



## ASX Announcement

21 Feb 2018

### LINIUS COMPLETES A\$10 MILLION CAPITAL RAISING

#### Highlights

- *Capital Raising Over-Subscribed*
- *Linus Continues to Execute on Near-Term Goals*
- *Funding Underpins Commercialization Plan of Scaling Business*

**Linus Technologies Limited** (ASX: LNU) (**Linus** or **Company**) is pleased to announce that it has successfully raised A\$10 million in an over-subscribed placement of shares and options (**Capital Raising**).

The Capital Raising comprises a placement of 83,333,334 ordinary fully paid shares, at an issue price of \$0.12 each with one free attaching option for every two shares issued (for an aggregate 41,666,667 options), raising A\$10 million. The options will have an exercise price of \$0.16 each, expiring on 30 September 2019, and will be listed subject to ASX listing requirements.

The Capital Raising includes an investment commitment of A\$250,000 by Linus Chairman, Mr Gerard Bongiorno, who has agreed to subscribe for 2,083,334 shares and 1,041,667 free-attaching options, subject to shareholder approval.

In addition, long-time supporter of the Company and Institutional Investor Technical Investing Pty Ltd has committed to an investment A\$2.5 million, comprising of 20,833,334 shares and 10,416,667 free-attaching options, subject to shareholder approval.

CPS Capital Group Pty Ltd acted as lead manager and broker for the Capital Raising.

Investors in the Capital Raising comprise existing and new shareholders, including prominent Australian family offices.

The Company recently announced 11 near-term commercial goals that would either directly generate or pave the way for acceleration of revenue. To date, the company has completed 7 of those goals:

- ✓ Deliver the integration of VVE into IBM's Cloud (May 2017)
- ✓ Deliver the integration of VVE with at least one world leading Over The Top (OTT) platform (Oct. 2017)
- ✓ Engage with a global movie studio to develop Proof of Value (POV) in anti-piracy (Oct. 2017)
- ✓ Deliver the integration of VVE into Microsoft Azure (Dec 2017)
- ✓ Deliver blockchain strategy and solution design (Dec 2017)
- ✓ Deliver the integration of VVE with at least one cognitive AI provider (Dec 2017)
- ✓ Engage with a global movie studio to develop a mass content distribution POV (Feb 2018)
  - Deliver an end to end piracy solution with a movie studio
  - Deliver POC (proof of concept) of Search in a global cloud environment
  - Convert initial deal flow with IBM
  - Deliver the integration of VVE with Major OTT ad servers

In addition to these previously communicated goals, Linius recently announced the launch of its SaaS 'self serve' product to developer communities, systems integrators and resellers.

"Nearly 80% of global internet traffic is video and our mission is to make it available as data. We will continue to deliver commercial validation of the technology in our chosen markets and deploy repeatable technology through our delivery partners, such as IBM," said Chris Richardson, Linius CEO. "These funds will enable Linius to execute on our commercialization strategy with a clear focus on existing and new large-scale sales opportunities."

Linius intends to use the funds to:

- continue the commercialization of its four target divisions — video search, anti-piracy, personalized advertising, and security and defense;
- scale the utilization of virtual video globally through SaaS deployments;
- continue R&D around Linius' patented technology; and
- add selected new hires in product management and sales support roles.

A total of 125,000,001 securities will be issued under the Company's current capacity per listing rules 7.1 and 7.1A, specifically consisting of 1,414,246 shares and 41,666,667 options issued under Listing Rule 7.1 and 81,919,088 shares issued under Listing Rule 7.1A. The issue price of the securities meets the requirements of LR7.1A.3, the price being greater than 75% of the 15-day VWAP.

The new shares and options (except those subject to shareholder approval) are expected to be issued by Friday, 2 March 2018.

The Company anticipates the shareholder meeting seeking the approvals for the issues to Mr Bongiorno and Technical Investing Pty Ltd will be held in late March or early April 2018.

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## **About Linius 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 BlueMix.

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 Defense: Intelligent search and immediate distribution of security footage
- Personalized Advertising: Hyper-personalized to individuals, timeslots and content

*For more information please contact:*

**Chris Richardson**, Chief Executive Officer

**Linus Technologies Limited**

[www.linus.com](http://www.linus.com)

T: +61 3 8680 2317

Press and Media: [pr@linus.com](mailto:pr@linus.com)

Investor Inquires: [ir@linus.com](mailto:ir@linus.com)

General: [info@linus.com](mailto:info@linus.com)