

March Quarter FY23 App. 4C Commentary

28 April 2023

Pointerra3D – A High-Growth SaaS Company



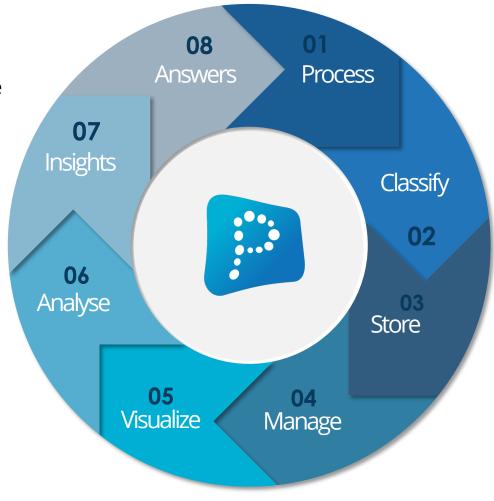
Pointerra3D – the world's fastest true end-to-end digital twin solution, leveraging proprietary patented algorithms and technology via an innovative and unique cloud subscription business model.



Pointerra3D helps customers answer almost any physical asset management question, solving numerous traditional 3D digital twin data workflow problems when seeking to plan, design, construct, own, operate, insure and regulate the physical world around us.



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







A Unique Digital Twin SaaS Business Model





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 Al 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.



Pointerra's Self-Funding Growth Strategy

Continue to work with customers, prospects and partners to identify problematic and clumsy desktop digital twin workflows that can be migrated to the cloud, building out Pointerra3D Analytics and Answers

Leverage the Company's proven success in the power utility sector to provide a pathway for growth across other key target market sectors.

Identify and on-board quality people in

development, product and business development across Pointerra's six key target market sectors.

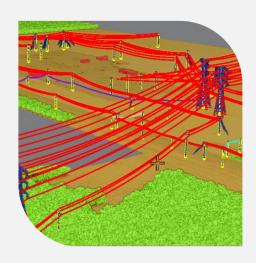


Retain a disciplined focus on scaling sticky, recurring SaaS ACV, revenue and cashflow

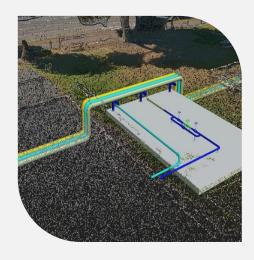
so that the resulting operational leverage can drive sustainable profitability.



Why **Pointerra?** What our customers tell us...



"Pointerra3D's speed, smarts, scale and on demand accessibility delivers efficiencies, cost savings, address ESG challenges and provide risk mitigation outcomes that have never been seen in this sector."



"The transformation of 3D data to a Digital Twin using Pointerra3D means that customers can now easily access definitive asset management insights on demand, dynamically and faster than ever before."



"Pointerra3D enables large organisations to become proactive rather than reactive in their management of complex and geographically diverse infrastructure assets, reducing OPEX, optimising CAPEX and lowering risk."





Pointerra Q3 Highlights – Back on Track



- ✓ Rebound in cash receipts following Q2 customer delays
- ✓ Most utility customer programs back on track in Q3 and into Q4
- ✓ Senior leadership appointments underpin future enterprise customer growth



2nd largest quarterly receipts after Q1 FY23 (A\$3.4 million)



Cashflow Positive A\$0.5 million

Expected to continue into Q4 FY23 and beyond



Senior Leadership Appointments

Chief Growth Officer roles to drive large enterprise sales





ACV Update & Outlook – Growth Trajectory Resumes

ACV Renewals, Growth & Outlook

During the March quarter, and since the Company last reported ACV (Annual Contract Value) on 31 October 2022, Pointerra continued to add new customers and generate growth in spend by existing customers across the Company's target market sectors in the US and Australian markets. This growth has generated further uplift in Pointerra's US\$ ACV run-rate.

The Company continues to work through contract renewals with existing US energy utility customers, a process that is expected to further add to growth in ACV via expansion of existing contracts and the addition of new subscriptions.

ACV currently stands at between US\$19.7 million and US\$22.1 million, pending outcome of remaining utility customer contract renewals, and is expected to continue growing during Q4 and into FY24 as ACV growth trajectory resumes.

Cashflow & ACV Variability

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 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.



Q3 FY23 Market Sectors & Industries Update



Utilities. Material contract awarded by Pointerra's largest customer (FPL) in this important sector during Q3 (refer ASX announcement on 31 January 2023) plus partial resolution of delays to existing customer programs resolved during the quarter, delivered growth in invoicing, cashflow and ACV.

Ongoing resolution of program delays with existing US utility customers expected to further add to invoicing and cashflow in Q4 and into FY24 throughout calendar 2023.

Defense & Intelligence. Major US defense sector contract (Pointerra partnering with giant US defense sector contractor) award delayed again with announcement now not expected until late May. Strategic hire (Joe Gerczak) in North America (as previously reported) expected to drive customer acquisition in the Defense and Intelligence sectors.



Q3 FY23 Market Sectors & Industries Update



- **Survey & Mapping.** Customers in this important foundation sector are growing usage from Pointerra3D Core into Analytics as these businesses seek to scale operations without adding to headcount. Growing recognition that Pointerra3D's cloud deployed workflows allow them to deliver data faster and with fewer employees than any other solution, delivering competitive advantage over more established mapping companies that are slower to innovate.
- AECO (Architecture, Engineering, Construction & Operations). Execution of the Amazon warehouse program (material contract awarded in current quarter) continued throughout the quarter and the Company continues to refine the solution and implement process efficiencies as the program scales throughout calendar 2023. Release of new AEC focused analytics combined with the roll out of Pointfuse integration beta testing also helped accelerate sales opportunities within this sector.



Q3 FY23 Market Sectors & Industries Update



- Mining, Oil & Gas. Integration and partnership with Emesent's Hovermap driving growth for both companies in the sector, with Pointerra3D's automated data processing and feature extraction analytics allowing miners to operationalise and grow the use of Hovermap hardware. Innovative mining customers continue to drive development of Pointerra3D Analytics stack to support mining operations. Oil & Gas customers and prospects accelerate use of Pointerra3D Digital Twins to support remote operations for offshore production assets that have restricted physical access.
- **Transport.** Strong customer growth in foundation Australian markets (NSW, Vic & WA) is delivering solution enhancement to support new customers in US, UK and Europe. Australian customers driving sector-specific feature extraction analytics, including integration of 2D image feature extraction tools with the Pointerra3D mobile LiDAR digital twin solution.



Q3 R&D Update - Cost & Performance Optimisation



- Platform Security, Cost & Performance. As the business scales, larger enterprise customers require enhanced security, and AWS costs grow. Engineering enhancements have been made to deliver cost and performance outcomes as well as meeting AWS partner certification requirements.
- **Solution Development.** Q3 focused on the implementation of Pointerra's next generation point cloud storage format, leveraging 6 years of production experience and providing a foundation for new features and analytics capability.
 - Pointerra3D Core linked applications framework, geospatial coordinate system engine, enhanced imagery support, desktop solution API's, and utility sector enhancements also delivered in Q3.
- **R&D focus.** Continued development of neural network machine learning technology (Pointerra3D AI) to leverage the Company's existing analytics stack.



Q3 Executive Appointments – Underpins Growth

- During Q3 the Company identified 2 experienced executives to fill the roles of **Chief Growth Officer (US Operations)** and **Chief Growth Officer (Australian Operations)**, and has also appointed a **CFO** to strengthen financial reporting and management at the Company.
- Joe Gerczak commenced with the Company as Chief Growth Officer (US Operations) in early April 2023 and arrives at Pointerra following the sale of his previous venture, Smartronix to a US private equity investor. Joe will provide leadership, direction and execution at Pointerra, with a focus on expanding the existing US client base to also include US defense and intelligence sector opportunities. Joe's experience in the delivery of enterprise cloud solutions to a complex and demanding marketplace is expected to drive ACV growth in this important sector.
- Anthony Roe will commence with the Company as Chief Growth Officer (Australasia and EMEA) in July 2023 and arrives at Pointerra with a proven track record of global enterprise sales execution. Anthony will bring senior leadership perspective, contacts and proven sales execution capability to drive ACV growth for Pointerra's enterprise solutions, helping the Company's global clients and prospects transform their use of Digital Twin data and the value that can be delivered by the Pointerra3D cloud platform.
- Milan Bogunovic will commence with the Company as CFO on 1 May 2023. As a Chartered Accountant with a strong audit background, Milan will help the management team scale the growth of internal controls and reporting across Pointerra's international operations in addition to his core role with responsibility for all financial reporting and audit functions for the Company.



Q3 Quarterly Cashflow Commentary

- **Cash Receipts.** During the guarter ended 31 March 2023 the Company received A\$3.26 million in customer receipts, compared to the 31 December 2022 quarter figure of A\$1.96 million, which contributed to a net cash inflow from operating activities of A\$0.53 million for the quarter. Short-term program delays by some US customers experienced during Q2 were partially resolved during Q3 and further improvement is expected in Q4 and into FY24. The core business operation continues to self-fund organic growth across the business in Australia and the US.
- **Cash Outflows (Summary of Expenditure)**. During the quarter, payments for *Research and Development* 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 cloud platform expenditure allocated to supporting paying customers as well as 3rd party data procurement costs made on behalf of customers. Ongoing AWS costs as a percentage of revenue are expected to trend down in coming quarters as further cost optimisation strategies are adopted in conjunction with AWS engineers.

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 conference travel and attendance costs, ASX fees, legal fees, adviser fees and premises rent.

Cash Outflows for the quarter were in line with management expectations and the cash balance as of 31 March 2023 amounted to A\$3.27 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\$0.14 million comprising Directors fees, salaries, and superannuation.

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



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 March 2023

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,256	8,629
1.2	Payments for		
	(a) research and development	(840)	(1,699)
	(b) product manufacturing and operating costs	(260)	(1,413)
	(c) advertising and marketing	(35)	(148)
	(d) leased assets	-	-
	(e) staff costs	(1,033)	(3,616)
	(f) administration and corporate costs	(563)	(2,403)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	2	(16)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	4	457
1.8	Other (provide details if material)	-	(24)
1.9	Net cash from / (used in) operating activities	531	(233)

2.	Cas	sh flows from investing activities		
2.1	Pay	ments to acquire or for:		
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(11)	(53)
	(d)	investments	-	-
	(e)	intellectual property	(4)	(16)
	(f)	other non-current assets	-	-

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Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(15)	(69)

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	2,748	3,596
4.2	Net cash from / (used in) operating activities (item 1.9 above)	531	(233)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(69)

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Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	8	(22)
4.6	Cash and cash equivalents at end of period	3,272	3,272

5.	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
5.1	Bank balances	3,222	2,698
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)	3,272	2,748

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	(138)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include nation for, such payments.	e a description of, and an

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 qu	arter 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)	531
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,272
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,272
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 it figure for the estimated quarters of funding available must be included in item 8.5.	em 8.5 as "N/A". Otherwise, a

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/Q

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

8.6

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

- 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:	28 April 2023
Authorised by:	By the Board
•	(Name of body or officer authorising release – see note 4)

Notes

- 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 eg 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.