



Investor Presentation

Vonex Limited (ASX: VN8)

29th November 2019



Company Profile

Vonex is a full service, multi-award-winning telecommunications company giving thousands of Australian businesses and individuals the best personalised and reliable phone and internet experiences to stay 'always on' in business and life.

We are delivering accelerating growth generating largely recurring revenue streams as we develop, deliver and license our own advanced communications technology.



Corporate Snapshot

Capitalisation Table

Share Price 27.11.2019	9.6 c
Quoted Shares	149.34 m
Quoted Options	7.5 m (20c, 07.06.2020)
Unquoted Options	34,368,541
Performance Rights	27,560,000
Market Cap (Fully Diluted)	~\$21m
Cash 30.06.2019	\$3.2M

Management & Board

Matthew Fahey	Managing Director
Nicholas Ong	Non-Executive Chairman
David Vilensky	Non-Executive Director
Winnie Lai Hadad	Non-Executive Director
Greg King	Chief Financial Officer

Year-to-Date Shareprice and Volume



SME Focus



SME Focus

Vonex is executing on a unique opportunity to position itself as the telco of choice for small to medium-sized enterprises (SME's).

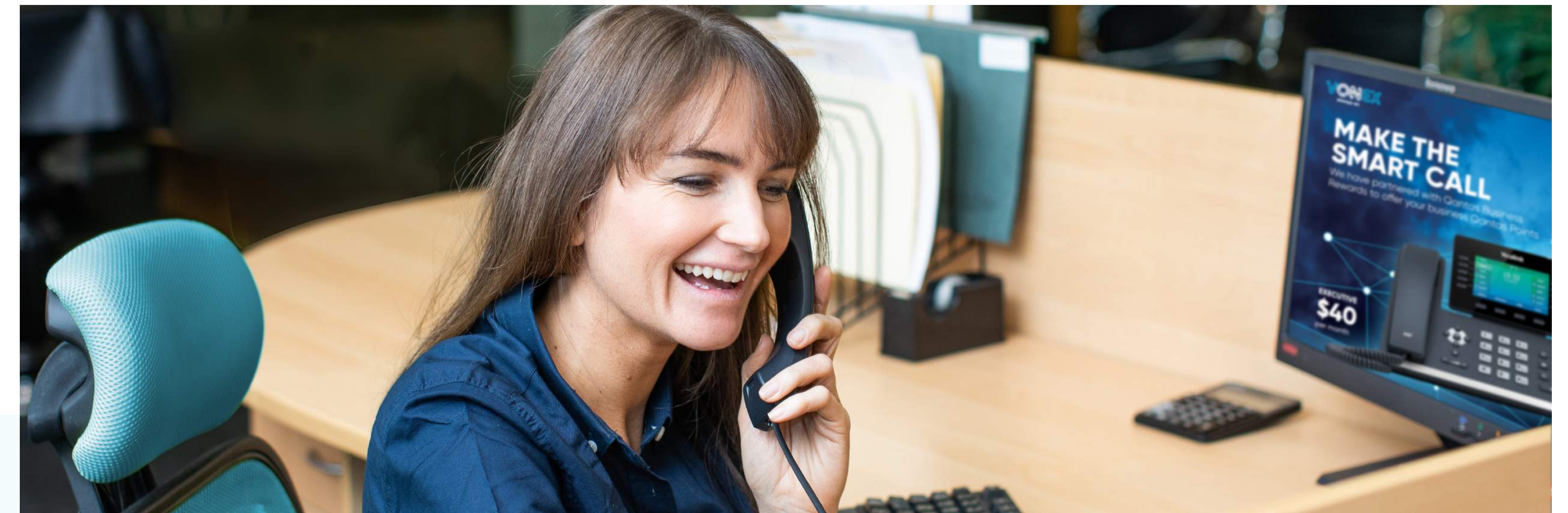
The Australian Bureau of Statistics data estimates the size of this market to be;

1 – 4 Employees : 1,844,975

5– 19 Employees: 199,965

20– 199: 51,619

= Over 2 Million SME's



Channel Partner Network

Scaling our market share will be achieved through our Channel Partner network.

From Mildura to Melbourne, Fremantle to the Far North, Dubbo to Darlinghurst and beyond, Vonex Channel Partners resell our services with their expertise in a combination of IT, communications and telephony.

Partner results are now improving with the introduction of the Strategic Channel Partner Program.

Operational Progress: Marketing Strategy



Lead Generation

Our digital advertising strategy continues to gain momentum attracting new leads which are supplied to Strategic Channel Partners, further cementing their relationship with Vonex.

The campaign is primarily being undertaken through Facebook, LinkedIn, and remarketing tools, which will follow prospects presenting a combination of educational, thought leadership, product feature showcasing, and call to action messages.

Brand Awareness

Aligning Vonex with Qantas Business Rewards (QBR) together with creating a value add proposition with the introduction of Qantas Points being applicable on ONdesk products is a strategic approach to increase the Vonex brand proposition and provide a compelling and trusted reason for prospects to move their business to Vonex. Qantas Business Rewards boasts a membership of over 250,000 SME's, aligning with the Vonex target market.

Operational Progress: QBR Partnership

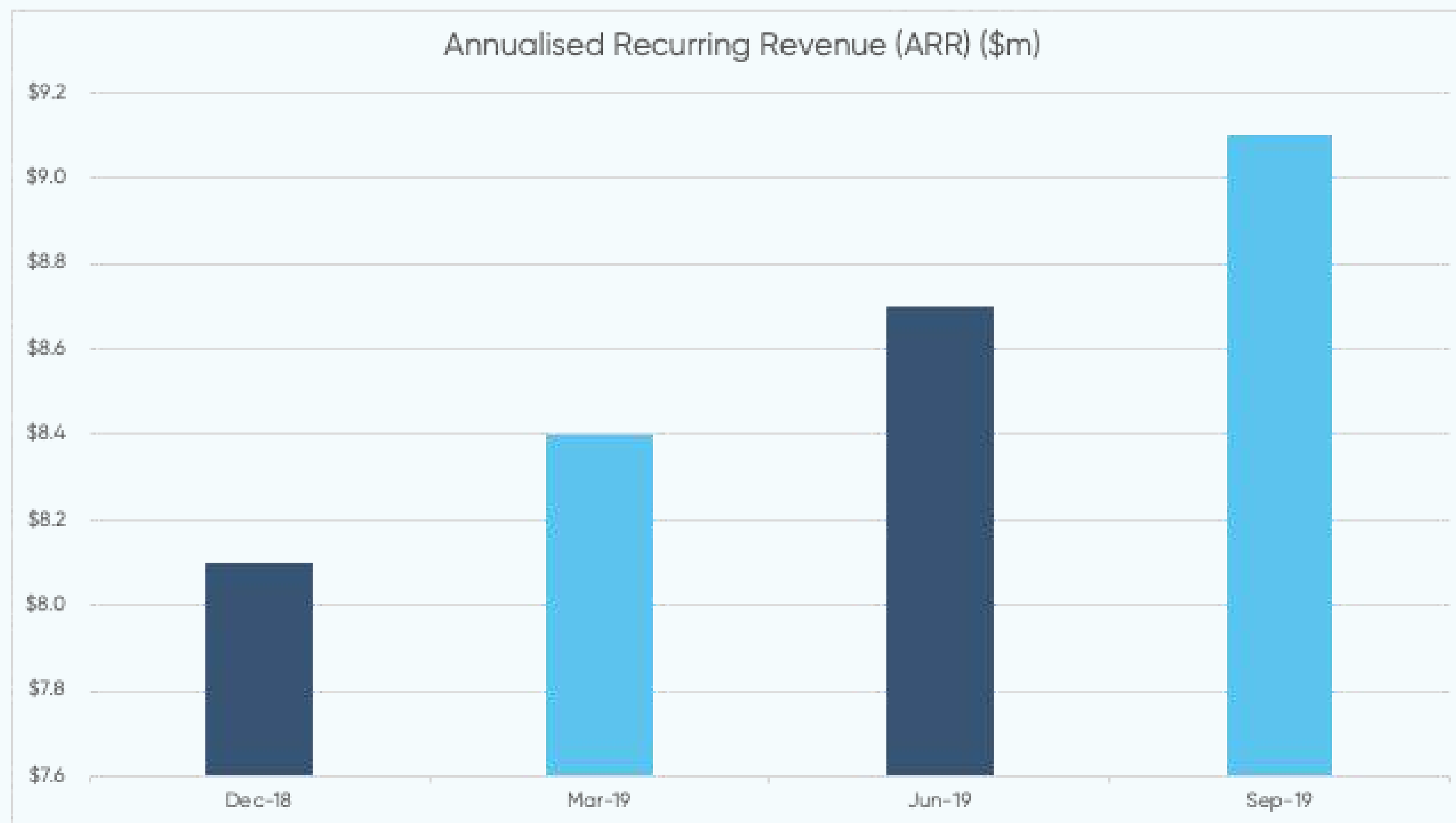


- Recently launched partnership with Qantas Business Rewards has had an immediate impact on higher average revenue per user (ARPU), longer-duration sales contracts, accounting for >50% of newly added customers in early FY20.
- Vonex is a VoIP and Hosted Phone System telco provider to the program, offering uncapped Qantas Points to QBR database of 250,000 SME members for doing business in the cloud.
- Businesses of any size can now earn uncapped Qantas Points for every purchase made through Vonex's monthly cloud based phone plans with sign up bonus incentives for new customers in CY19.

Operational Progress: ARR

Annual Recurring Revenue

The chart below displays the consistent growth in ARR that Vonex has delivered as its Retail and Wholesale businesses have gained scale in CY19.

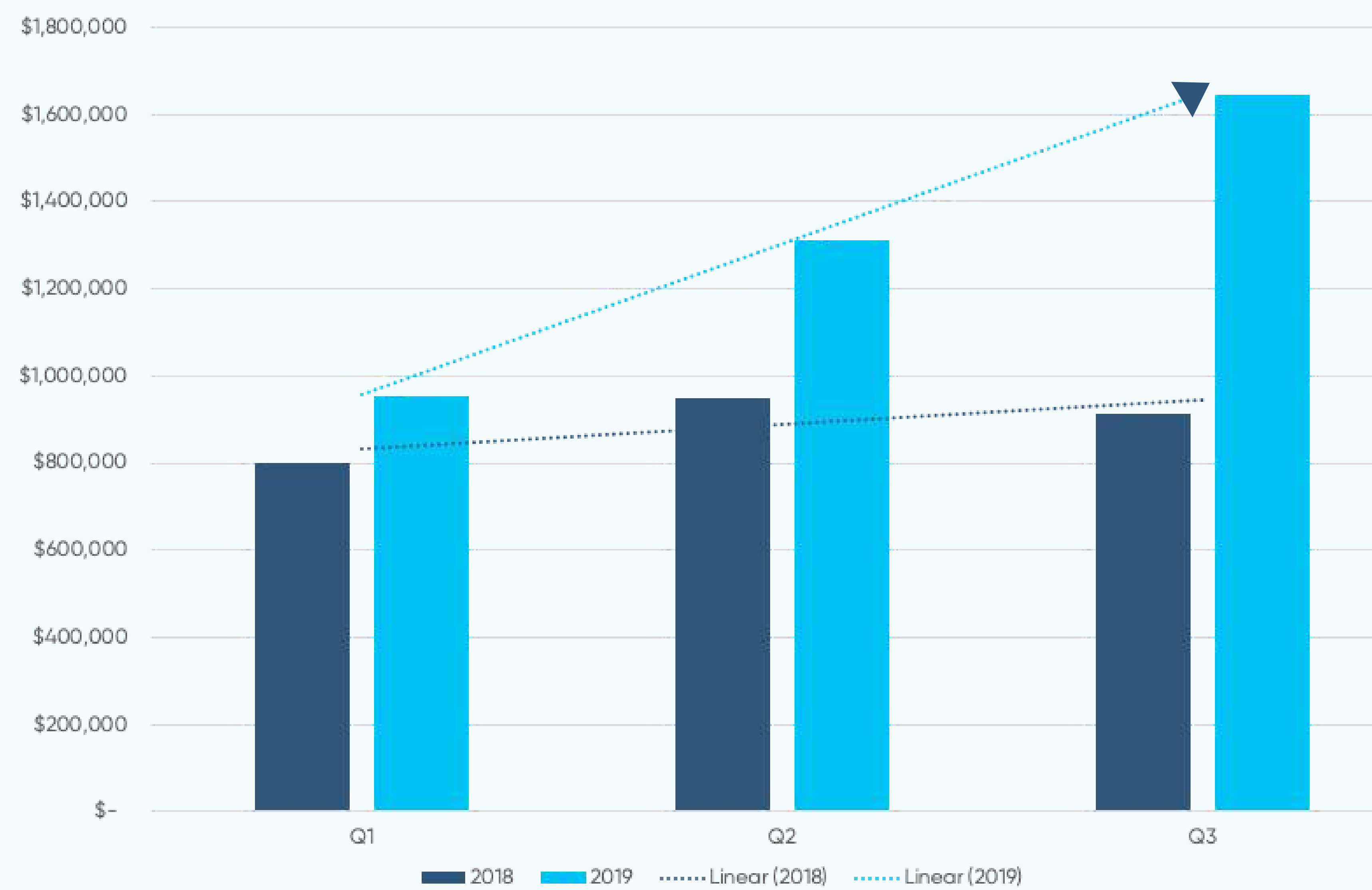


The Company is well-positioned to continue growing its ARR and expanding its base of higher margin, higher ARPU business, as strong demand continues from small and medium enterprises (SMEs) moving to cloud-based telco services. Vonex's recurring business model promotes stable revenue, maximises customer lifetime value and supports scalability.

Operational Progress: Sales Growth

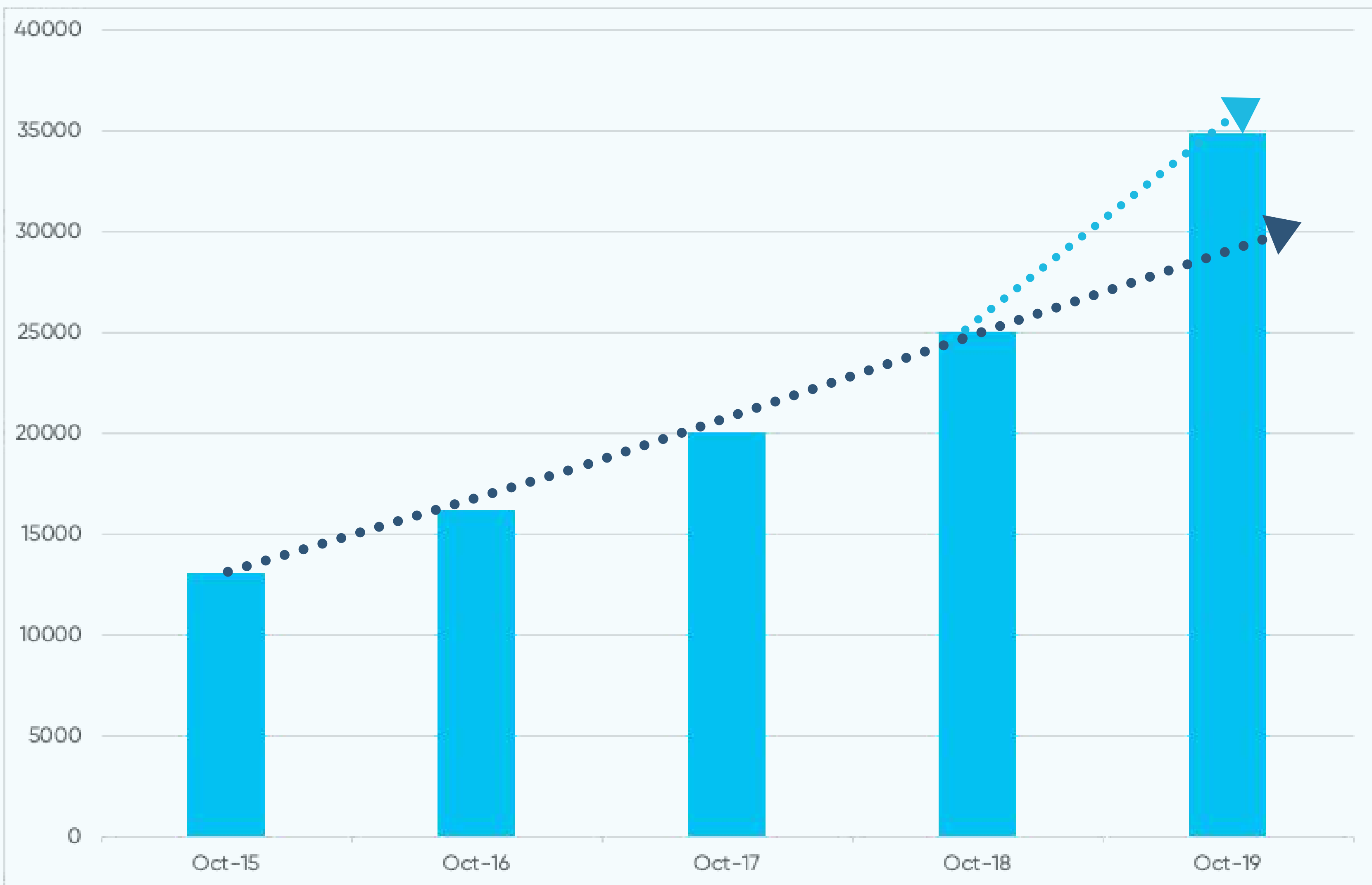
Total Contract Value by Quarter

Delivering strong growth in annualised recurring revenue (ARR) as Vonex’s Retail and Wholesale businesses gain scale. Consistently expanding Total Contract Value (TCV), typically realised over two to three years.



Year on Year User Growth Statistics

The below chart illustrates the acceleration of the number of users on Vonex's Private Branch Exchange (PBX). Key hires in sales and marketing have unlocked Vonex’s growth potential in the businesses cloud based phone system.



Direct & Indirect Upcoming Sales Catalysts

Accelerate Vonex Telecom sales during NBN rollout

- Key company priority continued growth in channel partners
- Collaborate with Qantas Business Rewards to deliver a campaign around Qantas Points on sign up of our plans
- Marketing efforts targeted by region based on NBN rollout status
- **Continue to innovate bespoke product packages for the \$6.6bn+ SME telco services market**

Accelerate Vonex Wholesale sales during NBN rollout

- Developing scalable SaaS-style license fee revenue generated from white labelled tech
- Increase customer numbers
- Broaden product suite
- Develop new white label technology

Operational Progress: Building Foundations

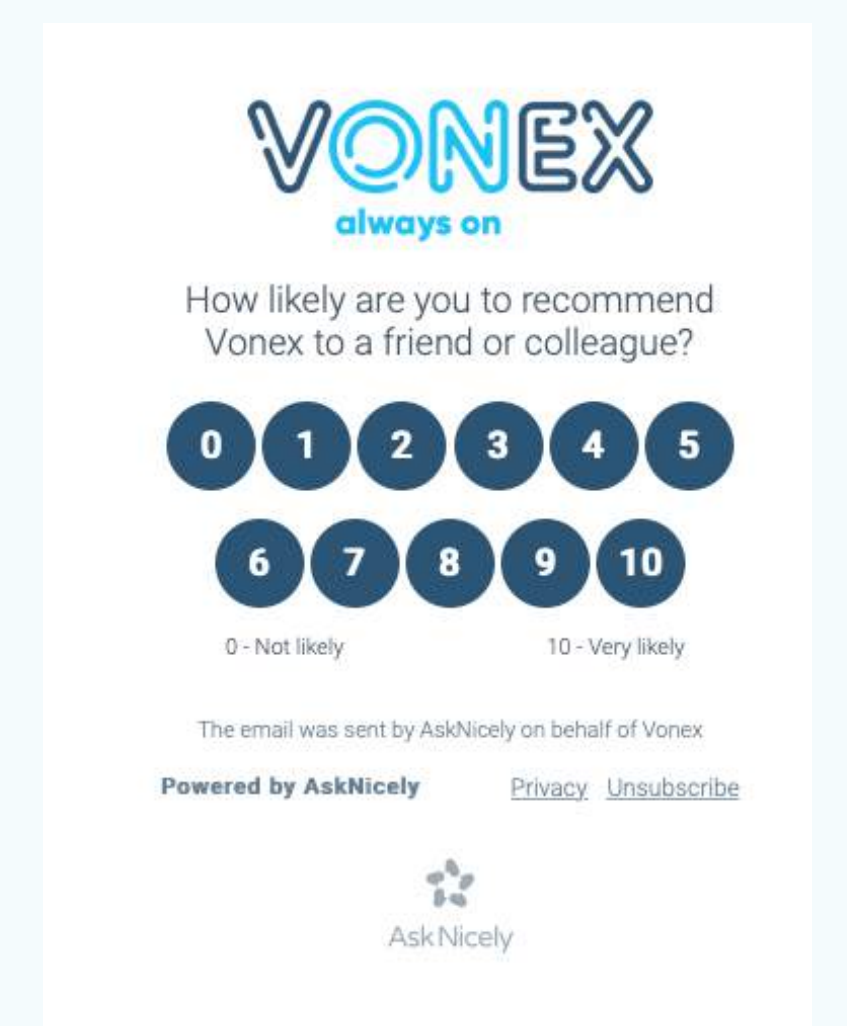
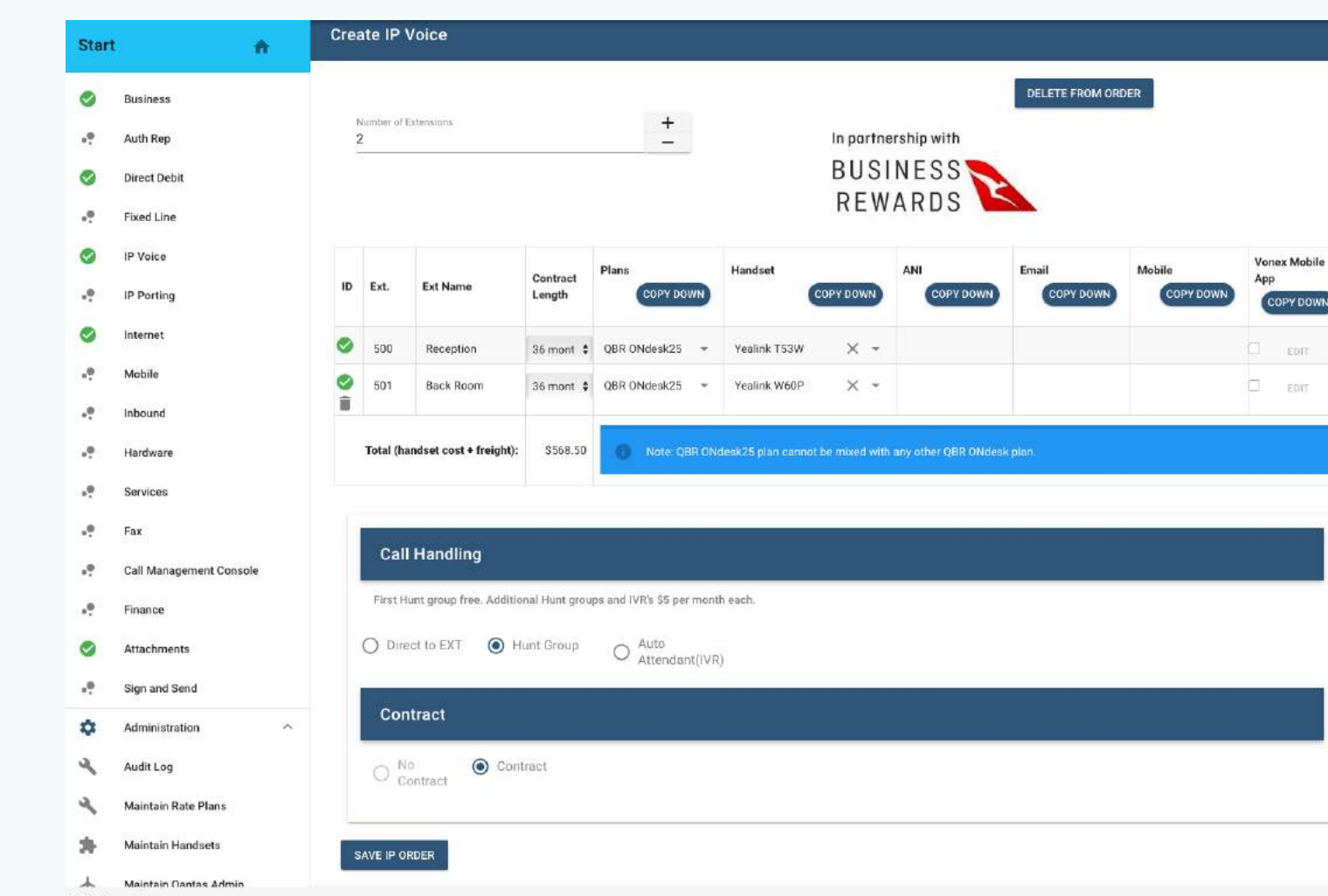
In 2019 we have been successful in implementing our strategic direction.

Key hires in sales and marketing have unlocked Vonex's growth potential in migrating business customers to cloud-based phone systems. In addition supporting technology has been acquired through key partnerships and scaling our customer service team to keep up with growth.

Key investments have been in:

- Sign On Glass sales & order provisioning software
- Qantas Business Rewards Partnership
- CounterPath
- NPS Score Monitoring
- Salesforce CRM
- DocuSign

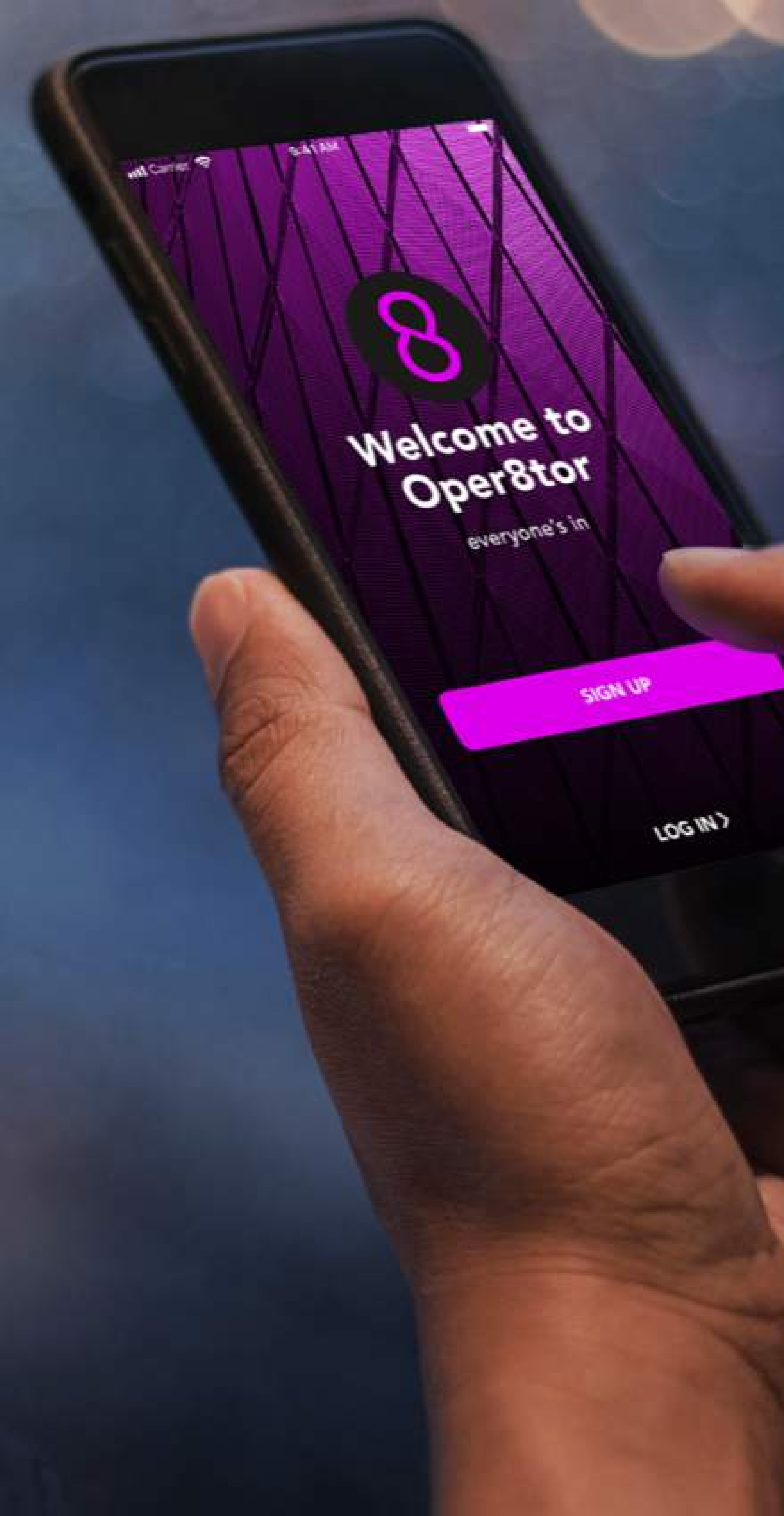
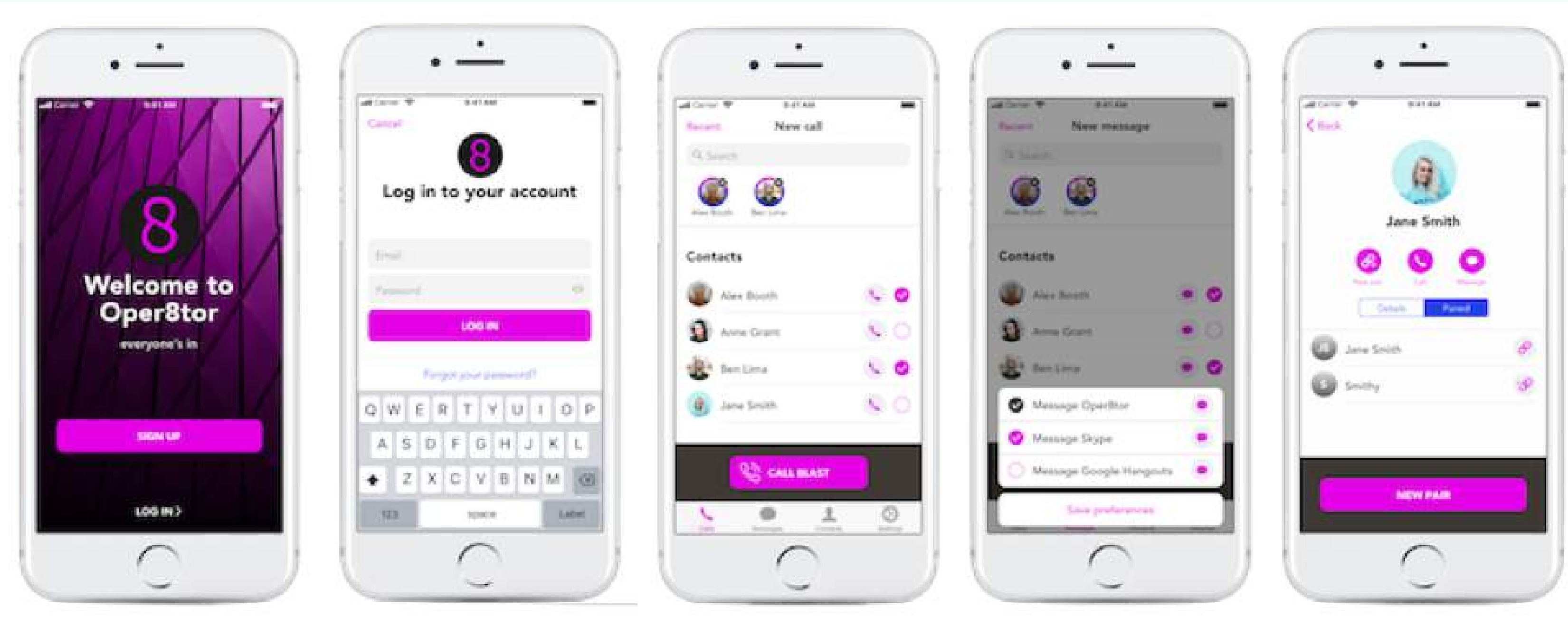
Vonex earned a cash rebate of \$0.6M in October 2019 for its R&D activities in FY19



Oper8tor Update

- Currently in final stages of testing ahead of launch: Version 1 to demonstrate Call Blast, cross-platform social media messaging incorporating SMS, improved contact management, Oper8tor-to-Oper8tor message chat and voice calls
- Expansion of granted patent protection to de-risk commercialisation
- Initial launch of V1 in Australia to precede commercial rollout in the key test market of Europe

Below is a selection of the screen designs for the Oper8tor user experience, which have undergone continual refinement ahead of launch:



Strategic Acquisition: 2SG

Vonex has signed a binding term sheet to acquire the business of 2SG Wholesale, an established wholesale provider of hardware and connectivity solutions.

The business has direct and established relationships with Optus and nbn™ and boasts 140 wholesale customers.

These carrier existing relationships are valuable in facilitating better support, rates, control of customer internet and cost of supply.

This acquisition presents an opportunity to expand the existing wholesale business from 20 to 160+ wholesale partners and increase revenue considerably over the medium term.

Additional Annual Revenue to VN8 - \$7M

Acquisition provides a strong boost to annualised recurring revenue, with group ARR expected to increase to more than \$14 million on completion

Positive EBITDA Range \$750K Expectation in FY21 (First Full Year)

Return on Investment is expected within three years.



Strategic Acquisition: 2SG

Immediate Expansion of Products & Services

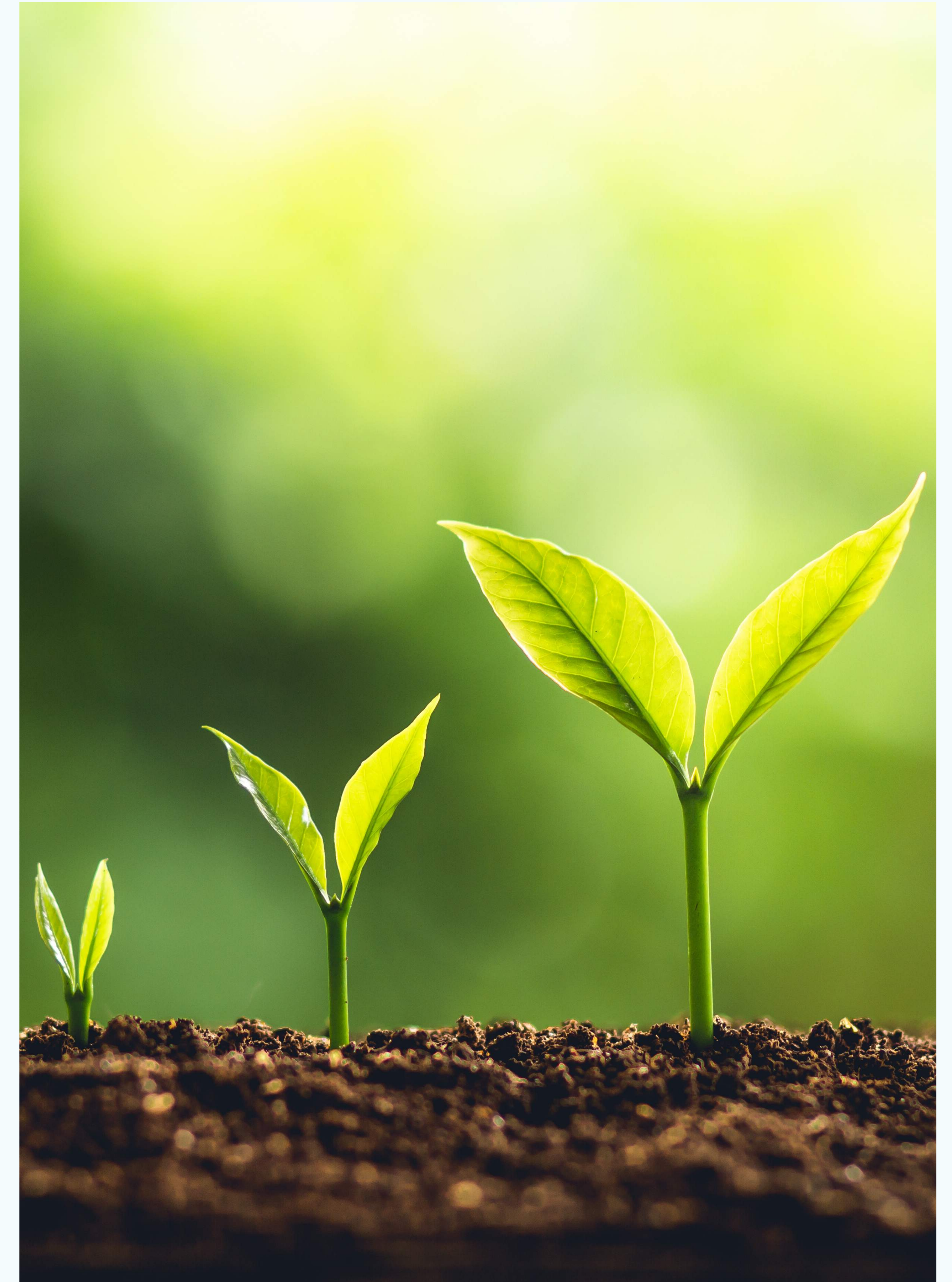
- Proprietary wholesale provisioning and billing platforms enabling immediate expansion of products to existing Vonex wholesale customers
- No voice products offered by 2SG presently, providing an immediate opportunity to offer Vonex hosted PBX to 140 new wholesale customers

New Non Executive Director to join VN8 Board

Jason Gomersall, current Director of 2SG, will join the Vonex board. Bringing over 20 years of telecommunications industry experience

Purchase Price \$2.66M;

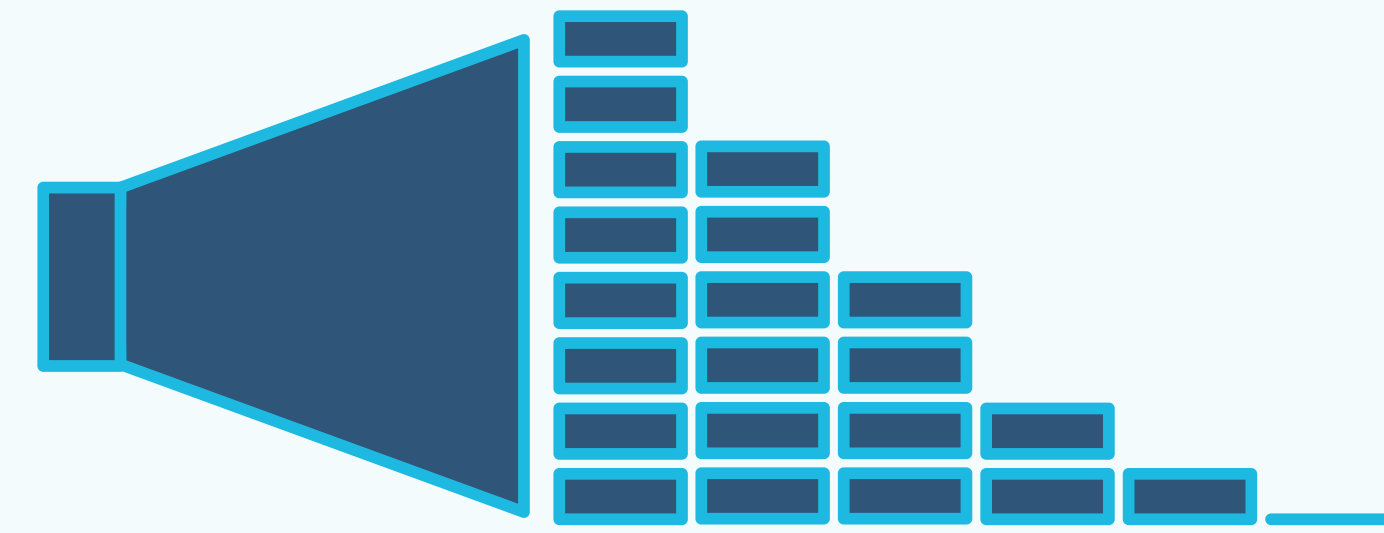
- Proprietary billing & provisioning systems
- Staff & Equipment
- Contracts with Tier One carriers
- 140 Wholesale customers
- Stock
- Clean business acquisition as a going concern
- No historic debts
- Motivated vendors 80% scrip / 20% cash



Vonex Investment Highlights



Vonex is capitalising on a unique, near-term opportunity to scale up rapidly with the imminent opening of the primary NBN cutover window



Rollout of national marketing campaign is driving growth in user numbers and recurring revenue through expansion of Vonex's retail operations



Vonex plans to materially ramp up Direct / Indirect and Oper8tor operations and revenue by securing additional industry partnerships



Significant blue-sky potential through upcoming launch and rollout of Oper8tor

Material Scope for Growth

Compelling valuation of 1.65x ARR* based on market cap of ~\$14.9M (undiluted at 10c share price)

* ARR excludes one-off sales revenue and does not factor in net churn as the business continues to deliver positive net growth in active users

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