

# Linus Technologies Ltd

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## Linus Technologies reaches first revenue milestone and plans to scale-up globally

Linus Technologies Ltd (ASX:LNU) passed a major milestone in the December quarter, receiving its first cash receipts from commercial activities after signing a range of commercial agreements.

During the quarter, the company signed a commercial agreement with the Australian National Basketball League (NBL) to launch personalised video services to Australia audiences.

Basketball has more than one billion followers globally and as part of the agreement the NBL is financially incentivised to introduce Linus services to all basketball leagues around the world.

The company expects the NBL to go live with a service based on Linus' technology in the current quarter.

### Racing.com and Essendon Football Club

Linus also signed racing.com to a master services agreement (MSA) and deployed an initial implementation of a virtual-video experience on its website during the Spring Racing Carnival. Betting on horse racing in Australia alone generates \$18 billion in annual revenues and globally hits more than \$116 billion each year.

The company also signed its first sports team with the Essendon Football Club using the Linus Club Solution.

In addition to delivering personalised TV to their fans, the company expects clubs to use Linus' technology for player development and coaching, media editing, archives and breaking news.

The Club Solution is also being rolled out through distribution in Europe via Swanbay, a digital content and engagement company.

### Cash flow

The cash balance at December 31, 2019, was \$3.182 million, inclusive of the capital raisings in the quarter.

The expenditure for this quarter and the coming quarter reflects reduced costs from restructure of the company's engineering function.

The cost impact of these efficiencies is expected to further improve in subsequent quarters with expenditure reductions in the vicinity of \$300,000 per quarter to around \$1.9 million.

### Future market opportunity

While validation of the company's technology in terms of its first cash receipts was an important step, and while the company expects revenue and cash receipts to grow from these initial deals, the company considers the significance of

**Price:** 0.023

**Market Cap:** \$34.59 m

### 1 Year Share Price Graph



### Share Information

**Code:** LNU

**Listing:** ASX

**52 week High Low**  
0.048 0.007

**Sector:** Media

**Website:** [www.linus.com](http://www.linus.com)

### Company Synopsis:

*Linus Technologies Ltd (ASX:LNU) has cracked the code that makes hyper-personalized video possible. We transform cumbersome, static video files into dynamic virtual files that can be easily manipulated on-the-fly, delivering an enhanced, custom experience for content creators, distributors and consumers.*

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the deals far greater in terms of outlining the future market opportunity.

In the US alone, on the four largest sports networks - ESPN, ESPN2, Fox Sports and NBC Sports Network - viewers watched over 1 trillion minutes of sports in 2018.

Linius sees an opportunity to build personalised channel capabilities for its clients, where viewers can construct their own personal channels to display their preferred content,

At the annual general meeting during the December quarter, the company demonstrated this capability in the form of a personalised soccer channel constructor where viewers could select their favourite team, favourite player, favourite sports news programs, and even upload photos, choose a theme and connect to social media.

### **Commercialisation strategy**

An important part of the company's commercialisation strategy is to drive a transition from direct sales to resale-channel sales.

By partnering with global and local strategic resellers, the company is building a channel to market which it believes will scale sales globally into large clients significantly faster and more cost effectively than the Linius could achieve through a direct sales force.

The company is now part of the Microsoft Co-Sell program — a global relationship which puts the company in front of Microsoft's managed accounts and compensates Microsoft salespeople for selling Linius' products and services.

Linius is also a Select Tier partner with Amazon Web Services, has a global collaboration agreement with IBM and works in partnership with Stats Perform, who provide the world's leading time-stamped metadata for sports.

### **Other applications**

Linius is also pursuing other initiatives including anti-piracy.

The company is one of the founding members of the Digital Asset Trust Network initiative, and Linius has been working in partnership with IBM-Aspera, and other founding members, on developing an industry paper and proof of concept which has now been published.

The US Chamber of Commerce's Global Innovation Policy Centre estimates that piracy costs the US economy at least US\$29.2 billion per year.

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