

26 October 2023

icetana September 2023 Quarterly Report

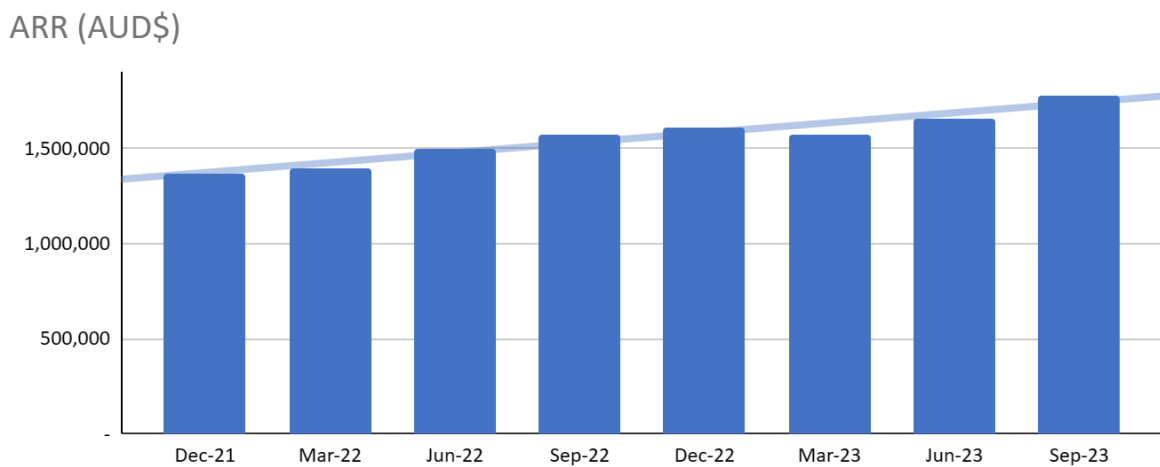
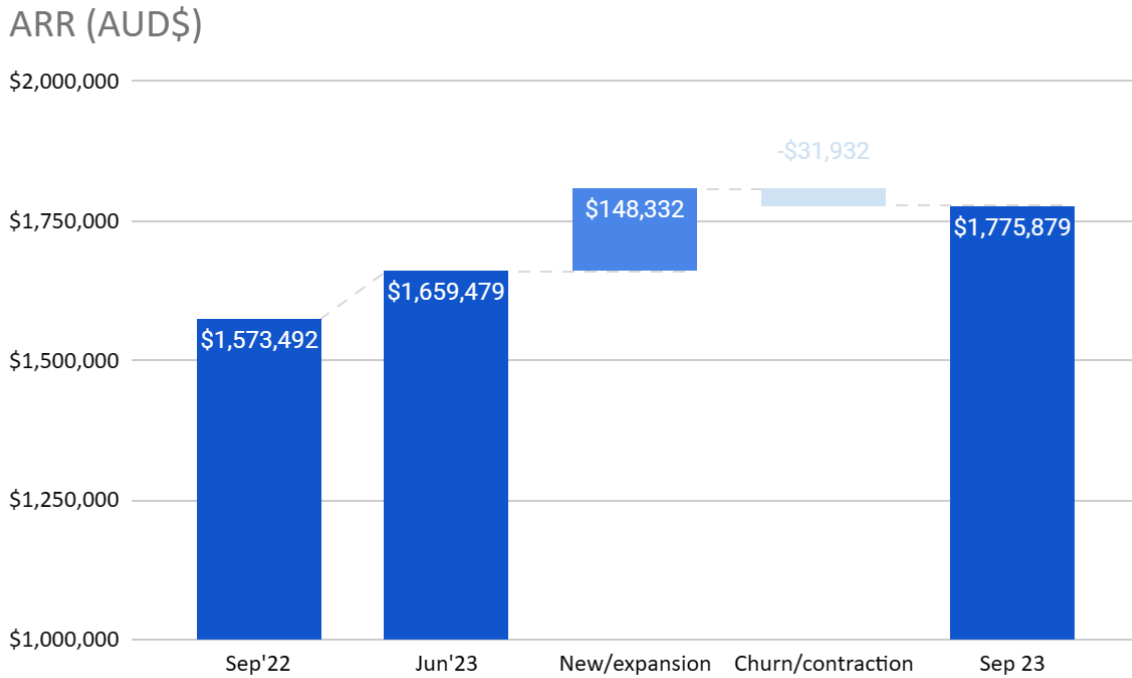
icetana Limited (ASX: ICE) (“**icetana**” or “**the Company**” or “**we**”), an artificial intelligence software company providing solutions to detect real-time anomalous events on video surveillance systems, is pleased to release its activities report and Appendix 4C for the quarter ended 30 September 2023 (Q1 FY24).

Highlights:

- **Annualised recurring revenue of \$1.8m as at September 2023, up 13% year on year and up 7% quarter on quarter, our strongest quarter of the past five quarters.**
 - **Quarterly revenue in the September quarter was \$453k, up 17% year on year and 7% quarter on quarter.**
 - **Net ARR retention was 99% over the quarter.**
 - **Continued investment in sales capability with a new Chief Revenue Officer hired.**
 - **Successful \$2m placement to our three largest shareholders, at a premium to market.**
 - **Net operating cash outflow of \$297k for the quarter, remaining well capitalised with \$2.3m cash at bank, with SPP and Placement tranche 2 proceeds (\$0.6m) to come during October and November.**
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Financials

Annualised recurring revenue (ARR) increased 7% QoQ and increased 13% YoY to \$1.8m:



Quarterly revenue through the September quarter was \$451k, up 17% year on year and 7% quarter on quarter.

Key metric	September 23 quarter	Variance from previous quarter	Variance from same quarter last year
ARR	\$1.8m	▲ 7%	▲ 13%
Quarterly Revenue	\$453k	▲ 7%	▲ 17%
Cash from customers	\$257k	▼ 69 %	▼ 8 %

Key metric	September 23 quarter
Gross margin	83%
Net ARR retention ¹	99%

The Company received a total of \$257,000 cash from customers during the quarter, down 69% on the previous quarter (as a result of an annual payment received from our largest customer in June), and down 8% on the September 2022 quarter.

Kevin Brown, CEO of icetana commented:

"In Q1 FY24, icetana demonstrated its commitment to growth and value creation with a 13% YoY increase in Annualised Recurring Revenue (ARR) to \$1.8m, marking our strongest quarter in five. Key partnerships, including a substantial \$1.5m hardware sale to Majid al Futtaim Properties and a new contract with Dubai Duty Free, further solidify our market position. Investments in sales, notably the hiring of our new Chief Revenue Officer Sean Clarke, and continuous product enhancements showcase our strategic investment in future growth."

Investment in sales function

Following its recent placement the Company has begun deploying funds into an expanded sales and marketing function. Two new resources were hired during the quarter, including new Chief Revenue Officer, Sean Clarke. Sean comes with over 25 years' experience in sales and building high performing teams, having recently been Chief Revenue Officer at Swoop Telecom (ASX: SWP), where he oversaw significant growth over the past three years.

"I'm excited to be joining icetana at such a significant time. We have an amazing product that has been developed over the last year and we are receiving really positive feedback from our customers transitioning onto the new software. When I also look at the market opportunity in front of us and the team of people

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

we have, I look forward to getting out in front of even more existing and potential new customers. We really have a great story to tell."

Customers: new orders, renewals and deployments

Traction, new orders and expansion this quarter included:

- A \$1.5m hardware sale to Majid al Futtaim Properties², a Middle Eastern shopping mall conglomerate. The revenue will be recognised in the next quarter, following installation of the hardware. icetana remains in discussions with MAF about future malls opening over the next 12 months, and has guaranteed existing server prices for the next two years.
- A four year contract for 100 cameras with Dubai Duty Free³.
- Continued orders from the Japanese market, including two new proof-of-value sales to a public sports stadium and a shopping mall operator³.
- Deployment of 50 cameras to G4S, a new security service customer in the Caribbean³.

Retention and renewals

The quarter saw multiple renewals, including both Australian casino operators Crown Melbourne and Crown Sydney, and Mitsubishi Estate in Japan.

In addition to renewals, expansion sales from existing customers remains a focus through our customer success efforts. For example, this quarter saw a further sale to an existing client that operates a globally renowned integrated resort³. This is the second expansion sale to this particular Singapore client, and positions icetana well ahead of the renewal of the three year contract next year.

This quarter's net ARR retention metric improved to 99%, as expansion sales from existing customers were offset by the loss of others.

Product progress

Our Engineering and Machine Learning focus has been on increasing the overall algorithm event quality to effectively remove false positives.

Underlying improvements to tracking and frame rate open the opportunity to expand our analytics capabilities in the near future to include loitering, dwell time and retail analytics for our shopping mall customers, while improving the accuracy of our existing people and car counting capabilities.

² Previously announced on 12 September 2023

³ These agreements are not considered material on a standalone basis

Cashflow

Over the past 12 months the Company's net operating cash outflows (excluding investing/financing activities) have averaged \$150,000 per month. At quarter end the Company's cash stood at \$2.3m, providing us with an extended runway and the ability to continue to invest in our sales & marketing department. Proceeds from our SPP and placement tranche 2 will be received in October and November respectively.

Summary of expenditure

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

- \$742k staff;
- \$413k operating and research and development;
- \$50k sales, marketing and partner expansion; and
- \$68k administration, corporate and other.

Payments totalling approximately \$90,000 (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 produces AI video analytics software to help Security and IT teams manage large scale surveillance networks.

Security Operators often have thousands of cameras to monitor and IT teams need to configure these camera streams. icetana offers a practical solution.

Its AI technology learns what's normal for each camera, identifying and reporting any unusual or potentially dangerous events in real time.

Designed to handle large scale surveillance networks, icetana's technology eliminates the need for individual camera stream configurations or rule-setting.

The company provides AI video analytics software, hardware, and cloud solutions, serving diverse industries including guarding services, retail, hospitality, public safety, transportation, education, and large enterprise.

icetana has a global footprint, with its AI solution used across 31 clients, 71 sites, and approximately 15,000 cameras in 14 countries.