



Pre-Quotation Disclosure

iCetana Limited (ASX: ICE) (**Company**) makes the following disclosures in accordance with ASX's listing conditions.

Capitalised terms used in this announcement not otherwise defined have the meaning given in the Company's prospectus dated 15 November 2019 (**Prospectus**).

1. Confirmation of completion of Public Offer

The Company confirms the issue of 25,000,000 Shares at an issue price of \$0.20 each, pursuant to the Public Offer.

2. Confirmation of capital reconstruction

The Company confirms the completion of the reconstruction of its issued capital, prior to the issues of securities described in paragraph 1, as follows:

- a. the 1:7.35852 split of Shares;
- b. the 1:7.35852 split and conversion of Series A Preference Shares into Shares;
- c. the 1:12.40169 split and conversion of Series B Preference Shares into Shares;
- d. the 1:46.23246 split and conversion of Series C Preference Shares into Shares;
- e. the 1:6,250 conversion of Convertible Notes into Shares; and
- f. the 1: 7.35852 split of options and amendment of the exercise price of those options in inverse proportion to that ratio.

3. Updated pro-forma statement of financial position

	Audited as at 30-Jun-19	Pro-forma adjustments	Pro-forma after Offer
	\$	\$	\$
Current assets			
Cash and cash equivalents	333,356	4,576,228	4,909,584
Trade and other receivables	550,201	-	550,201
Prepayments	151,915	-	151,915
Stock on hand	25,624	-	25,624
Income tax refundable	1,061,396	(1,060,963)	433
Total current assets	2,122,492	3,515,265	5,637,757
Non-current assets			
Intangibles assets	23,012	-	23,012
Property, plant and equipment	150,509	-	150,509
Total non-current assets	173,521	-	173,521
Total assets	2,296,013	3,515,265	5,811,278
Liabilities			
Current liabilities			
Trade and other payables	1,622,895	(474,500)	1,148,395
Borrowings	-	-	-
Provisions	203,690	-	203,690
Total current liabilities	1,826,585	(474,500)	1,352,085
Total liabilities	1,826,585	(474,500)	1,352,085
Net assets	469,428	3,989,765	4,459,193
Equity			
Issued capital	13,767,127	5,173,542	18,940,669
Reserves	(135,833)	607,655	471,822
Non-controlling interest	(341,992)	-	(341,992)
Accumulated losses	(12,819,874)	(1,791,432)	(14,611,306)
Total equity	469,428	3,989,765	4,459,193

Refer to Section 5 of the Prospectus for further information, including the notes which are applicable to the above pro forma statement of financial position.

4. Statement of commitments

Proposed use of funds – Year 1	\$	%
Sales, marketing and partner expansion costs ¹	\$1,280,000	23%
Research and development costs ²	\$525,000	9%
Corporate and financial costs ³	\$300,000	5%
Estimated expenses of the Offers ⁴	\$645,300	11%
General administration costs and working capital ⁵	\$339,800	6%
Total Expenditure – Year 1	\$3,090,100	54%
Proposed use of funds – Year 2	\$	%
Sales, marketing and partner expansion costs ¹	\$1,320,000	23%
Research and development ²	\$625,000	11%
Corporate and financial costs ³	\$325,000	6%
General administration costs and working capital ⁵	\$339,900	6%
Total Expenditure – Year 2	\$2,609,900	46%
TOTAL FUNDS ALLOCATED	\$5,700,000	100%

Refer to Section 1.6 of the Prospectus for additional information in respect of each of the items noted above.

The above estimated expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in section 3 of the Prospectus), actual expenditure levels may differ significantly from the above estimates.

5. Restricted securities

The Company confirms the following securities will be subject to restriction pursuant to the ASX Listing Rules for the period outlined below:

Class	Number	Restriction period
Shares	34,346,968	24 months from quotation

6. Voluntary escrow

The Company confirms the following securities will be subject to voluntary escrow restrictions as described in Section 6.6 (pages 68-69) of the Prospectus:

Class	Number	Restriction period
Shares	33,373,579	The earlier of: <ul style="list-style-type: none"> • 23 December 2020; or • the 10-Day VWAP exceeding \$0.40 and the aggregate value of Shares traded on ASX during that 10 trading day period exceeding \$1,000,000.
Shares	33,373,578	The earlier of: <ul style="list-style-type: none"> • 23 December 2021; or • the 10-Day VWAP exceeding \$0.50, provided that: <ul style="list-style-type: none"> ○ this is at least 15 months after admission; and ○ the aggregate value of Shares traded on ASX during that 10 trading day period exceeding \$1,000,000.

Refer to Section 6.6 (pages 68-69) for further details regarding the voluntary escrow restrictions.

7. Capital structure

The Company's current capital structure is as follows:

- a. **Shares:** 137,040,093 fully paid ordinary shares (**Shares**).
- b. **Options:** 47,047,866 options to acquire a Share, comprised of the following:

Number	Exercise price	Vesting conditions	Expiry date
15,000,000	\$0.30	Vesting 23 December 2021	23 December 2022
15,000,000	\$0.50	Vesting 23 December 2022	23 December 2024
9,377,393	\$0.30	One third vesting every year following admission, subject to the holder remaining employed by the Company and pursuant to the terms of the Employee Incentive Plan	30 November 2023
2,044,037	\$0.15532	N/A	2 February 2021
5,626,436	\$0.30	N/A	23 December 2022

- c. **Performance Rights:** 3,000,000 performance rights each convertible into a Share for nil cash consideration, comprised of the following:

Number	Vesting conditions	Expiry date
750,000	\$4m Revenue in the 12-month audited period ending 30 June 2021	23 December 2024
750,000	\$6m Revenue in the 12-month audited period ending 31 December 2021	23 December 2024
750,000	\$10m Revenue in the 12-month audited period ending 31 December 2022	23 December 2024
750,000	\$12m Revenue in the 12-month audited period ending 31 December 2024	23 December 2024

For the purposes of the vesting condition, 'Revenue' means revenue in accordance with the Company's accounting policy and the Australian Accounting Standards, as noted below and in accordance with AASB 15:

The Company recognises revenue as follows:

- i. *Sale of goods*: Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.
- ii. *Software service revenue*: Revenue from the provision of software sales is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- iii. *Other revenue*: Other revenue is recognised when it is received or when the right to receive payment is established; and

excluding any one-off revenue received outside the ordinary course of business and more specifically excluding the Research and Development Grant returns of the Company.

Upon a Change of Control occurring, the Performance Rights automatically vest into such number of Shares which is equal to the lesser of:

- i. one Share for every Performance Right then on issue; and
- ii. such number of Shares which, when issued together with all other Shares issued as a result of the automatic vesting of convertible securities due to the Change of Control, constitutes 10% of the issued ordinary capital of the Company as at the date of vesting.

Performance Right will lapse upon the earlier to occur of:

- i. the cessation of the holder's employment or other engagement with the Company (or any related body corporate of the Company) (unless waived by the Company); and
- ii. the vesting condition not being satisfied on or before the 5.00pm WST on the date specified above; or
- iii. Performance Rights having vested but remaining unexercised as at 5.00pm WST on the expiry date specified above.

8. ASX waivers



- a. ASX granted the Company a waiver from Listing Rule 1.1 condition 12 to the extent necessary for the Company to have on issue up to 2,397,643 options (**Options**) and 3,000,000 performance rights (**Performance Rights**) with an exercise price of less than \$0.20 on the condition that the material terms and conditions of the Options and the Performance Rights are clearly disclosed in the Prospectus.
- b. ASX granted the Company a waiver from Listing Rule 9.1.4 to the extent necessary to allow the Company to issue to holders of restricted securities who fall into category 2 (unrelated seed capitalist who are not substantial (10%+) holders) and category 4 (unrelated vendors where there are more than 10 vendors, save where the vendor at the point of listing is or will be a “substantial (10%+) holder” in the entity) of Appendix 9B of the Listing Rules a restriction notice instead of requiring the holders to enter into a restriction deed pursuant to Appendix 9A of the Listing Rules on the condition that the Company’s constitution contains the provisions required by Listing Rule 15.12. The restriction notice must be in the form of Appendix 9C of the Listing Rules.
- c. ASX granted the Company a waiver from Listing Rule 15.12 to permit the Company’s constitution to not include all of the provisions of Listing Rule 15.12 in force as at 19 November 2019, being the date of the application for admission to the official list of ASX, on the condition that the Company’s constitution includes all of the provisions in Listing Rule 15.12 currently in force.

– ENDS –

About iCetana

iCetana Limited (ASX:ICE) is a global software company providing video analytics solutions designed to automatically identify anomalous actions in real-time for large scale surveillance networks.

Using Artificial Intelligence and Machine Learning techniques the iCetana software solution learns and filters out routine motion, showing only anomalous or unusual behaviour, and allows operators to focus on events that matter and respond in real-time to both precursor activities and incidents.

iCetana has been implemented at over 35 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. info@iCetana.com

For further information, please contact

iCetana
Matt Macfarlane
Chief Executive Officer
+61 8 6282 2811
ceo@iCetana.com

Shane Cranswick
CFO and Company Secretary
+61 8 6282 2811
shane@icetana.com.au