

23 January 2025

December 2024 Quarter Activities Update

- **Continued enhancements to the operational strength of the business**
- **Recognition of Vonex's leadership in complaint resolution**
- **Maxo Telecommunications acquire >50% of Vonex voting shares in on-market takeover offer**
- **Vonex Board recommends shareholders ACCEPT MaxoTel offer before it closes on 28 January**
- **Proposed capital raise, to be confirmed, to raise \$13m to repay debt**

Telecommunications innovator Vonex Limited (ASX: VN8) provides the following update and Appendix 4C Quarterly Report for the three months ended 31 December 2024 (Q2 FY25).

In the past quarter Vonex continued its focus on the business, ensuring systems and operations delivered value for our customers, while maintaining focus on cost and controls. This process continues to drive increased operational strength in the business, improving the customer experience, employee capability and quality of work, and increasing the intrinsic value of the Company, to the ultimate benefit of our shareholders.

In Q2 FY25 Vonex was publicly recognised by the Australian Communication and Media Authority (ACMA) for the least number of Telecommunications Industry Ombudsman (TIO) complaints per 10,000 services in operation. As ACMA stated "For the number of complaints received per 10,000 services in operation, Vonex received the least complaints, while Westnet received the most. Of the largest telcos, Telstra ranked 19th while Optus ranked 25th out of the 34 telcos".

Vonex was ranked second in the least complaints per 10,000 services in operation in the previous comparable period, demonstrating the Company's success was not a 'one off'.

These metrics highlight Vonex's commitment to effective complaint resolution and customer satisfaction.

Low complaint resolution numbers are not the only metric the Company measures, and the Management team is aware there is no room for complacency - Vonex still has opportunity for improvement! Nonetheless, the achievement and recognition show a significant step in customer satisfaction from where Vonex was at the end of FY23.

In Q2 FY25 Vonex automated voice provisioning and is continuing this journey through FY25 to gain further benefits for customers and shareholders without impacting customer experience.

In Q2 FY25 Vonex is in the process of rolling out its new softphone application. Retiring the prior mobile and desktop app, the new improved softphone offers a better experience and features. The Company anticipates all customers will have access to the improved application in Q3 FY25.

As for previous quarters, the Company continues to maintain a very close eye on cashflow and is pleased to again maintain double digit % EBITDA margin for the quarter.

Revenue and gross profit were down slightly on the previous comparable period principally because of some churn in wholesale customers where the likely costs to serve undermined the benefits of the revenue; however, EBITDA improved over the quarter given tight cost controls, and focus on better revenue opportunities.

Repayment of the Company's debt facility of \$22.8m has been accelerated following the change of control of the Company on 18 December 2024 (when MaxoTel acquired more than 50% of the shares). The facility is now required to be repaid by 18 March 2025. The Company intends to raise capital in the near term to partly fund the repayment, and is seeking financing for the balance of the facility.

While the terms have not yet been finalised, the Company anticipates that the raise will be by way of an underwritten rights issue to all shareholders, at an anticipated price of 3.7c per share, to raise \$13m. Once the terms have been finalised, the Company will notify shareholders and the market.

Payments to related parties in Q2 FY25 were \$66.9k, encompassing Chair and Non-Executive Director fees.

Competing Takeover Offers in the Quarter

During the quarter, the Company continued to manage the competing takeover offers from Swoop and MaxoTel.

On 18 December 2024 MaxoTel announced it had successfully gained >50% shareholding in Vonex.

MaxoTel's on-market unconditional \$0.044 cash offer for each Vonex share closes on 28 January 2025, and MaxoTel has confirmed that it will not be extended. Shareholders wishing to accept into the offer must act prior to its expiry.

Swoop's off-market conditional takeover offer continues to be **conditional** on achieving >50% holding in Vonex, which can no longer be achieved. The Board continues to await advice from Swoop as to its intentions with its offer, prior to its scheduled expiry on 31 January 2025.

The Vonex Board continues to recommend that shareholders ACCEPT the \$0.044 MaxoTel unconditional on-market takeover offer (and REJECT the Swoop conditional off-market takeover offer).

This announcement has been authorised for release by the Board 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, infrastructure solutions and hosted PBX and VoIP services - predominantly to small to medium enterprise ("SME") customers under the Vonex brand. Vonex also develops new technologies in the telecommunications industry, including a feature-rich cloud-hosted PBX system.

The Company also provides wholesale customers, such as internet service providers, access to the core Vonex PBX, 5G mobile broadband and call termination services at wholesale rates via a white label model. Vonex is pursuing a disciplined M&A growth strategy, targeting profitable IT and telco businesses that offer potential for growth through further product expansion, scale and cross-selling.

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