

PRESS RELEASE

ZTE integrates next generation Conax security and enters global IPTV reseller agreement

- The leading global system integrator ZTE now bundling Conax advanced IPTV DRM
- New reseller agreement complements Conax IPTV expansion plans

Oslo, Norway, and Shenzhen, China, July 6th, 2017 – <u>Conax</u>, a <u>Kudelski Group</u> (SIX:KUD:S) company, and a leader in total service protection for pay-TV and digital entertainment services worldwide via broadcast, broadband and connected devices, today announced a reseller agreement with <u>ZTE Corporation</u>, a major international provider of telecommunications, enterprise and consumer technology solutions. A key aspect of the partnership is bundling Conax' Connected Access next generation IPTV security client with ZTE's complete offering targeting the global IPTV market. The reseller agreement strengthens Conax' IPTV expansion plans with the first joint operator deployments under preparation.

The **Conax Connected Access** multipurpose security client provides ZTE's operator offering with comprehensive content protection for IPTV and OTT, enabling ZTE to position for new markets. The highly flexible architecture provides converged security with conditional access and DRM, providing a single security client for all operator content to the connected STB. Conax Connected Access utilizes an advanced hybrid approach eliminating the need for multiple back-ends.

Adoption of ZTE's IPTV ecosystem will provide operators with a best-in-class, rapid deployment of a complete, secure IPTV platform targeting content savvy consumers in expanding markets.

-"Fang Hui, Vice President, ZTE Corporation, "As we aim to tap the broad opportunities forecasted in the coming years for the IPTV market, ZTE sees strong synergies in partnering with Conax to provide their leading security technology for our global IPTV offering. Conax' security reputation, reliability and extensive experience in additional segments provide interesting opportunities for harnessing future growth."

"The market holds significant opportunity for rapid expansion within IPTV, thus we are very pleased to introduce the new offering to the global arena."

-"Hans Kwaaitaal, SVP APAC & Strategic Partner Management, Conax "ZTE's global strength as one of the premier providers of complete IPTV ecosystems and system integration brings a range of value-adding operator benefits to telcos and operators through tried and tested complete platforms, highly reputable products and local expertise and support. With an exciting customer pipeline underway, Conax aims to further strengthen expansion plans within the global IPTV arena, and support ZTE with security expertise for its comprehensive, world-class IPTV ecosystem.

Conax Page 1 of 2



About ZTE

ZTE is a provider of advanced telecommunications systems, mobile devices, and enterprise technology solutions to consumers, carriers, companies and public sector customers. As part of ZTE's M-ICT strategy, the company is committed to provide customers with integrated end-to-end innovations to deliver excellence and value as the telecommunications and information technology sectors converge. Listed in the stock exchanges of Hong Kong and Shenzhen (H share stock code: 0763.HK / A share stock code: 000063.SZ), ZTE's products and services are sold to over 500 operators in more than 160 countries. ZTE commits 10 per cent of its annual revenue to research and development and has leadership roles in international standard-setting organizations. ZTE is committed to corporate social responsibility and is a member of the UN Global Compact. For more information, please visit www.zte.com.cn.

About Conax

A part of the Kudelski Group (SIX:KUD:S), Conax is a leading global specialist in total service protection for digital TV and entertainment services via broadcast, broadband and connected devices. Based on the Conax Contego security back-end, Conax' future-ready technology offers modular, fast-time-to-market solutions that enable easy entry into a world of secure multiscreen, multi-DRM content delivery and secures rights for premium content delivery to a range of devices over new hybrid network combinations. Conax spotlight technology includes the Contego-as-a-Service cloud-based platform, award-winning "Conax GO Live" live TV streaming, benchmark multi DRM protection and the Conax Connected Access connected IPTV security client combining Conditional Access and DRM security in a single client. Headquartered in Oslo, Norway, ISO 9001 & 27001 certified Conax technology enables secure content revenues for 425 operators in 85 countries globally. For more information, please visit www.conax.com and follow us on Twitter, LinkedIn, and Facebook to join the conversation.

Conax media contact

Leslie Johnsen Head of Public Relations & Communications Mob: +47 41 45 80 43

Email: leslie.johnsen@conax.com

ZTE media contact

Ye Long Market Operation

Email: ye.long6@zte.com.cn

Conax Page 2 of 2