

28 July 2022

icetana June 2022 Quarterly Report

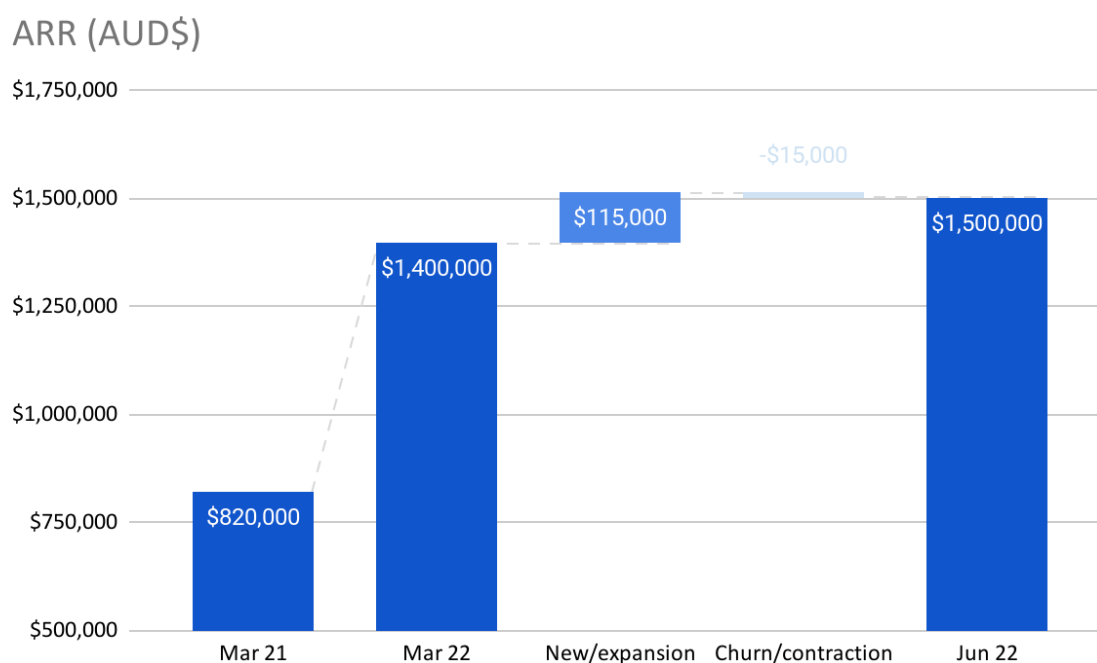
icetana Limited (ASX: ICE) (“icetana” or “the Company” or “we”), a global software company providing artificial intelligence solutions to detect real-time anomalous events is pleased to release its activities report and Appendix 4C for the quarter ended 30 June 2022 (Q4 FY22).

Highlights:

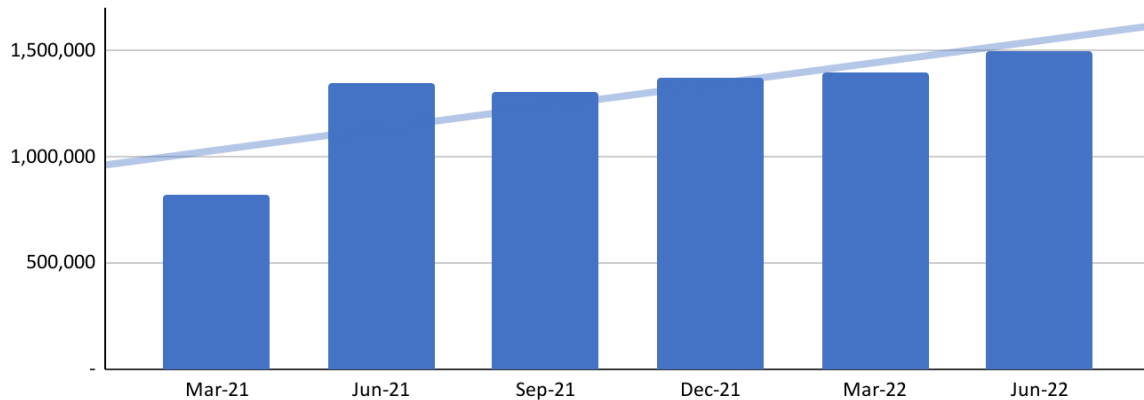
- **Annualised recurring revenue of \$1.5m as at June 2022, up 11% year on year from June 2021.**
- **Net customer retention of 103% over the quarter, demonstrating the Company’s ability to grow through expansion orders.**
- **The first customers of icetana’s next generation product were added during the June quarter, and features expanded.**
- **Total cash receipts of \$915k during the quarter, up 12% year on year and up 208% on previous quarter.**
- **Net cash outflow of \$347k for the quarter and well capitalised with \$2.0m cash at bank.**

Financials

Annualised recurring revenue (ARR) increased 7% QoQ and 11% YoY to \$1.5m:



ARR (AUD\$)



Quarterly revenue through the June quarter was \$369k, down 44% year on year and 32% quarter on quarter, as both comparative quarters included significant enterprise revenue not replicated in the current quarter.

| Key metric | June 22 quarter | Variance from previous quarter | Variance from same quarter last year |
|---------------------|-----------------|--------------------------------|--------------------------------------|
| ARR | \$1.5m | ▲ 7% | ▲ 11% |
| Revenue | \$369k | ▼ 32% | ▼ 44% |
| Cash from customers | \$915k | ▲ 208% | ▲ 12% |

| Key metric | June 22 quarter |
|--------------------------------|-----------------|
| Gross margin | 83% |
| Net ARR retention ¹ | 103% |
| Product features added | 3 |

The Company received a total of \$915,000 cash during the quarter, up threefold on the previous quarter and 12% on the June 2021 quarter.

¹ Revenue expansion from existing customers less loss or contraction from existing customers

Matt Macfarlane, CEO of icetana commented:

"Cash management and collection remained strong during the quarter and expansion orders from existing customers helped drive our annualised recurring revenue. The period to 31 December will be oriented towards our new product offering as the market continues to show growing interest in our approach."

New orders, renewals and deployments

Traction, new orders and expansion

- Received first credit card subscription purchases through icetana's relaunched website, in a milestone step towards more rapid sales conversions and deployments².
- Expansion order from Singapore resort operator through security services vendor Prosegur Singapore Pte Ltd, adding 20% more cameras³.
- Deployment to the Great World shopping centre in Singapore was completed during the quarter.

Retention and renewals

- Maintained excellent customer retention and expansion record with 103% net ARR retention over the quarter (including five customer expansions).

Deployments

- Deployment of another US state prison, the fourth of six prisons expected to be implemented over the course of this calendar year through local partner Rasilient.

Product progress

The Company successfully onboarded its first customers onto the next generation cloud capable product.

The core development focus on this quarter was on platform stability and scale.

The processing of large numbers of cameras presents particular challenges when providing real-time insights and stability over many days/weeks is crucial.

Major progress was made in this regard and the current September quarter will include progress on both scale and operational performance (ability to identify the most relevant events).

Outlook

² These agreements are not considered material on a standalone basis

³ This agreement is not considered material on a standalone basis

A growing pipeline of opportunities has been supported by our new go-to-market sales approach as well as the return of several older leads that became stale some two years ago as COVID affected the market. icetana remains confident that the cash position will be well managed and the annual R&D Tax claim will provide the runway for our continued product and sales execution.

From a team perspective we have managed to retain key staff through a challenging and very tight labour market whilst adding capabilities through positive hiring practices.

Cashflow

Over the past 12 months the Company's net cash outflows (excluding financing activities) have averaged \$188,000 per month. At quarter end the Company's cash stood at 2.0m.

We expect cash inflow to increase significantly in the September quarter with the receipt of the annual R&D tax incentive payment of around \$600k.

Summary of expenditure

The Company's total cash expenditure during the quarter was approximately \$1.3m, comprising approximately:

- \$841k staff;
- \$267k operating;
- \$48k research and development;
- \$73k sales, marketing and partner expansion; and
- \$106k general administration and corporate.

Payments totalling approximately \$100,000 (included in the above) were made to related parties of the Company, comprising gross salaries, superannuation and fees to executive and non-executive directors.

– ENDS –

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 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.