

28 April 2021

icetana March Quarterly Report

Highlights:

- **Significant increase in quarterly revenue to \$402,000, up 66% on the prior quarter with a positive cash outlook for our June quarter.**
- **Expanded contracts through our Value Added Reseller (VAR) network resulting in new customers in North America, Europe, Middle East, Singapore, Japan and Australia.**
- **Renewals remained strong with >95% customer retention.**
- **Pipeline growth is positive with multiple large deployments scheduled, with easing COVID restrictions.**

icetana Limited (ASX: ICE) ("**icetana**" or "**the Company**" or "**we**") is pleased to report on its activities for the quarter ended 31 March 2021.

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**").

New orders and expansion

- Additional technical services revenue was generated from the deployment at an additional shopping mall for our largest customer Majid al Futtaim.
- A material milestone in our South East Asia expansion was achieved with an order from Prosegur Singapore to deploy our solution to an integrated resort operation,
- Deployment completed at a Singapore shopping mall.
- Expansion of an existing Japanese commercial site saw a tripling of cameras under licence and commensurate increase in recurring revenue in that territory.

Renewals

- icetana maintained its strong customer retention record with 95% of customer renewals over the quarter.

Revenue growth occurred principally at the end of the quarter impacting cash receipts. The Company received a total of A\$182,000 in receipts from customers during the March quarter. Accounts receivable of \$410,000 at 31 March (\$134,000 at 31 December 2020) contributes to a positive cash outlook for our June quarter.

Deployments

New deployments took place during the quarter allowing recognition of revenue, including the following:

- A network-operator led cloud-based security monitoring client in Tokyo, facilitated by our Japanese VAR, Macnica.
- A European bank, our first financial services installation, facilitated by TKH Security in the Netherlands.

Strong cash management

Management has remained focussed on cash management through the COVID period and will continue to do so even as COVID headwinds ease, deployments increase and the sales pipeline grows.

Year to date net cash outflows have averaged circa \$75,000 per month. Quarterly cashflow can vary substantially with major customer payments and tax rebates typically in Q1 and Q4 of the financial year. At quarter end the Company's cash stood at \$1,973,000, representing 9 quarters of expenditure at the above average monthly outflow.

Product Development

During the quarter significant product enhancements were progressed, including:

- clustered server capability for large scale multi-server deployments;
- multicast video streaming capability was developed to allow icetana to be deployed on both unicast and multicast facilities;
- The platform was updated to operate on the most recent version of the Redhat operating system (8.x).

Future product releases are planned to focus on:

- A daily review product using icetana motion intelligence platform;
- Further filtering of unwanted surveillance footage;
- Deep integration with the nVidia DeepStream product capabilities.

We remain highly focused on enhancing a product that solves real customer problems. The product team has deployed 10 updated releases of the product in the past 12 months which is the most in the Company's history.

Strategy and Market

Engagement with long term leads and pipeline growth (impacted during COVID) has been strong, returning the full focus of the company to revenue growth and

customer expansion whilst leveraging a strong cash position driven from prudent cash management and focussed product development during the last 12 months.

New product capabilities planned for later this calendar year are progressing to plan and on budget.

Matt Macfarlane, CEO of icetana commented:

"Revenue growth in the quarter was pleasing and cashflow is expected to catch up during the June quarter. Our active deployments will drive recurring revenue growth from a range of deployments.

We are cautiously growing the team as customer cashflow develops and to stay ahead of growing demand."

Summary of expenditure

The Company's total expenditure during the quarter was approximately \$1,017,000, comprising approximately:

- \$170,000 on sales, marketing and partner expansion costs;
- \$437,000 research and development costs;
- \$367,000 on corporate and financial costs; and
- \$43,000 on general administration costs and working capital.

Payments totalling approximately \$80,000 (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:

Matt Macfarlane
Chief Executive Officer
+61 400 605 960
matt@icetana.com.au

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 40 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.