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(ASX: LNU)

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ASX Announcement

Linius Business Update: Alpha Completed, Showcases and Development, Full Speed Ahead

Linius Technologies Limited is pleased to announce expansion of its engineering team to accelerate development of the Linius technology. This follows the company's successful live demonstration of its technology on Thursday, 12 May.

"While the efforts to re-list on the ASX have been progressing, the engineering team has continued to work according to our operating plan. Completion of our alpha release was a major step on that path. We have the core functionality of the patent working. Now, it's one foot in front of the other, on to beta and ultimately commercial release," says Chris Richardson, Linius CEO.

Moving to the next stage of the software will involve improving the scalability and stability of the core functionality, developing and stabilizing APIs, and developing client-side libraries.

In addition to providing a solid foundation for future software development, the alpha release of the software makes it easier for partners to work with the Linius code base, and the company will be aggressively pursuing additional showcase deployments, as well as continuing its work with Digisoft on ad personalization for the Cable TV market.

Achievement of Class B Performance Share milestone

The successful live demonstration triggered achievement of the second performance share milestone and conversion of Class B Performance Shares into fully paid ordinary shares in the company.

The relevant milestone is the completion of an alpha release of the Linius technology that demonstrates publicly that it achieves the Linius core patent claims, namely that the technology is able to (1) take a URL link to a piece of video content in an unknown location and (2) play and display the video content on multiple devices with different video format requirements (and without the need for transcoding). The full terms and conditions of the company's Performance Shares and relevant milestones are set out in the company's prospectus dated 3 March 2016.

50 million Class B Performance Shares will convert into Linius fully paid ordinary shares in accordance with their terms and conditions of issue. This follows 6 months after achievement of the first milestone in December 2015 and conversion of 50 million Class A Performance Shares on completion of the company's acquisition of Linius (Aust) Pty Ltd.

For more information contact Linius Technologies Limited.

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About Linius Technologies Ltd

Linius Technologies Ltd (ASX: LNU) is a developer of disruptive video management technology. Based in Melbourne, Australia, it seeks to apply its lead product — the Linius Video Virtualization Engine™ — throughout the global digital video value chain to cut costs and boost revenues for enterprise customers.

Linius is pursuing technology showcase partnerships in the transcoding, content distribution and video playout markets as it progresses toward commercialisation.

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