



Investor Presentation

Annual General Meeting
November 2022



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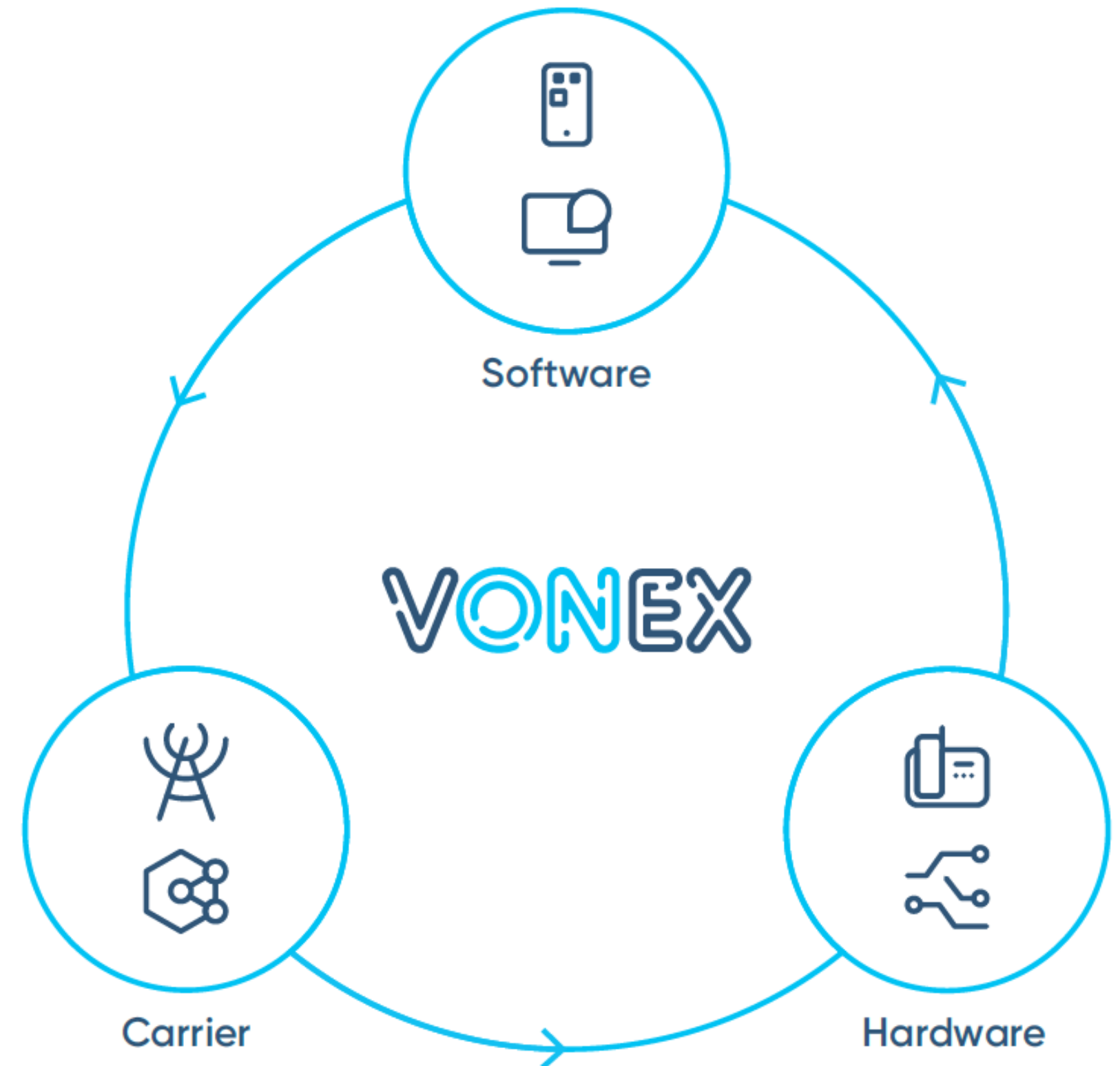
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Who We Are

Vonex Ltd (ASX: VN8) provides advanced technology to keep business communications ahead of the game.

Our products are scalable and customisable to the thousands of Australian businesses we keep connected, wherever they go however they grow.



What We Do

SME Business



Phone Systems

NBN-ready office phone solutions. Options for on premise & cloud

Hosted Cloud Phone Systems

SIP Trunks

Microsoft Teams Integration



4G & 5G Mobile

SIM-only mobile plans

4G & 5G Voice & Data

Mobile Fleet



Internet & NBN

Future-proof NBN & high speed ethernet

NBN

Fibre

Wireless Broadband

5G



Value Added Services

1300 numbers, conferencing, e-fax desktop SMS & more

e-Fax

Landline: 1300/1800, International Numbers

Desktop SMS

Audio Conferencing

Domain

Web Hosting



Infrastructure

Cabling and other technical integrations

Data Cabling

Optical fibre installations

Active IT hardware installations

Data cabinet strip, rebuild & maintenance

CCTV

Colocation & Hosting

SDWAN

What We Do

Wholesale



Wholesale Products

Delivering excellence in wholesale connectivity

- Business Fibre
- IoT/M2M
- Hosted PBX & SIP
- NBN
- Mobile
- Wireless Broadband

Consumer



Consumer Products

Consumer phone systems

- Home Phone
- Consumer NBN
- Consumer Mobile



Vonex Corporate Snapshot

PBX Extensions	105,000+
Uptime	99.999%
NPS Score Oct 22	70
Average Call Wait Time	~1 minute

Vonex is both growing organically and executing a disciplined M&A strategy, targeting profitable IT and telco businesses that offer potential to accelerate our growth through further product expansion, scale and cross-selling.

Key Metrics →

FY22 revenue	\$33.6m
Annualised recurring revenue ¹	\$51.0m
FY22 net operating cashflow	\$5.3m
FY22 underlying proforma EBITDA ²	\$6.6m
Market cap at \$0.078/share	\$28.2m
Net debt of ¹	\$18.0m
Enterprise value of ¹	\$46.2m

Note 1 → As at 28 October 2022

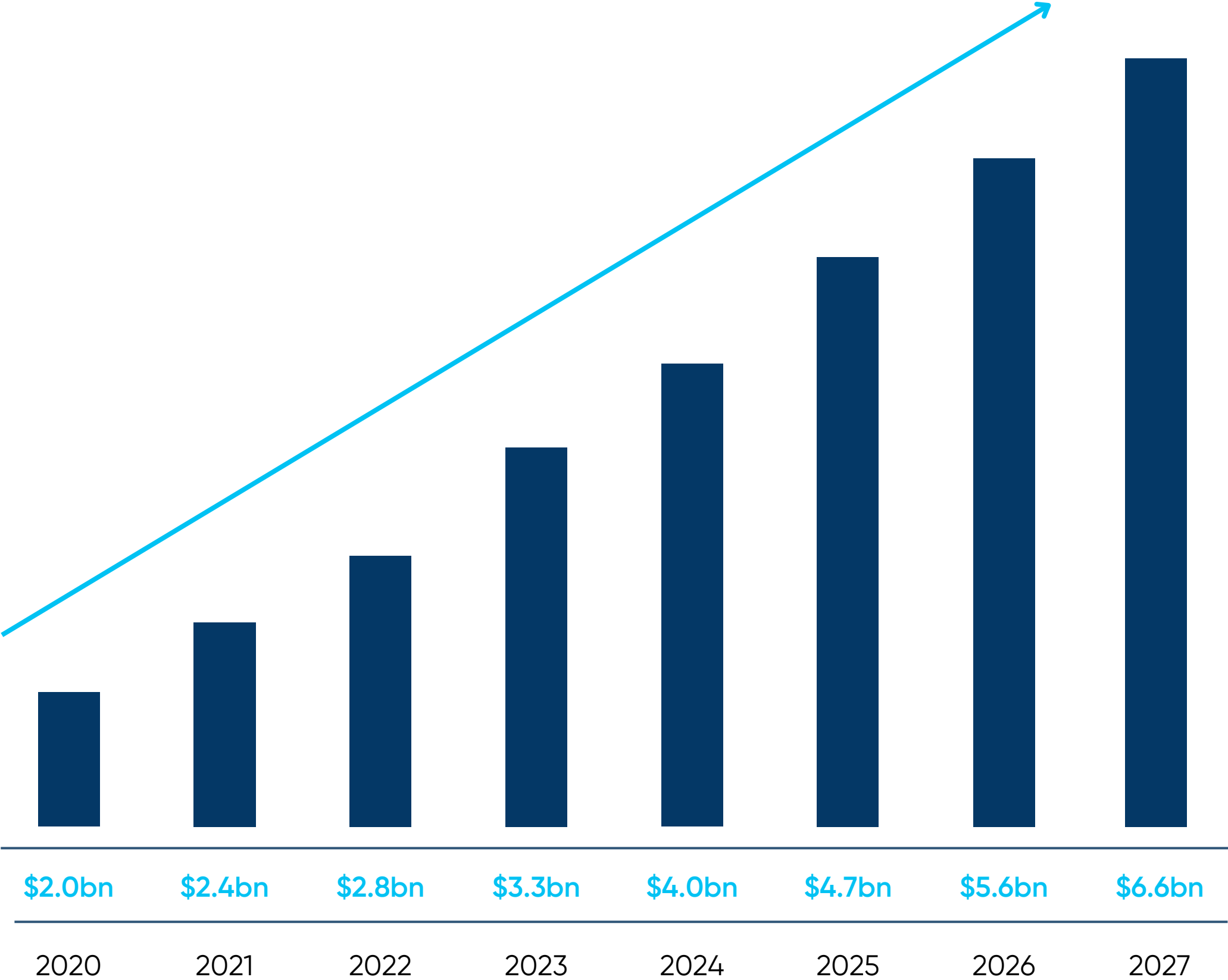
Note 2 → Underlying EBITDA excludes (i) share based payment expenses; (ii) acquisition, integration, migration and capital raising costs; and includes (iii) the results of the acquired MNF business and Voiteck business and associated synergies as if included for the whole of 1H of FY22 (based on vendor provided unaudited management accounts). Contributions to EBITDA may vary due to integration costs, accounting policy harmonisation and synergies. Refer to Appendix for a reconciliation of reported to underlying EBITDA.

Growing Customer Demand in the Cloud Phone System Market

18.6%
CAGR
2020-27

The APAC Virtual Cloud Phone System market is set to grow substantially between 2022 and 2027.

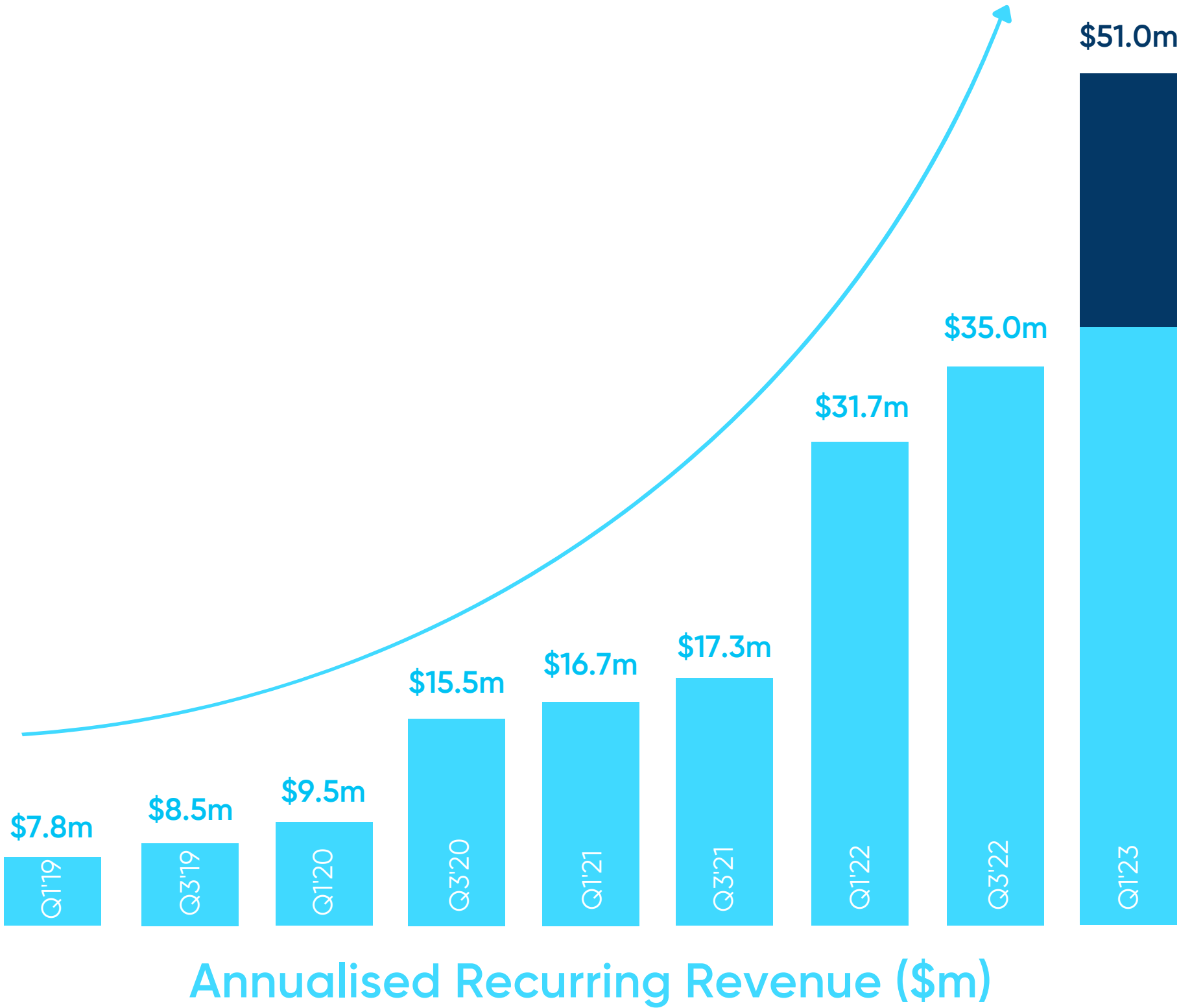
Source → Business Market Insights, Asia Pacific Cloud Pacific Market to 2027



Strong Growth in Annualised Recurring Revenue (ARR)

59.9%
CAGR¹
2019-22

- OntheNet
- Vonex

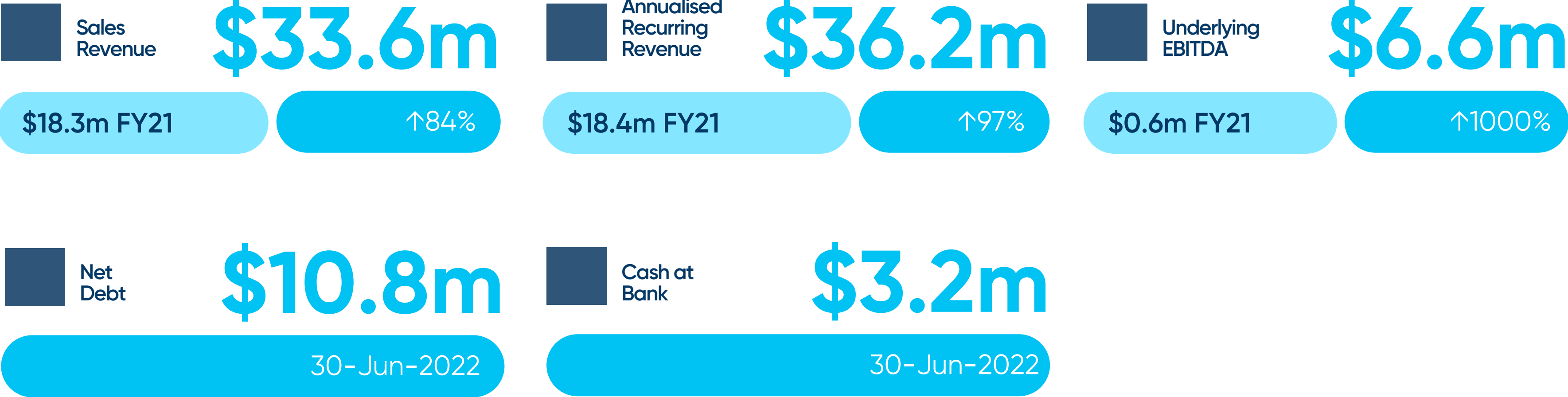


Note 1 → Compound Annual Growth Rate (CAGR) calculated using Q1 of each respective financial year

FY22 Highlights



FY22 Financial Highlights



Note 1 → Underlying EBITDA excludes (i) share based payment expenses; (ii) acquisition, integration, migration and capital raising costs; and includes (iii) the results of the acquired MNF business and Voiteck business and associated synergies as if included for the whole of 1H of FY22 (based on vendor provided unaudited management accounts). Contributions to EBITDA may vary due to integration costs, accounting policy harmonisation and synergies. Refer to Appendix for a reconciliation of reported to underlying EBITDA.

Note 2 → Includes intercompany sales and excludes any organic growth from the MNF direct business, Nextel, and Voiteck.

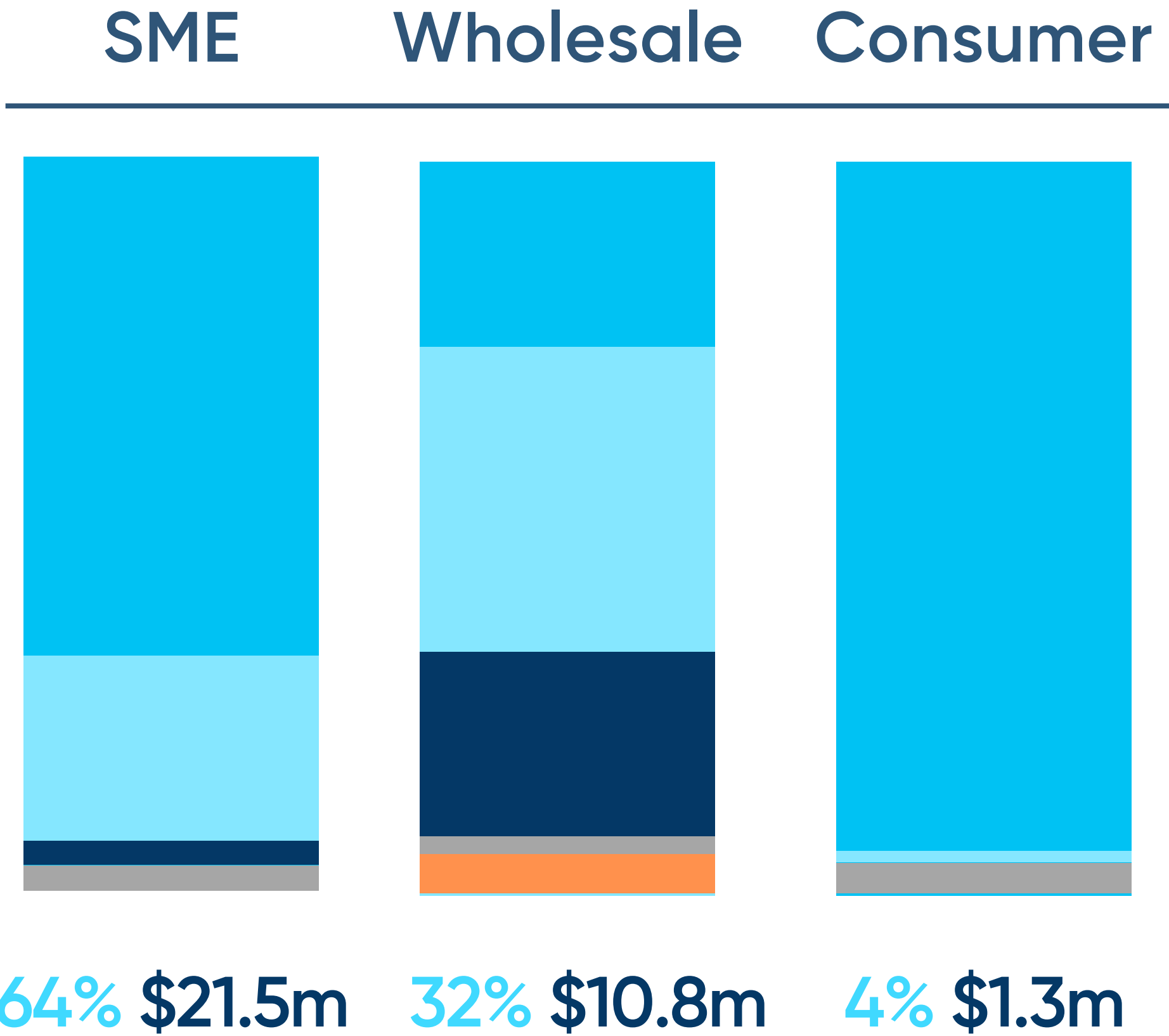
Acquisition Health Check		
FY 2022	Organic Growth	Acquired Growth
Retail & Wholesale	21% ²	67%

Revenue Stacks

→ Financial Year 2022

- Voice
- Data
- Mobile (Voice & Data)
- Hardware
- Other

Figures are unaudited and don't represent accrued revenue for the period. Data supplied are extracts from customer billing reports and may include charges in advance.

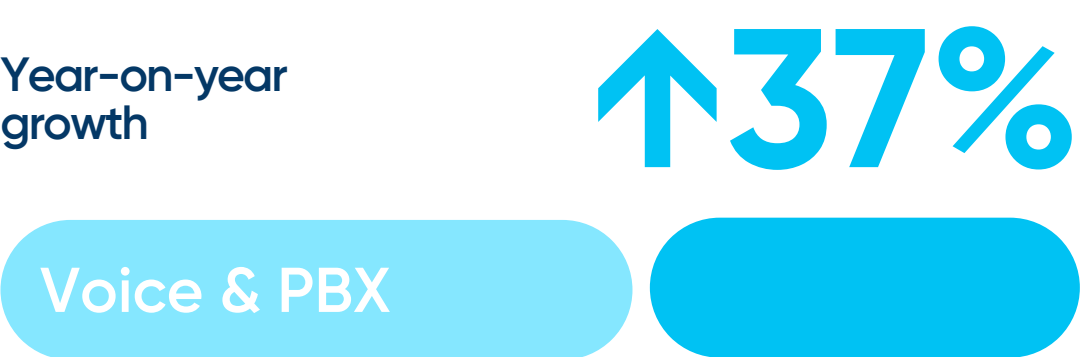
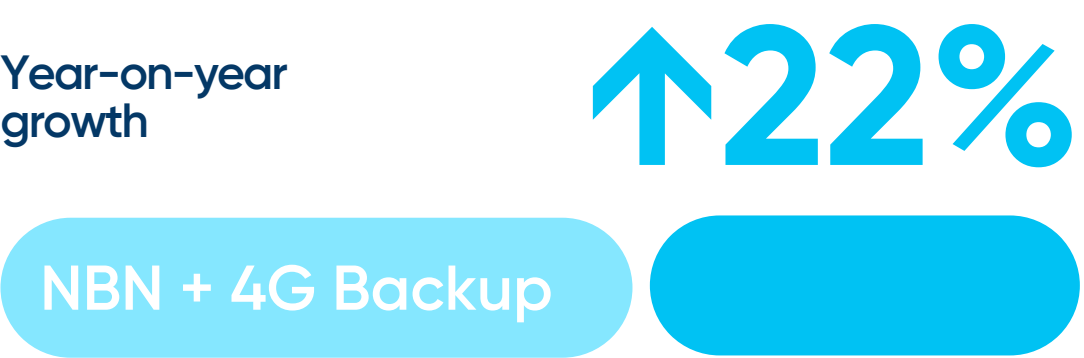


FY22 Operational Highlights

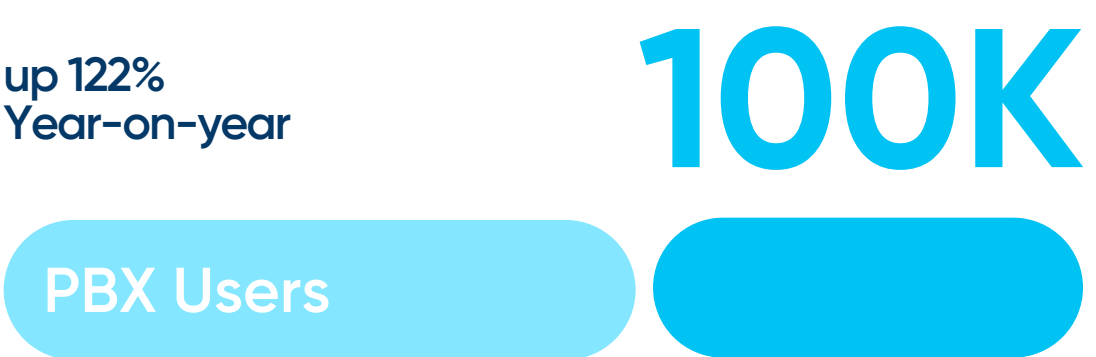
→ Retail Business



→ Wholesale Business



→ Group Performance



Improvement in Cash Flow Dynamics

	FY22	FY21
Net cash from operations	5.3	(0.3)
Net proceeds from capital raisings	14.0	–
Net proceeds from borrowing ¹	14.5	–
Payment to acquire MNF/Voiteck	(31.2)	–
Less other investing and financing activities	(3.1)	(0.8)
Net cash inflows	(0.5)	(1.1)
Opening cash	3.7	4.8
Closing cash	3.2	3.7

\$5.6m increase in net cash from operating activities compared to prior corresponding period

Acquisition of On the Net expected to add an additional ~\$1.7m to net cash on a full year basis.²

Note 1 → Proceeds from borrowings are net of borrowing repayments

Note 2 → Based on unaudited historical trends from FY21 and FY22

Post OntheNet Acquisition



Combined Profit & Loss

Vonex would deliver \$52.4m of revenue and \$8.5m of EBITDA on an FY22 annual pro forma basis excluding synergies

Pro forma normalised FY22

\$m	Vonex (FY22) ¹	OntheNet (FY22) ²	Combined (FY22)
Revenue	\$37.2m	\$15.2m	\$52.4m
COGS	(\$18.4)	(\$8.9m)	(27.3)
Gross Profit	\$18.8m	\$6.4m	\$24.8m
Other Income	\$0.8m	\$0.0m	\$0.8m
Operating Expenses	(\$13.0m)	(\$4.5m)	(\$17.5m)
EBITDA	\$6.6m	\$1.9m	\$8.5m

↑40%

FY22 Revenue Increase

↑29%

FY22 EBITDA Increase

Note 1 → Vonex's pro forma underlying results which excludes (i) non cash share based payment expenses; (ii) acquisition integration, migration and capital raising costs and includes (iii) the results of the acquired MNF business and Voiteck business as if included for the whole FY22 (based on vendor provided unaudited management accounts).

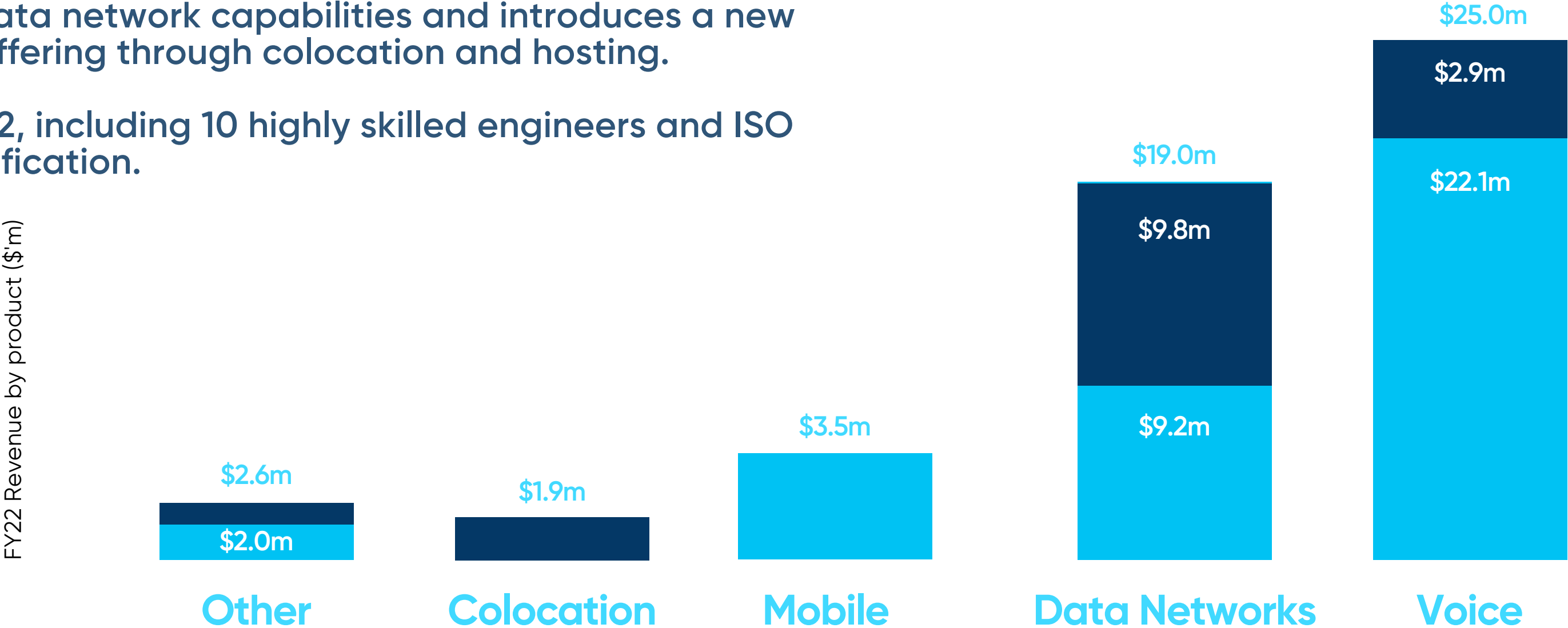
Note 2 → OntheNet FY22 pro forma is June-22 run rate for 6 months annualised. Results have been extracted from the unaudited management accounts of OntheNet and exclude the impact of IFRS16.

Revenue by Product

Post Acquisition of OntheNet

The acquisition of OntheNet (OTN) significantly expands Vonex's data network capabilities and introduces a new product offering through colocation and hosting.

Team of 32, including 10 highly skilled engineers and ISO 9001 Certification.



Notes → Includes the full year impact of revenue from MNF and Voiteck. Voiteck pre-acquisition revenue assumed to be 100% Voice, while MNF allocated based on the relevant proportions of revenue in the period LTM March-21

Accelerating Growth

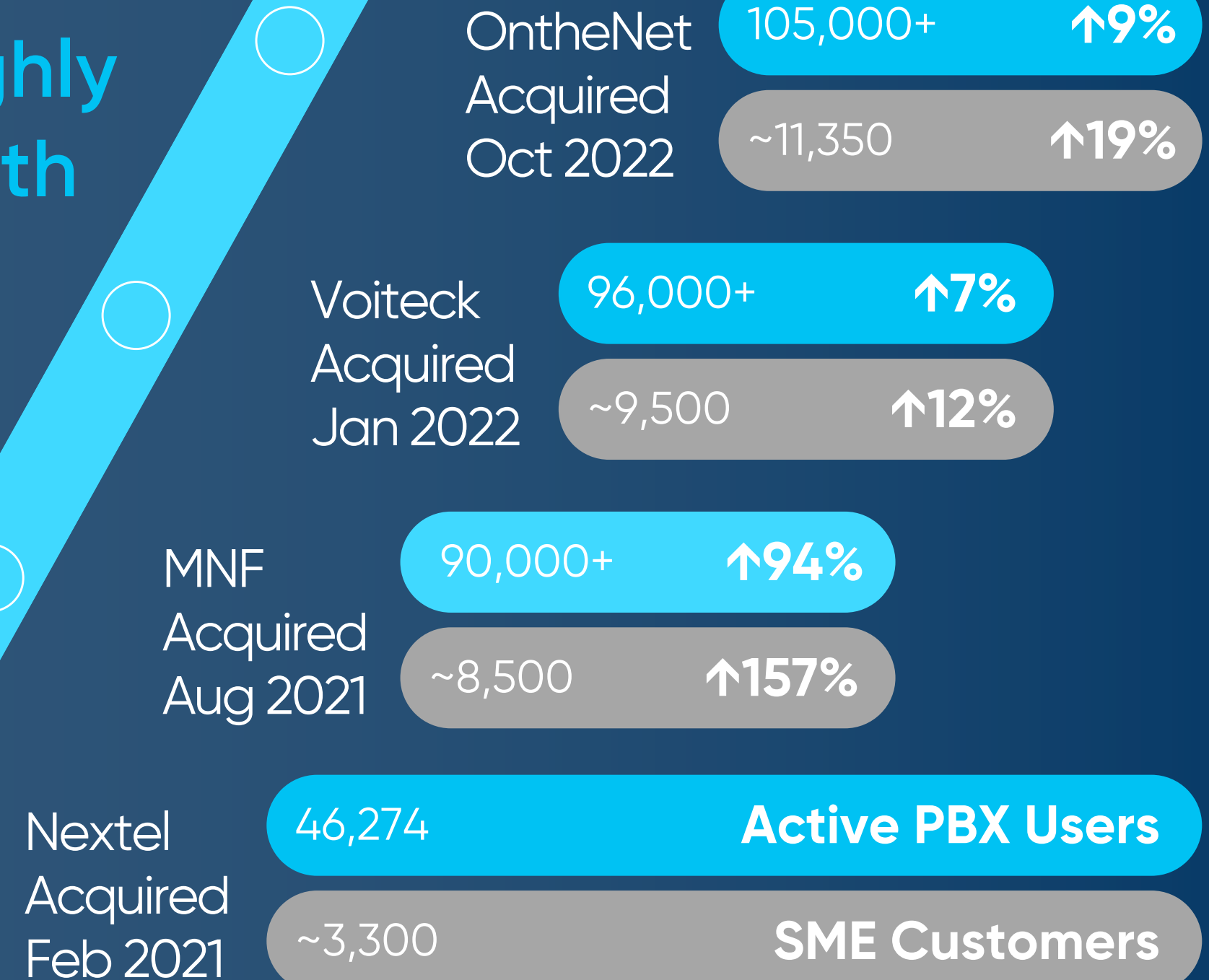
Through selective acquisitions of highly complementary businesses in line with well-established M&A strategy all acquired since start of 2021

Through completing these acquisitions and delivering organic growth, in FY22 the Company doubled Vonex's base of annualised recurring revenue, on a full year basis, to \$36.2 million.

PBX Subscriptions¹ **↑126%**

SME Customer Growth¹ **↑228%**

Note 1 → between Feb 2021 and Oct 2022




























Acquisition synergies driving ARPU growth

- In FY23 we will more aggressively cross sell and increase product ratio per customer to drive ARPU across the existing customer base.
- Direct Sales team will facilitate this cross sell activity which is a growing capability of the Vonex group driven by the recently appointed COO.
- This provides a strong platform for organic growth and further development of ARR.

Our M&A strategy cross-pollinates our organic growth. We proactively cross-sell incoming customers to Vonex's wider range of products and services to grow wallet share and ARPU.

	Vonex	OntheNet	Difference
Customers who purchase Voice Services	90%	21%	69%
Customers who purchase Mobile Services	18%	0%	18%
Customers who purchase Internet Services	56%	76%	20%

Acquisition Integration Update

	Branding	Products	Team	Finance	Systems	Integration Date
OntheNet						TBA
Voiteck						Feb 2023
MNF Direct Business						SME-Dec 2022 Consumer-Feb 2023
Nextel						Jun 2021
2SG						Sep 2021

Outlook



Vonex continues to see a positive outlook for growth as the Company's customer base expands driven by strong market tailwinds.

- Complementary acquisitions are delivering high quality earnings, readily addressable synergies and improved scale in ARR, channel partners and profile.
- Vonex has built a strong platform to gain scale organically, targeting further growth in lead generation, brand awareness and average revenue per user (ARPU).
- Vonex is well placed to capitalise on its increased market presence, lower marginal cost base and capacity to realise cross-selling opportunities.
- Vonex continues to explore a disciplined M&A growth strategy for FY23, targeting telco businesses that offer potential for growth in revenue, profit and earnings per share through further product expansion, scale and cross-selling.

Board of Directors



Matthew Fahey / Managing Director & CEO

Mr Fahey is Vonex Telecom's Chief Executive Officer and joined the Board as Managing Director. Mr Fahey joined Vonex Ltd in 2013, through the Vonex Group's acquisition of iTrinity (IP Voice & Data) where he had served as Sales Director. Mr Fahey brings with him 20 years' extensive experience in building and managing telco companies having built a well-regarded reputation in the industry for channel partner programs as well as excellence in VoIP and Telco.



Nicholas Ong / Non-Executive Director

Mr Ong was a Principal Adviser at the Australian Securities Exchange (ASX) and brings 15 years' experience in IPO, listing rules compliance and corporate governance. Mr Ong has developed a wide network of clients in Asia-Pacific region and provides corporate and transactional advisory services through boutique firm Minerva Corporate Pty Ltd. He is a member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.



Stephe Wilks / Non-Executive Chair

Mr Wilks is an experienced company director who has headed several Australian and international telecommunications and technology companies, including as Regional Director (Asia and Japan) Regulatory Affairs for BT Asia Pacific, Managing Director of XYZed Pty Ltd (an Optus company), Chief Operating Officer of both Nextgen Networks and Personal Broadband Australia, and as Consulting Director of NM Rothschild and Sons. He brings extensive technology leadership, strategic finance, M&A and governance expertise.



David Vilensky / Non-Executive Director

Mr Vilensky is a practicing corporate lawyer and the managing director of Perth law firm Bowen Buchbinder Vilensky. He has more than 30 years' experience in the areas of corporate and business law and in commercial and corporate management. Mr Vilensky practices mainly in the areas of corporate and commercial law, mergers and acquisitions, mining and resources, trade practices and competition law and complex dispute resolution.



Brent Paddon / Non-Executive Director

Mr Paddon is an experienced company director and manager with over 25 years experience in the telecommunications and IT sectors. Brent co-founded Brisbane Internet Technology which was sold to Asia Online in 1999, held senior management roles at WebCentral and PIPE Networks and co-founded Over the Wire in 2007, which listed on the ASX in 2015 and was acquired in March 2022 by Aussie Broadband Limited (ASX: ABB). He has detailed knowledge of the telecommunications industry and hands-on experience in starting and scaling successful businesses.



Daniel Smith / Company Secretary

Mr Smith is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and has over 11 years' primary and secondary capital markets expertise. As a director of Minerva Corporate, he has advised on, and been involved in, a significant number of IPOs, RTOs and capital raisings on both the ASX and NSX. His key focus is on corporate governance and compliance, commercial due diligence and transaction structuring, as well as ongoing investor and stakeholder engagement.



Jason Gomersall / Non-Executive Director

Mr Gomersall is a former Director of 2SG Wholesale and is the Founder, CEO and Managing Director of isseek Communications. Mr Gomersall has long been at the forefront of the telecommunications industry and the mobile phone market since being one of the foundation franchisees of the Optus World chain of retail stores in the 1990s.



Contact Us →

Matthew Fahey

Managing Director | Vonex Limited

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ASX:VN8

Appendix

Vonex is proud to have delivered these financial milestones for shareholders. We remain firmly focused on Vonex's next growth horizons as the company pursues significant opportunities to gain scale in the Australian telecommunications industry. A reconciliation between statutory results and underlying results is provided to the right:

Note 1 → Underlying EBITDA excludes (i) non cash share based payment expenses and impairment expenses; (ii) acquisition, integration, migration and capital raising costs; and includes (iii) the results of the acquired MNF business and Voiteck business and associated synergies as if included for the whole of FY22 (based on the vendor provided unaudited management accounts). Contributions to EBITDA may vary due to integration costs, accounting policy harmonisation and synergies.

30-Jun-22

Statutory profit (loss) after tax	\$0.3
Tax expense (benefit)	(\$0.4)
Net finance (income) / expense	\$1.6
Depreciation and amortisation	\$1.9
Share based expense payments	(\$0.8)
Impairment expense	\$0.6
Capital raising and SPP expenses	\$0.1
Business acquisition, integration and migrations cost	\$1.8
MNF full 1H FY22 impact and realised synergies	\$1.3
Voiteck Full 1H FY22 impact and realised synergies	\$0.2
Underlying EBITDA ¹	\$6.6