

ASX Announcement | 26 April 2022

Linus Market Update to Investors

Linus Technologies (ASX: LNU) (Linus or Company) is pleased to attach a copy of its latest investor presentation and market update.

Linus CEO, James Brennan's presentation focuses on:

- **The success of the company's platform strategy, driving new revenues for Linus through partners and direct go to market activities**
- **Exciting progress with partner Swanbay's Matchvision product:**
 - **Matchvision launched at Club Brugge KV of the Belgian Pro League**
 - **MatchVision currently being piloted in partnership with the English Football League (EFL) and IMG with deployment into EFL.com and selected club sites currently underway**
- **The repeatability of these sales and the accelerating path to scale in the Sports sector**
- **The status of anchor client The University of Newcastle and overall progress in the Education sector.**

Linus has validated video virtualisation in its core markets - Sports, Education and Enterprise, with significant annual recurring revenue (ARR) identified across each of these markets.

Linus has introduced new commercial models to balance immediate cash flow, predictable recurring revenue, and large usage-based growth potential.

The webinar and presentation focused on each of the Company's addressable markets:

Sports Update:

- Linus partner Swanbay.tv, who created a unique Sports solution called MatchVision with Linus Video Services (LVS) at its core, have deployed Matchvision (including LVS) with new teams and leagues:
 - MatchVision has now launched with Club Brugge KV of the Belgian Pro League. Club Brugge attracted 370k viewers for their game this weekend, with the Pro-League attracting ~850k viewers overall.
 - MatchVision is currently being piloted in partnership with the English Football League (EFL) and IMG. The solution is live on a demo platform with deployment into EFL.com and selected club sites currently underway. The EFL has 72 clubs with

the Championship being one of most watched leagues in Europe. 500 million people watch the EFL each season, across 150 countries.

- Linus and partner Swanbay are finalising a new deeper partnership agreement with Swanbay's MatchVision as a core solution, to enhance go-to-market and bring further expansion to more regions, sports, leagues and teams.
- EPL club Wolverhampton Wanderers are extremely happy with the staged launch of MatchVision this season.
- Existing clients NBL and Racing.com continue to see steadily growing user engagement and customer satisfaction.
- Significant increase and progression of Sports pipeline with new opportunities in US, AU, EU, Asia; Current pipeline includes multiple sports including football, golf, cricket, rugby and more; multiple levels from Pro to Collegiate to High School.
- Linus was selected for the Amazon Web Services Rapid Prototyping Program to support Linus in the development of another new product on LVS to support the growth in sports and other new markets.

Education and Enterprise Update:

- Deployment at University of Newcastle (UoN) is accelerating with usage this term and new use cases next term.
- Linus has released advanced capabilities and added value to its education solutions through the integration of additional AI tools, including facial recognition and optical character recognition (OCR). These advanced features are enabling new use cases in research at UoN and other potential universities.
- Further expansions of the education solutions through partnerships with Canvas (Instructure) are underway, with upcoming versions of Linus Whizzard to support native integration with this and other leading Learning Management Systems and Video Platforms.
- Education pipeline continues to mature with multiple opportunities progressing through the sales cycle.
- Whizzard for business is now available on the Zoom Marketplace and a broad marketing campaign has commenced.
- Linus has renewed its partnership and engagement with LiveTiles with new solution and commercial plans in development to bring value to our joint markets.

[A recording of the Zoom Webinar, hosted by Linus CEO, James Brennan, can be accessed on the Linus website, via this link.](#)

This announcement has been authorised for release to ASX by the Linus Board of Directors.



Video Virtualization Engine™

Market Update Linus Technologies Limited (ASX:LNU)

James Brennan, CEO
April 2022

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What is needed for success?



Focus

- Ruthless alignment to strategy
- Purpose
- Clarity & alignment



Execution

- Sales process & pipeline conversion
- Monetization – ARR
- Adoption & satisfaction
- Rigorous product lifecycle process



Operational Excellence

- People & culture
- Organizational structure
- Communications, tools, process





swanbay.tv

Linus Sport – at the inflection point

“We are really pleased with MatchVision. Throughout the season we’ve seen usage and key metrics increasing significantly along with continued innovation in the service. We are now working with Swanbay to maximise promotion of this innovative service through the rest of this season and into the next.”

Richard Pepper, Head of Digital, Wolverhampton Wanderers FC

Near term pipeline

- Swanbay
- McCormack Advisors
- IS Partners
- Aus, UK, EU, USA
- Pro, Collegiate, High School
- Golf, Cricket, Football, Basketball, Rugby



FINALIST
BEST USE OF TECHNOLOGY IN FOOTBALL



swanbay.tv



MatchVision





Video Virtualization Engine™

Demo

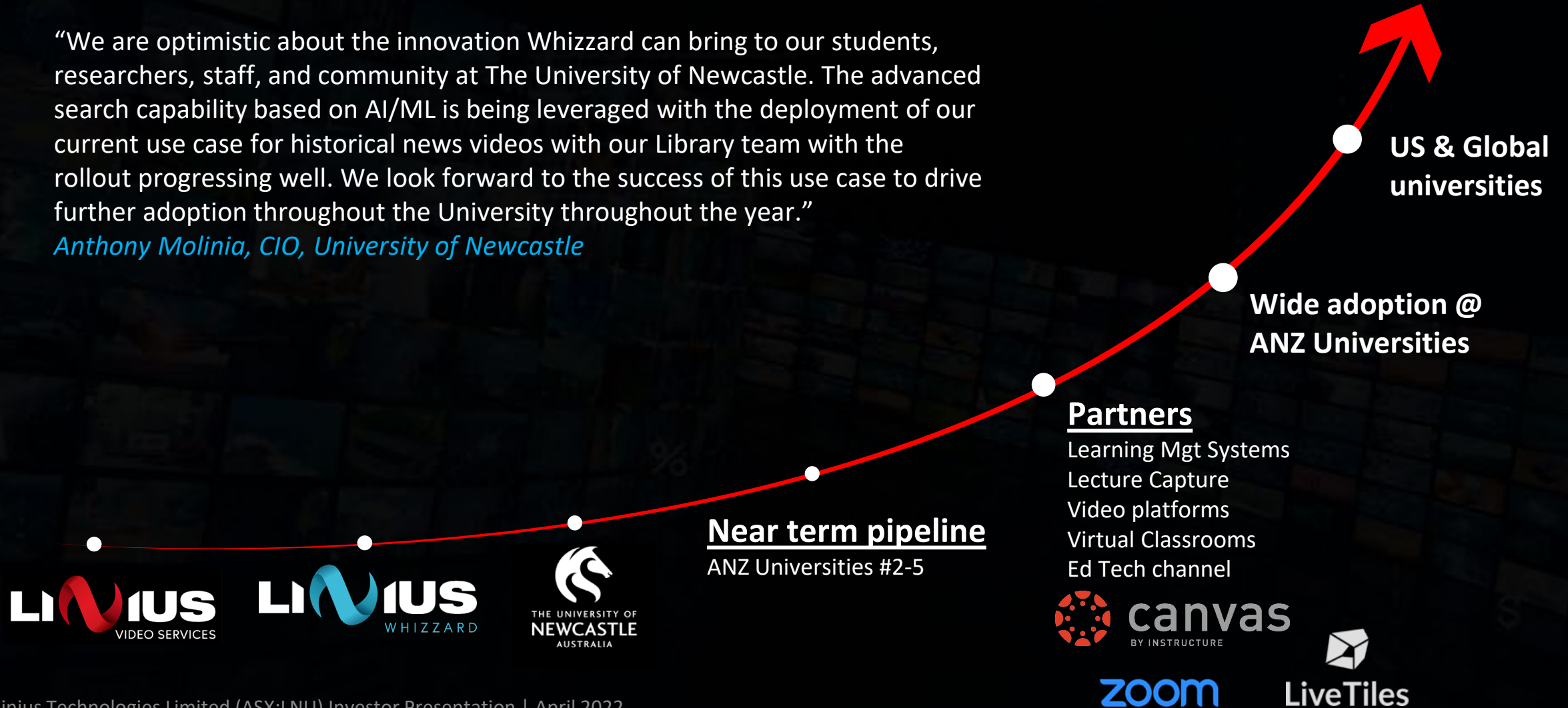
Linus Sport – at the inflection point



Linus Education – earlier on same curve

“We are optimistic about the innovation Whizzard can bring to our students, researchers, staff, and community at The University of Newcastle. The advanced search capability based on AI/ML is being leveraged with the deployment of our current use case for historical news videos with our Library team with the rollout progressing well. We look forward to the success of this use case to drive further adoption throughout the University throughout the year.”

Anthony Molina, CIO, University of Newcastle



Providing a platform for today and the future

Linus has created a powerful **Video Applications Platform** called Linus Video Services (LVS).

LVS enables the creation of numerous video applications across multiple industries, directly by Linus, by customers and via Linus partners across the globe.

TODAY:

Product Execution, Platform Maturity

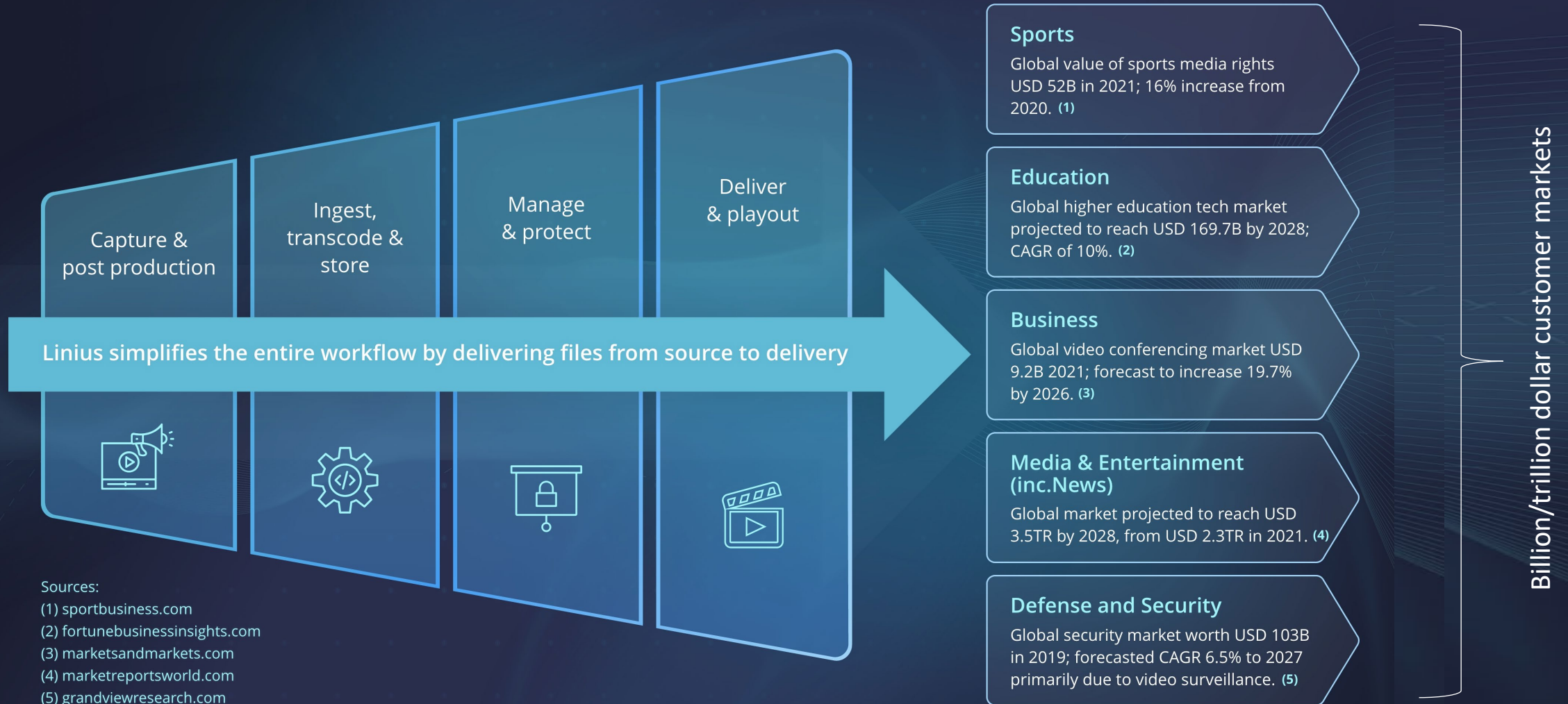
- Linus is focused on the direct commercialisation of multiple products built on LVS into large markets.
- Repeat sales of these products is key to near-term revenue growth
- Third party application developer Swanbay.tv has built products on LVS and repeatedly commercialised.
- LiveTiles engaged to build apps for education & enterprise
- Linus BVS subsidiary to build extended product sets on LVS
- LVS platform is continuously being enhanced to support growing demands.

FUTURE:

Extending the Platform Strategy

- Linus will evaluate additional markets for potential direct investment.
- LVS will be actively marketed to application developers, systems integrators, and OEM technology partners to develop and commercialize solutions in chosen markets.
 - Independently, in partnership or through various licensing arrangements.
- The goal is to enable scale by having most development and commercialization costs borne by third parties as they generate new revenues for Linus.

Linus powers multiple workflows in large markets



Commercial models add value for Linius and customers

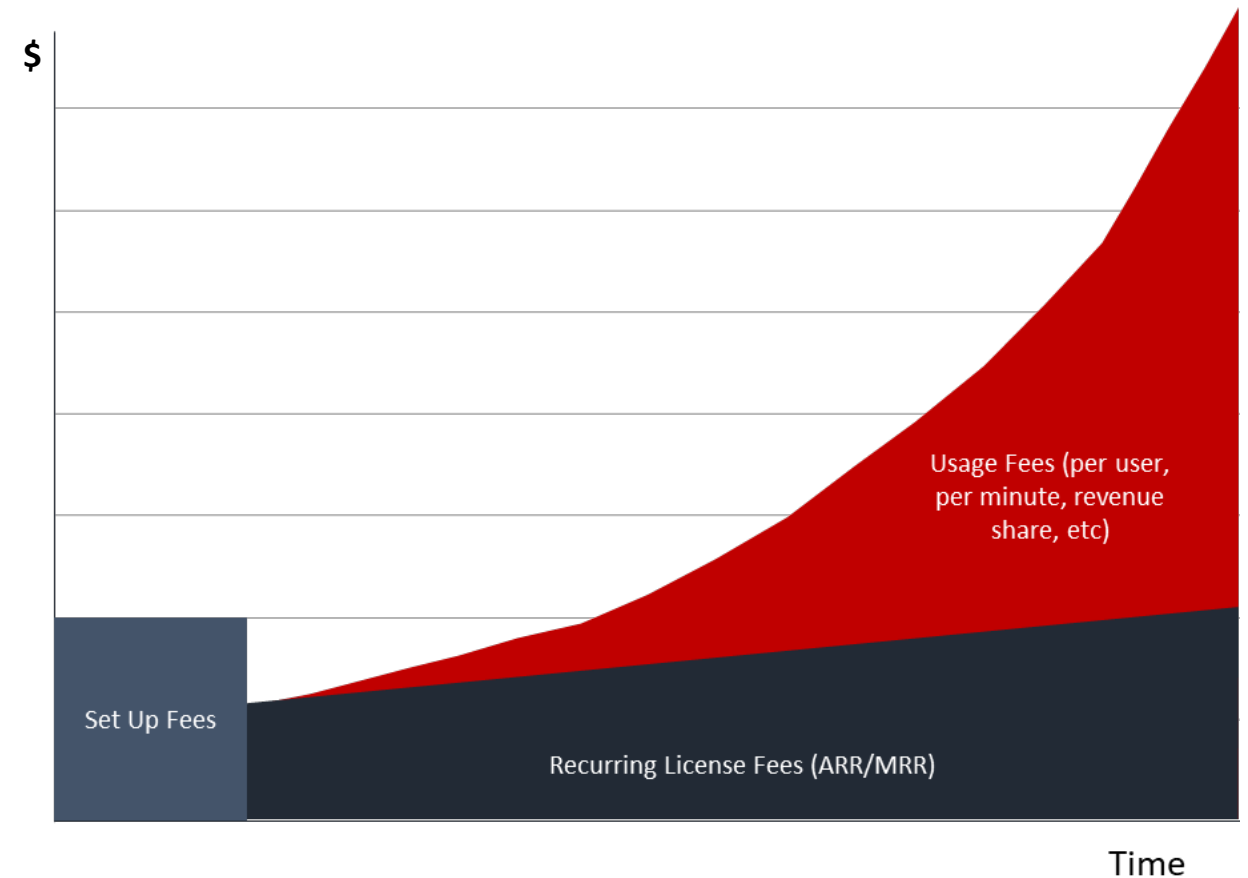
Linius solutions create client value

- Viewer engagement = \$
- Current clients have seen significant increases in viewer engagement having deployed Linius personalisation products, with one reporting increases of 120%.
- Increased viewer engagement is monetized through advertising, sponsorship, subscription, user growth/retention
- All models generate significant returns for the client

Linius commercial models align with client value

Linius has introduced new commercial models to balance

- immediate cash flow
- predictable recurring revenue
- large usage-based growth potential



- Executive team bolstered by addition of new **General Manager, Education & Enterprise**. Search for executive leader of the Sports business is ongoing.
- Organisation structure updated to **align staffing with customer value**.
- Team updated to put the **right people in the right roles**. Most roles now filled. While hiring has increased, overall expense for staff, contractors and consultants has reduced.
- Developed and introduced clear **company purpose, strategy, value proposition, and values**.
- Clarified and narrowed product portfolio, created **replicable products, defined roadmap** priorities for next 12 months.
- Focus on product marketing, developed **customer-oriented messaging and product value propositions**.
- **Engineering processes and tools** have seen significant maturation over past 6 months under new CIO Clive Malcher.
- Optimisations of core technology architecture bringing **efficiencies in production cost structure**, reducing development risk, and **accelerating development velocity**.
- Linus selected for **Amazon Web Services Rapid Prototyping Program** to support Linus in the development of another new product on LVS.





Video Virtualization Engine™

World-first technology re-defining video rich markets

Linus Technologies Limited (ASX:LNU)

Investor Presentation
April 2022

Video comes with multiple limitations and compromises

Video use is massive and growing (84% of internet traffic and 64% of mobile traffic)
... yet video has experienced less innovation than other media

Why?

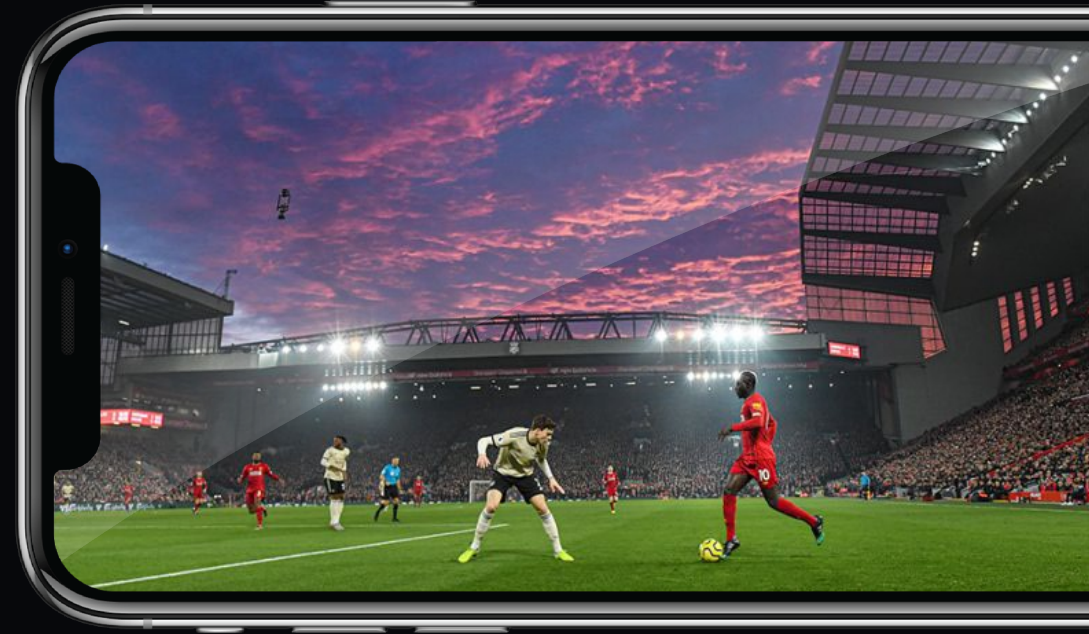
Due to the video file itself, which is often large, complex, inflexible, using significant bandwidth, processing, and storage

At the same time, viewers expectations have changed forcing content creators and owners to find new ways to engage viewers and monetise content.

Video distribution has not changed. with broadcasters still pushing the same content to all viewers. This is sub-optimal compared to all other digital media, which can be pulled through by the viewer to their own requirements.

Linus has revolutionised video distribution by going to the source of the issue
- the video file itself

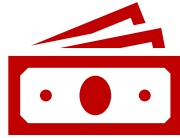
All other 'big data' is virtualised **only Linus has invented, patented and delivered video virtualisation**



Linus cuts through the limitations of video



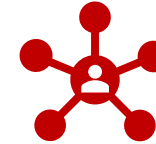
Linus' patented technology provides the only video virtualisation platform to the world's content creators, managers, distributors and broadcasters.



Linus delivers efficiency across the video ecosystem, creates new opportunities for video owners to monetise their content and provides the world's only methodology to personalise every video stream to each viewer at scale.



Available today as a SaaS platform to application developers and clients, generating recurring platform and variable usage revenue.



Linus' technology empowers clients and users across multiple market segments and use cases.

Virtualisation makes it possible

No one else in the world can instantly assemble infinitely variable video streams at broadcast scale and quality.

Linus' patented Video Virtualisation Engine™ (VVE) turns big, bulky video files into lightweight, searchable data enriched with AI and ML. By virtualising video, users can create, search, edit, distribute, view, and share an infinite combination of personalised videos that matter to them, **all without processing or storing a single new video file.**

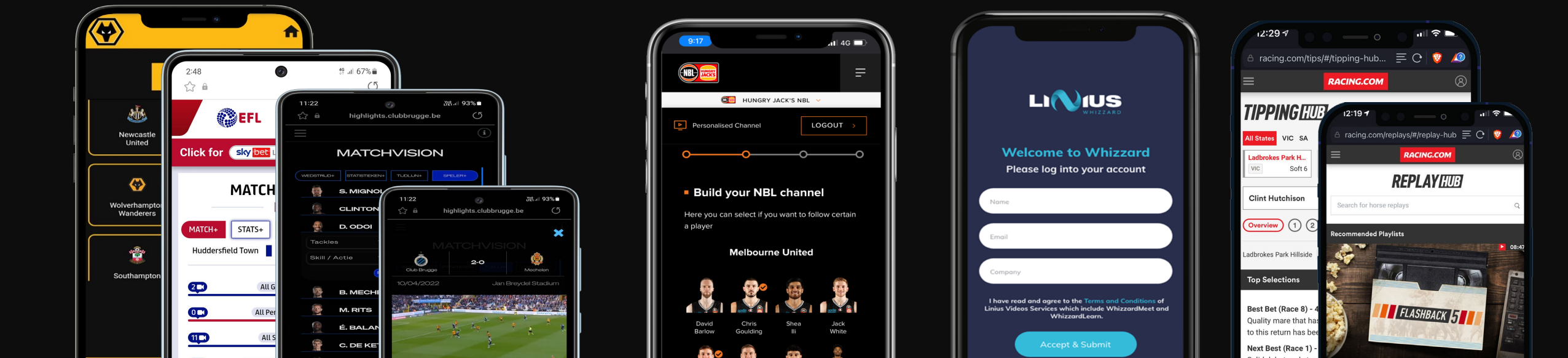


Commercialising our initial focus markets

Linus has validated video virtualisation in its current core focus markets - Sports, Education, Business

- Significant annual recurring revenue (ARR) identified across each of these markets
- Customer satisfaction and repeat sales are key to near-term ARR growth

Linus is also finding success with partners like Swanbay, who have built and sold their own successful solutions with LVS.



swanbay.tv



zoom

RACING.COM

Repeating success in target markets to drive growth



- Satisfied customers, growing adoption, proven value.
- Partnerships and direct team in place to replicate and accelerate this success in new regions & sports.
- Executing robust sales pipeline, with new leagues/sports/teams to be announced soon.

Global value of sports media rights USD 52.1B in 2021; 16% increase from 2020's Covid affected total. ⁽¹⁾



- Validating solution in ANZ generates proof to tap US market potential.
- Deep customer engagement, developing & proving high value use-cases.
- Connection with most ANZ universities
- Strong opportunity pipeline for CY2022.
- Experienced team of industry experts.
- Partnerships with leading tech platforms.
- Focused roadmap to accelerate user adoption by mid-CY2022.

Global higher-ed tech market to reach 169.7B by 2028 (CAGR 10%). ⁽²⁾ ANZ: 50 unis/1.5m students. ⁽³⁾ US: ~2400 unis/~20m students. ⁽⁴⁾



- Broad market potential.
- First product in market.
- Market testing to determine segments and use cases with greatest potential for focus through CY2022.
- Partnerships with leading enterprise vendors AWS, Zoom, Brightcove.

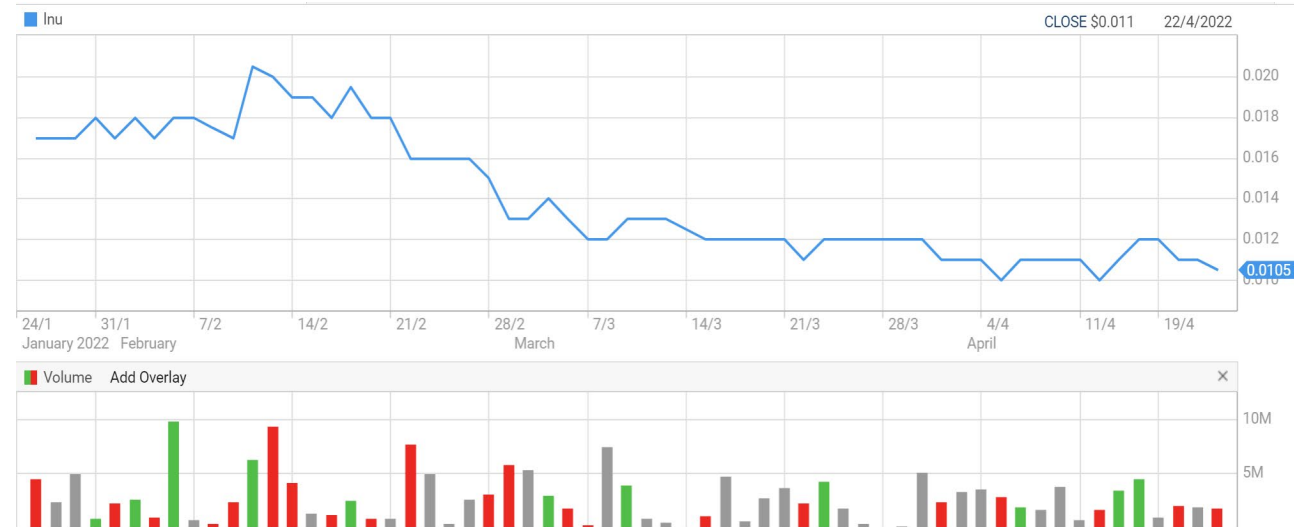
Global video conferencing market USD 9.2B in 2021; forecast to increase 19.7% to USD 22.5B by 2026. ⁽⁵⁾

- **Currently expanding to US region within sports market including collegiate sport.**
- **Leverage sport success into education use cases in US university market.**

Key financial details

ASX code	LNU
Listing date	July 2011
GICS classification	Software & Services
Share price (22 April 2022)	\$0.010
Market Capitalisation	\$17.7m
Shares on issue	1,765.9m
Options on issue	57m
Cash on hand (31 December 2021)*	\$1.506m
Trading range (last 12 months)	\$0.01 to \$0.04
Average daily volume	3.86m

* Proforma cash on hand excludes \$2,000,000 received from New Technology Capital Group, LLC in respect of the subscription agreement as disclosed on 28 January 2022.



Major shareholder	Holding
Earthrise Pty Ltd	5.47%
Gerard Bongiorno	4.87%
Technical Investing	4.53%
Steve McGovern	2.59%
Board shareholding %	8.14%
International shareholding %	3.88%
Total shareholders (No.)	3,534



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Video Virtualization Engine™



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