

Quarterly Activities Report & Appendix 4C

**Trial and Strategic Partnership for Data Centres
Fully Funded Validation POC with AWS**

Period ending 30 September 2026

ASX Announcement | 29 October 2026

Quarterly Activities Report & Appendix 4C

Period ending 30 September 2026

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Post successful Swinburne University trial, Priority Impact to conduct a competitive tender among Nordic data centre operators for an exclusive trial hosted at the selected operator's laboratory. The tender will have **a minimum value of A\$1 million payable to ION.**

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Fully funded POC agreed with **Amazon Web Services (AWS)**

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ION cleared and **invited by the US Pentagon** to present at the US Department of War's Critical Technology Industry Day.

Highlights

During the September 2026 quarter, ION Video Limited (ION or Company) continued to execute its operational priorities across financial management, intellectual property development, technology evolution and commercial engagement.

- Strategic partnership agreed with Swedish investment firm Priority Impact to commercialise ION's technology in the Nordic region, one of Europe's fastest-growing data centre markets.
- Two-phase validation trial to prove commercial viability of ION technology within a data centre commenced with Swinburne University of Technology under phase 1. The minimum value under phase 2 will be A\$1 million payable to ION, plus any costs associated with the trial.
- ION cleared and invited by the US Pentagon to present at the US Department of War's Critical Technology Industry Day, which is specifically tailored for emerging technology companies looking to align capabilities with US national security priorities and reduce barriers to entry.
- Fully funded POC agreed with Amazon Web Services (AWS) to test the efficiency and capability of ION's technology infrastructure and to build a new search layer.
- Two additional patent applications (pending examination) filed covering two new inventions and extending the Company's Virtual Video intellectual property portfolio to seven patent families.
- Capital raising initiative to raise \$4.25m from institutional and sophisticated investors undertaken, including ION Board and Management subject to shareholder approval.
- Dominic O'Hanlon and Clark Kirby appointed as Non-Executive Directors. Brent Jones appointed as Executive Chair and Anthony Baker appointed as Managing Director and Chief Executive Officer, with Finbar O'Hanlon stepping down from the Board to focus on technology innovation, product development and commercialisation. Andrew Demetriou to retire at conclusion of the 2026 AGM.

CEO Review

The September 2026 quarter represented a period of continued operational and commercial progress as the Company advanced its financial, intellectual property, technology and commercial objectives.

PILLAR 1 – Intellectual Property

The Company continued to build its intellectual property portfolio during the quarter with the filing of two further patent applications. The filings establish priority dates for two new inventions and take ION's Virtual Video portfolio to seven patent families, each addressing a different component of the Virtual Video architecture. The two applications filed during the quarter are pending and have not yet been examined or granted.

The additional patent applications extend the Company's existing intellectual property portfolio into the areas of digital content authentication and content classification. Both applications have been filed with IP Australia and establish the Company's priority date while international patent protection is considered.

The Company continues to develop its patent portfolio as an integrated architecture, with each patent family addressing a separate functional component of the Virtual Video platform.

Intellectual Property Portfolio

Following the two new filings, the Company's Virtual Video intellectual property portfolio comprises seven patent families addressing different functional components of the platform.

No.	Patent family*	Core function
1	Virtualise	Virtual video containers and real-time video assembly.
2	Record	Immutable recording of content transactions using distributed-ledger technology.
3	Govern - The Right to Resolve	Cryptographic Video Tokens and the resolution of rights, permissions and payments during assembly.
4	Authenticate - The Right to Identify	Cryptographic verification of content identity, authenticity and provenance.
5	Classify - The Right to Classify	Content classification and safety-policy enforcement during virtual video assembly.
6	Accelerate	Hardware architecture for accelerated virtual video resolution, incorporating rights validation, authenticity, classification and real-time assembly.
7	Traverse	Conditional traversal of linked virtual video containers, with the next container selected at the moment of play from viewer input, AI direction, rights or context.

* Patent families 2-6 are applications that are pending and have not yet been examined or granted

The Company's intellectual property strategy is to continue identifying and protecting new inventions arising from the ongoing development of the Virtual Video platform. This approach is intended to build a portfolio of complementary patent families that protect different aspects of the Company's technology as it continues to evolve. Management has three further patent concepts under review with its attorneys.

PILLAR 2 – Technology Evolution

During the quarter, the Company continued to develop the Virtual Video platform to support ongoing commercial engagement and future enterprise deployments.

The Company continued to develop the platform's artificial intelligence capabilities through the integration of third-party AI models. ION integrated Twelve Labs' Marengo embedding model to support semantic video search functionality and incorporated Amazon Bedrock to provide access to additional foundation models within the platform's AI workflow. The platform has been designed to support the integration of multiple AI models, allowing additional technologies to be incorporated as customer requirements and available technologies evolve.

PILLAR 3 – Validation

The validation program launched in September 2026 following the capital raising announcement is designed to produce the independent technical, legal and commercial evidence required to support future licensing, strategic partnerships and institutional investment.

1. Patent Validation

ION has already obtained an independent valuation of its intellectual property. The Company's Australian patent lawyers have also completed novelty searches and freedom-to-operate assessments across the patent portfolio, and the Company holds reports supporting each patent.

The next stage will involve broader validation of the patent portfolio by a reputable US patent firm capable of assessing its strength, coverage and commercial relevance within the context of the Company's most important potential market.

As the founder and inventor, Finbar O'Hanlon will lead a comprehensive, market-focused review of the portfolio. The review will assess whether any material gaps exist and ensure the portfolio remains aligned with emerging market requirements and commercial opportunities.

Any gaps, extensions or refinements identified through this process will be addressed as quickly as possible, including through continuation applications where appropriate and before the relevant patents are granted.

The program will also seek to further strengthen and expand the patent portfolio, including progressing the three additional patent concepts designed by the Company towards formal patent applications.

2. The Underlying Technology and its Validation

ION now holds a portfolio comprising seven patent families (see Pillar 1). The next stage is to develop the comprehensive technical documentation required to support each patent family and demonstrate how the underlying technology can be implemented by a potential licensee.

This documentation will explain how each patent family operates, the technical architecture required for its implementation and how the technology can be integrated into a licensee's existing technology stack. Its preparation will be undertaken with the assistance of Dan Sanders, a member of ION's Advisory Board and former Chief Technology Officer at Verizon, including detailed technical documentation and technical white papers covering each patent family within the portfolio.

These will provide potential licensees and strategic partners with a clear implementation pathway and demonstrate how ION's intellectual property can be incorporated into existing platforms, infrastructure and workflows.

Once the technical white papers and implementation documentation have been prepared, the Company will proceed with commissioning independent market and technical reviews by recognised research and advisory organisations or specialist firms.

The reviews will assess the credibility of the architecture and its proposed implementation pathways, validate ION's market positioning, identify the most appropriate market category for the technology and determine whether the Company's capabilities warrant recognition within an existing or emerging analyst framework.

3. Technical, Live Testing, Comparative and Financial Validation

The technical claims and benefits delivered by ION's architecture will be independently validated through live testing undertaken in partnership with leading global organisations.

The results will then be benchmarked against what is available today so that any improvements in performance, compute, storage, energy consumption, cost or capability can be measured objectively.

Once that technical and comparative evidence has been established, it will then be translated into the corresponding revenue opportunity or cost reduction. Each claim must be converted into a credible, real-world financial outcome.

The Six Technology Claims

The Company is currently presenting the following six claims:

Video that never renders is compute never spent.

Personalised video does not require a newly rendered file for every variation, reducing rendering, infrastructure and compute costs while returning capacity to higher-value AI workloads.

Decades of archive become a licensable library.

Every moment of every program can be found, cleared and assembled into something new without copying the underlying file, creating incremental licensing and archive-monetisation opportunities.

Royalty disputes close in seconds, not months.

Every use is recorded permanently at the moment it occurs, reducing reconciliation, administration, audit and dispute-resolution costs.

Multi-owner rights clear at the moment of play.

Footage from multiple rights holders can be combined instantly, with each owner paid for the specific moments used, unlocking content and revenue opportunities that may otherwise be too complex or costly to pursue.

Authenticity is provable before broadcast, not after retraction.

Each authorised component can carry proof of integrity, reducing verification costs and the financial and reputational risks associated with altered or unauthorised content.

Content stays safer everywhere at once.

A single source can play under different jurisdictional and platform rules simultaneously, reducing the cost of creating, storing and managing multiple versions while lowering moderation, compliance and regulatory risk.

The Company's focus is on identifying problems the world is already willing to pay to solve utilising the ION technology and providing independent evidence that it works, identify who will pay for it, establish where the revenue will come from and quantify how much customers could make or save.

The Six Problems the World Will Pay to Solve

- **The data-centre power crisis.** Data centres consumed approximately 415 TWh of electricity in 2024, with demand forecast to almost double to approximately 945 TWh by 2030. Microsoft, Google, Amazon and Meta spent approximately US\$410 billion on capital projects in 2025, much of it on AI infrastructure. ION's video virtualisation and proposed VPU architecture claim to reduce transcoding compute by up to 98% and storage by between 70% and 90%. The commercial pathway is licensing to chip manufacturers, cloud providers and hyperscalers that are already spending billions to reduce compute, storage, energy and infrastructure costs.
- **Proving what video is real.** Generative-AI fraud losses in the United States could reach US\$40 billion by 2027, while deepfake fraud attempts have risen by approximately 700% in a single year. ION's Right to Identify patent authenticates video at the sample level and preserves that proof through re-encoding. The

commercial pathway is licensing to banks, financial institutions, identity platforms, security companies, media organisations and governments that need to prove what is genuine rather than attempt to detect what is fake.

- **Sovereign, trusted video for defence and government.** The global video-surveillance market is approximately US\$56 billion and is forecast to reach approximately US\$89 billion by 2030. Governments also face growing requirements to keep sensitive data onshore, access-controlled and provably untampered. ION allows original footage to remain sovereign while controlling access, proving authenticity and making vast stored archives searchable and usable. The commercial pathway is licensing to defence integrators, government agencies and sovereign-cloud providers.
- **Ending wasted advertising spend.** Advertising losses from fraud are forecast to increase from approximately US\$84 billion in 2023 to US\$172 billion by 2028. At the same time, personalisation can increase revenue by between 10% and 15% and reduce customer-acquisition costs by up to 50%. ION enables one stored master to become unlimited personalised advertisements without rendering and storing thousands of separate files. The commercial pathway is licensing to advertising platforms, agencies, broadcasters and major brands seeking to reduce wasted expenditure and increase campaign performance.
- **Foundation models that assemble video rather than generate it.** Big Tech spent approximately US\$410 billion on AI infrastructure in 2025, with expenditure forecast to increase substantially. However, generating video remains slow, compute-intensive and legally complicated. ION allows an AI model to treat licensed or owned video as building blocks that can be assembled as quickly and efficiently as text, with rights and payments incorporated into the process. The commercial pathway is licensing to, or acquisition by, an AI laboratory, hyperscaler or cloud provider.
- **A personalised cut for every viewer.** Personalisation can generate a 10% to 15% revenue increase, while Netflix's recommendation engine is estimated to save more than US\$1 billion annually through improved retention. The global streaming market is approximately US\$811 billion and is forecast to exceed US\$3 trillion by 2034. ION enables one stored master to become millions of personalised, rights-cleared and governed versions without the cost of rendering a separate file for every viewer. The commercial pathway is licensing to streaming services, sports leagues, broadcasters and social-video platforms.

These six use cases present the commercial proposition in the language investors understand: existing multibillion-dollar problems, identifiable customers, measurable revenue opportunities and material cost reductions.

Bringing the Evidence Together

This is a disciplined program that brings the evidence together in a clear sequence:

- 1 Present the vision.** Show the full extent of what becomes possible when video no longer needs to exist as a fixed, duplicated file for every use case.
- 2 Demonstrate the concept.** Use the existing demonstrations to show that the architecture is more than a theoretical proposition.
- 3 Validate the claims.** Independently verify the technical claims associated with the architecture and the six major problems it is intended to solve.
- 4 Prove it in a live environment.** Undertake real-world testing that produces measurable evidence that the intellectual property works in practice and at the required scale.
- 5 Benchmark it against current solutions.** Compare performance, compute, storage, energy, workflow, capability and cost against the technologies used today.
- 6 Show the revenue opportunity.** Translate the verified results into the revenue model enabled by each use case, the potential revenue or cost saving, and the resulting financial value of the architecture.

This will provide a clear, evidence-based pathway from the intellectual property to revenue. It will also provide the Company with a significantly stronger platform for licensing, commercialisation and the creation of shareholder value.

PILLAR 4 – Commercial Activities

Commercial engagement remained a key focus during the quarter.

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ION agrees a POC fully funded by **Amazon Web Services (AWS)** to validate ION key performance metrics.

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ION forms strategic partnership with Swedish investment firm **Priority Impact** to commercialise ION's technology in the Nordic region.

Amazon Web Services – Proof of Concept

During the quarter, the Company agreed a proof of concept engagement with and fully funded by Amazon Web Services (AWS) to validate ION key performance metrics in the application of its technology that had previously only been tested and measured internally by the Company, and to build a search layer that exists between two functions that ION already performs. ION's technology already maps each source video once, the new AI search selects the moments a request asks for, and ION assembles them into a playable edit without re-rendering.

AWS appointed CloudMates, an AWS Advanced Tier Partner, to analyse its core performance metrics and to help build the search layer. All IP developed during the partnership will be owned by ION.

The results of this trial are expected to be released in early November.

Priority Impact – Strategic Partnership – Clear Pathway to Commercialisation

Subsequent to the end of the quarter, ION entered into a two-phase validation process to establish the commercial viability of its technology within a data centre. This is supported by the formation of a strategic partnership with Swedish investment firm Priority Impact to commercialise ION's technology in the Nordic region.

For Phase 1, ION has commissioned Swinburne University of Technology to independently assess whether its infrastructure can deliver greater output capacity per dollar of infrastructure and operating expenditure than legacy approaches. The Company's minimum success thresholds are a 30% increase in capacity and a 30% reduction in operating costs. Preliminary internal modelling on AWS servers indicates improvements exceeding both thresholds, subject to independent validation.

Following successful completion of Phase 1, Priority Impact will conduct a competitive tender among Nordic data centre operators for an exclusive Phase 2 trial hosted at the selected operator's laboratory. The tender will have a minimum value of A\$1 million payable to ION, plus trial-related costs.

Following completion of Phase 2, the successful operator will have the right to negotiate an exclusive Nordic licence for a minimum of two years, incorporating integration, enablement and annual licensing fees.

ION Video Invited by the US Pentagon to present at US Department of War Critical Technology Industry Day

Subsequent to the end of the quarter, ION was invited by officials from the US Pentagon to participate in the US Department of War's NextGen Information Analysis Centers Multiple Award Contract (NextGen IACMAC) Critical Technology Industry Day on 30 October 2026. The event brings together commercial innovators and academic institutions to explore the strategic and technical direction of the Department's next-generation research and development framework.

ION will engage with defence and intelligence leaders on the potential application of its patented video architecture to energy efficiency, intelligence integrity, controlled information sharing and maritime security. By enabling video versions to be assembled from original media without repeated copying, re-encoding or storage, ION's architecture is designed to reduce processing, storage and power requirements. Its patent-pending verification capabilities and policy-based access controls also support video authenticity and the release of tailored content from a single master, with potential applications across intelligence, warfighter and AUKUS coalition operations.

The Company will be represented by Kellee M. Franklin, PhD, SVP – AI Commercialization and Strategic Alliances, and AJ Palmer, Chief Special Operations Officer.

Commercial Engagement

Commercial engagement in the US across a range of industry sectors also continued during the quarter. These discussions are ongoing. Management remains disciplined in its approach to commercialisation. The Company's objective is not simply to undertake Proof of Concept projects, but to ensure each engagement has clearly defined success criteria and a credible pathway to long-term commercial contracts.

Financial Review

The Company's expenditure during the quarter amounted to \$922k. The increase during the quarter was driven by additional spend in respect of:

- Patent related costs increased to \$107k, which represent a \$58k increase on the previous quarter.
- ASX costs in the quarter were \$63k higher than the previous quarter.
- Directors fees \$247k director fees not applicable in previous quarter.

Operational costs during the quarter were well within management's previously forecast guidelines of \$180k per month.

Going forward management expects overall cash burn to increase to \$250k–\$275k per month in light of increased travel activity to the US and Europe, the permanent recruitment of Kellee Franklin in the US, and cash payments of director remuneration.

ION ended the quarter with a strong cash balance of \$3.5 million, with further funding expected from outstanding R&D claims exceeding \$0.5 million and \$1.1 million in director contributions committed under the recent capital raise.

Together, these funds would provide more than \$5.1 million to support the Company's validation program, commercialisation activities and ongoing operations.

Corporate

Capital Raising

During the quarter the Company received \$528k from the conversion of options and subsequent to the end of the quarter, a further \$3.051m under the first tranche of an equity placement that settled on 5 October 2026. A second tranche of \$1.2m committed by ION Board and Management will complete post the Company's 2026 Annual General Meeting (2026 AGM) scheduled for 30 November 2026, subject to shareholder approval under ASX listing rule 10.11.

The first tranche comprised the issue of:

- 7,627,500 fully paid ordinary shares at an issue price of \$0.40 per Share, to raise \$3,051,000; and
- 3,183,750 free attaching options on a one for two basis. Options expire 30 September 2027 and have an exercise price of \$1.

The second tranche, subject to shareholder approval, comprises the issue of:

- 3,000,000 fully paid ordinary shares have been subscribed for from directors and or their nominees at a price of \$0.40 per Share, to raise \$1,200,000; and
- 1,500,000 free attaching options on a one for two basis. Options expire 30 September 2027 and have an exercise price of \$1.

Board and Management

During the quarter the Company announced the appointment of Dominic O'Hanlon and Clark Kirby as Non-Executive Directors and Anthony Baker as Managing Director and Chief Executive Officer. Concurrently, Finbar O'Hanlon stepped down as Director to focus on technology innovation, product development and commercialisation in his role as Founder and Head of Innovation.

Subsequent to the end of the quarter, the Company announced that Director Brent Jones changed role on ION's Board of Directors from Non-Executive Chair to Executive Chair and that it had introduced updated performance-based remuneration packages for Mr Baker and other key personnel as partner-led, co-sponsored technology trials get underway. Separately, Non-Executive Director Andrew Demetriou advised the Board that he will not be seeking re-election at the 2026 AGM and, accordingly, will retire from the Board at the conclusion of that meeting.

Investor Hub: <https://investors.ion.video/link/egLQRr>

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ION Video Limited

ABN

84 149 796 332

ASX code

IOV

Consolidated Statement of Cash Flows

Name of entity
ION Video Limited

ABN
84 149 796 332

Quarter ended (current quarter)
30 September 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(166)	(166)
	(b) operating costs	(27)	(27)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff and consultant costs	(386)	(386)
	(f) administration, travel and corporate costs	(234)	(234)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (legal and patent costs)	(109)	(109)
1.9	Net cash from / (used in) operating activities	(922)	(922)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	3,145	3,145
3.2	Proceeds from issue of convertible debt securities*	-	-
3.3	Proceeds from exercise of options	528	528
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (convertible note)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (AASB16 lease principal payments)	-	-
3.10	Net cash from / (used in) financing activities	3,673	3,673
	* net of costs incurred		
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	771	771
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(922)	(922)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,673	3,673
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,522	3,522

5. Reconciliation of cash and cash equivalents		Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		\$A'000	\$A'000
5.1	Bank balances	3,522	771
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,522	771

6. Payments to related parties of the entity and their associates		Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 Director fees, CEO and KMP remuneration	325
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.		

7. Financing facilities		Total facility	Amount drawn
The term facility includes all forms of financing arrangements available to the entity.		at quarter end	at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
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8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(922)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,522
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,522
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.82

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, the entity expects to reduce its quarterly expenditure to \$825 thousand per quarter on a go forward basis. This expenditure would result in approximately 4.27 quarters of funding.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The entity has recently completed a capital raise, with an additional \$1.2m subscribed for from directors and/or their nominees.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on the above, the Company expects to be able to continue its operations and meet its business objectives

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date

29 October 2026

Authorised by

By the board