Linius funded with up to $3 million capital raising

Highlights:

- **Linius Media Solutions now proven with global tier-1 clients across most major sports**
- **New and existing partnerships with industry leaders Prime Focus, Magnifi, and Avid unlock significant scale**
- **Technology is scalable across the US$75 billion sports broadcasting market**
- **As a result the Company has secured $1.5 million in funding (before costs) via an equity placement from professional and sophisticated investors and commitments under a convertible note facility, partly subject to shareholder approvals**
- **Linius has also entered into a $1.5 million standby equity facility with Eli Capital that provides the Company with full control over the facility and flexibility in strengthening its balance sheet as part of its funding strategy**
- **Linius initiated cost reductions of nearly $1m annually, following completion of its latest product, Captivate**
- **Proceeds from the capital raising, combined with new products, partnerships, and a reduced cost base will accelerate Linius' growth towards cashflow break-even in early FY26**

Melbourne, Australia – 10 September 2024: Linius Technologies Limited (ASX: LNU) (**Linius** or **Company**) – the only cloud-based solution that unlocks the value of video archives with immersive, deeply personalized viewer experiences via its Linius Media Solutions portfolio – is pleased to announce a capital raising initiative comprising binding commitments of $800,000 under a convertible note facility (**Note Facility**) and a placement of new fully paid ordinary shares in the Company (**Placement**) to raise $700,000 for an aggregate raising of up to $1.5 million before costs, in each case in part subject to shareholder approvals.

In addition to the Note Facility and Placement, the Company has entered into a standby equity facility with Eli Capital Pty Ltd (**Eli Capital**) with up to $1.5 million worth of standby equity capital available to the Company at its discretion over the next 18 months (**Equity Facility**).

The aggregate of this capital raising initiative is $3 million (before costs) subject to shareholder approval, which given the scalable nature of existing Linius solutions provides the Company with significant runway to achieve its objective of cashflow break-even.

Building of deal momentum

Linius has materially penetrated the sports market with long term contracts working with over 100,000 hours of content from 15 different sporting codes (most recently in American Football), 40 different sporting federations, in all three of its target geographies. Linius Media Solutions has gained substantial validation and accelerating momentum from deployments with tier-1 customers including IMG, Cricket Australia, Inverleigh Media, and more. In FY24, the Company entered the US market with deployments for the North American Hockey League and USA Hockey, plus the Lone Star and Peach Belt Conferences in the US college sports market.

New Partners

This validation has led to partnerships with leading industry technology providers. In Q1 FY25, Linius entered into new partnership with Prime Focus Technologies and other global system integrators, in addition to existing partnerships with Magnifi and Avid.

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. PFT will resell Linius' AI-powered automated highlights and video personalisation technology to their existing and new sports and broadcast customers.

These industry leaders (Prime Focus, Avid and Magnifi) recognise the innovation and value in the Linius platform and products, leading them to partner with Linius to bring value to their current and future customers and opening significant scale and revenue growth for Linius.

New technology to increase deal size

Linius has also released its new fan engagement product called Captivate, based on its prior successes of creating new revenues for broadcasters & sports federations through the delivery of personalized video experiences. Captivate addresses a much larger potential market opportunity for Linius and its partners – direct engagement by the viewer/fan – unlocking the value of near-live highlights and archive content.

Cost Reductions

With development of Captivate complete and a more scalable go-to-market and deployment model with partners now in place, Linius has recently enacted cost reductions of nearly $1m annually across the business. The Company is confident in its ability to rapidly grow revenue and support new customers within this cost structure.

Significant new funding

As a consequence of this market validation, new products, partnerships, reduced cost base, and tight go-to-market plan, the Company has secured this significant funding package from professional and sophisticated investors who see the long term value of Linius and are supporting the Company with this capital raising initiative.

Proceeds from the capital raising will be used to execute Linius' go to market plan towards cashflow break-even, accelerate near-term revenue growth through further penetration of the US and global sports market, and scale rapidly through execution of key partnerships including Magnifi and Avid.

Linius Non-Executive Chairman, Gerard Bongiorno, said, "The Linius board and management are delighted with this capital raising initiative as it will allow the company to focus on the execution of its business plan towards cashflow breakeven in early FY26. It will facilitate accelerated revenue from existing opportunities within global sports federations, broadcasters, and rights holders and accelerated growth enabled by our recently announced industry partnerships, with no need for additional costs.

"The structure of these facilities provides the best available outcome for shareholders, providing a long-term runway for the business while minimizing dilution. The company now has access to funding to capitalise on its significant near-term growth opportunities and, importantly, the raise allows management to drive the company towards cashflow breakeven.

"We want to thank our existing and new investors that supported this raise for their commitment and belief in the Linius business and team."

Convertible Note Facility

The Company has received binding commitments for the issue of convertible notes (**Notes**) in the amount of $800,000 from several professional and sophisticated investors, including existing shareholders, subject in part to shareholder approval.

The Note Facility allows the Company to issue Notes up to a maximum aggregate face value of $3,000,000 over four separate tranches.

Tranche 1 is for $380,000 with the Notes expected to be issued within seven days of this announcement. The issue of the Notes in Tranche 1 is within the Company's placement capacity under Listing Rule 7.1 (on the basis of the conversion floor price of 0.2 cents and assuming all interest accruing on the notes is capitalised - see below) and is not subject to shareholder approval. Tranche 1 is fully subscribed.

Tranche 2 is for a further $620,000 and Tranche 3 is for $1,000,000, each subject to shareholder approval being obtained for the purposes of Listing Rule 7.1 at a general meeting to be held by 31 October 2024. The Company must draw down on the Tranche 2 Notes within 2 business days of the Company obtaining that approval and the Tranche 3 Notes must be drawn down no later than 30 November 2024. $420,000 has been subscribed for under Tranche 2 as at the date of this announcement. The Company may seek additional subscriptions for the balance of Tranche 2 and under Tranche 3 at later dates.

Tranche 4 is for a further $1,000,000, and is also subject to shareholder approval to be received by 31 January 2025. The Company must draw down on Tranche 4 by 28 February 2025. The Company may seek subscriptions under Tranche 4 at a later date.

The other key terms and conditions of the Notes are as follows:

- Each Note has a face value of $1.00.
- Each Note attracts a coupon of 20% per annum, which accrues daily and is to be capitalised monthly.
- Tranches 2, 3 and 4 attract an undrawn facility fee of 6% per annum that accrues until the respective tranches are drawn down and then capitalised against the relevant tranche.
- The Tranche 1 and 2 Notes have a maturity date of 24 months from the date of issue of the Tranche 1 Notes, and the Tranche 3 and 4 Notes have a maturity date of 24 months from respective dates of issue.
- The Notes (together with capitalised interest, undrawn facility fee) may be converted by the Noteholder into fully paid ordinary shares in the Company at any time up to their respective maturity date. The conversion price for Tranche 1 and 2 Notes and the fees is 0.2 cents, and the conversion prices for Tranche 3 and 4 Notes will be the 10-day VWAP before the date of the issue

of the relevant Notes, subject to a floor price of 0.2 cents. The Issuer may also elect to convert into shares on the same terms any Notes that have not been redeemed (together with capitalised interest and the fees) at their respective maturity dates. In the first 12 months, Notes may only be converted within the months of November 2024, February 2025 and May 2025.

- The Company may redeem the Notes prior to their maturity date at any time after 12 months from their issue date.

- The Notes are not secured. However, the Company and its subsidiaries must not deal with (which includes encumbering) any material assets outside of the ordinary course of business without Noteholder consent.

A detailed summary of the terms and conditions of the Note Facility is set out in the schedule to this announcement.

Placement

The Placement will be conducted in two tranches as follows:

- Tranche 1 of the Placement will be conducted within the Company's existing Listing Rule 7.1 placement capacity for 8,900,000 shares and Listing Rule 7.1A placement capacity for 173,600,000 shares, and is expected to settle within seven days.

- Tranche 2 of the Placement comprises 52,500,000 shares subject to shareholder approval under Listing Rule 7.1 (for non-related parties) and 115,000,000 shares subject to shareholder approval under Listing Rule 10.11 (for directors and their nominees). A general meeting seeking these approvals is scheduled to take place in mid to late October 2024.

Directors (and their nominees) have committed $230,000 into the Placement, subject to shareholder approval.

The issue price represents a premium of 20.9% to the 15-day VWAP, meeting the requirements of Listing Rule 7.1A.3 in being greater than 75% of the 15-day VWAP prior to the date on which the shares last traded on ASX. The shares issued under the Placement will rank equally with existing Linius fully paid ordinary shares on issue.

Equity Facility

The Company has entered into the Equity Facility with Eli Capital under which up to $1.5 million worth of standby equity capital is available to be placed by the Company at its discretion over the next 18 months.

The key terms of the Equity Facility are as follows:

- Facility limit of $1.5 million.

- Term of 18 months.

- Placements may be made at the discretion of the Company, with a minimum placement of $50,000 per request and a monthly $150,000 limit unless otherwise agreed.

- Pricing is determined by calculating the 10 day VWAP prior to a placement notice being issued, with a discount of between 20-30% applied depending on the VWAP amount and subject to a 0.2 cents floor price.

- No placement notice may be given if the company (a) does not have Listing Rule 7.1 or 7.1A capacity available for the amount of the placement or (b) the daily VWAP for the 10 trading days before the placement request date is at or above the 0.02 cents floor price on at least nine of those days.

- Eli Capital will be paid a facility fee of 45,000,000 shares (at a deemed issue price of $0.002 each) and 50,000,000 options to subscribe for shares (exercisable at 0.5 cents within 24 months), half to be issued following shareholder approval for their issue and the balance on first subscription under the Equity Facility.

- Customary warranties and default events.

Linius retains full discretion whether to utilise the Equity Facility, including the maximum number of shares to be issued and the issue price of shares (subject to the above-mentioned limitations) and the timing of each subscription (if any). There is no obligation on Linius to utilise the Equity Facility, nor are there any restrictions imposed on Linius raising capital from other sources or through other methods, including further funding under the Note Facility.

Eli Capital is an Australian-based investment firm, with specialized expertise in technology and AI investing, that serves an exclusive client base comprised of family offices across the Asia-Pacific region, global institutions and ultra-high-net-worth individuals. Eli Capital is a corporate authorised representative (CAR No. 001309822) of Avenir Capital Pty Ltd (ACN 150 790 355, AFSL 405469).

This announcement has been authorised for release to ASX by the Linius Board of 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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LINIUS
Video Virtualization Engine™

SCHEDULE
SUMMARY OF THE CONVERTIBLE NOTE TERMS AND CONDITIONS

Issuer	Linius Technologies Limited ACN 149 796 332
Face Value	$1.00 per Note
Tranches	Tranche 1 - $380,000 Tranche 2 - $620,000 subject to shareholder approval by 31 October 2024 and drawn down within 2 business days of that approval Tranche 3 - $1,000,000 subject to shareholder approval by 31 October 2024 and drawn down no later than 30 November 2024 Tranche 4 - $1,000,000 subject to shareholder approval by 31 January 2025 and drawn down by 28 February 2025
Maturity Date	The Tranche 1 and 2 Notes have a maturity date of 24 months from the date of receipt of the Tranche 1 funds, and the Tranche 3 and 4 Notes have a maturity date of 24 months from receipt of funds for each Tranche.
Coupon Rate	20% per annum, which accrues daily and capitalised.
Undrawn Facility Fee	6% of the principal amount that accrues until the respective Tranches are drawn down, payable on redemption or conversion of the relevant Tranche.
Conversion	The Notes (together with capitalised interest and undrawn facility fee) may be converted by the Noteholder into fully paid ordinary shares in the Company (**Shares**) at any time up to their respective maturity date. The conversion price for Tranche 1 and 2 Notes is 0.2 cents, and the conversion prices for Tranche 3 and 4 Notes is the 10-day VWAP before the date of issue of the relevant Notes, subject to a floor price of 0.2 cents. The Issuer may also elect to convert into Shares on the same terms any Notes that have not been redeemed (together with capitalised interest and fees) at their respective maturity dates. The Noteholder may exercise conversion rights in relation to some, or all, of their Notes at any time, except in the first 12 months during which Notes may only be converted within the months of November 2024, February 2025 and May 2025.
Security	Notes are not secured
Prohibited Dealings	The Company must not, and must ensure that none of its subsidiary companies do not, transfer, encumber, grant a security interest over, use or pledge as security, or otherwise dispose of or deal with any material asset of the business of the Issuer, including (without limitation) any intellectual property rights, or allow any person to acquire any interest in any such asset. The foregoing shall not apply: (a) to an act undertaken in the ordinary course of the Issuer's ordinary business, or (b) when otherwise approved by a super majority of Noteholders.
Transferability	Notes are transferable only with the prior written consent of the Issuer.

Redemption	Repayment of the principal sum (being the face value of each Note and capitalised interest) must be made on the respective Maturity Date or sooner if the Issuer commits an Event of Default and Noteholders request immediate redemption. The Company has a right of early redemption of the Notes after 12 months from their respective dates of issue.
Warranties, Undertakings and Indemnities	Warranties, undertakings and indemnities customary for securities of this nature given by the Issuer.
Events of Default	Customary events of default for securities of this nature apply, including but not limited to payment, redemption or conversion breaches, breaches of covenants, representations, warranties and undertakings, and insolvency events.
Voting Rights	Notes do not give a Noteholder shareholder meeting attendance rights, voting rights or dividend rights.
Conversion Protections	Notes are subject to standard anti-dilution for re-organisation or reconstruction of capital.