

10th June 2022

Vonex Partners with More, Telco Partner of CBA

Highlights:

- Vonex has signed a binding Heads of Agreement to develop, operate and maintain a customised software platform for the enablement, provisioning and management of Hosted PBX services, IP telephony hardware and softphone licenses for new and existing small to medium enterprise (SME) customers of More, the strategic telecoms partner of The Commonwealth Bank (CBA).
- With annualised revenue over \$100m and more than 125k active customers, More is a Melbourne-based provider of a full suite of innovative NBN, business phone and mobile products, services and plans to consumers and SME business customers. Comprising More Telecom Pty Ltd and Tangerine Telecom Pty Ltd, More is part-owned by Commonwealth Bank, having announced a strategic partnership in July 2021 that unlocks special benefits for CBA customers.
- This agreement coincides with More Telecom's well-publicised launch of Business NBN and Business Hosted Phone for CBA customers.
- More has agreed to exclusively use Vonex as its wholesale provider of Hosted PBX services, phone numbers, call carriage and hardware to new and existing customers for up to six years.
- More Telecom have 8,800 existing Hosted PBX business services on their own network which as part of the deal will be moved to Vonex's platform.
- Vonex will earn fees associated with the design, development, and implementation of the platform, and expects significant revenue from the Hosted PBX user license fees, call carriage and hardware sales.

Telecommunications innovator Vonex Limited ("Vonex" or the "Company") (ASX: VN8) is pleased to advise that the Company has partnered with telecommunications service provider More to become More's exclusive provider of Hosted PBX services to new and existing CBA customers, and to deliver a new hosted PBX and IP telephony enablement platform for More's new and existing small to medium enterprise (SME) customers.

Vonex Managing Director, Matt Fahey, said:

"We are delighted to partner with More to become their exclusive provider of Hosted PBX services. More is a premium, future-focused provider of NBN, phone and mobile services to homes and businesses across Australia with a strategic partnership with the Commonwealth Bank. We are excited to be combining our software development expertise with our wholesale telecommunications offer to provide a highly scalable platform to support their rapid growth."

"Building and delivering a new Hosted PBX enablement platform for More will allow SME customers, particularly those with Commonwealth Bank, to sign up for smart, scalable and valuable telco services simply and rapidly. We are impressed by what we see ahead in More's sales pipeline and look forward to a long and productive partnership."

More CEO, Andrew Branson, said:

"We are pleased to choose Vonex as our partner to deliver our new Hosted PBX enablement platform. We were attracted to Vonex's outstanding capabilities and track record as a provider of both custom software applications and wholesale telco connectivity. We're confident we've chosen the right partner to deliver this product and look forward to working with Vonex on this journey."

Partnership Background

Based in South Melbourne, More Telecom Pty Ltd and Tangerine Telecom Pty Ltd (collectively, "More") are forward-thinking, customer-focused telecommunications service providers to homes and businesses across Australia. More offers a full suite of innovative NBN, business phone and mobile products, services and plans to consumers and SME business customers. The Group offers everything from SIM-only mobile plans, to MESH modem networks, to business-grade Ethernet solutions.

Tangerine is the Group's flagship residential brand, focusing on home broadband utilising the NBN network and mobile. More Telecom supplies consumer and predominantly SME customers Australia-wide.

More is part-owned by CBA, having announced a strategic partnership in July 2021 that unlocks special benefits for CBA customers. This partnership sees the integration of More's NBN services with the CommBank app over time, giving customers the ability to self-manage their internet and phone plans.



More has achieved annualised group revenue in excess of \$100m, has more than 125,000 active customers and is delivering rapid organic growth having been ranked in the 2022 Financial Times and Nikkei Asia High-Growth Companies Asia-Pacific list for the second year in a row.

Partnership Detail

Vonex and More have signed a Binding Heads of Agreement (HoA) which sets out the terms on which More will engage Vonex to develop, operate and maintain a customised, robust, state-of-the-art platform for the enablement, provisioning and management of Hosted PBX services, IP telephony, hardware and softphone licenses ("Platform"). The Platform will integrate into More's billing application and its ordering platform through custom API's developed specifically for the project.

The initial term of the Agreement will run from the Commencement Date until 30 June 2024. More will have the right to extend the Agreement for up to two further terms of two years each.

The development services to deliver the Platform will proceed in two phases. The first phase will be termed as the Minimal Viable Product (MVP) which Vonex will deliver within 21 weeks of the Commencement Date, with full release of the Platform to be delivered within 36 weeks of commencement.

Upon delivery, the Platform will enable More to provide Hosted PBX services to its retail and wholesale customers. Vonex will become More's exclusive provider of Hosted PBX services and associated carrier call termination services using the Platform.

Following acceptance of the full Platform, Vonex will provide managed services for the ongoing hosting, operation and maintenance of the Platform (Managed Services). The Managed Services provided by Vonex will include:

- (a) hosting of the Platform on infrastructure located in Australia;
- (b) ongoing provision of the Platform in accordance with an agreed availability service level;
- (c) maintenance of the Platform, including management of updates and bug fixes;
- (d) provision of a service desk which is able to be contacted by More personnel at agreed hours for the purposes of reporting incidents with the Platform and obtaining assistance with trouble-shooting;
- (e) response to and rectification of reported or detected incidents with the Platform in accordance with agreed timeframes based on agreed priority definitions;
- (f) a process for performance of scheduled maintenance within mutually agreed after-hours windows; and
- (g) provision of relevant training and documentation related to the operation and use of the Platform.

Fees

Upon full release of the Platform and migration of existing Hosted PBX business services, Vonex expects significant ongoing recurring revenue from the opportunity predominantly from license fees, hardware and call carriage.

In addition, Vonex will also charge a one-off fee for the initial software development and an ongoing monthly management fee for the platform.

The exact terms of the HoA are commercially sensitive and remain confidential between the parties.

Migration of Existing Services

As noted above, More has agreed to exclusively use Vonex as its third-party provider of Hosted PBX services to new and existing customers. Once the Platform is accepted, Vonex will run a managed project to migrate More's existing Hosted PBX services to its own Platform within 12 months.

As part of the migration program, more than 8,800 existing Hosted PBX business services are required to be migrated from More's platforms.

Other Material Terms

More will own all right, title and interest in and to all IP rights in all materials developed in connection with the Platform and associated services, excluding any components of the Platform that are pre-existing material of Vonex.

The parties intend to enter into definitive agreements by June 30th 2022.

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, 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.