

Appendix 4D

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

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 2019	31 December 2018

2. Results for announcement to the market

2.1. Revenue	Up	30% to	5,617,616
2.2. Profit (loss) after tax	Up	49% to	(829,383)
2.3. Net profit (loss) for the period attributable to members	Up	49% to	(829,383)
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 \$829,383 (31 December 2018: \$1,628,791).</p> <p>The two telco divisions of the consolidated Group have continued to maintain profit results on the back of positive sales results which saw Group sales revenues increase by 15.7%. along with a 14% net increase in Retail customer accounts.</p> <p>The financial position of the consolidated entity remains strong with solid cash reserves.</p> <p>Completion of the due diligence of 2SG Wholesale was announced 12 February 2020, with completion of the acquisition anticipated on 28 February 2020. 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. In FY19, 2SG Wholesale achieved revenue of circa \$7 million, with revenue from mobile broadband a key growth driver.</p> <p>The acquisition of 2SG Wholesale will position the Company to drive further growth from immediate cross sell opportunities and provide an immediate boost to our Annual Re-occurring Revenues (ARR).</p>		

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 be complete in 2020.

As more and more telco customers are compelled to upgrade to NBN, the Company's targeted marketing and continued channel partner expansion in the direct business, coupled with 140 new wholesale customers in the wholesale business, will see the Group well placed to maximise the growth opportunity from this nationwide event.

The Company expects to move Oper8tor's development into a phase of polishing and ensuring stability at scale in Q1 of CY20 with a closed user group to verify third party testing results. Once this phase commences, Vonex intends to release Oper8tor Version 1 to a wider community and plans to invite investors to participate in the Company's controlled launch.

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$0.013	\$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:



Date: 28 February 2020

Executive Director

Print name:

Matthew Fahey