



# Making The World's Video Accessible as Data

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Investor Presentation – April 2019

ASX:LNU



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*Linus Technologies Limited has cracked the code  
that makes hyper-personalized video possible.*

*We transform cumbersome, static video files into  
dynamic virtual files that can be easily manipulated  
on-the-fly, delivering an enhanced, custom  
experience for content creators, distributors and  
consumers.*

A decorative graphic at the bottom of the slide consisting of a network of interconnected nodes and lines, resembling a molecular or digital structure, rendered in a light gray color against the dark background.



The virtualization of data is not a new concept in the world of technology. In fact, big data depends on it for enhanced performance and efficiency, yet it **has never been applied to the biggest source of data globally – Video.**

Video data has always been singular, static and self contained in nature making it impossible to gather, analyze or manipulate the data... until now.



# Introducing Linius Hyper-Personalized Video Technology



A screenshot of the Squared Circle website. At the top, the text "SQUARED CIRCLE" is in large, bold, white letters, with "ONLINE BOXING VIDEO" and "CREATED BY THE FANS, FOR THE FANS" in smaller text below it. Below this, the main headline reads "GET YOUR VERY OWN BOXING CHANNEL" in large, bold, white letters, followed by "FROM AS LITTLE AS \$4.95 A MONTH" in red. A sub-headline states "GET THE CONTENT THAT YOU WANT TO SEE, PERSONALISED FOR YOU FROM ACROSS THE SQUARED CIRCLE VIDEO LIBRARY". A red button says "TRY IT OUT NOW!" with "Cancel anytime" in smaller text below it. The main content area features three subscription tiers: \$4.95 per month, \$9.95 per month, and \$12.95 per month. Each tier includes a list of benefits and a red "SUBSCRIBE" button. Below the tiers, there are four feature sections with icons: "Design your own content", "Granular match highlights", "Establish a following", and "Learn from the pros". At the bottom, a red button says "CREATE YOUR OWN CHANNEL NOW".

- Empowers users to instantly search data within video, and programmatically assemble the ultra-granular results to allow viewers to get the exact video content they want.
- Delivered as a single video ready for immediate playback on any web-enabled device or platform.
- The value of personalized content highlighted in success of Amazon, Facebook & Google.
- Historically no one has personalized the video stream. Today, Linius is the only one that can do it
- Linius has 5 patents, proven technology and is able to monetise this through a new SaaS platform, Video on Demand (VOD).



# What are we creating for content users



## ✓ Personalized channels

- Monday-morning highlights my favourite players rather than watching irrelevant content
- Example: Show all LeBron James & Stephen Curry 3 point field goal attempts

## ✓ Real video search

- An ability to search through video for information that is desired
- Example: Last 5 starts for horse #2 or 5 lecturers explaining photosynthesis for my Bio 101 class

## ✓ The right amount of video

- 5 minutes of St. Kilda while I wait to pick up my son from school
- 20 minutes on “Trump”, “Brexit”, and “cold fusion” while I take the tram to work

*These use cases are “obvious”, but they don’t exist today. Why? Because there is no technology able to do this, apart from Linus.*



# What Opportunities Are We Creating For Corporate Clients?



## ✓ Increased engagement by content users

- Users stay on site longer when they get the content they want

## ✓ Ability to charge subscription revenues

- Allows content creators to charge people for the content they want

## ✓ Increased ad revenue

- Personalized ads are worth 2.7x non-targeted ads

## ✓ Extract the value of existing AI/cloud investments

- Billions invested in AI to create data about video, but what can you do with it?
- Linus gives that data value by enabling automated surfacing of relevant video content across sources with no cost for rendering or transcoding, and less than 1% the storage cost

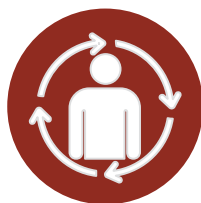
*Linus is targeting multi-billion dollar markets*



# Significant Market Opportunities in Initial Target Sectors



**\$82 bn**



## Hyper-Personalisation

Search within videos and compile new videos on the fly

80% of Internet traffic is video.

Linus can search the content on a granular level never before dreamed of.

**\$21 bn**



## Content Protection

Applying proven data protection method to solve content piracy

\$22 billion p.a. of box office revenue lost to piracy

Linus has an end to end solution to solve this.

**\$193 bn**



## Personalized Advertising

Hyper-Personalized to individuals, timeslots and content

Deliver Personalized ads to Cable TV.

Personalized advertising average of 2.7 x the revenue per ad vs. non-targeted.

**\$22 bn**



## Security and Defence

Intelligent search and immediate distribution of security footage

Linus can cut the time to take action on a threat from hours or days to minutes by allowing enforcement agencies to search through video for perpetrators.



# Linus Technology Is Applicable Across Multiple Industries



**Linus Video  
Services**

- 1 **News** – develop new revenue models with hyper-Personalized news
- 2 **Sports** – subscription-based hyper-Personalized sports channels
- 3 **Corporate Communications** – employee performance compliance
- 4 **Education** – value of video for learning, teaching and research
- 5 **Security and Defense** – assemble and distribute intelligence
- 6 **Gambling** – subscription and gambling revenues with granular data
- 7 **Media and Entertainment** – deliver anti-piracy and drive efficiency





*A personalized video solution*

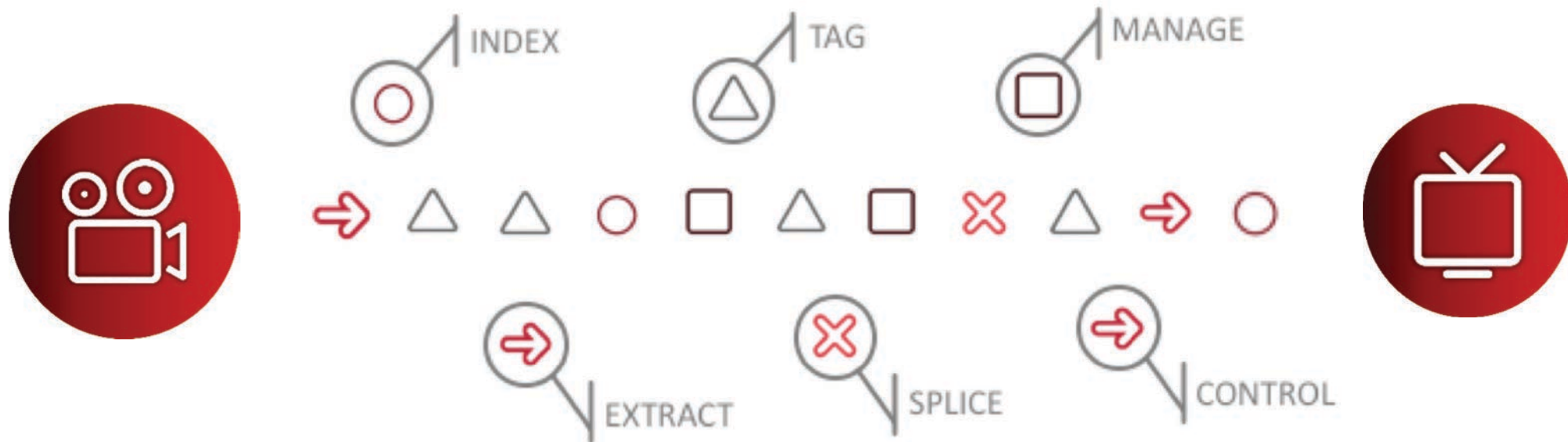
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# Making the World's Video Accessible as Data

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

Linus technology allows you to index, tag, manage, extract, splice and control all content directly, before delivering content to the end user, in transit and on the fly, resulting in intelligent video data.





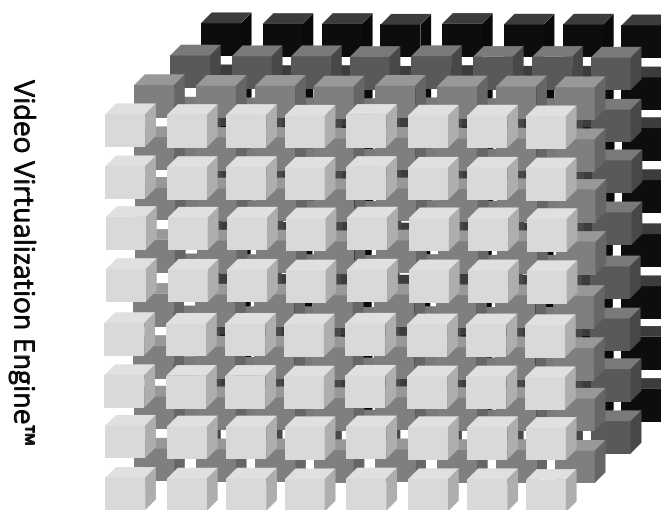
# Step 1: Extract Data from Video (Creating a Virtual Video)

## Original Video



*Inflexible, Impenetrable  
Video File*

## Virtual Video



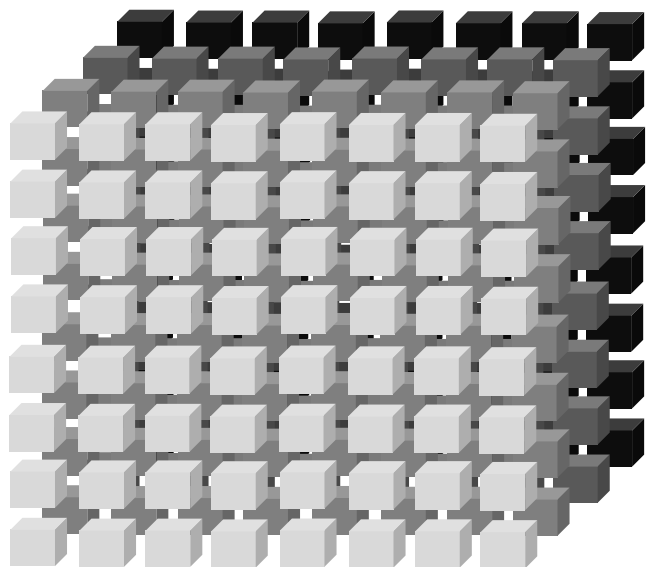
*Flexible Data of  
Audio & Video*

1. Linius removes the video containers, and enables access to video and audio data blocks
2. This process is called "virtualization" - Data blocks that make up the video are exposed
3. Now that the data is exposed intelligent business rules and applications are applied



## Step 2: Enhance the Data (Giving it Meaning & Value)

### Virtual Video



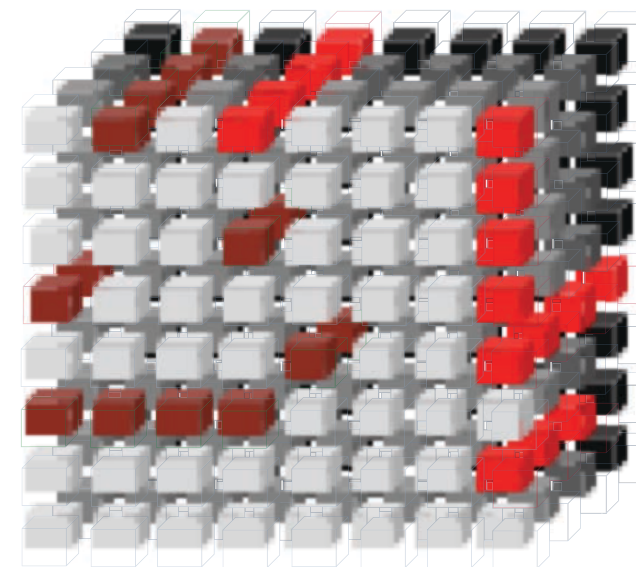
*Flexible Data of Audio & Video*

### Linius Genome



*Personalized Data  
Enhancements Added*

### Intelligent Video

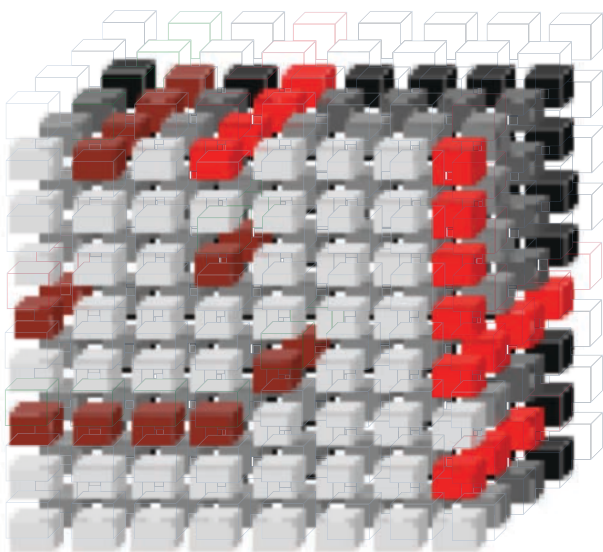


*Virtualized Video plus data  
enhancements: **Intelligent Video***



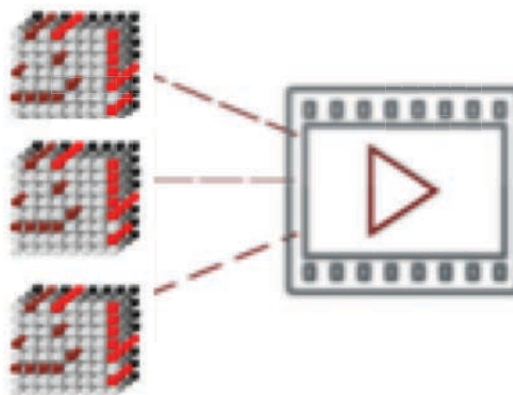
# Step 3: Reassemble the Video (Custom to Each Individual)

## Intelligent Video



*Virtualized Video plus data  
enhancements: **Intelligent Video***

## Assembly & Playout



*Search & Assemble Intelligent  
Video from Multiple Sources.  
Playout & Share. Instantly.*

Once the intelligent video is created, the playout is delivered to the needs of the user:

- **Search:** Finding specific segments of video
- **Contextual Ads:** Frame level content is used to match ads
- **Secure Content:** Playout only happens with the right authentication



## ✓ Fully granted core patents

US, EU, Canada, S. Korea, China, Hong Kong, Singapore, and Australia

## ✓ Filing new patents in line with our commercialization strategy:

- 4 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.*



A person's hands are shown holding a transparent digital screen. The screen displays a complex interface with various data visualizations, including a network diagram with interconnected nodes, a globe, a bar chart, a line graph, and a radar chart. The background is dark and blurred, suggesting an office or laboratory setting. The text "Operational highlights" is overlaid on the screen in a white, italicized font.

# *Operational highlights*



- ✓ **First commercial deal:** Stockholm based Newstag, went live and is now publicly available
- ✓ **Successful completion of Warner Bros. proof of concept:** Completed with IBM, now working on future applications of virtual video
- ✓ **Global launch of Linus Video Services (LVS):** Linus commercial SaaS platform launched following successful in-market beta
- ✓ **Expanded commercial channels:** including Amazon AWS, Microsoft Azure and Certus Solutions
- ✓ **Announced commercial advisory board:** industry heavyweights to drive commercial results
- ✓ Oklahoma State University education market POC went live on LVS
- ✓ Hemisphere, a leading media system integrator, has begun building personalized advertising technology and Search and Assembly application on LVS
- ✓ **Video on blockchain is possible:** through Linus patented technology
  - More info on this growth strategy [here](#)



# Warner Bros. - Pilot Completed



Warner Bros. pilot recently completed to test Linus Video Virtualization Engine™ (VVE) in a transactional video on demand (“TVOD”) streaming and content platform



## Purpose of the Pilot

- Evaluate commercial applications for virtual video, to compare the performance of virtual video to traditional video, and to show the analytics and control capabilities that come with virtual video.

## Successful Outcome

- Linus VVE provides both unprecedented insight into how video is watched and shared, but also frame-level metadata and insights, driving a truly personalized experience.
- Both quantitative and qualitative analyses of results by independent party indicate that the performance of virtual video is almost indistinguishable from traditional video.

## Next Steps

- Continuing to pursue multiple commercial opportunities, both with Warner Bros. and with the broader Warner Media group and AT&T

**“The future of consumer experience will be personalized”**

Jesse Rednis, GM Warner Media Innovation Lab



## Commercial Deal



- Newstag is an award-winning news platform that aggregates content for more than 20 broadcasters and agencies around the world and tailors content experiences for users in more than 150 countries.
- 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).

## Proof of Concepts completed



Linius is gaining traction with players with brands and content libraries



# The Time For Virtual Video Is NOW



## Linus Owns the Virtualization of Video

- Linus has 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





# *Commercial strategy*

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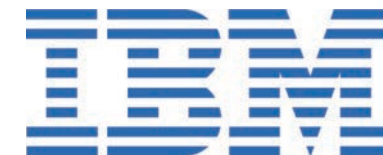




# Strong Foundation for commercialization



## Global Partners & Resellers



## Validation across Verticals



VILLAGE ROADSHOW PICTURES

## Multiple Channels to Scale & Revenue



SaaS



Resellers  
(VARs, SIs, etc...)



Direct Sales



## Linus Mission

- Make the world's video accessible as data
- Virtual video should be everywhere
- Linus Video Services makes that possible

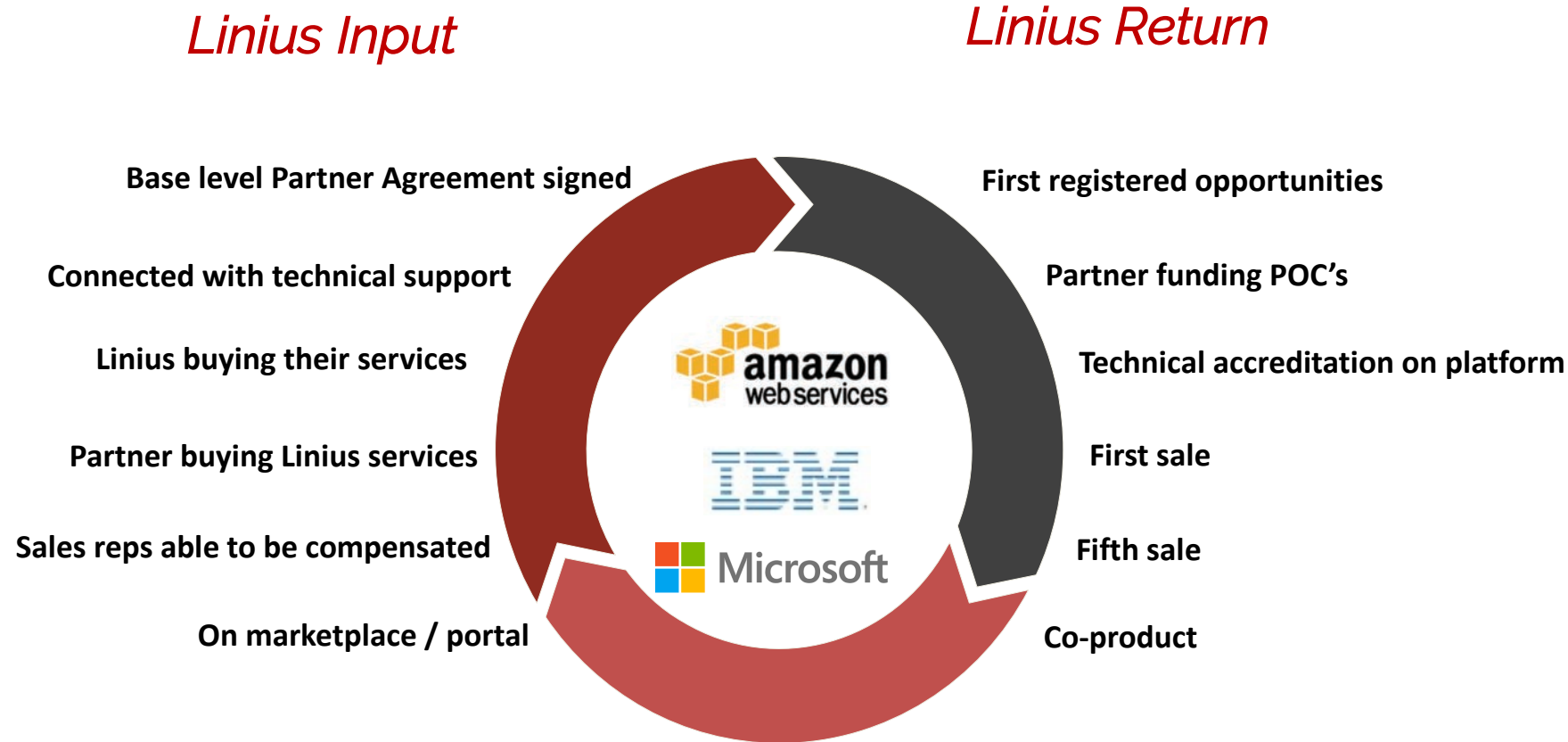
## Revenue Model

- Clients only pay for the services they use
- Amazon, Atlassian, Twilio and others have proven the value of the SaaS model
- Linus' API-driven technology is an ideal fit for business model

## Scale Opportunity

- Significant growth potential through identified channels
- New potential virtual video segments are under active consideration
- Significantly untapped market opportunity





*Strategic POCs and direct solutions can be replicated at scale through channel*





*Other initiatives*



The further a video gets from the content owner, the less ability there is to enforce copyright — to the point where **video piracy accounts for \$20.5 billion** in lost revenue in the US alone. Blockchain holds the promise of returning value to content producers and owners, and **delivering whole new monetization models**.

**So far, blockchain hasn't been applied to providing these benefits to the video industry, because of current limitations**

- Linus asserted in our December 2017 strategy paper<sup>1</sup> that virtual video could overcome these limitations.
- We've now proven that Linus' virtual video **makes it possible** to apply blockchain's guaranteed ownership of digital rights to video

## Video Blockchain Webinar

- On March 20<sup>th</sup>, 2019, Linus demonstrated to the world that video blockchain is possible with Linus' patented video virtualization technology. A recording of the demonstration is available online<sup>2</sup>.

<sup>1</sup> <https://www.linus.com/wp-content/uploads/2017/12/Linus-Blockchain-FINAL.pdf>

<sup>2</sup> <https://www.linus.com/linus-releases-recording-of-video-blockchain-webinar/>



A number of 3<sup>rd</sup> party tools are being built on top of Linus Video Services (LVS) — these are solution initiatives taken on by third parties at their expense. Linus pays nothing for the development, and both Linus and the third-party generate revenue when customers use the solutions. Here are a couple currently in development by third-parties:

**Personalized Advertising:** the solution aims to generate much higher revenues for advertisers by enabling them to

- Target individuals with individual ads
- Dynamically insert individual ads at any point in time within the stream
- Deliver ad blocker immune advertising
- Provide rich analytics

**Search and Assembly Application:** clients will be able to quickly self-deploy (without the need for system integration) a solution that can

- Generate more, and higher quality, video experiences for their customers
- Increase monetization by generating additional subscription and / or advertising revenues
- Monetize dormant archival content
- Increase the value of their content using Linus Artificial Intelligence (AI) services



# Corporate Overview



Item	Volume / Value
Share Price (3 April 2019)	A\$0.04
Market Cap	A\$37.6m
Total Shares on issue / listed on ASX	939.3m
Total options on issue	176.2m
Fully diluted shares on issue	1,115.5m
Cash on hand as at 31 Dec 2018	\$5.2m
Estimated cash spend Mar 2019 Quarter	\$2.75m

Major Shareholders	%
Gavin Campion	9.6
Technical Investing	5.5
Steve McGovern	4.3
Finbar O'Hanlon	4.1

## Share Price Performance



Register	
Board Shareholding (%)	7.2
Board & Management Shareholding (%)	7.2
International Shareholding (%)	4.3
Total Shareholders	2,385



# Executive Leadership team and Board



**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 Chris 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 start-ups.



**GERARD BONGIORNO**

**Executive Chairman**

Gerard is Principal and Co-CEO of Sapient Capital Partners, a merchant banking operation and has over 30 years of professional experience in capital raisings and corporate advisory. Prior to forming Sapient (formerly Otway Capital), Gerard was Head of Property Funds Management at Challenger Financial Services Group (CFG) and was Group Special Projects Manager at Village Roadshow. Earlier in his career he worked at KPMG in insolvency and corporate finance.



**STEPHEN MCGOVERN**

**Non-Executive Director**

Stephen has more than 20 years of experience as an executive in telecommunications, media sales and pay TV. Stephen is Managing Director of cloud call recording company, Dubber Corporation Ltd [ASX: DUB].



**KEVIN KYER**

**Executive Vice President**

Kevin has worked in the digital space for 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, where he helped build Yahoo's search platform, lead the turnaround of its European division, and implement a strategic partnership with Microsoft. Prior to Yahoo, Kevin held various marketing and business development roles for digital economy businesses.



**CHRIS YOUNG**

**VP, Engineering**

Chris has been working in digital video since starting out at the BBC in 1999. He has worked across Digital Interactive TV, IPTV, OTT and YouTube Multi Channel Networks. He joins Linus from Honeycomb TV where, as CTO, he helped build the business from bootstrapped start-up to its recent merger with IMG Group. He is an active member of the Lean / Agile community, speaking at conferences across Europe.



**STEPHEN PECH**

**VP, Global Channels**

Stephen is an experienced channels and alliances manager, having led multi-channel sales teams, developed over 1000 partner channels, and delivered on \$100 million plus targets. A former head of Telstra's ICT channel distribution division, Pech previously held positions with Fujitsu Australia and Symantec. Before joining Linus, Stephen worked as APAC Sales Director for software company TeamViewer.



## World's First Video Blockchain

How Linus' successful test of the world's first virtual video blockchain would impact the media and entertainment

- nine.com.au: [Bad news for illegal downloaders: Aussie company's anti-piracy breakthrough](#)
- Inside Market: [A Blockchain YouTube? How would that work?](#)
- IT Brief Australia: [How blockchain could help stop video piracy in its tracks](#)

## System Integrators Building on Linus' SaaS Platform

Hemisphere to build personalized advertising technology on Linus Video Services

- Digital TV Europe: [Linus and Hemisphere partner on 'hyper-personalized' video ads](#)
- smallcaps.com.au: [Linus partners with Hemisphere to deliver individualized and blocker immune ad tech](#)
- videoadnews.com: [How Linus Uses 'Video virtualization' for Hyper-Personalisation](#)

## CEO Interviews

How Linus delivers previously impossible hyper-personalized video experiences

- Linus US TV debut on Fox and Bloomberg: [Hyper-Personalization is the future of video streaming](#)
- Channel Nine's Your Money: [Why no two viewers need ever have the same experience again](#)
- TMT Analytics: [Linus CEO talks video blockchain and hyper-personalized ads](#)





## Making The World's Video Accessible as Data



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