



Making The World's Video Accessible as Data

Investor Presentation - April 2018

ASX:LNU

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**Linus Is The Only Company
That Can
Virtualize Video**

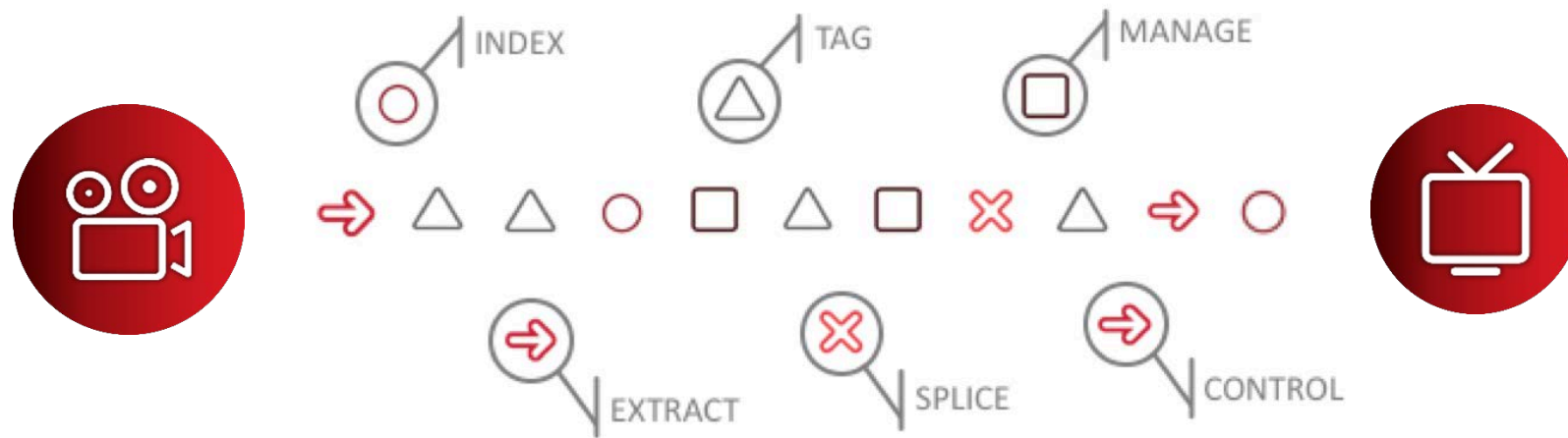
Video “works”, in the sense that we can watch video on the Internet.

But the entire rest of the world of data is virtualized — only video isn’t. And the impact is that all of our computer science advances fail when it comes to video.

- ✓ Why can’t I search across videos?
- ✓ Why do movies lose nearly 20% of revenue to piracy, when we do all of our banking online without issue?
- ✓ Why is < 0.3% of security video ever analyzed?
- ✓ The list goes on

*Even though video is digital,
legacy formats make it difficult
or impossible to access the
underlying data inherent in it*

The **Linus Video Virtualization Engine™ (VVE)** transforms traditional video files, into data (or virtualized files), enabling unprecedented capabilities, flexibility & monetization.



Accessing the data within the video file is the missing link for video cloud service providers, creating unparalleled value across the internet video industry.

**Even The Most Simple Example — Search
— Demonstrates The Capability**

A Simple Example — Today

YouTube CZ

West Ham vs Chelsea Dec 9th, 2017 morata

Home

Trending

Subscriptions

LIBRARY

History

Watch Later

3D Printing

Liked videos

SUBSCRIPTIONS

chess24 3

GingerGM

John Bartholom... 1

Daniel Rensch

Saint Louis Ch... 31

GaryVee 8

Chess.com 2

Show 11 more

Settings

West Ham v Chelsea 9th December 2017
West Ham Highlights • 325 views • 3 months ago
West Ham 1:0 Chelsea.

West Ham Vs Chelsea Access All Areas | Unseen Extra
Chelsea Football Club • 30K views • 3 months ago
Access all areas for **West Ham Vs Chelsea**. Subscribe to Chelsea TV <http://bit.ly/2ty8m7n> To watch more EXCLUSIVE Chelsea

MORATA'S FINISHING... || WEST HAM 1-0 CHELSEA || LIVE REVIEW
100PercentChelsea • 13K views • Streamed 3 months ago
Welcome to the Live Match Review of **West Ham 1-0 Chelsea**, here on 100PercentChelsea. What is up with **Morata's** finishing??

FIFA 18 - WEST HAM VS CHELSEA - ALVARO MORATA VS WEST HAM 09.12.2017
STQ Gaming • 661 views • 3 months ago
FIFA 18 - **WEST HAM VS CHELSEA** - ALVARO **MORATA** VS **WEST HAM** 09.12.2017 This video is FIFA 18 gameplay for the match

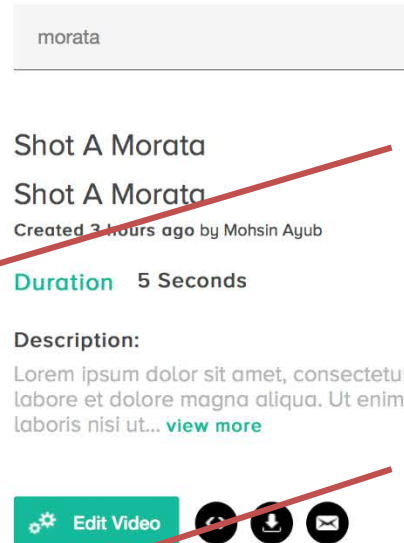
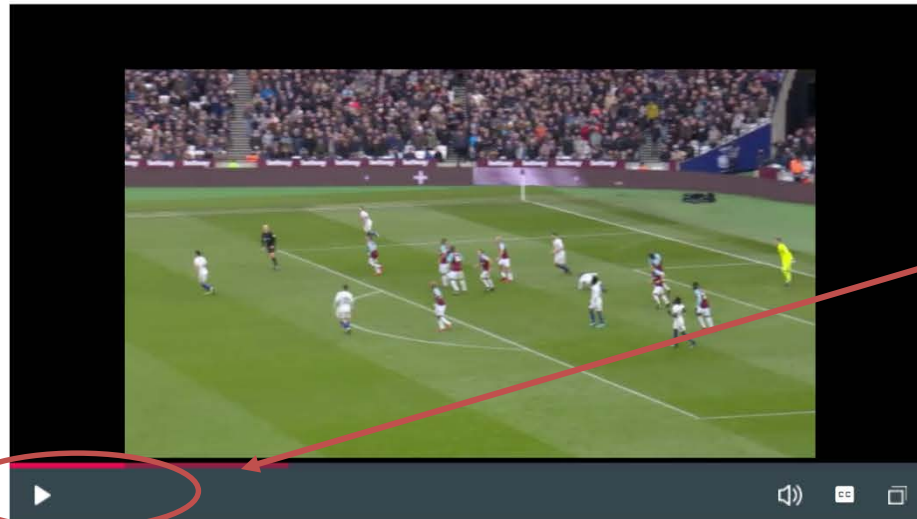
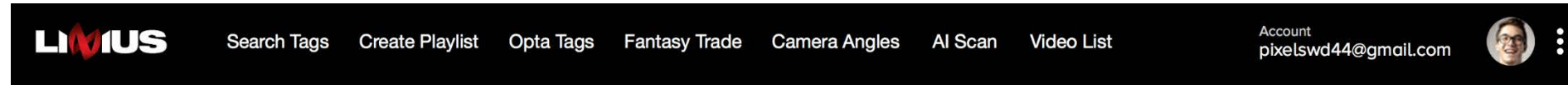
HIGHLIGHTS: WEST HAM UNITED 1 CHELSEA 0
West Ham United FC • 50K views • 3 months ago

ABOUT 504 RESULTS

YOU GET HUNDREDS, OR THOUSANDS OF RESULTS — WHICH ARE MOSTLY IRRELEVANT

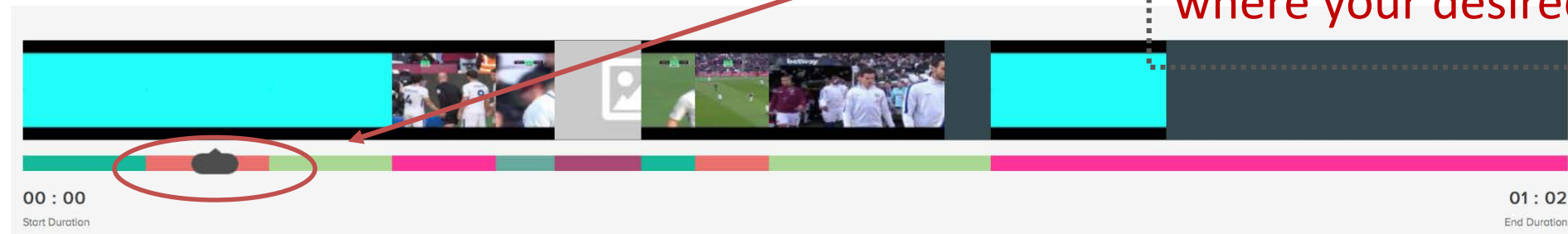
EVEN WHEN YOU GET A “GOOD” RESULT, YOU MAY HAVE TO SCROLL THROUGH 20 MINUTES OF GARBAGE TO FIND YOUR 1 RELEVANT MINUTE

Same Example, with Linius



You instantly get a single, hyper-personalized video, showing exactly what you want

Dynamically created from the raw data of the dozens of videos where your desired content rests



**But Virtualizing Video Offers Much More
than This**

Now Is The Time for Virtual Video



Linus Owns the Virtualization of Video: Linus invented, built and patented the world's only **Video Virtualization Engine™ (VVE)**

Large & Expanding Market:

- **Amazon, Microsoft & IBM are investing billions** in video services (technologies) and artificial intelligence in the cloud
- It is arguably the biggest battle on the internet, given that **video will account for over 82% of internet traffic** by 2021
- **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 Rapidly Scaling:

- Linus is now available on Microsoft Azure, IBM Cloud and Amazon Web Services, providing the ability to scale across multiple platforms
- Linus, and others, are now building commercial products around Linus' VVE
- Clients are buying-in





Top providers are racing to virtualize video services. Linus virtualizes the actual video, providing the missing link.

Linus VVE makes video accessible as data, for the first time. Video search & viewing will never be the same.

By All Measure, The Market Is Gigantic



Hyper-Personalized Videos

55% of people watch video online each day
Market is growing at 20-40% pa
Snapchatters watch 10B videos a day
500M people watch video on Facebook everyday
YouTube - 5B video views per day
YouTube - 18% market share of video on internet
Conservatively ~ 10B video searches per day

Security and Defense

Video surveillance is a \$40B market
72M hours (822 years) of video acquired per day
Video surveillance is 20% of UK's criminal justice budget

Only 0.2% of all US federal video footage is ever viewed - it would take 7 million analysts to accomplish

Content Protection

Film piracy costs the US economy \$20.5B per year
100B visits to pirate sites per year
432M internet users regularly pirate content
In 2016, peer-to-peer distributors were responsible for 5.4B downloads of pirated wide-release films

Personalized Ads

The US TV advertising market revenues of \$90B pa
Total # of ads viewed ~9 - 12 trillion pa, in the US
225M consumers are active users of Ad Blockers
With Linus, Ad Blockers do not work, saving this revenue

In all cases, Linus is paid per "view"

- ✓ **Fully granted core patents in:** US, EU, Canada, S. Korea, PRC, Hong Kong, Singapore, and Australia
- ✓ **Filing new patents in line with our commercialisation strategy:**
 - 3 continuation patents granted in US
 - multiple patents pending
 - plan to continue expanding our IP protection

Point competitors exist in individual segments, but no one else can virtualize video today.

Linus Has a 3-Pronged Strategy to Dominate The Space

- 1. Direct Sales for Strategic POCs**
- 2. Global Partners to Commercialize**
- 3. SaaS to Enable Future Innovation**

The World's Video is Going to Be Data: **We're Doing It**



Linus is aggressively targeting the largest brands and content libraries, and current commercial success includes announced trials and proofs of concept with Oklahoma State University, Warner Bros., Village Roadshow, and MediaAMP.

Hyper Personalized Content Experiences

- News
- Sports
- Corporate Communication
- Education



Strategic POCs in Process



VILLAGE ROADSHOW PICTURES



Strategic POCs in Process

SaaS

In trials with select engineers and partners

Blockchain

Strategy announced, in development

1. Linus can sell established IBM Cloud products integrated with VVE to speed delivery time for customers
2. IBM can sell Linus VVE, enabling new revenue opportunities across all four target verticals (Search, Security and Defense, Anti-Piracy & Personalized Ads)



The IBM Partnership Provides:

- ✓ A market model that matches our clients' needs: cloud, private, hybrid-cloud
- ✓ Proven Bluemix applications
- ✓ Validation of Linus and also execution resources
- ✓ Over 300,000 employees to help go to market in the large enterprise
- ✓ An existing client base that includes the "who's who" of Linus' prospects
- ✓ IBM is a world leader in blockchain technology - Linus' technology makes what IBM has even better
- ✓ IBM Watson is a world-leading cognitive AI - Linus monetizes this intelligence to create hyper-personalized video experiences in search, personalized advertising and security and defense applications



IBM Is The First of Many

Our Announced Goals and Path to Success: **The Last 6 Months**



In September, 2017, Linus announced 11 Near Term Goals. To date, we've complete 7, and three more are imminent

- ✓ Deliver the integration of VVE into IBM's Cloud (*Oct. 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
- ☐ Integrate with major OTT ad servers

Of the remaining four goals, the two deliveries are tied to already announced POCs in process, and conversion of IBM deal flow is imminent. Integration with ad servers was replaced by management in favor of launching a SaaS version of the software, which is currently in closed beta.



* OTT – a broadcaster that broadcasts over the public internet

The Next 3-6 Months: **Near Term Goals**

Previous goals were based on scaling the penetration of virtual video, and moving the company towards revenue. With this updated set of goals, Linius expects to continue with its business scaling efforts, but also start generating revenue:

- ☐ Deliver an end to end piracy solution with a movie studio (target Q2 2018)
- ☐ Deliver POC (proof of concept) of Search in a global cloud environment (target May 2018)
- ☐ Convert initial deal flow with IBM (target Q2 2018)
- ☐ Sign an education-sector reseller
- ☐ Close 2 revenue-generating deals in the education sector
- ☐ Close 2 revenue-generating deals in the sports sector
- ☐ Sign a second (beyond IBM) global “name” partner
- ☐ Close 2 revenue-generating deals (other than the two named above)
- ☐ Integrate IBM search capability



The Company

**Great People in A Great Financial
Position**

A World-Class Video Commercial Team



CHRIS RICHARDSON

Executive Director and CEO

Chris is an accomplished internet video executive with more than 20 years of experience leading tech companies in the US, Europe and Asia. Since 2010 has held GM level roles in public and private video technology companies globally, after spending 10 years in Silicon Valley leading product management for VC funded startups.



KEN RUCK

EVP, Personalized Ads

Ken has scaled both start-up and large media companies, with rich experience in video, digital media, and AI; most recently as Chief Innovation Officer for Kodak. Previous roles include Head of Wireless MTV, VP Global Digital Jim Henson, Global New Products for Turner, and GM of Content for Virgin Mobile. Ken also was on the founding team of successful start ups Oberon Media (\$800 mil valuation,) Flash Networks, cPulse and Hemisphere Interactive.



KEVIN KYER

EVP, Search

Kevin has worked in the digital space for almost 20 years, building advertising businesses across the globe. Most recently, he drove the growth of Listglobally, a global real estate advertising site in over 50 countries. Prior to that, he spent 10 years at Yahoo. His tenure there saw him participate in the building of Yahoo's search platform, lead the turnaround of it's European division, implement a strategic partnership with Microsoft. Prior to Yahoo Kevin held various marketing and business development roles for digital economy businesses.



TOM SLOWE

EVP, Security and Defense

Tom has worked in disruptive AI based technologies for over the last 20 years. An expert in machine learning as applied to video & other big data, he leverages his technical & business development background to achieve deep product/market fit. Prior to Linius, he held a number of executive and founding positions where he was responsible for providing products and services to Fortune 500 companies in Retail, Advertising, Broadcast, Social, the US Intelligence Community (IC) and Department of Defense (DoD). Tom received his BSEE from Rutgers University and MS from MIT Media Laboratory.



PETER COHEN

EVP, Anti-Piracy

Peter has been a senior media and entertainment executive in multi-platform content production, programming and distribution. He has worked as VP Sales/Marketing at HBO, SVP Distribution CNN International, SVP MuchMusic USA, Sr. EVP Content/Digital Billboardlive, and SVP Programming at MTV/The Box Music Network. Most recently he was Head of Business Development for Experience Proximity, a leading mobile AR/VR company in Los Angeles.

Share Metrics (ASX:LNU)

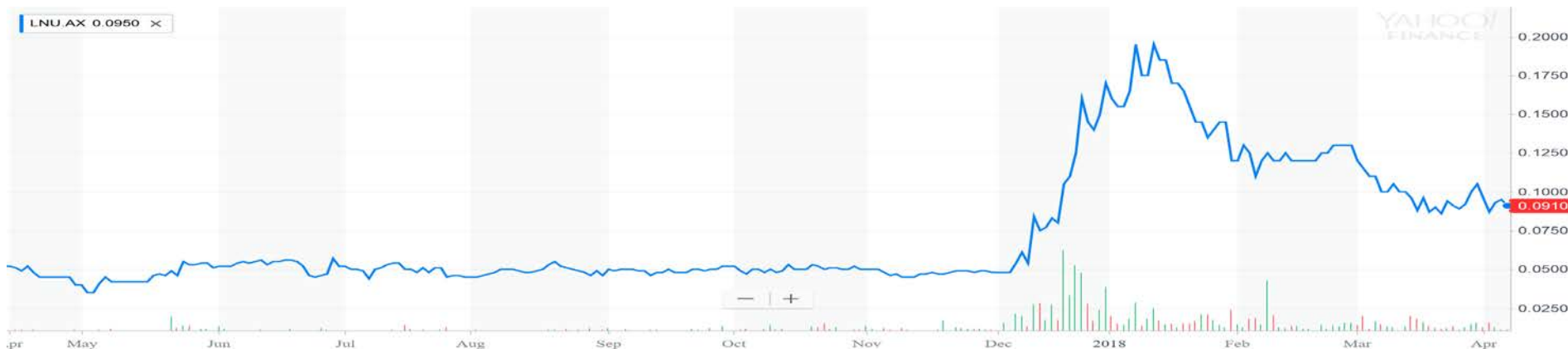


<u>Linus Technologies Limited</u>	
Share Price (as of 6th Apr 2018)	A\$0.095
Market Cap	A\$86.7m
Listed Shares	507.2m
Listed Options - A\$0.16 Exp Sept 2019	50.6m
Unlisted Options <ul style="list-style-type: none"> 61.5m A\$0.05 Exp Mar 2019 11.5m A\$0.045 Exp Nov 2019 64.0m A\$0.075 Exp May 2019 13.5m A\$0.07-A\$0.085 Exp Dec 2019 10m A\$0.22 Exp Sept 2019 5.75m A\$0.045-A\$0.05 Exp June 2021 	151.2m
Total Shares on Issue	912.4m
% Ownership of Management	7.5%

Capital Markets Highlights

- Listed on ASX May 2016
- Raised A\$3.5m (5 cents/share) in March 2016
- Raised A\$0.5m (5 cents/share) in Sept 2016 through placement to key industry player
- Raised A\$1.5m (5 cents/share) with strategic investment from Village Roadshow in July 2017
- Raised A\$4.5m (5 cents/share) Oct 2017 in placement to sophisticated investors
- Raised A\$0.8m in Dec'17/Jan'18 to date via exercise of options by holders of 7.5cent options
- Raised A\$9.75m (12 cents/share) Feb 2018 in placement to sophisticated investors.

52-Week Price Chart (range A\$0.04-0.21)





Making The World's Video Accessible as Data



Christopher Richardson, CEO



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