19 January 2022

December 2021 Quarter Activities and Cash Flow Report

Highlights:

- **Record quarterly cash receipts from customers <u>A$2.85 million</u>**

- **Cash flow positive quarter from operations <u>A$0.80 million</u>**

- **Energy Utilities Sector – material contracts awarded (<u>between A$4.33 and A$6.6 million</u>) + existing customers grow ACV spend**

- **AEC Sector – new customers added + existing customers grow ACV spend**

- **Survey & Mapping Sector – new customers added + existing customers grow ACV spend**

- **Transport Sector – new customers added + existing customers grow ACV spend**

- **Mining, Oil & Gas Sector – new customers added + existing customers grow ACV spend**

Pointerra Limited (ASX:3DP) (Pointerra; the Company) is pleased to provide an overview of the December 2021 quarter (Q2 FY22) activities and the associated cash flows and cash position in the Appendix 4C (attached).

The quarter was highlighted by record cash receipts from customers (A$2.85 million) and cash flow from operations (A$0.80 million), as well as the award of material contracts (between

A$4.33 million and A$6.60 million) in the strategically important US energy utilities sector, as announced to the ASX on 14 December 2021.

Growth in spend by existing customers during the quarter, coupled with the material contract awards announced to the ASX on 14 December 2021 have generated further uplift in Pointerra's US$ ACV run rate. The Company looks forward to updating the market with a revised US$ ACV run rate, with the next update being provided by 31 January 2022 at the latest.

Product & Industries

During the quarter the Company continued to grow the ACV spend by existing customers and also added new customers and prospects across Pointerra's 6 target sectors and industries:
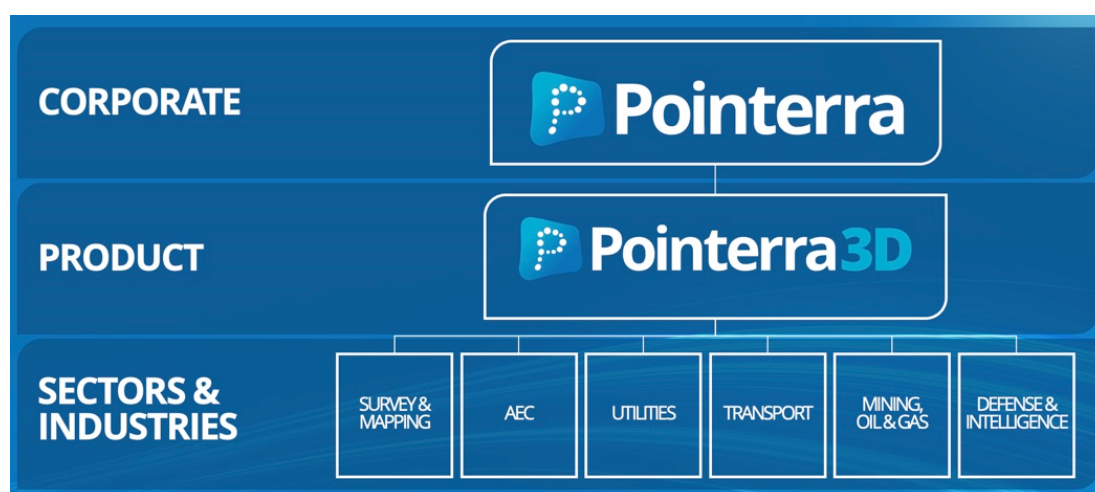
Survey & Mapping

A number of new customers were added during the quarter with Australian growth increasingly being driven by state and local government agency mandates that survey & mapping firms deliver data via Pointerra3D Core.

In the US, inside sales initiatives continued during the quarter and are characterised by a very large number of lower dollar ACV prospects.

Whilst customer accounts in this sector are often smaller in ACV value, the Survey & Mapping sector is important because it drives awareness and adoption of Pointerra3D across downstream users that engage Survey & Mapping customers/prospects in this sector to generate and deliver 3D data using Pointerra3D Core.

AEC (Architecture, Engineering & Construction)

Growth in this sector is being driven in the US and Australia by material levels of government investment in civil infrastructure. These structural tailwinds combined with shortages of people and materials are forcing the AEC sector to innovate at a pace that is unprecedented in Pointerra's short history.

Pointerra's global AEC customers are adding more users and also expanding their adoption of Pointerra3D Core, Analytics and Answers as they seek to meet the challenges of deploying billions of dollars of capital into large scale civil infrastructure projects.

Customer accounts in this sector tend to be larger with six and seven figure ACV accounts emerging through Pointerra's land-and-expand customer acquisition strategy.

Utilities (Power & Water)

During the quarter the Company continued platform rollout and enterprise deployment activities in the US with Pacific Gas and Electric, Florida Power & Light, NextEra Energy and Eversource Energy, as well as working with other existing utility customers both directly and via their mapping partners across the US.

As announced during the quarter, the Company was also awarded material contracts by Entergy Corporation and Pacific Gas and Electric totalling between A$4.33 million and A$6.60 million.

The power utilities sector is currently Pointerra's largest by ACV spend and reflects the significant and widespread use of 3D data by these private and public sector utilities to operate critical infrastructure assets valued in the $ billions.

During the quarter the Company continued to work with US utility customers to develop and refine Business Intelligence tools for use by senior management whereby network-wide data hosted in Pointerra3D Core is interpreted using Pointerra3D Analytics and then summarised using Pointerra3D Answers to deliver actionable insight across the utility enterprise.

This end-to-end adoption of the Company's suite of products by innovative US power utility customers showcases the full power and potential of Pointerra3D and is also being by these same customers in an advocacy role, helping showcase Pointerra3D to other US power utility prospects.

Transport (Road & Rail)

Adoption of Pointerra's solution by Australian road and rail operators continued during the quarter with new road and rail utilities coming on as customers and existing operators in Victoria and NSW increasing their ACV spend.

The Company also continued working with Australian predictive analytics management company AMAG to accelerate growth in customer acquisition and spend across the transport sector in Australia and the US using 2D and 3D data predictive analytics to support safety, operations, management, and planning by the transport sector.

Mining, Oil & Gas

During the quarter Pointerra's digital twin solutions developed for tier-1 mining customers in Australia and the US grew the ACV spend by existing customers whilst also helping attract new customers to this important sector.

The Company is working with customers including Rio Tinto, Newcrest, Anglo, Chevron, Yancoal and Oil Search to help these businesses solve a variety of planning, production, governance and ESG problems using the full suite of Pointerra3D solutions.

Defense & Intelligence

During the Quarter, Pointerra continued to participate in face to face and online demonstrations to audiences across a range of defense and intelligence sector agencies showcasing dynamic, real-world applications for Pointerra's platform that solve existing problems facing defense and intelligence agencies.

Subsequent partnerships with these agencies to lodge joint applications for rapid funding rounds via the US Federal Government's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs also progressed during the quarter.

The SBIR and STTR programs offer a proven, well-established pathway to access short-term funding to support the provision of defense and intelligence sector solutions in the US marketplace as a pathway to full enterprise deployment supporting each agency's operations.

Pointerra remains actively engaged in SBIR, STTR and direct contract opportunities across Army, Air Force, Navy and other military and intelligence sector agencies in the US.

To assist in targeting and executing defense and intelligence sector opportunities in the US the Company continues to explore consulting arrangements with recently retired ranking officers with knowledge of the role geospatial technology provides in providing real-time situational awareness, supporting mission planning and intelligence activities.

The Company's disciplined strategy in pursuing defense and intelligence sector opportunities is clearly directed towards generating short-term program funding and paid commercial agreements to create a funded pathway to larger, longer-term whole of agency deployments of Pointerra's platform.

Strategic Collaborations & Partnerships

The Company has learned that deep domain knowledge in product and sales resources drives acceleration in customer acquisition and growth in customer spend across Pointerra's 6 target sectors and industries. This domain knowledge is being obtained through targeted people hires and is also accessed through collaborating and partnering with specialist companies in each sector.

The Company has also learned that Pointerra's proprietary 3D data technology is attractive to specialist sector solution providers and experienced growth in companies seeking to partner with Pointerra during the quarter.

Solution Development and R&D Activities

Solution Development

The Pointerra platform is continually being enhanced in response to customer requests and in line with the product roadmap. Details of released changes and enhancements can be found in the regularly updated platform release notes on the platform. Significant highlights for this quarter are detailed below.

Pointerra3D Core. Several new features have been added to the platform, including:

- Full support for generation and ingestion of DEM (digital elevation model) and DSM (digital surface model) data is being finalised for release. This allows customers to upload their own DEM data and view it in the 3D viewer as a replacement for the default terrain and for example is a powerful new feature for mining customers, where terrain is constantly changing.

- The tiled export pipeline is now deployed for all customers, allowing users to break up large exports into defined tile sizes.

- The permissions model now incorporates a new Dataset Administrator role to give customers greater control over user access to data and functionality.

- "Go to my location" browsing has been added to allow users on mobile devices to set the current view using the device's GPS functionality.

- Further enhancements to the photo viewing functionality, including a new split-screen viewing mode:

Pointerra3D Analytics. Powerline analytics functionality continues to mature based on customer feedback and work is now underway to extend the same capability to road, rail and vegetation (tree) analytics.

Autoclassification and LiDAR Analytics

The analytics and browser-based auto-classification tools continue to be refined. A third generation of the analytics algorithms was recently released and includes a new methodology that automatically tunes to the uploaded data, which can vary greatly based on the sensor and capture methodology. This improvement has reduced the need to create custom configurations for each customer and allows the analytics platform to scale without requiring human interaction.

New "smart" classification tools have also been released to customers, allowing users to simplify complex tasks such as clicking a single point on a building roof and having all the other points that make up the roof/building automatically selected and classified.

Multi-user workflow management tools have been added to the in-browser classification editing tools suite to enable teams of users to coordinate working on discrete parts of larger datasets and combine the results.

Change detection

Analytics to compute change between point cloud datasets has been further refined to support electric utility projects in the US and will be widely applicable to many other customer applications:
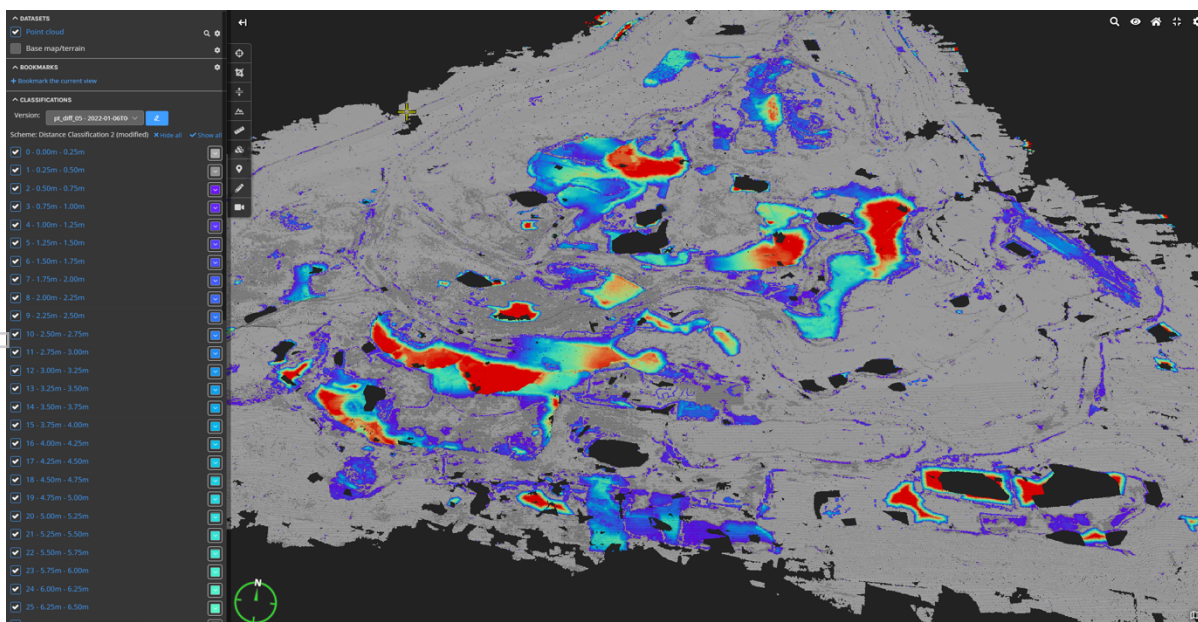
Support for Model Key Points

Computation of Model Key Points (MKP) has been added to the analytics options. MKPs are a thinned representation of the ground points (within a defined error tolerance) that allows users to export a representation of the ground surface to desktop software that can't easily handle large, dense datasets containing number of points.

Electric Utilities

R&D work is underway to determine efficient and suitable methods to compute the differences between 2 versions of a network digital twin as generated by Pointerra3D Analytics. This work underpins new functionality to provide rapid detection of potential hazards and electricity supply issues in post-storm response scenarios.

Trees/Vegetation

Some of the existing methods supporting vegetation encroachment for power lines are being further enhanced to provide a comprehensive tree/vegetation analysis capability.

This will allow Pointerra3D Analytics customers to automatically determine the location and spatial attributes (e.g., crown height and canopy spread) of vegetation within the point cloud.

Additional user-added attributes will also be managed so that supplementary information such as species, age, etc can be logged for each tree. Editing tools to split, merge, add, and delete trees are also available for user edits and manual creation of the tree data when required:

Road and Rail

Development of feature extraction analytics aimed at road and rail applications continues to be a major focus of development efforts. This includes extraction of road line markings, curbing, signage, barriers, and other street furniture. A combination of automated analytics and user-driven smart tools are being developed.

Development of deep learning machine learning (artificial intelligence) systems for road feature extraction from LiDAR is being actively pursued, with the aim of combining the existing analytics approaches with specific machine learning steps to provide a more robust analytics result.

Pointerra3D Answers - Utility Explorer

The asset photo inspection mode for utilities continues to be enhanced the photo locations now being displayed on the map view, many additions to the search/query options and new inspection report templates. Specific support for infra-red images and reporting is currently underway:
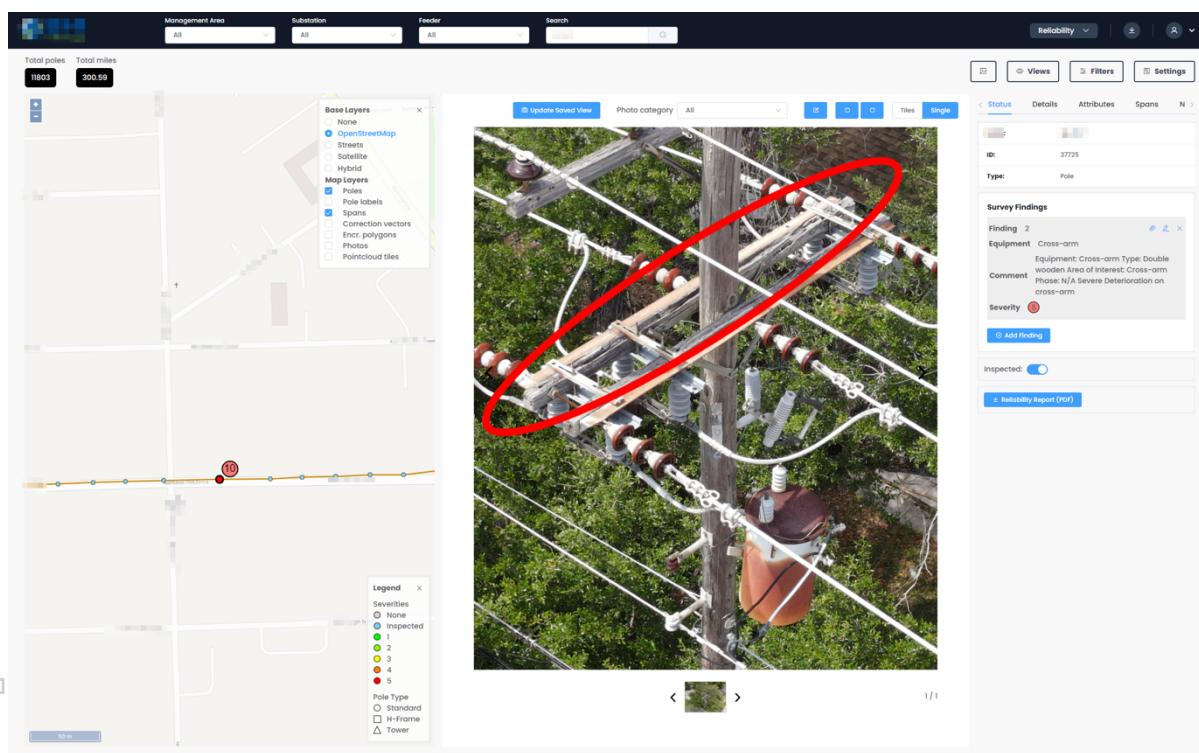
Research and Development

R&D efforts continue to focus on the following strategic areas:

1. Development of a platform to underpin the delivery of point cloud analytics to Pointerra3D Core customers;

2. Developing a catalogue of analytics algorithms for Pointerra3D Analytics customers, in particular extraction of objects of interest from large scale datasets (e.g. poles, trees, signs), automatic point cloud classification and imagery analysis;

3. Broadening the platform to support storage, visualisation and analysis of complementary 3D data types, including imagery, CAD and vector layers;

4. Reducing the cost of providing the service through changing the way that Pointerra's processed data is stored and streamed to client browsers and applications using the Amazon Web Services (AWS) cloud platform;

5. Enhancing the core web platform to support the development of addition apps that utilise the core Pointerra API and available data; and

6. Exploring methods to apply neural network machine learning (artificial intelligence) technology to 3D point cloud data.

Corporate & Compliance

Pointerra Team Growth

During the Quarter the Company continued to make investments in people across the development and sales team to provide additional scale in meeting demand for solution development and address sector sales opportunities in Australia and the US.

Headcount increased from 31 to 33 (31 FTE's) during the quarter, with 20 in Australia and 13 in the US. The Company expects to make additional appointments in coming quarters as the business continues to scale.

Cashflow & ACV

Consistent with previous quarters, the Company again highlights that quarter-on-quarter cash receipts may continue to be variable as new customers are on-boarded following contract award with a variety of different payment cycles including monthly, quarterly, annually, and even multi-year in advance agreements.

This ongoing variability in quarterly cash receipts is however expected to smooth out in time as ACV continues to grow and the size and diversity of Pointerra3D's portfolio of Core, Analytics and Answers customers continues to mature.

Growth in spend by existing customers during the quarter, coupled with the material contract awards announced to the ASX on 14 December 2021 have generated further uplift in Pointerra's US$ ACV run rate. The Company looks forward to updating the market with a revised US$ ACV run rate, with the next update being provided by 31 January 2022 at the latest.

Cash Receipts

During the quarter ended 31 December 2021 the Company received A$2.85 million in customer receipts, compared to the September 2021 quarter figure of A$0.98 million, which contributed to a net cash inflow from operating activities of A$0.80 million for the quarter.

Cash Outflows (Summary of Expenditure)

During the quarter, payments for Research and Development of A$0.355 million represented salary allocations of Pointerra team members who are 100% focused on R&D activities.

Payments for Product Manufacturing and Operating Costs represent the portion of Pointerra's AWS (Amazon Web Services) cloud platform expenditure allocated to supporting paying customers as well as data procurement costs made on behalf of customers.

Payments for Staff Costs represent salaries for administration, sales, and general management activities by Pointerra team members.

Payments for Administration and Corporate Costs represent general costs associated with running the Company, including ASX fees, legal fees, adviser fees and rent.

Cash outflows for the quarter were in line with management expectations and the cash balance as of 31 December 2021 amounted to A$4.99 million. Please refer to the attached Appendix 4C for further details on cash flows for the quarter.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were A$0.58 million comprising Directors fees, salaries, and superannuation.

This announcement has been authorised and approved for release by the Board of Pointerra Limited.

ENDS

Appendix 4C

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

Name of entity
Pointerra Limited

ABN	Quarter ended ("current quarter")
39 078 388 155	31 December 2021

Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,849	3,832
1.2	Payments for		
	(a) research and development	(355)	(622)
	(b) product manufacturing and operating costs	(453)	(586)
	(c) advertising and marketing	(94)	(137)
	(d) leased assets	-	-
	(e) staff costs	(757)	(1,912)
	(f) administration and corporate costs	(384)	(694)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(6)	(12)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**800**	**(131)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(51)	(104)
	(d) investments	-	-
	(e) intellectual property	(12)	(15)
	(f) other non-current assets	-	-

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+ See chapter 19 of the ASX Listing Rules for defined terms.

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
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**	**(63)**	**(119)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,263	5,179
4.2	Net cash from / (used in) operating activities (item 1.9 above)	800	(131)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(63)	(119)

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(13)	58
4.6	**Cash and cash equivalents at end of period**	**4,987**	**4,987**

	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.			
5.1	Bank balances	4,937	4,213
5.2	Call deposits	50	50
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)**	**4,987**	**4,263**

	Payments to related parties of the entity and their associates	**Current quarter $A'000**
6.		
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(58)
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 Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end $A'000	Amount drawn at quarter end $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.		

8.	**Estimated cash available for future operating activities**	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	800
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,987
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,987
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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: N/A

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: N/A

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: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: ....19 January 2022....................................

Authorised by: ....The Board..
                         (Name of body or officer authorising release – see note 4)

Notes

1.   This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2.   If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3.   Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4.   If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5.   If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.