

23 January 2025

icetana AI launches fully underwritten renounceable entitlement offer to raise ~\$2.65 million

Highlights

- **Renounceable Entitlement Offer of 1 New Share for every 2 Shares held on the Record Date at an issue price of A\$0.02 per new share to raise up to ~A\$2.65 million.**
- **The Entitlement Offer is fully underwritten by Lance East Holdings Pty Ltd, a current substantial holder of the Company.**
- **Non-executive chair Matthew Macfarlane has indicated his intention to take up part of his entitlements under the Entitlement Offer. Non-executive director Colm O'Brien has indicated his intention to take up his full entitlements.**
- **Funds are proposed to be directed towards supporting the Company's on-going sales, marketing and product development activities and providing working capital essential for the continuation of the Company's activities.**

icetana Limited (ASX: ICE) ("**icetana AI**" or "**the Company**") is pleased to announce a fully underwritten 1 for 2 renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company ("**New Shares**") at an issue price of \$0.02 per New Share ("**Offer Price**") to raise approximately A\$2.65 million before costs ("**Entitlement Offer**").

Under the Entitlement Offer, eligible shareholders (as detailed in the Entitlement Offer Booklet to be dispatched by icetana AI) are entitled to acquire 1 New Share for every 2 existing fully paid ordinary shares in the Company ("**Shares**") held on the record date, being 4.00pm (Perth time) on Wednesday, 29 January 2025 ("**Record Date**").

Not for release to US wire services or distribution in the United States

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The Offer Price represents a premium of approximately 33% to the Company's closing price of Shares on 22 January 2025 of \$0.015, being the last trading day prior to the announcement of the Entitlement Offer. The Offer Price:

- represents a premium of approximately 33% to the volume weighted average market price (as defined in the ASX Listing Rules, "**VWAP**") of Shares of \$0.015 for the ten trading days prior to 23 January 2025;
- represents a premium of approximately 25% to the VWAP of Shares of \$0.016 for the twenty trading days prior to 23 January 2025; and
- represents a discount of approximately 9% to the VWAP of Shares of \$0.022 for the thirty trading days prior to 23 January 2025.

Reasonable potential sales prospect in Iraq

The Company is in the final stages of its proof-of-concept in a large sales opportunity in Iraq. The Company has been working very closely with its partner in the region, Al-Technologia Al-Alia Co. For General Trading Ltd (High Tech) [**"High Tech"**], on proving icetana AI's solution to the end customer, the Baghdad Safe City project.

High Tech has indicated the Company has performed well to date in the proof-of-concept, with a few more technological hurdles remaining to be proven in order to demonstrate the solution meets all of the project's required specifications. High Tech has provided the Company with a non-binding letter of intent in relation to this prospect, and has further indicated that a final decision should be reached in the coming weeks, with an accompanying purchase order in the event of a successful verdict. The purchase order would be worth up to US\$1.1m (~A\$1.77m) to icetana AI, on the basis of a perpetual licence and support and maintenance over an initial period of one year. There is currently no contractual commitment from High Tech to progress to a purchase order, and it is possible that no agreement is reached and no revenue is received in relation to this opportunity. No forecast is made of whether any such agreement may be reached nor whether any such revenue may be received. The Company will keep the market updated on its status.

Entitlement Offer fully underwritten

icetana AI has entered into an underwriting agreement with Lance East Holdings Pty Ltd (ACN 651 544 268) ("**LEH**"), a current shareholder of icetana AI, to act as an underwriter to the Entitlement Offer ("**Underwriting Agreement**"). The material terms and conditions of the Underwriting Agreement are as follows:

- LEH has agreed to fully underwrite the Entitlement Offer;
- No fee, commission or other consideration is payable by icetana AI to LEH for the underwriting pursuant to the Underwriting Agreement; and
- The obligations of LEH to fully underwrite the Entitlement Offer are subject to satisfaction of certain conditions precedent that are customary for an agreement of this nature. If those conditions are not satisfied, or if certain termination events occur, LEH may terminate the Underwriting Agreement.

The conditions precedent, termination events and other terms of the Underwriting Agreement are summarised in the Entitlement Offer Booklet which accompanies this announcement.

LEH is a related entity of Lance East Office Pty Ltd, the family office of Laurence Escalante, who first invested in the Company in 2022. Mr Escalante is the founder, Chairman and Chief Executive Officer of VGW Holdings Ltd, an interactive entertainment and technology company.

LEH is an existing substantial shareholder of the Company. The voting power held in the Company by LEH and its associates (including Mr Escalante) (together, the **LEH Parties**) could increase from 15.95% to up to a maximum of approximately 43.96%¹, assuming that (i) no entitlements are taken up under the Entitlement Offer (or that only LEH takes up its entitlement); and (ii) LEH takes up all of the shortfall shares of the Entitlement Offer pursuant to the Underwriting Agreement.

However, the Directors of icetana AI have structured the Entitlement Offer and the Underwriting Agreement to allow maximum flexibility for existing icetana AI shareholders to participate, including a top up facility whereby all eligible shareholders are invited to apply to receive further New Shares above their entitlement ("**Top Up Facility**"). In addition, the Underwriting Agreement allows the Directors to allocate any remaining shortfall shares to eligible sophisticated and professional investors ahead of the LEH underwriting.

While LEH has indicated that it will fully take up its full entitlement under the Entitlement Offer, the terms of the Underwriting Agreement preclude LEH from

¹ The LEH Parties' maximum voting power would reduce to approximately 39.83% following the expected conversion of the existing Convertible Notes into Shares, see "Conversion of existing Convertible Notes" below).

subscribing for any shortfall shares under the Top Up Facility or purchasing any entitlements from other existing icetana AI shareholders.

Key Terms of the Entitlement Offer

Key terms of the Entitlement Offer are set out in the following table.

Nature of Entitlement Offer	Renounceable pro rata entitlement offer of New Shares
New Share issue price	A\$0.02
Offer ratio	1 New Share for every 2 Shares held on the Record Date
Estimated maximum number of New Shares to be issued (subject to rounding)	132,314,218 New Shares
Estimated maximum amount to be raised under the Entitlement Offer (subject to rounding)	A\$2,646,284
Underwriter	Lance East Holdings Pty Ltd

The Entitlement Offer will be made to persons registered as shareholders of icetana AI at 4.00pm on the Record Date who have a registered address in Australia, New Zealand or Japan and are determined to be eligible in accordance with the Entitlement Offer Booklet for the Entitlement Offer (which is being announced to the ASX with this announcement). icetana AI has appointed Westar Capital Limited to act as nominee for the ineligible shareholders, to arrange for the potential sale of the entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer.

Under the Entitlement Offer, icetana AI will issue a maximum of approximately 132,314,218 New Shares (subject to rounding of entitlements), resulting in the total share capital of icetana AI upon the completion of the Entitlement Offer increasing to up to approximately 396,942,653 Shares. New Shares issued under the Entitlement Offer will rank equally with Shares already on issue.

Please refer to the Entitlement Offer Booklet for further information on the Entitlement Offer.

Eligible shareholders who do not take up their entitlements will have their proportional interest in icetana AI diluted.

Further, eligible shareholders who take up all of their entitlements under the Entitlement Offer will also be afforded the opportunity to apply for New Shares in excess of their entitlement under the Top Up Facility, for the Board of icetana AI to consider when allocating any shortfall of the Entitlement Offer (refer to the Entitlement Offer Booklet for the terms and conditions of the Top Up Facility). Refer also to section 7.4 of the Entitlement Offer Booklet for details of the allocation policy for the shortfall of the Entitlement Offer.

Key Dates

Key dates for the Entitlement Offer are set out in the following proposed timetable. The dates are indicative only and icetana AI reserves the right to vary them, subject to the Corporations Act and ASX Listing Rules.

Action	Date
Announcement of the Entitlement Offer	Thursday, 23 January 2025
Shares quoted on an "ex" basis and entitlements trading starts on a deferred settlement basis	Tuesday, 28 January 2025
Record Date to determine entitlements to participate in the Entitlement Offer	Wednesday, 29 January 2025
Entitlement Offer Booklet and Entitlement and Acceptance Form dispatched	Monday, 3 February 2025
Entitlement Offer opens	Monday, 3 February 2025
Entitlements trading ends at close of trading	Friday, 7 February 2025
Entitlement Offer closes (2:00pm Perth time)	Friday, 14 February 2025
Announcement of outcome of the Entitlement Offer	Wednesday, 19 February 2025
Anticipated date for the issue of New Shares under the Entitlement Offer	Thursday, 20 February 2025

Indicative use of proceeds from the Entitlement Offer

Proceeds raised from the Entitlement Offer are indicatively proposed to be allocated as follows:

- \$1.4 million on supporting the Company's on-going sales and marketing activities;
- \$900,000 on supporting the Company's on-going product development activities, and
- \$350,000 on providing working capital essential for the continuation of the Company's activities in the short term.

The Directors of icetana AI reserve the right to reallocate funds for different purposes, as they consider prudent or as required.

Conversion of existing Convertible Notes

On 6 December 2024, the Company issued 500,000 unlisted convertible notes in the issued capital of the Company to Macnica, Inc. ("**Macnica**") (with an aggregate face value of \$515,000) and 220,000 unlisted convertible notes in the capital of the company to Skiptan Pty Ltd as trustee for the P & M Meurs Family Trust ("**Skiptan**") (with an aggregate face value of \$226,600) (together, the "**Convertible Notes**"). The Company raised a total of \$720,000 from the issue of the Convertible Notes. Macnica and Skiptan are substantial holders in the Company. Refer to the Company's ASX announcements on 30 October 2024 and 11 November 2024 for further details on the Convertible Notes issue and the terms and conditions of the Convertible Notes.

If the Convertible Notes have not already been converted into Shares or redeemed for cash payment by the Company in accordance with their terms as announced by the Company to ASX on 11 November 2024, all Convertible Notes will (to the maximum extent which does not breach Australian takeovers laws (pursuant to section 606(1) of the Corporations Act)) automatically convert into Shares ("**Conversion Shares**") two business days after the first issue of New Shares worth at least \$1 million pursuant to the Entitlement Offer.

Refer to the Entitlement Offer Booklet for further information.

Indicative capital structure on completion of the Entitlement Offer and assuming conversion of the Convertible Notes

The exact number of New Shares to be issued pursuant to the Entitlement Offer may vary and will be dependent on (among other things) the rounding of entitlements.

If the Company completes the Entitlement Offer and issues the estimated maximum number of New Shares, and assuming all of the Convertible Notes are converted and the Company issues the maximum number of Conversion Shares, the Company's capital structure will be as follows (subject to rounding and subject to no further issues having occurred):

	Number of Shares (subject to rounding)	Number of Unlisted Options	Number of Convertible Notes
Balance as at the date of this Entitlement Offer Booklet	264,628,435	37,283,186	720,000
Entitlement Offer	132,314,218	-	-
Total upon completion of the Entitlement Offer	396,942,653	37,283,186	720,000
Conversion Shares	41,199,999	-	(720,000)
Total upon completion of the Entitlement Offer and conversion of all Convertible Notes	438,142,652	37,283,186	-

Notes:

1. For the avoidance of doubt, the Company reserves the right to issue further securities from time to time.

Additional Information

Additional information regarding the Entitlement Offer is detailed in the Entitlement Offer Booklet to be released to the ASX today. The Entitlement Offer Booklet details important information including key risks and Australian and foreign legal restrictions with respect to the Entitlement Offer.

– ENDS –

Authorised for release by the Board of icetana Limited.

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About icetana AI

icetana AI 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 AI 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 AI'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 AI has a global footprint, with its AI solution used across 30+ clients, 75+ sites, and 16,000+ cameras and 15+ countries.

Forward-looking statements

This announcement may contain forward-looking statements including, but not limited to, projections, guidance on the outcome and effects of the Entitlement Offer and the use of proceeds. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may",

"intends", "guidance", "project", "forecast", "target", "likely", "continue", "objectives" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer, the use of the Entitlement Offer proceeds, certain plans, strategies and objectives of the Board and other matters. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of icetana AI and its officers, employees, agents, associates and advisers. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied in such statements. Except as required by law or regulation (including the ASX Listing Rules), icetana AI undertakes no obligation to update these forward-looking statements or to provide any other additional or updated information whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, icetana AI and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of any forward-looking statements, or the likelihood of fulfilment of any forward-looking statement, and disclaim all responsibility and liability for the forward-looking statements (including, without limitation, liability for negligence). Refer to the "Key Risks" in Section 5 of the Entitlement Offer Booklet accompanying this announcement for a summary of certain risk factors that may affect icetana AI. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The forward-looking statements are based on information available to icetana AI as at the date of this announcement.

Investment Risk

An investment in icetana AI is subject to known and unknown risks, some of which are beyond the control of icetana AI, including possible loss of principal invested. icetana AI does not guarantee any return on investment, any particular rate of return or the performance of icetana AI, nor does it guarantee any particular tax treatment. Investors should have regard (amongst other things) to the risk factors outlined in Section 5 of the Entitlement Offer Booklet ("Key Risks") accompanying this announcement for certain risks relating to an investment in icetana AI.

Not an offer of securities

This announcement is not a prospectus, product disclosure document or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This announcement is for information purposes only and should not be considered as an offer, solicitation, inducement, recommendation or an invitation to acquire securities in icetana AI or any other financial products and neither this document nor any of its contents will form the basis of any contract or commitment. Offers of securities in icetana AI will only be made in places in which, or to persons to whom, it would be lawful to make such offers. This announcement must not be disclosed to any other person and does not carry any right of publication.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does

not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

Not financial advice

This announcement is not financial product advice, investment advice, legal, tax or other advice or a recommendation to acquire, hold or sell icetana AI securities. This announcement has been prepared without taking into account the objectives, financial situation or needs of any particular recipient. Each recipient of this announcement should make its own enquiries and investigations regarding all information in this announcement including, but not limited to, the assumptions, uncertainties, risks and contingencies which may affect the future operations of icetana AI and the impact that different future outcomes may have on icetana AI. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. icetana AI is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of icetana AI securities. Each investor must make its own independent assessment of icetana AI before acquiring any securities in the Company.

Past performance

Any past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Effect of rounding

A number of figures, amounts, percentages and estimates, in this announcement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this announcement.