

28 October 2022

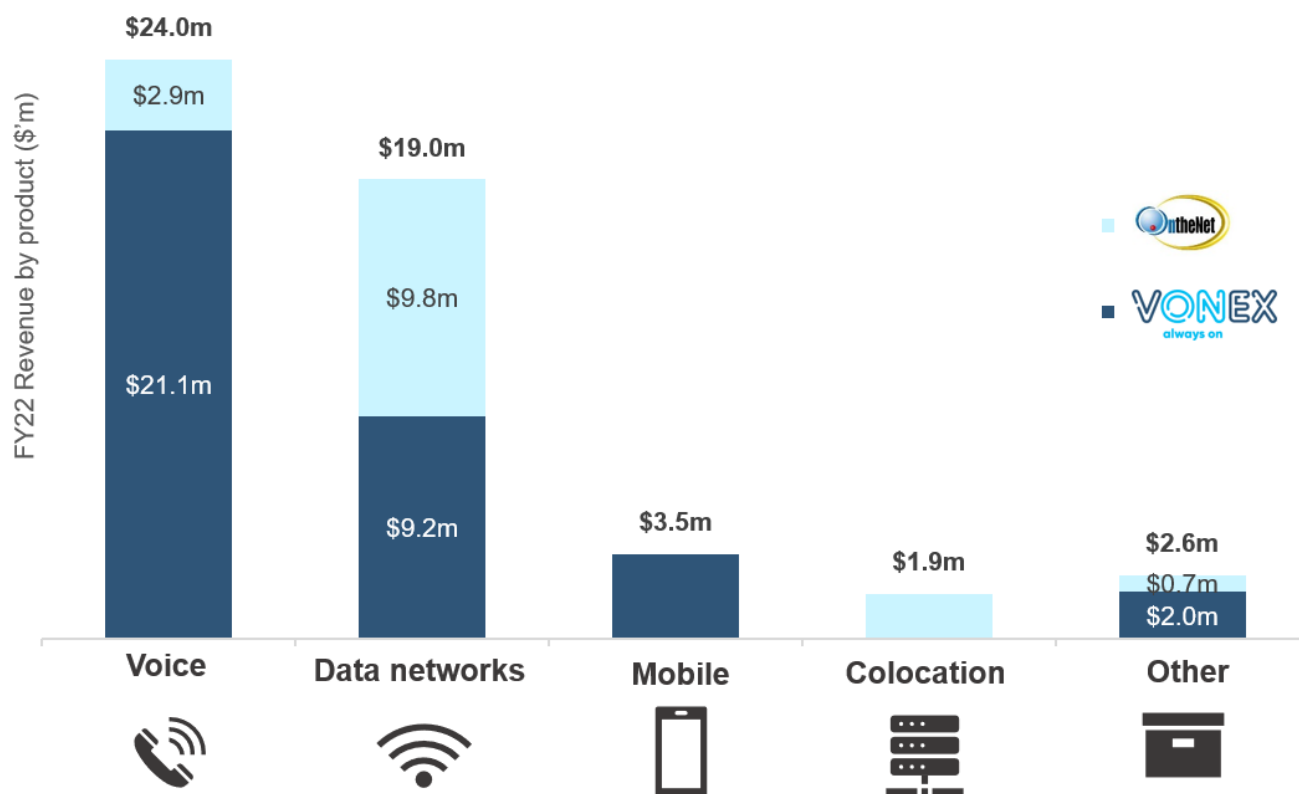
## Vonex Completes Acquisition of OntheNet

Telecommunications innovator Vonex Limited (“Vonex” or the “Company”) (ASX: VN8) is pleased to advise that the Company has completed its acquisition of Network Technology (Aust) Pty Ltd t/as OntheNet (“OntheNet”), first announced to the ASX on 5 October 2022 (the “Acquisition”).

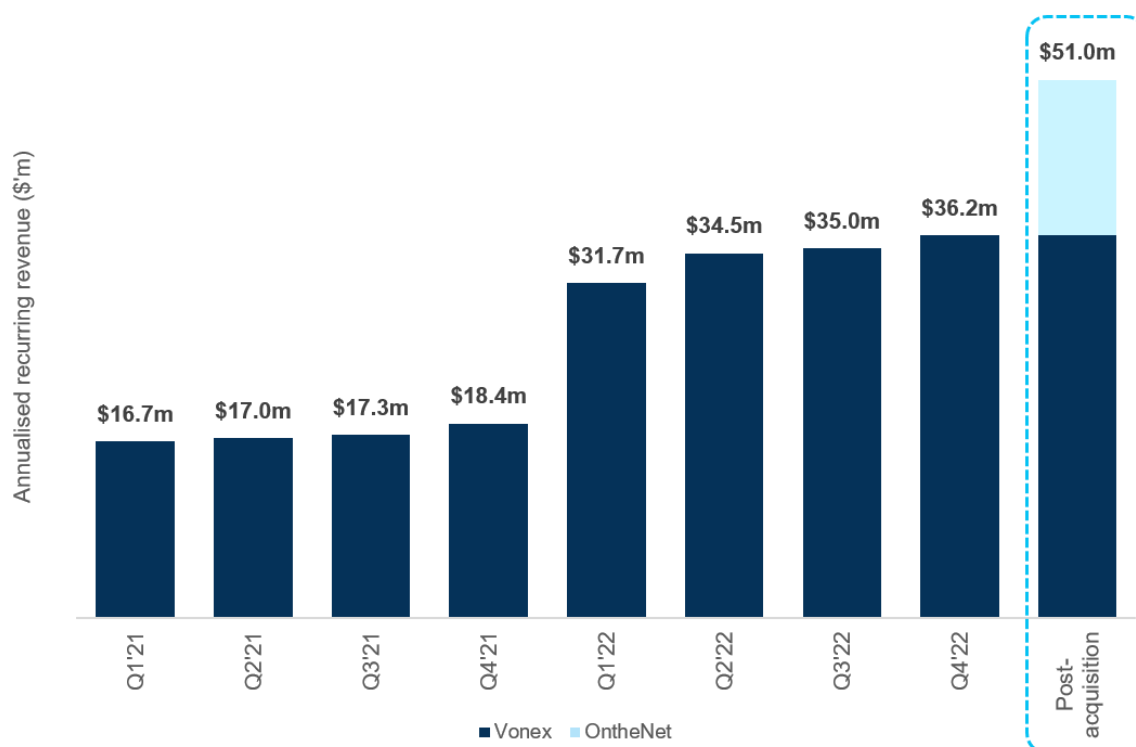
OntheNet provides data network, voice and hosting/colocation services primarily to business customers across Australia. It also brings ownership of its fully redundant core network, peering at major Australian Internet Exchange Points (IXPs) and a Tier 3 Data Centre located on the Gold Coast. OntheNet's highly skilled workforce of 35 employees, including a large engineering team with strong capabilities in data networking, are now onboarded and contributing to the Company's mission.

The Acquisition significantly expands Vonex’s data network capabilities and introduces new product offerings in colocation and hosting. The limited overlap between OntheNet and Vonex's product bases provides a clear opportunity for cross-selling.

The chart below outlines the Company’s combined FY22 pro forma revenue mix post acquisition, reflecting OntheNet having delivered revenue of \$15.2 million of which approximately 97% is recurring in nature. From this revenue OntheNet recorded pro forma FY22 EBITDA (unaudited) of \$1.9 million.



OntheNet's high quality revenue and earnings have given the Company a significant step-change in annualised recurring revenue ("ARR"), which has now grown to ~\$51 million. The following chart illustrates Vonex's consistent delivery of growth in ARR over the past 2 years both organically and via targeted M&A.



This Acquisition positions Vonex as a diversified telco and is consistent with the Company's deliberate strategy to pursue organic growth accelerated via selected acquisitions. Across multiple acquisitions, Vonex has successfully demonstrated its ability to identify, acquire and integrate complementary, high-quality ICT companies that add value to shareholders and customers.

Vonex looks forward to integrating OntheNet's operations with its established full-service telecommunications platform, pursuing significant opportunities to cross-sell additional services to the expanded customer base and to realise synergies including through ownership of a core network.

## Transaction Details

Vonex has paid total consideration of approximately \$9.8 million, comprising:

- \$7.7 million in cash; and
- 27,098,743 ordinary shares at a deemed issue price of \$0.0709 per share (being the volume-weighted average price of Vonex shares for the 10 trading days to 5 October 2022), which are escrowed for 12 months from issue. The issue of shares is contingent upon customer related metrics in the 12 months post completion.

The cash component of the consideration has been funded through a mix of existing Vonex cash and \$8 million of new debt provided by Vonex's existing debt provider, Longreach Credit Investors. As noted in Vonex's ASX announcement of 5 October 2022, the total consideration represents a multiple of 5.1x FY22 pro forma EBITDA and is EPS accretive.

TCA Partners acted as financial advisor to Vonex on the acquisition.

**Confirmation under section 708A(5)(e) of the Corporations Act 2001 (Cth) ("the Act").**

The Company hereby notifies ASX under section 708A(5)(e) of the Act in compliance with the requirements of section 708A(6) of the Act. The Company also advises that as at the date of this notice:

- The 27,098,743 ordinary shares were issued without disclosure to investors under Part 6D.2 of the Act;
- The Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- The Company has complied with section 674 of the Act; and
- As at the date of this notice, there is no information:
  - That has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
  - That investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - The rights and liabilities attaching to the shares.

This announcement has been authorised for release by Matt Fahey, Managing Director of Vonex Ltd.

**ENDS**

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**ABOUT VONEX:**

Vonex is a full service, award-winning telecommunications service provider selling mobile, internet, traditional fixed lines, infrastructure solutions and hosted PBX and VoIP services - predominantly to small to medium enterprise ("SME") customers under the Vonex brand. Vonex also develops new technologies in the telecommunications industry, including a feature-rich cloud-hosted PBX system.

The Company also provides wholesale customers, such as internet service providers, access to the core Vonex PBX, 5G mobile broadband and call termination services at wholesale rates via a white label model. Vonex is pursuing a disciplined M&A growth strategy, targeting profitable IT and telco businesses that offer potential for growth through further product expansion, scale and cross-selling.