

13 March 2023

Correction to Financial Results for the Half-Year Ended 31 December 2022

- Underlying EBITDA for H1 FY23 was reported as \$3.7m, the correct figure is \$2.7m
- Incorrect amortisation of \$1.5m was used, correct figure is \$0.9m (an impact of \$0.6m)
- Certain potentially non-recurring OntheNet business earnings were included in the underlying calculations, which the Board has now excluded (\$0.4m)
- The corrections do not affect the audited statutory numbers and financial statements for H1 FY23

Telecommunications innovator Vonex Limited (ASX: VN8) today corrected its reported underlying EBITDA¹ associated with the Interim Financial Report for the six months ending 31 December 2022 ("H1 FY23").

The correct underlying EBITDA for H1 FY23 is \$2.7m.

Identified errors

Following the reporting of the interim financial results for H1 FY23, the Company undertook an additional detailed review of its cash flows. In that review, an error was identified in the underlying EBITDA calculations previously reported to the market.

The error was due to a formula mistake in the calculations, incorporating an incorrect number for amortisation for the half year of \$1.5m, which should have been \$0.9m (an impact of \$0.6m).

The Board also considered that certain revenues of the recently acquired OnTheNet business were better characterised as being of a non-recurring nature, and therefore prudent to exclude from an underlying EBITDA calculation, amounting to \$0.4m.

Full year impact

There will continue to be some non-recurring acquisition related costs incurred in the coming half year, principally associated with migration of acquired users to the Vonex network.

In addition, the Company is still determining the impact on its near-term growth objectives of the potentially slower

¹ Underlying EBITDA excludes share based payment expenses; acquisition, integration, migration and capital raising costs; the fair value of contingent consideration for the Voiteck acquisition; the impairment of goodwill associated with the acquisitions of MNF, Voiteck and Nextel and includes the results of the acquired OntheNet business as if included for the whole of H1 FY23 (based on vendor provided unaudited management accounts).

market conditions which led to its intangible asset impairment in H1 FY23.

Moving forward

The Board regrets the error and is undertaking a further review of the systems and processes associated with the Company's financial reporting to ensure that a similar mistake does not happen again.

In addition, the Board is working closely with Management to review the Company's operations as a whole. This will ensure those operations align with both the Company's growth ambitions, and its near-term earnings outlook. Should the Company implement any material changes to its business operations, it will advise the market.

This announcement has been authorised for release by the Board of Vonex Ltd.

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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.