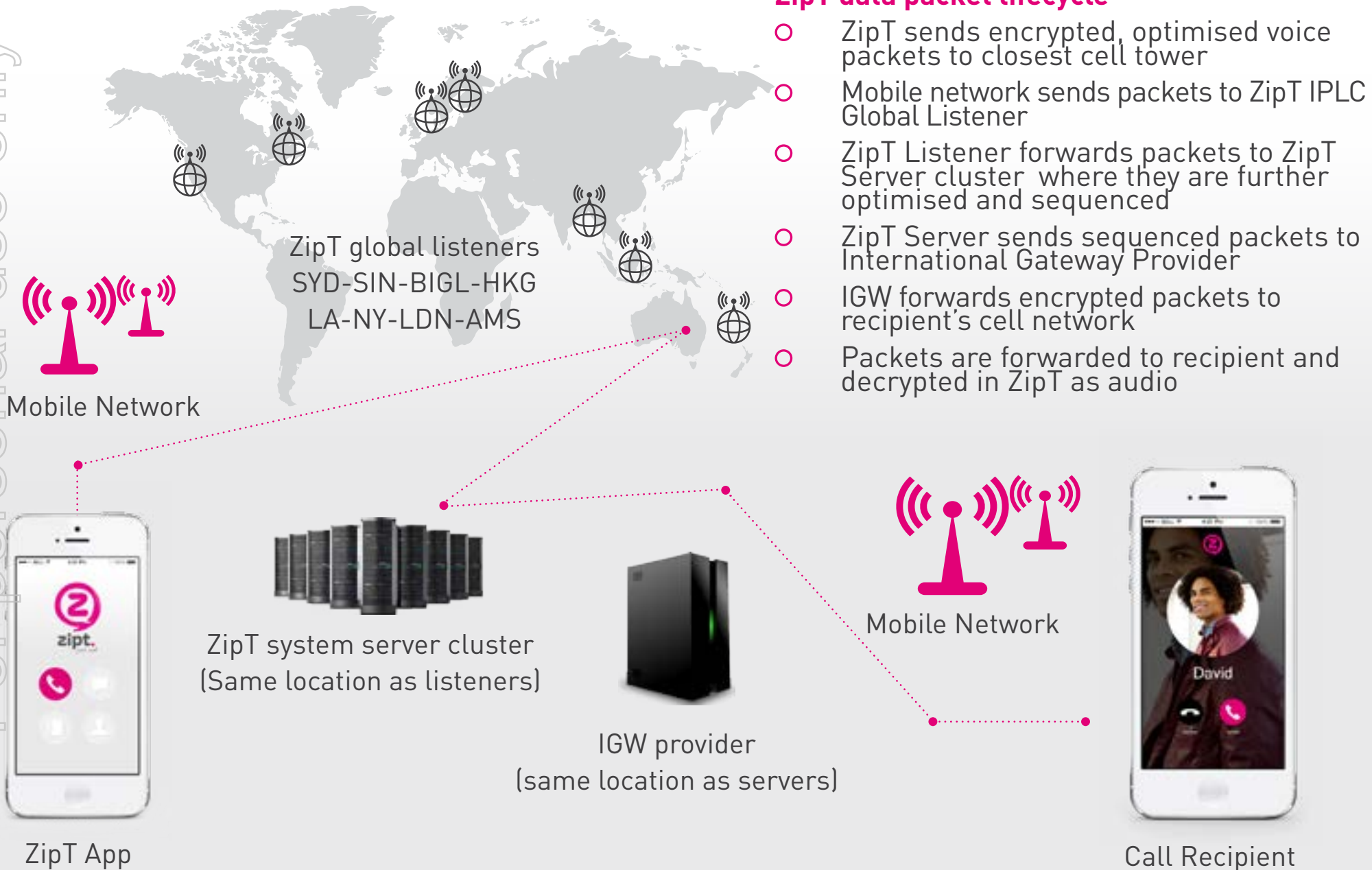
- Free App to App calls & SMS
- VoIP rate national and international calling
- Country specific phone number (Multi DID)
- Call waiting
- Voicemail, Voicemail to Email, SMS notify
- Voice recording
- Conference calling
- No Lock in contracts
- Calls and SMS to Landline and mobile start from 1 cent per minute and flat rate international calling to selected destinations



**Play the ZipT promotional video**



# INFRASTRUCTURE



## ZipT data packet lifecycle

- ZipT sends encrypted, optimised voice packets to closest cell tower
- Mobile network sends packets to ZipT IPLC Global Listener
- ZipT Listener forwards packets to ZipT Server cluster where they are further optimised and sequenced
- ZipT Server sends sequenced packets to International Gateway Provider
- IGW forwards encrypted packets to recipient's cell network
- Packets are forwarded to recipient and decrypted in ZipT as audio

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# PROPRIETARY TECHNOLOGY

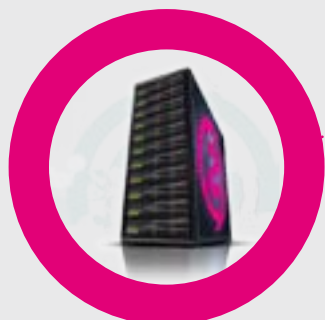
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Opus Codec



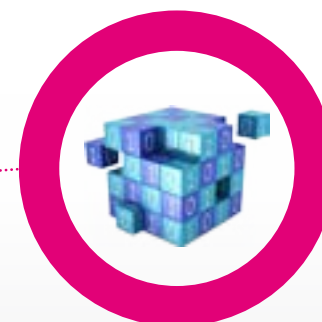
WebRTC API



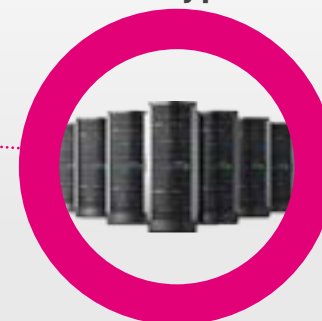
Global IPLC Listeners



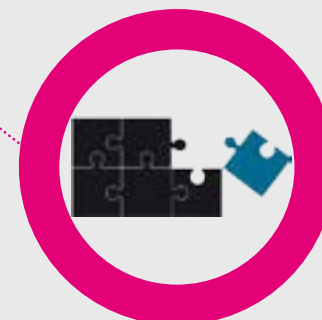
Custom libraries



Packet-level Optimisation & Encryption



Server cluster relay optimisation



Packet loss compensation

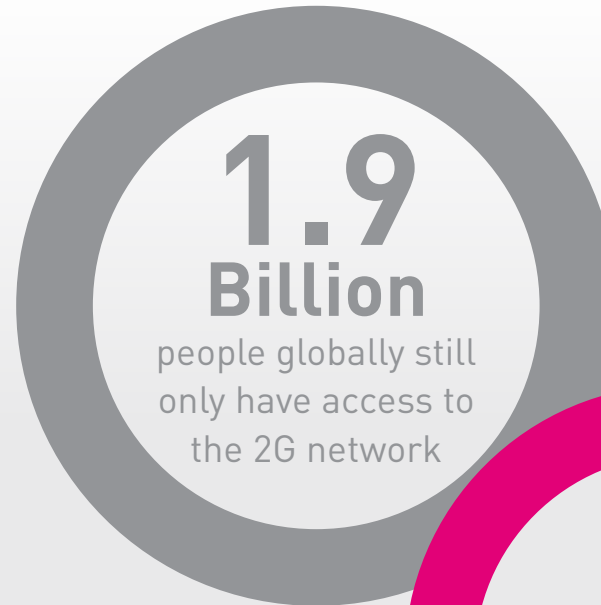
# GLOBAL MARKET OPPORTUNITY



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Significant global roaming market which continues to grow...

Market is dominated by Skype and Viber which require access to 3G and high-speed bandwidth to function successfully.



# ZIPTTEL WILL GAIN FAST GLOBAL DISTRIBUTION THROUGH MPIRE MEDIA

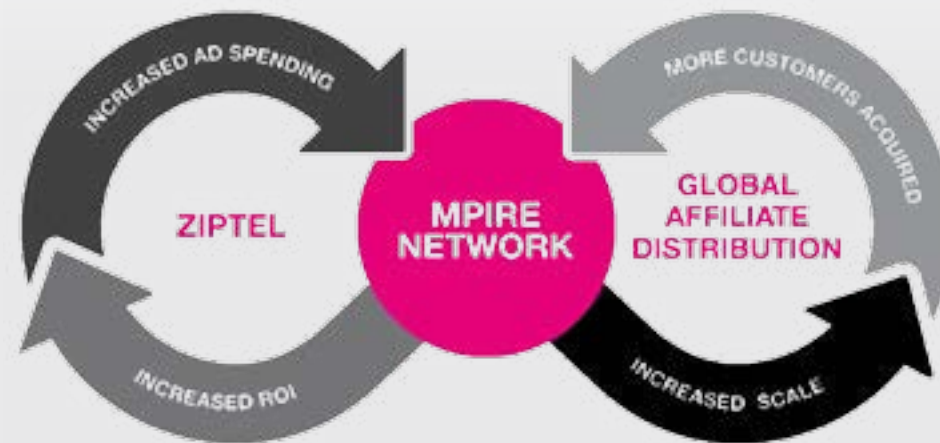


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- Ziptel has secured a strategic relationship and an initial contract with Mpire to acquire **1M subscribers**.
- Mpire (listing on ASX in Dec. 2014) provides **online and mobile marketing services across 120 countries** on a strict performance basis.
- Ziptel will benefit from Mpire's performance based model ensuring that **ZipT can reach its target demographic** and **only be charged for those consumers that Mpire acquires** through its vast network of affiliates.
- Mpire's proprietary technology guarantees Ziptel **fast global distribution and scalability** while keeping costs set.



**120**  
**COUNTRIES**



mpire



# AIRLOYAL DISTRIBUTION



## airloyal

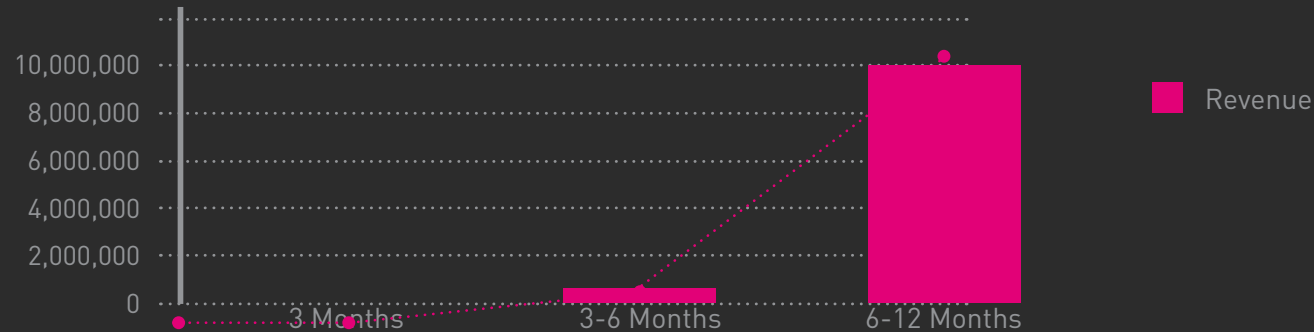
- **Ziptel has secured** a strategic agreement to secure up to **1 Million subscribers** in the Indian Market
- Airloyal is a Chennai-based company with access to millions of customers in the fastest growing smart phone market in the world.
- **Airloyal has millions of users and 30 global brands as clients** including Flipkart, Amazon, TicketGoose engaging with them through Ladoo platform.
- **Provides distribution access to millions of users** via Air Loyal's flagship advertising platform, Ladoo.
- Opens up a significant opportunity for substantial organic penetration with **more than 70% of India's 220 million mobile internet users** have access to only 2G & low speed internet connection

# CUSTOMER ACQUISITION + MONETISATION OPPORTUNITY



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Commercialisation Opportunity



## Phase 1

- Measure retention
- Track usage & call quality
- Trouble shoot any issues detected



## Phase 2

- Measure & troubleshoot any issues
- Prepare infrastructure for scaling / identify and choke points
- Ensure optimal ASO and significant numbers of organic users
- Measure ARPU / ROI and detect marketing
- Trouble shoot issues detected channels that bring less quality users



## Phase 3

- Iterate app and roll out new features every month

# COMMERCIALISATION MODEL



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- Conservative ARPU \$2 - \$4
- Call Credit minimum \$5
- Stickers Subscriptions DID purchases

- Attractive customer rates: Calls from 1 cent per minute
- Low Data Consumption enabling higher usage

- Low customer acquisition costs of 57 cents for first 5.6 Million users
- Organic and viral growth

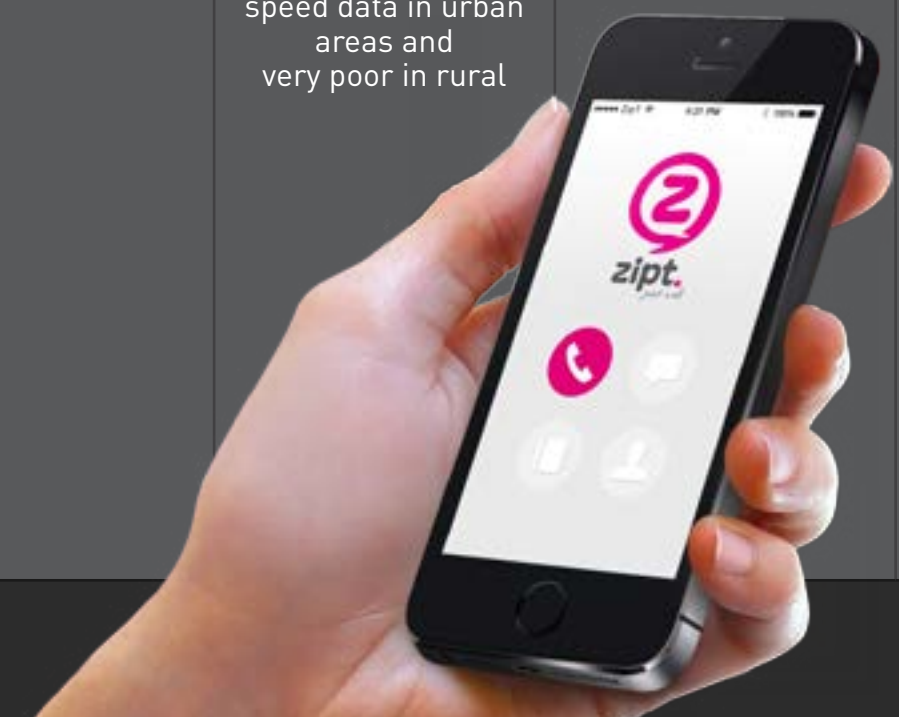
- **Highly Scalable and High Margin Business Model**

# KEY TARGET MARKETS



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AUSTRALIA	MALAYSIA	SOUTH AFRICA	INDIA	BRAZIL	USA
<p><b>Over 50%</b> of the market is already using VoIP <small>Source: CHOICE</small></p> <p><b>Two thirds</b> of the population own a smartphone <small>Source: IPSOS</small></p>	<p>High penetration of smartphones, <b>over 60%</b> of the population <small>Source: Ericson ConsumerLAB</small></p> <p>Big user base with high mobile ARPU: \$14.88 – <small>Source: ARPPU MAP FORTUMO</small></p> <p>Combination of high speed data in urban areas and very poor in rural</p>	<p>English language, easy to enter</p> <p>Biggest ARPU in Africa: \$6.62 – <small>Source: ARPPU MAP FORTUMO</small></p>	<p><b>Largest mobile subscriber market after China</b></p> <p><b>183M subscribers growing 186%</b> per year</p> <p>Low signal quality (mostly 2G)</p>	<p>Huge user base with high mobile ARPU: \$5.11 <small>Source: ARPPU MAP FORTUMO</small></p> <p>Low user acquisition costs</p> <p><b>5.3million people</b> currently subscribed to VoIP services and it is continuing to grow <small>Source: Point Topic Global 2013</small></p>	<p><b>70% smartphone penetration</b> (160 million + users)</p> <p>Highest number of VOIP users <b>over 34 million</b></p> <p><b>15 billion US\$</b> annual revenue in VOIP services</p> <p>ARPU in communication apps reported between \$8 (Skype) \$24 (Rebtel)</p>



# COMPETITIVE LANDSCAPE



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COMPANY AND USERS	FREE CALLS APP TO APP	CALLS TO PHONES WITHOUT APP	FREE APP TO APP MESSAGING	SMS TO PHONES WITHOUT APP	CALLER ID	MULTI DID	LOW (2G) BANDWIDTH	SECURE CALL ENCRYPTION
Zipt	✓	First 5 Minutes Free	✓	✓	✓	✓	✓	✓
Viber +300m	✓	✓	✓		✓			✓
Skype +300m	✓	✓	✓	✓	✓			✓
QQ International +5m	✓	✓	✓					
QQ China +500m	✓		✓					
Vontage ← 10m	✓	✓	✓					
WePhone ←10m	✓	✓			✓			
Rebtel ← 30m	✓	✓	✓					
Nimbuzz +150m	✓		✓					
Tango +190m	✓	✓	✓					
LINE +300m	✓		✓					
WeChat +400m	✓		✓					
KakaoTalk 100+m	✓	✓	✓					

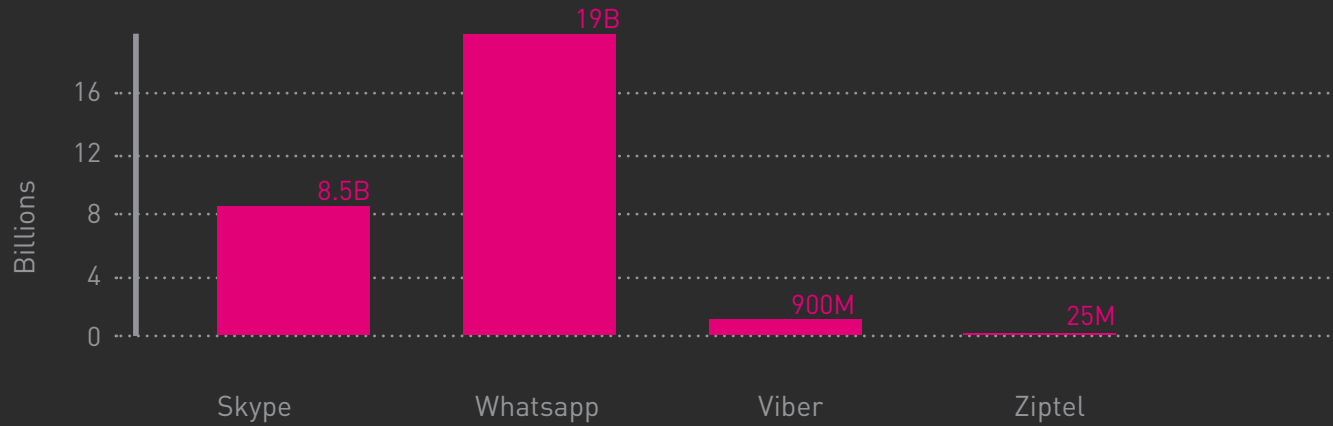
# DEVELOPMENT ROADMAP



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	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015
Video calls (one2one or group)	✓								
Send credits to contact	✓								
Abuse / spam global list	✓	✓							
Stickers / emoticons galleries			✓	✓					
Voice msgs with stickers unique offer in sticker					✓	✓			
Brand engagement buttons							✓		
Click2call offers based on user interest								✓	
Best local apps - for roaming customers									✓

# VALUATION UPSIDE



○ Microsoft paid \$8.5bn for Skype

○ Facebook paid \$19bn for Whatsapp in 2014

○ Raikiten paid \$900m for Viber in 2014

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**THANKYOU!**