

ASX Announcement | 16 December 2022

Linus to enter Web3 market with Blockchain Australia partnership

Highlights:

- Linus to develop and launch Web3 products through wholly-owned subsidiary Linus Blockchain Solutions (LBS)
- Partnership formed with Blockchain Australia, Australia's leading blockchain development and consulting group, for development of Web3 solutions based on Linus patents
- Blockchain Australia to make significant investment of services and software in exchange for equity position in the Linus subsidiary, LBS
- Products will build upon the prototype developed with Amazon Web Services earlier in the year
- Initial products expected in first half of 2023 extending Linus' existing fan engagement and archive search & edit solutions in the sports market

Melbourne, Australia – 16 December 2022: Linus Technologies Limited (ASX: LNU) (**Linus**) – the only cloud-based solution that transforms static video into [hyper-personalized video](#) experiences with its world-first [Video Virtualization Engine™](#) – is pleased to announce that its wholly-owned subsidiary, Linus Blockchain Solutions Pty Ltd (**LBS**), has entered into an agreement with the Blockchain Australia (**BA**) group to develop and launch Web3 products for LBS. BA will invest significant time, people, and software in exchange for an equity position in the LBS subsidiary

The partnership accelerates Linus' existing strategy for using LBS to enter the Web3 market, currently valued at US\$1.3 billion and growing at 44.9% through 2030¹. Through LBS, Linus can forge partnerships with leading specialists in the Web3 market, driving innovation while maintaining focus within the core Linus business. This maximizes value for LBS, its partners, and Linus (LNU) shareholders.

BA is Australia's leading blockchain development and consulting group whose mission is to help transform emerging tech ideas into a fully functional reality. BA has extensive expertise and experience in blockchain, cryptocurrency, and non-fungible token technologies and brings a range of industry leading services, software platforms and tools to the subsidiary.

Earlier this year, the Amazon Web Services Rapid Prototyping team supported Linus with development of a Web3 prototype. The solution extends Linus sports solutions to enable rights holders' direct monetization of their video archive with fans. The new partnership with BA will initially focus on completing and launching this solution, which will be sold by BA, Linus and partners. Future products from LBS, targeting a wide range of industries including sports, entertainment, social media, and video distribution, will also benefit from the arrangement with BA.

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Linus CEO James Brennan commented, “Linus has long had a vision for the application of blockchain technology in video, including a granted patent for attaching virtual video directly to a blockchain. Our customers and prospects, particularly in the sports market, are rapidly deploying and evaluating Web3 solutions to help them engage fans, monetize content, increase security, and improve operational efficiencies. We are excited to be actively developing our first products for this large, high growth market. I’m confident that our products will add unique value to customers and new revenue streams to Linus.

Furthermore, I am thrilled to be partnering with Blockchain Australia. The knowledge and capabilities of the BA team are astonishing, and I can’t wait to see what we create together! We believe that their significant investment of time, specialized skills and software in return for an equity stake in the LBS subsidiary not only validates our blockchain strategy but, also provides the potential for accretive value for Linus (LNU) shareholders.”

This partnership will extend the range of products and partners using the power and flexibility of the Linus Video Services (**LVS**) platform. The extension of LVS into Web3 complements existing solutions generating revenue in market for Linus, including:

- Linus Archive Search & Edit, used by Racing.com and recently announced to be deployed by Cricket Australia;
- Matchvision, developed by partner Swanbay and deployed most recently by the A-Leagues in Australia, plus Wolverhampton Wanderers in the English Premier League and Club Brugge, champions of the Belgian Pro League; and
- Whizzard for the Education and GLAM sectors, currently deployed at the University of Newcastle.

BA CEO, Ralph Kalsi said, “When we learned what Linus is doing with personalized video and their vision for bringing that to the Web3 world, we saw great revenue opportunities and decided to combine our efforts. We are excited to bring the innovations of our two companies together.”

He continued, “The internet is an ever-growing platform that encompasses every part of our daily life. Blockchain technology is playing a huge role in transforming it and we’re passionate about helping our clients explore the potentially unlimited possibilities of this new technology.”

The agreement is a significant step forward for Linus and LBS, as it highlights yet another application being built on the LVS platform and marks considerable progress in productization of Linus’ blockchain technology, with an Australian industry leader backing it via a substantial investment of time and resources.

The first products from this partnership are expected to be completed in the first half of 2023.

Under the terms of the agreement, BA will provide consulting, design, and development services, plus a wide range of software tools and licenses in exchange for a 9% equity interest in ordinary shares of the subsidiary company, LBS to be issued upon completion of the work. The agreement is generally on terms and conditions customary for an engagement of this nature, including as to confidentiality, protection of intellectual property, security requirements and data protection, privacy and service levels.

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

About Linus Technologies Limited:

Linus' purpose is to elevate the educational, information, and entertainment value of the world's video through hyper-personalisation. We make it possible to connect and search vast libraries of video so users can 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 ultimately monetisation of their video assets.

For more on Linus Technologies, visit www.linus.com

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¹ Grand View Research, Global Web 3.0 Blockchain Market Size Report 2022-2030, October 2022, <https://www.grandviewresearch.com/industry-analysis/web-3-0-blockchain-market-report>

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