

8 July 2020

## **Vonex Retail Delivering Strong Growth in TCV and ARR**

### **Highlights:**

- **Retail SME customer base continues to grow strongly, with Vonex achieving Total Contract Value of new customer sales of \$3.7 million in H1 CY20, representing year-on-year growth of 65% through the COVID crisis**
- **Vonex achieves strong growth in annualised recurring revenue, closing FY20 with ARR exceeding \$16.4 million, up 89% year-on-year**

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to advise of operational progress within the Company's Retail business.

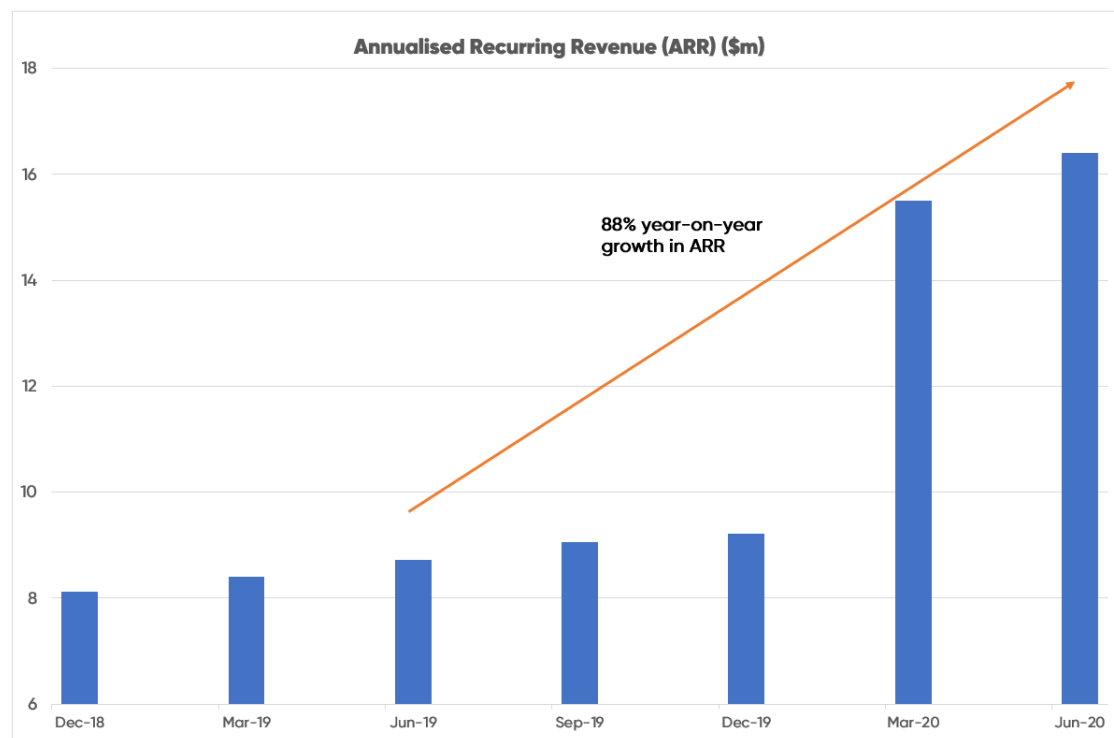
### **Vonex Telecom Delivering Sustained Growth**

The Company continues to attract new small and medium enterprise (SME) customers to its Retail offerings, adding contracted revenue at a consistently elevated level in the first 6 months of the calendar year.

The Company achieved Total Contract Value (TCV) of new customer sales in the 6 months from January to June 2020 of \$3.7 million, a year-on-year increase of 65%, with growth accelerating throughout the June quarter. Vonex has successfully leveraged its relationship with Qantas Business Rewards (QBR) during the period to attract new customers through Qantas point-based incentives. This has contributed to growth in the average length of newly-signed contracts and higher average TCV per plan.

The Company plans to drive further growth in the market for Australian SME customers through product expansion, having recently added NBN, 4G wireless connections and mobile plans to the suite of services on which Qantas Points can be earned.

With much of the newly added contracted revenue being recurring in nature, the Company is pleased to advise that Vonex's annualised recurring revenue (ARR) has grown by 89% year-on-year to \$16.4 million as at 30 June 2020 (refer to Figure below).



**Figure:** Vonex has delivered consistent growth in ARR both before and after its acquisition and successful integration of 2SG Wholesale.

The Company plans to deliver continued growth in ARR both organically and by acquisition, having recently raised \$1.4 million (before costs) to assess and fund potential M&A targets.

ARR excludes one-off sales revenue and does not factor in net churn as the business continues to deliver positive net growth in active users. This growth speaks to the quality of Vonex's SME customer base, which includes a diverse range of sectors within the Australian economy, including financial, healthcare, manufacturing and retail.

The Company will update the market on broader financial and operational trends as part of the quarterly activities update to accompany its upcoming Appendix 4C cash flow statement.

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.