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Pointerra in 10-year US energy utility CAPEX program

Highlights:

- Existing customer Entergy selects Pointerra's US EPC partners for its 10-year, US\$15 billion grid resilience CAPEX Program
- Pointerra's AI driven analytics platform will be used to identify and prioritise grid assets requiring remediation or replacement across the term of the Program
- Pointerra expects to generate material annual revenue across the term of the Program

Pointerra Limited (ASX: 3DP) ("Pointerra"; "Company") is pleased to outline the recent Program award by existing customer Entergy to Pointerra's US EPC (Engineer, Procure & Construct) partners.

Entergy Resilience Program – Background

Entergy is a Fortune 500 company that provides power to 3 million customers throughout Arkansas, Louisiana, Mississippi and Texas. The Louisiana based energy utility announced in late 2022 plans for a circa 10-year, US\$15 billion electric grid resilience CAPEX program (Program).

Whilst Entergy is an existing Pointerra customer, the Company partnered with leading US energy utility EPC contractors to bid for grid resilience work packages to be issued by Entergy and has recently been advised that the EPC contractors' bids have been successful.

Entergy Resilience Program – Pointerra’s Role

Pointerra’s role in Entergy’s Program leverages the successes delivered for cornerstone US customer FPL’s (Florida Power & Light) grid hardening program, where quantified outcomes (material time and cost savings) were identified through the use of the Pointerra3D platform.

FPL has been particularly active in advocating the use of Pointerra3D within the US energy utility sector, which is particularly collegiate in terms of identifying and adopting best practice across all aspects of energy utility operations.

For Entergy’s Program, Pointerra3D will be used to process and analyse 3D LiDAR and 2D imagery to build a digital twin of Entergy’s electricity network, which will then allow Entergy and its EPC contractors to use Pointerra3D’s world-first Quick Load electric grid assessment tools to rapidly assess and prioritise the works to be completed in the most cost-effective and efficient manner possible.

Over the term of the Program, Pointerra will be paid a price per pole/structure inspected and analysed using Pointerra3D. The Company expects that up to 4 million poles could be inspected and analysed using Pointerra3D during this time. Pointerra has previously been paid between US\$20 and \$40 per pole for similar processing, inspection and analysis work. The rate for this new Program has not been finalised however the Company expects it to lie within this range and revenue from this Program is expected to commence during FY24.

This latest Program builds on an existing relationship with Entergy that commenced in early 2022 when Pointerra was selected by Entergy to assist in its GIS upgrade program using Pointerra3D.

US Energy Utility Hardening & Resilience Programs – Background

US energy utilities are investing US\$ billions in the modernisation and expansion of electric transmission and distribution networks across the country, responding to the impact of climate change and the growing demand being placed on networks by electric vehicles and electric home heating/cooling demand, as well as from new sources of renewable generation from wind and solar.

Whilst the US federal government has made funding available to assist utilities in these programs, the sheer scale of investment required has already resulted in labour and material shortages that are challenging the ambitious programs. This has forced US energy utilities and their EPC contractors to adopt innovative approaches to assessing network condition in order to prioritise the deployment of scarce resources to the critical risk areas of each utility’s network.

Pointerra’s fast, massively scalable cloud platform is uniquely placed to support the US energy utilities in this regard, and with the strong advocacy of existing customers, the Company expects to secure additional work from both existing and new customers into the future.

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

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