

COMMERCIAL UPDATE AND IMPACT OF COVID-19

Linus Technologies Limited (ASX: LNU) provides an update on the impact of the COVID-19 pandemic to the Company's operations and its most recent commercial activities.

In response to the global economic uncertainty caused by the COVID-19 pandemic, the Company has taken decisive action and implemented measures to reduce operational expenditure and mitigate the impact of COVID-19 on its activities. These measures are in addition to the cost reductions previously announced to ASX.

LNU's most recent [Appendix 4C](#) forecast cash outflows for Financial period Q3 2020 of \$1,878,000 or \$626,000 per month, a reduction of \$107,000 per month from the prior quarter. In addition to these long term reductions already incorporated into the company's budget, the Company has now made a series of new and immediate specific cost reductions extending its operational runway through Financial period Q1 2021, including the Board and senior management taking significant pay cuts in the short term ranging from 20% to 80% of total compensation.

Linus' commercial activity is achieving success with strong recent wins and client deployments, plus new client opportunities in the near pipeline.

- Racing.com – based on the positive trend in utilization of the Replay Hub launched in November 2019, Racing.com are rolling out the technology across other business areas.
- National Basketball League (NBL) – will launch imminently to basketball fans across the country.
- News – significant inroads have been made within this space as a result of the Newstag partnership and a significant deployment is currently underway.
- IBM – continue to introduce LNU to their anchor clients as a result of the IBM relationship and successful release of the Digital Asset Trust Network (DATN) in September 2019.
- Microsoft – the Microsoft Co-sell Partnership has resulted in LNU being actively introduced to MSFT partners, with a core opportunity now being worked on in Corporate Communications.
- European Security agency – a foreign government has successfully piloted LNU technology centred on counter-terrorism activity, with imminent operational trials.
- Stats Perform – a partnership agreement has been signed whereby Stats Perform and LNU will co-market and co-sell video solutions to sports content and rights holders globally.
- LVS – the SaaS platform, is undertaking a significant upgrade (V3) that includes key learnings from recent deployments to reduce the cost and time to deploy the tech in the future.
- BVS – Linus' blockchain subsidiary is now launched following the reveal of an end-to-end blockchain solution prototype in March 2019.
- SportsHero – following the delivery of the tech by LNU to SportsHero in December 2019, SportsHero will launch their capability at the start of 2020 Piala Asean Football Season.

Whilst the Company expects all personnel to be working from home in the near future as a precaution to COVID-19, business continues. Being a global organisation with teams working across multiple continents, the company is very well equipped and highly practised at having a number of staff work remotely and this is anticipated to have minimal impact on its operations and current commercial deployment plans.

Authorised by the board

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**About Linus 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 Cloud.

Amazon, Microsoft and IBM are investing billions in virtualizing 'video services' (technologies) and Artificial Intelligence in the cloudⁱ. It is arguably the biggest battle on the internet, given that video accounts for nearly 80 percent of internet trafficⁱⁱ.

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' VVE-powered [Video Hyper-Personalization and Search Solution](#) enables anyone to instantly search the data within video, from across an infinite number of sources, and automatically assemble the results in a single stream on-the-fly. No human hands required.

Linus is revolutionizing the way organizations and individuals across the globe produce, deliver and consume video, enabling previously impossible hyper-personalized video experiences.

It's a breakthrough set to disrupt entire multi-billion-dollar industries. Linus is initially focused on delivering its Video Hyper-Personalization and Search Solution to six core markets: News and Media, Sports Broadcasters and Rights Holders, Education, Corporate Communications, Security and Defence, and Sports Betting.

For more on Linus Technologies, visit

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ⁱ RS Components, *The Race for AI*: <https://uk.rs-online.com/web/generalDisplay.html?id=i/race-for-ai>

ⁱⁱ Cisco, *Cisco Visual Networking Index*: <https://www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/index.html>