12 February 2020

Due Diligence Completed and Binding Agreement Signed with 2SG

Highlights:

- **Vonex signs binding contract to acquire 2SG Wholesale, an established telecommunications and data wholesaler, following Vonex's completion of legal and financial due diligence relating to the proposed acquisition**

- **2SG will materially boost Vonex's Annualised Recurring Revenue (ARR), with group-wide ARR expected to increase to more than $14 million following completion**

- **Completion of the proposed transaction is expected on 28 February 2020**

- **Co-Founder of 2SG, Jason Gomersall, to be appointed as a Vonex Non-Executive Director following acquisition completion**

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to advise that the Company has completed its due diligence relating to the Company's proposed acquisition of the 2SG Wholesale business ("2SG Wholesale" or "2SG"), first announced to the ASX on 29 November 2019.

With successful due diligence satisfying a key condition precedent, the Company has signed a binding agreement to acquire the businesses and operations of 2SG, with completion of the acquisition expected on 28 February 2020.

BACKGROUND

In November 2019, Vonex announced it had signed a binding term sheet with 2SG Wholesale to acquire its business operations as a going concern.

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.

In FY19, 2SG Wholesale achieved revenue of circa $7 million, with revenue from mobile broadband a key growth driver. 2SG Wholesale also brings a highly capable and experienced team that is well positioned to drive further growth from immediate cross sell opportunities, and a dedicated technical support team.

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.

DUE DILIGENCE COMPLETION

Vonex has completed due diligence of 2SG Wholesale to its satisfaction, which included a comprehensive review of financial, corporate and operational aspects of the business. Notification of completion of due diligence has been provided to 2SG Wholesale.

APPOINTMENT OF NEW NON-EXECUTIVE DIRECTOR

Following completion of the proposed acquisition, co-founder of 2SG Wholesale, Jason Gomersall, will join the Vonex board as a Non-executive Director.

Mr Jason Gomersall is a former Director of 2SG Wholesale and is the Founder, CEO and Managing Director of i-Seek Communications. Jason has long been at the forefront of the telecommunications industry and the mobile phone market since being one of the foundation franchisees of the Optus World chain of retail stores in the 1990s.

Matt Fahey MD said *"We are excited to welcome Jason Gomersall, who is highly regarded in the telecommunications industry and adds important industry specific skills and experience to our Board as a non-executive Director".*

For more background, please see Vonex's ASX announcement of 29 November 2019.

ENDS

This announcement has been authorised for release by Matt Fahey, Managing Director of Vonex Ltd.

For more details, please contact:

Matthew Fahey	Nicholas Ong	Tim Dohrmann
Managing Director	Non-Executive Chairman	Investor and Media Enquiries
Vonex Ltd	Vonex Ltd	NWR Communications
E: matt@vonex.com.au	E: nick@vonex.com.au	E: tim@nwrcommunications.com.au
T: +61 411 244 224	T: +61 424 598 561	T: +61 468 420 846

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.