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## Business Development Progress Across Vonex Retail, Wholesale and Oper8tor

### Highlights:

- Sustained sales momentum and well-executed M&A have driven annualised recurring revenue (ARR) to more than \$15.5 million, up from prior expectations of \$14 million
- Customer growth and satisfaction continue to run at strong levels
- Expansion of direct points of NBN interconnection planned to enhance Vonex's value proposition further in FY20 and FY21
- Oper8tor v1.1 now available for download through the Google and Apple app stores

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to advise of operational progress across the Company's Retail, Wholesale and Development arms.

### Vonex Exceeding Recurring Revenue Expectations

Following the completion of Vonex's acquisition of 2SG Wholesale in March 2020, the combined business is delivering revenue growth which has exceeded internal budgeting.

Substantial sales momentum achieved through successful marketing and partnership initiatives, as well as the smooth integration between the Vonex and 2SG businesses, have driven the Company's annualised recurring revenue (ARR) to more than \$15.5 million. This compares favourably to management's expectations of \$14 million in group ARR on completion of the 2SG Wholesale acquisition, which Vonex disclosed to the ASX on 29 November 2019.

Vonex has increased its ARR by more than 85% during FY20, with the acquisition of 2SG Wholesale a major contributor to this growth. The Company sees significant scope to continue its growth, both organically and by way of further acquisition following its recent receipt of the first tranche of cash proceeds from its sale of non-core mining royalties (refer to ASX announcement of 18 May 2020).

### Wholesale Growth Strategy

2SG Wholesale is a telecommunications and data wholesaling business which provides Australian Managed Service Providers, ISPs and System Integrators with access to the latest in hardware and connectivity solutions from leading brands. Its provision of fast, secure, business-grade wireless broadband has met strong customer demand amid the rise of working from home across Australia.

Vonex plans to expand its network through direct integration to NBN points of interconnect in strategic national locations via 2SG Wholesale. Building upon its existing points of interconnect, 2SG will add additional direct interconnects with NBN throughout FY20 and FY21.

2SG is responding to strong interest in the market by enabling a near-direct NBN relationship for key existing and new wholesale partners. This streamlined supply chain allows 2SG and its customers to enjoy reduced lead times and

enhanced assurance as well as positioning the Company with the best possible commercial structure for future wholesale NBN growth.

The first of these new direct points of interconnect will go live in Nambour, Queensland, in June 2020. The Company is currently considering additional sites which it expects to push live during Q1 of FY21.

### **Retail Growth and Strong Customer Satisfaction**

Vonex's Retail operations continue to expand, with new customer additions running at elevated levels. The Company achieved Total Contract Value (TCV) of new customer sales in the month of April 2020 up 66% year-on-year.

Vonex's value proposition is resonating with its target market of Australian small and medium enterprises (SMEs), many of which have been attracted by Vonex's ability to rapidly provision scalable cloud-based business phone systems. The Company has strengthened its online reach by driving and cultivating traffic to the Vonex website and social media pages. This has been particularly successful following Qantas' release of an email newsletter profiling Vonex to the Qantas Business Rewards database and users of its travel management platform Business Essentials. This Qantas campaign drove an increase in daily visitor numbers of up to 550% to the Vonex website. At the same time, on a marketing budget which had decreased by 30% compared to the same period last year, Vonex's social media accounts enjoyed a year-on-year increase of 490% in viewers.

Vonex focuses on providing a great customer experience as a core component of its differentiated service offering. The Company is delivering strong customer satisfaction, achieving a net promoter score (NPS) of 54 in April 2020. This measure of customer loyalty is assessed on a scale from -100 to +100, with a score of >50 viewed as an excellent achievement, particularly during a month in which COVID-19 caused global disruptions and prompted Vonex's Philippine-based support desk to work from home.

Vonex plans to continue to improve its customer experience through upcoming service updates to Link, the Company's Private Branch Exchange (PBX) management platform. Updates will enable hands on access to make live changes to user information, call handling, after hours options all available from a mobile device. The Link platform also communicates live changes, such as usernames to the billing platform to reflect on the customer's monthly telephone bill.

### **Oper8tor Proceeds towards Controlled Launch**

The Company is pleased to advise that in addition to closed user group testing, v1.1 of the Oper8tor app is now available to test from the Apple and Google app stores. Investors and other interested parties who are willing to provide feedback are invited to participate and can do so by downloading the app from the app store of their choice.

While Vonex continues to pursue its strategy to roll out the Oper8tor app through a consumer value proposition, the Company is also planning to expedite commercial variants for specific business applications in an effort to monetise the technology faster. The business versions of Oper8tor will initially focus on cross platform call blast while providing artificial intelligence driven call recording and transcription functionality.

The Oper8tor desktop and mobile app is a patented, disruptive, aggregated communications platform targeting the inclusion of Conference, Voice, Message and Video functionality, facilitating user communication across different channels. The mobile app aims to seamlessly link all voice calls as well as messaging across multiple platforms and devices.

The Company will provide further updates on Oper8tor as the platform develops towards commercialisation.

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

**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.