



Netlinkz

Netlinkz Limited

ACN 141 509 426

Prospectus

For an offer of up to 1,000 New Shares at an issue price of \$0.06 per New Share (**Cleansing Offer**). The Cleansing Offer is included primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares recently issued by the Company.

This Prospectus also contains an offer of:

- (a) Broker Options to Everblu (**Broker Offer**);
- (b) Tanaka Options to Tanaka (**Tanaka Offer**); and
- (c) Aitken Options to Aitken (**Aitken Offer**),

(together, the **Other Offers**).

This Prospectus is also being issued in order to facilitate secondary trading of the underlying securities to be issued upon the exercise of the Broker Options, the Tanaka Options and the Aitken Options.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY IN CONJUNCTION WITH THE COMPANY'S ASX ANNOUNCEMENTS. THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

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IMPORTANT INFORMATION

General

The Prospectus is dated 22 December 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, among other offers, offers 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 for 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 2** for further information. No New Shares or Options 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 Shares on ASX.

Electronic Prospectus

A read-only version of the Prospectus is available on the Company's website at www.netlinkz.com/prospectus. 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. By submitting an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and you declare that you were given this Prospectus, together with the Application Form. 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 eligible applicant may obtain a hard copy of this Prospectus by contacting the Company prior to the Closing Date.

Risk factors

The information detailed 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 risk factors that could affect the performance of the Company. Non-exhaustive lists of risk factors are detailed in **Sections 2.3** and **4**. 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 New Shares or Options, nor Shares to be issued upon conversion of the Options, to be issued pursuant to the Offers.

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). 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 Offers. 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 New Shares or Options or the Company.

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

Offer restrictions

The Offers are not made to persons or in places to which, or in which, it would not be lawful to make such an offer of New Shares or Options. No action has been taken to register the Offers or otherwise permit the Offers 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.

Japan

The Tanaka Options to be offered pursuant to the Tanaka Offer (as defined in **Section 2.2(b)(ii)**) and the Shares which may be issued upon their exercise have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to a small number of investors. This document is confidential to the person to whom it is addressed and must not be distributed, reproduced or disclosed (in whole or in part) to any other person in Japan other than by the Company to its shareholders or persons associated with the Company.

Exposure Period

No exposure period applies to the Offers.

Forward-looking Statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the

Company are detailed in **Sections 2.3** and **4**. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements detailed in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

No cooling off rights

Cooling off rights do not apply to an investment in securities offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application Form.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Rounding

Any discrepancies between totals and sums and components in tables detailed in this Prospectus are due to rounding.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are detailed in **Section 7**. All references in this Prospectus to **\$, \$A, AUD, dollars** or **cents** 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 & CEO)
Hualin Zhang (Executive Director)
Grant Booker (Non-executive Director)
Geoff Raby AO (Non-executive Director)
James Stickland (Non-executive Director)

Company Secretary

Erlын Dale
Winton Willesee

Registered Office

Suite 11
50 Stanley Street
Darlinghurst NSW 2010

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Australia

Auditor (for information purposes only)

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

ASX Code

NET

Website

www.netlinkz.com

1. INDICATIVE TIMETABLE

Event	Date
Lodgement of this Prospectus with ASIC and ASX	22 December 2020
Opening Date	9:00am (Sydney time) on 22 December 2020
Closing Date	5.00pm (Sydney time) on 23 December 2020
Issue of securities under the Offers	24 December 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 Listing Rules. This may include closing one or more of the Offers early, extending any of the Offers or accepting late acceptances, either generally or in particular cases. Further, certain Offers may open and close earlier (with consequential earlier issue dates). In addition the Directors may withdraw any of the Offers at any time and may determine not to issue part or all of the securities pursuant to the Offers. No cooling-off rights apply to Application Forms submitted under the Offers.

2. DETAILS OF THE OFFERS AND KEY RISKS

2.1 Background

On 17 December 2020, the Company announced that:

- (a) it had received firm commitments for a placement of 131,899,999 Shares at an issue price of \$0.06 per Share (an aggregate of 131,900,004 Shares will be issued to subscribers following adjustments for rounding) (**Placement Shares**) to sophisticated and professional investors to raise \$7.914 million (before costs) (**Placement**) and, subject to the Company receiving Shareholder approval, the Company will also issue to each subscriber under the Placement one free-attaching Option for every two Shares issued (exercisable at \$0.20 each and expiring 12 months from the date of issue) (**Placement Options**);
- (b) it had entered into debt offset arrangements with certain existing lenders who have elected to offset an aggregate amount of \$6,232,150 of their existing loans (**Loan Offsets**) for the issue of an aggregate of 103,869,159 Shares at an issue price of \$0.06 per Share (**Loan Offset Shares**) (and, subject to Shareholder approval, 51,934,580 Options on the same terms as the Placement Options);
- (c) it will issue 6,232,150 Shares at an issue price of \$0.06 per Share (**Loan Fee Shares**) (and, subject to Shareholder approval, 3,116,075 Options on the same terms as the Placement Options) to certain existing lenders as a fee payable in respect to the Loan Offsets;
- (d) it will issue 25,000,000 Shares at an issue price of \$0.06 per Share (**Convertible Note Offset Shares**) (and, subject to Shareholder approval, 12,500,000 Options on the same terms as the Placement Options) to Atlantic Capital Holdings Pty Ltd, in respect to the redemption of 1,500,000 existing tranche 1 Convertible Notes;
- (e) it will issue:
 - (i) 3,500,000 Shares at an issue price of \$0.06 per Share to Everblu in lieu of cash payment of outstanding invoices attributable to investor relations and media strategy services, outside the scope of the Everblu Mandate;

- (ii) 8,000,000 Shares at an issue price of \$0.06 per Share to Everblu in lieu of cash payment for fees associated with the Placement pursuant to the Everblu Mandate; and
 - (iii) 8,115,039 Shares to Everblu (on the basis of 1 Share for every \$2 raised or offset (including on offset fees paid in Shares)) pursuant to the Everblu Mandate,
- (together, the **Everblu Shares**). In addition to the issue of the Everblu Shares:
- (iv) subject to Shareholder approval, the Company will issue to Everblu:
 - (A) 1,750,000 Options on the same terms as the Placement Options in lieu of cash payment of outstanding invoices attributable to investor relations and media strategy services, outside the scope of the Everblu Mandate; and
 - (B) 4,000,000 Options on the same terms as the Placement Options in lieu of cash payment for fees associated with the Placement; and
 - (v) the Company will issue 4,057,520 Options to Everblu pursuant to the Everblu Mandate (on the basis of 1 Option for every \$4 raised or offset (including on offset fees paid in Shares)), each with an exercise price of \$0.12 per Option and an expiry date of 12 months from the date of issue (being the Broker Options detailed below); and
 - (f) additional brokers who assisted with the Placement would be paid a fee of \$70,440, to be paid in cash, or in Shares and Options on the same terms as the Placement, at the discretion of the Company. The Company has determined that it would settle \$32,220 of fees payable via the issue of 537,000 Shares (**Additional Broker Shares**) (and, subject to Shareholder approval, 268,500 Options on the same terms as the Placement Options), with the balance to be paid in cash.

On 22 December 2020, the Company issued the Placement Shares, the Loan Offset Shares, the Loan Fee Shares, the Convertible Note Offset Shares, the Everblu Shares and the Additional Broker Shares. Refer to the Company's announcement dated 17 December 2020 and 22 December 2020 for further details.

In addition, the Company had:

- (a) on 27 November 2020, following the Company obtaining Shareholder approval at the 2020 AGM, issued 20,000,000 Shares to Alpha First Pty Ltd (**Alpha Shares**);
- (b) on 6 November 2020, issued 2,604,279 Shares to Goonet Pty Ltd on the exercise of Options held by Goonet Pty Ltd (exercisable at \$0.045 each) (**Goonet Shares**); and
- (c) on 22 December 2020, issued 19,800,000 Shares to Anglo Menda Pty Ltd on exercise of 19,800,000 Options held by Anglo Menda Pty Ltd (exercisable at \$0.037 each) (**Anglo Shares**).

Refer to the Company's announcements dated 6 November 2020, 27 November 2020 and 22 December 2020 for further details.

2.2 The Offers

(a) Cleansing Offer

The Company is offering, pursuant to this Prospectus, 1,000 New Shares each at an issue price of \$0.06 per New Share (**Cleansing Offer**).

All New Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 5.5 for a summary of the rights attaching to the New Shares.

(b) **The Other Offers**

The Company also makes the following additional offers under this Prospectus:

(i) **Broker Offer**

This Prospectus also includes an offer of 4,057,520 Broker Options to Everblu (and/or its nominee) with the rights and liabilities detailed in **Section 5.6 (Broker Offer)**. The Broker Offer under this Prospectus is made only to Everblu (and/or its nominee).

(ii) **Tanaka Offer**

This Prospectus also includes an offer of 5,000,000 Tanaka Options to Masamichi Tanaka (Netlinkz Japan K.K., CEO, **Tanaka**) with the rights and liabilities detailed in **Section 5.7 (Tanaka Offer)**. The Tanaka Offer under this Prospectus is made only to Tanaka.

(iii) **Aitken Offer**

This Prospectus also includes an offer of 3,000,000 Aitken Options to Sandy Aitken (**Aitken**) with the rights and liabilities detailed in **Section 5.8 (Aitken Offer)**. The Aitken Offer under this Prospectus is made only to Aitken.

Refer to **Section 3** for further information regarding the purpose and effect of the Offers.

2.3 Key Specific Risks

As with any securities 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 2.3** and **Section 4** identify 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 and holders of Options will be exposed. Potential investors should read the entire Prospectus and the Company's ASX announcements and consult their professional advisor before deciding whether to apply for securities the subject of the Offers.

(a) **Additional requirements for capital and funding arrangements**

The Company anticipates that it will likely require further capital in the short term, including if funds are required to repay the Company's existing debt obligations. Refer to Section 5.3 for details of the Company's existing debt obligations.

There is a risk that the Company may not be able to fulfil its payment obligations under its existing debt arrangements. If further capital is required, the Company may look to (without limitation) raise additional debt, undertake a share issuance within its placement capacity and/or conduct a further issuance of shares subject to Shareholder approval.

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 will 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.

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, or at all. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of the Company's business or insolvency. 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, divest core and/or non-core assets, or become insolvent. 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.

(b) Compliance with debt arrangements

As at the date of this Prospectus, the Company has entered into debt facility arrangements with various third parties and has an outstanding aggregate amount owing of \$3,788,375. Refer to Section 5.3 for details of the Company's existing debt arrangements.

As with any company with borrowings, there is no guarantee that the Company will be able to meet its other debt repayment obligations.

However, the Directors have considered there are reasonable grounds to believe that the Company and the Group will continue as a going concern, after consideration of the following factors:

- (i) The Company is starting to demonstrate significant revenue growth (+846% in FY2020 versus FY2019).
- (ii) Whilst the Group is cash flow negative from operating activities, the SSI Pacific Pty Ltd acquisition generated positive operating cash flows in FY2020.
- (iii) There are 245,829,820 unlisted Options on issue, the exercise of which may provide additional funding to the Company (although no forecast is made of whether any Options will be exercised into Shares).
- (iv) Subject to shareholder approval, or its available issue capacity pursuant to Listing Rule 7.1, the Company has the ability to issue additional equity securities under the Corporations Act to raise further working capital and has a track record for being able to do so in the past, as evidenced by the recent successful Placement.
- (v) The business is capable of raising additional debt financing against its assets.

(c) Business activities in China

The Company's wholly-owned subsidiary AoFa Software Engineering (Shanghai) Co., Ltd (**AOFA**), which is a registered Wholly Foreign Owned Entity in Shanghai, develops and sells software products in China. AOFA also holds 80% of the issued capital of Beijing iLinkAll Science and Technology Co. Ltd. (**iLinkAll**), a limited liability company established under the laws of China, with Beijing Ruan Tong Yun Jian Technology Service Co., Ltd, (an **iSoftStone Entity**) holding the remaining 20%. iLinkAll sells software and hardware products, including engineering services, to the Chinese market. The Company derived 100% of its revenue from China in FY2019 and 76.2% in FY2020, 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 2.3(r)** and **(w)** 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 and its business activities.

(d) Revenues and profitability risks

The Company is cash-flow negative from operating activities and has not been profitable and there is a risk it may continue to not be profitable in future. The Company may also fail to generate revenues in the future. Further, the Company may fail to adequately promote and market its business.

(e) Fluctuations of market prices for Shares

In relation to the New Shares (as detailed in **Sections 2** and **3**) and any Shares which may be issued if Convertible Notes are converted into Shares or Options are exercised for Shares, all such Shares may be sold on ASX (provided the Company is admitted to trading on ASX at that time and ASX approves their quotation). Being listed Shares, the price at which Shares may be bought or sold in the market will fluctuate over time. Fluctuations in prices have the potential to be large or small and such fluctuations may occur either slowly or rapidly. There is no certainty that the market price of Shares will be higher than the price paid to acquire such Shares, and accordingly in some circumstances the price at which the Shares may be sold may be lower than the price paid.

The market price at which Shares may be bought or sold depends on a broad range and combination of influences including, but not limited to:

- (i) supply and demand for Shares;
- (ii) the availability of alternative investments and the investment yields, security of, and comparative valuation of those alternative investments; and/or
- (iii) economic conditions in Australia or internationally, access to funding either in Australia or internationally, investor perceptions of the Company and its securities including the expected future value of the Company.

(f) Events of Default and contractual prohibitions

The Convertible Notes contain a number of events of default. The occurrence of an event of default may allow the holders of Convertible Notes to accelerate payment by the Company of the face value on the Convertible Notes. Events of default also apply in relation to other contractual obligations of the Company, including in relation to its borrowings. As at the date of this Prospectus, there are 5,782,251 Convertible Notes (representing an aggregate of \$5,782,251) on issue and the Company has received redemption notices in respect of 4,478,392 Convertible Notes (representing an aggregate of \$4,478,392), which the Company intends to repay by 24 December 2020 from the funds raised under the Placement (refer to Section 3.5 for the Company's use of funds in respect to the Placement).

In the event that the remaining Noteholders accelerate the repayment of the face value on the Convertible Notes (or if similar events happen in relation to the Company's other contractual obligations), the Company may be unable to pay that amount. The failure to pay any amounts when due under the Convertible Notes (or other contractual obligations) could subject the Company to insolvency or bankruptcy proceedings.

There is also a general risk of the Company or other entities in the Group breaching their contractual obligations, with consequential adverse impacts to the Group.

(g) 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.

(h) 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.

(i) 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 financial performance and financial position.

(j) 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 financial performance and financial position.

(k) **Hacker attacks**

The Company relies on the availability of its website and other digital infrastructure and products to provide services to customers and attract new customers. Hackers could render the website and/or other digital infrastructure and products 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 and/or other digital infrastructure and products 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 financial performance and financial position.

There are also risks of the Company becoming exposed to legal action and financial loss as a result of hacking and of the Company breaching relevant laws and regulations (such as relating to privacy).

(l) **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.

(m) **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 financial performance and financial position.

(n) **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.

(o) **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 and others 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.

(p) **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 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 which could result in disruption of, or changes in, the Company's distribution model, which could harm the Company's sales and margins, include the following:

- (i) 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;
- (ii) 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;
- (iii) 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
- (iv) 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.

(q) **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.

Further, 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 Arab Emirates, Malaysia, Japan, India, Singapore, Vietnam and Europe (although no forecast is made of whether those intentions will be realised). 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 financial performance and financial position. 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 financial performance and financial position.

(r) **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 Directors consider appropriate.

(s) **Liability claims**

The Company current sales are predominantly in China and Australia, with additional markets, such as ASEAN countries, Japan, United Arab Emirates and India, to follow. 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.

(t) **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 of 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.

(u) **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.

(v) **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 or other arrangement 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. It is not possible for the Company to predict or protect itself completely against all such risks.

(w) **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 and its entities 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 and financial position of the Company and the value of its Shares and other securities. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

(x) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. If such unforeseen expenditure is subsequently incurred, this may adversely affect the Company's financial position and financial performance.

(y) **Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations.

(z) **Accounting**

The financial information included in this Prospectus have been prepared based on the audited financial records of the Group for the year ended 30 June 2020.

The financial information included in this Prospectus has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in Company's financial statements for the year ended 30 June 2020, the Group incurred a total comprehensive loss of \$24,280,904, had net cash outflows from operating activities of \$8,888,157 and working capital deficiency of \$13,046,477. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that there are reasonable grounds to believe that the Company and the Group will continue as a going concern, however, there are factors that indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and in this Prospectus. The financial information in this Prospectus does not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

2.4 Applications under the Offers

Applications under the Offers may only be made pursuant to a relevant Application Form acceptable to the Company, as detailed in this **Section 2** and in **Section 3**. If an Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

(a) **Cleansing Offer**

The Company will send this Prospectus, together with an Application Form, to selected persons whom the Directors determine are eligible to participate in the Cleansing Offer.

If you wish to subscribe for New Shares, you should complete and return the Cleansing Offer Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

(b) **Broker Offer**

The Broker Offer is an offer to Everblu (and/or its nominee) only.

Only Everblu (and/or its nominee) can apply for the Broker Options offered under the Broker Offer, using a personalised Application Form accompanying this Prospectus.

(c) **Tanaka Offer**

The Tanaka Offer is an invitation to Tanaka only.

Only Tanaka can apply for the Tanaka Options offered under the Tanaka Offer, using a personalised Application Form accompanying this Prospectus.

(d) **Aitken Offer**

The Aitken Offer is an invitation to Aitken only.

Only Aitken can apply for the Aitken Options offered under the Aitken Offer, using a personalised Application Form accompanying this Prospectus.

2.5 Opening and Closing Dates

The closing date for the Offers is 23 December 2020 or such other time and date as the Directors determine (**Closing Date**).

The Company reserves the right, subject to the Corporations Act, to shorten or extend the closing date of one or more of the Offers without prior notice or to close or withdraw one or more of the Offers. If a closing date is varied, subsequent dates may also be varied accordingly.

2.6 Rights and liabilities attaching to New Shares

The Shares to be issued pursuant to the Offers (including the New Shares, any Shares to be issued on exercise of the Options offered under the Broker Offer, Tanaka Offer or Aitken Offer) are 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 detailed in **Section 5.5**.

2.7 Minimum subscription under the Offers

There is no minimum subscription for any of the Offers.

2.8 No Underwriting

The Offers are not underwritten.

2.9 Quotation

If issued, application for Official Quotation of the New Shares will be made within seven days after the date of this Prospectus. If the New Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of the Prospectus, or such period as varied by ASIC, the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest. The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the Company or the New Shares offered for subscription.

The Company will not apply to ASX for Official Quotation of the Options offered under this Prospectus. However, the Company will apply to ASX for Official Quotation of any Shares that are issued on exercise of the Options or otherwise as required by the Listing Rules.

2.10 Overseas investors

The Offers are not made to persons or in places to which, or in which, it would not be lawful to make such an offer of New Shares and Options. No action has been taken to register the Offers or otherwise permit the Offers 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.

The Tanaka Options to be offered pursuant to the Tanaka Offer (as defined in Section 2.2(b)(ii)) and the Shares which may be issued upon their exercise have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to a small number of investors. This document is confidential to the person to whom it is addressed and must not be distributed, reproduced or disclosed (in whole or in part) to any other person in Japan other than by the Company to its shareholders or persons associated with the Company.

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 securities 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.

2.11 CHES and issuer sponsorship and Options

The Company operates an electronic CHES 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 or option certificate. Rather, a holding statement (similar to a bank statement) will be dispatched to each of the relevant holders as soon as practicable after allotment of the New Shares or Options. The holding statement will be sent either by CHES (if the security holders elect to hold New Shares on the CHES sub-register) or by the Company's Share Registry (for Options, or if the security holders elect to hold New Shares on the issuer sponsored sub-register). The statement will set out details of the New Shares or Options allotted under this Prospectus and the Holder Identification Number (if the security holder elects to hold the New Shares on the CHES sub register) or Shareholder Reference Number (for Options, or if the security holder elects to hold the New Shares 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 Listing Rules and the Corporations Act.

2.12 Selling New Shares pursuant to the Offers before receiving a holding statement

It is the responsibility of each person who trades in New Shares to confirm their holding before trading in New Shares. If you sell New Shares before receiving a holding statement, you do so at your own risk. The Company and its Share Registry disclaim all liability, whether in negligence or otherwise if you sell New Shares before receiving a holding statement, even if you obtained details of your holding through your stockbroker.

2.13 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.

Once you become a security holder in the Company, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the securities you hold) to be included in the securities registers. In accordance with the requirements of the Corporations Act, information on the securities registers will be accessible by members of the public. The information must continue to be included in the securities registers if you cease to be a security holder.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The agents and service providers of the Company may, as noted above, be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. In addition to the Share Registry and others noted above, the types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- stockbrokers for the purpose of providing their services;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the security holder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the securities and for associated actions.

Information detailed in the Company's securities registers is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

By submitting an Application Form, you agree that the Company and the Share Registry may communicate with you in electronic form or to contact you by telephone in relation to the Offers.

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 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/>.

2.14 Taxation

It is the responsibility of an investor to satisfy itself of the particular taxation treatment that applies to it in relation to the Offers (and the issue of New Shares and Options 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 those matters or the other matters referred to in this Prospectus.

2.15 Other terms and conditions of the Offers

The terms and conditions detailed above are not exhaustive and the other parts of this Prospectus and the relevant Application Forms for the Offers provide the other terms and conditions of the Offers.

2.16 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 Offers can be directed to the Company Secretary on +61 8 9389 3190 or via email at cosec@netlinkz.com.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Cleansing Offer

By this Prospectus, the Company is making an offer of the New Shares (being the Shares to be offered pursuant to the Cleansing Offer as detailed in **Section 2.2(a)** above). The primary purpose of the Cleansing Offer is not to raise capital.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

However, section 708A(11) of the Corporations Act 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.

The primary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act to remove any trading restrictions that may have attached to the Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares and Placement Shares issued by the Company so that the holders of the Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares and Placement Shares (as applicable), if they choose to, may sell those Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares and Placement Shares (as applicable) within the twelve months following their issue, without the issue of a prospectus.

The Company did not issue the Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares and Placement Shares with the purpose of the persons to whom they were issued selling or transferring the Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares and/or Placement Shares, or granting, issuing or transferring interests in the Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares, and/or Placement Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

3.2 Purpose of the Broker Options

The Broker Options are being issued to Everblu under the terms of the Everblu Mandate. Refer to Section 5.10(d) for further details in respect to the Everblu Mandate. The Broker Options offered under this Prospectus will have the terms and conditions detailed in Section 5.6.

The Broker Offer is being made with disclosure under this Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Broker Options. Issuing the Broker Options under this Prospectus will enable persons who are issued the Broker Options to on-sell the Shares issued on exercise of the Broker Options pursuant to ASIC Corporations Instrument 2016/80.

3.3 Purpose of the Tanaka Offer

In December 2019, the Company entered into an ongoing advisory board agreement engagement letter with Tanaka pursuant to which the Company engaged Tanaka as an independent contractor to serve on the Company's board of advisors (**Tanaka Engagement**) and to provide certain services to the Company (**Tanaka Services**). As part of the consideration payable to Tanaka for providing the Tanaka Services under the Tanaka Engagement, the Company agreed to issue 7,500,000 unlisted options to Tanaka as follows:

- (a) 2,500,000 unlisted options on the date which is 14 days after the date of entry into the Tanaka Engagement;
- (b) 2,500,000 unlisted options on the date which is 18 months after the date of entry into the Tanaka Engagement; and
- (c) 2,500,000 unlisted options on the date which is 36 months after the date of entry into the Tanaka Engagement,

all of which require shareholder approval for the purposes of Listing Rule 7.1.

On 1 June 2020, the Tanaka Engagement was terminated and replaced with a formal employment agreement between the Company's Japanese subsidiary, Netlinkz Japan KK, and Tanaka (**Tanaka Employment Agreement**). Upon termination of the Tanaka Engagement, the parties agreed that shareholder approval would be sought for the issue of the Options pursuant to (a) above, with Tanaka waiving his entitlement to the options pursuant to (b) and (c) above, in lieu of a separate package of 5,000,000 Tanaka Options to be issued under the Tanaka Employment Agreement, subject to shareholder approval to be sought at the Company's 2020 Annual General Meeting (**2020 AGM**). On 19 November 2020, Shareholders approved the issue of the 5,000,000 Tanaka Options to Tanaka. The Tanaka Options offered under this Prospectus will have the terms and conditions detailed in Section 5.7.

The Tanaka Offer is being made with disclosure under the Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Tanaka Options. Issuing the Tanaka Options under this Prospectus will enable persons who are issued the Tanaka Options to on-sell the Shares issues on exercise of the Tanaka Options pursuant to ASIC Corporations Instrument 2016/80.

3.4 Purpose of the Aitken Offer

On 7 September 2020, Netlinkz Global Services (Aust & NZ) Pty Limited (**Netlinkz Global Services**) entered into an independent contractor agreement with IT Advisory Services Pty Limited (**Aitken Company**) pursuant to which Netlinkz Global Services engaged Mr Sandy Aitken, through the Aitken Company, to provide Chief Operating Officer services to the Company (**Aitken Engagement**). As part of the consideration payable to Mr Aitken under the Aitken Engagement, the Company agreed to issue 3,000,000 Aitken Options to Aitken (**Aitken Options**). On 19 November 2020, Shareholders approved the issue of the 3,000,000 Aitken Options to Aitken. The

Aitken Options offered under this Prospectus will have the terms and conditions detailed in Section 5.8.

The Aitken Offer is being made with disclosure under the Prospectus to facilitate secondary trading of the Shares to be issued upon exercise of the Aitken Options. Issuing the Aitken Options under this Prospectus will enable persons who are issued the Aitken Options to on-sell the Shares issues on exercise of the Aitken Options pursuant to ASIC Corporations Instrument 2016/80.

3.5 Use of funds

The Company intends to use the funds raised under the Placement as follows:

Indicative use of funds	Amount
Repayment of outstanding Convertible Notes ¹	\$5,782,251
Partial repayment of loan arrangements ²	\$1,350,000
General working capital expenditure on administration costs, research and development, marketing and costs of sales in Australia, Japan and China	\$268,639
Advisor Fees ³	\$464,904
Costs of the Offers ⁴	\$48,206
Total	\$7,914,000

Notes:

1. The Company presently has 5,782,251 Convertible Notes on issue, with aggregate face values of \$5,782,251. The Company intends to utilise the funds raised under the Placement to repay 4,478,392 Convertible Notes. However, the Company has made provision in the use of funds for the repayment of all of the Convertible Notes.

2. The Company intends to utilise the funds raised under the Placement to repay a proportion of the Company's loan arrangements, being an aggregate of \$3,778,375 (as at the date of this Prospectus). Refer to **Section 5.3** for details of the Company's existing loan arrangements.

3. Refer to Section 5.10(d) for further details in respect to the fees payable to Everblu.

4. Refer to **Section 5.13** for expenses of the offers.

The information in the table above is current as at the date of this Prospectus. The use of funds may change depending on any intervening events or changes in the Company's circumstances. The Board reserves the right to change the way funds are used and applied.

3.6 Financial position

The Offers 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 effect of the offers has not been included in this Prospectus.

3.7 The effect of the Offers on the capital structure

The indicative effect of the Offers on the Company's capital structure is detailed in the tables below. In addition, there is a likelihood of the Company raising further funds (potentially via equity (including Share issues or convertible securities) or hybrid securities) in the short to medium term. Although no decision has been made to raise such funds or in relation to the structure of such raising, investors should be aware of this probability and refer specifically to the key risk factor in **Section 2.3(a)** above, for further information.

Shares*	Number
Shares currently on issue as at the date of this Prospectus ¹	2,488,148,584
New Shares	1,000
Total Shares on issue after completion of the Offer	2,488,149,584

Options	Number
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 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
Unlisted NETO35 Options (exercisable at \$0.10, expiring on 24 September 2022)	83,634,229
Unlisted NETO36 Options (exercisable at \$0.06, expiring on 24 September 2022)	5,000,000
Unlisted NETO37 Options (exercisable at \$0.16, expiring on 24 September 2023)	2,500,000

Unlisted NETO38 Options (exercisable at \$0.10, expiring on 1 September 2023)	10,000,000
Unlisted NETO39 Options (exercisable at \$0.15, expiring on 1 September 2023)	10,000,000
Unlisted NETO40 Options (exercisable at \$0.20, expiring on 1 September 2023)	10,000,000
Unlisted NETO41 Options (exercisable at \$0.25, expiring on 1 September 2023)	10,000,000
Unlisted NETO42 Options (exercisable at \$0.10, expiring on 25 September 2022)	17,366,875
Unlisted NETO43 Options (exercisable at \$0.10, expiring on 28 September 2022)	3,703,716
Options to be issued under the Broker Offer	4,057,520
Options to be issued under the Tanaka Offer	5,000,000
Options to be issued under the Aitken Offer	3,000,000
Total Options on issue after completion of the Offers²	257,887,340

Unlisted convertible notes	Number
Tranche 1 Convertible Notes ³	3,590,120
Tranche 2 Convertible Notes ⁴	2,015,586
Tranche 3 Convertible Notes ⁵	176,545
Total convertible notes on issue	5,782,251

Notes:

- Includes the Loan Offset Shares, Loan Fee Shares, Convertible Note Offset Shares, Alpha Shares, Goonet Shares, Anglo Shares, Everblu Shares, Additional Broker Shares and Placement Shares.
- Subject to Shareholder approval to be sought in early 2021, the Company will issue 65,950,000 Placement Options, and 73,569,154 Options on the same terms as the Placement Options, as described in Section 2.1.
- Tranche 1 Convertible Notes have a face value of \$1.00, and an expiry date of 24 September 2021, or such date specified by the holder to the Company. As at the date of this Prospectus, the Company has received redemption notices in respect of 2,626,538 Tranche 1 Convertible Notes, to be repaid by 24 December 2020.
- Tranche 2 Convertible Notes have a face value of \$1.00, and an expiry date of 25 September 2021, or such date specified by the holder to the Company. As at the date of this Prospectus, the Company has received redemption notices in respect of 1,675,309 Tranche 2 Convertible Notes, to be repaid by 24 December 2020.
- Tranche 3 Convertible Notes have a face value of \$1.00, and an expiry date of 28 September 2021, or such date specified by the holder to the Company. As at the date of this Prospectus, the Company has received redemption notices in respect of 176,545 Tranche 3 Convertible Notes, to be repaid by 24 December 2020.
- In addition to the above, as approved by Shareholders on 19 November 2020, the Company will issue to the Company's Chief Financial Officer, 10,500,000 performance rights in the Company. Refer to Schedule 5 of the Notice of Meeting released by the Company on ASX on 15 October 2020 for full terms of these performance rights.

3.8 Effect of the Offers on control of the Company

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

4. GENERAL RISK FACTORS

As with any securities 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. **Section 2.3** and this **Section 4** identify 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 and holders of Options will be exposed. Potential investors should read the entire Prospectus and the Company's ASX announcements and consult their professional advisor before deciding whether to apply for securities the subject of the Offers.

4.1 General Risks

(a) COVID-19

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic which is impacting global capital markets. The Company has not been immune to the economic disruption caused by the pandemic. The Company is continuing to monitor and assess its operations and commercial activities in light of the COVID-19 pandemic. However, as the situation with respect to COVID-19 continues to develop (and various government restrictions in the countries where the Company has operations change), there can be no assurance that the Company will be able to mitigate any adverse effects of COVID-19 on its operations.

Further, the Company is ultimately exposed to the general economic conditions globally which could have an adverse effect on the operating and financial performance of the Company. A prolonged economic contraction as a result of COVID-19 and/or other factors could impact on the Company's ability to continue to meet its ongoing financial obligations and may affect the operations and performance of the Company.

(b) Investment risk

The New Shares and Options to be issued pursuant to the Offers 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 Shares fluctuate from time to time and no guarantee is forecast as to what price a Share may be traded for or whether it will be tradeable. There is no public market for the Options and they are not proposed to be listed on a public market in future. Further, there can be no guarantee that an active market in the Company's Shares will exist in the future.

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.

(c) 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.

(d) **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.

(e) **Taxation**

The acquisition and disposal of the New Shares or Options the subject of the Offers (and the conversion of Options into Shares) 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 securities the subject of the Offers 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 New Shares or Options under this Prospectus.

5. ADDITIONAL INFORMATION

5.1 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 Listing Rules. Specifically, the Company is required, under the 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 (including as modified by ASIC), the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offers.

In general terms, a “transaction-specific prospectus” is 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 2020;
 - (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 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 Offers.

5.2 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 2020.

Date	Title
22 December 2020	Proposed Issue of Securities - NET
22 December 2020	Appendix 2A
17 December 2020	Proposed issue of Securities - NET
17 December 2020	Proposed issue of Securities – NET
17 December 2020	Reinstatement to Official Quotation
17 December 2020	Netlinkz Secures \$15.8m in Firm Commitments
16 December 2020	Suspension from Official Quotation
14 December 2020	Trading Halt
14 December 2020	Convertible Note Redemptions
11 December 2020	Additional Information on LNS Partnership
10 December 2020	CY20 Guidance Update & Joint Strategic Partnership With LNS
4 December 2020	Change of Director's Interest Notice x 4
3 December 2020	Cleaning of Shares Issued
27 November 2020	Appendix 2A
27 November 2020	Update – Proposed issue of Securities – NET
19 November 2020	Final Director's Interest Notice
19 November 2020	Results of Meeting
19 November 2020	AGM Presentation & Webinar
17 November 2020	AGM – Withdrawal of Resolutions
6 November 2020	Appendix 2A
26 October 2020	Quarterly Activities Report and Appendix 4C
26 October 2020	Addendum to Notice of Annual General Meeting/Proxy Form
23 October 2020	Initial Director's Interest Notice Correction
20 October 2020	Record Customer Receipts of \$5.8m in September Quarter
16 October 2020	Proposed issue of Securities – NET
16 October 2020	Initial Director's Interest Notice

16 October 2020	Director Appointment
15 October 2020	Proposed issue of Securities – NET
15 October 2020	Notice of Annual General Meeting/Proxy Form

5.3 Loan Arrangements

As at the date of this Prospectus, the Company has outstanding amounts owing of \$3,778,375 under various debt facility arrangements, comprised of:

- (a) outstanding loan arrangements for an aggregate amount \$1,378,375, with the following terms and conditions:
 - (i) \$200,000, repayable on 5 January 2021 with an interest rate of 15% per annum;
 - (ii) \$1,000,000, repayable on 7 March 2021 with an interest rate of 15% per annum; and
 - (iii) \$178,375 with an interest rate of 8% per annum; and
- (b) outstanding loan arrangements for an aggregate amount of \$2,400,000 as follows:
 - (i) \$150,000, repayable in 3 months;
 - (ii) \$200,000, repayable in 12 months;
 - (iii) \$1,000,000, repayable in 6 months;
 - (iv) \$400,000, repayable in 12 months;
 - (v) \$500,000, repayable in 12 months;
 - (vi) \$50,000, repayable in 12 months; and
 - (vii) \$100,000, repayable in 6 months,

(together, the **Additional Loans**) on the following terms:

 - (viii) at any time after a minimum term of 3 months, the Company may repay all or part of the Additional Loans detailed, subject to payment of a 2% early repayment fee;
 - (ix) the lenders are entitled to interest at 20% per annum, payable monthly in arrears; and
 - (x) the Additional Loans are unsecured.

5.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company. No forecast is made of such matters. Refer also to the risk factor in **Section 2.3(d)**.

5.5 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 detailed in the Corporations Act, 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 New Shares to be 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 detailed 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 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 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 a 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.

5.6 Rights and liabilities attaching to Broker Options

(a) **Entitlement**

Each Broker Option entitles the holder to subscribe for one Share upon the exercise of the Broker Option.

(b) **Exercise Price and Expiry Date**

The Broker Options have an exercise price of A\$0.12 per Broker Option (**Exercise Price**) and an expiry date of 5:00 pm (Sydney time) on a date that is 12 months from the date of issue (**Broker Option Expiry Date**).

A Broker Option not exercised before the Broker Option Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Broker Options are exercisable at any time on or prior to the Broker Option Expiry Date.

(d) **Quotation of the New Options**

The Company will not apply for quotation of the Broker Options on ASX.

(e) **Notice of Exercise**

The Broker Options may be exercised by notice in writing to the Company (**Broker Option Notice of Exercise**) and paying the Broker Option Exercise Price for each Broker Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Broker Option Notice of Exercise of a Broker Option received by the Company will be deemed to be a notice of the exercise of that Broker Option as at the date of receipt.

(f) **Shares Issued on Exercise**

Shares issued on exercise of the Broker Options rank equally with the then issued Shares.

(g) **Timing of the Issue of Shares on Exercise and Quotation**

Within 5 business days of a Notice of Exercise being given in accordance with these terms and conditions and payment of the Broker Option Exercise Price for each Broker Option being exercised, the Company will:

- (i) issue the Shares pursuant to the exercise of the Broker Options; and
- (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Broker Options.

(h) **Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Broker Option will be increased by the number of Shares which the Broker Option holder would have received if the Broker Option holder had exercised the Broker Option before the record date for the bonus issue; and
- (ii) no change will be made to the Broker Option Exercise Price.

(i) **Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Broker Option Exercise Price of a Broker Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Broker Option Exercise Price of the Broker Option.

E = the number of underlying Shares into which one Broker Option is exercisable.

P = average market price (as defined in the Listing Rules) per Share weighted by reference to volume of the underlying Shares during

the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

(j) **Adjustment for Reorganisation**

If at any time the issued capital of the Company is reconstructed, all rights of a Broker Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options without exercising the Broker Options.

(l) **Change in exercise price**

A Broker Option does not confer the right to a change in Broker Option Exercise Price or a change in the number of underlying securities over which the Broker Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Broker Options on ASX.

(n) **Transferability**

The Broker Options are transferable.

5.7 Rights and liabilities attaching to Tanaka Options

(a) **Entitlement**

Each Tanaka Option entitles the holder to subscribe for one Share in the issued capital of the Company upon exercise of the Tanaka Option.

(b) **Exercise Price**

Subject to paragraph (n), the amount payable upon exercise of each Tanaka Option will be \$0.16 (**Tanaka Exercise Price**).

(c) **Expiry Date**

Each Tanaka Option will expire at 7:00 pm (AEST) on:

(i) the date that is 3 years from the date of issue, with respect to 2,500,000 of the Options (**Tranche 1 Tanaka Options**); and

(ii) the date that is 5 years from the date of issue, with respect to 2,500,000 of the Options (**Tranche 2 Tanaka Options**),

(**Tanaka Option Expiry Date**). A Tanaka Option not exercised before its Tanaka Option Expiry Date will automatically lapse on the Tanaka Option Expiry Date.

(d) **Vesting Conditions**

The Tanaka Options will vest and become exercisable as follows:

- (i) each Tranche 1 Tanaka Option, on the date which is 12 months after the commencement of Tanaka's employment under his employment agreement (**Tanaka Employment Agreement**) with Netlinkz Japan KK (**Netlinkz Japan**), being 1 June 2021, subject to his remaining employed by Netlinkz Japan on that date; and
- (ii) each Tranche 2 Tanaka Option, on the date which is 30 months after the commencement of Tanaka's employment under the Tanaka Employment Agreement, being 1 December 2022, subject to his remaining employed by Netlinkz Japan on that date,

(each a **Tanaka Option Vesting Condition**). Should Tanaka's employment under his Employment Agreement terminate for any reason before the Tranche 1 Tanaka Options or Tranche 2 Tanaka Options vest, any unvested Tanaka Options shall immediately lapse on termination of the Tanaka Employment Agreement.

(e) **Exercise Period**

The Tanaka Options are exercisable at any time on and from the date upon which the relevant Vesting Condition is satisfied until the relevant Tanaka Option Expiry Date (**Tanaka Option Exercise Period**).

(f) **Notice of Exercise**

The Tanaka Options may be exercised during the Tanaka Option Exercise Period by notice in writing to the Company specifying the number of Tanaka Options being exercised (**Tanaka Option Notice of Exercise**) and, subject to an election under paragraph (h) below, payment of the Tanaka Option Exercise Price for each Tanaka Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment in cleared funds of the Exercise Price (or election to exercise by way of cashless exercise under paragraph (h)) for each Option being exercised (**Exercise Date**).

(h) **Cashless Exercise**

On delivery of a Tanaka Option Notice of Exercise, the Holder may elect to exercise the Options by way of cashless exercise, in which case:

- (i) the Holder will not be required to pay the Tanaka Option Exercise Price for the Tanaka Options in cleared funds; and
- (ii) the Company will only issue or transfer that number of Shares to the Holder that have a value equal to the then total market value of the Shares that would have been issued or transferred to the Holder if the Tanaka Options had been exercised other than by way of cashless exercise, less the total amount of the Tanaka Options Exercise Price that would otherwise have been payable on exercise of the Tanaka Options (with the number of Shares rounded down).

(i) **Change in control**

If prior to a Tanaka Option Vesting Condition being met, a Takeover Event occurs, then each unvested Option will automatically and immediately vest and the relevant Vesting Condition will be deemed to have been satisfied

A "Takeover Event" means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where the holders of at least 50% of the ordinary shares in the Company accept the bid and such bid is free of conditions or a court grants an order approving a compromise or scheme where the ordinary shares in the Company are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).

(j) **Timing of issue of Shares on exercise**

Subject to paragraph (k), within 10 business days after the later of the following:

- (i) the Tanaka Option Exercise Date, if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act; and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the Tanaka Option Exercise Date,

the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Tanaka Options specified in the Tanaka Option Notice of Exercise;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Tanaka Options.

(k) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Tanaka Options and receipt of Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Tanaka Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Tanaka Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Tanaka Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of Tanaka Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(l) **Shares issued on exercise**

Shares issued on exercise of the Tanaka Options rank equally with the then issued shares of the Company.

(m) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Tanaka Options.

(n) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Tanaka Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(o) **Participation in new issues**

There are no participation rights or entitlements inherent in the Tanaka Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Tanaka Options without exercising the Tanaka Options.

(p) **Change in exercise price**

A Tanaka Option does not confer the right to a change in Tanaka Option Exercise Price or a change in the number of underlying securities over which the Tanaka Option can be exercised.

(q) **Unquoted**

The Company will not apply for quotation of the Tanaka Options on ASX.

(r) **Transferability**

The Tanaka Options are non-transferable.

5.8 Rights and liabilities attaching to Aitken Options

(a) **Entitlement**

Each Aitken Option entitles the holder to subscribe for Share in the issued capital of the Company upon exercise of the Aitken Option.

(b) **Exercise Price**

Subject to paragraph (n), the amount payable upon exercise of each Aitken Option will be \$0.10 (**Aitken Option Exercise Price**).

(c) **Expiry Date**

Each Aitken Option will expire at 7:00 pm (AEST) on the date that is 3 years from the date of issue (**Aitken Option Expiry Date**). An Aitken Option not exercised before its Aitken Option Expiry Date will automatically lapse on the Aitken Option Expiry Date.

(d) **Vesting Conditions**

The Aitken Options will vest and become exercisable upon the contractor's successful achievement (as determined by Netlinkz Global Services (Aust & NZ) Pty Limited (**Netlinkz Global**) and the Company in their absolute discretion) of certain commercially sensitive milestones (which are not for public disclosure) which have been agreed between the Company and Mr Aitken and which centre around:

- (i) establishing a central repository and process for secure source code storage, management, development, maintenance and deployment across all regions;

- (ii) establishing IoT Labs in local markets and a unified global on-boarding process for new customers; and
- (iii) establishing follow-the-sun support teams to deliver global customer/technical support,

(each a **Aitken Option Vesting Condition**). Should the contractor's engagement under the contractor agreement with Netlinkz Global (**Aitken Engagement**) terminate for any reason before any tranche of Aitken Options vest, any unvested Aitken Options shall immediately lapse on termination of the Aitken Engagement.

(e) **Exercise Period**

The Aitken Options are exercisable at any time on and from the date upon which the relevant Aitken Option Vesting Condition is satisfied until the Aitken Option Expiry Date (**Aitken Option Exercise Period**).

(f) **Notice of Exercise**

The Aitken Options may be exercised during the Aitken Option Exercise Period by notice in writing to the Company specifying the number of Aitken Options being exercised (**Aitken Option Notice of Exercise**) and, subject to an election under paragraph (h) below, payment of the Aitken Option Exercise Price for each Aitken Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

An Aitken Option Notice of Exercise is only effective on and from the later of the date of receipt of the Aitken Option Notice of Exercise and the date of receipt of the payment in cleared funds of the Aitken Option Exercise Price (or election to exercise by way of cashless exercise under paragraph (h)) for each Aitken Option being exercised (**Aitken Option Exercise Date**).

(h) **Cashless Exercise**

On delivery of an Aitken Option Notice of Exercise, the Holder may elect to exercise the Aitken Options by way of cashless exercise, in which case:

- (i) the Holder will not be required to pay the Aitken Option Exercise Price for the Aitken Options in cleared funds; and
- (ii) the Company will only issue or transfer that number of Shares to the Holder that have a value equal to the then total market value of the Shares that would have been issued or transferred to the Holder if the Aitken Options had been exercised other than by way of cashless exercise, less the total amount of the Aitken Option Exercise Price that would otherwise have been payable on exercise of the Aitken Options (with the number of Shares rounded down).

(i) **Change in control**

- (i) If prior to an Aitken Option Vesting Condition being met, a Takeover Event occurs, then each unvested Aitken Option will automatically and immediately vest and the relevant Aitken Option Vesting Condition will be deemed to have been satisfied.
- (ii) A "Takeover Event" means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where the holders of at least 50% of the ordinary shares in the Company accept the bid and such bid is free of conditions or a court grants an order approving a compromise or scheme

where the ordinary shares in the Company are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).

(j) **Timing of issue of Shares on exercise**

Subject to paragraph (k), within 10 business days after the later of the following:

- (i) the Aitken Option Exercise Date, if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act; and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the Aitken Option Exercise Date,

the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Aitken Options specified in the Aitken Option Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Aitken Options.

(k) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Aitken Options and receipt of Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Aitken Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Aitken Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Aitken Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of Aitken Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(l) **Shares issued on exercise**

Shares issued on exercise of the Aitken Options rank equally with the then issued shares of the Company.

(m) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Aitken Options.

(n) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Aitken Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(o) **Participation in new issues**

There are no participation rights or entitlements inherent in the Aitken Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Aitken Options without exercising the Aitken Options.

(p) **Change in exercise price**

An Aitken Option does not confer the right to a change in Aitken Option Exercise Price or a change in the number of underlying securities over which the Aitken Option can be exercised.

(q) **Unquoted**

The Company will not apply for quotation of the Aitken Options on ASX.

(r) **Transferability**

The Aitken Options are non-transferable.

5.9 Interests of Directors, experts and advisors

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

- (i) Director or proposed Director;
- (ii) 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;
- (iii) promoter of the Company; or
- (iv) financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offers 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 Offers.

(b) Other than as detailed in **Section 5.10** 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 Offers 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 Offers.

5.10 Details of interests

(a) **Directors' security holdings**

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

Director	Security
James Tsiolis	<p>107,058,038 Shares, being:</p> <ul style="list-style-type: none"> • 16,875,000 Shares held by James Tsiolis in his personal capacity; • 80,325,000 Shares held by Alpha First Pty Ltd, of which James Tsiolis is a shareholder, beneficiary and director; and • 9,858,038 Shares held by Strategic Capital Management Ltd, of which James Tsiolis is a shareholder, beneficiary and director. <p>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.</p> <p>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.</p> <p>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.</p>
Hualin Zhang	<p>10,000,000 unlisted Options in the following tranches:</p> <ol style="list-style-type: none"> a) 2,500,000 Options with an exercise price of \$0.10 each; b) 2,500,000 Options with an exercise price of \$0.15 each; c) 2,500,000 Options with an exercise price of \$0.20 each; and d) 2,500,000 Options with an exercise price of \$0.25 each. <p>Each Option will have an expiry date of 1 September 2023.</p>
Grant Booker	<p>57,500,000 Shares, being:</p> <ul style="list-style-type: none"> • 37,500,000 Shares held by Trans-Forming Investments Pty Ltd, of which Mr Booker is a director and majority shareholder; and • 20,000,000 Shares held by Booker Super Services Pty Ltd, of which Mr Booker and his spouse are directors and each a 50% shareholder. <p>Mr Booker also has the right, subject to shareholder approval, to be issued 10,000,000 unlisted Options in the following tranches:</p> <ol style="list-style-type: none"> a) 2,500,000 Options with an exercise price of \$0.10 each; b) 2,500,000 Options with an exercise price of \$0.15 each; c) 2,500,000 Options with an exercise price of \$0.20 each; and d) 2,500,000 Options with an exercise price of \$0.25 each. <p>Each Option will have an expiry date of 1 September 2023 and will be subject to certain vesting conditions.</p>
Geoff Raby	<p>10,000,000 unlisted Options in the following tranches:</p> <ol style="list-style-type: none"> e) 2,500,000 Options with an exercise price of \$0.10 each; f) 2,500,000 Options with an exercise price of \$0.15 each; g) 2,500,000 Options with an exercise price of \$0.20 each; and h) 2,500,000 Options with an exercise price of \$0.25 each. <p>Each Option will have an expiry date of 1 September 2023.</p>

James Stickland	<p>10,000,000 unlisted Options in the following tranches:</p> <p>a) 2,500,000 Options with an exercise price of \$0.10 each;</p> <p>b) 2,500,000 Options with an exercise price of \$0.15 each;</p> <p>c) 2,500,000 Options with an exercise price of \$0.20 each; and</p> <p>d) 2,500,000 Options with an exercise price of \$0.25 each.</p> <p>Each Option will have an expiry date of 1 September 2023.</p>
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(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. Mr Tsiolis was paid a cash bonus of \$690,000 for the financial year ended 30 June 2019, and no bonus award or determination has been made by the Board in respect of the last financial year. As announced in April 2020, certain Directors and executives of the Company accepted reductions to their base salaries of 50% for a period of six months. Mr Tsiolis' Base Salary was therefore \$360,000 per annum until 1 November 2020 (pro rata for that period). Mr Tsiolis was paid \$388,500 in FY19, \$1,371,003 in FY20, and \$240,000 so far in FY21 as at the date of this Prospectus.

As an Executive Director, Mr Hualin Zhang is paid \$150,000 per annum, remitted quarterly in arrears. As mentioned above, Mr Zhang accepted a salary cut of 50% until 1 October 2020, during which time he was paid \$75,000 per annum (pro rata for that period). Mr Zhang was paid \$50,000 in FY19, \$131,250 in FY20, and \$18,750 so far in FY21 as at the date of this Prospectus.

As a non-executive Director, Mr Grant Booker is paid \$90,000 in director fees per annum. Mr Booker joined the Company on 16 October 2020 and as he is paid quarterly in arrears, he has not yet been paid in respect of FY21.

As a non-executive Director, Dr Geoff Raby is paid \$90,000 in director fees per annum. Dr Raby joined the Company on 8 September 2020 and as he is paid quarterly in arrears, he has not yet been paid in respect of FY21.

As a non-executive Director, Mr James Stickland is paid \$90,000 in director fees per annum. Mr Stickland joined the Company on 8 September 2020 and as he is paid quarterly in arrears, he has not yet been paid in respect of FY21.

(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 has been 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 paid an amount of \$22,000 to Alpha First Pty Ltd for the financial year ended 30 June 2021 for provision of a credit line to the business.

(d) **EverBlu arrangements**

EverBlu is engaged to act as the Company's corporate adviser and lead manager in relation to the Placement. Fees payable to Everblu in respect to the Placement are detailed in Section 2.1.

As detailed in the announcement released to the market on 24 April 2020, on 18 November 2019, the Company entered into a capital raising mandate with EverBlu (**EverBlu Mandate**), pursuant to which EverBlu has been entitled to the following fees:

- i. an initial monthly retainer fee of \$10,000 (plus GST) which increased to \$25,000 (plus GST) after the first successful debt and/or equity capital raising (which was announced on 10 December 2019) until the end of the EverBlu Mandate term;
- ii. a 6% fee on the gross proceeds raised under a transaction (comprising a 4% capital raising fee and a 2% management fee); and
- iii. the issue of the following securities on signing of the EverBlu Mandate:
 - A. 1,000,000 Shares (issued on 12 December 2019);
 - B. 20,000,000 unlisted Options exercisable at \$0.20 each and 20,000,000 Options exercisable at \$0.25 each, each expiring 3 years from the date of issue. EverBlu and the Company subsequently agreed that these Options would not be issued; and
- iv. the following securities on completion of each debt and/or equity capital raising:
 - A. 1 Share for every \$2 raised under a capital raising; and
 - B. 1 Option for every \$4 raised under a capital raising, with the exercise price to be a 100% premium to the share issue price under the relevant transaction (or as negotiated at the time of each transaction).

Total fees and benefits payable, paid or given to EverBlu in the past two years are as follows:

Date	Description	Number of Shares	Number of Options	Cash
29 November 2019	Monthly retainer for November 2019	-	-	\$11,000
6 December 2019	Monthly retainer for December 2019	-	-	\$27,500
6 December 2019	Capital raising fee for capital raising announced on 5 December 2019	-	-	\$201,800 ¹
12 December 2019	Shares issued to EverBlu for capital raising announced on 10 December 2019 and pursuant to EverBlu Mandate – See Appendix 2A dated 12 December 2019	3,000,000 ²	-	-
1 January 2020	Monthly retainer for January 2020	-	-	\$27,500
16 January 2020	Monthly retainer for February 2020	-	-	\$27,500
23 January 2020	Shares issued to EverBlu for capital raising announced on 24 December 2019 – See Appendix 2A dated 23 January 2020	9,612,505 ³	-	-

23 January 2020	Shares issued to EverBlu in lieu of other advisory fees – See Appendix 2A dated 23 January 2020	2,403,120 ^{4,8}	-	-
23 January 2020	Shares issued to EverBlu in lieu of research services fee – See Appendix 2A dated 23 January 2020	115,385 ^{5,8}	-	\$1,500 ⁸
20 February 2020	Shares issued to EverBlu for capital raising announced on 14 February 2020 – See Appendix 2A dated 20 February 2020	7,044,230 ⁶	1,250,000 ⁶	-
20 February 2020	Shares issued to EverBlu in lieu of other advisory fees – See Appendix 2A dated 20 February 2020	9,350,000 ^{7,8}	-	-
1 March 2020	Monthly retainer for March 2020	-	-	\$27,500
1 April 2020	Monthly retainer for April 2020	-	-	\$27,500
7 May 2020	Corporate advisory services for May 2020	-	-	\$110,000
24/28 September 2020	Shares issued to EverBlu as lead manager fees in connection with the convertible note raising undertaken pursuant to the Prospectus announced 17 September 2020	12,923,132	-	-
22 December 2020	Shares issued to EverBlu in lieu of other advisory fees – See Appendix 2A dated 22 December 2020 ⁹	3,500,000	-	-
22 December 2020	Shares issued to EverBlu as fees in connection with the capital raising announced on 17 December 2020 – See Appendix 2A dated 22 December 2020 ¹⁰	16,115,039	4,057,520	\$96,690 ¹⁴
Due and payable	GST payable on the lead manager fees paid by the issue of Shares on 24/28 September 2020			\$74,954 ¹²
Due and payable	Monthly retainer for the 8 month period from May 2020 to December 2020	-	-	\$220,000 ¹³
Due and payable	Corporate advisory services for the period July 2020 to December 2020 ¹¹	-	-	\$805,860 ¹³
Total fees paid or payable to EverBlu for the period two years prior to the date of this Prospectus		64,063,411	5,307,520	1,659,304

Notes:

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

3. These are the Shares issued in connection with fees associated with the \$8m capital raising announced on 24 December 2019, comprising 4,800,000 Shares in respect of the 6% capital raising fee of \$528,000 settled in Shares at \$0.11 per share and 4,812,505 Shares as a success fee (inc GST) at \$0.11 per share on the basis of 1 share for every \$2 raised.
4. \$264,343 of advisory fees settled through the issue of 2,403,120 Shares at \$0.11 per share. The advisory fees related to the investor relations initiatives and market segment research and marketing services provided by EverBlu. These advisory services were provided outside the scope of the EverBlu Mandate and were required by NetLinkz as it required independent expertise for the provision of these services.
5. \$15,000 of research fees settled through the issue of 115,385 Shares at an issue price of \$0.13 per share. The research fees were outside the scope of the EverBlu Mandate and related to a research note prepared by EverBlu. NetLinkz paid the research fee to EverBlu to produce the research note as part of NetLinkz's investor relations activities. On 23 January 2020, Netlinkz' Share price was \$0.125 per Share.
6. These are the Shares issued in connection with fees associated with the \$4.5m capital raising announced on 14 February 2020, comprising 4,569,230 Shares in respect of the 6% capital raising fee of \$297,000 settled in Shares at \$0.065 per share and 2,475,000 Shares (inc GST) and 1,250,000 options as a success fee at \$0.065 per share on the basis of 1 share for every \$2 raised and 1 option for every \$4 raised. On 20 February 2020, Netlinkz' Share price was \$0.066 per Share.
7. \$607,750 of advisory fees settled through the issue of 9,350,000 Shares at \$0.065 per share. The advisory fees related to the corporate transaction advisory services, opportunity analysis and investor relations services provided by EverBlu. These advisory services were provided outside the scope of the EverBlu Mandate and were required by NetLinkz as it required independent expertise for the provision of these services.
8. These fees were paid to EverBlu outside of the scope of the EverBlu Mandate and were not previously announced by NetLinkz.
9. Subject to Shareholder approval, the Company will also issue to Everblu 1,750,000 free attaching Options on the same terms as the Placement Options.
10. Subject to Shareholder approval, the Company will also issue to Everblu 4,000,000 free attaching Options on the same terms as the Placement Options.
11. The Company has agreed to pay \$805,860 (including GST) to EverBlu in respect of out-of-scope services provided to the business since July 2020 which included assistance with the negotiation of the Lind and CST deed of settlement and release; conducting negotiations and strategic due diligence on behalf of the Company in relation to the potential dual listing of the Company on foreign stock exchanges; debt proposals and analysis; identification of alternative forms of financing; identification of potential acquisition targets; corporate consulting; and, business development. These services were provided outside the scope of the EverBlu Mandate and were provided to the Company at the request of Netlinkz as it required independent expertise for the provision of these services.
12. To be paid via funds raised under the Placement (refer to Section 3.5).
13. A proportion of the fees payable, being \$293,260, will be paid via funds raised under the Placement (refer to Section 3.5) and the remaining amount, being \$732,600, will be paid via funds received following the exercise of the Options held by Anglo Menda Pty Ltd (refer to Section 2.1).
14. GST amount currently due and payable, to be paid via funds raised under the Placement (refer to Section 3.5).
15. All amounts quoted in the above table are inclusive of GST.

(e) **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 of Strategic Capital Management Ltd holds 5,500,000 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.

5.11 Market Prices of Shares on ASX

The highest and lowest closing market sale prices of the Company's Shares on ASX during the twelve (12) months immediately preceding the date of this Prospectus and the respective dates of those highest and lowest closing market sale prices were A\$0.13 on 24 December 2019 and A\$0.036 on 22, 25 and 26 May 2020.

The latest available market sale price of the Company's Shares on ASX at the close of trading on 21 December 2020 (the date prior to the date of this Prospectus) was A\$0.052.

Investors are cautioned that historical Share trading prices are no guide as to future prices and the Directors make no forecast of future Share prices.

The Options will not be in a class of quoted securities and therefore there is no sale price history for the Options.

5.12 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 Offers 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 Offers in the form and context in which it is named.

EverBlu Capital Pty Ltd has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as lead manager and corporate advisor to the Company in respect of the Placement in the form and context in which it is named.

(b) Basis of consents

Each of the persons named as providing consents above:

- (i) did not authorise or cause the issue of this Prospectus;
- (ii) 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 5.12**; and
- (iii) 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 detailed in this Prospectus with the consent of that party as specified in this **Section 5.12**.

5.13 Estimated expenses of the Offers

The total estimated expenses of the Offers including legal fees, ASX and ASIC fees and other miscellaneous expenses are estimated to be \$48,206 (exclusive of GST).

5.14 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.

5.15 Governing law

The information in this Prospectus, the Offers, and the contracts formed on acceptance of the Application Forms by the Company are governed by the law applicable in New South Wales, Australia. Any person who applies for any of the Shares or Options the subject of the Offers submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6. 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.

7. DEFINITIONS

Definitions used in this Prospectus are as follows:

2020 AGM has the meaning given to that term in **Section 3.3**.

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

Aitken means Sandy Aitken.

Aitken Employment Agreement has the meaning given to that term in **Section 3.2**.

Aitken Engagement has the meaning given to that term in **Section 3.2**.

Aitken Offer has the meaning given to that term in **Section 2.2(b)(iii)**.

Aitken Options means the Options with the terms and conditions detailed in **Section 5.8**.

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

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

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

Application Form means an application form attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

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

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

Broker Offer has the meaning given to that term in **Section 2.2(i)**.

Broker Options means the Options with the terms and conditions detailed in **Section 5.6**.

CHESS means ASX Clearing House Electronic Sub-register System.

Cleansing Offer has the meaning given to that term in **Section 2.2(a)**.

Closing Date means the date that the Offers close which is 5.00pm (Sydney time) on 23 December 2020 or such other time and date as the Directors determine.

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

Constitution means the constitution of the Company.

Convertible Note Offset Shares has the meaning given to that term in **Section 2.1**.

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

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

Director means a director of the Company.

EverBlu means EverBlu Capital Pty Ltd ACN 612 793 683.

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

FY2019 means the financial year ended 30 June 2019.

FY2020 means the financial year ended 30 June 2020.

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

Group means the Company and its Related Bodies Corporate.

iLinkAll means Beijing iLinkAll Science and Technology Co. Ltd.

IoT means internet of things.

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

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

Loan Offset has the meaning given to that term in **Section 2.1**.

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

New Shares has the meaning given to that term in **Section 1**.

Offers means the Cleansing Offer and the Other Offers.

Official List means the official list of the ASX.

Official Quotation means official quotation on the ASX.

Opening Date means 9:00am (Sydney time) on 22 December 2020 or such other time and date as the Directors determine.

Option means an option to subscribe for a Share.

Other Offers means the Broker Offer, Tanaka Offer and the Aitken Offer.

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

Placement Options has the meaning given to that term in **Section 2.1**.

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

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

Prospectus means this prospectus.

Prospectus Date means 22 December 2020.

Related Body Corporate has the meaning given to that term by the Corporations Act.

RMB means renminbi, the currency of China.

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

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

Shareholder means a holder of one or more Shares.

Tanaka means Masamichi Tanaka.

Tanaka Employment Agreement has the meaning given to that term in **Section 3.2**.

Tanaka Engagement has the meaning given to that term in **Section 3.2**.

Tanaka Offer has the meaning given to that term in **Section 2.2(b)(ii)**.

Tanaka Options means the Options with the terms and conditions detailed in **Section 5.7**.