ASX Announcement 27 February 2017

LINIUS VIRTUALISES INSTAGRAM

- Indexed & virtualised millions of public videos
- Global demonstration of its transformative Video Virtualization Engine™
- First time public can use, play & interact with virtual videos
- Demonstrating at South-by-South West in Austin, Texas (SXSW)

Linius Technologies Limited (ASX: LNU) (Linius) pressed play on its video revolution with the launch of a global demonstration of its transformative Video Virtualization Engine[™] (VVE).

In a **world's first**, Linius has indexed and virtualised millions of public videos from **Instagram**, and **TED talks**. These virtual videos are available to the world where users can search and edit the video content instantaneously. The users can then broadcast their new 'virtual' videos.

Linius has undertaken this activity, which it is calling **VVE Play**, to raise awareness of and demonstrate the patented Video Virtualization Engine[™], which it believes has the power to transform many multi-billion dollar video industries.

Chris Richardson, Chief Executive Officer of Linius, said:

"We believe the VVE transforms the world of video. We undertook a high profile demonstration of its unique power to prove it. To date, we have indexed millions of videos and made them available as virtual video files.

"VVE Play is a world's first and demonstrates the functionality and scalability of our Video Virtualization Engine, which we believe can transform our four initial target markets of search, personalised advertising, anti-piracy, and defense.

"We are simultaneously taking our product to market off the back of this global demonstration with targeted sales activity to high potential clients in the US and around the world."

Linius' patented Video Virtualization Engine[™] converts cumbersome, static legacy video into agile, interactive, virtual video. Creating that virtual video file is like splitting the atom of traditional video, thus unleashing the many monetisation opportunities available.

Linius believes the world's video should be managed with virtual files. With VVE Play, anyone can experience the power of Linius with its underlying 3-step process:

Step 1: Automatically tag and index the data within a video file and create a virtual video

Step 2: Programmatically extract, splice, merge and manipulate video content in transit to its destination



Capital Structure

Shares quoted on ASX – 224.0m Total shares on Issue – 679.2m Market Cap @ 6.5c – 44.1m Unlisted Options – 73.0m

Corporate Directory

Christopher Richardson Executive Director, CEO

Stephen McGovern Non-Executive Director

Gerard Bongiorno Non-Executive Director

Stephen Kerr Company Secretary, CFO

Key Definitions

Video Virtualization Engine™ is Linius' patented software that turns existing Internet videos into virtual video files, enabling next generation TV.

Showcase Partners are Linius channel to market partners, and assist with product development and market validation.

Digital Video Value Chain is the suite of technologies that enable getting a "video" from the camera to the screen.

Transcoding is the process by which video files are converted to different formats. The process helps to support low bandwidth connections and lets video conform to the unique constraints of various mobile devices.

Contact Details

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Step 3: Re-assemble the video file instantaneously at its destination — the end-user video player Linius will leverage the results of this initiative to create a global sales campaign targeting its 4 primary, opportunity-rich markets:

- Personalised Advertising: \$120 billion market
- Search: \$82 billion market
- Anti-piracy: \$20 billion market
- Security and Defense: \$22 billion market

Linius' global sales campaign is the first round in Linius' global commercialisation plan to generate market awareness, create a pipeline of opportunity and develop well-founded revenue channels.

This sales campaign will include a global PR/IR program, social media, targeted communications to prospective clients, and a formal launch at South-by-South West in Austin, Texas (SXSW) next month.

About Linius Technologies Limited

Linius Technologies Limited (ASX: LNU) has cracked the code of content intelligence and created the next evolution of video streaming. We transform cumbersome, static video files into agile, dynamic files that can be easily manipulated on the fly, in order to deliver an enhanced, custom experience for both broadcasters and end-users in any way imaginable, and some as yet to be imagined.

This is a new paradigm for video streaming, something we call intelligent content. It's a solution set to disrupt entire industries that rely upon or leverage video content streaming.

Based in Melbourne, Australia, it seeks to commercialise its patented Video Virtualization Engine[™] — cut costs and boost revenues across the multi-billion dollar video industry.

Linius has the potential to transform many market segments and is initially focused on **1**. Delivering personalised advertising solutions for broadcasters, **2**. Video security and reduced piracy, **3**. Enhancing search engine monetisation, and **4**. Security-service applications.

For more information visit: www.linius.com

For more information, please contact:

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