

26 October 2018

ASX ANNOUNCEMENT

Company Update

The latest version of the company's product, a software only based Virtual Invisible Network (VIN), is being released to China Telecom following continuing refinement and development by Netlinkz engineers.

The company is moving to a low touch software solution to allow easier implementation on devices and to reduce sales and support costs for its Reseller and China Telecom.

The product was awarded the 2017 Wuxi Software and Information Service Industry Influence Award and achieved ISO9001 Quality Management System Certification as well as ISO27001 Information Security Management System Certification.

Sales have commenced in Nanjing (population 8 million) with over 400 VINs sold in the first week. Sales in Wuxi are in excess of 14,000 VINs.

Following the final pilot stage of deployment in Wuxi and testing in Nanjing, a full deployment release in the nominated cities will begin in November.

The roll-out through Jiangsu Province (Population 75 Million) will encompass the following cities Suzhou, Nanjing, Yangzhou, Taizhou, Xuzhou, Huaian, Suqian, Yancheng and Lianyungang.

The company through its appointed Reseller, will receive recurring monthly revenue, which the company currently estimates being A\$.90 per VIN per month, in the form of monthly royalty payments per device from the gross payments received by the Reseller.

These Royalty payments will be paid directly to the company for all continuing costs of sales, technical support and development costs as these costs will be borne by the Reseller and not deducted from the company's royalty payments.

The China model is planned to form the basis for similar strategies in Europe and the USA once appropriate partners and appropriate markets have been identified.

*****ENDS*****

About NetLinkz Limited

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