

1. Company details

Name of entity: icetana Limited
ABN: 90 140 449 725
Reporting period: For the half-year ended 31 December 2020
Previous period: For the half-year ended 31 December 2019

2. Results for announcement to the market

				\$
Revenues from ordinary activities	down	24.6%	to	468,603
Loss from ordinary activities after tax attributable to the owners of icetana Limited	down	14.6%	to	1,706,523
Loss for the half-year attributable to the owners of icetana Limited	down	31.6%	to	1,394,223

3. Statement of comprehensive income

Refer to the attached Interim Financial Report for the half year ended 31 December 2020.

4. Statement of financial position

Refer to the attached Interim Financial Report for the half year ended 31 December 2020.

5. Statement of cash flows

Refer to the attached Interim Financial Report for the half year ended 31 December 2020.

6. Statement of changes in equity

Refer to the attached Interim Financial Report for the half year ended 31 December 2020.

7. Dividend payments

Refer to the attached Interim Financial Report for the half year ended 31 December 2020. The Company does not propose to pay any dividends in the current period.

8. Dividend reinvestment plans

Not applicable.

9. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.32	3.46

10. Control gained over entities

Not applicable

11. Other significant information

Not applicable

12. Foreign entities

Australian Accounting Standards are utilised when compiling the Interim Report.

13. Audit qualification or review

The Interim Financial Report was subject to a review by the auditors and is not subject to dispute or qualification.

14. Signed

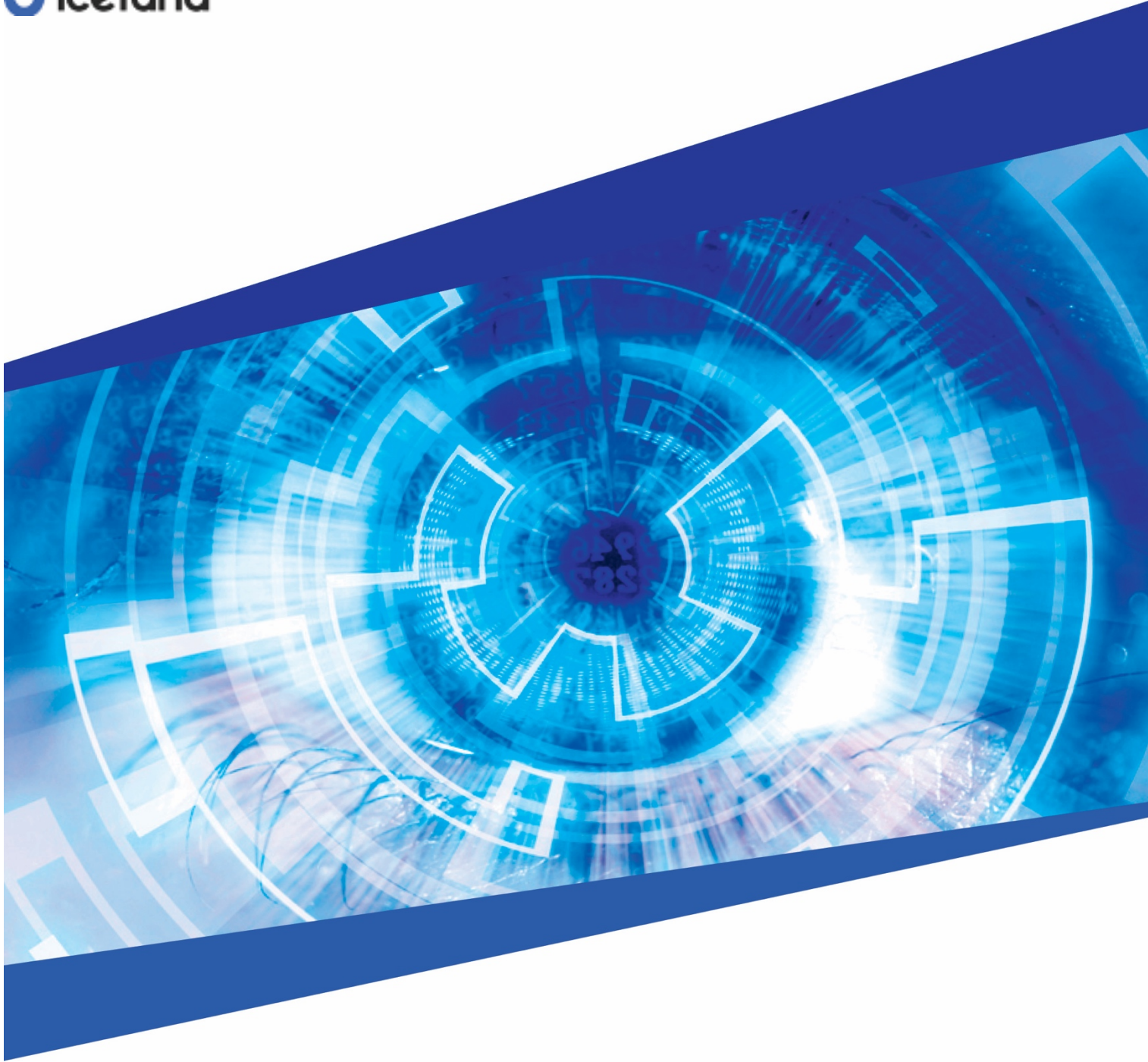


Signed

Date: 25 February 2021

Mark Potts
Non-Executive Chairman
Perth, Western Australia

Approved for release by the Board of icetana Limited



icetana Ltd

Interim Report for the half year ended 31 December 2020

Board of Directors

Mark Potts
Non-Executive Chairman

Matthew Macfarlane
Managing Director and Chief Executive Officer

Geoff Pritchard
Non-Executive Director

Justin Mannolini
Non-Executive Director

Company Secretary

Emma Walczak

Registered office and principal place of business

Level 4
45 St Georges Terrace
Perth
Western Australia 6000

Website

www.icetana.com.au

Auditors

Butler Settineri (Audit) Pty Ltd
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100 Railway Road
Subiaco
Western Australia 6008
www.butlersettineri.com.au

Share registry

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
Perth
Western Australia 6000
www.automicgroup.com.au

Stock exchange

ASX Limited (ASX)
www.asx.com.au

ASX code

ASX:ICE

icetana Limited
Financial report for the half-year ended 31 December 2020
Contents

Directors' Report	2
Auditor's independence declaration	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Note to the financial statements	9-17
Directors' declaration	18
Independent auditor's review report to the members of icetana Ltd	19

icetana Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of icetana Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2020.

Directors

The following persons were directors of icetana Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Potts
Matthew Macfarlane
Geoff Pritchard
Justin Mannolini

Principal activities

During the financial half-year the principal continuing activity of the consolidated entity consisted of the development and sale of an AI assisted video surveillance software using technology based on machine learning to provide automatic real-time anomalous event detection.

Review of operations

The results for the half year ended 31 December 2020 show the Group's accelerated transition towards the preferred recurring revenue business model. Recurring revenue of \$431,326 (92% of total sales revenue) compared to the prior period (31 December 2019) recurring revenue of \$322,918 (52% of total sales revenue) was a positive against the impact of COVID driven delays to implementation of our software and the commensurate impact on total sales revenue.

A core focus for management through 2020 was strong cash control. Management is pleased that the decline in total sales revenue for the half year did not flow through to the Group's cash flow position. Net cash outflow from operating activities for the half year was \$253,717 (31 December 2019: net cash outflow of \$964,297) a 73% improvement on the same period in 2019.

The loss for the consolidated entity for the half year amounted to \$1,678,795 (31 December 2019: \$2,100,298 loss), a 20% improvement despite reduced revenue recognition and a recognition of share-based payment expenses that were not in place during 2019.

Operating expenses for the half year reduced by 4% to \$2,608,957 (31 December 2019: \$2,722,811) inclusive of a non-cash share-based payment expense of \$330,211 for ESIP options in issue during the half year (31 December 2019: nil). It is noted that \$331,200 was received as government stimulus measures for COVID-19 and this is considered a one-off benefit.

The financial position of the consolidated entity remains strong with a net current asset position as at 31 December 2020 of \$1,792,296 including a current liability for unearned revenue of \$765,338 consisting of software licensing paid in advance but not yet deployed; in accordance with AASB15 revenue is only recognized when software is deployed or services provided. The consolidated entity has nil debt.

Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Mark Potts', with a long horizontal stroke extending to the right.

Mark Potts
Non-Executive Chairman

25 February 2021
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of iCetana Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of iCetana Limited and the entities it controlled during the half year ended 31 December 2020.

BUTLER SETTINERI (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth
Date: 25 February 2021

icetana Limited

**Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020**

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue from continuing operations	3	468,603	621,867
Other income	4	331,200	-
Interest revenue		3,402	646
Expenses			
Accountancy and audit fees		(54,157)	(41,680)
Advertising and marketing		(14,029)	(53,300)
Consultancy fees		(42,247)	(364,584)
Depreciation and amortisation expense		(64,087)	(79,126)
Employee benefits expense		(1,317,671)	(1,625,922)
Foreign exchange losses		(374,556)	28,906
Other expenses	5	(742,209)	(587,105)
Loss before income tax expense from continuing operations		(1,805,752)	(2,100,298)
Income tax benefit/expense		126,957	-
Loss after income tax expense from continuing operations		(1,678,795)	(2,100,298)
Loss after income tax expense for the half-year		(1,678,795)	(2,100,298)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		376,079	(53,596)
Other comprehensive income for the half-year, net of tax		376,079	(53,596)
Total comprehensive loss for the half-year		<u>(1,302,716)</u>	<u>(2,153,894)</u>
Net loss after income tax expense attributable to:			
Non-controlling interest		27,728	(102,576)
Owners of icetana Limited		(1,706,523)	(1,997,722)
		<u>(1,678,795)</u>	<u>(2,100,298)</u>
Total comprehensive loss attributable to:			
Non-controlling interest		91,507	(115,406)
Owners of icetana Limited		(1,394,223)	(2,038,488)
		<u>(1,302,716)</u>	<u>(2,153,894)</u>
		Cents	Cents
Loss per share for profit attributable to the owners of icetana Limited			
Basic loss per share	15	(1.25)	(1.88)
Diluted loss per share	15	(1.25)	(1.88)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

icetana Limited
Consolidated statement of financial position
As at 31 December 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,706,865	2,641,715
Trade and other receivables	7	133,725	522,332
Prepayments		23,420	118,228
Stock on hand		21,600	-
Income tax refundable		-	709,140
Right-of-use asset	10	14,136	15,836
Total current assets		<u>2,899,746</u>	<u>4,007,251</u>
Non-current assets			
Property, plant and equipment	8	43,321	135,178
Intangibles	9	1,385	1,385
Total non-current assets		<u>44,706</u>	<u>136,563</u>
Total assets		<u>2,944,452</u>	<u>4,143,814</u>
Liabilities			
Current liabilities			
Trade and other payables		223,952	264,064
Unearned revenue		765,338	948,553
Employee benefits		104,024	89,718
Provisions		-	15,000
Lease liabilities	11	14,136	15,836
Total current liabilities		<u>1,107,450</u>	<u>1,333,171</u>
Non-current liabilities			
Employee benefits		14,316	15,452
Total non-current liabilities		<u>14,316</u>	<u>15,452</u>
Total liabilities		<u>1,121,766</u>	<u>1,348,623</u>
Net assets		<u>1,822,686</u>	<u>2,795,190</u>
Equity			
Issued capital	12	18,573,586	18,573,586
Reserves	13	1,204,777	562,265
Non-controlling interest		(219,542)	(311,049)
Retained profits		(17,736,135)	(16,029,612)
Total equity		<u>1,822,686</u>	<u>2,795,190</u>

The above statement of financial position should be read in conjunction with the accompanying notes

icetana Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital \$	Foreign Currency Translation Reserve \$	Share based payments Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2019	13,767,127	(135,833)	-	(12,819,874)	(341,992)	469,428
Profit after income tax expense for the half-year	-	-	-	(1,997,722)	(102,576)	(2,100,298)
Other comprehensive income for the half-year, net of tax	-	(40,766)	-	-	(12,830)	(53,596)
Total comprehensive income for the half-year	-	(40,766)	-	(1,997,722)	(115,406)	(2,153,894)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued	6,119,654	-	-	-	-	6,119,654
Share issue costs	(1,336,329)	-	-	-	-	(1,336,329)
Share-based payments	-	-	607,655	-	-	607,655
Balance at 31 December 2019	<u>18,550,452</u>	<u>(176,599)</u>	<u>607,655</u>	<u>(14,817,596)</u>	<u>(457,398)</u>	<u>3,706,514</u>
	Issued capital \$	Foreign currency Translation Reserve \$	Share based payments Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2020	18,573,586	(164,088)	726,354	(16,029,612)	(311,049)	2,795,190
Profit after income tax expense for the half-year	-	-	-	(1,706,523)	27,728	(1,678,795)
Other comprehensive income for the half-year, net of tax	-	312,300	-	-	63,779	376,079
Total comprehensive income for the half-year	-	312,300	-	(1,706,523)	91,507	(1,302,716)
<i>Transactions with owners in their capacity as owners:</i>						
Shares issued	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Share-based payments	-	-	330,211	-	-	330,211
Balance at 31 December 2020	<u>18,573,586</u>	<u>148,212</u>	<u>1,056,565</u>	<u>(17,736,135)</u>	<u>(219,542)</u>	<u>1,822,686</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

icetana Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities			
Receipts from customers		857,210	928,568
Payments to suppliers and employees		<u>(2,281,626)</u>	<u>(2,954,908)</u>
		(1,424,415)	(2,026,340)
Receipts from government grants		331,200	-
Interest received		3,402	646
R&D tax rebate		<u>836,097</u>	<u>1,061,397</u>
Net cash from operating activities		<u>(253,717)</u>	<u>(964,297)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(5,747)</u>	-
Net cash used in investing activities		<u>(5,747)</u>	-
Cash flows from financing activities			
Proceeds from share issue		-	6,119,654
Share issue costs		-	(187,452)
Reduction in finance lease principal		<u>(51,465)</u>	<u>(58,157)</u>
Net cash used in financing activities		<u>(51,465)</u>	<u>5,874,045</u>
Net increase/(decrease) in cash and cash equivalents		(310,930)	(4,909,748)
Cash and cash equivalents at the beginning of the financial half-year		2,641,715	333,356
Effects of exchange rate changes on cash and cash equivalents		<u>376,079</u>	<u>(53,596)</u>
Cash and cash equivalents at the end of the financial half-year	6	<u><u>2,706,865</u></u>	<u><u>5,189,508</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report for the half-year reporting period ended 31 December 2020 and has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, the financial report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year financial report was authorised for issue by the directors on 25 February 2021.

Basis of preparation

The half-year financial report has been prepared on a historical costs basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding half-year reporting period except where stated. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments

The Board assess the Consolidated Entity's performance based on geographical areas of operation. Accordingly, the Consolidated Entity has identified 3 reportable segments, which are presented below:

Segment	Information
Asia Pacific (APAC)	Responsible for all sales, marketing and product development efforts in Australia and the broader Asia Pacific region
North America (NA)	Responsible for all sales and marketing efforts in the United States and Canada
Europe, Middle East & Africa (EMEA)	Responsible for all sales and marketing efforts in Europe, the Middle East and Africa

The above statement of cash flows should be read in conjunction with the accompanying notes

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 2. Operating segments (continued)

Cost of revenue (included in EBITDA) are all the costs directly attributable to the ongoing delivery of the product. Sales and marketing costs include direct in-country costs. A portion of general and administration costs, representing general operating and product development expenses, remain unallocated in determining the segment contribution presented by the Board.

The assets and liabilities of the Consolidated Entity are reported and reviewed by the Board in total and are not allocated by operating segment. Operating segment assets and liabilities are therefore not disclosed.

Operating segment information

	APAC	NA	EMEA	Total
	\$	\$	\$	\$
Consolidated - 31 Dec 2020				
Revenue				
Sales to external customers	282,226	74,031	112,346	468,603
Intersegment sales	-	-	-	-
Total sales revenue	282,226	74,031	112,346	468,603
Other revenue	331,200			331,200
Interest revenue	3,402	-	-	3,402
Total segment revenue	616,828	74,031	112,346	803,205
EBITDA	(1,645,996)	(48,116)	(50,953)	(1,745,066)
Depreciation and amortisation	(52,954)	(1,272)	(9,862)	(64,087)
Interest revenue	3,402	-	-	3,402
Finance costs	-	-	-	-
Profit before income tax expense	(1,695,548)	(49,388)	(60,816)	(1,805,752)
Income tax expense	126,957	-	-	126,957
Profit after income tax expense	(1,568,592)	(49,388)	(60,816)	(1,678,795)

	APAC	NA	EMEA	Total
	\$	\$	\$	\$
Consolidated - 31 Dec 2019				
Revenue				
Sales to external customers	199,327	106,062	316,479	621,867
Intersegment sales	-	-	-	-
Total sales revenue	199,327	106,062	-	621,867
Other revenue				
Interest revenue	646	-	-	646
Total segment revenue	199,973	106,062	316,479	622,513
EBITDA	(2,087,609)	(62,663)	128,454	(2,021,818)
Depreciation and amortisation	(58,389)	(1,339)	(19,398)	(79,126)
Interest revenue	646	-	-	646
Finance costs	-	-	-	-
Profit before income tax expense	(2,145,352)	(64,002)	109,056	(2,100,298)
Income tax expense	-	-	-	-
Profit after income tax expense	(2,145,352)	(64,002)	109,056	(2,100,298)

The above statement of cash flows should be read in conjunction with the accompanying notes

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 3. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated	Six months to 31 December 2020	Six months to 31 December 2019
<i>Types of revenue and other income</i>		
Recurring revenue	431,326	322,918
Enterprise revenue	37,277	298,949
Total sales revenue	<u>468,603</u>	<u>621,867</u>
<i>Geographical regions</i>		
APAC	282,226	199,327
NA	74,031	106,062
EMEA	112,346	316,478
	<u>468,603</u>	<u>621,867</u>
<i>Revenue by industry</i>		
Education	180,653	130,289
Retail	150,574	308,227
Commercial and other	137,376	183,351
	<u>468,603</u>	<u>621,867</u>

Note 4. Other income

	31 Dec 2020	31 Dec 2019
	\$	\$
Government stimulus for COVID-19	331,200	-
	<u>331,200</u>	<u>-</u>

Note 5. Other expenses

Cost of sale and services	97,638	168,319
Legal fees	20,816	39,785
Rent and outgoings	20,594	54,251
Travel	14,844	147,505
Share based payment expense	330,211	-
Other	258,106	177,245
	<u>742,209</u>	<u>587,105</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

icetana Limited
Notes to the financial statements
For the half year ended 31 December 2020

Note 6. Current assets - cash and cash equivalents

	31 Dec 2020	30 June 2020
	\$	\$
Cash at bank	2,643,891	2,548,741
Cash on deposit	62,974	92,974
	<u>2,706,865</u>	<u>2,641,715</u>

Note 7. Current assets – trade and other receivables

Trade receivables	85,772	476,166
Sundry debtors	47,953	46,166
	<u>133,725</u>	<u>522,332</u>

Note 8. Non-current assets - property, plant and equipment

Structural improvements - at cost	-	77,244
Less: Accumulated depreciation	-	(5,753)
	<u>-</u>	<u>71,491</u>
Computers & office equipment - at cost	196,324	240,248
Less: Accumulated depreciation	(153,100)	(176,721)
	<u>43,224</u>	<u>63,527</u>
Low value pool - at cost	606	679
Less: Accumulated depreciation	(508)	(519)
	<u>97</u>	<u>160</u>
	<u>43,321</u>	<u>135,178</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Structural improvements	Computer & Office Equipment	Low value pool	Total
Consolidated	\$	\$	\$	\$
Balance at 1 July 2020	71,491	63,527	160	135,178
Additions	-	5,474		5,474
Disposals	(71,327)	(13,655)		(84,982)
Depreciation expense	(164)	(12,122)	(63)	(12,349)
Balance at 31 December 2020	<u>-</u>	<u>43,224</u>	<u>97</u>	<u>43,321</u>

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 9. Non-current assets - intangibles

	31 Dec 2020	30 June 2020
	\$	\$
Trademark	1,385	1,385
	<u>1,385</u>	<u>1,385</u>

Note 10. Right-of-use assets

Cost	72,103	83,152
Accumulated depreciation	<u>(57,966)</u>	<u>(67,316)</u>
Carrying value	<u>14,136</u>	<u>15,836</u>

Note 11. Lease Liabilities

Current liabilities	14,136	15,836
Non-current liabilities	<u>-</u>	<u>-</u>
Total lease liabilities	<u>14,136</u>	<u>15,836</u>

AASB 16 was adopted during the year ended 30 June 2020.

The Consolidated Entity only leases premises. The remaining term of the lease for the Australian premises is 1 month, after which lease terms will be on a month by month basis.

icetana Limited
Notes to the financial statements
For the half year-ended 31 December 2020

Note 12. Equity - Issued Capital

	31 Dec 2020 Shares	30 June 2020 Shares	31 Dec 2020 \$	30 June 2020 \$
Ordinary shares – fully paid	137,040,093	137,040,093	19,886,781	19,886,781
Share issue costs	137,040,093	137,040,093	19,886,781	19,886,781
Total			<u>(1,313,195)</u>	<u>(1,313,195)</u>
			<u>18,573,586</u>	<u>18,573,586</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Opening Balance	1 July 2018	5,023,339		13,717,127
Issue of C Class Preference Shares	20 July 2018	<u>21,123</u>		<u>50,000</u>
Balance	30 June 2019	<u>5,044,462</u>		<u>13,767,127</u>
Conversion of Convertible Notes	18 December 2019	6,250,000	\$0.160	1,000,000
Shares issued on exercise of options (post-split)	18 December 2019	1,760,954	\$0.068	119,654
Share split of ordinary shares	18 December 2019	6,358,523		-
Share split of A Class Preference Shares	18 December 2019	9,537,785		-
Share split of B Class Preference Shares	18 December 2019	10,785,997		-
Share split of C Class Preference Shares	18 December 2019	72,302,372		-
Shares issued on IPO	18 December 2019	25,000,000	\$0.200	5,000,000
Share issue costs (share based payments)				(607,655)
Share issue costs				<u>(705,540)</u>
Balance	30 June 2020	<u>137,040,093</u>		<u>18,573,586</u>
No movements		<u>-</u>		<u>-</u>
Balance	31 December 2020	<u>137,040,093</u>		<u>18,573,586</u>

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 13. Reserves

As at 31 December the Consolidated Entity had the following reserve accounts:

	31 Dec 2020	30 June 2020
	\$	\$
(a) Foreign currency translation	148,212	(164,089)
(b) Performance rights	-	-
(c) Options	1,056,565	726,354
Total	1,204,777	562,265

(a) Foreign currency translation

Opening balance	(164,089)	(135,833)
Movement	312,300	(28,256)
Closing balance	<u>148,212</u>	<u>(164,089)</u>

(b) Performance rights

Details	Date	Number	\$
Opening Balance	1 July 2019	-	-
Issued to employees	18 December 2019	3,000,000	-
Balance	30 June 2020	3,000,000	-
Balance	31 December 2020	3,000,000	-

(c) Options

Details	Date	Number	\$
Opening Balance	1 July 2019	579,586	-
Share split of existing options	18 December 2019	2,044,037	-
Issue of shareholder options	18 December 2019	30,000,000	-
Issued to lead broker	18 December 2019	5,626,436	607,655
Issued under the new ESIP (Tranche 1)	20 December 2019	9,377,393	118,699
Issue of further ESIP options (Tranche 2A)	1 May 2020	13,862,158	-
Options forfeited pursuant to leaver provisions (Tranche 1)		(325,000)	-
Balance	30 June 2020	61,164,610	726,354
Issue of ESIP options (Tranche 2B)	16 October 2020	300,000	1,470
Issue of ESIP options post AGM approval (Tranche 2A)	20 November 2020	5,642,702	24,489
ESIP Options forfeited pursuant to leaver provisions (Tranche 1)		(1,121,072)	-
ESIP Options forfeited pursuant to leaver provisions (Tranche 2A)		(4,429,491)	-
ESIP Options (Tranche 1 and 2A) expensed		-	304,252
Balance	31 December 2020	61,556,749	1,056,565

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 13. Reserves (continued)

On 1 May 2020 the Company granted a total of 13,862,158 options (Tranche 2A) to employees and consultants of the Consolidated Entity. Unless otherwise agreed by the Board, one third of the options granted will vest on 30 April 2021 (being 12 months after the issue date). The balance of options (two thirds) will vest on a quarterly basis from 1 May 2021 to 30 April 2023 (being over the two year period after the end of Year 1). As 12 months has not passed between the date of grant and the 31 December 2020, no options had vested as at that date. The Company will expense the ESIP options as they accrue over time.

On 27 November 2020, a further 5,642,702 options (Tranche 2A) were granted, following shareholder approval at the 2020 Annual General Meeting, to Matthew Macfarlane. Vesting of these options commenced on 1 May 2020 in line with the other Tranche 2A options granted as outlined above.

On 16 October 2020 the Company granted a total of 300,000 options (Tranche 2B) to employees of the Company. Unless otherwise agreed by the Board, one third of the options granted will vest on 15 October 2021 (being 12 months after the issue date). The balance of options (two thirds) will vest on a quarterly basis from 16 October 2021 to 15 October 2023 (being over the two year period after the end of Year 1). As 12 months has not passed between the date of grant and the 31 December 2020, no options had vested as at that date. The Company will expense the ESIP options as they accrue over time.

For the half year ended 31 December 2020, the Company has recognised an employee share-based payment expense of \$330,211 in relation to options issued during the period.

During the half year ended 31 December 2020, 1,121,072 options (Tranche 1) and 4,429,491 options (Tranche 2A) were forfeited under the leaver provisions of the ESIP.

The fair value of the equity settled options/performance rights as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted:

	Number	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Vesting date	Value Accrued \$
ESIP Options (Tranche 2B)	300,000	16 Oct 2020	31 Mar 24	\$0.25	\$0.084	As above	1,470
ESIP Options (Tranche 2A)	19,504,860	1 May 2020	31 Mar 24	\$0.25	\$0.093	As above	176,969
ESIP Options (Tranche 1)	9,377,393	20 Dec 19	30 Nov 23	\$0.30	\$0.125	As above	270,471
Lead Broker Options	5,626,436	18 Dec 19	23 Dec 22	\$0.30	\$0.108	18 Dec 19	607,655
Performance Rights	3,000,000	18 Dec 19	23 Dec 24	Nil	\$0.200	As above	-
							<u>1,056,565</u>

	Lead Broker Options	ESIP Options Tranche 1	ESIP Options Tranche 2A	ESIP Options Tranche 2B	Performance Rights
Dividend yields	0%	0%	0%	0%	0%
Expected volatility	100%	100%	100%	120%	100%
Risk-free interest rate	2.04%	2.04%	0.41%	0.13%	2.04%
Expected life	3 years	4 years	3.92 years	3.46 years	5 years
Exercise Price	\$0.30	\$0.30	\$0.25	\$0.25	Nil
Grant date share price	\$0.20	\$0.20	\$0.155	\$0.130	\$0.20

icetana Limited
Notes to the financial statements
For the half-year ended 31 December 2020

Note 14. Contingent liabilities and contingent assets

The Consolidated Entity has no contingent assets or liabilities as at the reporting date.

Note 15. Earnings per share

	31 Dec 2020	31 Dec 2019
	\$	\$
<i>Total loss for the half year:</i>		
Loss after income tax	(1,678,795)	(2,100,298)
Less: Non-controlling interest	<u>27,728</u>	<u>(102,576)</u>
Loss after income tax attributable to the owners of icetana Limited	<u>(1,706,523)</u>	<u>(1,997,722)</u>
	Cents	Cents
Basic earnings per share	(1.25)	(1.88)
Diluted earnings per share	(1.25)	(1.88)
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic loss per share	137,040,093	106,540,842
Adjustments for calculation of diluted loss per share:		
Options over ordinary shares	<u>Nil</u>	<u>Nil</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>137,040,093</u>	<u>106,540,842</u>

Note: Weighted average number of shares for comparative purposes has been calculated as if prior classes of shares were converted to ordinary shares on the same terms as undertaken for the IPO.

Note 16. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially positive for the Consolidated Entity up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly changing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

icetana Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Mark Potts', written over a horizontal line.

Mark Potts
Non-Executive Chairman

25 February 2021
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ICETANA LIMITED

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Icetana Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Icetana Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Consolidated Entity's consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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A handwritten signature in black ink, appearing to read 'R. Hall', is written over a horizontal line.

ROBERT HALL CA
Director

Perth

Date: 25 February 2021