

1st June 2021

Seamless Integration of Nextel and Business Update

Highlights:

- Integration of Nextel into Vonex's existing business operations is complete and yielding contract wins
- Vonex achieved 45,000 active PBX users and grew number of SME customers by 27% YoY as at 31 May 2021
- 2SG Wholesale continues to deliver strong growth across key sales metrics, highlighted by 61% growth in orders of mobile broadband, 95% growth in orders of NBN with 4G backup and 217% growth in orders of mobile voice services year-on-year in FY21 to date
- Vonex has rolled out the NBN Assure service to partners and successfully deployed new billing and provisioning platforms, reducing costs for the Company and its wholesale customers
- 2SG Wholesale 5G services launch is now imminent, having been selected by Optus as a key 5G partner
- Acquisition strategy remains a key focus and several late-stage opportunities are currently in progress

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to provide an update regarding its acquisition of Nextel and broader progress across its business units.

Nextel Integration Achieved

Vonex advised via ASX announcement on 18 December 2020 that the Company had signed a binding term sheet with Nextel Pty Ltd ("Nextel"), an industry leader in the design, installation and maintenance of voice, data and communications networks for business customers, to acquire its business and operations as a going concern.

On 3 February 2021, Vonex announced the completion of the acquisition of Nextel. Since then, Vonex has been working towards integrating Nextel with the Company's existing operations and we are pleased to announce that this integration is now complete. The Company will continue to explore further synergies between the Nextel business and the Company's existing operations to identify new opportunities to add value to Vonex business customers.

The Company is now engaged in promoting Nextel with proactive marketing campaigns targeted at new build infrastructure construction projects, after winning a \$140k infrastructure job post completion of the Nextel acquisition. The business remains on target to perform ahead of the financial expectations set at the time of acquisition.

PBX Users Exceed 45,000

The Company has expanded to now have more than 45,000 active users of its Private Branch Exchange (PBX) cloud-based phone service. Vonex has recently upgraded its PBX platform to integrate it with the ZOHO customer relationship



management (CRM) tool, which is expected to improve customer retention, pipeline conversion and user experience.

The Company is also pleased to advise that Vonex grew its number of small-to-medium (SME) enterprise clients by 27% over the year to 31 May 2021.



NBN Assure

The Company has rolled out the NBN Assure service to partners following its release in Q3 FY21. NBN Assure is Vonex's "always on" business NBN service with first to market unlimited speed and unlimited data via 4G backup, making the second connection as valuable as the first for business customers engaged in essential online work.

NBN Assure also provides business continuity assurance for all critical systems and applications with static IP and cyber-attack protection – features which are gaining a positive response from customers in both the wholesale and retail markets.

2SG Wholesale

Vonex has successfully deployed newly integrated billing and provisioning platforms for 2SG Wholesale as well as Nextel. 2SG Wholesale has also deployed its new B2B NBN ordering platform for wholesale customers, enabling touchless provisioning and service management – an essential feature as social distancing measures remain part of life in areas of Australia, which brings Vonex the added benefit of reducing costs and overheads for both wholesale customers and the business unit. On the back of these successful deployments, the Company has ramped up its efforts in cross-selling its voice offerings through this business unit.

2SG Wholesale continues to deliver strong growth across key sales metrics, highlighted by 61% growth in orders of mobile broadband, 95% growth in orders of NBN with 4G backup and 217% growth in orders of mobile voice services year-on-year in FY21 to date.



2SG Wholesale's 5G services launch is now imminent. After having been selected by Optus as a key 5G partner, 2SG has now completed preparations for the launch, including the creation of a brand new Service Qualification and an automated ordering system for partner and customers. The Company expects this new product to contribute to revenue growth in H1 FY22.

Disciplined Acquisition Strategy

The Company plans to augment its strong organic growth through selective acquisition. The Company's acquisition strategy remains a key focus and several late-stage opportunities are under review. The Company is assisted in its acquisition search by TCA Partners (formerly known as Tor Corporate Advisory).

The Company has a strong pipeline of acquisitions in negotiation and due diligence stages.

Vonex Managing Director, Matt Fahey, said:

"We are pleased that the integration of Nextel with Vonex's existing operations has been seamless and we look forward to driving value for customers using our combined products and expertise."

"We have also made sound progress in other areas of our business, having acquired new PBX users, rolled out NBN Assure to our partners, ramped up our 2SG Wholesale service, and continued with our plans to make strategic and value-accretive acquisitions."

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ABOUT VONEX:

Vonex is a full service, award-winning telecommunications service provider selling mobile, internet, traditional fixed lines, and hosted PBX and VoIP services - predominately to the small to medium enterprise ("SME") customer under the Vonex brand. The Company also provides wholesale customers, such as internet service providers, access to the core Vonex PBX and call termination services at wholesale rates via a white label model.

Vonex also develops new technologies in the telecommunications industry, including a feature-rich cloud-hosted PBX system. Vonex is also developing the Oper8tor App, a multi-platform real-time voice, messaging and social media app that allows users to connect with all social media friends, followers and contacts across different social medias, all consolidated into one app.