6 October 2023

Market Announcement

Company Announcements Office
Australian Securities Exchange

Additional Funding for Netlinkz's Global Expansion Plans

Key Highlights

- Netlinkz has executed a convertible securities facility agreement to raise up to A$10 million with US investor Obsidian Global GP, LLC.
- The initial drawdown of this convertible securities facility will see Netlinkz receive A$2.25 million in funds.
- This facility, together with other recent equity and debt initiatives, will provide Netlinkz with additional funding to advance its now well-progressed growth strategy.

Netlinkz Limited (ASX:NET) (**Netlinkz** or **Company**) is pleased to announce a continued diversification of its funding base. Netlinkz has now executed a convertible securities facility agreement with US investor Obsidian Global GP, LLC (**Obsidian**) (**Agreement**) to raise up to A$10 million to provide additional funding and, at the same time, further extend the Company's debt maturity profile (**Convertible Securities Facility**).

A multi-stage convertible securities raising

The Convertible Securities Facility announced today will see Netlinkz receive up to A$10 million in funds through the issue to Obsidian of securities convertible into shares in the Company (**Convertible Securities**) to be issued with a face value of US$1.15 per Convertible Security.

The key terms of the Convertible Securities Facility are set out below:

Maturity Date:	The day which is 18 months after the execution of the Agreement (**Execution Date**).
Commitment Shares	In consideration of Obsidian entering into the Agreement, the Company must issue 40,000,000 Shares to Obsidian on the Execution Date pursuant to the Company's ASX Listing Rule 7.1 capacity.
Facility Tranches	**First Purchase:** A$2,250,000 within 5 Business Days after the Execution Date. **Second Purchase:** The lesser of A$4,000,000 and 20% of the Company's market capitalisation (as reported by IRESS) at the time of the Second Purchase on the later of the day which is 5 Business Days after the Company obtains shareholder approval for the Second Purchase, and the day which is 180 days after the Execution Date. **Third Purchase:** A$3,750,000 on such day as is mutually agreed between the Company and Obsidian, provided that this cannot be prior to the date which is 120 days after the Second Purchase, subject to shareholder approval for the Convertible Securities.

Face Value	US$1.15 per Convertible Security.
Conversion	The Convertible Securities cannot be converted into fully paid ordinary shares in the Company (**Shares**) during the initial 90-day grace period from the Execution Date, unless converted at the Fixed Conversion Price. If Obsidian wishes to convert the Convertible Securities into Shares after the initial 90-day grace period, then the Convertible Securities shall be convertible at the Variable Conversion Price.
Fixed Conversion Price	75% premium to the average 5-day VWAP prior to the Execution Date.
Variable Conversion Price	The lesser of: (a) 92% of the average of the lowest 3 daily VWAPs during the 15 trading days prior to date a conversion notice is provided to the Company; and (b) the Fixed Conversion Price.
Maximum Share Number	The aggregate maximum number of new Shares that the Company may or is required to issue as the Commitment Shares, or on one or more Conversions, or other redemptions of the Convertible Securities issued at the First Purchase, without the Company first obtaining shareholder approval, is 485,000,000 Shares. The issues of Convertible Securities pursuant to the Second Purchase and the Third Purchase will be subject to shareholder approval.
Redemption Amount	105% of the amount outstanding in respect of the relevant Convertible Securities.
Redemption at Maturity Date	On the Maturity Date, the Company must redeem all outstanding Convertible Securities by paying Obsidian, the Redemption Amount in respect of those Convertible Securities.
Other terms	The terms of the Convertible Securities Facility are otherwise on customary terms and conditions.

Recent capital and debt initiatives to funds well progressed growth strategy

The funds raised from the Convertible Securities Facility, together with other recent equity and debt initiatives, provides the Company with the additional funds required to finance its well progressed growth strategy. While these expansion plans are initially Asia pacific-focused, Netlinkz has already undertaken initial work targeting a much widen global footprint that also includes Europe and the Americas.

Netlinkz's product and service offering has been significantly expanded over the past 12 months. This work has included rapid progress in expanding the Company's access to market for its core Network as a Service (NaaS) product. This has been achieved via the global reseller agreement with Starlink, and the partnership with Hutchison Global Telecommunications (HGC).

With HGC's significant presence in Asia, Netlinkz's first push will be into Thailand, Philippines, and Malaysia. Netlinkz has and is establishing operating entities in these countries. Some of the proceeds from this raising will be used to finance the set up and capitalisation of companies Netlinkz has established in Thailand and Malaysia.

Proceeds of the Convertible Securities Facility along with funding derived from other recent equity and debt initiatives will also fund Netlinkz's broader global growth strategy. The Company has already identified opportunities in the United States, Brazil, Chile, Dubai, and Europe. These are now being explored by Netlinkz from a base it has established in Greece.

Ari Morris, Obsidian CEO said: "*We are excited to be funding this next phase of Netlinkz's global growth based on the Starlink and HGC opportunities.*"

Netlinkz CEO/Managing Director James Tsiolis said: "*Efforts to diversify and expand our funding base has been further progressed with the execution of this convertible securities raising. The extra advantage provided by this raising is that it simultaneously extends the maturity profile of our non-equity funding.*

With additional funding now in place, we can do so much more than just focus on building scale in our Asia Pacific business operations, where we have been steadily adding to our stable of partnership agreements. We can also continue to lay the groundwork for a further material expansion in our geographic footprint into other regions, including South America and Europe."

This announcement has been approved for release by the Board.

Guy Robertson
Company Secretary
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About Netlinkz

Netlinkz mission is to provide fast, reliable and secure communications anywhere in the world.

Netlinkz has five core business units:

- **Network-as-a-Service**

  - Cloud-first private **Network-as-a-Service solutions**
  - All comms, devices, applications, data centres, IoT and AI are **instantly safe with amazing connectivity speed**
  - Simple to deploy and manage via the Netlinkz user interface, **minimizes the onboarding time, and optimises access and performance**

- **Satellites Division**

  - **High speed satellite internet** with enterprise–grade cyber-security and an invisible cloud network
  - Allows organisations to **work anywhere, on any device**, protected from the most sophisticated cyber threats
  - Netlinkz is a **Global Reseller** for Starlink to enterprise customers including mobile and maritime use cases

- **SSI Telecom Surveillance**

  - Offers lawful **interception software, management, and relevant hardware upgrades to telcos,** as required by regulatory authorities
  - **High profile and credit worthy customer base**
  - Average **contract term 3 years** with predictable recurring revenue streams

- **SouthCloud ISP**

  - **Australian-based provider of Internet**, IT, Hosted Digital Voice, Cloud SIP PABX Hosting, WIFI and Wireless network solutions

- **China Network Engineering Solutions**

  - IT Services business providing specialist networking services consulting and project delivery
  - **System integration and cloud migration focus with cybersecurity part of the solution**

High profile customers including **China Telecom, JD.com, VNET Group and several US Fortune 500 Multi-National Corps**