

Linius Signs Commercial Deal with Newstag

Deploying Linius Video Search technology

Melbourne - July 31, 2018 - Linius Technologies (ASX: LNU) has reached an agreement with Stockholmbased video news service Newstag to deliver hyper-personalized news experiences with a social impact.

Newstag is an award-winning news platform that aggregates content for more than 20 broadcasters and agencies around the world, including leading news producers such as AP, AFP, CNN and Bloomberg. Newstag is a world leader in the use of data to learn and tailor content experiences for users in more than 150 countries.

In the first instance, Newstag will deploy the Linius Search Solution across the Newstag site, allowing users to search news archives and generate their own personalized news experience, creating value through Newstag's Infinite Heart Program.

The Linius technology will also be deployed to the Newstag workflows providing both improved efficiency and enhanced personalization to news feeds currently being provided to broadcasters around the world.

Linius will receive monthly license fees, in addition to US\$1 per video virtualized and US\$40 per thousand videos assembled (discounted to US\$10 per thousand until a future commercial deal is signed).

"Linius is in the commercialisation phase of our business and is targeting market leaders in the news, sports, education and corporate communications sectors, with our video hyper-personalization capability," said Linius CEO Chris Richardson.

Once deployed, Linius and Newstag will work together to sell the capability to the thousands of news broadcasters and news content providers around the world, including but not limited to existing Newstag clients. Planning for the second phase rollout has already commenced.

Separately, Linius intends to appoint the chairperson of Newstag, Ph.D Camilla Dahlin-Andersson, to the Company's Advisory Board to facilitate the combined go to market plan.

"Newstag is excited about working with Linius to rapidly scale our personalised video news content offering helping users to find relevant content more efficiently. Linius' technology will allow us to gain market share in this rapidly evolving market," said Dr Dahlin-Andersson.

The market opportunity

According to Nielsen's Total Audience Report 2016, news consumption is showing significant growth.

In the US alone, adults over 18-years-old watched more than 27 billion minutes of national cable television news programming per week.

While cable TV saw the largest increase, news consumption across all media, including radio, traditional broadcast TV and smartphones rose by 18%, compared with a year earlier, to 73.5 billion minutes per week.¹

¹ http://fortune.com/2017/04/03/nielsen-news-report/

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According to Deloitte Global, by the end of 2018, at least 50 per cent of adults in developed countries will have at least two online-only media subscriptions. This is expected to double by the end of 2020.²

"Our strategy has been to seek a leading brand to commercially validate the Linius solution and a channel partner to rapidly scale our business. The agreement with Newtag gives us a strong foothold into the booming news sector," said Mr Richardson.

Linius will continue to work with existing global channel partners to roll out the company's world leading video virtualisation capability.

Revenue to be generated under this agreement is dependent upon take up of the service and will commence on deployment.

About Linius Technologies Limited:

Linius 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 virtualising 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 per cent of internet traffic.

Only Linius can expose the data that makes up the video file, and control the content within. Accessing the data in the video file is the missing link for video cloud service providers, content owners and distributors, creating unparalleled value across the internet video industry.

Linius 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
- Personalised advertising: Hyper personalised to individuals, timeslots and content

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² Digital Media: the subscription prescription 2018