

ASX Announcement | 31 October 2023

Quarterly Activities Report & Appendix 4C – Period ending 30 September 2023

Linus starts FY24 with new deals and multiple deployments going live

Highlights:

- Quarterly billings were \$167,500, 2.8x higher than the prior year period and up 27% over Q4FY23.
- Quarterly cash receipts were \$114,000 with an additional \$55k collected shortly after the quarter end.
- Billings from existing contracts will be approximately \$725k over the next 12 months, locking in a 49% increase over FY23 billings very early in the year with significant further growth from existing and new customers to come through FY24.
- New contract with Hockey Technology Partners (HTP) signed in July 2023:
 - Service for NAHL TV went live in September. The North American Hockey League (NAHL) is the top junior hockey league in the US. The deal saw HTP build a personalized channel service for NAHL on Linus Media Solutions in just 3 weeks.
 - Following success of the deployment at NAHL, HTP has seen tremendous interest from other clients. Post quarter end, the contract with HTP was expanded enabling HTP to win two new customers, generating additional recurring and variable fees.
- Launch of Whizzard Highlights, a new module for Whizzard, with Cricket Australia (CA) deploying the new module, resulting in additional recurring and variable fees in future quarters. This marks Linus' entry into the existing large market for automated highlights with significant revenue potential. Automated highlights drive substantial utilization from viewers, increasing the potential variable revenues under the Linus commercial model.
- Inverleigh Media embedded Whizzard into their ENGINE media platform with services going live for end customers New Zealand Rugby and the South Africa, New Zealand, Australia and Argentina Rugby (SANZAAR) federation.
 - Content produced via this integration is now published and available on the NZR+ service.
 - Recurring fees from these deployments began billing in the quarter.
 - With the integration now live, Inverleigh is actively pursuing multiple additional federations under the existing Master Services Agreement which will result in further setup, recurring, and variable fees.
- In October, CA announced their first FAST Channel (Free Ad-supported Television) on Samsung TVs, showing historical matches and highlights. The service is supported by their deployment of Whizzard.
- In October, Racing.com entered into a new multi-year agreement that extends and expands their deployment of Linus solutions including Whizzard and Whizzard Highlights, providing an immediate uplift in monthly recurring fees, further increases in recurring fees as additional modules are deployed, and a new variable fee structure.
- In October, Linus attended Sportel, the largest annual global conference for sports, broadcast and technology. The conference has progressed a number of deals in the sales cycle and generated substantial new pipeline with broadcasters, sports federations, and OTT/media solution providers.
- Linus has materially penetrated the sports market with long term contracts working with content from 15 different sporting codes, 40 different sporting federations, in all three of its target geographies.
- Linus has new revenues yet to flow through from existing contracts, an increasing rate of new customer acquisition and great market credibility to drive record financial results in FY24.
- Post the end of the quarter the Company completed a \$685,000 capital raise supported by existing and new investors and directors.

Melbourne Australia – 31 October 2023: Linus Technologies Limited (ASX:LNU) (Company or Linus) is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ending 30 September 2023, along with the following financial and operational update.

CEO James Brennan commented, “This quarter has witnessed an exciting start to an important year for Linus. It is fantastic to see so many of our customers’ services going live and providing great experiences to fans – CA’s first FAST channel, Inverleigh publishing great content on NZR+, and HTP launching personalized channels on NAHL TV. I’m also pleased to see our customers continuing to expand with Linus, delivering increased financial results - CA adding our new Automated Highlights module, an expanded agreement with Racing.com and HTP. We are receiving significant validation and proof points of our solutions from both customers and viewers.

“This fast start has already guaranteed us 49% billings growth over FY23 and we anticipate even further growth from existing contracts through further deployments, variable fees, service expansions, and upsell/cross sell opportunities. Entry into the automated highlights market is already driving new billings and substantial new pipeline opportunities. Recent deals have been increasing in size which is a trend we expect to continue through FY24 as we add even more new modules to Linus Media Solutions and target larger market segments including TV/OTT broadcasters and the US market.

“Our pipeline contains multiple opportunities with broadcasters and federations in all target geographies, with some well-advanced in the sales cycle. We look forward to announcing more new contracts and growth in financial results in the coming months as we continue our path towards profitability.”

Pipeline, Growth, and a Path to Profitability

The Company continues to execute on its growth strategy, including:

- Existing customers
 - Q2 will see full quarter of recurring fees from deployments with Inverleigh and HTP, and full quarter of recurring fee increases from Racing.com, CA, and HTP.
 - Deployment with IMG Replay and resulting setup and recurring fees.
 - Upsell, cross-sell and expansion opportunities with existing customers including Racing.com, Cricket Australia, Inverleigh, A-Leagues, and IMG.
 - Variable fees including utilisation and revenue share fees.
- Master framework agreements
 - These agreements with existing customers including Inverleigh and HTP enable rapid expansion and revenue growth with minimal effort and cost from Linus.
 - Standard contract terms provide known setup, recurring, and variable fees for each additional deployment under the agreement. Standard deployment processes ensure rapid deployment at minimal cost and reduced time to revenue.
 - These agreements have already seen successful expansions, multiple additional opportunities in the pipeline, and focused business development efforts from these customers to drive further expansion.
- New customers in the same sports
 - The Company is actively working to replicate its success in current sports such as cricket and football, repeating the same solutions with new customers in these sports.
 - Existing case studies act as proof points to reduce the sales cycle.
 - Repeatable deployment of existing solutions means faster time to revenue and greater margins on each deal.
- New customers in new sports
 - Linus’ growing customer base is providing cross sport credibility, making it easier to target customers in new sports including American football, volleyball, baseball, and eSports.
- New Geographies
 - The US sports market is the single most important market for the Company’s future growth:
 - North America is the largest market at over 37% of the roughly US\$460 billion global sports market.

- The US market presents key opportunities for Linus in professional sports (Tier 1 & Tier 2), broadcasters, college sport, and high school sport.
- With its first deployment in the US now live, Linus will be focusing heavily on expansion in this new market through its current partners McCormack Advisors and IS Partners, as well as its US-based board members.
- The Company has recently brought on additional commission-based business development partners to support growth in new geographies including LATAM, the Middle East, India, Asia, and Europe.
- New segments
 - The broadcast segment represents the largest opportunity for Linus as broadcasters have access to billions of viewers as well as multiple sports and leagues. Linus is currently developing opportunities with broadcasters across all target regions.
 - The college sports market in the US is an attractive, highly repeatable market opportunity for Linus. With over 1,100 schools, 150 divisions, and dozens of sports in the National Collegiate Athletics Association (NCAA), this market is currently being targeted with multiple opportunities well advanced in the sales cycle.
- New product extensions
 - Automated Highlights – with the launch of Whizzard Highlights, Linus has now entered the existing large market for automated highlights. Most of Linus' target customers already utilize automated highlights solutions with associated 6 to 7-figure budgets. Automated highlights are one of the most watched categories of sports videos, presenting one of the largest adoption and monetization growth opportunities for Linus and its customers. Whizzard Highlights provides capabilities similar to existing solutions while minimizing the movement, clipping and creation of video files normally associated with such solutions. Initial pipeline opportunities prove that our ability to provide automated highlights without ingesting, copying or moving the customer's files and the ability to create highlights of every moment and infinite assembly combinations with no new files or storage are major benefits. Linus can create multiple automated highlight packages from thousands of archive games in seconds – something no other solution can do.
 - Fan Engagement – with Whizzard leading the entry into most opportunities, new fan engagement modules will launch shortly which will enable clients to easily open the value of their archives directly to fans. Fan engagement solutions complement Whizzard, enabling customers to create fan-facing experiences that combine curated videos from Whizzard with personalized video experiences driven directly by fans including a Natural Language Search Bar, dynamic video players with click-to-personalize features, automated highlights, and related/recommended content carousels. This drives a deep analytic capability that provides insights to production and editorial teams to help them build even better curated content out of Whizzard.
 - These new products create upsell opportunities with new clients and secure new deals through the provision of multiple use cases from the same platform. New products will support entry into larger markets and drive increased deal sizes.
- New paths to market
 - The Company is developing multiple opportunities with OTT platforms that power the world's broadcasters, media production companies, web/app developers, and sports tech companies which will look to embed Linus Media Solutions into their products and services, greatly enhancing the scale of Linus' GTM efforts. These companies already provide complementary services to our target customers, including broadcasters and leagues. They see tremendous value in adding Linus Media Solutions to their portfolio, driving greater utilization of customers' video archives and driving efficiencies in their media production workflows. By utilizing their existing relationships, contract, and global sales teams, Linus can achieve accelerated growth with minimal cost.

Financial Results

Q1 FY24 saw billing of \$167,500, 2.8x higher than the prior year period and up 27% over Q4FY23. The billings included an increase in recurring monthly fees from existing and new clients which began across the quarter. Increases in recurring fees will continue to be seen next quarter as these recurring fees will be realized for the full quarter.

Q1 cash receipts were \$114,000, with an additional \$55k being received shortly after quarter end.

Q2 FY24 is expected to show further increases in both billings and cash receipts as existing deployments provide a full quarter of results, additional deployments go live, and new customer deals are closed.

Post quarter's end, Linius completes equity raising

Post quarter end the Company completed a \$685,000 capital raising via a placement of new fully paid ordinary shares to existing and new investors, including a \$100,000 commitment from Linius directors subject to shareholder approval to be sought at the Company's annual general meeting in late November. The raising was conducted at \$0.002 per share resulting in the issue of 342,500,000 shares, conducted within the Company's existing Listing Rule 7.1A placement capacity for 292,500,000 shares and pursuant to LR 10.11 for 50,000,000 shares in respect of shares subscribed for by directors (and nominees), subject to shareholder approval.

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

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

- Research and development \$542,000: This encompassed continued development of the LVS SaaS platform, enhancement of productised solutions including Whizzard and deployment of new customers.
- Operating costs \$220,000: 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 \$397,000: This includes staff costs associated with sales, marketing, sales engineering staff, product management, finance and management of the Company.
- Administration, travel and corporate costs \$169,000: 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 Linius Technologies Limited:

Linius' 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 Linius Technologies, visit www.linius.com

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

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Appendix 4C

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

Name of entity

Linius Technologies Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

30 September 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 114 | 114 |
| 1.2 Payments for | | |
| (a) research and development | (542) | (542) |
| (b) operating costs | (220) | (220) |
| (c) advertising and marketing | (7) | (7) |
| (d) leased assets | - | - |
| (e) staff and consultant costs | (397) | (397) |
| - recruitment fees | - | - |
| (f) administration, travel and corporate costs | (169) | (169) |
| 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 | - | - |
| 1.8 Other (legal and patent costs) | - | - |
| 1.9 Net cash from / (used in) operating activities | (1,221) | (1,221) |
| 2. Cash flows from investing activities | - | - |
| 2.1 | - | - |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) intellectual property | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | - | - |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) 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) | 1,103 | 1,103 |
| 3.2 | Proceeds from issue of convertible debt securities* | - | - |
| 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) | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (AASB16 lease principal payments) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 1,103 | 1,103 |

*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 | 481 | 481 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,221) | (1,221) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 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) | 1,103 | 1,103 |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 363 | 363 |

| 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 | 311 | 430 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | 52 | 51 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 363 | 481 |

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**

147

-

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 |
|-----|---|---|
| 7.1 | - | - |
| 7.2 | - | - |
| 7.3 | - | - |
| 7.4 | - | - |

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) | (1,221) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 363 |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 363 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 0.30 |

- 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 \$685,000 in October and initiated a Share Purchase Plan.

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

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

Date: 31 October 2023

Authorised by: By the board