

Linus undertakes share placement to support growth plans

Highlights

- Up to A\$3 million placement of new Linus ordinary shares to US-based institutional investor New Technology Capital Group, LLC, of which A\$2 million is fully committed.
- Proceeds from the placement will be used to accelerate commercialisation and growth of existing Linus products in Sports, Education, and Enterprise sectors, as presented to the investors by Linus CEO, James Brennan in December 2021.
- Placement structured as a prepayment for subscription shares priced by reference to future market price of the shares.

Melbourne, Australia – 28 January, 2022: **Linus Technologies Limited (ASX:LNU) (Linus or Company)** – the only cloud-based solution that transforms static video into hyper-personalized videoⁱ experiences with its world first Video Virtualization Engine™ (VVE)ⁱⁱ – is pleased to announce an equity placement of ordinary shares in the Company (**Shares**) to US-based institutional investor New Technology Capital Group, LLC (**NTCG**).

The placement ensures continued delivery of growth strategy

Proceeds from the placement will be used to accelerate the commercialisation of existing Linus products and deliver new annual recurring revenue from current new business pipeline, along with funding the Company's general working capital requirements.

In the Company's latest market update webinar in December 2021, new CEO James Brennan outlined the Company's near-term priorities, including:

- Conversion of the existing strong sales pipeline with current products the Sports, Education and Enterprise sectors.
- Focus on customer success to increase adoption and ensure satisfaction from existing clients, which will deliver the success data, proof points and client referrals needed to drive repeat sales.
- Ongoing product development to drive user engagement and to create an efficient, scalable platform with well documented application programming interfaces and reference designs, a partner ecosystem, and a marketplace for future commercial scale.

Investors can click on the following link to watch the abovementioned December 2021 webinar: [Webinar](#)

CEO James Brennan stated, "I am delighted that New Technology Capital Group has taken an interest in Linus, our technology and our vision to grow our business. Our customers are experiencing strong growth in adoption of Linus solutions, and we have the new opportunities in our pipeline to grow ARR in the near term. The funding will allow me to execute my focused plan to accelerate the success of existing customers and convert current opportunities to revenue."

Key terms of the placement

The placement will be made by way of NTCG prepaying the subscription price of Shares (**Subscription Shares**) to be issued by Linus. The first tranche of the placement will raise A\$2,000,000 for A\$2,120,000 worth of Subscription Shares, and will be made under the Company's existing Listing Rule 7.1 placement capacity. The funds are committed and will be paid within the coming week. The second tranche of the placement will raise A\$1,000,000 for A\$1,060,000 worth of Subscription Shares, subject to the Company receiving shareholder approval under Listing Rule 7.1 for the second tranche and NTCG's right to withdraw the second tranche at its discretion prior to approval being sought. If shareholder approval is obtained and NTCG has not exercised its withdrawal right, funding will occur within 15 days of the shareholders' meeting that is required to be held in 90 to 95 days from execution of formal documentation. The Subscription Shares will be issued, at NTCG's request within 24 months of the date of the corresponding prepayment of the first tranche and second tranche.

The issue price of the Subscription Shares will initially be equal to A\$0.034 each, being a premium of 100% to the closing price of Linus shares on ASX on the last trading date prior to this announcement. Subject to a floor price of A\$0.011 (**Floor Price**), the issue price will reset after 60 days to the average of the five daily volume-weighted average prices (VWAPs) selected by NTCG during the 20 consecutive trading days immediately prior to the date of NTCG's notice to issue Shares, less a 5% discount (if the shares are issued in the first 12 months after the date of execution of the agreement) or a 7% discount (if the shares are issued after 12 months), rounded down to the nearest one tenth of a cent.

If the issue price formula results in a price that is less than the Floor Price, Linus may forego issuing Shares and instead opt to repay the applicable subscription amount in cash (with a 5% premium), subject to the NTCG's right to receive Subscription Shares at the Floor Price in lieu of such cash repayment.

The issue price has no cap attached to it.

Linus will also have the right (but not the obligation) to forego issuing Shares following NTCG's request for issue and instead opt to repay the subscription amount by making a payment to NTCG equal to the market value of the Shares that would have otherwise been issued.

Under the terms of the formal documentation associated with this placement, Linus will forthwith issue an initial 18,800,000 Shares to NTCG, which will be allocated towards the ultimate number of Subscription Shares to be issued. Alternatively, in lieu of applying these Shares towards the aggregate number of the Subscription Shares to be issued, NTCG may make a further payment to Linus equal to the value of these Shares determined using the issue price at the time of the payment.

In addition, Linus will issue 8,000,000 Shares in satisfaction of a fee payable to NTCG.

This announcement has been approved for release to ASX by the Board of Directors of the Company.

About Linus Technologies Limited:

Linus' purpose is to elevate the educational, information, and entertainment value of the world's video through hyper-personalization. We make it possible to connect and search vast libraries of video so users can create an infinite amount of personalized video compilations on-the-fly, providing the most relevant content to each viewer.

Our patented Video Virtualization Engine™ (VVE) turns big, bulky video files into lightweight, searchable data that is enriched with AI and ML, making it easy and efficient for users to find and share what matters to them. Creators and owners of video can drive greater viewing, and ultimately monetization of their video assets.

For more on Linus Technologies, visit www.linus.com

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ⁱ Linus Technologies Limited, *Hyper-Personalized Video Solutions*: <https://www.linus.com/>

ⁱⁱ Linus Technologies Limited, *Linus Technology Overview*: <https://www.linus.com/#video>

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