



1 July 2020

ASX determination in relation to Listing Rule 7.1

NetLinkz Limited (ASX: NET) (**'NetLinkz'**, **'NET'** or **'Company'**) advises that, following consultation with ASX, the Company has become aware that it has exceeded its capacity to issue equity securities without security holder approval under ASX listing rule 7.1 (**'Issue Capacity'**).

The Company provides the following information in respect of this matter:

1. On 24 December 2019, NET released an announcement entitled "Netlinkz secures \$30.75m Funding", which stated, amongst other things, that NET had entered into share purchase and convertible security agreements (**'SPCSA'**) with each of CST Capital Pty Ltd as trustee for the CST Investments Fund (**'CST'**) and Lind Global Macro Fund, LP (**'Lind'**) pursuant to which CST and Lind had agreed to provide funding to NET (**'Funding Announcement'**). The SPCSA's contemplated both convertible notes and shares to be issued on receipt of funding tranches.
2. The Funding Announcement stated that each SPCSA limits the maximum number of securities that may be issued under it to 100,000,000 fully paid ordinary shares (**'Maximum Shares'**) (beyond which any issue may only be made with the prior approval of the Company's shareholders).
3. On 14 February 2020, the Company's announcement entitled "Netlinkz completes \$4.5m equity placement" stated that NET had raised \$4.5 million via a placement of 69,230,769 shares and that those shares would be issued under NET's Issue Capacity (**'Placement Shares'**). In addition, the announcement stated that 2,250,000 shares (**'EverBlu Shares'**) and 1,125,000 options (**'EverBlu Options'**) would also be issued to EverBlu Capital Pty Ltd (EverBlu and its affiliates are defined as **'EverBlu'**) under NET's Issue Capacity.
4. On 20 February 2020, the Company issued a replacement Appendix 2A applying for quotation of 86,107,387 shares comprising of:
 - a. 71,480,769 shares, being the Placement Shares and EverBlu Shares; and
 - b. A further 14,626,618 shares of which 14,144,230 shares were issued to EverBlu for fees arising under the February 2020 placement and a further 482,388 shares as part of the February 2020 placement.
5. Together the 86,107,387 shares and 1,125,000 EverBlu Options described in paragraphs 3 and 4 above are referred to as the **'February Placement Issue'**.

As a result of the above, ASX has determined that:

1. NET has exceeded its capacity to issue equity securities without security holder approval under listing rule 7.1 by 80,098,389 on 14 February 2020 due to NET not including all of the Maximum Shares in its Issue Capacity calculation and then proceeding with the February Placement Issue.
2. In light of the breach, NET will not be permitted to seek ratification from its shareholders for the 80,098,389 securities described above, and these securities will remain in "C" when NET is calculating its capacity under listing rule 7.1 for 12 months from the date of the February Placement Issue.



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