

10 October 2019 ASX Announcement

Vonex Delivers Strong Growth in Revenue, Surpassing 33,000 PBX Users

- Vonex adds \$1.64 million in new customer sales in the September guarter, up 25% QoQ
- Increasing average revenue per user (ARPU) and sustained acceleration in user growth are jointly driving the Company's ongoing revenue improvement, having recently surpassed a milestone of 33,000 registered active PBX users
- Qantas Business Rewards (QBR) referrals account for more than half of the new customers Vonex has attracted since partnering with QBR in mid-August
- New digital marketing strategy has made an immediate impact, delivering a 29% increase in monthly leads generated from social media ad campaigns alongside a 6% reduction in marketing spend

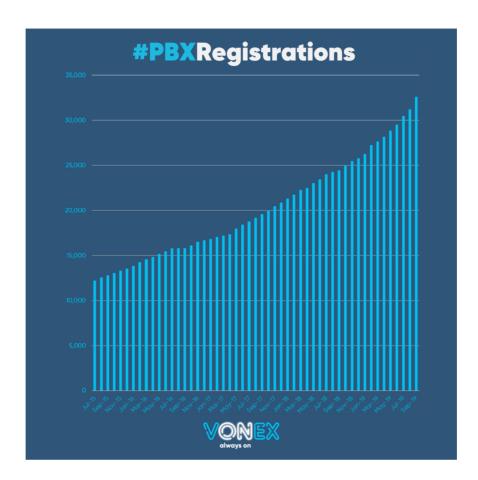
Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to advise of marketing and sales progress across its Retail and Wholesale businesses, having recently surpassed 33,000 registered active subscribers to its cloud-based phone system platform.

Registered users of these Private Branch Exchange ("PBX") connections 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").

The Company is pleased to advise that Qantas Business Rewards ("QBR") customers have accounted for more than half of the new customers Vonex has attracted since Vonex launched its partnership with QBR in mid-August 2019. In addition to stimulating active user and revenue growth, the rewards alliance has improved the quality of Vonex's book of business, attracting longer-term contracts of typically three years rather than two, and higher minimum spend commitments of typically \$30 to \$50 per user per month. With a commensurate uplift in average revenue per user ("ARPU"), Vonex achieved \$1.64 million in total contract value of new customer sales in the September quarter, a quarter-on-quarter increase of 25%.

The Company continues to explore innovative methods of driving business growth, implementing a revamped digital marketing strategy in August 2019. There has been an immediate impact in engagement, delivering a 29% increase in leads generated in September from ad campaigns targeting channel partners and end customers. The Company is pleased to note it has achieved these results in tandem with a 6% reduction in marketing spend.





Vonex Managing Director, Matt Fahey, said:

"We are pleased to see our key success metrics of user growth, new sales and total contract value all continuing to trend positively. This reflects the strength of our proposition to new and existing business customers, and reinforces the value of our alignment with Qantas, which presents significant ongoing growth potential.

We are now reaping the benefits of having revitalised our marketing campaigns in recent months, and have built a solid platform for sustainable growth in our Retail business."

ENDS

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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.