

29 January 2021

icetana December Quarterly Report

Highlights:

- **Expansion of contracts with US Value Added Reseller (VAR) for an additional four US Prisons, first utility customer in Canada and growth in Japan through VAR Macnica**
- **Renewals remained strong with 100% customer retention.**
- **Continued positive cash management and R&D tax refund received contributed to a positive net cash inflow from operating activities for the quarter of \$352,000.**
- **Product development continued to be highly focused on new product capabilities whilst delivering core functionality to our customer base.**

icetana Limited (ASX: ICE) (“icetana” or “the Company”) is pleased to report on its activities for the quarter ended 31 December 2020.

New Orders and Renewals

During the quarter, the Company announced it had received new orders and renewals from existing customers and value added resellers (“VARs”). The Thanksgiving holiday and festive period is typically more challenging from a sales perspective however a number of orders were secured during the quarter.

New orders

- Following on from an initial two prison order reported last quarter, our VAR and hardware partner Rasilient placed an additional order for deployment to a further four US prison locations with a total value of US\$200,000 over 5 years paid at installation.
- A new vertical market sector was accessed through an order from Canadian VAR Delco Security for a power utility client valued at CAD\$90,000 over 5 years.
- Our Japanese based VAR, Macnica placed an order for a network-operator led cloud-based security monitoring client in Tokyo.

Renewals

- icetana maintained its record of 100% customer renewals during the period.

icetana's planned implementations were affected by the Thanksgiving and festive season shut-downs however a positive deployment backlog has been scheduled for implementation during the January-March 2021 quarter, icetana generally only recognises software revenue upon completion of a camera installation.

The Company received a total of A\$231,000 in receipts from customers during the December quarter. As at 31 December 2020 there is approximately A\$134,000 in receivables due.

Strong cash management

The Company wound back some of the COVID-19 savings measures during the quarter with all reduced working hour staff (excluding the Board and executive team) returning to a 100% level in December. The Research and Development rebate of \$836,000 for the tax year 2019-20 was received during the quarter. Management remains confident of the ability of the Company to manage its cash effectively whilst executing on its sales growth strategy despite the global headwinds of the COVID pandemic.

Product Development

During the quarter significant product enhancements were progressed, including:

- The technical team released a batch processed daily review product for sites that may not require real-time response capabilities. This is currently in testing on beta sites
- A release of a security hardened version of the software with full end-to-end encryption features.
- Substantial progress on the use of the nVidia DeepStream product.

Future product releases are planned to focus on:

- Developing real-time reporting on the new icetana motion intelligence platform
- Enhanced filtering of unwanted surveillance footage
- The use of nVidia DeepStream product capabilities on nVidia's Metropolis platform.

icetana remains highly focused on enhancing a product that solves real customer problems and the product team are working very effectively.

Strategy and Market

icetana's strategic focus on prisons and guarding services continues to resonate with the security surveillance market. Some of icetana's longer term opportunities are also re-engaging after an extended period of distraction caused by COVID challenges. New marketing and engagement strategies with value added resellers is planned for the 2021 calendar year.

Matt Macfarlane, CEO of icetana commented:

"A positive cash result for the quarter was a welcome outcome; heading into 2021 the team is excited by the substantial backlog of orders we have to deploy which will contribute to our revenue growth.

Our strategy is performing well and allowing the product development to progress rapidly whilst our customers and new prospects continue to clearly identify the problem icetana solves."

Summary of expenditure

The Company's total expenditure during the quarter was approximately \$890,000, of which approximately:

- \$187,000 was spent on sales, marketing and partner expansion costs;
- \$359,000 was spent on research and development costs;
- \$263,000 was spent on corporate and financial costs; and
- \$81,000 was spent on general administration costs and working capital.

Payments totalling approximately \$63,000 (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.

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Authorised for release by the Board of icetana Limited.

For further information contact:

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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 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 35 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.