3rd December 2019

2SG ACQUISITION DOES NOT REQUIRE APPLICATION OF ASX LISTING RULES 11.1.2 AND 11.1.3

Vonex Limited **("Vonex"** or the **"Company") (ASX: VN8)** is pleased to announce that the Australian Securities Exchange ("ASX") has confirmed that Listing Rules 11.1.2 and 11.1.3 will not be applied to the acquisition by Vonex of the businesses and operations of 2SG Wholesale Pty Ltd **("2SG Wholesale")**. As a result, the trading of Vonex shares and options will resume prior to the commencement of trading today (Tuesday, 3rd December 2019).

Vonex announced the proposed acquisition of 2SG Wholesale on Friday, 29th November 2019. 2SG Wholesale is a telecommunications and data wholesaler based in Brisbane, Queensland which provides Australian Managed Service Providers, ISPs and System Integrators with access to the latest in hardware and connectivity solutions from leading brands.

2SG Wholesale's mobile broadband capability provides Australian ISPs the opportunity to sell a wireless broadband solution via the Optus 4G Network. Integration with Australia's premier carriers facilitates the delivery of the latest fixed line, mobile connectivity and hardware solutions country-wide.

2SG Wholesale has established a substantial market presence and a solid platform for growth in the telecommunications wholesaling market. The proposed transaction brings 2SG Wholesale's proprietary billing and provisioning systems, staff and equipment, contracts with major telecommunications companies, 140 wholesale customers, stock and no debt.

In FY19 the group achieved revenue of close to $7 million, with revenue from mobile broadband a key growth driver. 2SG Wholesale is expected to generate EBITDA in the first financial year post acquisition (FY21) of approximately $750k. It also brings a highly capable and experienced team that is well positioned and incentivized to drive further growth, and a dedicated technical support team.

As announced on 29 November 2019, the acquisition also presents an opportunity to expand Vonex's existing wholesale business from 20 to 160+ wholesale partners and empower the Company to immediately expand the breadth of products offered to existing Vonex wholesale customers and increase revenue considerably over the medium term.

Consideration for 2SG Wholesale's business operations is A$2.66m, comprising:

- 21,578,947 ordinary shares at a deemed issue price of A$0.10 to be escrowed for 12 months post issue; and
- A$500,000 in cash on completion of transaction

Although the acquisition is subject to Vonex completing legal and financial due diligence to its satisfaction, which is likely to complete prior to 15 January 2020, the decision of the ASX not to apply Listing Rules 11.1.2 and 11.1.3 satisfies a key condition precedent in the Binding Terms Sheet entered into between Vonex and 2SG Wholesale and paves the way for a successful completion of the transaction within the agreed timeframe of 31 January 2020.

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.