

26 October 2021

## icetana September 2021 Quarterly Report

### Highlights:

- Quarterly revenue of \$376,000, almost all of which was recurring revenue.
- Total cash receipts of \$1,078,000 during the quarter, with \$535,000 from customers and \$543,000 from the FY2021 R&D tax incentive payment.
- Positive pipeline growth with several deployments scheduled around easing of COVID restrictions.

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icetana Limited (ASX: ICE) ("**icetana**" or "**the Company**" or "**we**") is pleased to report on its activities for the quarter ended 30 September 2021.

### Revenue and cashflow

Quarterly revenue through the September quarter was \$376,000 as some opportunities were affected by Delta variant lockdowns. Effective receivables management supported strong cash receipts from customers.

The Company received a total of \$1,078,000 cash during the quarter, up 19% on the previous quarter, of which \$535,000 was received from customers, and the balance from the R&D tax incentive claim from the previous financial year.

Customers are typically paying promptly, with accounts receivable at \$162,000 on 30 September.

### Sales traction, orders and renewals

#### Traction, new orders and expansion

- icetana signed a strategic partnership agreement with a Texas-based guarding services business, Ranger Security.
- Panasonic NETS announced an integration of icetana's motion intelligence software into its video management system. Panasonic NETS is the industry leader in Japan for video surveillance systems.
- There was a further expansion of camera numbers at Ivanhoe Grammar School.
- A number of Middle East projects made good progress towards an order stage.

#### Retention and renewals

- icetana maintained its excellent customer retention record with 94% of customers retained over the quarter.

## Deployments

A number of new deployments took place during the quarter allowing recognition of revenue:

- A US State prison, the first of six planned to be implemented over the course of this financial year through our local partner Rasilient (original purchase orders were announced late 2020);
- A New South Wales shopping centre.

## Cash management

Over the past 12 months the Company's net cash outflows have averaged circa \$60,000 per month, however increased monthly spending is planned to coincide with growing post-COVID business activity. At quarter end the Company's cash stood at \$1,643,000.

## New product enhancements and guarding services

Progress remained positive on substantive enhancement to our product offering that will unlock new surveillance market sectors.

Management have moved to drive the opportunity pipeline towards guarding services businesses who consistently derive the best return on investment from the icetana product.

Matt Macfarlane, CEO of icetana commented:

*"Whilst Delta slowed some of our discussions in Australia, international markets are increasing the pace of their return to normal business and this is allowing our pipeline to grow quarter on quarter."*

*"We will report on positive annualised recurring revenue growth with our December half-year numbers."*

## Summary of expenditure

The Company's total expenditure during the quarter was approximately \$1,165,000, comprising approximately:

- \$331,000 on sales, marketing and partner expansion costs\*;
- \$475,000 research and development costs\*;
- \$289,000 on corporate and financial costs\*; and
- \$71,000 on general administration costs and working capital.

\* *includes staff costs*

Payments totalling approximately \$81,000 (included in the above) were made to related parties of the Company, comprising gross salaries, superannuation and fees to executive and non-executive directors.

## Listing Rule 4.7C.2 Disclosure

In accordance with Listing Rule 4.7C.2, the Company has attached a comparison of actual expenditure against the estimated expenditure on the individual items in the "Use of Proceeds" statement in the Company's Prospectus since the date of its admission to the official list. The Company notes material variances in the following areas:

- Research and development costs (\$2.98m total spent vs \$1.15m allocated from "Use of Proceeds");
- Corporate and financial costs (\$2.30m spent vs \$0.63m allocated from "Use of Proceeds").

The above comparison compares on the one hand, the intended use of funds raised, and on the other hand, the deployment of those funds in combination with other funds (for example, cash received from customers), and as such the latter exceeds the former.

Since listing, the Company has generated income from sales and other sources which, when combined with proceeds from the listing, have funded the Company's spend in the above areas in excess of the amounts disclosed in the "Use of Proceeds" statement.

– ENDS –

Authorised for release by the Board of icetana Limited.

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### **About icetana**

icetana Limited is a global software company providing video analytics solutions designed to automatically identify anomalous actions in real-time for large scale surveillance networks. Our software integrates with customers' existing video management systems and IP cameras.

Using artificial intelligence and machine learning techniques, the icetana motion intelligence solution learns and filters out routine motion, showing only anomalous or unusual behaviour allowing operators to focus on events that matter and respond in real-time to both precursor activities and incidents. icetana has a broad range of use cases across a growing number of industry verticals. It has been implemented at over 50 sites on four continents, helping clients harness the rich data streams from their existing security networks and turning that data into improved situational awareness and deeper operational insights.