

ASX Announcement
3 November 2016

CONVERSION OF CLASS C PERFORMANCE SHARES

- SuitcaseTV showcase triggers Milestone 3
- 50,000,000 performance shares convert to ordinary fully paid shares

Linus Technologies Limited (ASX: LNU) (Linus) has today issued a further 50,000,000 fully paid ordinary shares on conversion of its Class C performance shares.

Achievement of Class C Performance Share milestone

The signing of the Suitcase TV Limited showcase agreement, as announced to ASX on 2 November 2016, triggers achievement of the third performance share milestone and conversion of Class C Performance Shares into fully paid ordinary shares in the company.

The relevant milestone is that Linus enters into an agreement with a third party (unrelated to Digisoft tv) for a Limited Deployment of its technology with the objective of demonstrating removal of the requirement for transcoding of video and reduction of storage. This deployment being in partnership with an organisation that is able to take a standard video and transcode it into all standards-based formats and store it at broadcast quality, by that date which is 24 months from the issue date of the Class C performance shares. The full terms and conditions of the company's Performance Shares and relevant milestones are set out in the company's prospectus dated 3 March 2016.

50 million Class C Performance Shares will convert into Linus fully paid ordinary shares in accordance with their terms and conditions of issue. This follows 6 months after achievement of the second milestone in May 2016 and conversion of 50 million Class B Performance Shares.

About Linus Technologies Limited

Linus Technologies Limited (ASX: LNU) is a developer of disruptive video technology. Based in Melbourne, Australia, it seeks to apply its lead product — the Linus Video Virtualization Engine™ — throughout the global digital video value chain to cut costs and boost revenues for enterprise customers.

Although potentially applicable throughout the digital video value chain, Linus is currently pursuing technology showcase partnerships with three multibillion-dollar industry segments: the transcoding, delivery and personalised advertising markets.

As showcase deployment progresses to confirm the software's capabilities, Linus will market these achievements to potential partners through the digital video value chain to fast-track commercialisation.

For more information visit www.linus.com

For more information, please contact:

Chris Richardson
Chief Executive Officer
+61 3 9607 8234
info@linus.com

Rod North
Media Relations
+61 408 670 706
rod@boursecommunications.com.au

Capital Structure

Shares quoted on ASX - 206.7m
Shares on issue – 622.7m
Market Cap @ 6.0c - \$37.4m
Listed Options - 14.5m
Unlisted Options – 61.5m
Performance Shares - 50m

Corporate Directory

Christopher Richardson
Executive Director, CEO

Stephen McGovern
Non-Executive Director

Stephen Kerr
Executive Director, CFO

Key Definitions

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

Showcase Partners are Linus 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

Level 40, 140 William Street
Melbourne VIC 3000
Tel +61 3 9607 8234
www.linus.com