



9 March 2021

Corporate Advisor Update

Virtual Secure Network (VSN) company Netlinkz Limited (ASX: NET) ('Netlinkz' or 'Company') advises that Everblu Capital Pty Ltd ('Everblu') and Netlinkz have mutually agreed to terminate Everblu's capital raising mandate, effective immediately. As consideration for termination of the mandate, Netlinkz will issue Everblu or its nominee 28,350,000 Netlinkz shares subject to a 12-month holding lock.

Everblu has played a critical role in funding the Company over the last 15 months, this included the funding of the acquisition of SSI Pacific Pty Ltd.

In addition, Everblu has agreed to assist the Company in a capital reconstruction, which will provide Netlinkz with a much simplified capital structure. This will involve the cancellation (subject to shareholder approval) of, or termination of rights to be issued, up to approximately 249 million options, with all applicable option or right holders being given the opportunity to participate in the cancellation or termination of their right to be issued options, for consideration. Of these options 109.9 million are on issue, with exercise prices of between \$0.10 and \$0.13 and expiry dates between 10 and 24 months ('Issued Options'), and the remaining approximately 139.5 million are free attaching options to the December 2020 capital raise (ASX Announcement 17 December 2020), which are not yet issued and are yet to be approved by shareholders ('Unissued Options').

Subject to Shareholder approval, Option holders will receive up to a maximum of approximately 58 million Shares ('Consideration Shares') (~20 million of which will be subject to a 12-month holding lock) in consideration for cancelling (or terminating the right to receive) 100% of the Options. Full terms of the consideration payable will be set out in a Notice of Meeting to be sent to Shareholders in due course. Netlinkz will convene a meeting of Shareholders in respect of the above cancellations as soon as practicable.

In consideration for facilitating agreement to the cancellation of:

- (a) the Issued Options and Unissued Options that are held by Everblu, Atlantic Capital Holdings Pty Ltd and Anglo Menda Pty Ltd (~63.9 million Options), Everblu (or its nominee) will be issued 0.06 Shares per Option agreed to be cancelled (or waived) (being ~3.8 million Shares); and
- (b) at least 70% of the remaining Issued Options and at least ~71.5 million of the Unissued Options owed to certain parties, Everblu (or its nominee) will be issued ~6.99 million Shares,

which Shares will be subject to a 12-month holding lock. If less than the requisite number of Options are agreed to be cancelled (or waived), the relevant portion of the facilitation shares will not be payable to Everblu for that facilitation service.

If Shareholder approval is not obtained for the cancellation of Options for consideration, the Issued Options will remain on issue and/or (subject to the relevant Shareholder approval) the Unissued Options will be issued, no Consideration Shares will be issued to the Option holders, and the facilitation shares will be retained by Everblu.

The Company wishes to take this opportunity to thank Everblu for their services to the Company and note that they remain supportive shareholders.

This announcement has been approved for public release by the Board of Netlinkz Limited.

ENDS



For more information please contact

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About Netlinkz Limited

Netlinkz Limited (Netlinkz or the Company) (ASX:NET) provides secure and efficient cloud networking solutions. The Company's flagship product, the Netlinkz VSN, provides a physical and virtual secure 'Network as a Service' for enterprises of all sizes. It is focused on cloud-first, security, scalability and simplicity, allowing its customers to concentrate on business growth, team collaboration, and global sharing of critical data. The VSN technology makes Fortune-500 security commercially available for organizations of all sizes. Numerous industry awards received for its technology, including being a worldwide winner of the Global Security Challenge.

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