

25 June 2020

Vonex Raises \$1.4m in Oversubscribed Institutional Placement

Highlights:

- Vonex successfully raises \$1.4 million through an oversubscribed institutional placement of shares to accelerate organic and inorganic growth initiatives
- The Company has received binding commitments to raise \$1.4 million through the issue of 14.74 million shares at \$0.095 per share (Placement). The Placement has been substantially backed by several Australia and New Zealand-based institutional investors
- With the proceeds of the Placement and growing recurring revenues, Vonex is well funded and positioned to invest in accelerating its growth across voice, data and wireless SME telco services

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to announce it has received binding commitments to raise \$1.4 million (before costs) through a placement of 14,736,843 new shares at an issue price of \$0.095 per share.

Net proceeds of the Placement will be principally used to provide balance sheet support to fund growth initiatives. These initiatives encompass both expanded marketing and continued growth by acquisition, building out cross-selling opportunities and supplementing the Company's organic growth profile.

The Company is pleased to gain the support of a strong mix of institutional investors across Australia and New Zealand who will join the Vonex shareholder register through the oversubscribed Placement.

The Placement price of \$0.095 represents a 13.6% discount to the last closing price on 22 June 2020 of \$0.11 and a 15.5% discount to the 15-day VWAP of \$0.1125. All Placement shares will be issued to sophisticated investors under the Company's Listing Rule 7.1 and 7.1A capacity and rank equally with the Company's existing fully paid ordinary shares, and accordingly, no shareholder approval is required.

PAC Partners Securities Pty Ltd acted as Lead Manager to the Placement.

Vonex Managing Director, Matt Fahey, said:

"We are delighted to welcome several new institutional investors to support Vonex at an exciting stage of the Company's story.

"Our strategy has positioned us well to scale up rapidly and further develop market share in the attractive market for SME telco services in Australia. The capital we raise through this placement will empower us to expand our outbound marketing initiatives and continue to execute our M&A strategy, the success of which we have proven through our successful integration of 2SG Wholesale.

"I thank our existing shareholders and incoming investors for their support, and look forward to executing the Company's growth strategy alongside the Vonex Board and my fellow managers through what we expect will be a highly active FY21."

The Company and the Lead Manager approached new sophisticated and institutional investors as well as clients of the Lead Manager, to participate in the Placement. As far as the Company is aware, no securities were issued or agreed to be issued in the Placement to any related party.

An Appendix 3B for the proposed issue of the Placement shares will follow. This announcement effectively lifts the trading halt which the Company requested on Tuesday, 23 June 2020.

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

ENDS

For more details, please contact:

Matthew Fahey
Managing Director
Vonex Ltd

E: matt@vonex.com.au

T: +61 411 244 224

Nicholas Ong
Non-Executive Chairman
Vonex Ltd

E: nick@vonex.com.au

T: +61 424 598 561

Tim Dohrmann
Investor and Media Enquiries
NWR Communications

E: tim@nwrcommunications.com.au

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.