

# Netlinkz Limited

ACN 141 509 426

## Prospectus

For the offer of 1 Share to the public at an issue price of \$0.05 to raise \$0.05 (**Offer**).

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date.

### IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. If after reading this Prospectus, you have any questions about the Share being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Share being offered by this Prospectus should be considered speculative.

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# IMPORTANT INFORMATION

## General

The Prospectus is dated 11 August 2020 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

Please refer to **Section 1.1** for further information. No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

The Company has applied to ASX for quotation of the Share on ASX.

## Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at [www.Netlinkz.com](http://www.Netlinkz.com). Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete and unaltered copy of the Prospectus. Any person may obtain a hard copy of this Prospectus by contacting the Company prior to the Closing Date.

## Risk factors

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

## Offer restrictions

The Offer is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted

by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

## **Interpretation**

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 6**.

All references in this Prospectus to **\$, AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Sydney, Australia.

## CORPORATE DIRECTORY

### Directors

James Tsiolis (Executive Chairman)  
Hualin Zhang (Executive Director)  
Grant Thomson (Non-executive Director)  
Bruce Rathie (Non-executive Director)

### Company Secretary

Erlyn Dale  
Winton Willesee

### Registered Office

Suite 11  
50 Stanley Street  
Darlinghurst NSW 2010

### Share Registry

Computershare Investor Services Pty Ltd  
Level 11  
172 St Georges Terrace  
PERTH WA 6000

### Auditor (for information purposes only)

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

### ASX Code

NET

### Website

[www.Netlinkz.com](http://www.Netlinkz.com)

## 1. DETAILS OF THE OFFER

### 1.1 Summary of the Offer

The Company is making an invitation to apply for 1 Share to the public at an issue price of \$0.05 to raise \$0.05 before expenses of the Offer. The Offer is open to persons by invitation from the Company only.

### 1.2 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC and ASX	11 August 2020
Opening Date	11 August 2020
Closing Date	5.00pm on 12 August 2020

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the ASX Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases. No cooling-off rights apply to applications submitted under the Offer. The commencement of quotation of the Share is subject to confirmation from ASX.

### 1.3 Rights and liabilities attaching to Shares

The Share to be issued pursuant to this Offer is of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in **Section 4.7**.

### 1.4 Minimum subscription

There is no minimum subscription for the Offer.

### 1.5 No Underwriting

The Offer is not underwritten.

### 1.6 Applications

An Application under the Offer may only be made by persons on invitation from the Company. An Application Form must be delivered or mailed together with a cheque on or before the Closing Date to Suite 11, 50 Stanley Street, Darlinghurst, NSW 2010.

### 1.7 Issuance

The Share will be issued as soon as practicable after the Closing Date. In accordance with section 722(1) of the Corporations Act, until the issue of the Share, all Application Monies will be held in trust by the Company. The Share will not be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application money will be refunded to unsuccessful applicants without interest as soon as reasonably practicable after the close of the Offer.

### 1.8 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Shares in any

jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of the Share offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

## **1.9 CHESS and issuer sponsorship**

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers make up the Company's register of Shares.

The Company will not issue a share certificate to a security holder. Rather, a holding statement (similar to a bank statement) will be dispatched to security holders as soon as practicable after allotment of the Share the subject of this Offer. The holding statement will be sent either by CHESS (if the security holders elect to hold the Share on the CHESS sub-register) or by the Company's Share Registry (if the security holders elect to hold the Share on the issuer sponsored sub-register). The statement will set out details of the Share allotted under this Prospectus and the Holder Identification Number (if the security holder elects to hold the Share on the CHESS sub register) or Shareholder Reference Number (if the security holders elect to hold the Share on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

## **1.10 Privacy statement**

The Company's Share Registry collects your personal information to offer you registry and related services, other products and services information, perform administrative and operational functions, and prevent fraud or crime or where otherwise required or authorised by law. The Company may authorise the Share Registry on its behalf to send you marketing material or to include it in a corporate communication. The Company's Share Registry may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. The Company's Share Registry may disclose your personal information to its related bodies corporate and to other individuals or companies who assist it in supplying its services or who perform functions on its behalf, to issuers for whom it maintains securities registers for, or to third parties upon the Company's direction where related to the Company's administration of the securityholding, or where you have otherwise agreed the Share Registry may disclose it. Some recipients may be located outside of Australia – including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and on the Company's Share Registry's privacy complaints handling procedure, please contact the Share Registry's Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see its Privacy Policy at <http://www.computershare.com/au/help/Pages/privacy-policies.aspx>. For details on how the Company collects, stores, uses and discloses your personal information, please read the Company's privacy policy available at <https://netlinkz.com/privacy-policy/>.

## **1.11 Taxation**

It is the responsibility of an investor to satisfy itself of the particular taxation treatment that applies to it in relation to the Offer, by consulting its professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

## **1.12 Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company Secretary on +61 8 9389 3190.

## 2. PURPOSE AND EFFECT OF THE OFFER

### 2.1 Purpose of the Offer

By this Prospectus, the Company is making an Offer to certain persons by invitation only of 1 Share at an issue price of \$0.05 to raise \$0.05 before expenses. Accordingly, the primary purpose of the Offer is not to raise capital.

As described in **Section 4.3**:

- (a) 39,375,000 Shares are required to be issued by the Company without disclosure on exercise of unlisted Class NETO24 Options which were previously granted by the Company on 2 July 2018 (following receipt of Shareholder approval for the issue of such NETO24 Options at the Company's general meeting held on 6 June 2018). Each of the unlisted Class NETO24 Options had an exercise price per NETO24 Option of \$0.01 and expired on 2 July 2020;
- (b) 31,500,000 Shares are required to be issued by the Company without disclosure on exercise of unlisted Class NETO8 Options, of which 21,500,000 were previously granted by the Company on 30 December 2016 (following receipt of Shareholder approval for the issue of such NETO8 Options at the Company's general meeting held on 30 November 2016) and of which 10,000,000 were previously granted by the Company on 9 February 2017 (without shareholder approval under the Company's available issue capacity pursuant to ASX Listing Rule 7.1). Each of the unlisted Class NETO8 Options had an exercise price per NETO8 Option of \$0.045 and expired on 1 August 2020; and
- (c) 2,500,000 Shares are required to be issued by the Company without disclosure on exercise of unlisted Class NETO9 Options which were previously granted by the Company on 30 December 2016 (following receipt of Shareholder approval for the issue of such NETO9 Options at the Company's general meeting held on 30 November 2016). Each of the unlisted Class NETO9 Options had an exercise price per NETO9 Option of \$0.06 and expired on 1 August 2020,

the 73,375,000 Shares to be issued on exercise of the abovementioned Options are collectively referred to as the **Exercised Shares**.

The Company is not able to issue a cleansing notice under section 708A(5) of the Corporations Act due to its securities being suspended from trading on the ASX for more than 5 trading days within the last 12 months. Accordingly, the primary purpose of this Prospectus is to remove any trading restrictions that may attach to the Exercised Shares to be issued by the Company before the Closing Date.

Relevantly, section 708A(11) provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX (section 708A(11)(a));
- a prospectus is lodged with ASIC either:
  - on or after the day on which the relevant securities were issued but before the day on which the sale offer is made (section 708A(11)(b)(i)); or
  - before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(b)(ii)); and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.



## 2.2 Financial position

The issue of 1 Share under this Prospectus will not have a material impact on the Company's financial position. For this reason, a pro-forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

## 2.3 The effect of the Offer on the capital structure

The effect of the Offer on the Company's capital structure is set out in the table below.

Shares*	Number
Shares currently on issue	2,036,424,162
Shares offered pursuant to the Offer	1
Exercised Shares	73,375,000
<b>Total Shares on issue after completion of the Offer</b>	<b>2,109,799,163</b>

\* The Company proposes to seek the approval of its Shareholders for the issue of the following Shares at an extraordinary general meeting which is proposed to be held on or before 28 September 2020 (**EGM**):

- (a) 10,000,000 Shares to Lind as part consideration for the termination of the Lind SPCSA (details of which were disclosed to the market on 31 July 2020). In relation to the proposed issue of the 10,000,000 Shares to Lind:
  - (i) the Shares will rank equally in all aspects with all existing Shares on issue in the Company with effect from their date of issue;
  - (ii) subject to Shareholder approval being received for the issue of the Shares to Lind at the EGM, it is proposed that the 10,000,000 Shares be issued to Lind no later than 28 September 2020 (or such later date as Lind and the Company may agree) provided that the Shares are issued within 3 months of receipt of Shareholder approval for their issue; and
  - (iii) the Company will not receive consideration for the issue of the 10,000,000 Shares to Lind as such Shares are being issued in part consideration for the termination of the Lind SPCSA;
- (b) 10,000,000 Shares to CST as part consideration for the termination of the CST SPCSA (details of which were disclosed to the market on 31 July 2020). In relation to the proposed issue of the 10,000,000 Shares to CST:
  - (i) the Shares will rank equally in all aspects with all existing Shares on issue in the Company with effect from their date of issue;
  - (ii) subject to Shareholder approval being received for the issue of the Shares to CST at the EGM, it is proposed that the 10,000,000 Shares be issued to CST no later than 28 September 2020 (or such later date as CST and the Company may agree) provided that the Shares are issued within 3 months of receipt of Shareholder approval for their issue;
  - (iii) the Company will not receive cash consideration for the issue of the 10,000,000 Shares to CST as such Shares are being issued in part consideration for the termination of the CST SPCSA;
- (c) 15,000,000 Shares to Systemic Pty Ltd (**Systemic**) in part settlement of certain disputes which arose between the parties in respect of the software development agreement entered

into between the Company and Systemic Pty Ltd on 15 April 2018. In relation to the proposed issue of the 15,000,000 Shares to Systemic:

- (i) on 15 April 2018, the Company entered into a software development agreement (**SDA**) with Systemic for the provision of software development services by Systemic to the Company. Systemic were to be paid \$70,000 (excluding GST) in cash and \$70,000 in Shares per quarter, subject to the satisfaction of certain performance milestones. The parties have been in discussions to amend the terms of the SDA, to settle certain disputes which had arisen between Systemic and the Company, surrounding the meeting of agreed performance milestones;
  - (ii) as part of these discussions, the Company and Systemic agreed to resolve certain disputes arising under the SDA by entering into a deed of compromise dated 31 March 2020 (**Systemic Deed**). Pursuant to the Systemic Deed, the Company agreed to issue to Systemic 15,000,000 Shares;
  - (iii) the 15,000,000 Shares which are proposed to be issued to Systemic will rank equally with the Company's existing Shares with effect from their date of issue;
  - (iv) subject to Shareholder approval being received for the issue of the Shares to Systemic at the EGM, it is proposed that the 15,000,000 Shares be issued to Systemic within 3 business days following receipt of Shareholder approval, and in any event, within 3 months of Shareholder approval being obtained by the Company;
  - (v) if Shareholder approval is not received for the issue of the 15,000,000 Shares to Systemic, the Company will be required to negotiate in good faith with Systemic to provide cash consideration equivalent to the value of the 15,000,000 Shares which were proposed to be issued to Systemic;
- (d) 868,659 Shares to Helicopter Creative Pty Ltd (**Helicopter**) as part of the consideration owing by the Company for services provided to it by Helicopter. In relation to the proposed issue of the 868,659 Shares to Helicopter:
- (i) on 30 November 2011, the Company entered into an agreement with Helicopter pursuant to which the Company engaged Helicopter (**Helicopter Agreement**) to provide services in respect of the Company's branding, identity development and positioning services. As part of the consideration payable to Helicopter for providing such services to the Company, the Company verbally agreed with Helicopter to issue 868,659 Shares to Helicopter as payment for consideration owing by the Company to Helicopter for the provision of services to the Company during the period 1 September 2019 to 31 May 2020;
  - (ii) the 868,659 Shares which are proposed to be issued to Helicopter will rank equally with the Company's existing Shares with effect from their date of issue;
  - (iii) subject to Shareholder approval being received for the issue of the Shares to Helicopter at the EGM, it is proposed that the 868,659 Shares be issued to Helicopter within 3 business days following receipt of Shareholder approval, and in any event, within 3 months of Shareholder approval being obtained by the Company;
  - (iv) the 868,659 Shares which are proposed to be issued to Helicopter are being issued as consideration for \$50,000 worth of services provided by Helicopter to the Company;
- (e) up to 18,620,690 Shares to EverBlu Capital Pty Ltd (**Everblu**) (or its nominees) as consideration for EverBlu assisting the Company with capital raising matters (details of

which were disclosed to the market on 31 July 2020). In relation to the proposed issue of the 18,620,690 Shares to EverBlu:

- (i) the 18,620,690 Shares which are proposed to be issued to EverBlu will rank equally in all aspects with all existing Shares on issue in the Company with effect from their date of issue;
- (ii) subject to Shareholder approval being received for the issue of the Shares to EverBlu (or its nominees) at the EGM, it is proposed that the 18,620,690 Shares be issued to EverBlu (or its nominee) within 3 months of Shareholder approval being obtained by the Company;
- (iii) no cash consideration would be received by the Company for the issue of the 18,620,690 Shares to EverBlu as such Shares are being issued in lieu of cash payments and securities which are required to be made, or issued, (as the case may be) by the Company to EverBlu under the Company's mandate with EverBlu (a summary of which is set out in the Company's ASX announcement of 24 April 2020);

Further details of the above proposed Share issuances will be set out in the Company's notice of EGM which is proposed to be released to ASX on or around 14 August 2020.

The Company also proposes to seek approval from its Shareholders for the proposed issue of 20,000,000 Shares to the Company's Executive Chairman, James Tsiolis, in satisfaction of the bonus owing by the Company to Mr Tsiolis for the financial year ended 30 June 2018. Such approval is proposed to be sought from Shareholders at the Company's 2020 Annual General Meeting (**2020 AGM**) which is scheduled to be held in November 2020.

Options**	Number
Unlisted NETO33 Options (exercisable at \$0.045, expiring on 31 October 2020)	2,604,279
Unlisted NETO2 Options (exercisable at \$0.187, expiring on or before 3 November 2020)	267,379
Unlisted NETO14 Options (exercisable at \$0.06, expiring on 1 January 2021)	3,300,000
Unlisted NETO22 Options (exercisable at \$0.12, expiring on 1 January 2021)	3,300,000
Unlisted NETO18 Options (exercisable at \$0.24, expiring on 1 January 2021)	3,400,000
Unlisted NETO25 Options (exercisable at \$0.02, expiring on 2 July 2021)	6,000,000
Unlisted NETO26 Options (exercisable at \$0.02, expiring on 2 July 2021)	20,000,000
Unlisted NETO27 Options (exercisable at \$0.045, expiring on 2 July 2021)	2,250,000
Unlisted NETO28 Options (exercisable at \$0.09, expiring on 2 July 2021)	6,250,000
Unlisted NETO29 Options (exercisable at \$0.15, expiring on 2 July 2021)	5,000,000
Unlisted NETO23 Options (exercisable at \$0.06, expiring on 1 October 2021)	2,000,000
Unlisted NETO13 Options (exercisable at \$0.12, expiring on 1 October 2021)	2,000,000
Unlisted NETO19 Options (exercisable at \$0.24, expiring on 1 October 2021)	2,000,000
Unlisted NETO20 Options (exercisable at \$0.36, expiring on 1 October 2021)	2,000,000

Unlisted NETO30 Options (exercisable at \$0.02, expiring on 21 December 2021)	25,000,000
Unlisted NETO31 Options (exercisable at \$0.037, expiring on 31 January 2022)	19,800,000
Unlisted NETO32 Options (exercisable at \$0.20, expiring on 24 December 2022)	10,000,000
Unlisted NETO34 Options (exercisable at \$0.13, expiring on 18 February 2023)	1,125,000
<b>Total Options on issue</b>	<b>116,296,658</b>

\*\* The Company proposes to seek the approval of its Shareholders for the issue of the following unlisted Options at the EGM:

- (a) 5,000,000 unlisted Options to BJS Robb Pty Ltd (**BJS**) (or its nominee) as part consideration for corporate and strategic advice services provided by BJS to the Company over a two year period commencing June 2017. Each unlisted Option which is proposed to be issued to BJS will have an exercise price of \$0.06, will be immediately exercisable and will expire on the date which is 2 years after the date of its grant. BJS has requested that the 5,000,000 unlisted Options which the Company has agreed, subject to receipt of Shareholder approval at the EGM, to issue to BJS be issued to BJS' nominee, York Street Nominees Pty Ltd. Subject to receipt of Shareholder approval for the issue of the unlisted Options at the EGM, the 5,000,000 unlisted Options will be issued to York Street Nominees Pty Ltd within 3 business days following receipt of the Shareholder approval, and in any event, within 3 months of Shareholder approval being obtained by the Company.
- (b) 2,500,000 unlisted Options to Masamichi Tanaka (**Tanaka**) as part consideration for Masamichi Tanaka serving on the Company's board of advisers. Each unlisted Option which is proposed to be issued to Tanaka will have an exercise price of \$0.16, will be immediately exercisable and will expire on the date which is three years after the date of its grant. Subject to receipt of Shareholder approval for the issue of the unlisted Options at the EGM, the 2,500,000 unlisted Options will be issued to Tanaka within 3 business days following receipt of the Shareholder approval, and in any event, within 3 months of Shareholder approval being obtained by the Company. In addition, the Company is also proposing to seek Shareholder approval for the issue of an additional 5,000,000 unlisted Options to Tanaka at the 2020 AGM, in accordance with Tanaka's employment agreement. These Options will be issued in two tranches and will have an exercise price of \$0.16. In respect of the first tranche, 2,500,000 of these Options will be exercisable 12 months after the commencement of Tanaka's employment (being 1 June 2021) (subject to his continued employment), and will expire on the date which is 3 years after the date of grant, and in respect of the second tranche, 2,500,000 of these Options will be exercisable 30 months after the commencement of Mr Tanaka's employment (subject to his continued employment) and will expire on the date which is 5 years after the date of grant; and
- (c) up to 150,000,000 unlisted Options to professional and, or alternatively, sophisticated investors (subject to the Board's discretion) (**Proposed Recipients**) (which may include one or more of EverBlu (which acted as the Company's corporate adviser and lead manager in relation to the convertible note raising), its directors, clients, related entities, shareholders, principals, employees, consultants and associates (and their respective associates)) who participate in any issue of convertible notes which the Company proposes to issue under its convertible note raising (**Attaching Note Options**), details of

which were disclosed to the market on 31 July 2020. Each Attaching Note Option will have an exercise price of \$0.10, will be immediately exercisable on issue and will expire on the date which is two years after the date of its issue. For further details of the proposed issue of the Attaching Note Options, please refer to the Company's announcement of 31 July 2020. Shares issued on exercise of the Attaching Note Options will rank equally in all aspects with all existing Shares on issue in the Company with effect from their date of issue. Subject to receipt of Shareholder approval for the issue of the Attaching Note Options at the EGM, the Attaching Note Options will be issued to the Proposed Recipients within 3 months of Shareholder approval being obtained by the Company.

Further details of the above proposed unlisted Option issuances will be set out in the Company's notice of EGM which is proposed to be released to ASX on or around 14 August 2020.

Unlisted convertible notes***	Number
Lind and CST convertible notes <sup>A</sup>	2

\*\*\*The Company intends to seek the approval of its Shareholders for the issue of up to 20,000,000 convertible notes (**New Notes**) (in addition to the Attaching Note Options described above) to Proposed Recipients (which may include one or more of EverBlu (which acted as the Company's corporate adviser and lead manager in relation to the convertible note raising), its directors, clients, related entities, shareholders, principals, employees, consultants and associates (and their respective associates)) at the EGM. Details of the proposed issuance of the New Notes were disclosed to the market on 31 July 2020. <sup>A</sup> The terms of the convertible notes issued to Lind and CST were disclosed to the market by the Company on 24 December 2019. As announced to the market on 31 July 2020, the Company has entered into a deed with each of Lind and CST (**Termination Deeds**) pursuant to which the parties to the SPCSA's are irrevocably and unconditionally released from their obligations under the SPCSA's on compliance by the Company with its obligations under the Termination Deeds. Key terms of the Termination Deeds are as follows:

- (a) the Company must pay to each of Lind and CST the agreed amount outstanding under the relevant SPCSA (which is \$3,320,000 in the case of CST and \$3,120,000 in the case of Lind) by way of the following payments:
  - (i) an initial payment of A\$1,020,000 to CST and \$820,000 to Lind on or before 7 August 2020; and
  - (ii) the balance owing to Lind and CST on or before 28 September 2020;
- (b) subject to, and conditional upon, the Company receiving approval from its Shareholders, the Company must issue to each of Lind and CST 10,000,000 Shares on or before 28 September 2020, in which case no payment is to be made pursuant to paragraph (c) below.
- (c) if the Company is unable to obtain Shareholder approval for the issue of the Shares referred to in paragraph (b) above to each of Lind and CST on or before 28 September 2020, then on or before 5 October 2020 (if those Shares have not been issued by then), the Company, instead of issuing those Shares, must pay to each of Lind and CST a cash amount in Australian dollars which is the greater of:
  - (i) A\$512,490; or
  - (ii) 10,000,000 Shares multiplied by the volume weighted average market price per Share for the twenty trading days on which trades occur in Shares immediately prior to 28 September 2020,

instead of issuing the Shares referred to in paragraph (b) above to each of Lind and CST.

Failure for the Company to comply with the requirements of the Termination Deeds will result in the termination of the Termination Deeds and the SPCSAs remaining on foot. For further details please refer to the Company's announcement of 31 July 2020.

As announced to the market on 31 July 2020, Everblu has confirmed its intention to facilitate the advancement of funds of up to \$1.8 million to the Company, upon request, by way of unsecured working capital loans, to be provided by Atlantic Capital Group Pty Ltd (an entity controlled by Adam Blumenthal, a director of of Everblu). The terms of these loans are expected to be a loan term of three months from drawdown, at an interest rate of 5% per 3 months, and repayable in cash. Everblu will not be paid any fees in connection with the facilitation of these loans. It is intended that these working capital loans will be used to fund the initial payments due to Lind and CST pursuant to the Termination Deeds, further details of which are set out above. For further details please refer to the Company's announcement of 31 July 2020.

## **2.4 Effect of the Offer on control**

The Offer will not have an impact on control of the Company.

### 3. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. This **Section 3** identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisor before deciding whether to apply for the Share the subject of this Offer.

#### 3.1 Specific risks

##### (a) Business activities in China

The Company undertakes business activities in China through its wholly-owned subsidiary AoFa Software Engineering (Shanghai) Co., Ltd (**AOFA**), which is a registered Wholly Foreign Owned Entity in Shanghai. AOFA is authorised to distribute and develop software products in China. AOFA also holds 80% of the issued capital of Beijing iLinkAll Science and Technology Co. Ltd. (**iLinkAll**) with Beijing Ruan Tong Yun Jian Technology Service Co., Ltd, a limited liability company established under the laws of China (an **iSoftStone Entity**) holding the remaining 20%. iLinkAll develops and sells software and hardware products to the Chinese market. The Company derived 100% of its revenue from China in FY19 and H1FY20, respectively.

Any payment to the Company and its Chinese incorporated subsidiaries in connection with the distribution or sale of its products in China carries with it political and currency risks, as detailed in **Sections 3.1(n)** and **(s)** below.

Timing delays on cross-border transfer of payments and information, in addition to translation differences and mismatches in accounting and tax regimes may also negatively impact the Company's business.

There is also a risk to the Company, including its subsidiaries, that any unpaid payments from sales of Netlinkz products in China as well as the enforcement of the Company's patents would necessarily need to be pursued through the Chinese court system and there can be no guarantee that the enforcement of such action would be sufficient to protect the Company and its subsidiaries interests.

If any of the above risks were to eventuate, they may negatively affect the operating and financial performance of the Company's and its business activities.

##### (b) Additional requirements for capital and funding arrangements

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities, to meet short term payment obligations and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds.

The Company's operations have been funded through a combination of equity and debt. The debt comprises straight debt and convertible note structures of varying duration including short term. Debt is non-dilutive to Shareholders but increases the financial risk to the Company, with short term debt requiring repayment or refinancing going forward.

As discussed in the Company's announcement of 31 July 2020, the Company proposes to seek to secure funding by way of the issue of up to 20,000,000 New Notes (having an aggregate face value of up to \$20,000,000) and up to 150,000,000 free Attaching Note Options, the issues of which are conditional on the approval of Shareholders which the

Company will seek at its upcoming EGM. Should the Company fail to receive Shareholder approval for the issue of the New Notes and Attaching Note Options or not be able to secure subscriptions from investors for the New Notes, this will impact the Company's ability to meet its short term payment obligations.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Market conditions which are then generally prevailing will impact on the price or cost at which the Company will be able to raise such funds and no assurance can be given that such funding will be available on terms acceptable to the Company. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of the Company's business. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, its financial condition and performance and its ability to continue as a going concern.

**(c) New business opportunities and acquisitions**

The Company has to date and will continue to actively pursue and assess other new business opportunities. The Company cannot confirm the structure or proposed form of any potential business opportunity.

The acquisition of a business or asset may require the payment of monies (as a deposit) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current activities and the new business and/or assets, which may result in the Company reallocating funds from its existing activities and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new business activities will remain.

Any new asset or business acquisition may change the risk profile of the Company, particularly if the new asset or business is located or operates in another jurisdiction and/or changes the Company's capital/funding requirements. Should the Company propose or complete the acquisition of a new asset or business activity, investors should re-assess their investment in the Company in light of the new asset/business activity.

**(d) Competition and new technologies**

The Company believes that the industry in which it is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could overtake the advancements made by the Company's products. In that case, the Company's revenues could be adversely affected.

**(e) Special reputational risks**

The Company operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled customers posting negative comments about the Company in public forums may have a disproportionate effect on the



Company's reputation and its ability to earn revenues. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's profitability.

**(f) Data loss, theft or corruption**

The Company provides its services through online and on-premise deployments. Hacking or exploitation of some unidentified vulnerability of the Company's services could lead to a loss, theft or corruption of data. This could render the Company's services unavailable for a period of time while systems and data are restored. It could also lead to unauthorised disclosure of users' data with associated reputational damage, claims by users, regulatory scrutiny and fines. Although the Company has strategies and protections in place to try to minimise security breaches and to protect data, these strategies might not be successful. In that event, disruption to the Company's services and unauthorised disclosure of user data could negatively impact on the Company's revenues and profitability.

**(g) Hacker attacks**

To some extent, the Company relies on the availability of its website to provide services to customers and attract new customers. Hackers could render the website unavailable through a disrupted denial of service or other disruptive attacks.

Although the Company has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the website could lead to a loss of revenues while the Company is unable to provide its services. Further, it could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

**(h) Domain name risk**

To some extent, the Company's business depends on customers being attracted to its website. The Company has registered a domain name in Australia for the purposes of its website. However, should the Company not renew or otherwise lose control of its domain name, it would lose all website traffic direct to that domain. This would adversely affect the Company's revenue.

**(i) Customer service risk**

Customers may need to engage with the Company's customer service personnel in certain circumstances, such as if they have a question about the services or if there is a dispute between a customer and the Company. The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied on by customer service personnel are disrupted by technological failures, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on the Company's revenue and/or profits.

**(j) Development in key growth areas**

The Company has been investing and expects to continue to invest in key growth areas as well as maintaining leadership in Peer-to-Peer (P2P) technology, mobile containerization, software defined networking, cyber security and cloud.

If the Company does not achieve the benefits anticipated from these investments (including if its selection of areas for investment does not play out as expected), or if the achievement of these benefits is delayed, the Company's operating results and financial condition may be adversely affected.

If the return on these investments is lower or develops more slowly than the Company expects, its operating results and financial condition may be harmed.

**(k) Cloud Service Provider Market**

In the Company's experience, sales to the Cloud Service Provider market are especially volatile and often characterized by sporadic purchases. Based on the Company's experience, Cloud Service Provider customers typically have longer implementation cycles, require a broader range of services including design services, demand vendors take on a larger share of risks, often require acceptance provisions that can lead to a delay in revenue recognition, and often expect some form of financing from vendors. Based on the Company's experience, sales activity in this industry depends upon the stage of completion of expanding network infrastructures, the availability of funding, and the extent to which service providers are affected by regulatory, economic, and business conditions in the country of operations. All these factors can add further risk to business conducted with Cloud Service Providers and weakness in sales orders from this industry could have a material adverse effect on the Company's business, operating results and financial condition.

**(l) Distribution**

Disruption of, or changes in, the Company's distribution model could harm the Company's sales and margins. If the Company fails to manage distribution of its products and services properly, or if the Company's distributors' financial condition or operations weaken, the Company's revenue and gross margins could be adversely affected.

A substantial portion of the Company's products and services are sold through its channel partners. The Company's channel partners include systems integrators, service providers, original equipment manufacturers, other resellers and distributors.

Some factors could result in disruption of, or changes in, the Company's distribution model, which could harm the Company's sales and margins, including the following:

- the Company competes with some of its channel partners, including through direct sales, which may lead these channel partners to use other suppliers that do not directly sell their own products or otherwise compete with them;
- some of the Company's channel partners may demand that the Company absorb a greater share of the risks their customers may ask them to bear;
- some of the Company's channel partners may have insufficient financial resources and may not be able to withstand changes and challenges in business conditions; and
- revenue from indirect sales could suffer if the Company's channel partners' financial condition or operations weaken.

In addition, the Company depends on its channel partners globally to comply with applicable regulatory requirements. To the extent that they fail to do so, that could have a material adverse effect on the Company's business, operating results, and financial condition. Further, sales of the Company's products outside of agreed territories can result in disruption to its distribution channels.

**(m) Risks associated with the regulatory environment**

The Company's main operating entities are based in China and Australia and subject to Chinese and Australian laws and regulations. For example, in Australia, the Company is

required to comply with the Corporations Act and the *Competition and Consumer Act 2010* (Cth).

In China, AOFA and iLinkAll are required to comply with the PRC Company Law and other applicable laws and regulations. Notably, China has a rapidly evolving legal regime covering data and cyber security. Network security, data protection, cross-border data transfer and personal information protection are all areas subject to ongoing tightening. This may impose higher infrastructure costs on AOFA and iLinkAll or could in future lead to constraints on operations in China or cross-border operations involving China. Further, incidents involving China's or the region's security may cause uncertainty in the Chinese markets and may adversely affect the Chinese economy and the Company's activities in the region. Export growth continues to be a major driver of China's rapid economic growth. Reduction in spending on Chinese products and services, institution of tariffs or other trade barriers or a downturn in the global economy or in any of the economies of China's key trading partners may have an adverse impact on the Chinese economy. Events such as these and their consequences are difficult to predict and it is unclear whether tariffs or barriers may be imposed or other escalating actions may be taken in the future.

The subscribed registered capital of AOFA is RMB25 million payable by 31 August 2038 and the paid-in capital is approximately RMB17.1 million as of the date of this Prospectus. Under PRC Company Law, profits of a PRC company can be distributed to its shareholders only when the losses of previous years have been made up and the statutory surplus reserve has been contributed as required. Before that, any profits of AOFA cannot be repatriated to Australia.

The Company also intends to increase its operations in international jurisdictions such as the United States of America, Japan and Europe. Users, competitors, members of the general public or regulators could allege breaches of the legislation in the relevant jurisdictions, for example, if they considered an advertisement to be misleading or deceptive. This could result in remedial action or litigation, which could potentially lead to the Group being required to pay compensation or a fine. The Group's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact on the Company's profitability. In addition, if regulators took the view that a Group company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to the Group and consequent impact on its revenue.

(n) **Foreign exchange risks**

The Company's costs and expenses in China are in renminbi (**RMB**) and in the United States of America are in US\$. Accordingly, the depreciation and/or the appreciation of the RMB or US\$ relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the RMB or US\$ relative to the Australian currency may result in lower than anticipated revenue, profit and earning. The Company will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and RMB, and the Australian dollar and the US\$, and the Company will have to monitor this risk on an ongoing basis. The Company does not have any currency hedging policies in place at present and the Company will review and adopt any hedging of currencies as the business grows.

(o) **Liability claims**

The Company's product is sold predominantly within China, Australia, with a small amount of product sales occurring within the United States of America. The Company may be exposed to liability claims if its product is faulty and/or causes harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to

defend against such claims. The Company believes that such liability claim risks will increase as new technology is introduced to the market to circumvent sub-security systems such as included within the Company's product. If a successful claim is made against the Company, the Company may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(p) **Protection of intellectual property rights**

The Company believes that its intellectual property rights such as trademarks and patents are important to its success and competitive position and recognises the importance of registering patents and trademarks related to its product and brand. The Company is not aware of any material violations or infringements of its intellectual property rights. However, third parties may in the future attempt to challenge the ownership and/or validity of the Company's intellectual property rights.

In addition, the business of the Company is subject to the risks of third parties counterfeiting the "Netlinkz" brand or otherwise infringing intellectual property rights. Such unauthorised use of the "Netlinkz" brand in counterfeit products could not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities, particularly in China where most of the Company's products are sold. The Company may not always be successful in securing protection for the Group's intellectual property rights, in preventing the production and sale of counterfeit products or preventing other infringements of its intellectual property rights.

Protections offered by foreign jurisdictions in respect of intellectual property, including China, may not be as effective as in Australia. The Company may need to resort to litigation in the future to enforce the Group's intellectual property rights. Any such litigation could result in substantial costs and a diversion its resources. The Company's failure to protect and enforce the Group's intellectual property rights could have a material adverse impact on its reputation, business and results of operations.

(q) **Reliance on key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel cease their employment. Further, there can be no assurance that appropriately qualified senior management and key personnel will be available for engagement by the Company as and when required and on terms acceptable to the Company.

(r) **Contractors and contractual disputes**

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for

any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. While best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such risks.

(s) **Government policy changes and legal risk**

Government action or policy changes (in particular, by the government of China) in relation to aspects such as access to internet security, export restrictions, and taxation may adversely affect the Company's operations and financial performance.

The Company's operations in China and other countries will be governed by a series of laws and regulations in those countries. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of the Company.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for the Company. The legal and political conditions of China and other countries (as may be or become relevant to the Company) and any changes thereto are outside the control of the Company.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and the value of its Shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

## **3.2 General Risks**

(a) **Investment risk**

The Share to be issued pursuant to this Prospectus should be considered speculative. It carries no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Share may be above or below the Offer Price paid for the Share. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share market**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and

(vii) other factors beyond the control of the Company.

(c) **Economic and government risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) **Taxation**

The acquisition and disposal of the Share the subject of this Offer will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring the Share the subject of this Offer from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for the Share under this Prospectus.

(e) **Accounting**

The Company's AOFA and iLinkAll corporate structure in China is being consolidated into the Company's accounts for the first time for the financial year ended 30 June 2020. The Company's FY2020 accounts are subject to audit.

## **4. ADDITIONAL INFORMATION**

### **4.1 Continuous disclosure obligations**

As the Company is admitted to the Official List, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Specifically, the Company is required, under the ASX Listing Rules (subject to certain limited exceptions), to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 30 June 2019;
  - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and

(b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer.

## 4.2 Availability of other documents

ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on the ASX website (<https://www.asx.com.au/asx/share-price-research/company/NET>).

If investors require further information in relation to the Company, they are recommended to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2019.

Date	Title
31 July 2020	Quarterly Activities Report and Appendix 4C
31 July 2020	Reinstatement to Official Quotation
31 July 2020	Netlinkz to Raise up to \$18m to Strengthen Balance Sheet
21 July 2020	Voluntary Suspension Update
6 July 2020	Voluntary Suspension Update
1 July 2020	ASX determination in relation to Listing Rule 7.1
29 June 2020	Voluntary Suspension Update
24 June 2020	Voluntary Suspension Update
19 June 2020	Voluntary Suspension
15 June 2020	Trading Halt
12 June 2020	Additional Information to Announcement of 28 May 2020
12 June 2020	S&P DJI Announces June 2020 Quarterly Rebalance
28 May 2020	iLinkAll and M-Soft Partnership with AI Data Innovation
28 May 2020	Pause in trading
22 May 2020	Investor Presentation
24 April 2020	Capital Raising Mandate Update
23 April 2020	Appointment of Chief Financial Officer
23 April 2020	Appendix 4C - quarterly
21 April 2020	Company Secretary Appointment/Resignation
21 April 2020	Final Director's Interest Notice
21 April 2020	Director Resignation
21 April 2020	Director Appointment
21 April 2020	Initial Director's Interest Notice
16 April 2020	Appendix 2A
14 April 2020	Business Update & Guidance Maintained
14 April 2020	Final Director's Interest Notice
14 April 2020	Director Appointment/Resignation



9 April 2020	Reinstatement to Official Quotation
9 April 2020	Response to ASX Query Letter
9 April 2020	Netlinkz acquires AoFa Engineering (Shanghai) Co Ltd
13 March 2020	Response to ASX Aware Query
4 March 2020	Suspension from Official Quotation
3 March 2020	Disclosure Document - S708A Cleansing Statement
3 March 2020	Appendix 2A
3 March 2020	Replacement change of Director's Interest Notice
3 March 2020	Change of Director's Interest Notice
28 February 2020	Half Year Accounts
27 February 2020	iLinkAll signs RMB 1m contract with Pinnacle (Shanghai) Info
25 February 2020	Trading Halt
25 February 2020	Pause in Trading
20 February 2020	Replacement Appendix 2A
20 February 2020	Issue of unlisted Options
20 February 2020	Disclosure Document - S708A Cleansing Statement
20 February 2020	Appendix 2A
20 February 2020	NET subsidiary iLinkAll VSN implementation & supply agreement
20 February 2020	Pause in Trading
18 February 2020	Appendix 2A
14 February 2020	Proposed issue of Securities - NET
14 February 2020	NET VSN selected by Beijing Municipal Bureau of Economics
14 February 2020	Netlinkz completes \$4.5m equity placement
12 February 2020	Trading Halt
11 February 2020	Appendix 3G
3 February 2020	KPMG Assurance Report issued to NET Board of Directors
31 January 2020	Appendix 2A
31 January 2020	Quarterly Cash Flow Report and Commentary
23 January 2020	Disclosure Document – S708 Cleansing Statement
23 January 2020	Appendix 2A
23 January 2020	Appendix 2A
23 January 2020	Appendix 2A
15 January 2020	Appendix 2A
8 January 2020	NET completes acquisition of Security Software International
6 January 2020	Replacement Appendix 2A
30 December 2019	Appendix 2A
27 December 2019	Appendix 2A
24 December 2019	Disclosure Document - Cleansing statement
24 December 2019	Appendix 3B

24 December 2019	Disclosure Document - Convertible Note Cleansing Statement
24 December 2019	Appendix 3B
24 December 2019	Netlinkz secures \$30.75m Funding
24 December 2019	Pause in trading
20 December 2019	Disclosure Document - Cleansing Statement
20 December 2019	Appendix 2A
16 December 2019	Appendix 2A
16 December 2019	NET revises its 2020 year revenue forecast up by 50% to \$15m
16 December 2019	Netlinkz agreement with iSoftStone for it to own 80% of JV
12 December 2019	Cleansing Notice
12 December 2019	Appendix 2A
12 December 2019	Appointment of Michael Beck as Non-Executive Director
12 December 2019	Initial Director's Interest Notice
11 December 2019	Appendix 2A
10 December 2019	Netlinkz upsizes equity raise to \$4m
10 December 2019	NET appoints Masamichi Tanaka as Advisory Board Member
5 December 2019	Reinstatement to Official Quotation
5 December 2019	Netlinkz finalises A\$3.25 million equity issue
2 December 2019	Suspension from Official Quotation
27 November 2019	Trading Halt
27 November 2019	Initial Director's Interest Notice
27 November 2019	Final Director's Interest Notice
27 November 2019	Director Appointment/Resignation
27 November 2019	Results of Annual General Meeting
27 November 2019	Chairman's Address to Shareholders
26 November 2019	Final Director's Interest Notice
26 November 2019	Director Resignation
7 November 2019	Onyx Projects embarking on a full-scale NetLinkz VIN pilot
31 October 2019	Appendix 3B
31 October 2019	Appendix 4C - quarterly
31 October 2019	Revenue Forecast 12 Months ended 31 December 2020 - \$10.1m
31 October 2019	Pause in Trading
30 October 2019	Initial Director's Interest Notice
25 October 2019	Notice of Annual General Meeting/Proxy Form
25 October 2019	Director Appointment
23 October 2019	NET agreement to acquire Security Software International
23 October 2019	Pause in Trading
22 October 2019	Details of Company Address - change of Registered Office
21 October 2019	Initial Director's Interest Notice

21 October 2019	NET appoints Ian Renwood as Non-Executive Director
18 October 2019	Australian rollout of the VIN with DI Advisory Services
15 October 2019	Appendix 3B
2 October 2019	Netlinkz announces First Pilot underway in Sydney IoT Lab
18 September 2019	NetLinkz to establish an IoT Laboratory in Tokyo, Japan
9 September 2019	Appendix 3B
2 September 2019	Disclosure Document - Cleansing Prospectus
2 September 2019	Appendix 3B
30 August 2019	Appendix 4G - Corporate Governance
30 August 2019	Preliminary Final Report
30 August 2019	NET IoT Lab awarded the Innovative Cloud Service Platform

### 4.3 Exercise of unlisted Options

- (a) On 30 November 2017, 15 December 2017, 21 December 2017, 12 January 2018, and 7 March 2018 the Company completed placements resulting in the issue of 133,493,607 Shares to professional and sophisticated investors (**Placements**). Pursuant to the terms of the Placements, (i) investors were issued one unlisted Option for every 2 Shares which were issued to them in the Placements and (ii) certain service providers who either assisted the Company with the Placements or who provided services to the Company were issued unlisted Options in consideration for the services provided by them to the Company (together, the **Placement Options**). The issue of the Placement Options was conditional on receipt of approval for their issue from Shareholders. Such approval was received at the general meeting of the Company held on 6 June 2018 and the Company issued 100,723,257 Placement Options to investors on 2 July 2018.

The Placement Options had an exercise price of \$0.01 per Placement Option, were immediately exercisable following their issue and had an expiry date of 2 July 2020. Of the Placement Options issued, 27,371,806 were exercised between 30 August 2018 and 5 September 2019, the balance of the Placement Options were exercised between 10 June 2020 and 2 July 2020 and the Shares required to be issued pursuant to the exercise of these Placement Options comprise 39,375,000 of the Exercised Shares.

- (b) On 30 December 2016, the Company issued a total of 20,000,000 unlisted NETO8 Options to the nominee of Mr Tsiolis, Executive Chairman of the Company, and 1,500,000 unlisted NETO8 Options to a former non-executive director of the Company (and his nominee) as equity-based incentives, the issues of which were approved by Shareholders at a general meeting of the Company held on 30 November 2016. The NETO8 Options had an exercise price of \$0.045 per NETO8 Option, were immediately exercisable following their issue and have an expiry date of 1 August 2020.<sup>1</sup>
- (c) On 30 December 2016, the Company issued a total of 2,500,000 unlisted NETO9 Options to Alpha First Pty Ltd, an entity associated with director, James Tsiolis, as an equity-based incentive, the issue of which was approved by Shareholders at a general meeting of the Company held on 30 November 2016. The NETO9 Options had an exercise price of \$0.06

<sup>1</sup>The Company has directed that Alpha First Pty Ltd (an entity associated with Mr Tsiolis) pay the exercise price owing to the Company in respect of the exercise of 20,000,000 NETO8 Options held by Alpha First Pty Ltd, being approximately \$900,000 in total, to be paid to Akuna Finance Pty Limited to partly satisfy the amounts owing by the Company to Akuna Finance Pty Limited pursuant to the loan facility advanced by Akuna Finance Pty Limited to the Company.

per NETO9 Option, were immediately exercisable following their issue and have an expiry date of 1 August 2020.<sup>2</sup>

- (d) On 9 February 2017, the Company issued a further 10,000,000 unlisted NETO8 Options to key management personnel of the Company as an equity-based incentive, under the Company's available issue capacity pursuant to ASX Listing Rule 7.1. The NETO8 Options have an exercise price of \$0.045 per NETO8 Option and expired on 2 July 2020.

The 73,375,000 Shares to be issued on exercise of the abovementioned unlisted Options are collectively referred to as the **Exercised Shares**. The primary purpose of this Prospectus is to remove any trading restrictions that may attach to the Exercised Shares to be issued by the Company before the Closing Date.

#### **4.4 Issue of New Notes to raise up to \$18 million**

As announced by the Company on 31 July 2020, the Company is proposing to issue up to 20,000,000 New Notes, conditional on receipt of Shareholder approval for such issue, to professional and sophisticated investors. Should the Company be successful in securing investors to subscribe for the New Notes, the proceeds received by the Company from the issue of such New Notes are proposed to be used to repay amounts owing by the Company to each of Lind and CST (comprising \$3,120,000 owing to Lind and \$3,320,000 owing to CST) with the balance being used to strengthen the Company's balance sheet.

The New Notes in aggregate convert to a maximum of 200,000,000 Shares. Each New Note will result in the issue of 7.5 free Attaching Note Options (or up to 150,000,000 Attaching Note Options in aggregate). Each Attaching Note Option will be exercisable for one Share, have an exercise price of \$0.10, will be immediately exercisable and will expire on the date which is two years from the date of its issue.

For further details please refer to the Company's announcement of 31 July 2020.

#### **4.5 Working capital loans**

As announced to the market on 31 July 2020, Everblu has confirmed its intention to facilitate the advancement of funds of up to \$1.8 million to the Company, upon request, by way of unsecured working capital loans, to be provided by Atlantic Capital Group Pty Ltd (an entity controlled by Adam Blumenthal, a director of Everblu). The terms of these loans are expected to be a loan term of three months from drawdown, at an interest rate of 5% per 3 months, and repayable in cash. Everblu will not be paid any fees in connection with the facilitation of these loans. It is intended that these working capital loans will be used to fund the initial payments due to Lind and CST pursuant to the Termination Deeds, further details of which are set out in **Section 2.3** of this Prospectus. For further details please refer to the Company's announcement of 31 July 2020.

#### **4.6 Other matters**

The Company is considering the appointment of Mr James Stickland as a director of the Company.

Mr Stickland has recently transitioned from the role of Chief Executive Officer of biometric security growth business, Veridium IP Ltd (**Veridium**) into a non-executive director role. While at Veridium, Mr Stickland was responsible for growing Veridium's revenue and investments as well as leading Veridium's global go-to-market strategy for its flagship solution, VeridiumID. Prior to Veridium, Mr Stickland led corporate ventures for HSBC and held senior technology and investment roles at JP

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<sup>2</sup> The Company has directed that Alpha First Pty Ltd (an entity associated with Mr Tsiolis) pay the exercise price owing to the Company in respect of the exercise of 2,500,000 NETO9 Options, being approximately \$150,000 in total, to be paid to Akuna Finance Pty Limited to partly satisfy the amounts owing by the Company to Akuna Finance Pty Limited pursuant to the loan facility advanced by Akuna Finance Pty Limited to the Company.

Morgan and Cisco. Mr Stickland has also held several non-executive positions including at Red Deer (Jersey) Ltd and Push Technology Limited.

Mr Stickland specialises in connecting capital and strategic consumers with a pipeline of innovative and disruptive venture / growth technology companies and in doing this, identifying trends and accelerating adoption within enterprises.

The Company will announce the appointment of Mr Stickland as a director of the Company when such appointment has been formalised.

## **4.7 Rights and liabilities attaching to the Shares**

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution (a copy of which is available for inspection at the Company's registered office during normal business hours).

### **(a) Ranking of Shares**

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Share issued pursuant to this Prospectus will rank equally with the Company's existing Shares.

### **(b) Voting rights**

Subject to any rights or restrictions, at general meetings:

- every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; and
- has one vote on a show of hands; or
- has one vote for every Share held (and for each partly paid share held, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, whether or not called (excluding amounts credited), on the share), upon a poll.

### **(c) Dividend rights**

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all fully paid Shares on which any dividend is declared or paid, are entitled to participate in that dividend equally and each partly paid share is entitled to a fraction of the dividend declared or paid on a fully paid Share of the same class, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable, whether or not called, (excluding amounts credited) on the share. Interest is not payable by the Company on a dividend.

Shareholders may be paid interim dividends (including bonuses) at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before declaring a dividend or determining to pay a dividend.

### **(d) Variation of rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. Subject to the fact that the Company may participate in any computerised or electronic system for market settlement, securities transfer and registration (as described below), the instrument of transfer must be in writing, in any usual or common form, or any other form approved by the Directors, and signed by the transferor or (where the Corporations Act permits) stamped by the transferor's broker and unless the Directors decide otherwise, the transferee or (where the Corporations Act permits) stamped by the transferee's broker.

The Company may participate in any computerised or electronic system for market settlement, securities transfer and registration conducted in accordance with the Corporations Act, the ASX Listing Rules and the CS Facility Rules, or corresponding laws or securities exchange rules in any other country. If the Company participates in such a system, then despite any other provisions of the Company's Constitution, Shares may be transferred, and transfers may be registered, in any manner required or permitted by the ASX Listing Rules or the CS Facility Rules (or corresponding laws or securities exchange rules in any other country) applying in relation to the system, the Company must comply with and give effect to those rules, and the Company may, in accordance with those rules, decline to issue certificates for holdings of Shares.

Except as required by the CS Facility Rules, until the transferee has been registered, the transferor is deemed to remain the holder.

The Board may refuse to register a transfer of shares upon which the Company has a lien.

(f) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion and must call annual general meetings in accordance with the Corporations Act, to be held by the Company at times to be determined by the Directors.

(g) **Unmarketable parcels**

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of special resolution, divide in kind all or any of the assets of the Company amongst Shareholders and for that purpose, determine how he or she will carry out the division between the different classes of Shareholders, but may not require a Shareholder to accept any shares or other securities in respect of which there is any liability.

## **4.8 Interests of Directors, experts and advisors**

(a) Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

- promoter of the Company; or
- financial services licensee named in this Prospectus as a financial services licensee involved the Offer,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

- (b) Other than as set out in **Section 4.9** or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:
- (i) to a Director or proposed Director to induce him to become, or to qualify him as, a director of the Company; or
  - (ii) for services provided in connection with the formation or promotion of the Company or the Offer by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Offer.

## 4.9 Details of interests

### (a) Directors' security holdings

No director, other than James Tsiolis, holds a relevant interest in securities of the Company at the date of this Prospectus.

The relevant interests of James Tsiolis in securities of the Company as at the date of this Prospectus are as follows:

Number	Security
65,670,538	Shares, being: <ul style="list-style-type: none"> <li>• 16,875,000 Shares held by James Tsiolis in his personal capacity;</li> <li>• 37,825,000 Shares held by Alpha First Pty Ltd, of which James Tsiolis is a shareholder, beneficiary and director;</li> <li>• 9,858,038 Shares held by Strategic Capital Management Ltd, of which James Tsiolis is a shareholder, beneficiary and director; and</li> <li>• 1,112,500 Shares held by Macquarie Investment Management Ltd as trustee for the J&amp;V Tsiolis Superfund, of which Mr Tsiolis is a beneficiary.</li> </ul>
2,250,000	Unlisted NETO27 Options (exercisable at \$0.045 expiring on 2 July 2021), all of which are held by Strategic Capital Management Ltd, of which James Tsiolis is a shareholder, beneficiary and director.
2,250,000	Unlisted NETO28 Options (exercisable at \$0.09 expiring on 2 July 2021), all of which are held by Strategic Capital Management Ltd, of which James Tsiolis is a shareholder, beneficiary and director.
1,500,000	Unlisted NETO29 Options (exercisable at \$0.15 expiring on 2 July 2021), all of which are held by Strategic Capital Management Ltd, of which James Tsiolis is a shareholder, beneficiary and director.

As disclosed elsewhere in this Prospectus, Alpha First Pty Ltd, of which James Tsiolis is a shareholder, beneficiary and director has given to the Company exercise notices in respect of 20,000,000 NETO8 Options and 2,500,000 NETO9 Options, for which the Company will issue an aggregate of 22,500,000 Shares, following the date of this Prospectus.

In addition to the above, the Company has agreed, subject to Shareholder approval to be sought at the Company's upcoming 2020 AGM, to issue to Mr Tsiolis 20,000,000 Shares in respect of equity incentives due to him under his Executive Services Agreement, for the financial year ended 30 June 2018.

**(b) Director's remuneration**

As an executive Director, Mr James Tsiolis is paid \$720,000 per annum (**Base Salary**) plus statutory superannuation and an insurance allowance of \$40,000 per annum. Mr Tsiolis is also entitled, subject to Company performance and relevant board and shareholder approval, to an annual bonus entitlement of 200% of his Base Salary, payable in Shares. No bonus award or determination has been made by the Board in respect of the last two financial years. As announced in April 2020, certain Directors and executives of the Company have accepted reductions to their base salaries of 50% for a period of six months. Mr Tsiolis' Base Salary is therefore \$360,000 per annum until 1 November 2020 (pro rata for that period).

As a non-executive Director, Mr Bruce Rathie is paid \$150,000 in director fees per annum. As mentioned above, Mr Rathie has accepted a salary cut of 50% until 21 October 2020, during which time he will be paid \$75,000 per annum (pro rata for that period).

As a non-executive Director, Mr Grant Thomson is paid \$150,000 in director fees per annum.

As an Executive Director, Mr Hualin Zhang is paid \$150,000 per annum. As mentioned above, Mr Zhang has accepted a salary cut of 50% until 1 October 2020, during which time he will be paid \$75,000 per annum (pro rata for that period).

**(c) Related party arrangements**

For the year ended 30 June 2020, \$47,246.33 was paid to Strategic Capital Management Ltd (of which Mr James Tsiolis is a Director) as a refund of an amount erroneously paid to the Company. For the year ended 30 June 2020, \$22,000 will be paid to Alpha First Pty Ltd (of which Mr James Tsiolis is a Director) for provision of a credit line to the business. The Company has agreed to pay an amount of \$20,000 per annum (plus GST) to Alpha First Pty Ltd for the financial year ended 30 June 2021 for provision of a credit line to the business.

**(d) Other**

James Tsiolis, a director of the Company, is also a shareholder (through entities in relation to which he is a director or shareholder) and director of Strategic Capital Management Ltd. Another director and shareholder of Strategic Capital Management Ltd holds 6,000,000 Shares. Mr Tsiolis and the other shareholder of Strategic Capital Management Ltd are not associates in relation to the Company as defined in the Corporations Act and therefore Mr Tsiolis does not have a relevant interest in that shareholder's Shares.

## **4.10 Consents**

**(a) Consenting parties**

Computershare Investor Services Pty Limited has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as share registry to the Company in respect of the Offer in the form and context in which it is named.



BDO Audit (WA) Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as auditor to the Company in respect of the Offer in the form and context in which it is named.

(b) **Basis of consents**

Each of the persons named as providing consents above:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this **Section 4.10**; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified in this **Section 4.10**.

#### **4.11 Expenses of the Offers**

The total expenses of the Offer including legal fees, ASX and ASIC fees and other miscellaneous expenses are estimated to be \$73,500.

#### **4.12 Litigation**

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company with the exception of potential action in relation to ASIC's investigations.

#### **4.13 Governing law**

The information in this Prospectus, the Offer, and the contracts formed on acceptance of the Offer are governed by the law applicable in New South Wales, Australia. Any person who applies for the Share the subject of this Offer submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## **5. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

## 6. DEFINITIONS

Definitions used in this Prospectus are as follows:

**AOFA** means AoFa Software Engineering (Shanghai) Co., Ltd.

**Application Form** means an application form attached to and forming part of this Prospectus.

**Application Monies** means the amount of money in dollars and cents payable for the Share at \$0.05 per Share pursuant to the Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Listing Rules** means the official listing rules of ASX Listing Rules as amended or waived from time to time.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Attaching Note Options** has the meaning given to that term in **Section 2.3**.

**BJS** has the meaning given to that term in **Section 2.3**.

**Board** means the board of Directors of the Company from time to time.

**CHESS** means ASX Clearing House Electronic Sub-register System.

**Closing Date** means the date that the Offer closes which is 5.00pm (Sydney time) on the date referred to as the Closing Date in **Section 1.2** or such other time and date as the Directors determine.

**Company** means Netlinkz Limited ACN 141 509 426.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CS Facility Rules** means the operating rules of an applicable CS facility licensee.

**CST** means CST Capital Pty Ltd ACN 628 583 700 as trustee for the CST Investments Fund.

**CST SPCSA** means the Share Purchase and Convertible Security Agreement entered into between the Company and CST on 24 December 2019.

**Director** means a director of the Company.

**EGM** has the meaning given to that term in **Section 2.3**.

**EverBlu** means Everblu Capital Pty Ltd.

**Exercised Shares** has the meaning given to that term in **Section 2.1**.

**FY2020** means the financial year ended 30 June 2020.

**Helicopter** has the meaning given to that term in **Section 2.3**.

**iLinkAll** means Beijing iLinkAll Science and Technology Co. Ltd.

**Lind** means Lind Global Macro Fund, LP.

**Lind SPCSA** means the Share Purchase and Convertible Security Agreement entered into between the Company and Lind on 24 December 2019.

**New Notes** has the meaning given to that term in **Section 2.3**.

**Offer** means the invitation to the public to apply for 1 Share at an issue price of \$0.05 pursuant to this Prospectus to raise \$0.05.

**Official List** means the official list of the ASX.

**Opening Date** means the first date for receipt of completed Application Forms which is 9:00am (Sydney time) on the date referred to as the Opening Date in **Section 1.2** or such other time and date as the Directors determine.

**Option** means an option to acquire a Share.

**Placements** has the meaning given to that term in **Section 4.3**.

**Placement Options** has the meaning given to that term in **Section 4.3**.

**PRC Company Law** means the Company Law of the People's Republic of China.

**Proposed Recipients** has the meaning given to that term in **Section 2.3**.

**Prospectus** means this prospectus.

**RMB** means renminbi, the currency of China.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Share Registry** means Computershare Investor Services Pty Ltd ABN 48 078 279 277.

**SPCSA** means each of the CST SPCSA and the Lind SPCSA.

**Systemic** has the meaning given to that term in **Section 2.3**.

**Tanaka** has the meaning given to that term in **Section 2.3**.

**Termination Deeds** has the meaning given to that term in **Section 2.3**.

**APPLICATION FORM AND INSTRUCTIONS**  
**Netlinkz Limited ACN 141 509 426**

Please read all instructions on the reverse of this form

A Number of Shares applied for  
(Maximum of 1 Share)

	at \$0.05 per Share	A\$
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You may be allocated all of the Shares above or a lesser number

B	Total amount payable by cheque(s) for Shares	
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C Full name details, title, given name(s) (no initials) and surname or Company name

Name of applicant 1

[illegible]

Name of applicant 2 or &lt;Account Designation&gt;

[illegible]

Name of applicant 3 or <Account Designation>

[illegible]

E Write Your Full Postal Address Here

Number/Street

[illegible][illegible]

Suburb/Town

[illegible]

G Chess HIN (if applicable)

[illegible]

H Cheque payment details please fill out your cheque details and make your cheque is payable to "Netlinkz Limited"

Drawer

Cheque Number

BSB Number

Account Number

Total amount of cheque

				\$
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You should read the prospectus dated 11 August 2020 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) I/we agree to the terms and conditions of the Prospectus and I/we are eligible to apply for the Share being offered under the Prospectus having regard to all applicable securities laws;
- (b) this Application Form is completed according to the declaration/appropriate statements on the reverse of this form and I/we agree to be bound by the Constitution of Netlinkz Limited; and
- (c) I/we have received personally a copy of this Prospectus accompanied by or attached to this Application Form or a copy of this Application Form or a direct derivative of this Application Form, before applying for the Share the subject of this Application Form.

Return of this Application Form with your cheque for the Application Monies will constitute your offer to subscribe for the Share in the Company under the Offer. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

Share Registrars Use Only	
Broker reference – Stamp only	
Broker Code	Adviser Code

D Tax File Number(s)  
Or exemption category

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F	Contact Details
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Contact Name

\_\_\_\_\_

Contact telephone number

( )

State/postcode

\_\_\_\_\_

## Guide to the Application Form

This Application Form relates to the offer of 1 Share in Netlinkz Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Netlinkz Limited and it is advisable to read this document before applying for the 1 Share the subject of the Offer. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The application must be for a minimum of 1 Share.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by \$0.05.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Netlinkz Limited will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold the Share issued to you under this Application Form in uncertified form on the CHES subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- H Please complete cheque details as requested.

Make your cheque payable to "Netlinkz Limited" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application Form being rejected.

- I Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for Shares in Netlinkz Limited upon and subject to the terms of this Prospectus and declares that all details and statements made in this Application Form are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Application Forms:** Return your completed Application Form with cheque(s) attached to:

<b>Delivered to:</b> Netlinkz Limited Level 1 18 Richardson Street WEST PERTH WA 6005	<b>Posted to:</b> Netlinkz Limited Level 1 18 Richardson Street WEST PERTH WA 6005
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Application Forms must be received no later than 5.00pm (Sydney time) on 12 August 2020 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Netlinkz Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor ( a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son