9 January 2019

ASX ANNOUNCEMENT

Company Update

The latest version of the Company's product, a software only based Virtual Invisible Network (VIN), was released to China Telecom at the end of November 2018 following a successful pilot programme with China Telecom Wuxi. Netlinkz engineers have worked closely with the China Reseller and China Telecom to refine the VIN product offering to meet the demands of the Chinese market.

The Company is pleased to advise that the total VIN sales in Jiangsu Province as at 31 December 2018 were 26,037 - an increase of approximately 11,000 since the end of November.

Wuxi recorded sales of 6,273 for a total of 20,406

Suzhou recorded sales of 3,509 for a total of 3,593

Nanjing recorded sales of 1,206 for a total of 2,036

Sales continue to be focused on the main population districts of Wuxi (population 6m), Nanjing (population 8 m) and Suzhou (population 12m). Once the revenue base has been established in these three cities the roll-out through the remainder of Jiangsu Province (Population 82 Million) will target the following cities: Yangzhou (4m), Taizhou (5m), Xuzhou (8m), Huai'an (4m), Suqian (6m), Yancheng (4m), and Lianyungang (4m).

As highlighted in a previous Company update, the Company through its agreement with its China Reseller, will receive recurring monthly revenue, which the Company currently estimates being A$ 0.90 per VIN per month, in the form of monthly royalty payments per device from the gross payments received by the China Reseller.

These royalty payments will be paid directly to the Company with the sales force cost, technical support and development costs to be borne by the China Reseller.

ENDS

About NetLinkz Limited

NetLinkz provides secure and efficient cloud network solutions. The company's technology makes Fortune-500 security commercially available for organizations of all sizes. NetLinkz has received numerous industry awards for its technology, including being a worldwide winner of the Global Security Challenge.