



**Netlinkz**

**Netlinkz Limited**

**ACN 141 509 426**

# **Entitlement Offer Prospectus**

1 for 4.2 pro-rata non-renounceable entitlement offer to Eligible Shareholders at the Offer Price of \$0.025 per New Share to raise up to \$15.0 Million (before costs) (**Entitlement Offer**)

Eligible Shareholders may also apply for Additional New Shares under the Oversubscription Facility. The Entitlement Offer is fully underwritten by Shaw and Partners Limited.

This Prospectus also contains an offer of 10,000 New Shares at an Offer Price of \$0.025 per New Share to raise up to \$250 (**Cleansing Offer**)

**The Retail Entitlement Offer closes at 5.00pm (AEST) on  
Wednesday, 2 June 2021 (unless extended)**

**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.**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

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# IMPORTANT INFORMATION

## General

The Prospectus is dated 11 May 2021 and a copy of this Prospectus was lodged with ASIC on that date. None of ASIC, ASX or their respective officers takes 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 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 5.1** for further information.

No New Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

It is important that you read this Prospectus carefully and in full before deciding whether to subscribe for New Shares and invest in the Company. In particular, you should consider the risk factors set out in **Section 4** which could affect the financial performance of the Company in light of your personal circumstances (including financial and taxation issues).

## Interpretation

In this Prospectus:

- a reference to “the Company”, “we”, “our” or “us” is to Netlinkz Limited ACN 141 509 426;
- a reference to “you” or “your” is to a person to whom an Offer is made and, where the context permits, any professional adviser of such person;
- a reference to “Section” is to a section of this Prospectus;

- the words “include”, “including”, “for example”, “such as” and similar expressions are not used as words of limitation and, when introducing specific examples, do not limit the meaning of the words to which those examples relate or examples of a similar kind; and
- headings, boldings, italics and underlines are for convenience only and do not affect the interpretation of this Prospectus.

## Defined terms

Some of the terms used in this Prospectus have defined meanings. These are capitalised and are defined in **Section 7**.

## Electronic Prospectus

A read-only version of the Prospectus is available on the Company’s website at [www.netlinkz.com/prospectus](http://www.netlinkz.com/prospectus). Acceptances 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 or New Zealand resident and must only access the Prospectus from within those jurisdictions. The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance 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 Entitlement and Acceptance 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 Entitlement and Acceptance Form. The Company will not accept a completed Entitlement and Acceptance 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 **Section 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 to be issued pursuant to the Offers.

## Disclaimer

No person is authorised to give any information or make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Board or any other person in connection with the Offers.

An investment in the New Shares should be considered speculative. Refer to **Section 4** for details of the key risks applicable to an investment in the Company.

Except to the extent required by law, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company, the payment of a return on the Shares (including New Shares) or the future value of the Shares (including New Shares). The business, financial condition, operating results and prospects of the Company may change after the date of this Prospectus. You should be aware that past performance is not indicative of future performance. Any new or change in circumstances that arise after the date of this Prospectus will be disclosed by the Company to the extent required and in accordance with the Corporations Act.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the 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 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

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

## Notice to U.S. residents

The Offers do not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act). These New Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the New Shares in the United States of America.

## Notice to New Zealand persons

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## 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 **Section 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 Entitlement and Acceptance 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.

## Currency and time

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.

## Trading in New Shares

To the maximum extent permitted by law, the Company, the Underwriter and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, employees, agents, advisers or representatives, will have no responsibility, and disclaim all liability, to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or its Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are entitled to.

If you are in doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

## No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

## **CORPORATE DIRECTORY**

### **Directors**

Stephen Gibbs (Non-executive Chairman)  
James Tsiolis (Executive Director & CEO)  
Hualin Zhang (Non-executive Director)  
Grant Booker (Non-executive Director)  
Geoff Raby AO (Non-executive Director)  
James Stickland (Non-executive Director)

### **Company Secretary**

Guy Robertson

### **Registered Office**

65 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](http://www.netlinkz.com)

## KEY DATES

Event	Date
Request for trading halt	11 May 2021
Announcement of Entitlement Offer Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX Institutional Entitlement Offer opens Cleansing Offer opens	11 May 2021
Institutional Entitlement Offer	12 May 2021
Announcement of results of Institutional Entitlement Offer Trading halt lifted	13 May 2021
Record Date for Retail Entitlement Offer	13 May 2021
Despatch of Prospectus and personalised Entitlement and Acceptance Forms to Eligible Retail Shareholders	18 May 2021
Retail Entitlement Offer opens	18 May 2021
Settlement of Institutional Entitlement Offer	20 May 2021
Issue and quotation of New Shares issued under Institutional Entitlement Offer	21 May 2021
Retail Entitlement Offer closes	2 June 2021
Issue of New Shares under Retail Entitlement Offer	9 June 2021
Despatch of holding statements	11 June 2021
New Shares issued under the Retail Entitlement Offer anticipated to trade on a normal basis	11 June 2021
General Meeting of Company	10 June 2021
Cleansing Offer closes	11 June 2021

Other than the date of the request for trading halt and lodgement of this Prospectus, the above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the closing dates, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include closing an Offer early, extending an Offer or accepting late acceptances, either generally or in particular cases. Any extension of a closing will have a consequential effect on the date for the issue of New Shares under the Offers. The commencement of quotation of New Shares is subject to confirmation from ASX. The Company will consult the Underwriter in relation to any change to this indicative timetable.

In addition, the Directors may withdraw any Offers at any time and may determine not to issue part or all of the securities pursuant to the Offer. In that event, any payments received for Applications will be returned in full without interest.

# CHAIRMAN'S LETTER

11 May 2021

Dear Shareholder

The Board is pleased to offer Eligible Shareholders the opportunity to participate in the Company's 1 for 4.2 pro-rata accelerated non-renounceable entitlement offer to raise up to a maximum of \$15.0 million (before costs)<sup>1</sup> (**Entitlement Offer**). The Entitlement Offer is fully underwritten by Shaw and Partners Limited.

## Details of the Entitlement Offer

The Entitlement Offer comprises:

- an Institutional Entitlement Offer; and
- a Retail Entitlement Offer.

All Eligible Shareholders will be entitled to subscribe for 1 fully paid ordinary share in the Company (**New Share**) for every 4.2 Shares that they hold.

The price payable on application for each New Share is \$0.025, which represents a discount of 13.8% to the most recent closing price of Shares of ASX on 10 May 2021, being the last day upon which Shares were traded on ASX prior to the date of this Prospectus.

New Shares issued under the Offer will rank equally with existing Shares from the date of issue of the New Shares.

The number of New Shares for which Eligible Retail Shareholders are entitled to subscribe for under the Retail Entitlement Offer is set out in their personalised Entitlement and Acceptance Form that will accompany this Prospectus when it is dispatched to Eligible Retail Shareholders on 18 May 2021.

Eligible Institutional Shareholders will be provided a letter from the Underwriter together with a copy of this Prospectus which will set out that Eligible Institutional Shareholder's Entitlement along with instructions on how to accept that Entitlement.

The Institutional Entitlement Offer will be undertaken on 12 May 2021.

The Retail Entitlement Offer is open from 18 May 2021 and is currently scheduled to close at 5.00pm (AEST) on 2 June 2021. Any variation of the Closing Date will be announced by the Company on the ASX.

Eligible Shareholders that take up their full Entitlement are also invited, if they wish, to subscribe for Additional New Shares in the Oversubscription Facility (see **Sections 1.4 and 3.4** for details). Additional New Shares will be placed at the discretion of the Board. Directors of the Company are not entitled to participate in the Oversubscription Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. This means that Eligible Shareholders who do not take up their full Entitlement will receive shares for those Entitlements accepted and their percentage holding in the Company will be reduced.

The Entitlement Offer is fully underwritten by Shaw and Partners Limited. The terms of the underwriting are set out in **Section 1.8**.

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<sup>1</sup> The actual cash amount to be raised before costs will be approximately \$13.1 million as certain Shareholders applying for New Shares in the Entitlement Offer have agreed with the Company to offset a total of \$1.9 million in loans owing by the Company to these Shareholders against the Application Amount payable by these Shareholders for their New Shares. See Section 2.1.



### Purpose of the Entitlement Offer

As outlined in this Prospectus, the purpose of the Entitlement Offer is to raise up to \$15.0 million (before costs)<sup>2</sup> in order to fund:

- expansion capital investment in China;
- general working capital expenditure;
- repayment of outstanding Convertible Notes;
- short term repayment of loan arrangements; and
- costs of the Offers.

### Actions for Shareholders

The Directors encourage intending Applicants to read this Prospectus in its entirety, taking particular note of the key risk factors associated with an investment in the Company outlined in **Section 4** of this Prospectus, before making any decision as to whether to further invest in the Company. You should seek professional investment advice if you have any queries in relation to the Offers.

Further information about the Group and its operations is contained in publicly available documents lodged by the Company with ASX and ASIC. This Prospectus should be read in conjunction with this material.

To participate in the Retail Entitlement Offer, please ensure that you return your completed Entitlement and Acceptance Form, and the relevant Application Amount, to the Share Registry by the close of the Retail Entitlement Offer, which is currently scheduled to occur at 5.00pm (AEST) on 2 June 2021. You can accept by paying your Application Amount via BPAY® or electronic funds transfer (**EFT**). If you choose to pay via BPAY® or EFT you are not required to submit the Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that form and representations outlined below in **Section 3.14**. Detailed payment instructions are set out in the personalised Entitlement and Acceptance Form that accompanies this Prospectus.

The Board takes this opportunity to thank all Shareholders for your support. The Board looks forward to your continued support in the future.

Yours faithfully



Stephen Gibbs  
Non-Executive Chairman

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<sup>2</sup> See footnote 1.

## INVESTMENT OVERVIEW

Question	Answer	Further Information
Who is the issuer of this Prospectus?	Netlinkz Limited (ACN 141 509 426)	N/A
What are the Offers?	<p>1 for 4.2 pro-rata non-renounceable entitlement offer to Eligible Shareholders at the Offer Price of \$0.025 per New Share to raise up to \$15.0 Million (before costs)<sup>3</sup> (<b>Entitlement Offer</b>).</p> <p>The Entitlement Offer comprises two components:</p> <ul style="list-style-type: none"> <li>an accelerated offer to Eligible Institutional Shareholders, expected to comprise the issue of up to 68,956,537 New Shares to raise up to \$1,723,913 before costs and which is due to settle on 20 May 2021 (<b>Institutional Entitlement Offer</b>); and</li> <li>an offer to Eligible Retail Shareholders, expected to comprise the issue of up to 530,209,793 New Shares to raise up to \$13,255,245 before costs (<b>Retail Entitlement Offer</b>).</li> </ul> <p>Eligible Shareholders may also apply for Additional New Shares under the Oversubscription Facility. The Entitlement Offer is fully underwritten by Shaw and Partners Limited.</p> <p>This Prospectus also contains an offer of 10,000 New Shares at an Offer Price of \$0.025 per New Share to raise up to \$250 (before costs) (<b>Cleansing Offer</b>).</p>	Sections 1.1, 1.4, 1.5 and 1.8
What is the purpose of the Offers and how will the funds raised be used?	<p>The purpose of the Offers is to raise capital to fund:</p> <ul style="list-style-type: none"> <li>the expansion capital investment in China;</li> <li>general working capital expenditure on administration costs, research and development, marketing and costs of sales in APAC (excluding China), Europe, North America and the Middle East;</li> <li>the repayment of outstanding Convertible Notes;</li> <li>the short term repayment of loan arrangements; and</li> <li>the costs of the Offers and adviser fees.</li> </ul>	Section 2.1
Who is eligible to participate in the Offers?	<p>The Institutional Entitlement Offer is made to Shareholders to whom the Company with agreement of the Underwriter reasonably believes are able to be offered New Shares under applicable laws without the need for any disclosure document, registration, qualification, filing or other formality (other than a registration or formality which the Company is willing to comply with), including, in Australia, a person who is either a Professional Investor or a Sophisticated Investor (<b>Institutional Shareholders</b>), but who is not an Ineligible Institutional Shareholder.</p> <p>An Ineligible Institutional Shareholder is a Shareholder that:</p> <ul style="list-style-type: none"> <li>is, or the person for whom it holds Shares is, outside the Permitted Jurisdictions to which the Institutional Entitlement Offer will be extended and who is an</li> </ul>	Sections 1.2 and 1.5

<sup>3</sup> See footnote 1.

	<p>Institutional Investor (or who, if in Australia, would, in the opinion of the Underwriter, be likely to be an Institutional Investor);</p> <ul style="list-style-type: none"> <li>• is in the United States or a US Person, or is, or is acting for the account or benefit of, a person in the United States or a US Person; or</li> <li>• the Underwriter and the Company have determined will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer,</li> </ul> <p>unless otherwise agreed by the Underwriter and the Company.</p> <p>The Retail Entitlement Offer is made to Shareholders:</p> <ul style="list-style-type: none"> <li>• who are on the Register as at the Record Date;</li> <li>• whose registered address is in Australia or New Zealand;</li> <li>• who are not in the United States or a US Person and is not, and is not acting for the account or benefit of, a person in the United States or a US Person;</li> <li>• who are not an Institutional Shareholder (unless the Underwriter has agreed, in its absolute discretion, that an Institutional Shareholder who was invited to participate in the Institutional Entitlement Offer may defer their participation to the Retail Entitlement Offer) or an Ineligible Institutional Shareholder; and</li> <li>• who are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.</li> </ul> <p>The Cleansing Offer is only extended to specific parties on invitation from the Directors.</p>	
<p><b>What is the issue price for the New Shares?</b></p>	<p>The New Shares under the Entitlement Offer are being offered at an issue price of \$0.025 per Share (<b>Offer Price</b>). The Offer Price represents a discount of 13.8% to the most recent closing price of Shares on ASX on 10 May 2021, being the last day on which Shares were traded on ASX prior to the date of this Prospectus.</p> <p>The New Shares offered under the Cleansing Offer are also being offered at an issue price of \$0.025 per Share.</p>	<p>Sections 1.1 and 1.5</p>
<p><b>What are the minimum and maximum amounts that will be raised under the Offers?</b></p>	<p>The maximum amount to be raised by the Offers is \$15.0 Million (before costs)<sup>4</sup>. There is no minimum amount to be raised under the Offers.</p>	<p>Sections 2.2 and 2.3</p>
<p><b>What is the effect of the Offers on the Company?</b></p>	<p>The effect of the Offers on the Company's cash reserves and issued capital will be to:</p> <ul style="list-style-type: none"> <li>• increase the cash held by the Company at the close of the Offers by approximately up to \$15.0 Million (before costs); and</li> <li>• increase the total number of Shares on issue from 2,516,498,584 to 3,115,674,914.</li> </ul>	<p>Sections 2.2 and 2.3</p>

<sup>4</sup> See footnote 1.

<p><b>What is the effect of the Offers on control of the Company?</b></p>	<p>The Offers are not expected to have any material effect on the control of the Company as Shareholders are restricted under the Corporations Act from acquiring New Shares that would increase their voting power in the Company to a level that is above 20%, unless they make an off-market takeover bid for all of the Shares in the Company or are able to rely on another statutory exception. As at the date of this Prospectus, the Directors are not aware of any proposal by any person to make a takeover bid for the Company.</p>	<p>Section 2.4</p>
<p><b>What is the maximum possible dilutionary effect of the Offers?</b></p>	<p>There are currently 2,516,498,584 Shares on issue.</p> <p>As the Entitlement Offer is fully underwritten, the Company expects 599,176,330 New Shares to be issued under the Offers, representing approximately 19.23% of the total Shares on issue.</p>	<p>Section 2.4</p>
<p><b>What are the key risks associated with an investment in the Company?</b></p>	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> <li>• The Company’s ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities, to meet short term payment obligations and to meet any unanticipated liabilities or expenses which the Company may incur may depend in the future on its ability to raise additional funds.</li> <li>• 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.</li> </ul> <p>For more information on these risks as well as information on other business risks the Group is exposed to and the general risks associated with an investment in the Company, please see <b>Section 4</b>.</p> <p>Please carefully consider these risks and the information contained in the other Sections before deciding whether or not to apply for New Shares.</p>	<p>Section 4</p>
<p><b>Is any brokerage, commission or stamp duty payable?</b></p>	<p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of New Shares under the Offers.</p>	<p>Section 1.3</p>
<p><b>What are the tax implications of investing in New Shares?</b></p>	<p>Shareholders may be subject to Australian tax on dividends and potentially capital gains tax on a future disposal. The tax consequences of any investment in New Shares (including Additional New Shares) will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to investing.</p>	<p>Section 1.14</p>
<p><b>What are the key dates of the Offers?</b></p>	<p>Please see page 7 of this Prospectus – “Key Dates”.</p>	<p>Page 7</p>
<p><b>Where can I find more information?</b></p>	<p>Questions relating to the Offers can be directed to the Company Secretary on +61 407 983 270 or via email at cosec@netlinkz.com.</p>	

# 1. DETAILS OF THE OFFERS

## 1.1 The Entitlement Offer

The Entitlement Offer consists of a pro-rata non-renounceable rights issue to Eligible Shareholders of 1 New Share for every 4.2 Shares held at an issue price of \$0.025 (2.5 cents) per New Share (**Offer Price**). The Offer Price represents a discount of 13.8% to the most recent closing price of Shares on ASX on 10 May 2021, being the last day on which Shares were traded on ASX prior to the date of this Prospectus.

If fully subscribed, the Entitlement Offer will raise approximately \$15.0 Million (before costs)<sup>5</sup>.

The proposed use of funds raised from the Entitlement Offer is set out in **Section 2.1**.

The Entitlement Offer comprises two components:

- an accelerated offer to Eligible Institutional Shareholders, expected to comprise the issue of up to 68,956,537 New Shares to raise up to \$1,723,913 before costs and which is due to settle on 20 May 2021 (**Institutional Entitlement Offer**); and
- an offer to Eligible Retail Shareholders, expected to comprise the issue of up to 530,209,793 New Shares to raise up to \$13,255,245 before costs (**Retail Entitlement Offer**).

## 1.2 Eligible Shareholders

**Eligible Institutional Shareholders** are Shareholders to whom the Company with the agreement of the Underwriter reasonably believes are able to be offered New Shares under applicable laws without the need for any disclosure document, registration, qualification, filing or other formality (other than a registration or formality which the Company is willing to comply with), including, in Australia, a person who is either a Professional Investor or a Sophisticated Investor (**Institutional Shareholders**), but who is not an Ineligible Institutional Shareholder.

An **Ineligible Institutional Shareholder** is a Shareholder that:

- is, or the person for whom it holds Shares is, outside the Permitted Jurisdictions to which the Institutional Entitlement Offer will be extended and who is an Institutional Investor (or who, if in Australia, would, in the opinion of the Underwriter, be likely to be an Institutional Investor);
- is in the United States or a US Person, or is, or is acting for the account or benefit of, a person in the United States or a US Person; or
- the Underwriter and the Company have determined will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer,

unless otherwise agreed by the Underwriter and the Company.

**Eligible Retail Shareholders** are Shareholders:

- who are on the Register as at the Record Date;
- whose registered address is in Australia or New Zealand;
- who are not in the United States or a US Person and is not, and is not acting for the account or benefit of, a person in the United States or a US Person;
- who are not an Institutional Shareholder (unless the Underwriter has agreed, in its absolute discretion, that an Institutional Shareholder who was invited to participate in the Institutional

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<sup>5</sup> See footnote 1.

Entitlement Offer may defer their participation to the Retail Entitlement Offer) or an Ineligible Institutional Shareholder; and

- who are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

### 1.3 Other key terms

The Entitlement Offer is non-renounceable. Accordingly, an Eligible Shareholder may not sell or transfer all or any part of their Entitlement. If you do not take up your Entitlement in full, your Shareholding in the Company will be diluted.

There is no minimum subscription to participate in the Entitlement Offer. Fractional entitlements will be rounded up to the nearest whole number of New Shares.

Eligible Shareholders may apply for Additional New Shares in excess of their Entitlement under the Oversubscription Facility described in **Sections 1.4** and **3.4**. Any New Shares not taken up may be issued to other Eligible Shareholders who have applied for Additional New Shares or third parties, as determined by the Board in consultation with the Underwriter.

The Entitlement Offer is underwritten by Shaw and Partners Limited (**Underwriter**) (see **Section 1.8**).

Eligible Shareholders will not be required to pay brokerage or stamp duty in respect of New Shares acquired under the Entitlement Offer.

The Retail Entitlement Offer opens on 18 May 2021 and is scheduled to close at 5.00pm (AEST) on Wednesday, 2 June 2021, subject to the Company's rights to extend the Retail Entitlement Offer, close the Retail Entitlement Offer early or withdraw the Retail Entitlement Offer. Entitlement and Acceptance Forms completed incorrectly or received after 5.00pm (AEST) on the Retail Entitlement Offer Closing Date may be rejected at the Board's discretion.

Cooling off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your Entitlement and Acceptance Form once it has been accepted.

### 1.4 Applying for more than your Entitlement – Oversubscription Facility

Eligible Shareholders may subscribe for New Shares in excess of their Entitlement under the Oversubscription Facility. Additional New Shares are offered under the Oversubscription Facility at the same price as the price of New Shares under the Offer, namely \$0.025 per Additional New Share.

The minimum investment size under the Oversubscription Facility is \$2,000 which is the equivalent of 80,000 Additional New Shares at \$0.025 per Additional New Share.

Refer to **Section 3.4** for further details. Please note that there is no guarantee that you will receive any Additional New Shares that you apply for.

### 1.5 Cleansing Offer

The Cleansing Offer is an offer of up to 10,000 New Shares at an issue price of \$0.025 per New Share, to raise up to \$250 (before costs).

The Cleansing Offer will only be extended to specific parties on invitation from the Directors.

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the closing date of the Cleansing Offer. In particular, the Cleansing Offer is intended to remove any on-sale restrictions that may affect the Shares which are intended to be issued as consideration for the cancellation of Options or rights to receive Options prior to the

closing date of the Cleansing Offer. Accordingly, the Company is seeking to raise only a nominal amount of \$250 under the Cleansing Offer as the purpose of the Cleansing Offer is not to raise capital.

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

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC 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; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

## 1.6 Rights and liabilities attaching to New Shares

The New Shares to be issued pursuant to the Offers are of the same class as and, from their allotment and issue, will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are summarised in **Section 5.5**.

## 1.7 Minimum subscription under the Offer

There is no minimum subscription under the Offers.

## 1.8 Underwriting

The Entitlement Offer is fully underwritten by Shaw and Partners Limited (ACN 003 221 583) (**Underwriter**).

On 11 May 2021, the Company entered into the Underwriting Agreement with the Underwriter to underwrite the New Shares.

The terms of the Underwriting Agreement are customary for the size, and risk associated with, the Entitlement Offer. The following is a summary of the key provisions of the Underwriting Agreement.

- (**Underwriting**) The Underwriter will underwrite the Entitlement Offer up to a maximum subscription price of \$15.0 Million, being 599,166,330 New Shares at a price of \$0.025 per New Share.
- (**Underwriting Fee**) In consideration for underwriting the Entitlement Offer the Company will pay a total fee of \$1,050,000 to the Underwriter, calculated as:
  - an underwriting fee equal to 3% of the Institutional Entitlement Offer proceeds;
  - a selling and management fee equal to 4% of the Institutional Entitlement Offer proceeds;
  - an underwriting fee equal to 3% of the Retail Entitlement Offer proceeds; and
  - a selling and management fee equal to 4% of the Retail Entitlement Offer proceeds.

- **(Reimbursement of costs)** The Company must also pay, or reimburse the Underwriter for reasonable costs, charges or expenses of and relating to the Entitlement Offers properly incurred by it.
- **(Conditions)** The obligations of the Underwriter under the Underwriting Agreement are conditional on the occurrence of certain events, including but not limited to the lodgement of this Prospectus with ASIC.
- **(Warranties and Undertakings)** Customary warranties and undertakings are given by the Company in relation to matters such as the power to enter into the Underwriting Agreement, corporate authority and approvals and the Company's compliance with the Corporations Act and Listing Rules in relation to the Entitlement Offers.
- **(Termination events)** The Underwriter may terminate the Underwriting Agreement by notice to the Company within a reasonable period of becoming aware of the happening of any of the following events:
  - **Events not qualified by materiality:**
    - **(Offer Document)** a statement in the Prospectus is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from the Prospectus (including without limitation, having regard to the provisions of Part 6D.2);
    - **(new circumstances)** there occurs a new circumstance that arises after the Prospectus is lodged with ASIC that would have been required to be included in the Prospectus if it had arisen before lodgement;
    - **(supplementary prospectus)** the Company:
      - issues or, in the reasonable opinion of the Underwriter, is required to issue a supplementary prospectus, in each case, to comply with section 719 of the Corporations Act; or
      - lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Underwriter in circumstances required under the Underwriting Agreement;
    - **(market fall)** at any time the S&P/ASX 300 Indices falls to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the Underwriting Agreement, and remains at or below that level for at least 2 consecutive business days;
    - **(future matters)** there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the Underwriter for any statement or estimate in the Prospectus which relate to a future matter;
    - **(fraud)** the Company or any of its respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Entitlement Offers;
    - **(quotation)** approval is refused or not granted, to the quotation of the New Shares, on ASX or for the New Shares, to be traded through CHESSE on or before the quotation date of the New Shares, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;



- **(regulatory action)**
  - ASIC makes an order under section 713(6) prohibiting the Company from issuing the Prospectus;
  - ASIC applies for an order under section 1324 or 1325 in relation to the Entitlement Offer or the Prospectus or gives notice of an intention to prosecute the Company or any of its directors;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Entitlement Offer or the Prospectus, or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Entitlement Offers or the Prospectus and any such application, investigation or hearing either:
    - becomes public; or
    - is not withdrawn within 2 business days after it is made or commenced, or where it is made or commenced less than 5 business days before the settlement dates of the Institutional Entitlement Offer or Retail Entitlement Offer it has not been withdrawn by these settlement dates, as the case may be. **(certificate not provided)** the Company does not provide a certificate confirming the accuracy of warranties and undertakings given in the Underwriting Agreement as and when required by the Underwriting Agreement;
- **(insolvency events)** a member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;
- **(Timetable)** an event specified in the Underwriting Agreement to occur by a certain time is delayed by more than one business day (other than any delay agreed between the Company and the Underwriter in accordance with the Underwriting Agreement);
- **(Listing)** the Company ceases to be admitted to the official list of the ASX or the Shares of the Company cease to be quoted on ASX;
- **(unable to issue New Shares)** the Company is prevented from allotting and issuing the New Shares within the time required by the Prospectus, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a governmental agency;
- **(change to the Company)** the Company:
  - other than under the Entitlement Offer or as permitted under the Underwriting Agreement, alters the issued capital of the Company or a member of the Group; or
  - disposes or attempts to dispose of a substantial part (directly or indirectly) of the business or property of the Company or a member of the Group,

without the prior written consent of the Underwriter;
- **(prosecution)** any of the following occur:
  - director of the Company is charged with an indictable offence;

- any governmental agency charges or commences any court proceedings or public action against the Company or any of its directors in their capacity as a director of the Company, or announces that it intends to take action; or
    - any director of the Company is disqualified from managing a corporation under Part 2D.6;
  - **(regulatory approvals)** if a regulatory body or government agency withdraws, revokes or amends any regulatory approvals required for the Company to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Prospectus and other offer documents; or
  - **(force majeure)** there is an event, occurrence or non-occurrence, or development of an existing event, occurrence or non-occurrence, which makes it illegal for the Underwriter to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of New Shares, or that causes the Underwriter to delay satisfying a material obligation under the Underwriting Agreement.
- **Events qualified by materiality:**
- **(other disclosures)** a statement in any of the public information is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from such public information (including without limitation, having regard to the provisions of Part 6D.2);
  - **(disclosures in the Due Diligence Report and any other information)** the due diligence report or verification material or any other information supplied by or on behalf of the Company to the Underwriter in relation to the Group or the Entitlement Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
  - **(breach of laws)** there is a contravention by the Company or any member of the Group of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act (any regulations under those acts), its constitution or any of the Listing Rules;
  - **(compliance with law)** the Prospectus or any aspect of the Entitlement Offer does not comply with the Corporations Act (and all regulations under that Act), its constitution, the Listing Rules or any other applicable law or regulation;
  - **(licences)** any licence, permit, authorisation or consent held by a Group Member that is necessary to conduct its business is revoked, withdrawn, rescinded, breached, terminated, altered or amended (other than with the consent of the Underwriter);
  - **(Encumbrance)** other than as disclosed in the Prospectus, any encumbrances existing as at the date of the Underwriting Agreement or in the ordinary course of business, the Company creates or agrees to create an encumbrance over the whole or a substantial part of its business or property;
  - **(representations and warranties)** a representation, warranty or undertaking or obligation contained in the Underwriting Agreement on the part of the Company is breached, becomes not true or correct or is not performed;
  - **(breach)** the Company defaults on any of its obligations under the Underwriting Agreement;
  - **(legal proceedings)** legal proceedings against a member of the Group or against any director of a Group Member in that capacity is commenced or threatened or

any regulatory body or government agency commences or threatens any enquiry or public action against a member of the Group;

- **(information supplied)** any information supplied by or on behalf of the Company to the Underwriter in respect of the Offers or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, China, Hong Kong, New Zealand, Singapore, the United Kingdom, any member state of the European Union or the United States, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- **(Certificate incorrect)** a statement in any certificate provided by the Company is false, misleading, inaccurate or untrue or incorrect; or
- **(disruption in financial markets)** any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, New Zealand, the United Kingdom or the United States is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in Australia, New Zealand, the United Kingdom or the United States, or in the foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on ASX, New York Stock Exchange or the London Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of one day) on which that exchange is open for trading.
- **Materiality:** the Underwriter may not terminate the Underwriting Agreement for an event qualified by materiality unless it has reasonable grounds to believe that the event:
  - has or is likely to have a materially adverse effect on the success, settlement or marketing of the Entitlement Offer or on the ability of the Underwriter to market or promote or settle the Entitlement Offer or on the likely price at which the New Shares will trade on ASX; or
  - the willingness of Shareholders or investors to subscribe for the New Shares; or
  - will, or is likely to, give rise to a liability of the Underwriter under, or give rise to, or result in, a contravention by the Underwriter or its affiliates, or the Underwriter or its affiliates being involved in a contravention of, any applicable law.

## 1.9 Proposed use of funds

The proposed use of the funds raised under the Offers is set out in **Section 2.1**.

## 1.10 Quotation

The Company will apply to the ASX for Official Quotation of the New Shares within 7 days of 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 this Prospectus, or such longer period permitted by the Corporations Act or with the consent of ASIC, the Offers will be withdrawn and the Company will not issue any New Shares and will refund all Application Amounts received for the New Shares by or on behalf of the Company, within the time prescribed by or otherwise permitted 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 ASX's view as to the merits of the Company or the New Shares. The ASX and its officers do not take any responsibility for this Prospectus or the investment to which it relates.

## 1.11 CHESS and issuer sponsorship

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

The Company will not issue a share certificate. Rather, a holding statement (similar to a bank statement) will be dispatched to each of the relevant holders as soon as practicable after allotment and issue of the New Shares. The holding statement will be sent either by CHESS (if the security holder elects to hold New Shares on the CHESS sub-register) or by the Company's Share Registry (if the security holder elects to hold New Shares on the issuer sponsored sub-register). The statement will set out details of the New Shares allotted and issued under this Prospectus and the Holder Identification Number (if the security holder elects to hold the New Shares on the CHESS sub register) or Shareholder Reference Number. 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.

## 1.12 Selling New Shares 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, the Company or the Share Registry.

## 1.13 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 Entitlement and Acceptance 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](mailto:privacy@computershare.com.au) or see its Privacy Policy at <http://www.computershare.com/au/help/Pages/privacy-policies.aspx>. For details on how the Company collects, stores, uses and discloses your personal information, please read the Company's privacy policy available at <https://netlinkz.com/privacy-policy/>.

## **1.14 Taxation**

Eligible Shareholders should be aware that there may be taxation implications associated with taking up their Entitlements and applying for New Shares (including any Additional New Shares). The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of applying for the New Shares offered under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences for individual Shareholders. It is the responsibility of an investor to satisfy itself of the particular taxation treatment that applies to it in relation to the Offers by consulting its professional tax advisers. The Company, its advisers, employees, Directors and agents do not accept any liability or responsibility in respect of any taxation consequences of investing in the Offers.

## **1.15 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 Entitlement and Acceptance Form provide the other terms and conditions of the Offers, which investors should read in full.

## **1.16 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 adviser without delay. Questions relating to the Offers can be directed to the Company Secretary on +61 407 983 270 or via email at [cosec@netlinkz.com](mailto:cosec@netlinkz.com).

## 2. PURPOSE AND EFFECT OF THE OFFERS

### 2.1 Use of funds

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

Indicative use of funds	Amount
Expansion capital investment in China over the next 9 months	\$5,000,000
General working capital expenditure on administration costs, research and development, marketing and costs of sales in APAC (ex. China), Europe, North America and the Middle East, over the next 9 months	\$5,749,161
Short term repayment of loan arrangements <sup>1</sup>	\$3,000,000
Repayment of outstanding Convertible Notes <sup>2</sup>	\$80,247
Underwriter, lead manager and adviser fees <sup>3</sup>	\$1,050,000
Costs of the Offers <sup>4</sup>	\$100,000
<b>Total</b>	<b>\$14,979,408</b>

Notes:

1. The Company intends to utilise the funds raised under the Offers to repay a proportion of the Company's loan arrangements, being an aggregate of \$3,000,000 (as at the date of this Prospectus). However, the Company has made provision in the use of funds for the repayment of all loans due for repayment on or before 31 December 2021. Refer to **Section 5.3** for details of the Company's existing loan arrangements.

2. The Company presently has 80,247 Convertible Notes on issue, with an aggregate face value of \$80,247. The Company intends to utilise the funds raised under the Offers to repay 80,247 Convertible Notes in the instance Noteholders elect to accelerate their redemption.

3. Refer to **Section 5.10** for further details in respect to the fees payable to the underwriter, lead manager and adviser.

4. Refer to **Section 5.10** 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.

### 2.2 Financial impact – Statement of Financial Position

The effect of the Offers will be to increase the cash held by the Company at the close of the Offers by approximately up to \$15.0 Million (before costs).

As at the day before the date of this Prospectus, the Company's consolidated group cash at bank balance is \$1.9 million (excluding at-call financial assets), with \$0.1 million immediately available in the Company's Australian bank accounts.

Set out below is:

- (a) the reviewed statement of financial position of the Company as at 31 December 2020; and
- (b) the unaudited pro forma statement of financial position of the Company as at 31 December 2020 incorporating the effect of completion of the Offers.

The pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

All amounts disclosed below are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

<b>A\$000's</b>	<b>Reviewed as at 31 December 2020</b>	<b>Adjusted as at 31 December 2020 (Unaudited)</b>	<b>Pro forma at 100% take up of the Offers (Unaudited)</b>
<b>Current assets</b>			
Cash and cash equivalents	4,980	4,980	18,810
Trade and other receivables	1,695	1,695	1,695
Other assets	2,164	2,164	2,164
<b>Total current assets</b>	<b>8,839</b>	<b>8,839</b>	<b>22,669</b>
<b>Non current assets</b>			
Property, plant and equipment	2	2	2
Investments	100	100	100
Right of use asset	172	172	172
Intangible assets	3,777	3,777	3,777
Goodwill	9,382	9,382	9,382
<b>Total non current assets</b>	<b>13,432</b>	<b>13,432</b>	<b>13,432</b>
<b>Total assets</b>	<b>22,272</b>	<b>22,272</b>	<b>36,101</b>
<b>Current liabilities</b>			
Trade and other payables	1,207	1,207	1,207
Employee benefits	248	248	248
Borrowings	4,846	4,846	4,846
Other current liabilities	3,419	3,419	3,419
<b>Total current liabilities</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Non current liabilities</b>			
Other non-current liabilities	45	45	45
<b>Total non current liabilities</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>Total liabilities</b>	<b>9,766</b>	<b>9,766</b>	<b>9,766</b>
<b>Net assets</b>	<b>12,506</b>	<b>12,506</b>	<b>26,335</b>
<b>Equity</b>			
Issued capital	103,659	105,076	119,006
Reserves	12,387	12,387	12,387
Accumulated losses	(103,747)	(105,164)	(105,265)
NCI	207	207	207
<b>Total equity</b>	<b>12,506</b>	<b>12,506</b>	<b>26,335</b>

Note: Sub-totals and totals may not add due to rounding.

The following transactions/events had not occurred prior to 31 December 2020 but have taken place before the Prospectus Date:

- 1) the issue of 28,350,000 Shares (subject to a 12 month escrow period) to a former corporate adviser pursuant to the Mandate Termination agreement (see ASX announcement 9 March 2021);
- 2) the potential issue of 10,822,381 Shares to a former corporate adviser on facilitation of the cancellation of options as outlined in the ASX announcement dated 9 March 2021. The issue will result in an increase of \$541,119 in Issued capital and an increase in Accumulated losses of an equivalent amount, an adjustment for which is not included above;
- 3) On 7 March 2021 the Company settled convertible notes in the amount \$846,298. The Company's current loan arrangements are set out in Section 5.3.

The pro forma statement of financial position has also been adjusted for:

- 4) the completion of the Offers raising \$15.0 million in cash;



- 5) costs of the Offers including underwriter fees of \$450,000 to be paid in cash to the underwriter, \$600,000 to be paid in lead manager fees and \$100,000 to be paid in cash to advisers in respect of professional fees.

### 2.3 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 4.2(a)** below, for further information.

Shares	Maximum raising	
	Number	% of Total Shares
Shares currently on issue as at the date of this Prospectus	2,516,498,584	80.77%
New Shares	599,176,330	19.23%
<b>Total Shares on issue after completion of the Offers</b>	<b>3,115,674,914</b>	<b>100%</b>

No new options or convertible notes are being issued under the Offers. The Options and Convertible Notes on issue in the Company as at the date of this Prospectus are as follows.

Options	Number
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
Unlisted NETO46 Options (exercisable at \$0.10, expiring 24 December 2023)	3,000,000
Unlisted NETO47 Options (exercisable at \$0.12, expiring 22 December 2023)	4,057,520
<b>Total Options on issue</b>	<b>242,887,340</b>

<b>Unlisted Convertible Notes</b>	
Tranche 1 Convertible Notes <sup>1</sup>	80,247
<b>Total Convertible Notes on issue</b>	<b>80,247</b>

Notes:

- Tranche 1 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.

<b>Performance Rights</b>	
To vest over a period of three years subject to hurdles	10,500,000
<b>Total Performance Rights on issue</b>	<b>10,500,000</b>

As outlined in a Notice of General Meeting to be released on or around 12 May 2021 the Company is seeking Shareholder approval for the cancellation of Options in consideration for the issue of new Shares.

In the event that all resolutions at that General Meeting are passed and all Option holders accept cancellation their Options, the capital structure of the Company after the close of the Offers will be as follows:

<b>Shares</b>	<b>Number</b>
Shares currently on issue as at the date of this Prospectus	<b>2,516,498,584</b>
New Shares (maximum raising)	599,176,330
Shares issued on cancellation of 109,887,340 Options <sup>1</sup>	46,012,221
Shares issued on cancellation of 139,519,156 rights to Options <sup>2</sup>	12,082,359
Shares to be issued to a former corporate adviser - option cancellation facilitation fee shares <sup>3</sup>	10,822,381
<b>Total Shares on issue after completion of the Offer</b>	<b>3,184,591,875</b>

<sup>1</sup> These Option holders have executed a deed agreeing to cancellation of their Options, subject to Shareholders approving the cancellation of the Options and the issue of Shares in consideration for the cancellation of the Options. In the event these Consideration Shares are issued, there will be an increase in issued capital and an increase in accumulated losses of \$2,300,611.

<sup>2</sup> Option holders have until 48 hours before the meeting to notify the Company that they wish to cancel their rights to receive Options in return for Shares. In the event these rights to Options are cancelled and these Shares are issued there will be an increase in issued capital of \$604,118.

<sup>3</sup> Refer to 9 March 2021 ASX Announcement for more information. In the event these Shares are issued there will be an increase in issued capital of \$541,119.

<b>Options</b>	<b>Number</b>
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 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 NETO46 Options (exercisable at \$0.10, expiring 24 December 2023)	3,000,000
<b>Total Options on issue after completion of the Offers</b>	<b>133,000,000</b>

<b>Unlisted Convertible Notes</b>	
Tranche 1 Convertible Notes	80,247
<b>Total Convertible Notes on issue</b>	<b>80,247</b>

<b>Performance rights</b>	
To vest over a period of three years subject to hurdles	10,500,000
<b>Total Performance Rights on issue</b>	<b>10,500,000</b>

## 2.4 Effect of the Offers on control of the Company

The Company's substantial holders and their respective interests in the Company as at the date of this Prospectus (as disclosed by the relevant substantial holder to the ASX) (**Substantial Holders**) are set out in the table below.

<b>Substantial Holder</b>	<b>Number of Shares before Offers</b>	<b>% Voting Power before Offers</b>
ARIE Manager Pty Ltd as trustee for the SCM Absolute Return International Equity Fund	277,919,124	11.17%

The possible effect that the issue of New Shares under the Offers will have on control and voting power in the Company are as follows:

- if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, the issue of Shares under the Offers will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer;
- in the event that the Entitlement Offer is undersubscribed, the Shareholdings of Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Entitlement Offer and Ineligible Shareholders who are unable to participate in the Entitlement Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement; and
- in respect of any New Shares not subscribed for under the Entitlement Offer, Eligible Shareholders will be entitled to apply to 'top up' their Shareholdings by subscribing for additional Shares under the Oversubscription Facility.

As the number of New Shares to be issued under the Cleansing Offer is nominal, the Cleansing Offer will not have a material impact on control of the Company.

The Company will only issue New Shares (including Additional New Shares) pursuant to an Application where the Directors are satisfied, in their discretion, that the issue of the New Shares will not result in a breach of the Corporations Act (by the Applicant, the Company or otherwise) or other applicable law or would require shareholder or regulatory approval to be obtained.

Specifically, Eligible Shareholders are restricted under the Corporations Act from acquiring any New Shares that would increase their voting power in the Company:

- from a level that is below 20% of the Company's total share capital immediately before completion of the Offer, to a level that is greater than 20% of the Company's total share capital immediately after completion of the Offer (**20% Rule**); or
- if the Shareholder's voting power in the Company has been at least 19% throughout the six months immediately before completion of the Offer, by any more than a further three percentage points above their interest as at six months prior to the close of the Entitlement Offer (**3% Creep Rule**),

without making an off-market takeover bid for all of the Shares in the Company or is able to rely on another statutory exemption to the 20% Rule.

As at the date of this Prospectus, the Directors are not aware of any proposal by any third party (including any of the above stated Substantial Holders) to make a takeover bid for the Company, and have no reason to believe that any Eligible Shareholder (including the Substantial Holders) is or will be entitled to acquire New Shares in excess of the levels permitted under the 20% Rule or 3% Creep Rule (as applicable), in reliance on any other statutory exemption.

Therefore, the Offers and the Oversubscription Facility are not expected to have any material effect on the control of the Company.

### Effect of participation in the Offer by Substantial Holders

As the Entitlement Offer is fully Underwritten, it follows that, if any one of the Substantial Holders participates under the Entitlement Offer to the maximum extent permitted under the 20% Rule or the 3% Creep Rule (as applicable), the interest and voting power of that Substantial Holder in the Company is not expected to exceed the level set out in the following table.

Substantial Holder	% Voting Power after Completion of Offers	
	If no Entitlements taken up by Substantial Holder	If full Entitlements taken up by Substantial Holder
ARIE Manager Pty Ltd as trustee for the SCM Absolute Return International Equity Fund	277,919,124	11.17%

### Effect of underwriting on Shareholdings

If all Eligible Shareholders take up their Entitlements under the Entitlement Offer and there are no Additional New Shares, then the Underwriter will not be issued with any New Shares in its capacity as an underwriter.

If there are any New Shares 'remaining' after the issue of New Shares to Eligible Shareholders in exercise of their Entitlements and the issue of Additional New Shares pursuant to the Oversubscription Facility, then subject to the terms of the Underwriting Agreement, the Underwriter (and its sub-underwriters) will subscribe for those remaining New Shares.

The issue of New Shares to the Underwriter (and its sub-underwriters) will dilute the interests of all Shareholders other than Shareholders who take up their Entitlement in full. The level of dilution of such Shareholders will depend on the level of take-up of New Shares by Eligible Shareholders and any third parties under the Oversubscription Facility, the number of remaining New Shares and the extent to which the Underwriter, and its sub-underwriters, are required to subscribe for the remaining New Shares in accordance with the Underwriting Agreement.

The table below illustrates the respective Shareholding of existing Shareholders and the Underwriter following completion of the Entitlement Offer (but excluding the cleansing offer), including the dilutionary effect on the relevant interests of existing Shareholders in the Company, based on different levels of participation by Eligible Shareholders under the Entitlement Offer:

	Entitlements taken up by Eligible Shareholders			
	25%		50%	
	Total Shares on issue following completion of Offers	Total relevant interest*	Total Shares on issue following completion of Offers	Total relevant interest*
<b>Existing Shareholders</b>	2,666,292,667	85.6%	2,784,216,200	90.4%
<b>Underwriters (including sub-underwriters)</b>	449,382,248	14.1%	299,588,165	9.6%
<b>Total</b>	<b>3,115,674,914</b>	<b>100%</b>	<b>3,115,674,914</b>	<b>100%</b>
	Entitlements taken up by Eligible Shareholders			
	75%		100%	
	Total Shares on issue following completion of Offers	Total relevant interest*	Total Shares on issue following completion of Offers	Total relevant interest*
<b>Existing Shareholders</b>	2,965,880,832	95.2%	3,115,674,914	100%
<b>Underwriters (including sub-underwriters)</b>	149,794,083	4.8%	-	0%
<b>Total</b>	<b>3,115,674,914</b>	<b>100%</b>	<b>3,115,674,914</b>	<b>100%</b>

\* For the purposes of simplicity, the above table provides scenarios by assuming that as 25%, 50%, 75% and 100% of the New Shares are subscribed for by Eligible Shareholders and no Additional New Shares are applied for by Eligible Shareholders in excess of their Entitlements and that no Additional New Shares are placed to third parties by the Company under the Oversubscription Facility. So with a subscription of 25%, 50%, 75% and 100% of New Shares by Eligible Shareholders the dilutionary effect on Existing Shareholders is respectively 14.4%, 9.6%, 4.8% and 0%.

If Additional New Shares are applied for by Eligible Shareholders in excess of their Entitlements or placed to third parties by the Company, then this would reduce the final number of New Shares to be taken up by the Underwriter with a corresponding reduction on the effect of the Offer on control of the Company (i.e. the Underwriter's interest would be reduced in these circumstances).

### 3. HOW TO APPLY

#### 3.1 Eligible Institutional Shareholders

The letters (together with a copy of this Prospectus) provided by the Company or Underwriter to each Eligible Institutional Shareholder will set out the details of that Eligible Institutional Shareholder's Entitlement and how to apply for that Entitlement under the Institutional Entitlement Offer.

#### 3.2 Your alternatives as an Eligible Retail Shareholder

As an Eligible Retail Shareholder, you may:

- take up your Entitlement in full (see **Section 3.3**);
- take up your Entitlement in full and apply for more than your Entitlement under the Oversubscription Facility (see **Sections 3 and 3.4**);
- take up part of your Entitlement and allow the balance to lapse (see **Section 3.6**); or
- allow all of your Entitlement to lapse (see **Section 3.7**).

#### 3.3 Taking up all of your Entitlement

If you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with its instructions and attach your cheque, or arrange payment by BPAY® or electronic funds transfer (EFT), for the total amount indicated on the Entitlement and Acceptance Form.

Payment must be received by the Share Registry by no later than 5.00pm (AEST) on the Retail Entitlement Offer Closing Date.

#### 3.4 Oversubscription Facility

Eligible Shareholders may apply for New Shares in addition to their Entitlement under the Oversubscription Facility. Additional New Shares are offered at the same price as the price of the New Shares under your Entitlement, being \$0.025 per Additional New Share. The Oversubscription Facility allows the Company to, subject to the Corporations Act and the Listing Rules, place the Additional New Shares with Eligible Shareholders and third parties (excluding the Underwriter) so that the maximum amount can be raised under the Offer.

The minimum investment size under the Oversubscription Facility is \$2,000 which is the equivalent of 80,000 Additional New Shares at \$0.025 per Additional New Share.

For Eligible Shareholders wishing to take up Additional New Shares please indicate the total number of New Shares in addition to your Entitlement that you wish to apply for on your Entitlement and Acceptance Form and attach your cheque, or arrange payment by BPAY® or EFT, for the full amount payable for the Additional New Shares applied for in addition to payment for your Entitlement.

The Application Amount can be calculated as follows:

$$\text{Application Amount} = \text{Number of Additional New Shares applied for} \times \$0.025 + \text{Amount shown on Entitlement and Acceptance Form}$$



### **3.5 Allocation of Additional New Shares**

The following rules apply to the allocation of Additional New Shares:

- (a) there is no guarantee that any participating Eligible Shareholder will receive Additional New Shares under the Oversubscription Facility, however, all participating Eligible Shareholders will receive at least their Entitlement;
- (b) the Board reserves its right to reject or scale back applications for Additional New Shares, including if the aggregate number of Additional New Shares applied for exceeds the total number of available Additional New Shares, or if allocating Additional New Shares would result in a breach of the Corporations Act (by the Applicant, the Company or otherwise) or other applicable law or would require Shareholder approval or regulatory consent. The Board's decision is final;
- (c) the Board reserves its right to place the Additional New Shares at its absolute discretion, including to Eligible Shareholders participating in the Oversubscription Facility and third parties (subject to the Listing Rules and the Corporations Act). However, the Board will not place any Additional New Shares under the Oversubscription Facility to the Underwriter. In exercising its discretion, the Board will act in the Company's best interests; and
- (d) it is a term of the Oversubscription Facility that, if applicable, Applicants must accept a lesser number of Additional New Shares allotted to them than applied for and must accept a refund of Application Amount in relation to Additional New Shares applied for but which are not allocated, without interest.

### **3.6 Taking up part of the Entitlement and allowing the balance to lapse**

If you wish to take up part of your Entitlement and allow the balance to lapse, complete the Entitlement and Acceptance Form by indicating the total number of New Shares you wish to accept and attach your cheque, or arrange payment by BPAY® or EFT, for the full amount payable for the New Shares you wish to accept.

The Application Amount for taking up part of your Entitlement is calculated as follows:

$$\textit{Application Amount} = \textit{Number of New Shares applied for} \times \$0.025$$

### **3.7 Allow all of the Entitlement to lapse**

If you do not wish to accept any part of your Entitlement, do not take any further action and your Entitlement will lapse. New Shares in respect of lapsed Entitlements will form part of the Oversubscription Facility and may be allocated to Eligible Shareholders who have applied for Additional New Shares (at the discretion of the Board). By not taking any action and not taking up your Entitlement, your Shareholding in the Company will be diluted, possibly to a significant extent of up to 19.23% (see further Section 2.3). Please carefully read this Prospectus in its entirety before making your decision whether or not to take up any or all of your Entitlement.

### **3.8 Payment by cheque**

All cheques must be drawn on an Australian bank made payable in Australian currency to "Netlinkz Limited – Entitlement Offer" and cross "Non-Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry at the address set out in the Entitlement Acceptance Form by no later than 5.00pm on the Retail Entitlement Offer Closing Date.

### 3.9 Payment by BPAY® or EFT

For payment by BPAY® or EFT, please follow the instructions on the Entitlement or Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® or EFT:

- you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application money.

**It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than 5.00pm (AEST) on the Retail Entitlement Offer Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

### 3.10 Entitlement and Acceptance Form is binding

Returning a completed Entitlement and Acceptance Form or paying any Application Amount by BPAY® or EFT will be taken to constitute:

- (a) a representation by you that you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) a binding offer by you to apply for New Shares on the terms and conditions set out in this Prospectus and the Entitlement and Acceptance Form; and
- (c) an acknowledgement by you that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application Amount, the Application may not be varied or withdrawn except as required by law.

Your Application will be considered to be for as many New Shares as your payment will cover (including in addition to your Entitlement, subject to the allocation policies contemplated in this **Section 3** and elsewhere in this Prospectus).

If an Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Board's decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

### 3.11 Allotment and issue of New Shares

New Shares subscribed for by Eligible Retail Shareholders under the Retail Entitlement Offer and the Oversubscription Facility will be allotted and issued as soon as practicable after the Retail Entitlement Offer Closing Date, as far as possible in accordance with the indicative timetable.

The Board retains its discretion not to allocate New Shares (including Additional New Shares) to an Applicant to the extent doing so would result in a breach of the Corporations Act (by the Applicant, the Company or otherwise) or other applicable law or would require shareholder or regulatory approval to be obtained.

Until the allocation of New Shares under the Retail Entitlement Offer, all application money will be deposited in a separate bank account and held on trust by the Company. The Company will be entitled to retain any interest paid on the money so held, even if this Retail Entitlement Offer does not proceed.

Where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus Application Amount will be refunded, without interest, to the Applicant as soon as practicable after the Retail Entitlement Offer Closing Date.

### 3.12 Ineligible Shareholders

The Company has determined, in reliance on Listing Rule 7.7.1, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders as a proportion to total Shareholders;
- the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the costs of complying with the legal and regulatory requirements in the overseas jurisdictions.

### 3.13 New Zealand Shareholders

The Entitlement Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for New Shares. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

### 3.14 Restrictions on distribution

This Prospectus does not constitute an offer or invitation to subscribe for New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or issue under this Prospectus.

Where this Prospectus has been dispatched to or accessed by persons other than Eligible Shareholders, this Prospectus is provided for information purposes only.

No action has been taken to register or qualify this Prospectus, the New Shares or the Offers, or otherwise to permit a public offering of New Shares in any jurisdiction other than Australia, although Shareholders in New Zealand may be eligible to participate in the Entitlement Offer and should refer to **Section 3.13** for further information. In particular, the Offers do not constitute an offer to sell, or solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws.

This Prospectus may not be released or distributed in the United States or any other jurisdiction outside of Australia, and may only be distributed to persons to whom the Offers may lawfully be made in accordance with the laws of any applicable jurisdiction.

By making a payment by BPAY® or EFT or by completing and returning your Entitlement and Acceptance Form with the requisite Application Amount, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Shareholder;
- (b) you have received, read and understood this Prospectus and your Entitlement and Acceptance Form in their entirety;
- (c) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Prospectus (and accompanying Entitlement and Acceptance Form), and the Company's constitution;

- (d) you authorise the Company to register you as the holder(s) of New Shares allotted to you under the Retail Entitlement Offer;
- (e) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (g) you accept that there is no cooling off period under the Retail Entitlement Offer and you acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of the Application Amount via BPAY® or EFT, you may not withdraw your Acceptance or funds provided except as allowed by law;
- (h) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Amount via BPAY® or EFT, at the Offer Price per New Share;
- (i) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (j) you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Shareholder;
- (k) the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) you acknowledge the statement of risks in **Section 4** of this Prospectus and that investment in the Company is subject to risk;
- (m) none of the Company, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of the Company, nor do they guarantee the repayment of capital from the Company;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you are not an Ineligible Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (q) the law of any place does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates, you acknowledge that you are not in the United States and you are not acting for the account or benefit of a person in the United States and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- (s) you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other

jurisdiction in the United States. Accordingly, you understand that the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States;

- (t) you are not engaged in the business of distributing securities;
- (u) you and each person on whose account you are acting have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Offers to any person in the United States or any other country outside Australia and New Zealand;
- (v) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- (w) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Offers to any such person; and
- (x) you make all other representations and warranties set out in this Prospectus required to be made by an Applicant.

The Company reserves the right, in its sole discretion, to reject any Acceptance that it believes comes from a person who is not an Eligible Shareholder and to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if the Company reasonably considers their claim to be entitled to participate in the Retail Entitlement Offer or Oversubscription Facility to be false, exaggerated or unsubstantiated.

### **3.15 Notice to nominees and custodians**

Nominees and custodians who hold Shares as nominees or custodians should note that the Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Shareholder;
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Offer.

In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Offers to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares.

Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws.

## 4. RISKS

### 4.1 Introduction

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 4** identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders and holders of Options will be exposed. Potential investors should read the entire Prospectus and the Company's ASX announcements and consult their professional adviser before deciding whether to apply for securities the subject of the Offers.

### 4.2 Key business risks

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

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

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 \$4,334,425. Refer to **Section 5.3** for details of the Company's existing debt arrangements. In addition the Company has convertible notes on issue in the amount of \$80,247.

Lenders, to the extent that they are Shareholders, will have the opportunity to "convert" their debt into Shares at the Offer Price, by setting off the Application Amount for New Shares applied for by them under the Entitlement Offer against their debt.

Following completion of the fully underwritten Entitlement Offer, the Company proposes to retire all but \$1,334,425 in debt, immediately and the balance when it falls due.

#### (c) 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.

(d) **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.

(e) **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.

(f) **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.

(g) **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.

(h) **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 distributed 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).

(i) **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 could adversely affect the Company's revenue.

(j) **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.

(k) **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.

(l) **Distribution**

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



A portion of the Company's products and services are sold through its resellers and channel partners (IoT Labs, systems integrators, service provider and original equipment manufacturers).

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 resellers, 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; and
- (iii) revenue from indirect sales could suffer if the Company's channel partners' financial condition or operations weaken.

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

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

The Company's main operating entity is based in Australia and subject to 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) (amongst other laws and regulations).

In China, subsidiary companies AOFA and iLinkAll are required to comply with the PRC Company Law and other applicable laws and regulations.

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).

The Company is subject to changes to the laws and regulations in the countries in which it operates which may have an adverse impact on its financial position, and or its ability to do business.

**(n) Fluctuations of market prices for Shares**

In relation to the New Shares and any Options which 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.

(o) **Foreign exchange risks**

The Company's costs and expenses in China are in renminbi (**RMB**) and 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.

(p) **Liability claims**

The Company current sales are predominantly in Australia and China, with additional markets, such as ASEAN countries, Japan, India and MENA. 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.

(q) **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. 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.

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.

(r) **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.

(s) **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.

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

Government action or policy changes 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 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 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.

(u) **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.

(v) **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.

(w) **Accounting**

The financial information included in this Prospectus have been prepared based on the reviewed financial records of the Group for the half year ended 31 December 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 half year ended 31 December 2020, the Group incurred a total comprehensive loss of \$15,689,361, had net cash outflows from operating activities of \$5,808,677 and working capital deficiency of \$881,203. 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.

### 4.3 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 to be issued pursuant to the Offer 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. 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 the subject of the Offer will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring the securities the subject of the Offer from a taxation point of view and generally.

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

(f) **Risk of dilution**

The Company may issue Shares from time to time to raise additional capital to finance its continued growth or other future developments. The amount and timing of such additional financing needs will vary primarily on the amount of cash flow from the Company's

operations. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within any 12 month period (other than where exceptions apply), there is a risk that the issue of additional equity will result in the ownership interest of Shareholders in the Company from time to time being diluted.

(g) **No guarantee of dividends**

The prospect of future dividends being paid or made to Shareholders will be contingent upon the Company's ability to generate sustainable profits. To the extent that the Company pays any dividends, the ability to offer fully franked dividends will depend on the Company making taxable profits and paying sufficient Australian tax to attach franking credits to the dividends. Taxable profits may be volatile, making the payment of fully franked dividends unpredictable. Further, the value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. You should be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on your individual tax position.

As such, no assurance can be given by any person, including the Board, about the payment or the quantum of future dividends (if any), or the level of franking or imputation of any such dividend (if any).

## 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 Offer.

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 Offer.

## 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.

As at the date of this Prospectus, 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
7 May 2021	Becoming a substantial shareholder
21 April 2021	Appendix 4C - quarterly
7 April 2021	Investor presentation update
23 March 2021	Change in Substantial Holding
16 March 2021	Appointment of Corporate Adviser
15 March 2021	Initial Director's Interest Notice
15 March 2021	Proposed Issue of Securities – NET
15 March 2021	Netlinkz Appoints Non-Executive Chairman
15 March 2021	Change of Company Secretary
12 March 2021	S&P DJI Announces March 2021 Quarterly
12 March 2021	Appendix 2A
10 March 2021	Netlinkz and Uni Systems Sign MOU
9 March 2021	Corporate Adviser Update
9 March 2021	Proposed Issue of Securities – NET
9 March 2021	Proposed Issue of Securities – NET
9 March 2021	Proposed Issue of Securities – NET
26 February 2021	Half Year Report and Appendix 4D
26 February 2021	Revised Appendix 4C
24 February 2021	Change of Registered Address
29 January 2021	Quarterly Activities Report and Appendix 4C
29 December 2020	Convertible Note Redemptions
24 December 2020	Update – Proposed Issue of Securities – NET
24 December 2020	Update – Proposed Issue of Securities – NET
22 December 2020	Disclosure Document
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 \$4,334,425 under various debt facility arrangements, comprised of:

- (a) outstanding loan arrangements for an aggregate amount \$2,084,425, with the following terms and conditions:
  - (i) \$1,000,000, repayable on 31 May 2021 with an interest rate of 20% per annum;
  - (ii) \$900,000, repayable on 7 June 2021 with an interest rate of 20% per annum;
  - (iii) \$184,425 with an interest rate of 8% per annum; and
- (b) outstanding loan arrangements for an aggregate amount of \$2,250,000 as follows:
  - (i) \$200,000, repayable on 14 December 2021;

- (ii) \$1,000,000, repayable on 17 June 2021;
- (iii) \$400,000, repayable on 14 December 2021;
- (iv) \$500,000, repayable on 15 December 2021;
- (v) \$50,000, repayable on 15 December 2021; and
- (vi) \$100,000, repayable on 15 June 2021,

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

- (vii) 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;
- (viii) the lenders are entitled to interest at 20% per annum, payable monthly in arrears; and
- (ix) 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 4.2(c)**.

## 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 by special resolution of the members holding Shares in the class passed at a meeting.

(e) **Transfer of Shares**

For so long as the Company participates in a computerised or electronic system for market settlement, 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.

If the Company ceases to participate in a computerised or electronic system for market settlement, Shares will only be transferred upon delivery of a proper instrument of transfer to the Company. 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.

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.

Shareholders may also request or call and arrange to hold general meetings in accordance with the procedures and requirements set out in the Corporations Act.

(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 eligible 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 Interests of Directors, experts and advisers

- (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 5.7** 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.

## 5.7 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"> <li>• 16,875,000 Shares held by James Tsiolis in his personal capacity;</li> <li>• 80,325,000 Shares held by Alpha First Pty Ltd, of which James Tsiolis is a shareholder, beneficiary and director; and</li> <li>• 9,858,038 Shares held by Strategic Capital Management Ltd, of which James Tsiolis is a shareholder, beneficiary and director.</li> </ul> <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"> <li>a) 2,500,000 Options with an exercise price of \$0.10 each;</li> <li>b) 2,500,000 Options with an exercise price of \$0.15 each;</li> <li>c) 2,500,000 Options with an exercise price of \$0.20 each; and</li> <li>d) 2,500,000 Options with an exercise price of \$0.25 each.</li> </ol> <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"> <li>• 37,500,000 Shares held by Trans-Forming Investments Pty Ltd, of which Mr Booker is a director and majority shareholder; and</li> <li>• 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.</li> </ul> <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"> <li>a) 2,500,000 Options with an exercise price of \$0.10 each;</li> <li>b) 2,500,000 Options with an exercise price of \$0.15 each;</li> <li>c) 2,500,000 Options with an exercise price of \$0.20 each; and</li> <li>d) 2,500,000 Options with an exercise price of \$0.25 each.</li> </ol> <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"> <li>e) 2,500,000 Options with an exercise price of \$0.10 each;</li> <li>f) 2,500,000 Options with an exercise price of \$0.15 each;</li> <li>g) 2,500,000 Options with an exercise price of \$0.20 each; and</li> </ol>

	h) 2,500,000 Options with an exercise price of \$0.25 each. Each Option will have an expiry date of 1 September 2023.
James Stickland	10,000,000 unlisted Options in the following tranches: 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. Each Option will have an expiry date of 1 September 2023.
Stephen Gibbs	Mr Gibbs also has the right, subject to shareholder approval, to be issued 10,000,000 unlisted Options in the following tranches: 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. Each Option will have an expiry date of 1 September 2023.

(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 \$412,500 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 \$40,500 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, and has been paid \$41,250 for FY21 as at the date of this Prospectus.

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, and has been paid \$50,795 in FY21 as at the date of this Prospectus.

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, and has been paid \$ 50,795 in FY21 as at the date of this Prospectus.

As a non-executive Chairman, Mr Stephen Gibbs is paid \$120,000 in director fees per annum. Mr Gibbs joined the Company on 15 March 2021, is paid quarterly in arrears, and has not yet been paid in respect of FY21.

(c) **Related party arrangements**

For the year ended 30 June 2020, \$47,246 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. These arrangements have been entered into on an arms' length basis.

(d) **Other**

James Tsiolis, a director of the Company, is also a shareholder (through entities in relation to which he is a director or shareholder) and director of Strategic Capital Management Ltd. Another director 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.

## 5.8 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\$0.086 on 22 October 2020 and A\$0.029 on 10 May 2021.

The latest available market sale price of the Company's Shares on ASX at the close of trading on 10 May 2021 (the date prior to the date of this Prospectus) was A\$0.029.

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.

## 5.9 Consents

(a) **Consenting parties**

Shaw and Partners Limited has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as the lead manager and underwriter in relation to the Entitlement Offer in the form and context in which it is named.

Addisons has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to 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 the form and context in which it is named.

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.

(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 5.9**; 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 5.9**.

(c) **Other parties**

References are made in this Prospectus to other persons or entities that have certain dealings with the Company including counterparties to contractual arrangements referred to in this Prospectus. Please note that these parties have been referred to for information purposes only, and have neither authorised or caused the issue of this Prospectus nor had no involvement in the preparation of any part of this Prospectus.

## 5.10 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 approximately \$1,150,000 (exclusive of GST), comprised of:

Underwriting fees	\$450,000
Broker and lead manager fees	\$600,000
ASIC	\$5,000
ASX	30,000
Legal	40,000
Mailing/Printing	20,000
Registry	5,000
	<u>\$1,150,000</u>

## 5.11 Interests of advisers

For the purpose of preparing this Prospectus and conducting the Offers, the Company engaged:

- Shaw and Partners Limited as the lead manager and underwriter in relation to the Entitlement Offer. The Company has paid, or agreed to pay, approximately \$1,050,000 (excluding disbursements and GST) for these services (refer to section 1.8);
- Addisons as Australian legal adviser, for the purpose of advising the Company in relation to legal issues arising in connection with the Offers under Australian law and the preparation of this Prospectus. The Company has paid, or agreed to pay, approximately \$25,000 (excluding disbursements and GST) for these services for the period up to the date of this Prospectus. Further amounts may be paid to Addisons in accordance with its normal time-based rates.
- Computershare Investor Services Pty Limited is the Company's Share Registry and as such has provided registry services in connect with the Offers. The Company has paid, or agreed to pay, approximately \$5,000 (excluding disbursements and GST) for these services for the period up to the date of this Prospectus. Further amounts will be paid to Computershare Investor Services Pty Limited in the normal course of the provision of their registry services to the Company.

The Company will pay these amounts, and other expenses of the Offers, out of the funds raised under the Offers or cash otherwise available to the Company. Further information on the use of the proceeds, and the payment of the expenses, of the Offers are set out in **Sections 2.1** and **5.10**.

## 5.12 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.



### **5.13 No modifications of the Corporations Act or waivers from ASX Listing Rules**

Other than legislative instruments (formerly known as class orders) issued by ASIC which are of general application to the class of persons to which the instrument applies, the Company is not relying on any modifications or waivers of, or exemptions from, the Corporations Act or the ASX Listing Rules in connection with the issue of this Prospectus or the making of the Offers under this Prospectus.

### **5.14 Governing law**

The information in this Prospectus, the Offers, and the contracts formed on acceptance of the Entitlement and Acceptance Forms by the Company are governed by the law applicable in New South Wales, Australia. Any person who applies for any New Shares 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.



Stephen Gibbs  
Non-Executive Chairman  
on behalf of the Board of Directors of Netlinkz Limited

## 7. DEFINITIONS

Definitions used in this Prospectus are as follows:

**AEST** means Australian Eastern Standard Time.

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

**Additional New Shares** means the aggregate number of New Shares for which the Company has not received a valid Application or valid response to an Institutional Entitlement Offer letter from an Eligible Shareholder in exercise of their Entitlement.

**Applicant** means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form.

**Application** means the lodgement of an Entitlement and Acceptance Form with the Share Registry together with the relevant Application Amount.

**Application Amount** means the total amount payable by Eligible Shareholders for accepting part or all of their Entitlement and (if applicable) applying for Additional New Shares.

**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.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Rules** means the operating rules of ASX Settlement.

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

**CHESS** means the clearing house electronic sub-register system operated by ASX Settlement in accordance with the Listing Rules and the ASX Settlement Rules.

**Cleansing Offer** means the Offer described in **Section 1.5**.

**Closing Date** or **Retail Entitlement Offer Closing Date** means the date that the Retail Entitlement Offer closes which is 5.00pm (AEST) on Wednesday, 2 June 2021 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 Notes** means convertible notes issued by the Company.

**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.

**Eligible Institutional Shareholder** is defined in **Section 1.2**.

**Eligible Retail Shareholder** is defined in **Section 1.2**.

**Eligible Shareholder** means an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

**Entitlement** means an Eligible Shareholder's entitlement to subscribe for New Shares pursuant to the Entitlement Offer.

**Entitlement and Acceptance Form** means an application form attached to or accompanying this Prospectus.

**Entitlement Offer** means a pro rata non-renounceable offer to Eligible Shareholders to subscribe for 1 New Share for every 4.2 Shares held, to raise approximately \$15.0 million (before costs) at the Offer Price per New Share (and includes both the Institutional Entitlement Offer and the Retail Entitlement Offer).

**FY2019** means the financial year ended 30 June 2019.

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

**FY2021** means the financial year ended 30 June 2021.

**Group** means the Company and its Subsidiaries.

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

**Ineligible Shareholder** means a Shareholder who is not an Eligible Shareholder.

**Institutional Entitlement Offer** means the offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

**IoT** means internet of things.

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

**New Shares** means Shares to be allotted and issued under the Offers, including Additional New Shares.

**Offers** means the Entitlement Offer and Cleansing Offer.

**Offer Price** means \$0.025 per New Share.

**Official List** means the official list of entities that the ASX has admitted and not removed.

**Official Quotation** means quotation on the Official List.

**Opening Date** or **Retail Entitlement Offer Opening Date** means 9:00am (AEST) on Tuesday, 18 May 2021 or such other time and date as the Directors determine.

**Option** means an option to subscribe for a Share.

**Oversubscription Facility** means the mechanism under which the Company may issue Additional New Shares to Eligible Shareholders.

**Permitted Jurisdictions** means Australia, New Zealand and Hong Kong, and other jurisdictions as agreed between the Underwriter and the Company.

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

**Professional Investor** has the meaning given to that term in section 708(11) of the Corporations Act.

**Prospectus** means this prospectus.

**Prospectus Date** means 11 May 2021.

**Record Date** means 7.00pm (AEST) on Thursday, 13 May 2021.

**Register** means the register of the Company's members.

**Retail Entitlement Offer** means the offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

**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.

**Sophisticated Investor** means investors to whom an offer of securities does not need disclosure under Part 6D.2 pursuant to section 708(8) of the Corporations Act.

**Subsidiary** has the meaning given to that term by the Corporations Act.

**Underwriting Agreement** means the underwriting agreement entered into between the Company and the Underwriter dated 11 May 2021.

**Underwriter** means Shaw and Partners Limited ACN 003 221 583.

**US Person** has the meaning given to that term in Rule 902(k) under the U.S. Securities Act.

**U.S. Securities Act** means the U.S. Securities Act of 1933, as amended.