



20 December 2018

ASX Announcement

Vonex Delivers Growth in Revenue, Users and Satisfaction

- **Vonex delivers record monthly billing of more than \$740,000**
- **PBX registrations continue to grow consistently, up more than 26% YoY**
- **Exceptionally strong customer satisfaction as measured by rarity of complaints**
- **Channel Partner program continues to develop, driving customer acquisition**
- **Oper8tor mobile app due to be released by March 2019**
- **Vonex is well-resourced to deliver continued growth following the recruitment of new business development focused personnel and rollout of Channel Partner sales software**
- **Discounted telco services offer to Shareholders in early 2019**

Telecommunications innovator Vonex Limited (“Vonex” or the “Company”) (ASX: VN8) is pleased to provide an update on revenue growth and commercial development across its businesses.

Vonex delivers record monthly billings of more than \$740,000

The Company delivered the strongest month of customer billings for the combined Vonex telco business arms in the Company’s history in November 2018. Monthly billings of \$741,000 in November represent year-on-year growth of more than 13%.

Factors driving this revenue growth include the continued rollout of the NBN in metropolitan areas, the commencement of online marketing to all States and Territories after the completion of pilot marketing testing, and improved engagement with new and existing Channel Partners.

These customer billings will drive Vonex’s operational cashflow in the December and March quarters and are overwhelmingly recurring in nature.

PBX registrations continue to grow consistently

The Company continues to deliver growth in cloud-based Private Branch Exchange (PBX) registrations. Vonex has now achieved approximately 25,800 PBX registrations, up more than 26% year-on-year, and expects to break through 26,000 early in the new year with its marketing program in full effect.

Figure 1 indicates the consistent growth in PBX registrations that Vonex has delivered over the

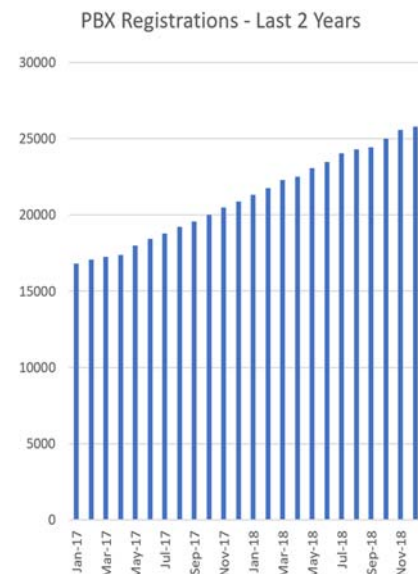


past two years.

PBX registrations are a key indicator of business development progress as Vonex penetrates the multibillion-dollar Australian market for telco services to small and medium enterprises (SMEs).

Exceptional service and ongoing customer satisfaction continues to be the focus

In an industry where customer complaint levels typically draw scrutiny from all stakeholders, Vonex is proud to drive extremely high standards in its delivery of customer service and support. The Company continually monitors its performance across a range of key areas, with ongoing training a driver of industry leading results across a range of metrics.



Effective complaints-handling is increasingly critical as the migration of customers to services delivered over the NBN reaches its peak. The Australian Communications and Media Authority (ACMA) introduced new laws in July 2018 requiring telco providers to make a documented complaints-handling process available for customers. Vonex is fully compliant with this directive.

One measurement of the Company's focus on providing exceptional levels of service is via the Telecommunications Industry Ombudsman ("TIO"). Since July 2018, Vonex has recorded only two TIO actions for the period to 30 November 2018. Whilst the desire is to have no customer complaints, these results reflect the high level of priority and importance the Vonex team places on customer service.

These results are especially pleasing in light of the TIO reporting that it received over 11,000 new customer complaints across the industry during the month of October 2018 alone. More welcome news is that Vonex customer wait times on the phone are on the decline, with the average wait time now less than 20 seconds.

Channel Partner program continues to expand and improve, driving customer acquisition

Vonex continues to sign up and onboard new Channel Partners sourced through inbound enquiries and targeted marketing to the IT and communications managed services provider community.

Vonex's Channel Partners help to accelerate growth in the Company's business by selling the Company's proprietary technologies, including its cloud-based PBX and Vonex-branded traditional mobile, internet and business phone plans.

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The Company has now added 30 new Channel Partners in FY19 to date and remains on track to add 100 new Channel Partners for the full financial year.

The development of this program has accelerated, with the marketing initiatives resulting in 28 new enquiries in the first two weeks of December. Several dozen more potential partners have been either approved and are awaiting onboarding, or have made enquiries and are awaiting approval.

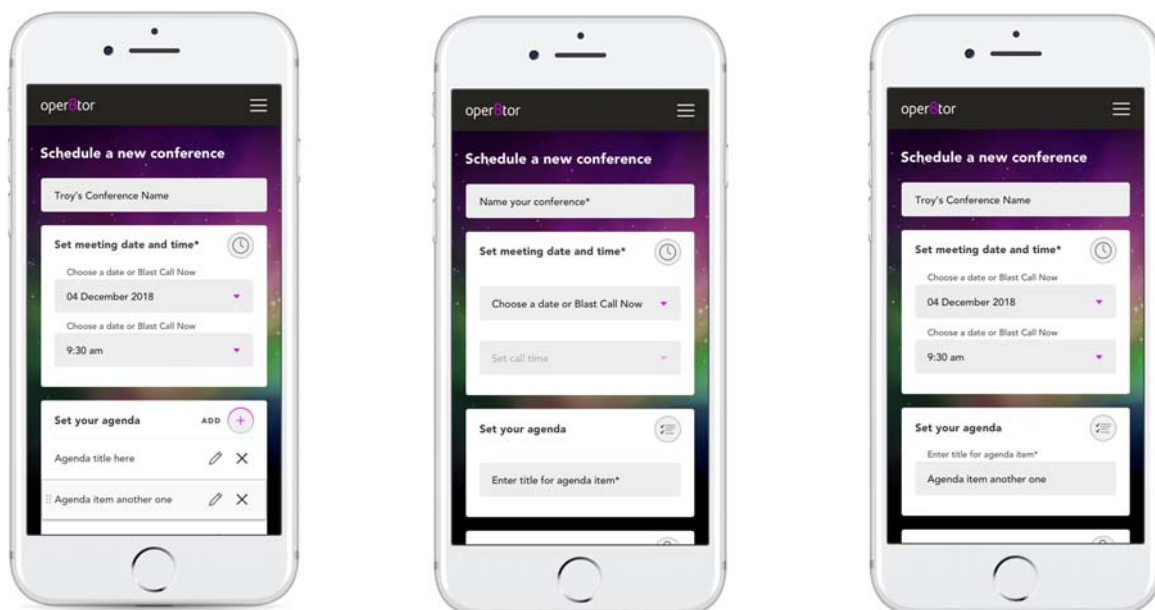
Importantly, Vonex has now re-engaged with 62 of its existing Channel Partners, having identified opportunities to provide additional support, increase productivity and realign incentives.

Oper8tor development progress

Oper8tor mobile application will soon be available for download from both the Google Play Store and Apple App Store, anticipated by March 2019. Those that have pre-registered via the Oper8tor website are currently being invited to download the test version of the app.

When released publicly, all users will be able to register and schedule conferences from their mobile devices, removing the need for a desktop computer to organise conferences. Oper8tor Mobile provides most of the commonly used desktop functionality on both tablets and mobile phones, and also adds a number of mobile-only features such as **Contact Syncing** (which allows users to upload their mobile phone contacts through the Oper8tor mobile application) and **Call Blast**, which will immediately call all participants of an upcoming or previous conference.

Users can create new conferences, as well as view and delete future and past conferences. Examples of the mobile application layout are shown below.





Recruitment of new business development focused personnel

Following the Company's ASX listing in June 2018, Vonex has expanded its sales and business development team to support and service the sales growth driven by marketing campaigns and channel partner engagement programs.

This has included the recruitment of a new Business Development Manager, the expansion of the support team based in the Philippines, and the rollout of the Company's Channel Partner sales software, Sign on Glass (SOG).

With the right foundations in place and favourable engagement with Channel Partners ongoing, the Company expects to see continued improvement in sales achieved, along with the delivery of premium levels of service and support to Vonex's customers.

Special offers available to shareholders

The Company intends to launch in early 2019 a special offer to Vonex shareholders of discounted access to services provided by the Company. Details of this offer, which will include feature-rich IP voice plans and NBN bundled offers, will be provided to shareholders in due course.

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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 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.

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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.

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