ASX Announcement
19 October 2017

LINIUS SUCCESSFULLY COMPLETES A$4.5 MILLION CAPITAL RAISING

FUNDING LINIUS COMMERCIALIZATION AND GO-TO-MARKET STRATEGY

Linius Technologies Limited (ASX: LNU) (**Linius** or **Company**) is pleased to announce that it has successfully completed a A$4.5 million capital raising, which was oversubscribed, taking combined commercialization funding to an aggregate A$6 million to support the Company's go-to-market strategy for its patented Video Virtualization Engine™ or VVE.

The capital raising will result in the placement of 90 million fully paid ordinary shares at an issue price of $0.05 each with one free attaching option for every two shares issued (for an aggregate 45 million options). The options will have an exercise price of $0.075 each, expiring on 30 May 2019. The A$4.5 million in funds raised are in addition to the A$1.5 million private placement in July to Village Roadshow and Kirby family interests

"The closing of this round puts Linius in a strong position to enter the next stage of our business growth and deliver shareholder value," said Chris Richardson, Linius CEO. "We've already announced our first commercial win, and this injection of capital sets us up to expand on that initial win and generate meaningful revenue across all of our divisions."

Linius intends to use the funds to:

- commercialize its four target divisions — video search, anti-piracy, personalized advertising, and security and defense — with a focus on operations and building a solid team in the USA;
- scale the utilization of virtual video globally through SaaS deployments; and
- continue R&D around Linius' patented technology.

CPS Capital Group Pty Ltd acted as lead manager for the placement.

The capital raising includes an investment by Linius Chairman, Gerard Bongiorno, joining the round for $250,000 worth of shares and options, subject to shareholder approval.

A total of 135 million securities will be issued under the Company's current capacity per listing rules 7.1 and 7.1A, specifically consisting of 71,385,519 securities issued under Listing Rule 7.1 and 63,614,481 securities issued under Listing Rule 7.1A. The issue price of the securities meets the requirements of LR7.1A.3, the price being greater than 75% of the 15-day VWAP.

The new shares and options are expected to be issued on Thursday, 26 October 2017.

About Linius Technologies Limited

Linius Technologies Limited (ASX:LNU) is set to revolutionize the world of video. The Linius **Video Virtualization Engine™** has cracked the code of content intelligence and created the next evolution of video streaming.

Linius transforms cumbersome, static video files into agile, dynamic files that can be easily manipulated on the fly, in order to deliver an enhanced, custom experience for both broadcasters and end-users in any way imaginable, and some as yet to be imagined.

Linius has the potential to transform many market sectors, and is initially focused on:
1. Delivering personalized advertising solutions for broadcasters
2. Video security and reduced piracy
3. Enhancing search engine monetization
4. Security-service applications

Linius' patented Video Virtualization Engine™ cuts costs and boost revenues across the multi-billion dollar video industry.

For more information, please contact:

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