



25 September 2020

Capital Raising Update

Netlinkz receives commitments for \$11,308,125 of funding

- **Netlinkz has received firm commitments to raise \$4,995,000 (net of interest offset) by the issuance of 6,166,664 Convertible Notes, with cash proceeds to be used to repay current loan facilities with Lind and CST which will extinguish those facilities.**
- **Netlinkz has received further commitments to issue a further 7,793,980 Convertible Notes in settlement of existing debt totalling \$6,313,125.**
- **Each Convertible Note has 7.5 Attaching Options exercisable at A\$0.10 each within two years from the date of issue and converting into fully paid ordinary Netlinkz shares – providing a potential future source of growth capital for the Company.**

Virtual Secure Network (VSN) company Netlinkz Limited (ASX: NET) ('Netlinkz' or 'Company') is pleased to advise that it has received firm commitments from investors to raise \$4,995,000 (net of interest offset) by the issuance of 6,166,664 Convertible Notes and 46,249,965 free attaching Options pursuant to the Convertible Note Offer ("**Convertible Note Offer**"), under the Prospectus announced by the Company to ASX on 17 September 2020 ("**Prospectus**").

In addition, Netlinkz has agreed to issue a further 7,793,980 Convertible Notes (and free attaching Options) in settlement of existing debt totalling \$6,313,125.

As a result, the Company will issue a total of 13,960,644 Convertible Notes with an aggregate face value of A\$13,960,644 and 104,704,820 free attaching Options. Each Convertible Note has been (or will be) issued at an issue price which is a 10% discount to the face value of A\$1.00 and interest has been (or will be) deducted up-front. The attaching Options have been (or will be) issued on the basis of 7.5 Options for each Convertible Note subscribed for (with fractional entitlements rounded down) and have an exercise price of A\$0.10 per Option and an expiry date of two years from the date of issue.

The issuance of the Convertible Notes and Options takes place in two tranches, as follows:

- a) 11,151,231 Convertible Notes and 83,634,229 Options have been issued on 24 September 2020, representing \$2,995,000 in cash raised, and \$6,037,500 in extinguished debt; and
- b) 2,809,413 Convertible Notes and 21,070,591 Options to be issued on or before 2 October 2020, representing \$2,000,000 in cash raised and \$275,625 in extinguished debt.

Funds raised from the Convertible Note Offer will be used to pay the balance of the cash payments due to CST and Lind under the Termination Deeds (as defined in the Prospectus), and for general working capital expenditure.



In consideration for Everblu assisting with the Convertible Note Offer, Everblu is entitled to be issued 12,923,132 Shares. These Shares have been (or will be) issued proportionately with the issue of the relevant tranches of Convertible Notes and Options.

In addition, pursuant to shareholder approval received by the Company on 17 September 2020, the Company advises that it has now issued the following securities (each term having the meaning defined in the Prospectus):

- a) 15,000,000 Shares pursuant to the Systemic Offer (as announced in the Appendix 2A released 22 September 2020);
- b) 5,000,000 Options pursuant to the BJS Offer;
- c) 2,500,000 Options pursuant to the Tanaka Offer;
- d) 10,000,000 Lind Shares (Lind has agreed not to sell more than 600,000 of these Shares on any single trading day); and
- e) 10,000,000 CST Shares (CST has agreed not to sell more than 600,000 of these Shares on a single trading day).

Refer to the Prospectus announced by the Company on ASX on 17 September 2020, and the Notice of General Meeting announced by the Company on ASX on 17 August 2020 for further details.

Commentary

Netlinkz Executive Chairman and Chief Executive Officer James Tsiolis said: *“We are pleased to have secured this funding and with the repayment of the loans our balance sheet will improve. We now have greater financial flexibility to deliver growth based on recently announced initiatives. We are pursuing more sales of our market-leading VSN technology in multiple markets, with a focus on China through the iLinkAll business. We are making good progress in India and Singapore with the recently announced Natsoft partnership, and our new business pipeline continues to strengthen.”*

This announcement has been approved for public release by James Tsiolis, Chairman and CEO of Netlinkz Limited.

*****ENDS*****

About Netlinkz Limited

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

www.Netlinkz.com