

ASX AND MEDIA RELEASE
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Convo App Android Soft Launch **ZipT IP integrated into both major mobile platforms**

ZipTel Limited ("ZipTel" or "the Company") (ASX: ZIP) provides the following update on its agreement with London-based Space Digital Media Limited (SDM) to have ZipT technology integrated into a new app aimed at becoming a globally significant content driven communication/ social platform; the Convo App.

Following on from the 9 October 2017 announcement that SDM had conducted a 'soft launch' of the iOS version of the new Convo App, ZipTel advises that the Convo App has now had its soft launch on the Google Play store for Android phones.

Launch Strategy

SDM is using a soft launch strategy whereby a select number of users are given access to the Convo App across different regions of interest. The soft launch will give SDM the ability to segment users into cohorts, thereby allowing them to establish the type of users that have the highest and lowest values from a Life Time Value (LTV) perspective. From the information gained during the soft launch, each new release of the Convo App will equate to better targeting, optimised LTVs, and lower cost per acquisition (CPA). This, coupled with an understanding of what creative content and channels gain the most traction, will assist SDM to achieve its targets for the Convo App.

The ability to gather data on user behaviour; define success criteria; determine which mediums of promotion and communication are most effective; and gain knowledge to improve and repeatedly optimise with each version, will allow SDM to generate a defined strategic plan for the full launch.

African and Asian Focus

The Convo App will initially have an Asian and African focus, with the main targets in the first instance being India, Nigeria and South Africa (with the intention to then focus and grow into Europe and other regions). The Android launch is extremely important to the Indian market where on the basis of market share held by mobile operating systems in India, Android represents at least 79%¹. SDM will be aiming for strong take up in this region.

Publishers

Over time, it is planned that users will have access to some of the world's best-connected publishers (news organisations, celebrities, social influencers & brands) to follow. SDM plans to have up to 1,000 publishers for its full launch with a goal to onboard over 3,500 publishers via its global network through their agreement with Be Seen Media.

Third Party publishers will be introduced in a staggered manner over the coming months based on the data and user behaviour gained from the soft launch.

1. Source: As at July 2017 www.statista.com/statistics/262157/market-share-held-by-mobile-operating-systems-in-india

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ZipTel to share in potential revenue

Under the Ziptel/SDM agreement, ZipTel granted a license to certain IP rights to the ZipT technology to SDM and assisted in the development of the Convo App in return for royalty payments of between 10% and 20% of Net Revenue received in relation to the Convo App. Full details of this agreement are provided in the Company's announcement dated 18 August 2017.

-Ends-

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to consumers and businesses.

About Space Digital Media

Space Digital Media operates 'Convo', a product that will deliver calling/messaging, local and relevant content. The Convo App is a content driven communication/social platform.

The Convo App is a cross-platform mobile messaging application which allows users to call, send messages, share photographs, documents and audio recordings at no cost and with only a basic data connection. No 3G or Wi-Fi connectivity is required to utilise the Convo App. The Convo App is a communication platform which features content on a wide array of subjects and allows users to share and comment on that content. It features a reward points system for users who undertake certain actions, such as inviting new users to the Convo App or interacting with Convo App.

SDM are a marketing agency that transforms businesses for the digital age. They exist to help brands embrace the creative and technological changes that affect all aspects of their business. SDM is wholly owned by Sport Convo Limited, a platform that delivers Sport Digital Content that boasts the likes of Virat Kohli and Gareth Bale as shareholders and ambassadors.