

Indicative and conditional off-market takeover offer from Swoop

18 October 2024

Telecommunications innovator Vonex Limited (ASX: VN8) refers to Swoop Holdings Limited (ASX:SWP) announcement today that it intends to make an off-market takeover offer to acquire all of the ordinary shares in Vonex, with consideration paid in Swoop shares.

The intended offer is said to be conditional, among other items, on financing, a fundamental condition which Vonex has consistently indicated is required to be satisfied before the Company could consider any offer credible. In addition, should it proceed, the intended offer is said to be conditional on Swoop achieving a 50% ownership threshold in Vonex.

Vonex previously announced (on 17 October 2024) it has received an unconditional on-market takeover offer from Maxo Telecommunications Pty Ltd ACN 129 852 526 (MaxoTel) at 4.2c cash per Vonex share.

The Company has now received an indication of an offer from Swoop, but not an offer which shareholders can consider or accept.

The Vonex Directors currently recommend that Vonex shareholders take no action in relation to Swoop's announcement, pending a formal response and recommendation from the Vonex Directors should Swoop proceed to make an offer to Vonex Shareholders.

Should Swoop proceed to make an offer, the Company believes that the two offers could not be readily compared. The MaxoTel offer is certain, immediate and for cash (the value of which is clearly 4.2c). The potential Swoop offer is for a ratio of Vonex shares in exchange for shares in Swoop, and is subject to a number of conditions, which may not be met, including a fundamental financing condition. The Company offers no view on the value of Swoop, but notes that the implied VWAP used to calculate the 5c offer price in Swoop's announcement is 21c, which is above yesterday's closing price of Swoop shares. In addition, the exchange ratio implies an offer price of 4.6c on the Swoop closing price, or 4.7c on the 10-day VWAP.

The Vonex Directors also consider it unlikely that a shareholder taking Swoop shares (should an offer be made) would be able to sell those shares in the near term for 5c value per Vonex share and, indeed, may realise less than the 4.2c cash value being offered by MaxoTel, given the very limited trading liquidity in Swoop shares.

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.

Vonex 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.