

ASX Announcement | 28 April 2023

Quarterly Activities Report & Appendix 4C – Period ending 31 March 2023

Linus generates record financial results and closes new deals with IMG Replay and Inverleigh Media

Highlights:

- Quarterly **cash receipts were 3.4x higher** in the March quarter than Q2 FY23, at a record high of \$201,000.
- Quarterly **billings were 2.1x higher** in the March quarter than Q2 FY23, at a record high of \$198,582.
- Billed and collected first full quarter of recurring monthly license fees from recent customers Cricket Australia (CA) and A-Leagues in the quarter, and billed new deal setup fees.
- Linus continues to accelerate and grow a significant commercial pipeline, led by the success of the Whizzard product, which is generating significant interest within the sports archive market segment. Current pipeline provides a clear path towards profitability.
- Steady flow of new deals being closed through the commercial pipeline including:
 - New deal with **Inverleigh Media** announced in March 2023, integrating Linus Whizzard as a core component of their ENGINE platform for global sports federations and broadcasters. The first archive to be made available through Whizzard is for South Africa, New Zealand, Australia and Argentina Rugby (SANZAAR), which includes the All Blacks and Wallabies as well as the Super Rugby competition.
 - Second deal with **Inverleigh Media** closed just 2 weeks later, for an additional national professional and amateur rugby federation. Total volume of the 2 deals is 15,000 hours of archive content.
 - Subsequent to quarter end, Linus announced a deal with **IMG Replay**, one of the world's leading sports archives. Whizzard will be embedded within the IMG Replay service, virtualizing the entire archive of nearly 50,000 hours of exclusive premium sports content. This is Linus' largest commercial contract to date.
- A-Leagues launched their MatchVision feature on the KeepUp.com.au website and mobile app with strong initial interest from A-Leagues fans.
- Deployment with CA progressed through the quarter with production software delivered in April 2023.
- Subsequent to quarter end, Linus raised \$1.075m through a private placement.

Melbourne Australia – 28 April 2023: Linus Technologies Limited (ASX:LNU) (**Company** or **Linus**) is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ending 31 March 2023, along with the following financial and operational update.

CEO James Brennan commented, "Q3FY23 represented a step change for Linus as the potential for the Company's technology is now being realised with positive commercial outcomes. We delivered record financial results, exceeded our target metrics, deployed two new customers with Cricket Australia and A-Leagues, and closed two significant new customers in IMG and Inverleigh. I am thrilled by the performance of our team and the success of our products. The feedback that we are receiving from customers and prospects is outstanding and I am confident that we will continue to see increasing momentum for Linus in the sports segment."

Financial Results

As anticipated, Q3 FY23 was another record quarter for Linius, following record billings in Q2 FY23. Exceeding expectations, quarterly billings for Q3 were 2.1x those from the prior quarter, and quarterly cash receipts for Q3 were 3.4x those from the prior quarter. The results are from a combination of continued billings and receipts from long term customers, the first full quarter of recurring license fees billed and collected from recent customers like CA and A-Leagues, and billing of some new deal setup fees. The results do not include any recurring license fees from Inverleigh nor IMG, which will begin in future quarters.

Commercial Updates

- In March 2023, Linius announced two deals with Inverleigh Media.
 - Three-year master agreement signed to integrate Whizzard as a core feature within Inverleigh Media's archive management software ENGINE used by leagues, teams, and broadcasters around the world.
 - Inverleigh, headquartered in Australia, is a global end-to-end integrated media company providing a range of services including content creation, production, rights management, content management and distribution via more than 600 broadcasters and their own OTT subscription service. Further, they provide ingest, tagging, storage, archive management, and development of digital solutions to suit all applications including the management of over 30,000 hours of historical sport and federation vision.
 - The first archive virtualized and made available under this deal is for SANZAAR, South Africa, New Zealand, Australia, and Argentina Rugby (<https://super.rugby/about-sanzar>), which includes 5,000 hours of All Blacks, Wallabies, and Super Rugby content.
 - A second deal with Inverleigh, closed under the terms of the original master agreement, was signed just 2 weeks later. This deal was for an additional 10,000 hour archive of professional and amateur rugby for a national rugby federation.
 - This deal has potential to expand further as Linius supports Inverleigh in bringing Whizzard to more of their customers' and prospects' sports and entertainment archives, as well as extending the solutions to include immersive fan engagement experiences for broadcast and OTT services.
 - Each new archive/federation signed under this agreement brings additional setup, monthly license, and variable fees.
- In April 2023, Linius announced a new commercial agreement with IMG Replay.
 - Linius Whizzard will be embedded within the IMG Replay service, virtualizing the entire archive of nearly 50,000 hours.
 - Production companies, advertising agencies, broadcasters, film makers, and other content licensees from around the world will use Whizzard to search, create automated clip reels, and license content from within the IMG Replay archives.
 - IMG Replay exclusively manages and commercialises the video archives for some of the world's leading sporting organisations including the Premier League, World Rugby, The Championships (Wimbledon), The R&A, The International Skating Union (ISU) and Professional Golf Association of America (PGA).
 - The agreement is for an initial 2-year term and includes a fixed setup fee and monthly license subscription. It is Linius' largest contract to date.
- During the quarter, Linius worked with CA to integrate and deploy the Whizzard service for their 40,000 hour archive.
 - Production software was delivered to CA in April 2023.
 - Through the quarter Linius billed and received a full quarter of monthly license fees, as well as an additional setup fee instalment.
- In February 2023, the A-Leagues officially launched and began promotion of the MatchVision service on their Keepup.com.au website and mobile application. This followed an initial soft launch in Dec 2022.
 - Through the quarter Linius billed and received a full quarter of monthly license fees.
 - MatchVision is featured in the main navigation of the website and app, as well as in the Google search results when users search for the A-Leagues or any of the A-Leagues teams.

- Special promotion of the feature included website placement ads, full screen “takeover” ads in the mobile app, inclusion in newsletters, and email promotions to registered fans.
- Usage and feedback from fans and A-Leagues staff has been strong and positive.
- Discussions are underway with the league and individual teams for further expansion of MatchVision within the A-Leagues.

Pipeline, Growth, and a Path to Profitability

- With significant growth and maturity of the commercial pipeline, Linus has a plan and a path to profitability based on ARR/MRR growth via:
 - Existing customers providing solid references, case studies, and data that make each subsequent deal easier, faster, and larger.
 - Recently announced deals with IMG, Inverleigh, and CA provide strong references and proof points for Linus Whizzard. It is expected that these deals will create significant momentum and accelerate the pipeline for similar deals.
 - Linus has significant penetration in Australia with four sports/leagues using Linus solutions in Australia including CA, A-Leagues, Racing.com, and NBL. This is increasing the velocity of penetration into additional Australian sports.
 - Linus has impressive deployments in Europe with teams in the English Premier League (Wolves) and Belgian Pro League (Club Brugge) and a trial in the English Football League (EFL).
 - Growth from existing customers will form the first tier of revenue growth.
 - Master agreement with Inverleigh makes it simple to expand to additional sports federations and archives.
 - Deployment at IMG will generate Linus’ largest monthly license fees. Future upsell and cross sell opportunities exist.
 - Deployment with CA will begin generating variable revenue share once they begin publishing content in the June quarter. Additional features and use cases are being evaluated which can add further recurring and variable revenues.
 - Contract with A-Leagues offers multiple opportunities for MRR growth through solution expansion.
 - Upsell and cross sell opportunities with Racing.com are currently underway.
 - Closure of deals already well progressed in the deal cycle form the second tier of growth.
 - These opportunities are across teams, leagues, and broadcasters in Australia, Europe, and the US. They are on track and progressing as anticipated.
 - Progression and conversion of roughly five additional deals from the pipeline.
 - These deals will come from our current early pipeline of over 25 opportunities and 60+ current leads.

Post quarter’s end, Linus completes equity raising

Subsequent to the end of the quarter, Linus obtained \$1.075 million in new equity commitments from professional and sophisticated investors, including \$70,000 from directors or their nominees subject to approval from shareholders.

The capital raising comprises the issue of 358.33 million new fully paid ordinary shares at an issue price of \$0.003 each, and is expected to settle on 1 May 2023 along with 23.3 million subject to shareholder approval.

The placement supports further acceleration of customer acquisition and deployment as well as delivery of key product enhancements.

Summary of expenditure for the March 2023 quarter and related party payment

Details of the business activities of the Company for the March quarter are set out below. Expenditure was incurred in respect of:

- Research and development \$330,000: This encompassed continued development of the LVS SaaS platform, enhancement of productised solutions including Whizzard and deployment of new customers.
- Operating costs \$146,000: This includes 3rd party costs incurred in operating the SaaS platform and delivering LVS solutions to existing clients.
- Staff and consultant costs including director fees \$377,000: This includes staff costs associated with sales, marketing, sales engineering staff, product management, finance and management of the Company.
- Administration, travel and corporate costs \$89,000: Made up of ongoing corporate Company costs, including ASIC, ASX, share registry costs and costs related to sales activities.

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates outlined in the Company's Appendix 4C for the quarter relate to fees and salaries paid to directors.

About Linus Technologies Limited:

Linus' purpose is to unlock the value of the world's video, creating immersive, deeply personalized viewing experiences. For the first time, we make it possible to find, curate, and utilize the valuable moments across vast libraries of video, enabling viewers to create an infinite amount of personalised video compilations on-the-fly, providing the most relevant content to each viewer.

Our patented Video Virtualisation 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 monetisation of their video assets.

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

For further information, please contact: James Brennan, CEO, +61 (0)3 8672 7186 or ir@linus.com

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Linus Technologies Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

31 March 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 201 | 321 |
| 1.2 Payments for | | |
| (a) research and development | (330) | (1,289) |
| (b) operating costs | (146) | (645) |
| (c) advertising and marketing | (9) | (38) |
| (d) leased assets | - | - |
| (e) staff and consultant costs | (377) | (1,309) |
| - recruitment fees | - | - |
| (f) administration, travel and corporate costs | (89) | (250) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 429 | 429 |
| 1.8 Other (legal and patent costs) | (4) | (57) |
| 1.9 Net cash from / (used in) operating activities | (325) | (2,838) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (g) entities | - | - |
| (h) businesses | - | - |
| (i) property, plant and equipment | - | - |
| (j) investments | - | - |
| (k) intellectual property | - | - |

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| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| | (l) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | - | - |
| | (m) entities | - | - |
| | (n) businesses | - | - |
| | (o) property, plant and equipment | - | - |
| | (p) investments | - | - |
| | (q) intellectual property | - | - |
| | (r) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |

| | | | |
|-------------|---|-----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities* (excluding convertible debt securities) | 167 | 2,387 |
| 3.2 | Proceeds from issue of convertible debt securities* | 353 | 353 |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings (convertible note) | (500) | (500) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (AASB16 lease principal payments) | - | (12) |
| 3.10 | Net cash from / (used in) financing activities | 20 | 2,228 |

*net of costs incurred

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 658 | 963 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (325) | (2,838) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 20 | 2,228 |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 353 | 353 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances | 302 | 607 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | 51 | 51 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 353 | 658 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
Director fees and CEO remuneration
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

144

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

*Note: the term "facility" includes all forms of financing arrangements available to the entity.
Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|---|
| | - | - |
| | - | - |
| | - | - |
| | - | - |

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| |
|--|
| |
|--|

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|---------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (325) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 353 |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 353 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 1.086 |

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes, the Company completed a capital raising of \$1,075,000 in April.
It continues to consider financing options available to it including issuing additional securities to current and new investors.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes – based on the above, the Company fully expects to be able to continue its operations and meet its business objectives.

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: By the board