

Appendix 4D

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

POINTERRA LIMITED
ABN 39 078 388 155

1. Company details

POINTERRA LIMITED

ABN or equivalent company reference

39 078 388 155

Financial period ended ('current period')

31 December 2023

Financial period ended ('previous period')

31 December 2022

2. Results for announcement to the market

2.1. Revenue	Down	36% to	2,447,192
2.2. Profit (loss) after tax	Up	45% to	(4,584,490)
2.3. Net profit (loss) for the period attributable to members	Up	45% to	(4,584,490)
2.4. Dividends	It is not proposed to pay dividends.		
2.5. Record date for determining entitlements to the final dividend.	N/A		
2.6. Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.	Please refer to the attached Interim Financial Report for the Half-Year ended 31 December 2023 for further information.		

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	(\$0.0046)	(\$0.0005)

4. Control gained over entities

Name of entity (or group of entities)	N/A
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Date control gained	N/A
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5. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

6. Details of associates and joint venture entities

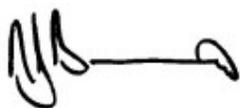
There are no associates or joint venture entities.

7. Statement of compliance in regards to audit

If the accounts are subject to audit dispute or qualification, details are described below.

N/A

Sign here:



Date: 29 February 2024

Non-Executive Director & Company Secretary

Print name:

Neville Bassett

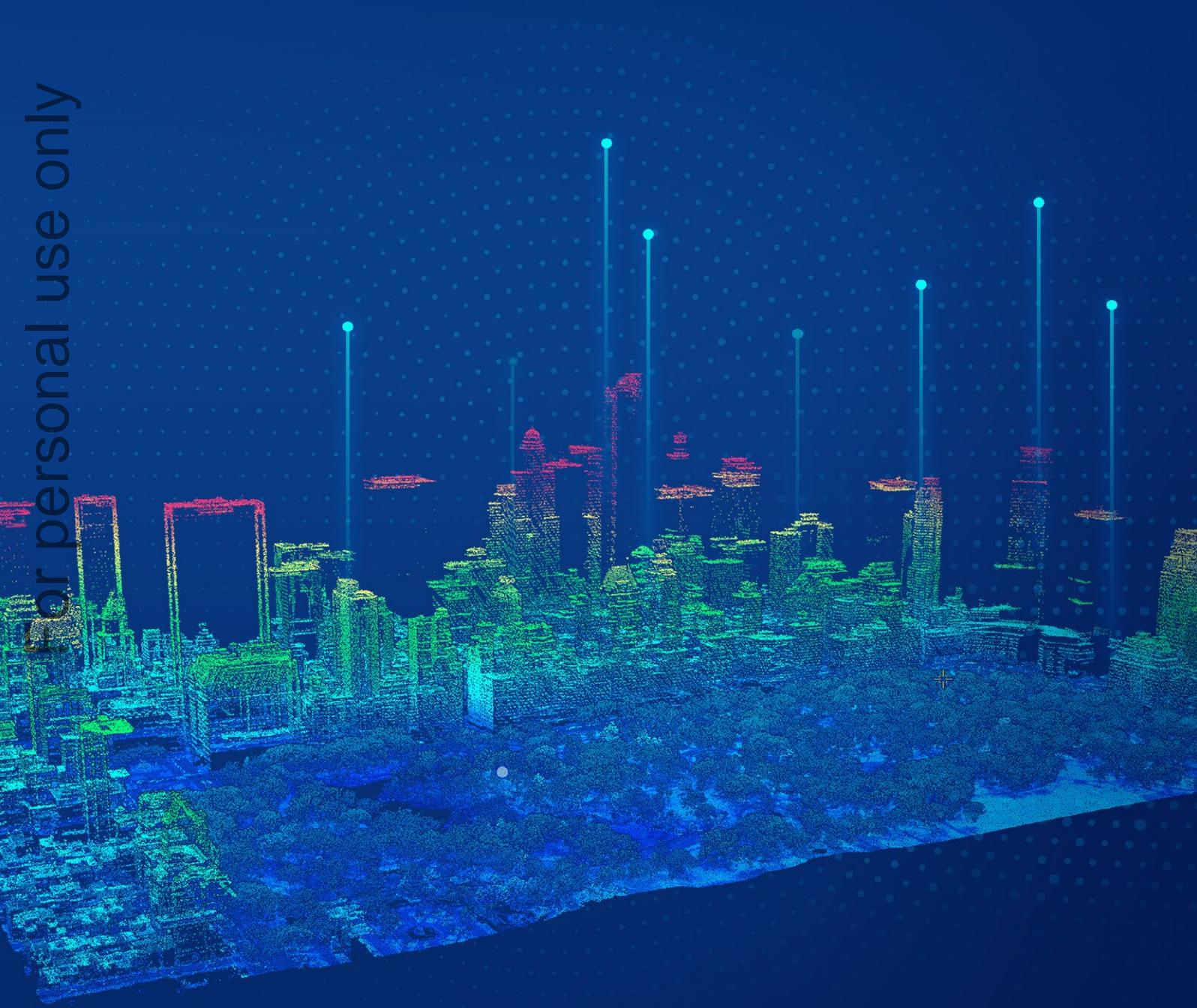


ABN 39 078 388 155

Interim Financial Report

For the Half-Year Ended 31 December 2023

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023, and any public announcements made by Pointerra Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.



Corporate Information

Pointerra Limited

ABN 39 078 388 155

Directors

Ian Olson, Managing Director
Neville Bassett, Non-Executive Director (Chairman)
Damon Fieldgate, Non-Executive Director

Company Secretary

Neville Bassett

Registered Office

Level 4, 216 St Georges Terrace
Perth, WA 6000

Telephone: +61 8 6268 2622
Facsimile: +61 8 6268 2699

Principal Office

Level 2, 27 Railway Road
Subiaco, WA 6008

Internet

Website: www.pointerra.com
Email: info@pointerra.com

Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco, WA 6008

Share Registry

Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands, WA 6009

Email: admin@advancedshare.com.au
Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

Solicitors

Steinpreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, WA 6000

Telephone: +61 8 9321 4000
Facsimile: +61 8 9262 3723

Stock Exchange Listing

Pointerra Limited shares are listed on the Australian Securities Exchange (ASX Code: **3DP**)

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About

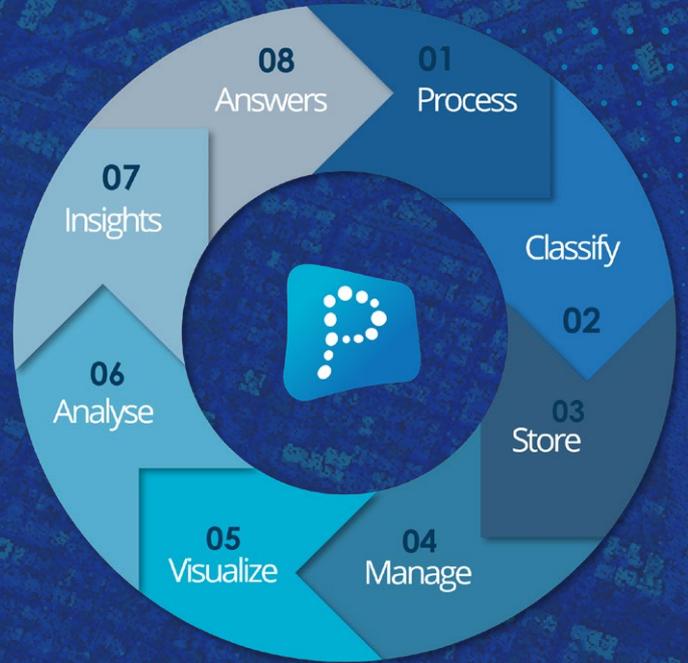
Pointerra

Pointerra is a leading global geospatial technology company that is changing the way people use 3D data to build digital twins and manage the physical world.

Pointerra3D is the world's fastest true end-to-end AI powered digital twin solution, leveraging proprietary technology and an innovative, unique cloud subscription business model.

We help our customers answer almost any physical asset management question and solve numerous traditional workflow problems when using 2D and 3D digital twin data to plan, design, construct, own, operate, insure, and regulate the physical world around us.

Pointerra3D's AI powered digital twin solution stores, processes, manages, analyses, extracts, visualises and shares the key insights from massive 2D and 3D datasets at a level of speed, smarts and scale that is unprecedented.



Pointerra3D ANSWERS delivers predictive digital insights and definitive answers to complex physical asset management questions via simple, easy to use business intelligence interfaces.

Pointerra3D ANALYTICS uses AI analytics to build digital twins, enabling intelligent, dynamic analysis of physical assets.

Pointerra3D CORE is a cloud platform providing solutions to the most common digital twin data workflow problems.





Directors' Report

Your Directors present their report on Pointerra Limited for the half-year ended 31 December 2023.

The names of the directors in office at any time during or since the end of the half-year are:

NAME OF PERSON	POSITION	DATE APPOINTED	DATE RESIGNED
Mr Ian Olson	Managing Director	30 June 2016	
Mr Neville Bassett	Non-Executive Chairman	30 June 2016	
Mr Damon Fieldgate	Non-Executive Director	13 November 2023	
Mr Paul Farrell	Non-Executive Director	9 November 2018	13 November 2023
Mr Neville Bassett	Company Secretary		

Results

The operating loss after income tax for the half-year amounted to \$4,584,490 (31 December 2022: \$3,171,186) after non-cash expenses of \$922,232 (31 December 2022: (\$298,501)).



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Review of Operations

Commentary on the results for the half-year ended 31 December 2023



H1 revenue and cash receipts negatively impacted by large US customer program delays, now resolving during H2 as programs deploy.



Decline in revenue (A\$1.37 million, down 36%) and cash receipts (A\$1.87 million, down 36%) from customers for the half-year compared to the previous period.



H1 loss A\$3.7 million before non-cash items compared to A\$3.45 million in previous period (A\$0.25 million, up 6%).



Executed new strategic reseller & partnership agreements to broaden both geographic and sector sales reach.



Expansion in sales pipeline as existing customers re-commit and grow spend, and leadership level engagement with Tier-1 customers and qualified prospects.



Continued investment in customer-driven R&D across key sectors providing momentum for continued growth in platform spend by customers.



Well placed for growth in existing customer spend and new enterprise contract awards in H2, which will in turn expand the Company's Annual Recurring Revenue (ARR).

Revenue and Cash Receipts

During the half-year the Company recorded revenue of A\$2.5 million and customer receipts of A\$3.4 million, which is a reduction of A\$1.4 million and A\$1.8 million respectively over the prior corresponding period.

The recorded revenue and customer receipts were well below Company expectations due to previously communicated program delays with key US energy utility customers, which impacted the Company's invoicing and cash collections, all of which are expected to resolve during H2 FY24.

During the half-year, spend by existing customers grew across Pointerra's target market sectors, with award of multiple new contracts with existing and new customers.

Pointerra's ongoing role in supporting the US Energy Utility Sector with resilience, vegetation management and storm response programs continues to evolve as program timing becomes more certain, with existing customers, prospects and their EPC contractors acknowledging the need to adopt Pointerra's innovative digital twin platform to deliver on their core operational and CAPEX programs.

The Company continues to execute against its strategy in both Mining and Oil & Gas Sectors focusing on the use of Pointerra3D to support CAPEX, operations and maintenance with an Australian miner adopting Pointerra3D as its primary digital twin data processing and analytics platform.

Newly executed strategic reseller and partnership agreements demonstrate the strength of Company's mining sector customer relationships and will broaden both geographic and sector sales reach in implementing the Pointerra3D Digital Twin Platform.

Operating Costs, Platform R&D Development

Investment in customer-driven R&D across key sectors during the half-year provides momentum for continued growth in platform spend by customers. The Company optimised the development, product and sales teams to support the ongoing needs of Pointerra customers, with the current cost base not expected to grow at the same rate as growth in ARR.

Investment in the sales team, particularly the new Chief Growth Officer roles, generating early results and a positive outlook, with new strategic reseller & partnership agreements broadening both geographic and sector sales reach for the Company.

The focus of business in the coming months is to shrink the current sales cycle, whilst also accelerating growth in existing enterprise customer spend, and generate high gross margins with the team capable of delivering materially higher levels of revenue. In H2 FY24, further senior-level sales & BD hires are anticipated in both the Australian and US markets.

In addition to focusing on the analytics, visualisation and other platform capability enhancements in Pointerra3D's digital twin solution stack of Core, Analytics and Answers, the product, R&D and engineering teams made significant inroads in both operating cost management and platform optimisation of the Company's use of AWS, providing further stability in the cost base as the business scales.



Outlook

Delays in customer programs, invoicing and receivables collections deferred potential customer receipts into Q3 and Q4 and prevented a cashflow positive half-year period. The large US customer program delays that were experienced during calendar 2023 are now resolving with improvement expected during H2 FY24.

Much like in previous financial years, H2 is expected to outperform H1 primarily driven by deployment of aforementioned customer programs, growth in existing customer spend, new enterprise contract awards and sales execution arising from new strategic reseller & partnership agreements.

H2 FY24 offers the opportunity to showcase this capability with a view to the delivery of a positive H2 earnings result for the Company.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2023.

This Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.



Ian Olson
Managing Director
29 February 2024



Auditor's Independence Declaration



To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Pointerra Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,


HALL CHADWICK WA AUDIT PTY LTD


D M BELL CA
Director

Dated this 29th day of February 2024
Perth, Western Australia



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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2023

	Note	31 December 2023	31 December 2022
		\$	\$
Revenue from continuing operations	4	2,447,192	3,819,277
Other income	4	1,375	248,411
Cost of platform services		(408,669)	(357,807)
Cost of non-recurring project services		(664,082)	(1,579,683)
Employee benefits expense		(3,008,135)	(2,644,226)
Administrative expenses		(357,183)	(7,341)
Advertising and marketing expenses		(99,683)	(102,644)
Compliance and regulatory expenses		(228,257)	(276,320)
Research and development expenses		(1,069,108)	(1,332,749)
Other expenses	5	(275,708)	(1,236,605)
Depreciation and amortisation expenses		(79,969)	(86,998)
Share-based payment expenses	10	(842,263)	385,499
Loss before income tax		(4,584,490)	(3,171,186)
Income tax expense		-	-
Loss after income tax for the year		(4,584,490)	(3,171,186)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		56,684	4,658
Total comprehensive loss for the period attributable to members of the Company		(4,527,806)	(3,166,528)
Basic and diluted loss per share (cents per share)		(0.65)	(0.47)

The accompanying notes form part of these condensed financial accounts



Condensed Consolidated Statement of Financial Position

as at 31 December 2023

	Note	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,538,182	1,491,823
Trade and other receivables	7	605,669	2,722,715
Other		91,554	68,985
Total current assets		2,235,405	4,283,523
Non-current assets			
Plant and equipment		71,478	101,421
Intangible assets		66,978	59,854
Right of use assets		213,245	237,221
Total non-current assets		351,701	398,496
Total assets		2,587,106	4,682,019
LIABILITIES			
Current liabilities			
Trade and other payables		2,518,733	2,615,012
Lease Liabilities		81,092	81,092
Contract liabilities	8	2,270,503	2,712,339
Other liabilities		40,507	-
Provisions		693,511	639,089
Total current liabilities		5,604,346	6,047,532
Non-current liabilities			
Lease Liabilities		190,155	215,789
Total non-current liabilities		190,155	215,789
Total liabilities		5,794,501	6,263,321
Net (liabilities) / assets		(3,207,395)	(1,581,302)
EQUITY			
Issued capital	9	16,015,523	13,856,745
Reserves	10	4,208,335	3,408,716
Accumulated losses		(23,431,253)	(18,846,763)
Total equity		(3,207,395)	(1,581,302)

The accompanying notes form part of these condensed financial accounts



Condensed Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2023

	Issued Capital \$	Share-based payments reserves \$	Foreign exchange reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	13,836,745	3,793,208	37,508	(14,378,425)	3,289,036
Loss for the half-year	-	-	-	(3,171,186)	(3,171,186)
Other comprehensive income	-	-	4,658	-	4,658
Total comprehensive loss for the period	-	-	4,658	(3,171,186)	(3,166,528)
<i>Transactions with owners directly in equity</i>					
Issuance of shares in lieu of services	20,830	-	-	-	20,830
Share-based payments	-	(385,499)	-	-	(385,499)
Balance at 31 December 2022	13,857,575	3,407,709	42,166	(17,549,611)	(242,161)

	Issued Capital \$	Share-based payments reserves \$	Foreign exchange reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2023	13,856,745	3,407,709	1,007	(18,846,763)	(1,581,302)
Loss for the half-year	-	-	-	(4,584,490)	(4,584,490)
Other comprehensive income	-	-	56,684	-	56,684
Total comprehensive loss for the period	-	-	56,684	(4,584,490)	(4,527,806)
<i>Transactions with owners directly in equity</i>					
Shares issued net of issue costs	2,027,850	-	-	-	2,027,850
Issuance of shares in lieu of services	31,600	-	-	-	31,600
Share-based payments	99,328	742,935	-	-	842,263
Balance at 31 December 2023	16,015,523	4,150,644	57,691	(23,431,253)	(3,207,395)

The accompanying notes form part of these condensed financial accounts



Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Proceeds from customers		3,378,239	5,248,090
Payments to suppliers and employees		(6,181,053)	(6,313,355)
Interest received		1,231	-
Government tax incentives received		886,241	130,789
Net cash used in operating activities		(1,915,342)	(934,476)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(12,864)	(5,486)
Payments to acquire intangible assets		(26,984)	(5,658)
Net cash used in investing activities		(39,848)	(11,144)
Cash flows from financing activities			
Net proceeds from shares issued		2,009,407	-
Payments for leases		(27,354)	(32,025)
Net cash provided by/(used in) financing activities		1,982,053	(32,025)
Net increase (decrease) in cash held		26,863	(977,645)
Effect of movement in exchange rates on cash held		19,496	129,559
Cash and cash equivalents at beginning of the period		1,491,823	3,596,423
Cash and cash equivalents at end of the period	6	1,538,182	2,748,337

The accompanying notes form part of these condensed financial accounts



Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparation the interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2023.

Going concern

The half year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 31 December 2023, the Company had cash and cash equivalents of \$1,538,182 (30 June 2023: \$1,491,823) and had a working capital deficit of \$3,368,941 (30 June 2023: \$1,764,009). The Company incurred a loss after tax of \$4,584,490 for the half year (31 December 2022: \$3,171,186) after non-cash expenses of \$922,232 and net cash outflows from operating activities of \$1,915,342 (31 December 2022: \$934,476). Included in the working capital deficit was deferred revenue of \$2,270,503 (30 June 2023: \$2,712,339) which will result in minimal cash outflows when realised in future reporting periods, and employee provisions of \$693,511 (30 June 2023: \$639,089).

7 February 2024, the Company completed a Placement with existing shareholder for 13,000,000 new fully paid ordinary shares at \$0.08 per share, raising \$1.04 million.

The Directors have prepared a cash flow forecast which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the twelve-month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- the Directors have a strategy to grow revenue and generate positive cash flows from operations; and/or
- the Company can curtail discretionary expenditure as and when required in order to manage cash outflows.

Based on the cashflow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. Should this not occur, or not occur on a sufficiently timely basis, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount

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Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. During the reporting period, line items of previous corresponding period in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income have been reclassified to be more aligned with nature of expense and enhance comparability of information including: reallocation from administrative expenses of \$2,955,616 to employee benefits expense and \$1,227,452 to cost of non-recurring project services; \$563,597 from research and development expense to employee benefits expense; \$252,207 from other expenses to employee benefits expense; \$357,807 from research and development expense to cost of platform services and \$86,998 from other expenses to depreciation and amortisation expenses.

NOTE 2. MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years, apart from:

- On 7 February 2024, the Company completed a Placement with existing shareholder for 13,000,000 new fully paid ordinary shares at \$0.08 per share, raising \$1.04 million.

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Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

NOTE 3. OPERATING SEGMENTS

Operating segment information:

For the half-year ended 31 December 2023

	Australia	United States	Adjustments/ Eliminations	Total
	\$	\$	\$	\$
Segment revenue and other income	2,253,694	1,618,409	(1,423,536)	2,448,567
Segment expenditure	(3,063,384)	(2,662,272)	(1,307,401)	(7,033,057)
Segment result	(809,690)	(1,043,863)	(2,730,937)	(4,584,490)

Material expenditure items

Employee benefits expense	(1,349,136)	(1,658,999)	-	(3,008,135)
Cost of services	(442,437)	(630,314)	-	(1,072,751)
Research and development expenses	(1,069,108)	-	-	(1,069,108)
Share based payments expense	(842,263)	-	-	(842,263)

Assets and liabilities by geographical segment as at 31 December 2023

Segment assets	6,659,859	505,248	(4,578,001)	2,587,106
Segment liabilities	4,209,936	5,111,915	(3,527,350)	5,794,501

For the half-year ended 31 December 2022

	Australia	United States	Adjustments/ Eliminations	Total
	\$	\$	\$	\$
Segment revenue and other income	1,095,706	2,971,982	-	4,067,688
Segment expenditure	(2,894,441)	(4,344,433)	-	(7,238,874)
Segment result	(1,798,735)	(1,372,451)	-	(3,171,186)

Material expenditure items

Employee benefits expense	(805,294)	(1,838,932)	-	(2,644,226)
Cost of services	(303,985)	(1,633,505)	-	(1,937,490)
Research and development expenses	(1,332,749)	-	-	(1,332,749)
Share based payments expense	(385,499)	-	-	(385,499)

Assets and liabilities by geographical segment as 30 June 2023

Segment assets	5,424,774	1,995,233	(2,737,988)	4,682,019
Segment liabilities	3,643,321	4,307,337	(1,687,337)	6,263,321

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on geographical regions where products and services provided. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Australia	Cloud-based 3D digital twin
United States	Cloud-based 3D digital twin

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

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Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

Intersegment loans are initially recognised at the consideration received. Intersegment loans are eliminated on consolidation.

Major customers

During the half-year ended 31 December 2023, approximately \$1.13 million of the consolidated entity's external revenue was derived from sales to one United States customer. No other single customers contributed 10% or more of the Company's revenue for the year.

NOTE 4. REVENUE AND OTHER INCOME

	31 December 2023	31 December 2022
	\$	\$
Revenue from contracts with customers		
Subscription and project revenue	2,447,192	3,819,277
	2,447,192	3,819,277
Other income		
Other	-	248,411
Interest income	1,375	-
	1,375	248,411
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Geographical regions		
Australia	828,783	1,095,706
United States	1,618,409	2,723,571
	2,447,192	3,819,277

NOTE 5. OTHER EXPENSES

	31 December 2023	31 December 2022
	\$	\$
Legal fees	(38,202)	-
Bad debts	15,774	(502,204)
Travel expenses	(185,509)	(401,976)
General operating expense	(67,771)	(332,425)
	(275,708)	(1,236,605)

NOTE 6. CASH AND CASH EQUIVALENTS

	31 December 2023	30 June 2023
	\$	\$
Cash at bank	1,487,656	1,441,297
Deposits on call	50,526	50,526
	1,538,182	1,491,823

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Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

NOTE 7. TRADE AND OTHER RECEIVABLES

	31 December 2023	30 June 2023
	\$	\$
Trade receivables	605,669	1,832,715
Research and development tax incentive receivable	-	890,000
	605,669	2,722,715

NOTE 8. CONTRACT LIABILITIES

Contract liabilities – deferred revenue	2,270,503	2,712,339
	2,270,503	2,712,339

Unsatisfied performance obligations

The aggregate amount represents performance obligations that are unsatisfied at the end of the reporting period and is expected to be recognised as revenue in future periods.

NOTE 9. ISSUED CAPITAL

713,855,586 (30 June 2023: 677,806,204) fully paid ordinary shares of which 56,500,000 (30 June 2023: 42,000,000) are loan shares	16,015,523	13,856,745
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	\$	No.
Movements in ordinary share capital		
Balance at 30 June 2022	13,836,745	677,806,204
Proceeds from loan shares	20,000	-
Balance at 30 June 2023	13,856,745	677,806,204
Share issue – Lieu of services	31,600	430,000
Share issue – Placement	2,000,000	16,666,667
Share issue – Share Purchase Plan	195,000	1,624,989
Share issue – US employment agreement and settlement (Note 10)	99,328	2,827,726
Share issue – Employee loan shares	-	14,500,000
Share issue costs	(167,150)	-
Balance at 31 December 2023	16,015,523	713,855,586

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There is no current on-market share buy-back.

NOTE 10. RESERVES

	31 December 2023	30 June 2023
	\$	\$
Share-based payments reserve		
Balance at beginning of period	3,407,709	3,793,208
Employee loan shares vesting over multiple periods	537,365	-
Performance rights forfeited during the period	-	(402,940)
Performance rights/options vesting over multiple periods	205,570	17,441
Balance at end of period	4,150,644	3,407,709

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Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

Foreign exchange reserves

Balance at beginning of period	1,007	37,508
Foreign currency translation difference	56,684	(36,501)
Balance at end of period	57,691	1,007

Performance Rights

Class	Opening balance	Forfeited	Exercised	Closing balance
Tranche 1				
Performance Rights	2,000,000	-	(2,000,000)	-
Tranche 2				
Performance Rights	-	-	-	-
Tranche 3				
Performance Rights	-	-	-	-
Total	2,000,000	-	(2,000,000)	-

Share in lieu of vested Tranche 1 Performance Rights were issued during the half-year to Airovant founder employees, pursuant to the Company's employee incentive share plan, together with additional settlement shares. Refer to Note 9.

Employee loan shares

Class	Opening balance	Additions	Exercised	Forfeited	Closing balance
Loan shares	42,000,000	14,500,000	-	-	56,500,000
	42,000,000	14,500,000	-	-	56,500,000

Employee loan shares

During the half-year, remuneration in the form of 11,000,000 loan shares with no vesting conditions were issued to employees and 3,500,000 loan shares with vesting conditions were issued to employees.

Participant	Number issued	Grant date	Share price			Expected volatility	Expiry date	Risk free	Valuation
			at issue date	Exercise price	Vesting conditions			interest rate	
Employees	11,000,000	24/08/2023	\$0.098	\$0.090	-	100.63%	24/08/2028	3.85%	\$532,400

Participant	Number issued	Grant date	Share price			Expected volatility	Expiry date	Risk free	Valuation
			at issue date	Exercise price	Vesting conditions			interest rate	
Employee	3,500,000	24/08/2023	\$0.098	\$0.010	Refer below	100.63%	24/08/2028	3.85%	\$234,900

An amount of \$537,365 has been recognised within share-based payments expense in Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current half-year, in respect of these awards.

Loan shares terms and conditions

The key terms of the Employee Share Plan and of each limited recourse share loan provided under the Plan are as follows:

- The loan is interest free;
- The loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the shares;
- The loan repayment date is 5 years from the date of issue;

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Notes to the Condensed Financial Statements

for the half-year ended 31 December 2023

- A participant must repay the loan in full by the loan repayment date but may elect to repay the loan amount in respect of any or all of the shares at any time prior to the loan repayment date;
- The Company shall have a lien over the shares in respect of which a loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the ISP;
- A loan will be non-recourse except against the shares held by the Participant to which the loan relates;
- The Board may, in its absolute discretion, agree to forgive a loan made to a participant; and
- The total loan equal to exercise price per Share which shall be deemed to have been drawn down at settlement upon issue of the loan shares.

Sale of loan shares

Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the shares has been repaid or otherwise discharged under the ISP.

Vesting conditions 3.5 million loan shares

The loan shares represent an option arrangement subject to the following vesting conditions.

- 1.5 million loan shares on 19 December 2024 at completion of 12 months of continuous employment;
- 1 million loan shares on 19 December 2025 at completion of 24 months of continuous employment; and
- 1 million loan shares on 19 December 2026 at completion of 36 months of continuous employment

Employee options

During the half-year, remuneration in the form of 4,500,000 options with vesting conditions were issued to employees.

Participant	Number issued	Grant date	Share price		Vesting conditions	Expected volatility	Risk free interest rate	Valuation	
			at issue date	Exercise price					
Employee	4,500,000	24/08/2023	\$0.010	\$0.150	Refer below	90%	1/04/2028	3.05%	\$290,077

An amount of \$205,570 has been recognised within share-based payments expense in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current half-year, in respect of these awards.

Vesting conditions 4.5 million options

The loan shares represent an option arrangement subject to the following vesting conditions.

- 1.5 million loan shares on 1 April 2023 at commencement of employment;
- 1.5 million loan shares at completion of 12 months of continuous employment; and
- 1.5 million loan shares at completion of 24 months of continuous employment

NOTE 11. CONTINGENT LIABILITIES AND ASSETS

As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate the Company's financial position or results from operations.

NOTE 12. FINANCIAL INSTRUMENTS

Assets and liabilities held for sale are measured at fair value on a non-recurring basis. There were no transfers between levels during the financial half-year. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

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Directors' Declaration

In the directors' opinion:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ian Olson
Managing Director
29 February 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF POINTERRA LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Pointerra Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pointerra Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Consolidated Entity incurred a net loss of \$4,584,490 during the half year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


HALL CHADWICK WA AUDIT PTY LTD


D M BELL CA
Director

Dated this 29th day of February 2024
 Perth, Western Australia

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