

ASX Announcement | 28 March 2023

Linus Market Update Weblink

Highlights:

- **Rapidly improving financial performance:**
 - **Record billings in Q2 FY2023**
 - **Expected ~3x QoQ growth in cash receipts in Q3 FY2023**
 - **Expected ~2x QoQ growth in billings in Q3 FY2023**
- **Further growth expected in Q4**
- **New customer wins – Inverleigh Media in Q3 and Cricket Australia and A-Leagues in Q2**
- **Strong pipeline with larger expected deals closing faster**
- **Path to profitability continues with the Linus SaaS recurring revenue model continuing to grow**

Linus Technologies (ASX: LNU) (**Linus** or **Company**) is pleased to provide the market update weblink and summary of the presentation.

Linus CEO, James Brennan's presentation focused on:

- Review of Q2 FY2023 financial results and expectations for Q3 and beyond
- Update on Linus' progress on pipeline conversion and path towards profitability
- Details of recent customer win with Inverleigh Media for SANZAAR (South Africa, New Zealand, Australia and Argentina Rugby)

Linus has achieved significant financial and commercial milestones including record billings in Q2 FY2023 and recent wins creating the best near term revenue opportunity in its history. Now with repeatable, scalable products that meet multiple B2B and B2C use cases for customers, the Company is accelerating its revenue growth. This webinar and presentation focused on the Company's financial and commercial progress, strategy, and path towards profitability.

Summary of key points from the webinar:

- The Company is seeing significant improvement in financial results.
 - In Q2 FY2023, Linus announced record quarterly billings on the back of initial results from two new deals with Cricket Australia (CA) and the A-Leagues.
 - Timing of those deals late in the quarter meant that Q2 FY2023 reflected only a portion of the billings available, with subsequent quarters revealing their true impact.
 - The Company anticipates that Q3 FY2023 expected billings will be approximately double those of the prior quarter.

- The Company anticipates that Q3 FY2023 expected cash receipts will be approximately three times (3x) those of the prior quarter.
- This growth is attributable to full quarter results from CA and A-Leagues deals plus new billings from the recently announced deal with Inverleigh Media.
- Growth in billings and cash receipts expected to continue in Q4 FY2023 and beyond.
- Recent deals are providing meaningful revenue and positive margin.
- The Company is seeing an acceleration and growth of its pipeline.
 - Every new deal is making the next deal easier, which has been proven across recent deals with Inverleigh, CA, and A-Leagues.
 - Opportunities are becoming larger and more significant, moving to larger customers in leagues, global fanbases, and new segments including rights holders, broadcasters, and media companies.
 - Each new deal is generating more new pipeline.
 - Sales cycles are moving faster with Inverleigh Media closing in three months.
 - The Company is winning more deals, winning them faster, they are larger, and have greater long term potential. This trend is expected to continue.
- Linius' strong pipeline of commercial deals will allow the company to build a path to profitability. This will be attained through:
 - Deployment of current deals and generation of new monthly recurring revenue.
 - Revenue from existing clients and growth within these clients from upsell and cross sell opportunities.
 - Well-progressed pipeline opportunities – conversion of 5 opportunities that are in late stages of the sales cycle will move the Company significantly towards profitability. This includes one very large opportunity which is progressing to plan.
 - Commercial pipeline which contains 25+ additional opportunities and 75+ leads.
 - The Company estimates that conversion of an additional 4 of these opportunities could allow the company to reach profitability.
- These pipeline opportunities will follow a traditional SaaS revenue model, whereby recurring revenues from new clients are additive to existing recurring revenue.
 - Acceleration of deal closure, and larger deal sizes will create an exponential growth effect for Company revenue.
 - Upsell and cross sell opportunities with current clients creates further exponential growth.
- Upside revenue opportunities exist within the Company's contracts based on variable fees dependent on the uptake of the services. These revenues can be substantial, but not included in current planning due to their unknown nature. These represent significant revenue upside for the Company.
- Linius signed a three year deal with Inverleigh Media, a global leader in premium sports content creation, management, and distribution.
 - The initial deal will virtualize the Archive of SANZAAR (South Africa, New Zealand, Australia, and Argentina Rugby).
 - Inverleigh is a global end-to-end integrated media company providing a range of services including content creation, production, rights management, content

management and distribution via more than 600 broadcasters and their own OTT subscription service.

- Inverleigh will integrate Linus Whizzard into its client facing media services platform and workflows, making their video archives searchable and usable in multiple applications. Whizzard will enable Inverleigh's league, team, and broadcast customers to easily search its archive for relevant content, quickly curate and publish it to websites, mobile apps, social media, OTT channels, partner broadcasters, and other content licensors.
- Beyond the initial deployment of Whizzard for SANZAAR, Linus and Inverleigh will partner to bring Whizzard to additional customers and prospects. Whizzard will be integrated into Inverleigh's media management platform and workflows and offered to customers as an additional service option.
- Once archives are virtualized, Linus and Inverleigh will partner to offer customers personalized fan engagement applications.

Overall, Linus is experiencing rapid improvements to its financial performance, closing new deals, and generating strong pipeline. This is putting the Company on a path towards profitability.

[A recording of the Zoom Webinar, hosted by Linus CEO, James Brennan, can be accessed on the Linus website, via this link.](#)

This announcement has been authorised for release to ASX by the Linus Board of Directors.