

ASX Announcement | 31 October 2024

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

Linus launches new products and partnerships in Q1 FY25 and supports multiple customers as they start new seasons

Melbourne Australia – 31 October 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 September 2024, along with the following financial and operational summary.

- Expansion of Linus Media Solutions (LMS) portfolio with availability of new product, Captivate, a personalized, socially-centred viewer engagement solution for broadcasters and sports federations.
 - Captivate has created opportunities in the much larger broadcast market and is driving bigger deal sizes with sports federations and rights holders. It is expected to drive a 3-5x increase in revenue in FY25 and pull through >50% increase in revenue from Whizzard and Whizzard Highlights.
 - See a demo of Captivate here: <https://vimeo.com/linius/captivate-demo>.
 - Based on learnings from existing clients, partners, and existing deployments of Whizzard and other fan engagement solutions, Captivate focuses on the biggest issue in the broadcast and sports market today – lost engagement to social apps like YouTube, TikTok, and Instagram.
 - It combines the best of these social apps with the high quality sport, news, and entertainment content from broadcasters/federations, with an unmatched level of personalization.
 - It's a natural extension of LMS, taking our solutions directly to the point of monetization – viewer engagement.
 - It includes:
 - Instant presentation of video content, simple navigation and search
 - Likes, views, sharing, and following
 - User generated content
 - Carousels of the latest, trending, popular and promoted content
 - Dynamic assembly of hyper-personalized content – the system learns from my interactions and dynamically creates content to my specific preferences
 - Captivate was launched in September at the IBC trade show and is already generating significant interest and opportunities from global broadcasters, sports federations, and partners with multiple opportunities and proposals in development. Linus anticipates multiple deployments of Captivate to be live with end users by early CY25.
- Signed a global distribution agreement with Cricket Australia (CA) that enables Linus to distribute the rights to the entire CA video archive together with Linus Captivate, Whizzard, and Whizzard Highlights. The combination of product + content provides a turn-key package that we are actively selling to broadcasters globally and will accelerate adoption of Captivate and Whizzard. This package increases potential deal sizes by over 100%.
- Forged additional industry partnerships to scale revenue growth.
 - Partnerships will be a significant engine for growth and are forecasted to represent over 50% of our revenue in FY25.

- Signed a strategic partnership with Prime Focus Technologies (PFT).
 - Prime Focus is the world's largest independent integrated media services company with customers including Walt Disney-owned Star TV, Channel 4, ITV, Warner Bros. Discovery, Paramount, Disney+ Hotstar, BCCI, Amazon, MGM Studios and more. Linus and PFT will integrate LMS with PFT's CLEAR and CLEAR AI solutions. PFT will resell Whizzard, Whizzard Highlights, Captivate, and the Linus Video Services platform and APIs.
 - Joint solutions include AI-powered automated highlights and personalised content curation for sports and broadcast customers, which will be marketed and sold to PFT's existing installed base and new business opportunities.
 - Several opportunities with leading global sports federations are already in development with first outcomes expected in Q2 FY25.
- Signed a strategic partnership agreement with Fujitsu
 - Headquartered in Japan, Fujitsu is a multi-national information and communications technology equipment and services corporation and the top digital services company in Japan by market share.
 - Partnership delivers a suite of solutions combining Linus' video platform with Fujitsu's deep industry expertise and global reach and Fujitsu Kozuchi for Vision, Fujitsu's AI service.
 - Joint solutions are expected to be particularly impactful in industries including security/surveillance, airport and transportation operations, border services, police/fire services operations, site/asset inspections and maintenance, retail analysis, consumer behaviour, and more.
 - These new markets have the potential to be larger than the sports and broadcast markets.
- Progressed existing partnerships with Magnifi, StatsPerform, Genius, and Avid, with multiple opportunities currently in development with each partner. These well-advanced partnerships are expected to increase revenue by more than 25% in the next 2 quarters.
- Supported customers in their usage of Linus Media Solutions for new seasons.
 - Rollouts for American football for Lone Star Conference, soccer for Peach Belt Conference, and ice hockey via customer HTP for various federations and schools including North American Hockey League, USA Hockey, and Shattuck St Marys.
 - HTP has rolled out Whizzard to existing clients, in addition to their existing Personalized Channel fan engagement solution.
 - Racing.com now actively utilizing Whizzard, with their former bespoke editorial/curation solution now decommissioned.
- In August, the Company implemented a restructure, reducing annualized costs by nearly \$1million. With the launch of Captivate, incremental ongoing development to existing products, and a streamlined deployment process, significant cost reductions in engineering were achieved, in addition to other cost reductions across the operation.
- Linus participated in the IBC tradeshow in September, launching new product Captivate with partner Magnifi. The show resulted in over 100 leads and dozens of highly qualified opportunities which are now under development, both independently and with Magnifi.
- In October, Linus attended the annual Sportel conference driving multiple deals further in the sales cycle and adding several new qualified opportunities to the pipeline.

Linus CEO James Brennan commented, “While Q1 FY25 showed lower financial results than recent quarters due to invoicing seasonality and some delayed payments, the strength and quality of our deal pipeline will support our growth plans for FY25. In Q1, we completed several objectives that are important to our revenue growth this year. The first is the launch of Captivate, our new personalized and socially-oriented viewer engagement solution. Captivate has truly been game-changing in our conversations with broadcasters and sports federations around the world and it’s clear that Captivate is meeting the market both in terms of value and timing. Traditional broadcast mediums are experiencing decline in viewership and revenue to social apps like YouTube, TikTok and Instagram. Captivate puts the control back in the hands of the rights holder, combining their premium content with the engagement features viewers are proven to favour, on their websites/apps. Captivate increases stream volumes by 20% or more, drives significant monetization opportunities, and brings the relationship with the users back to the rights holder. The response from our partners has been amazing, with all fully engaged in taking Captivate to market. Captivate is expected to generate a 3-5x increase in revenue during FY25 and pull through >50% growth in other Linus products.”

“Secondly, we forged two more partnerships with world class technology partners, Prime Focus Technologies and Fujitsu. These are large, global leaders in their respective markets who recognise the value that Linus solutions brings to their existing customers and the differentiation that we add to their solution portfolios. These are in addition to our existing partnerships with Magnifi, StatsPerform, Genius, and Avid, all of which have generated multiple opportunities currently in development. These partnerships are a strong validation of Linus solutions and strategy and are expected to contribute >50% of revenue in FY25.”

“With our complete Linus Media Solutions portfolio, strong reference customers and case studies, and strategic partnerships for scale, we are confident in our growth in FY25 towards profitability.”

Capital Raising

On 10 September 2024 the Company announced to ASX that it had received binding commitments from professional and sophisticated investors in a share placement to raise \$700,000 by the issue of 350,000,000 fully paid ordinary shares (**Shares**) in two tranches at an issue price of \$0.002 per Share.

The Company also announced that it had received binding commitments for the issue of convertible notes in the amount of \$800,000 from professional and sophisticated investors under a new unsecured convertible note facility established by the Company for the issue of convertible notes up to a maximum aggregate face value of \$3,000,000 and the establishment of a standby equity facility with Eli Capital Pty Ltd with up to \$1.5 million worth of standby equity capital available to the Company at its discretion over the next 18 months, for a combined fundraising of up to \$3 million.

The first tranche of Shares under the placement, comprising 182,500,000 Shares were issued on 23 September 2024 within the Company’s existing 15% share issue capacity pursuant to Listing Rule 7.1 (for 8,900,000 Shares) and Listing Rule 7.1A (for 173,600,000 Shares). The second tranche of Shares under the placement comprises an aggregate 167,500,000 Shares and the issue was subject to and conditional upon Shareholder approval under Listing Rule 7.1 (for 52,500,000 Shares) and 10.11 for related parties (for 115,000,000 Shares), which was obtained at a general meeting held on 30 October 2024.

The convertible notes may be issued up to a maximum value of \$3 million over four tranches. They have a \$1 face value, a coupon of 20% per annum and a maturity date of 24 months from their date of issue. Interest accrues daily and is capitalised, in lieu of payment in cash. Tranches 1 and 2 are convertible into Shares at a conversion price of \$0.002. Tranches 3 and 4 are convertible into Shares at a conversion price equal to the 10-day VWAP before the date of issue of the relevant Notes, subject to a floor price of \$0.002. Tranches 2, 3 and 4 attract an undrawn facility fee of 6% per annum that accrues from the date an application is received and (if accepted by the Company) until the respective tranches are drawn down and then capitalised against the relevant tranche. Tranches 2 and 3 were subject to and conditional upon Shareholder approval under Listing

Rule 7.1, which was obtained at a general meeting held on 30 October 2024. Tranche 4 is also subject to shareholder approval, which will be sought at the Company's 2024 annual general meeting scheduled for 26 November 2024.

Financial Results

In Q1 FY25, quarterly cash receipts were \$148,980 and quarterly billings were \$142,573. Cash receipts were lower than expected due to delays in payments that pushed some cash collections into Q2 FY25. Quarterly billings were impacted by timing of annualized contract invoicing for some accounts and some invoicing on hold during customers' off-season.

Summary of expenditure for the September 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 \$282,000: This encompassed continued development of the LVS SaaS platform, development and launch of new product Captivate, ongoing enhancement of Whizzard and deployment of new customers.
- Operating costs \$262,000: 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 \$191,000: This includes staff costs associated with sales, marketing, sales engineering staff, product management, finance and management of the Company.
- Administration, travel and corporate costs \$100,000: 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")

30 September 2024

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	149	149
1.2 Payments for		
(a) research and development	(282)	(282)
(b) operating costs	(262)	(262)
(c) advertising and marketing	(1)	(1)
(d) leased assets	-	-
(e) staff and consultant costs	(191)	(191)
(f) administration, travel and corporate costs	(100)	(100)
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	(687)	(687)
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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	350	350
3.2	Proceeds from issue of convertible debt securities*	380	380
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	730	730

*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	201	201
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(687)	(687)
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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	730	730
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	244	244

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	194	151
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	50	50
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	244	201

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

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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.

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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)	(687)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	244
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	244
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.35

- 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 has received cash in respect of capital raise initiatives subsequent to 30 September 2024. Additionally, the Company is considering financing options available to it including issuance of the Tranche 3 convertible note and exercising the standby equity facility, both approved by shareholders on 30 October 2024 at the EGM. With the approval of the Eli equity standby facility amounting to \$1.5m, the estimated quarters of funding available would be 2.5 quarters.

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

- 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: 31 October 2024

Authorised by: By the board