



ION Video Limited (ASX: IOV)

ASX Announcement

28 October 2026

ION Technology Validation Trial for Data Centres Establishes Clear Pathway to Commercialisation

Highlights

- ION commences a two-phase validation trial to prove commercial viability of its technology within a data centre.
- Strategic partnership with Swedish investment firm Priority Impact, to commercialise ION's technology in the Nordic region, one of Europe's fastest-growing data centre markets.
- Phase 1: ION has commissioned an independent assessment by Swinburne University of Technology to assess if ION's infrastructure can deliver greater output capacity per dollar of infrastructure and operating expenditure compared with today's legacy approaches.
- ION's threshold for success is a minimum 30% increase in capacity and a 30% reduction in operating costs. ION's own preliminary internal modelling on AWS servers indicates improvements beyond both measures.
- Following successful completion of phase 1, Priority Impact will run a competitive tender process among Nordic data centre operators to participate in an exclusive phase 2 trial hosted at the selected operator's laboratory. The minimum value of the tender will be set at A\$1 million payable to ION, plus any costs associated with the trial.
- Priority Impact have confirmed with several operators including the Nordics largest operator, Telia, and the fastest growing, Fossefall, their interest in participating in the phase 2 trial subject to the results of phase 1.
- The selected operator will subsequently have the right following completion of phase 2 to negotiate an exclusive Nordic licence to use the ION technology for a minimum of 2 years, incorporating integration, enablement and annual licensing fees.

Melbourne, Australia, 28 October 2026: ION Video Limited (ASX: IOV) (**ION** or **Company**) has commenced the first trial under ION's video technology validation program recently announced to ASX¹, with leading technology and research-focused tertiary institution, Swinburne University of Technology,

¹See ASX announcement "\$4.25 Million Placement to Accelerate Strategic Technology Validation Program" dated 16 September 2026

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and a strategic partnership with Swedish investment firm Priority Impact AB to commercialise the technology with Nordic data centre operators.

The first of six proposed trials, this trial and the strategic partnership with Priority Impact sets out a clear pathway from independent testing to an operator-funded trial and exclusive regional licence of the technology.

The trial will be conducted in two phases.

Phase 1 comprises an independent detailed assessment of the ION technology by Swinburne, testing ION's claims that the technology is capable of delivering a minimum 30% increase in data centre capability and capacity and a 30% reduction in operating costs. ION's own preliminary internal modelling on AWS servers indicates improvements beyond both measures.

Phase 2 comprises an exclusive trial of the technology hosted at a selected data centre operator's facilities following successful completion of phase 1. That operator will be located in the Nordic region and will be selected with the assistance of ION's new strategic partner, Priority Impact, which will run a competitive tender process to participate in phase 2. The tender conditions will set a minimum A\$1 million fee to be paid to the Company to conduct phase 2 with the selected operator.

If successful, the selected operator will have the right to negotiate exclusivity within its market or vertical for a minimum of 2 years. The specific scope, duration and commercial terms of any such licence agreement will be agreed separately.

Anthony Baker, ION Managing Director and CEO, said:

"In September 2026, ION announced that its technology claims would be put to independent testing and then into real operating environments. A month later, the first technology validation trial is in place with a leading tertiary institution and a strategic partner that can take ION to Nordic operators, with the commercial terms tied directly to the result."

"ION's path to commercialisation is here, and we look forward to exploring further opportunities in other markets, including the United States."

Magnus Rosengren, CEO and Founder, Priority Impact, said:

"I have spent my career building and backing companies, and every so often you see a technology that changes the maths for a whole industry. We are delighted to announce our strategic partnership with ION, whose infrastructure and patented technology address the growing cost of storing, rendering and moving video across the sectors that matter most to Europe: energy, manufacturing, AI and defence."

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"The Nordics are one of the largest areas of investment in data centres and infrastructure anywhere in the world, with enormous land availability, scalability, power, capacity and compute. We want the Nordics to be where ION is first proven."

"Once the independent assessment by Swinburne University of Technology under the first phase of the trial is complete, Priority Impact will run a competitive tender among data centre operators in the Nordic region to participate in the second phase of this technology trial. We have already spoken with a number of key operators, including the Nordics largest operator, Telia, and the fastest growing, Fossefall, all of whom have confirmed interest in participating subject to the results of the Swinburne assessment."

Independent Assessment by Swinburne University of Technology – Phase 1

ION has commissioned an independent assessment by Swinburne University of Technology pursuant to a research services agreement.

Founded in 1908, Swinburne is a leading academic and research institution, officially ranked in the top 3% of universities worldwide and one of the leading tertiary institutions in Australia for Electronics & Electrical Engineering.²

Under the agreement, Swinburne will design the tests, choose the comparison systems and measure the results, and control the analysis and conclusions. ION will supply documentation, system access and factual corrections only.

The aim of phase 1 is to evaluate ION's technology and assess how much it reduces the energy, computing, storage and cost needed to produce and deliver personalised video, compared with a traditional rendered workflow run under similar settings, such as the same cloud operating environment on AWS or Azure. The results from the cloud environments will then be used to report the implications of ION's technology for larger data centre environments.

Within the agreed trial scope, phase 1 has two thresholds: a 30% increase in capacity and a 30% reduction in operating costs. ION's preliminary internal modelling indicates improvements beyond both measures. These projections have not yet been independently validated, and the Swinburne assessment is designed to provide that validation.

Phase 1 preliminary results are expected to be delivered within 3 months and the full detailed report completed within 6 months at a cost to ION of approximately A\$110,000 plus GST, payable over the course of the engagement, and cloud usage costs at market rates. Intellectual property rights attaching

²Shanghai Ranking's Academic Ranking of World Universities, 2026; QS World University Rankings by Subject, and Times Higher Education

to all material created by Swinburne in connection with performance of the services under the agreement shall vest in ION and Swinburne assigns all right, title and interest therein to ION.

The agreement otherwise contains provisions customary for an engagement of this nature, including but not limited to provisions with respect to protection of background intellectual property, confidentiality, liability, dispute resolution and governing law.

Strategic Partnership with Priority Impact and Validation at Scale – Phase 2

ION has entered into a strategic partnership agreement with Priority Impact AB following several months of discussions, demonstrations and technical analysis.

Priority Impact is a Swedish advisory and investment firm focused on energy, defence, industrial technology and AI. Founded and led by Chief Executive Magnus Rosengren, the firm is the co-founder of Snöboll - currently raising SEK 1.2 billion and is separately raising a SEK 6 billion resilience fund to support the next generation of businesses. Chairman of the Board and Senior Adviser Björn Rosengren previously served as Sweden's Minister of Industry, Energy, Employment, Communications and Public Companies, and as Senior Business Adviser at Kinnevik.

Its senior advisers include Carl Bildt, former Prime Minister and Minister of Foreign Affairs of Sweden; Ibrahim Baylan, former Minister of Energy and Minister of Business, Industry and Innovation; GP Bullhound founder Christian Lagerling; and Lars-Johan Jarnheimer, Chairman of the Board of Ingka Group (IKEA), Telia Company AB and Arvid Nordquist.

Under the terms of the agreement Priority Impact will support ION in proving that its technology can deliver optimized capability and capacity to data centres, with greater output capacity for each dollar of infrastructure and operating cost than today's leading approaches. Priority Impact will also assist ION in determining that the market opportunity ION is addressing is substantial and of significant interest to data centres, and identify Nordic data centre operators that would be likely to have interest in participating and funding phase 2 of the trial, and engaging with those operators to achieve that outcome.

Priority Impact will run a competitive tender process among Nordic data centre operators to participate in phase 2 of the trial to be hosted at the selected operator's laboratory. Priority Impact have spoken with senior executives at several operators, including the Nordics largest operator Telia³ and the fastest growing Fossefall⁴, all of whom have confirmed interest in participating subject to ION achieving at least

³Telia Company AB, a Swedish multinational telecommunications company that is actively expanding its presence in the data centre and AI infrastructure sector, particularly across the Nordic and Baltic regions.

⁴Fossefall AS, a Norwegian AI infrastructure and data centre company that is developing sustainable "AI factories" powered by Nordic renewable energy across Norway, Sweden, and Finland.

a 30% increase in capacity and a 30% reduction in operating costs. The tender conditions will set a minimum fee of A\$1 million to be paid to ION with the operator separately to fund the costs of conducting phase 2 of the trial.

Priority Impact will receive a commission equal to 20% of the (before tax) tender amount accepted by ION from the successful Nordic data centre operator upon receipt of full payment thereof by ION. This commission may be taken at Priority Impact's discretion as a cash payment or, subject to prior shareholder approval pursuant to ASX listing rule 7.1, in ION fully paid ordinary shares at a price equal to the 5-day trading VWAP ending on the date that ION formally accepts the successful tender.

The agreement is for a 12 month term, and provides for the parties to use commercially reasonable efforts to undertake their respective tasks and obligations pursuant to the agreement including acting in good faith in the light of all circumstances surrounding technical, commercial and other relevant issues in respect of their respective businesses and their marketing and promotion.

Intellectual property rights attaching to all material created in furtherance of the agreement shall vest in ION and Priority Impact must assign all right, title and interest therein to ION.

The agreement otherwise contains provisions customary for an arrangement of this nature, including but not limited to provisions with respect to protection of intellectual property, confidentiality, liability, dispute resolution, termination rights and governing law.

ION will have ultimate discretion as to whether or not to proceed with phase 2 as well as the identity and engagement of the selected data centre operator. There is no guarantee that the trial will proceed to phase 2, and this is dependent on, among other things, the outcomes of phase 1 and the willingness of data centre operators to commit to phase 2 on terms acceptable to the Company.

Post-Trial Potential Commercialisation

On completion of phase 2, the selected operator will have the right to negotiate an exclusive licence for the Nordic region for a minimum of two years, under a separate agreement with ION. The licence is expected to include an integration fee, an annual licensing fee and an enablement fee, in line with ION's commercial model.

There is no guarantee of revenue or that any such licence will be entered into. This will be dependent on, among other things, the success or otherwise of phase 1 of the trial and willingness of data centre operators to commit to phase 2 of the trial and beyond on terms acceptable to the Company.



Why Data Centres and the Nordic Region

Combined 2026 capital expenditure by the five largest hyperscalers is expected to exceed US\$600 billion,⁵ and the International Energy Agency projects that data-centre electricity use will more than double by 2030, to around 945 TWh a year.⁶ Video adds to that load because each new version is usually rendered and stored as its own file. ION assembles each version from one master as it plays, so no new file is rendered. In ION's investor presentation of 11 June 2026, an 890 MB video was represented by a 115 KB virtual file.

The Nordic region is one of the fastest-growing data centre markets in Europe, with JLL expecting more than half of Europe's AI growth to come from the Nordics and Europe's Tier 2 markets.⁷ Its cool climate and abundant hydropower have drawn some of Europe's largest AI projects, including Google's €1 billion expansion of its Hamina data centre in Finland to support its AI growth in Europe,⁸ and Sweden's largest enterprise AI supercomputer, which Nvidia is building with a consortium led by Wallenberg Investments.⁹ The region also produced Nokia, Ericsson, Spotify, Skype and Klarna.

This announcement has been authorised for release by the Board of ION Video Limited.

For Further Information

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About ION Video Limited

ION Video Limited (ASX: IOV) is an infrastructure company that has developed patented technology to virtualise video at the file architecture level, transforming static files into programmable data. Spanning multiple foundational patent families, ION's technology enables intelligent systems to access and compose with existing video content as programmable data, without transcoding. For more information, visit www.ion.video.

Important Notices

Some of the statements appearing in this announcement may be in the nature of forward looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which ION operates and proposes to operate as well as

⁵LPL Research, based on Bloomberg consensus estimates for Amazon, Alphabet, Microsoft, Meta and Oracle, February 2026.

⁶International Energy Agency, Energy and AI, April 2025.

⁷JLL, EMEA data centre mid-year 2026 report, August 2026.

⁸Google, Hamina data centre expansion announcement, 20 May 2024.

⁹Nvidia and the Swedish business consortium of AstraZeneca, Ericsson, Saab, SEB and Wallenberg Investments, announced May 2025.

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general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside of ION's control. ION does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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