



24 April 2020

NetLinkz – Capital Raising Mandate with EverBlu

NetLinkz Limited (ASX: NET) ('NetLinkz' or 'Company') advises that it entered into a capital raising mandate with EverBlu Capital Pty Ltd (EverBlu) on 18 November 2019 ('Mandate'). The following information relates to the terms of the Mandate and is provided at the request of ASX.

In late 2019, NetLinkz had outlined its plans to expand its overseas operations, in particular the sales of its products into China and development of its joint venture with iSoftStone, and its intention to raise further funds to facilitate these expansion plans. EverBlu was engaged by NetLinkz to assist with raising capital for the company, including the capital raisings announced by NetLinkz on 10 December 2019, 24 December 2019 and 14 February 2020.

Mandate Terms

On 18 November 2019, NetLinkz engaged EverBlu pursuant to a mandate under which it was appointed as NetLinkz's exclusive corporate advisor and lead manager for future equity capital raisings (Capital Raisings). Below is a summary of the key terms of the Mandate:

	Mandate Terms
Term	<p>The Mandate is for an initial term of 12 months expiring on 18 November 2020 and it extends for an additional 12 months unless NetLinkz or EverBlu advise at least 3 months prior to the expiry of the initial term that they do not wish to extend the Mandate.</p> <p>EverBlu may terminate the Mandate at any time by providing written notice to NetLinkz. NetLinkz does not have a right to terminate the Mandate.</p>
Services	<p>EverBlu will provide the following services to NetLinkz:</p> <ol style="list-style-type: none">1. lead manage any Capital Raisings;2. co-ordinating with other advisers involved in Capital Raisings to ensure the various workstreams for the Capital Raisings were being conducted efficiently, including liaising with the Company's various external legal counsel and existing financiers to ensure Capital Raisings were conducted in compliance with the ASX Listing Rules and other applicable law;3. provide advice on the structure and pricing of the Capital Raisings;4. assist with the preparation of any offer documents associated with the Capital Raisings;5. provide marketing advice associated with the Capital Raisings; and6. participating in the due diligence processes conducted for the Capital Raisings.
Fees	<p>NetLinkz has agreed to pay the following fees to EverBlu:</p> <ol style="list-style-type: none">1. an initial monthly retainer fee of \$10,000 (plus GST) increasing to \$25,000 (plus GST) after the first successful capital raising (which was announced on



	<p>10 December 2019) until the end of the Mandate term. Due to the nature of the broad, ongoing services provided pursuant to the Mandate, this monthly retainer fee is payable including for months where capital raisings are not completed by NetLinkz;</p> <ol style="list-style-type: none"> 2. a 6% fee on the gross proceeds raised under a Capital Raising (comprising a 4% capital raising fee and a 2% management fee); 3. the issue of the following securities to EverBlu on signing of the Mandate: <ol style="list-style-type: none"> a. 1 million NetLinkz shares. These were issued on 12 December 2019; and b. 20 million options with an exercise price of \$0.20 per option and 20 million options with an exercise price of \$0.25 per option, both expiring 3 years from the date of issue. These options have not been issued and NetLinkz and EverBlu have agreed subsequent to the execution of the Mandate that they will not be issued; and 4. the issue of the following securities to EverBlu on completion of each Capital Raising: <ol style="list-style-type: none"> a. 1 NetLinkz share for every \$2 raised under a Capital Raising; and b. 1 option for every \$4 raised under a Capital Raising, with the exercise price of each option to be a 100% premium to the share issue price under the relevant Capital Raising.
Future transactions	<p>For a period of 6 months following the end of the Mandate (being the end of the Mandate term or the termination of the Mandate, in each case as described above), NetLinkz must offer EverBlu the first opportunity to provide capital raising services similar to those of the Mandate for any proposed capital raising prior to NetLinkz undertaking or engaging a third party to provide similar capital raising services.</p> <p>The fees described above (excluding the monthly retainer) are also payable for (i) any Capital Raising conducted within 6 months of the end of the Mandate and (ii) for any funds raised from an investor previously introduced to NetLinkz by EverBlu during the 6 months from the end of the Mandate, irrespective of whether EverBlu provided capital raising services during that period.</p>
Other terms	<p>The Mandate also contains other terms and conditions usual for an agreement of this nature including indemnities provided by NetLinkz to EverBlu, limitation of liabilities for EverBlu, confidentiality obligations and representations and warranties provided by both parties.</p> <p>This summary represents the current terms of the Mandate and there have been no changes to the terms of the Mandate.</p>

Fees paid to EverBlu

The total amount of fees paid to EverBlu since November 2019 are summarised in the below table, comprising of:

- fees paid to EverBlu under the Mandate;



- corporate advisory fees settled through the issue of shares for advisory services including investor relations initiatives, investigation of new overseas markets, market segment approaches and marketing, overseas roadshow opportunities and assistance with negotiations of existing financing arrangements provided from 1 December 2019 to 21 January 2020; and
- fees associated with research services provided by EverBlu.

Date	Description	Number of Shares	Number of Options	Cash
29 November 2019	Monthly retainer for November 2019	-	-	\$11,000
6 December 2019	Monthly retainer for December 2019	-	-	\$27,500
6 December 2019	Capital raising fee for capital raising announced on 5 December 2019	-	-	\$201,800 ¹
11 December 2019	Shares issued to EverBlu for capital raising announced on 10 December 2019 and pursuant to Mandate – See Appendix 2A dated 11 December 2019 ¹	3,000,000 ²	-	-
1 January 2020	Monthly retainer for January 2020	-	-	\$27,500
16 January 2020	Monthly retainer for February 2020	-	-	\$27,500
23 January 2020	Shares issued to EverBlu for capital raising announced on 24 December 2019 – See Appendix 2A dated 23 January 2020	9,612,505 ³	-	-
23 January 2020	Shares issued to EverBlu in lieu of other advisory fees – See Appendix 2A dated 23 January 2020	2,403,120 ^{4,8}	-	-
23 January 2020	Shares issued to EverBlue in lieu of research services fee – See Appendix 2A dated 23 January 2020	115,385 ^{5,8}	-	\$1,500 ⁸
20 February 2020	Shares issued to EverBlu for capital raising announced on 14 February 2020 – See Appendix 2A dated 20 February 2020	7,044,230 ⁶	1,250,000 ⁶	-
20 February 2020	Shares issued to EverBlu in lieu of other advisory fees – See Appendix 2A dated 20 February 2020	9,350,000 ^{7,8}	-	-
1 March 2020	Monthly retainer for March 2020	-	-	\$27,500
TOTAL FEES PAID TO EVERBLU FROM 29 NOVEMBER 2019 TO 1 MARCH 2020		31,525,240	1,250,000	\$324,300

Notes:

1. Capital raising fee associated with the \$3.25m raising announced on 5 December 2019 (and increased to \$4m as announced on 10 December 2019) comprising a 2% management fee applied to \$2.3m = \$50,600 for investors not introduced by EverBlu, 6% (comprising 2% management fee and 4% capital raising fee) applied to \$1.7m = \$112,200 for investors introduced by EverBlu and GST of \$39,000 (paid in cash) from issue of 3m shares at \$0.13 per share. All figures are GST inclusive.
2. This comprises 2,000,000 shares in respect of the \$4m capital raising announced on 10 December 2019 on the basis of 1 share for every \$2 raised and 1,000,000 shares issued on signing of the Mandate.
3. These are the shares issued in connection with fees associated with the \$8m capital raising announced on 24 December 2019, comprising 4,800,000 shares in respect of the 6% capital raising fee of \$528,000 settled in shares at \$0.11 per share



- and 4,812,505 shares as a success fee (inc GST) at \$0.11 per share on the basis of 1 share for every \$2 raised. On 23 January 2020, NetLinkz's share price was \$0.125 per share.
- \$264,343 of advisory fees settled through the issue of 2,403,120 shares at \$0.11 per share. The advisory fees related to the investor relations initiatives and market segment research and marketing services provided by EverBlu. These advisory services were provided outside the scope of the Mandate and were required by NetLinkz as it required independent expertise for the provision of these services. On 23 January 2020, NetLinkz's share price was \$0.125 per share.
 - \$15,000 of research fees settled through the issue of 115,385 shares at an issue price of \$0.13 per share. The research fees were outside the scope of the Mandate and related to a research note prepared by EverBlu. NetLinkz paid the research fee to EverBlu to produce the research note as part of NetLinkz's investor relations activities. On 23 January 2020, NetLinkz's share price was \$0.125 per share.
 - These are the shares issued in connection with fees associated with the \$4.5m capital raising announced on 14 February 2020, comprising 4,569,230 shares in respect of the 6% capital raising fee of \$297,000 settled in shares at \$0.065 per share and 2,475,000 shares (inc GST) and 1,250,000 options as a success fee at \$0.065 per share on the basis of 1 share for every \$2 raised and 1 option for every \$4 raised. On 20 February 2020, NetLinkz's share price was \$0.066 per share.
 - \$607,750 of advisory fees settled through the issue of 9,350,000 shares. at \$0.065 per share The advisory fees related to the corporate transaction advisory services, opportunity analysis and investor relations services provided by EverBlu. These advisory services were provided outside the scope of the Mandate and were required by NetLinkz as it required independent expertise for the provision of these services.
 - These fees were paid to EverBlu outside of the scope of the Mandate and were not previously announced by NetLinkz.
 - All amounts quoted in the above table are inclusive of GST.

The Company did not previously announce the terms of the Mandate or the other fees paid to EverBlu as detailed in this announcement as NetLinkz did not regard the Mandate or the quantum of the fees paid to EverBlu as being material.

Holdings of NetLinkz securities

The following information is provided in relation to the holdings of NetLinkz securities as at the date of this announcement :

Name of shareholder	Number of NetLinkz shares	Voting Power (%)	Number of NetLinkz Options
EverBlu Capital Pty Ltd*	3,594,230	0.18%	1,125,000

* These are the only holdings of EverBlu Capital Pty Ltd and its associates.

*****ENDS*****

James Tsiolis, CEO and Chairman of Netlinkz, has approved the release of this document to the market.

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About NetLinkz Limited

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

www.netlinkz.com

About iLinkAll

Beijing iLinkAll Technology Co. Ltd is a joint venture between Netlinkz (80% ownership) and an entity nominated by iSoftStone Information and Technology (Group) Co. Limited (20% ownership). iLinkAll is approved by Chinese Government Authorities to sell its products in China and has a 24/7 China wide customer service centre in Shandong, China.