



ASX Announcement | 2 August 2021

Linus raises \$4 million to fund growth initiatives

Highlights

- Linus raises \$4 million in new capital from professional and sophisticated investors, including \$400,000 from Linus directors subject to shareholder approval.
- Additional capital to fund Linus' stated growth strategy towards full commercialisation of its Video Virtualization Engine™ technology.

Melbourne, Australia – 2 August 2021: Linus Technologies Limited (ASX: LNU) (**Company**) – the only cloud-based solution that transforms static video into hyper-personalized video experiences with its world-first Video Virtualization Engine™ (VVE)ⁱ – is pleased to announce it has received firm commitments from professional and sophisticated investors to raise \$4 million, before costs (**Placement**).

The Placement received strong support from new institutional shareholders as well as continued support from existing shareholders, and includes \$400,000 committed by Linus directors, subject to shareholder approval which will be sought at a general meeting of shareholders to be held as soon as practicable.

The issue price under the Placement is \$0.02 per new share, and will result in the issue of 200,000,000 fully paid ordinary shares at \$0.02 per. The Placement will be conducted within the Company's existing Listing Rule 7.1 placement capacity for 180,000,000 shares and the balance pursuant to shareholder approval under Listing Rule in respect of the shares for directors. The issue price represents a discount of 4.7% to the last closing price on ASX of \$0.021 on 28 July 2021 and 12.7% to the 15-day volume-weighted average price of shares on ASX.

Proceeds under the Placement will be allocated to:

- Driving revenue growth with a specific focus on:
 - converting existing clients and near-term opportunities to immediate and sustainable revenues.
 - using case studies of successful deployments to accelerate the near-term pipeline in the Education, Video Conference and Sport sectors.
 - expanding its direct sales, pre-sales and client management teams in Australia and the UK.
 - investing in near-term marketing activity for its SaaS products.
- Continued investment in the development of Linus Video Services (LVS) SaaS platform, along with Linus Whizzard and Sports sector products in line with its go-to-market opportunities.
- Strengthening Linus' integrations and partner relationships with AWS, Zoom, Microsoft and learning management system providers.

The Company believes it has the technology suite in place, with the IP protected by granted patents, to deliver recurring revenue growth. The Company is focussed on execution of its go to market strategy and will continue to invest in further resources to accelerate growth, in line with new revenue growth.

Linus Technologies CEO Chris Richardson said, “We are thrilled with the level of support the capital raising received, both from existing and some new institutional shareholders coming on board.

The additional \$4 million in capital these investors have provided gives Linus the firepower needed to execute its growth initiatives. This includes further investment in the Linus Video Services (LVS) SaaS platform and bulking up our sales management resources.

These investments will lay the groundwork for an expanded client list and enlarged revenue base, as products utilising the Company’s unique Video Virtualization Engine™ technology gain traction in our target market segments of Education, Sports and Video Conferences.”

The Placement (excluding director participation) is scheduled to settle on 10 August 2021 with allotment on 11 August 2021.

CC Equities Pty Limited (AFSL 241095) acted as lead manager for the Placement.

This announcement has been approved for release to ASX by the Board of Directors of the Company.

About Linus Technologies Limited:

Linus Technologies Limited (ASX: LNU) has invented and patented the **Video Virtualization Engine™ (VVE)**, which is available on Amazon Web Services, Microsoft Azure and IBM Cloud.

Amazon, Microsoft and IBM are investing billions in virtualizing video services (technologies) and artificial intelligence in the cloud. It is arguably the biggest battle on the internet, given that video accounts for nearly 80 percent of internet traffic.

Only Linus can expose the data that makes up the video file, making cumbersome video as flexible as all other forms of data. Accessing the data within the video file is the missing link for video cloud service providers, creating unparalleled value across the internet video industry.

Linus has the potential to transform many multi-billion-dollar markets, and is initially focused on:

- **Anti-Piracy:** Applying proven data protection methods to video to solve piracy
- **Search:** Search within videos and compile new videos on the fly
- **Security and Defence:** Intelligent search and immediate distribution of security footage
- **Personalized Advertising:** Hyper personalized to individuals, timeslots and content

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ⁱ Linus Technologies Limited, *Linus Technology Overview*: <https://www.linus.com/video/>