

11 June 2024



Netlinkz

# Market Announcement

ASX Announcements

## Netlinkz Limited reports Interim Financial Report and Management update

Netlinkz Limited (ASX: NET) ("Netlinkz"), a provider of physical and virtual secure "Network as an Application" (NaaP), reports financial results for the half year ended 31 December 2023, and Operational update to May 2024.

### Select Financial Highlights for HY 2023 compared to HY 2022

- Revenue of \$10.6m, up 2%
- Software and Licensing revenue of \$2.4m, up 24%
- Gross profit of \$2.9m, up 29%
- Increase in loss due to increased borrowing and operating costs

### Corporate Developments Subsequent to Half Year End

- Significant reduction in administration and operating costs as detailed in Qtr 3, March 2024 Appendix 4C.
- Fully internalised all VSN development work from commencement of Qtr 4, April 2024.
- Sale of entire Starlink hardware stock in Qtr 4, eliminating transport, logistics and warehousing costs.
- Netlinkz has restructured its reselling process of Starlink hardware in order to reduce costs and improve the sale of VSN.
- Ceasing investment in Neuro-smartcloud.
- Appointment of full time CTO to lead VSN product development.
- Appointment of full time CFO in March 2024, establishing a sound and compliant Finance function.

### FY2025 Strategic Focus

- Focus on south east Asia; Philippines, Thailand, Malaysia and Hong Kong to continue expansion of sales channel for VSN. Continuing our collaboration with HGC Global Communications and PT&T to bundle VSN with broadband services (including satellite services) and cloud services in the region.
- Provision of satellite broadband services bundled with the VSN as a distributor via a partner and agency model. Which has eliminated inventory holding costs and logistics whilst maintaining margins.
- iLinkAll to continue its expansion into new cities in China building out its delivery centres for managed network services and VSN sales (recurring revenue). Continue to work with alliance partners JD.com and Nanjing Lianke.

- Increase investment in SSI to grow recurring revenue and profitability. With a focus on winning new long-term contracts with telecommunication companies and government agencies.

### **Continued access to Capital and Debt markets**

Netlinkz will be announcing an Extraordinary General Meeting (EGM) in the new financial year. It will do so to refresh its capability to access capital markets if it deems economically beneficial.

Netlinkz is currently in discussions with potential lenders to refinance its existing short term debt facilities and reduce its borrowing costs. Netlinkz has also extended all current debt facilities in order to allow for the refinance and extension process to occur.

### **ASX re-listing of Netlinkz**

The Company will request the ASX to lift the suspension once Netlinkz has filed the Interim Report and complied with Listing Rule 12.2 which requires that an entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

**James Tsiolis, CEO of Netlinkz Limited**, said, *"the third quarter of FY24 has been pivotal for the operations and the Netlinkz team. We have internalised all our VSN development work. We have reduced our headcount and back-office costs by over 50%. We have significantly reduced our outsourced service provider costs; we are focusing on being a cost effective business. We have sold all our Starlink hardware stock on hand and consequently eliminated further logistics and warehousing costs.*

*Our focus has sharpened in scaling our VSN product offering across South East Asia and continued investment in our SSI business. We intend to expand our operations to continue selling Starlink services bundled with our VSN through strategic telecommunication partnerships. These executions serve as a spring board to a sound and positive FY25."*

This notice has been approved for release by the Board of Netlinkz.

### **About Netlinkz Limited**

Netlinkz Limited (ASX: NET) is a provider of physical and virtual secure "Network as an Application" (NaaP) for enterprises of all sizes with its patented technology and products. It provides secure and efficient cloud network services. Netlinkz is focused on cloud-first, security, scalability, and simplicity. SSI is a provider of Lawful Intelligence (LI) services which includes intelligence monitoring and compliance with international standards (including ETSI and the Australian Government Format, AGF) as well as advice on LI strategies and procedures, LI solutions design and implementation for Tier 1 and Tier 2 global telecommunication companies.