

Appendix 4D

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

VONEX LTD
ABN 063 074 635

1. Company details

Vonex Ltd

ABN or equivalent company reference	Financial period ended ('current period')	Financial period ended ('previous period')
39 063 074 635	31 December 2018	31 December 2017

2. Results for announcement to the market

2.1. Revenue	Up	7% to	4,331,797
2.2. Profit (loss) after tax	Up	8% to	(1,628,791)
2.3. Net profit (loss) for the period attributable to members	Up	8% to	(1,628,791)
2.4. Dividends	It is not proposed to pay dividends.		
2.5. Record date for determining entitlements to the final dividend.	N/A		
2.6. Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.	<p>The loss for the consolidated entity amounted to \$1,628,791 (31 December 2017: \$1,771,345).</p> <p>The two telco divisions of the consolidated Group continued to maintain profit results, although downgraded from the comparative reporting period. These profit downgrades have been as a result of new strategic investments into staffing, advertising and social media marketing campaigns rolled out Australia wide and other resources in building the core foundations in pursuit of the Company's various sales growth plans since its listing onto the Australia Securities Exchange in June 2018. These foundations have already seen early positive results. In the December quarter, recorded monthly billing of more than \$740,000 for the first time in the Company's history was achieved.</p> <p>Importantly, both telco divisions reported solid sales results, with Group sales revenues increasing by 9% along with a 10% net increase in Retails customers accounts and a 24% increase in PBX user numbers hosted with the Company.</p>		

The financial position of the consolidated entity remains strong with solid cash reserves. The consolidated entity continues to be very well positioned to leverage off the NBN rollout, with the latest updates from NBN Co reporting that the construction phase of the NBN rollout is advancing well and still on track for 100% of the initial rollout to 11.6 million premises by 2020. Currently there are 4.1 million premises that are ready for service and not yet connected to the NBN, with approximately an additional 3.5 million premise connections still under construction. As more and more telco customers are compelled to upgrade to NBN, the Company's targeted marketing and continued channel partner expansion will see the Group well placed to maximise the growth opportunity from this nationwide event.

In addition to growth triggered by the NBN, according to ACMA (Australian Communications and Media Authority) the telco industry in Australia is expected to grow from \$44bn to \$47bn between now and 2020. The development arm has seen a successful round of beta testing now completed during the financial half year and the initial release of the Oper8tor app is expected in Australia via the Apple App Store and Google Play Store in March 2019.

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$0.020	-

4. Control gained over entities

Name of entity (or group of entities)	N/A
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Date control gained	N/A
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5. Dividend Reinvestment Plans

The Company does not have a dividend reinvestment plan.

6. Details of associates and joint venture entities

There are no associates or joint venture entities.

7. Statement of compliance in regards to review

If the accounts are subject to audit dispute or qualification, details are described below

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

Sign here:


Executive Director

Date: 28 February 2019

Print name: Matthew Fahey