

31 January 2022

## icetana December 2021 Quarterly Report

### Highlights:

- **Annualised recurring revenue increased 5% quarter on quarter (and 62% year on year) to \$1.37m.**
- **Quarterly revenue of \$387,000, almost all of which was recurring revenue.**
- **Total cash receipts of \$3,010,000 during the quarter, with \$310,000 from customers and \$2,700,000 from a fully-subscribed share placement.**
- **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 31 December 2021.

### Revenue and cashflow

Annualised recurring revenue increased 5% quarter on quarter (and 62% year on year) to \$1.37m. Quarterly revenue through the December quarter was \$387,000 as some opportunities were affected by Delta and Omicron variant lockdowns. Effective receivables management supported strong cash receipts from customers.

The Company received a total of \$3,010,000 cash during the quarter, including \$2,700,000 from a successful, fully-subscribed share placement.

Customers are typically paying promptly, with accounts receivable at \$192,000 on 31 December.

### Sales traction, orders and renewals

#### Traction, new orders and expansion

- The Company signed a memorandum of understanding with security company Intelligent Monitoring Group (ASX: IMB, formerly Threat Protect Australia), which will see the parties working together on active monitoring solutions.
- The Company signed a memorandum of understanding with security company NEC Argentina, which will see the parties collaborate in developing solutions to NEC’s clients in Latin America.
- There was a further expansion of camera numbers at Tamdeen Shopping Centres in the Middle East<sup>1</sup>, and at Highpoint shopping centre in Victoria<sup>1</sup>.

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<sup>1</sup> These agreements are not considered material individually.

- The Company received an order from du, one of the largest telecommunications operators in the United Arab Emirates.
- A proof of concept project began at UrbanNet Otemachi Building in Japan<sup>1</sup>.

### Retention and renewals

- icetana maintained its excellent customer retention record with 97% of customers retained over the quarter.

### **Deployments**

New deployments during the quarter included another US State prison, the second of six planned to be implemented over the course of this year through our local partner Rasilient (original purchase orders were announced late 2020).

The Company also began revenue recognition of a large, 900 camera contract with a multinational corporation through distributor World Wide Technologies.

### **Cash management**

Over the past 12 months the Company's net cash outflows have averaged circa \$144,000 per month, however increased monthly spending is planned for 2022 as we invest in sales and marketing to leverage post-COVID recovery. At quarter end the Company's cash stood at \$3,456,000.

### **New product enhancements and guarding services**

Progress on substantive enhancements to our product offering remained positive and the first trial client site was connected during the quarter.

Further activities with guarding services companies and the implementation of customer trial sites will progress during the March 22 quarter.

Matt Macfarlane, CEO of icetana commented:

*"We were pleased to secure the completion of our financing in the midst of the Omicron outbreaks in a number of key jurisdictions. Our new opportunities with Intelligent Monitoring Solutions (formerly Threat Protect) and NEC Argentina will receive particular attention."*

## **Summary of expenditure**

The Company's total expenditure during the quarter was approximately \$1,044,000, comprising approximately:

- \$145,000 on sales, marketing and partner expansion costs\*;
- \$591,000 research and development costs\*;
- \$240,000 on corporate and financial costs\*; and
- \$68,000 on general administration costs and working capital.

\* *includes staff costs*

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. The Company notes material variances in the following areas:

- Research and development costs (\$3.57m total spent vs \$1.15m allocated from "Use of Proceeds");
- Corporate and financial costs (\$2.55m 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.