

ASX Announcement | 31 July 2024

Quarterly Activities Report & Appendix 4C – Period ending 30 June 2024

## Linus closes successful quarter, forging key industry partnerships and launching with American football

### Highlights:

- Quarterly billings of \$181,600, 42% higher than Q4FY23. Importantly, 94% of billings were from recurring fees
- Year-to-date billings through Q4 of \$760,300, 57% higher than the prior year period, and YTD cash receipts of \$748,000 up 51% over the prior year period
- 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
    - Together, Linus and Magnifi have a highly differentiated solution, well positioned to disrupt the automated highlights market
    - Magnifi will integrate and resell Linus Whizzard as their solution for archives as well as Linus Captivate personalised video product for fan engagement
    - Linus gains access to advanced AI technology for metadata and curation
    - Initial product integration and go-to-market planning are complete, with both companies now executing on opportunities with existing and new clients. Multiple proposals are in with potential customers
    - Magnifi is targeting its existing installed base of global broadcast and federation customers with upsell opportunities for these new solutions
    - 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 from 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 base of most major broadcasters and federations.
    - Integration is scheduled to be complete and demonstrated at upcoming IBC tradeshow in September
- In June, Linus went live with its first deployment in American football
  - Linus Whizzard is now live with users at Lone Star Conference (LSC) for their American Football and basketball content from the 2023 season onwards
  - LSC, Linus' second customer in the US college sports market, signed a 3-year agreement in April 2024 covering football and basketball
  - LSC using Whizzard to curate highlights and for automated highlights of all games
  - Deployment marks the first use of Linus solutions in American football, one of the most highly monetized sports globally
  - Reduced deployment time driving cost efficiencies for future growth in this market
  - Significant opportunity for Linus in US college sport as NCAA has 150 conferences and 1,100 schools

**Melbourne Australia – 31 July 2024:** Linus Technologies Limited (ASX:LNU) (**Company** or **Linus**) is pleased to provide its Quarterly Activities Report and Appendix 4C for the quarter ending 30 June 2024, along with the following financial and operational update.

**Linus CEO James Brennan** commented, “Q4 was focused on executing our strategies to scale revenue more rapidly in FY25. By far, the most important achievement in Q4 was our partnership with Magnifi, the #2 and fastest growing provider in the automated highlights segment. The combination of Linus’ highly efficient virtualized video and data-driven, personalized video assembly with Magnifi’s AI-driven live highlights solutions creates a combined solution that is set to disrupt the automated highlights segment. Through the quarter, we executed technical, product, and commercial integrations, with both companies now actively developing multiple joint opportunities with existing and new clients. We look forward to sharing the first successes from this partnership early in FY25.”

“Additionally, we further penetrated the US college sport market, deploying our second college conference and our first live deployment for American Football, the sport that generates more revenue than any other globally. The football content for LSC looks amazing and truly showcases the power of Whizzard and Whizzard Highlights. We are also excited that existing customer PBC has chosen to expand their Whizzard deployment, adding men’s and women’s soccer in the fall.”

In Q4 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 Q4 scale the business in the following ways:

#### **Scale through key industry partnerships**

In April, Linus 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 Linus to enhance value to customers through bundled offerings, specifically:

- Magnifi will resell Linus Whizzard as their archive product, giving customers the ability to fuse live and archive content for automated highlights.
- Magnifi will resell the Linus Captivate fan engagement solution and utilize Linus’ virtualized video to enable personalised automated highlights.
- Linus 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 Linus Video Services platform to drive operational efficiencies and substantial cost benefits across the Magnifi portfolio.

The combination of Linus and Magnifi solutions creates a highly differentiated value proposition against leading incumbent providers of automated highlights solutions, positioning both companies to disrupt this large existing market.

The addition of Magnifi's AI generated data and live automated highlights to Linius Media Solutions has enabled Linius to compete for new opportunities, tenders, projects, and budgets that were not previously available. Multiple opportunities are under development with existing and new clients with several proposals already submitted.

Magnifi is introducing Linius Whizzard and Captivate into their existing large installed customer base and new business pipeline. Multiple deals are already in progress.

The joint solution was first demonstrated at the National Association of Broadcasters (NAB) Show in Las Vegas 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 2024, 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. Development of this integration is underway and expected to be demonstrated at upcoming major industry trade shows.

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 executing joint go-to-market plans and joint opportunities for expansion.

Several additional partnerships with major technology companies and solution providers are in progress which will give Linius further access to existing customers and new opportunities through these partnerships. Details of these will be shared in upcoming quarters.

#### **Scale in US college sport**

US college sports presents a total addressable market to Linius 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 Q4 FY24, Linius completed the deployment of Whizzard and Whizzard Highlights for its second NCAA conference, the Lone Star Conference (LSC). LSC is the largest conference in the NCAA Division 2. The deployment included men's and women's basketball, as well as our first deployment of Linius Media Solutions for American Football. Deploying into American football is a major scale opportunity as the highest revenue generating sport globally. LSC has an existing subscription based streaming service to which Linius will add content and services.

In July 2024, LSC showcased the Linius partnership and content generated by our solutions at their annual Media Day, attended by representatives from the conference, schools, press, technology partners, sponsors, and advertisers. Content from Whizzard is being prepared in preparation for pre-season promotional activities starting in August. This new content and automated highlight packages during the season represent significant new monetization opportunities for LSC that they did not previously have.

This follows our previous deployment with NCAA's Peach Belt Conference (PBC) in Q3 FY24. PBC deployed Whizzard and Whizzard Highlights for men's and women's basketball, and has recently chosen to expand the deployment to add men's and women's soccer starting in August 2024.

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 to rapidly scale our commercialisation. 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**

In Q3FY24, Linius deployed Whizzard for IMG, the world's leading sports and media company. IMG relaunched their Video Archive which included their new "Advanced Search" capability powered by Whizzard, making it faster and easier for users to find and license the content they want and increase the amount of content purchased through pro-active recommendations and related content. 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.

In Q4, we continued to add additional content, both from existing federations already in the archive and initial content from several new federations including Bundesliga, WITC, and Roland-Garros

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 additional content from existing and new federations
  - 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 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, in April, Linius launched 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>

#### **Capital Raise**

On 4 July 2024 the Company requested a trading halt over its securities, pending the release of an announcement to the market in respect of a capital raising initiative. The Company subsequently requested a voluntary suspension of its securities and that suspension is still in place as at the date of this release.

The Company is in the final stages of concluding the terms and quantum of the capital raising and expects to release an announcement in that regard imminently.

#### **Financial Results**

In Q4 FY24, quarterly cash receipts were \$214,000, 22% higher than Q4FY23, Importantly, 94% 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 for the year reached \$760,300, 57% higher than the prior year period, year-to-date cash receipts were \$748,000 up 51% over the prior year period.

#### **Summary of expenditure for the June 2024 quarter and related party payment**

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

- Research and development \$428,000: This encompassed continued development of the LVS SaaS platform, enhancement of productised solutions including Whizzard and deployment of new customers.
- Operating costs \$94,000: This includes 3<sup>rd</sup> party costs incurred in operating the SaaS platform and delivering LVS solutions to existing clients.
- Staff and consultant costs including director fees \$335,000: This includes staff costs associated with sales, marketing, sales engineering staff, product management, finance and management of the Company.
- Administration, travel and corporate costs \$58,000: 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](http://www.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")**

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	214	748
1.2 Payments for		
(a) research and development	(428)	(2,116)
(b) operating costs	(94)	(778)
(c) advertising and marketing	(4)	(29)
(d) leased assets	-	-
(e) staff and consultant costs	(335)	(1,449)
(f) administration, travel and corporate costs	(58)	(411)
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
1.8 Other (legal and patent costs)	(2)	(36)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(707)</b>	<b>(3,820)</b>
<b>2. Cash flows from investing activities</b>	-	-
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 (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities* (excluding convertible debt securities)	621	3,540
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>621</b>	<b>3,540</b>

\*net of costs incurred

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>287</b>	<b>481</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<b>(707)</b>	<b>(3,820)</b>
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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	621	3,540
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>201</b>	<b>201</b>

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	151	235
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	50	52
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>201</b>	<b>287</b>

**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**

112

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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)	(707)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	201
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	201
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	0.28

- 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's securities are currently subject to a voluntary suspension pending an announcement in connection with a capital raising initiative. The Company is in the final stages of concluding the terms and quantum of the capital raising and expects to release an announcement in that regard imminently.

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 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 July 2024

Authorised by: By the board