30 June 2020

Consistent Progress for Vonex Retail, Wholesale and Oper8tor

Highlights:

- **Smooth financial integration of 2SG Wholesale has been completed, facilitating new product launches and improvements to cost base and network quality, driving growth in wholesale customers and order value**

- **Retail operations continue to expand, achieving Total Contract Value (TCV) of new customer sales of $3 million in the 5 months from January to May 2020, compared to $1.86m during the same period last year, representing year-on-year growth of 60% through the COVID crisis**

- **Oper8tor now at app version 1.5, with greatly improved user experience and newly-launched features targeting enterprise and SME customers, including artificial intelligence-driven call recording and real-time call transcription**

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

Successful 2SG Wholesale Integration Yielding Early Business Growth and Cost Savings

The Company has now finalised financial integration of 2SG Wholesale, the telecommunications and data wholesaling business of which Vonex completed its acquisition on February 28, 2020.

2SG Wholesale has brought a new dimension to the Company's business and has allowed Vonex to expand its offering to small and medium enterprise (SME) customers with new products. These new products include fleet mobile (which is available now), and mobile broadband and NBN with 4G backup available from July 1, 2020.

Vonex has activated the first of several planned new NBN direct points of interconnect (POIs), as indicated in the Company's ASX announcement of 20 May 2020. The Company plans to further improve its network quality by activating additional direct POIs with the NBN in Q1 of FY21.

The Company's smooth integration of 2SG Wholesale has been accompanied by growth in new customers and order value. Vonex has added 5 new wholesale customers since the beginning of May 2020. The Company has also achieved an increase of 75% in mobile broadband orders in Q4 FY20 compared to the same period in FY19. This promising growth reflects the cross-selling opportunities which Vonex identified prior to acquiring 2SG Wholesale.

The Company has identified further opportunities to materially improve its service delivery through 2SG Wholesale. With upgrades to provisioning systems scheduled for completion in Q1 FY21, the Company expects to achieve more than an 80% reduction in the average total time taken to facilitate new service activations, from 36 minutes to 6 minutes.

The Company has also scoped and commenced its plans to integrate 2SG Wholesale's billing with Vonex's existing platform, with completion expected in Q2 FY21.

The cost synergies which the Company has identified through these measures, as well as supplier and network rationalisation, are expected to deliver meaningful operational cost reductions and efficiencies.

Vonex Telecom Delivering Sustained Growth

The Company's Retail operations continue to expand, with new customer additions continuing to run at elevated levels through the depths of the COVID-19 crisis. The Company achieved Total Contract Value (TCV) of new customer sales in the 5 months from January to May 2020 of $3 million, an increase of 60% on the prior comparable period, with growth accelerating in April and May.

From early July, Vonex will expand upon the Qantas Business Rewards offering, adding mobile plans to the suite of services on which Qantas Points can be earned, with a view to gaining market share with Australian SME customers.

Oper8tor Functionality Expanded and Management Team Bolstered, Pursuing Broader Applications

The Company has continued to deliver improvements and expansions to Oper8tor's functionality since v1.1 of the Oper8tor app was made available in May 2020 via the Apple and Google app stores. Following valuable feedback from early users, the Company has advanced the app to version 1.5, with a greatly improved user experience which aligns with the newly revamped Oper8tor website.

While Vonex continues to pursue its strategy to roll out the Oper8tor app through a consumer value proposition, the Company has identified attractive additional commercial applications and has focused its recent product development to address this potential market.

The Company has recently developed and launched artificial intelligence-driven call recording within Oper8tor, providing a highly-requested feature among enterprise and SME customers. Vonex has complemented this feature with its recent launch of real-time call transcription, with accuracy continuously improving and email transcriptions delivered to users within seconds of a call ending.

These features, along with the inclusion of Conference, Voice, Message and Video functionality across multiple communications platforms and devices, will underpin a focused B2B growth strategy for Oper8tor which facilitates growth in users and recurring revenue through a software as a service (SaaS) model, with cross-platform calling for the mobile worker as its key value proposition. The Company has developed a marketing plan and product roadmap which aligns with this vision, and in conjunction with Ragnar Capital Partners LLP in London, is actively engaging with potential strategic partners who can help Oper8tor to execute these goals faster. Investors and other interested parties who are willing to provide feedback on Oper8tor's development are invited to participate in its current testing phase by downloading Oper8tor from the app store of their choice.

Internal Management Appointments

Vonex has made several internal appointments to strengthen management capabilities across its business.

The Company is pleased to advise that by way of an internal promotion, Christo Da Silva has been appointed as Vonex's Chief Technology Officer.

An early Vonex employee, Christo has been with the Company since 2010 as a Consulting Engineer, helping Vonex to develop and successfully deploy its hosted voice solution in Australia, the USA and Asia. As an Engineering Manager, Christo has designed and developed processes which have enhanced the reliability, robustness and scalability of Vonex's voice services. His professional experience and educational credentials (Masters in Engineering - Communication Networks) position Christo well to lead the Company's technology department.

The Company's existing CTO, Angus Parker, has been appointed CEO of Oper8tor and will assume responsibility for the business unit's commercialisation efforts.

Vonex has also appointed 2SG Wholesale employee, Reza Lohrasb, to the newly created role of Executive General Manager Wholesale.

In this role, Reza will head the Company's combined voice and data wholesaling operations. Data-driven and customer-focused, Reza brings more than twenty years' experience in the information, communications and technology industries, holding an MBA from QUT Business School specialising in Leadership and Strategy.

The Company congratulates Christo, Angus and Reza on their appointments and thanks them for their dedication to Vonex's growth strategy.

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

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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.