

**Netlinkz**

# ASX release

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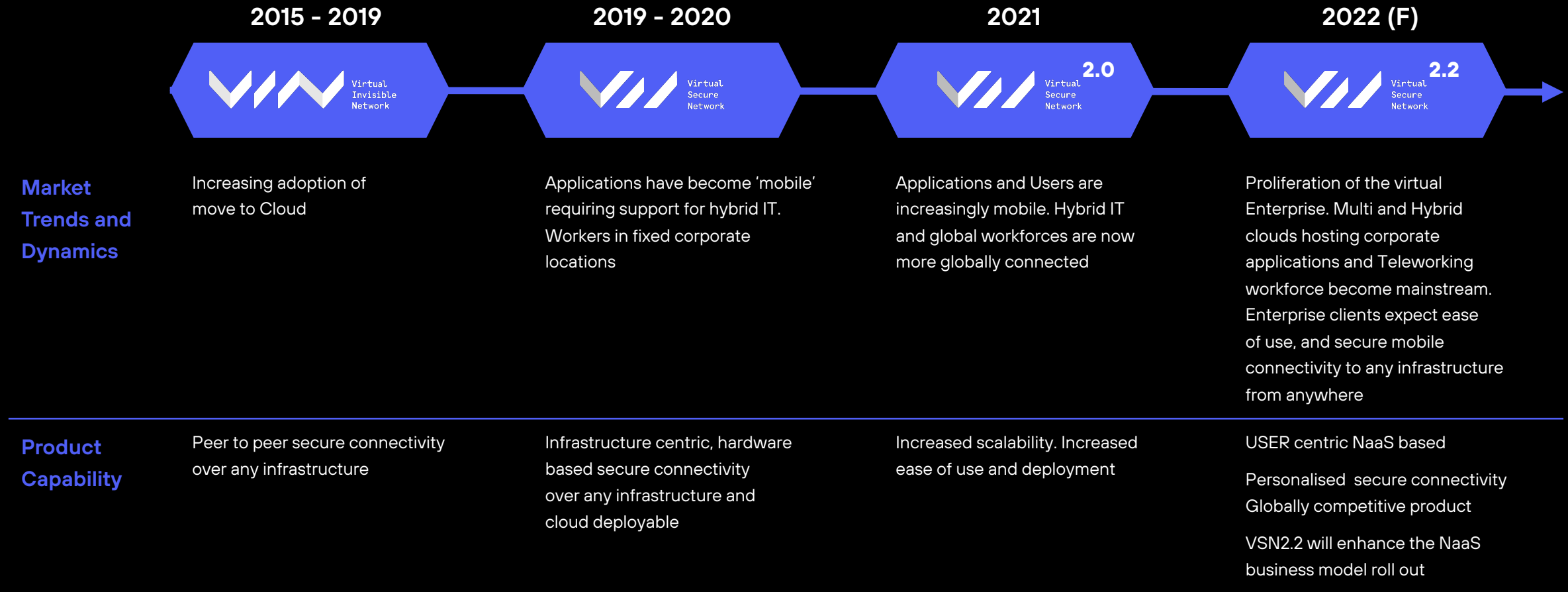


# At a glance



- Continued revenue growth \$0.6m to \$5.3m to \$14.4m across FY19, FY20, FY21.
- Continued enterprise customer growth from 1 at 30 June 2019 to 66 at 30 June 2021 and 80 by 30 September 2021
- Continued increase in recurring revenue, growing from 0% in FY19 to ~18% in FY21 – Recurring revenue represented ~80% of the Q1 FY22 result.
- Overall costs reduced – Operating costs now down by ~35% on the FY21 quarterly average
- Improved balance sheet removing \$12.8m in debt during FY21, with the current balance down to \$1.15m
- Improved cash balance \$9.1m as at the end of Q1 FY22.
- Imminent launch of Product Update VSN 2.2: Increased adoption because of simpler deployment and user centricity and unique selling proposition.

# Evolution of our technology into a product and a NaaS based business model



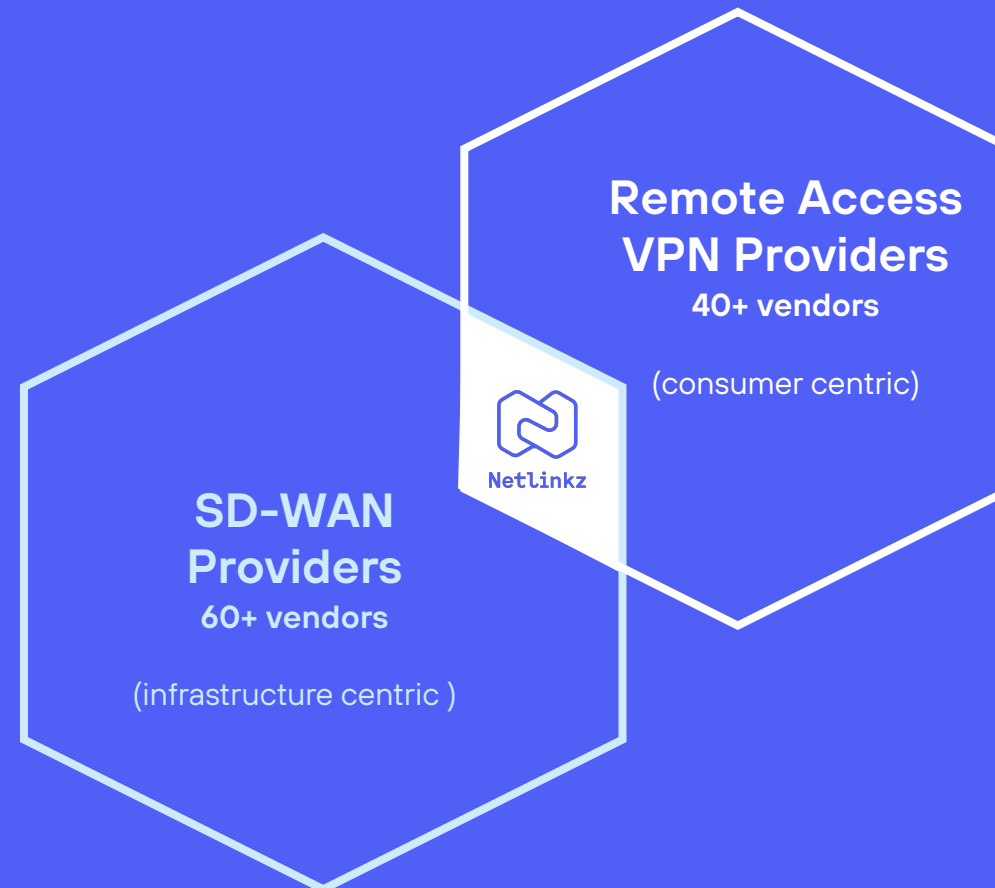
# Global competitive positioning of the VSN enabled NaaS business model



Netlinkz has few direct competitors and delivers a superior product offer to Enterprise customers

SD-WAN and VPN technologies are disruptive to Enterprise operations, complex to implement and are not fit-for-purpose in a mobile world.

Netlinkz is one of only a few providers whose technology delivers an Enterprise solution that solves the market requirements.





We enable secure user mobility, not tying users to fixed corporate locations

We provide simultaneous access to multiple clouds and cloud applications at the user level

Our technology is Zero Trust by design focused on securing each user's connectivity regardless of their location



# Enabling our customers



## Work from anywhere



### User-centric WAN enabling mobility

- Preserve investment in existing infrastructure. Deploy VSN over existing hardware and software networks
- Simple to deploy and onboard users

## Multiple cloud access



### Simultaneous access to multiple clouds and cloud applications

- Securely Access Cloud Applications from multiple Cloud Providers in different geographic regions
- Deliver Fast deployment

## Security



### Zero Trust Branch Networking

- Introduce new levels of security to existing corporate locations
- Solve for security breaches and malicious behaviours

# VSN solves market requirements



Capabilities	Market requirements	SD-WAN market (Infrastructure centric)	Remote Access VPN market (Consumer centric)
Central orchestration	●	●	●
Client apps and appliances	●	◐	◐
On and Off-premise deployment	●	◑	◐
Per user-security policies	●	◑	◑
Performance optimisation	●	◐	○
Hybrid and Multi-Cloud support	●	●	○
Mobility support	●	◑	●
Implementation simplicity	●	○	●
Enhanced ops and troubleshooting	●	◐	◑
Subscription-based licensing	●	◑	●



Work from anywhere with

# User-centric WAN enabling mobility



Simplicity of Remote Access VPNs with the flexibility and security of a personalised WAN

## Structural change

*Organisations have had to quickly adapt to flexible working arrangements – work from anywhere.*

## PROBLEM

- 1 Office-based secure connectivity insufficient
- 2 Hardware based devices at home are expensive
- 3 Existing remote - access expensive to scale

## SOLUTION

- 1 DIY user software clients for BYOD devices
- 2 Personalised cloud NaaS service
- 3 Centralized orchestration and operations



Work from anywhere with

# User-centric WAN enabling mobility



VSN solves market requirements

	Market Requirements	Client based (Service based)	Appliance based (Technology based)
Capabilities			
NaaS	●	●	○
Distributed & flexible deployment	●	◐	◐
Interoperability with public clouds	●	○	◐
Hybrid hardware and software offering	●	○	○
BYOD Support	●	◐	◑



Full capabilities



Moderate capabilities



Some capabilities



No capabilities

Work from anywhere with

# User-centric WAN enabling mobility



Use Case:

## Australian construction company



### The problem

- COVID lockdown drove Work from Home user demand that crippled the previous hardware based remote access service.
- Corporate office desktop users in the office required secure WfH solution to work on their home PCs and mobiles.

### The solution

- Leveraged existing office network, security and server infrastructure to provision VSN Edge within hours.
- Software clients downloaded on home devices securely access Office and Cloud resources through VSN Edge.

### Why we won

**Simplicity of app solution**  
**'Login. Connect. Work'**

***"Installed the Netlinkz client...  
the connection was instant.  
It was so quick I initially  
thought it wasn't working!"***

**Silvio Barbisan, Managing Director**

# Simultaneous access to multiple clouds and cloud applications



Flexible NaaS platform for an enterprise to manage multiple clouds and applications, branches and individual users

## Structural change

*Corporate applications  
and users become mobile*

## PROBLEM

- 1 Consistent security for mobile workforce
- 2 Multiple clouds needs multiple solutions
- 3 Next Gen technology introduction disruptive to business
- 4 Long business cases with uncertain ROIs

## SOLUTION

- 1 Optimised NaaS for mobility and hybrid cloud
- 2 Flexible solution supporting any infrastructure
- 3 Interoperable with BYOD and public cloud
- 4 Non-disruptive to existing business operations

# Simultaneous access to multiple clouds and cloud applications



VSN solves market requirements

Capabilities	Market Requirements	Firewall based (Security appliance)	SDWAN based (Edge gateways)
NaaS	●	○	◐
Optimised for application and client mobility	●	◐	◐
Interoperability with public clouds	●	●	●
Hybrid form factors and user clients	●	◐	◐
Low cost rollout project	●	◑	◑



# Simultaneous access to multiple clouds and cloud applications



## Use Case:

### Global Bank's wholly owned Fintech



## The problem

- German financial services firm with globally distributed application development environments.
- New FinTech subsidiary required rapid onboarding to multi-cloud systems
- Multiple remote access solutions reduced productivity and threatened delivery commitments

## The solution

- VSN Edges securely connect HQ, subsidiary office and multi-cloud development platforms
- Simple download and connect with VSN Clients for remote users to connect to offices and multi-clouds without switching VPNs
- Supports secure, end-to-end connectivity to individual apps and cloud VNET

## Why we won

- Solution validation delivered within one week of first meeting
- Turn-key solution bundled with carriage for one-stop-shop
- Native support for each cloud in use: Azure, AWS, GCP

# User centric security across the network



Authorised and encrypted user connectivity originating from the client device from any location

## Structural change

*Hyper-micro-segmentation required to combat internal malicious actors*

## PROBLEM

- 1 Security breaches from inside the organisation
- 2 Disruptive traditional security approach
- 3 Balance risk vs mitigation costs

## SOLUTION

- 1 End user auth and end-to-end encryption
- 2 Block unauthorised devices on-network
- 3 No hardware lift/shift. Rapid deployment

# User centric security across the network

VSN solves market requirements

Capabilities	Market Requirements	Network Access Control based (layer 2 authentication)
NaaS	●	◐
block on-net malicious actors & unauthorised devices	●	●
low cost rollout and avoids switching vendor lock-in	●	○
Extends to off-site users	●	○
Suits mid-market company security capabilities	●	●



# Short term growth opportunities



## **China Government permitting foreign investment in VPN solutions.**

This presents Netlinkz an exciting opportunity to deploy the VSN as a VPN alternative for western companies based in Beijing.

- We're targeting foreign companies in China that require alternate VPN services.
- Australian Chamber of Commerce Beijing contract signed on migrating its services to VSN enabled cloud. This is the first phase of our strategy with other foreign Chambers of Commerce to follow – providing access to their members.

## **Southcloud**

- VSN bundled (pricing finalised) ready to go to market.

## **LNS International**

- Proof of concept with multinational to be finalised.



# Netlinkz now less a technology development company and more a growing business



1

## Growth in number of Customers

- Increasing number of clients due to proven technology and release of VSN2.2 and expanding sales in ex-China ROW via faster adoption of NaaS model
- VSN 2+ allows for building of NaaS business model
- NaaS model increases potential scale and reach of business
- Recurring revenue as % Sales will continue to increase

2

## Gross Margin Improvement

- Staff Costs as a % Sales significantly reduced
- Expense(s) as % Sales declining and will continue to decline

3

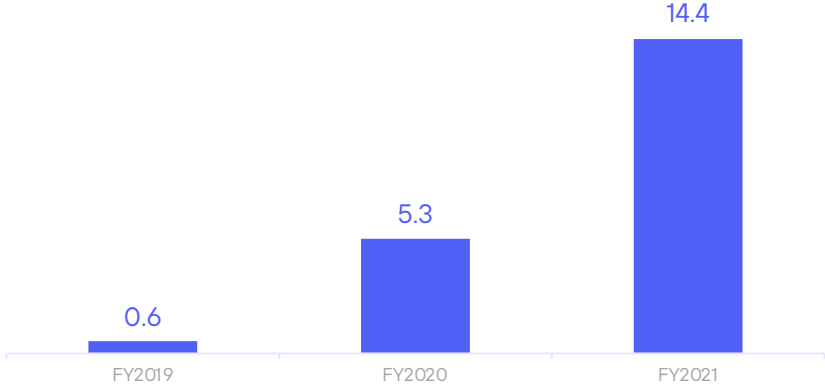
## Operating Margin Improvement

- Shift from developing low margin footprint via hardware sales to VSN 2.2 lowers short term revenue but enables faster adoption of NaaS which delivers much higher margin
- Increased geographic reach and number of POP server connections enables accelerated sales at lower costs through existing partner model
- NAAS enables faster growth in recurring revenue at lower cost per incremental user
- Global deployment on established NAAS backbone leading to a lower cost per incremental user.

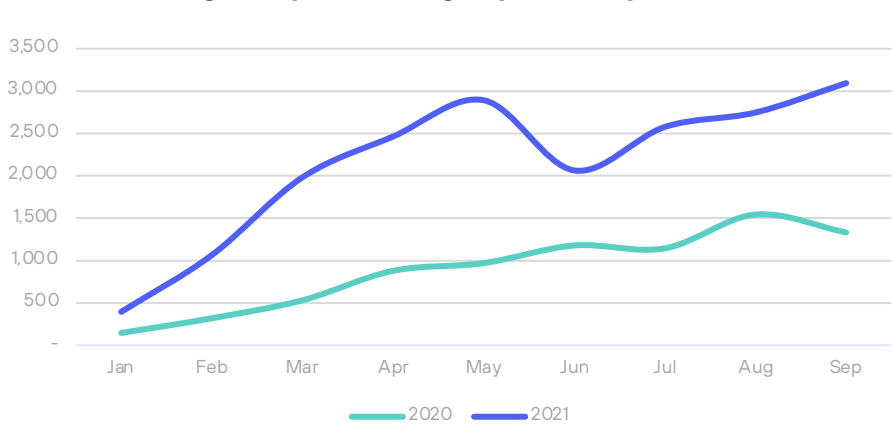
# Financials



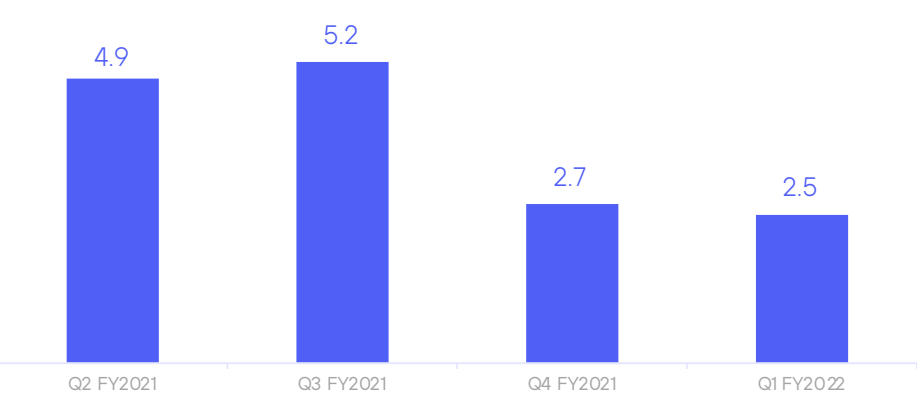
Revenue by year (A\$m)  
FY2019 - FY2021



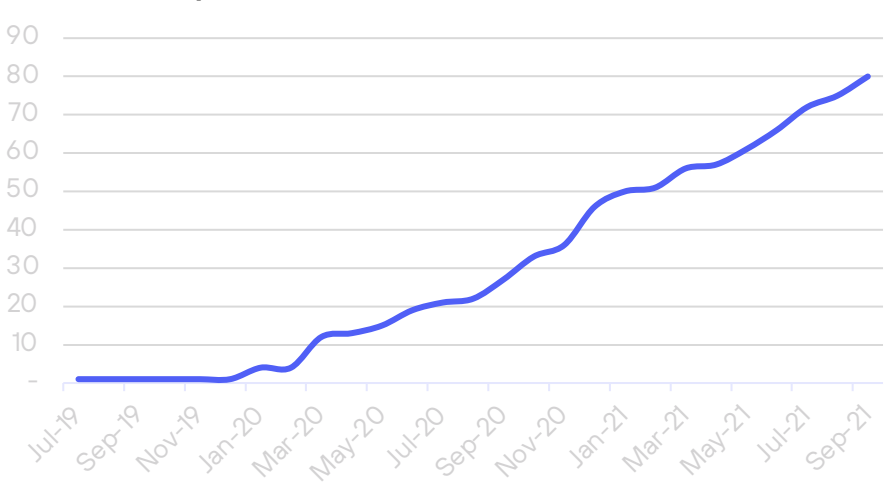
Cumulative gross profit margin (A\$000s)



Operational expenditure by quarter (A\$m)  
Last 4 quarters to Q1 FY2022



# of Enterprise customers



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