

27 April 2025

icetana AI March 2025 Quarterly Report

icetana Limited (ASX: ICE) ("icetana AI" or "the Company"), a company building self-learning security artificial intelligence software for large-scale surveillance networks, releases its activities report and Appendix 4C for the quarter ended 31 March 2025 (Q3 FY25).

Summary:

- **Successful completion of \$2.65m rights issue, fully underwritten by existing shareholder Lance East Holdings Pty Ltd.**
- **\$1.7m purchase order received from new partner High-Tech, for safe city project in the Middle East.**
- **Annualised recurring revenue ("ARR") of \$1.7m as at March 2025, up 1% quarter on quarter ("QoQ") with net ARR retention of 99%, up 1% QoQ.**
- **Total quarterly revenue of \$435k, in line with Q2 FY25 revenue, generated by new customer orders, deployments of existing orders and contract renewals.**
- **Net operating cash outflow was \$951k for the quarter, down from an outflow of \$1.2 million in Q2 FY25. The cash balance at the end of Q3 FY25 was \$2.24 million.**

icetana AI Chief Executive Officer Kevin Brown commented:

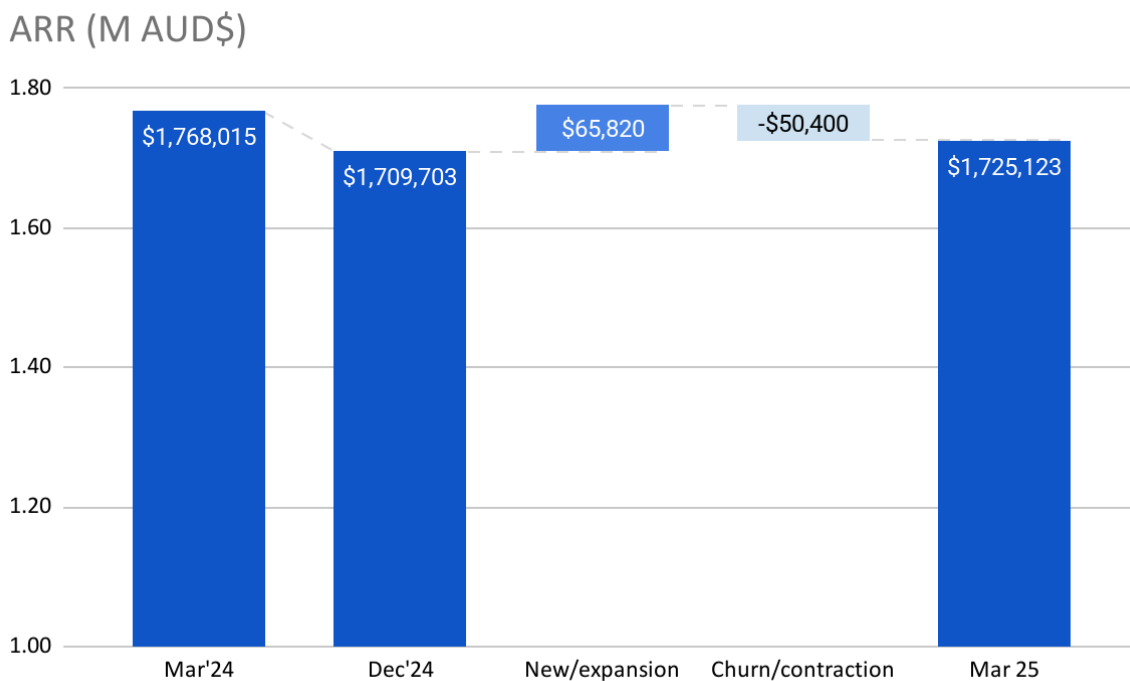
"This has proven to be a milestone quarter for the company, with the largest transaction in our listed history, a Safe City project in Iraq through our new partner High-Tech. We expect to begin deploying this \$1.7m contract in the coming months¹.

While our pipeline in the Middle East continues to deliver, I was also delighted to represent icetana AI at ISC West in the USA in March, working alongside our regional partner Macnica US as we build out our go-to-market strategy in the US. icetana AI's self-learning safety and security product maintains its industry lead, as ISC West demonstrates growing US market acceptance of AI in security.

During the quarter we also successfully completed a \$2.6m rights issue, ensuring we have sufficient cash to invest in our continued growth. The rights issue was fully underwritten by existing shareholder Lance East Holdings, who now becomes our largest shareholder. We extend our gratitude to Lance East Holdings and our other substantial shareholders for their continued strong support."

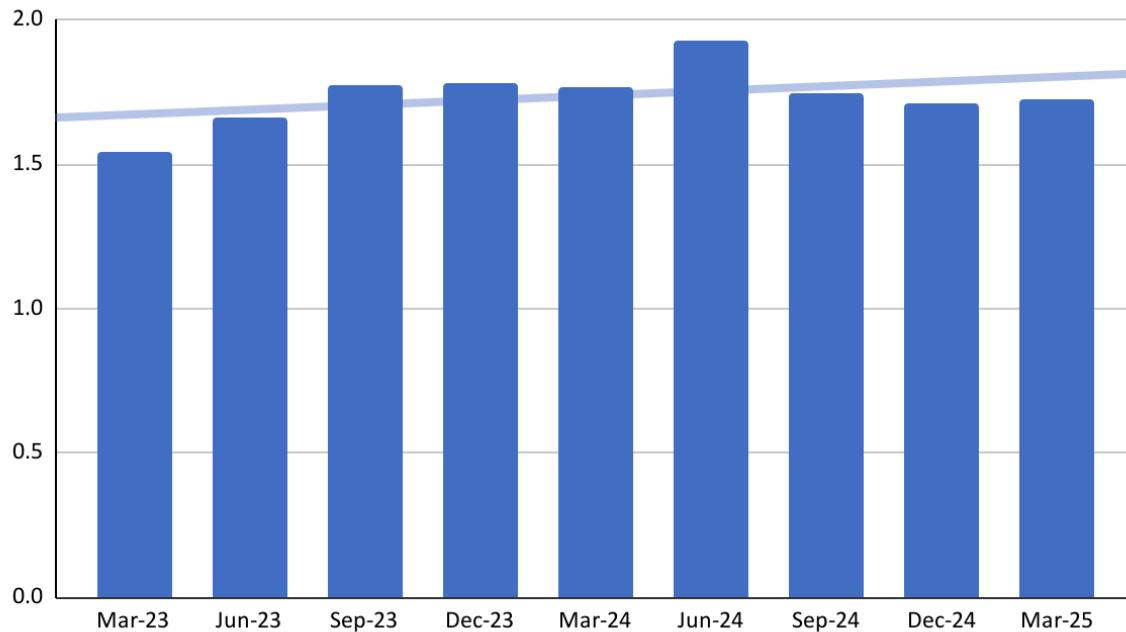
Financials

In Q3 FY25, ARR increased 1% QoQ to \$1.7 million driven by contract renewals and new customer orders. On a YoY basis, ARR fell 2%:



¹ This was announced to the ASX on March 19th 2025

ARR (M AUD\$)



Q3 FY25 revenue of \$435k was down 1% QoQ and 13% YoY. Q2 FY24 revenue included non-recurring hardware sales.

In Q3 FY25 icetana AI received \$178k cash from customers, down 14% QoQ and 62% YoY due to receipt of payment for a multi-year contract in the comparative period.

Key metric	Q3 FY25	Variance from Q2 FY25	Variance from Q3 FY24
ARR	\$1.7m	▲ 1%	▼ 2%
Total revenue	\$435k	▼ 1%	▼ 13%
Cash receipts from customers	\$178k	▼ 14%	▼ 62%

Key metric	Q3 FY25
Gross margin	81%
Net ARR retention ²	99%

² Revenue expansion from existing customers less loss or contraction from existing customers

New orders, renewals and deployments

The Company's sales and marketing initiatives in Q3 FY25 resulted in new customer orders, deployments of existing orders and contract renewals. Notable activities included:

- Receipt of a \$1.7m purchase order from Iraq-based partner High-Tech³.
- Deployment of a new order with Singapore-based Henderson Technology, adding ~\$31,000 to ARR⁴.
- Ongoing progress and traction in the Japanese market through local partner Macnica, including:
 - Renewal of existing contracts with multiple Japanese customers⁴;
 - New subscription sale to a Japanese utility company⁴.

Retention and renewals

In addition to new sales, there were multiple renewals with existing customers across North America, Asia Pacific and the Middle East in Q3 FY25.

Seeking to grow sales contracts from existing customers remains a focus through icetana AI's customer success efforts.

Q3 FY25's net ARR retention metric increased 1% QoQ to 99%. Long-standing customer Curtin University renewed and upgraded their contract to icetana AI's gold tier subscription, while a Japanese customer increased their number of camera licences as part of their renewal.

Sales and marketing

icetana AI generated over 60 new marketing-qualified opportunities during the quarter, representing coverage across more than 90,000 surveillance cameras. This reflects continued demand for AI-driven video analytics across priority markets

The Company created 30 new commercial opportunities and added more than 30,000 sales-qualified leads to its pipeline. The Asia-Pacific region led in volume, with strong organic interest supporting future growth.

During the quarter, icetana AI actively engaged with a key US-based distribution partner and attended the Las Vegas-based ISC West Conference (April 2025). This supports the Company's North American market entry strategy and channel development initiatives.

³ This was announced to the ASX on March 19th 2025

⁴ These agreements are not considered material on a standalone basis

icetana AI hosted a successful industry webinar in collaboration with a regional security publication, attracting over 100 attendees and contributing to increased awareness and lead generation.

Product development

icetana AI's primary product focus in Q3 FY25 was to build its new Triage Agent. The Triage Agent is an AI-powered assistant that enhances security by detecting and escalating critical events in real time.

The Triage Agent enables users to enter prompts into icetana AI that require escalation. It also automatically generates a text description and explanation for each event and enables users to only receive events requiring escalation.

The Company has also enhanced its product algorithms alongside the Triage Agent to improve gun detection. This will help to build product traction in the US market.

Frequently requested customer items have also been made available, including a confidence percentage on our facial recognition alerts and work towards obtaining a Genetec gold certification.

Cashflow

In the 12 months ending 31 March 2025, the Company's net operating cash outflows (excluding investing/financing activities) averaged \$220,000 per month. At quarter end the Company's cash stood at \$2.24m.

Summary of expenditure

The Company's total operating cash expenditure for the quarter was approximately \$1.1m, including:

- \$822k staff;
- \$203k operating and research and development;
- \$46k sales, marketing and partner expansion; and
- \$58k administration and corporate costs.

Payments totalling approximately \$38,000 (included in the above) were made to related parties of the Company, comprising gross salaries, superannuation and fees to executive and non-executive directors.

Authorised for release by the Board of icetana Limited.

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About icetana AI

icetana AI builds self-learning security AI software for large-scale surveillance networks.

Its AI replaces security operators by detecting unusual or dangerous events in real time, reducing security risks with fewer personnel.

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 Security 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, 70+ sites, and 16,000+ cameras and 15+ countries.

Forward-looking statements

This announcement may contain forward-looking statements. 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, 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 and its officers, employees, agents, associates and advisers. 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 undertakes no obligation to

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

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