

ASX Announcement | 30 April 2024

Quarterly Activities Report & Appendix 4C – Period ending 31 March 2024

Linus closes successful quarter with record financial results, milestone deployments, first American Football customer, & key industry partnerships

Highlights:

- Record quarterly cash receipts of \$232,000, 15% higher than Q3FY23 (the previous record high quarter) and up 23% over Q2FY24. Importantly, 75% of cash receipts were from recurring fees
- Year-to-date billings through Q3 of \$578,700, 63% higher than the prior year period, and YTD cash receipts of \$534,400 up 66% over the prior year period
- Penetration of key market, US college sport
 - US college sport is a highly scalable market for Linus with 150 conferences, 1,100 universities and a total addressable market of \$70 million
 - First deployment in US college sport went live in January with Peach Belt Conference (PBC)
 - Second customer signed in March - Lone Star Conference (LSC), largest conference in NCAA Div 2
 - LSC will be the first customer to deploy Linus Media Solutions for American Football, the highest revenue generating sport globally
- Deployment with IMG now live and already expanding
 - In January, Linus achieved its most significant milestone to date, deploying its world's best video product, Whizzard, with the world's leading sports and media company, IMG
 - Deployment provides substantial visibility and global credibility across key target markets including leading broadcasters, federations and leagues
 - Whizzard is now proven across leading federations including Premier League, PGA, Wimbledon, The Open, World Rugby, Giro Italia, Moto GP, Frank Warren Boxing and more
 - Deployment is the most critical element to acceleration of Linus' growth, and has already expanded to include content from Bundesliga and World Invitational Tennis Classic (WITC)
 - Expansions fall outside current agreement and provide revenue growth opportunities for Linus. Further potential expansions include publishing, automated highlights, & fan engagement
- Forged key industry partnerships to scale revenue growth
 - In April, signed partnership with Magnifi, leading provider of AI-driven automated highlights
 - After launch and rapid adoption of our auto-highlights product, we gained the attention of and now partnered with the #2 provider in this space
 - Magnifi will integrate and resell Linus Whizzard as their solution for archives as well as Linus Captivate personalised video product for fan engagement
 - Magnifi will bring these products to its existing installed base of global broadcast and federation customers with several opportunities already in development
 - Linus gains access to advanced AI technology for metadata, curation, & other innovations
 - Joint solution was demonstrated at the National Association of Broadcasters (NAB) Show in Las Vegas in April 2024
 - Integration license agreement with Avid
 - With Whizzard disrupting archive search and curation workflows, it makes perfect sense to integrate into professional editing suites provided by industry leaders like Avid
 - Linus is one of the first partners to access the new SDK for Avid Media Composer, which will embed Whizzard into Media Composer UI and workflows, exposing Whizzard to Avid's customer based including most major broadcasters and federations.
 - Partnership agreement with Genius Sport, leading provider of data to top leagues and broadcasters and the exclusive provider of metadata to the entire NCAA for college sport

- Revenue expansion with customer Hockey Technology Partners (HTP)
 - HTP expanded Linus deployment for the USA Hockey (USAH) National Championships. USAH is the national ice hockey organization in the US, with over 500,000 registered players
 - Deployment included a new feature for download of highlight videos, a high value use case and revenue opportunity in amateur sport, which has also rolled out to existing customer NAHL
 - In April, Linus billed additional fees for this deployment including the first variable revenue for HTP with the launch of their premium subscription tier for USAH and NAHL
- Launch of Whizzard v2.0 with advanced search and recommendation capability, which has been rolled out to IMG and Cricket Australia with more to follow

Melbourne Australia – 30 April 2024: 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 2024, along with the following financial and operational update.

Linus CEO James Brennan commented, “Q3 was one of the most important periods in Linus’ history, delivering pivotal achievements that set us up for greater scale. Whizzard went live with the world’s leading sports and media company IMG, validating us with target customers around the world. We penetrated the US college sport market, not once, but twice - deploying our first college conference and quickly signing our second which will see us take on American Football, the sport that generates more revenue than any other globally. We grew with existing customer HTP, supporting the largest amateur ice hockey federation globally. Finally, we forged several key industry partnerships, most excitingly our new agreement with Magnifi.”

“The partnership with Magnifi holds significant potential for revenue growth. I’ve mentioned before that the automated highlights market is well established, with all major broadcasters and federations purchasing and budgeting for this use case. Both Magnifi and Linus seek to disrupt this market with our respective technologies – Magnifi with their AI technologies for live clip curation and Linus with our video virtualisation for archive efficiency and personalisation. Together, the companies will accelerate that market disruption and bring even greater value and innovation to customers. We showed our joint solutions on the Magnifi stand at the recent NAB show with great response. I am excited to be working with the Magnifi team on several near-term opportunities and to further integrate our technologies into highly differentiated offerings.”

In Q3 FY24, the Company focused its efforts on achievements that increase the scale of revenue growth. While achieving success with direct efforts, the Company’s leadership knows that rapid scale will require additional tactics. Deployment with IMG creates scale across global federations and the broader IMG/Endeavor group. US college sport is highly repeatable once penetrated. Customers like HTP and Inverleigh continue to sign new customers, each increasing Linus revenue with minimal effort and cost for the Company. Partnering with other industry leaders provides access to large existing installed base of customers looking for additional services from their proven vendors.

The achievements in Q3 scale the business in the following ways:

Scale in US college sport

US college sports presents a total addressable market to Linus of over \$70m, with 1,100 universities and 150 conferences. While the market is vast, they are serviced by a relatively small number of providers in the video, data, website, and mobile app space. This means that once the market is penetrated with a high value solution, it is possible to capture significant market share.

In Q3 FY24, Linus completed the deployment of Whizzard and Whizzard Highlights for its first NCAA conference, the Peach Belt Conference (PBC). The deal was announced in November and went live in January for men and women’s basketball. Linus quickly secured its second customer in this market, announcing in March a contract with the Lone Star Conference (LSC), the largest conference in the NCAA Division 2. This will see Linus deploy Whizzard and Whizzard highlights for basketball as well as American Football. LSC will be the first customer to use Linus Media Solutions for American Football, which itself is a major scale opportunity as the highest revenue generating sport globally. LSC has an existing subscription based streaming service to which Linus will add content and services.

These first two deployments provide significant validation in this market. Word of mouth and customer referrals play a key role in expansion within the NCAA. Both PBC and LSC are introducing Linius to opportunities within other conferences and directly with the NCAA.

Through these two deployments, Linius has also connected deeply within the small but influential ecosystem of technology and solution providers and is working to forge partnerships with them for further scale. These providers see that Linius adds value to their existing solutions, making them stickier and driving additional revenue. One example of this is the partnership with Genius Sport, the exclusive provider of sports metadata for all NCAA conferences and schools. They see Linius generates more use cases and value for their data, allowing them to sell more usage licenses and deeper archive data.

Finally, cost and time to deploy new customers in this market is minimized due to the small number of possible integration partners. This will allow the Company to scale with minimal cost, higher margin and reduced time to revenue.

LSC and PBC are now being leveraged to generate and accelerate opportunities conferences and universities across NCAA Divisions 1, 2, and 3.

Scale from IMG launch

IMG is the world's leading sports and media company. IMG relaunched their Video Archive to include Whizzard 2.0 in January 2024. For reference, the IMG Video Archive (IMG-VA) includes the content of 35 leading rights holders including The English Premier League, PGA, Wimbledon, Giro D'Italia.

This product launch has been hugely important for Linius as it has:

- Put the industry spotlight on Linius
- Provided global validation and credibility with one of the worlds most respected sports brands
- Put Whizzard in the hands of key target customers through IMG-VA
- Accelerated multiple opportunities
 - Growth within IMG-VA has already started with initial content from Bundesliga and WITC
 - Expansion within IMG/Endeavor
 - Federations within IMG Archive
 - Industry tech providers seeing the success of this integration and looking to do the same

Scale through key industry partnerships

In April, Linius signed a partnership agreement with Magnifi, a leading provider of automated highlights solutions. Magnifi competes in the global automated highlights and clipping market, differentiating their services through completely AI-driven clip identification and curation. Their customers are OTT players, broadcasters, sports clubs and leagues, marketing agencies, and e-gaming platforms including Indian Premier League, Women's Premier League, the Vietnam Basketball Association, and leading sports broadcasters in India and around the world.

The collaboration enables Magnifi and Linius to enhance value to customers through bundled offerings, specifically:

- Magnifi will resell Linius Whizzard as their archive product, giving customers the ability to fuse live and archive content for automated highlights.
- Magnifi will resell the Linius Captivate fan engagement solution and utilize Linius' virtualized video to enable personalised automated highlights.
- Linius will have access to include Magnifi AI tools in customer solutions including AI-generated metadata, AI-driven live clip curation and prioritization, ball/player tracking AI for transforming content into multiple mobile-friendly aspect ratios, and automated publishing workflows.
- The companies will work together on deeper integrations such as utilizing the Linius Video Services platform to drive operational efficiencies and substantial cost benefits across the Magnifi portfolio.

The joint solution was demonstrated at the recent NAB Show in Las Vegas earlier in April 2024. Both companies will continue to target broadcasters, sporting federations, leagues and rights holders globally, combining sales efforts in certain markets to target accelerated growth. Several joint opportunities are already being developed.

In March, Linius signed an agreement with Avid, a leading provider of video editing software and hardware used by most leading broadcasters and federations globally. The agreement gives Linius early access to a new SDK that will allow the integration of Linius Whizzard into the Avid Media Composer UI and workflows. For users, this will create tremendous efficiencies in searching, curating, and editing video for publication. For Linius, it will expose Whizzard to the large installed base of Avid users in our target markets and create new commercial opportunities for Whizzard.

Lastly, Linius signed a partner agreement with Genius Sport, leading provider of data to top leagues and broadcasters and the exclusive provider of metadata to the entire NCAA for college sport. The partnership gives Linius access to valuable metadata and a large installed base of Genius' data customers. The companies are developing joint go-to-market plans and joint opportunities for expansion.

Scale through existing clients and Master Service Frameworks (MSF)

Linius clients continue to generate significant value from the technology and as a result customers continue to buy more modules of our technology and deploy those to their end users and customers.

- Revenue expansion with customer Hockey Technology Partners (HTP) under current MSF
 - HTP expanded Linius deployment for the USA Hockey (USAH) National Championships. USAH is the national ice hockey organization in the US, with over 500,000 registered players
 - Deployment included a new feature for download of highlight videos, a high value use case and revenue opportunity in amateur sport, which has now rolled out to existing customer NAHL
 - In April, Linius billed additional fees for this deployment including the first variable revenue for HTP with the launch of their premium subscription tier for USAH and NAHL
 - HTP continues to develop further opportunities in advance of the 2024/25 season in August
- Inverleigh Media continues development of multiple opportunities under the existing MSF with Linius that are in final stages of the sales cycle
- Cricket Australia continues actively using Whizzard and Automated Highlights to create and publish content. Further expansion opportunities are under consideration, including:
 - Fan engagement solutions
 - Solutions and services supporting CA rights holders and other cricket federations based on Linius products

Scale through aggressive go to market activity

With the who's who of tier 1 sports now using our solutions, we have the technology and credibility to continue increasing the rate of new revenue arrival.

Linius are actively targeting 4 overlapping and complementary market segments in the global sports markets:

- Sports Federations
- Sports Broadcasters
- NCAA US College Sports
- Industry technology providers

To support these activities, Linius has developed new marketing and sales materials including launch of a new website, and promotional/product videos. New materials can be found here:

- <https://www.linius.com/>
- <https://vimeo.com/linius/wearelinius>
- <https://vimeo.com/linius/whizzard>

Financial Results

In Q3 FY24, quarterly cash receipts reached a record high of \$232,000, 15% higher than Q3FY23 (the previous record high quarter) and up 23% over Q2FY24. Importantly, 75% of cash receipts were from recurring fees which continue to become an increasingly large portion of the Company's billing and cash receipts.

Year-to-date billings through Q3 FY24 reached \$578,700, 63% higher than the similar period in FY23. Year-to-date cash receipts through Q3 FY24 were \$534,400 up 66% over the similar period in FY23.

Summary of expenditure for the March 2024 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 \$458,000: This encompassed continued development of the LVS SaaS platform, enhancement of productised solutions including Whizzard and deployment of new customers.
- Operating costs \$234,000: 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 \$367,000: This includes staff costs associated with sales, marketing, sales engineering staff, product management, finance and management of the Company.
- Administration, travel and corporate costs \$85,000: 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

Linius Technologies Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

31 March 2024

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	232	534
1.2 Payments for		
(a) research and development	(458)	(1,688)
(b) operating costs	(234)	(684)
(c) advertising and marketing	(11)	(25)
(d) leased assets	-	-
(e) staff and consultant costs	(367)	(1,114)
(f) administration, travel and corporate costs	(85)	(353)
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	251	251
1.8 Other (legal and patent costs)	(32)	(34)
1.9 Net cash from / (used in) operating activities	(704)	(3,113)
2. Cash flows from investing activities	-	-
2.1	-	-
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:	-	-
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) 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)	631	2,919
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	631	2,919

*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	360	481
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(704)	(3,113)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	631	2,919
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	287	287

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	235	311
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	52	52
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	287	363

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**

92

-

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.

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(704)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	360
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	360
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.51

- 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 most recently completed a capital raise. Additionally, the Company 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: 30 April 2024

Authorised by: By the board