29 October 2021

September 2021 Quarter Activities and Cash Flow Report

Highlights:

- **Cash receipts from customers A$0.98 million plus additional A$0.83 million in receivables from Q1 activities**
- **Survey & Mapping Sector – new customers added, existing customers grow ACV spend**
- **AEC Sector – new customers added, existing customers grow ACV spend**
- **Energy Utilities 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**
- **Strategic partnerships and collaborations (eg AMAG, FiberSense and HyperOne) expanding and accelerating sector opportunities**

Pointerra Limited (ASX:3DP) (Pointerra; the Company) is pleased to provide an overview of the September 2021 quarter (Q1 FY22) activities and the associated cash flows and cash position in the Appendix 4C (attached).

Simply *faster.*

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Product & Sales

Customer Growth

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.

Commencing with this quarterly Report the Company will detail customer growth in each of these sectors, which is being achieved through a mix of talent acquisition (adding people in development, product and sales roles), partnerships and collaborations (to add important sector domain knowledge) and targeted M&A acquisitions like the recent Airovant transaction.

During the quarter the Company also refined and clarified its branding and go to market strategy, identifying 6 key sectors and industries as follows:
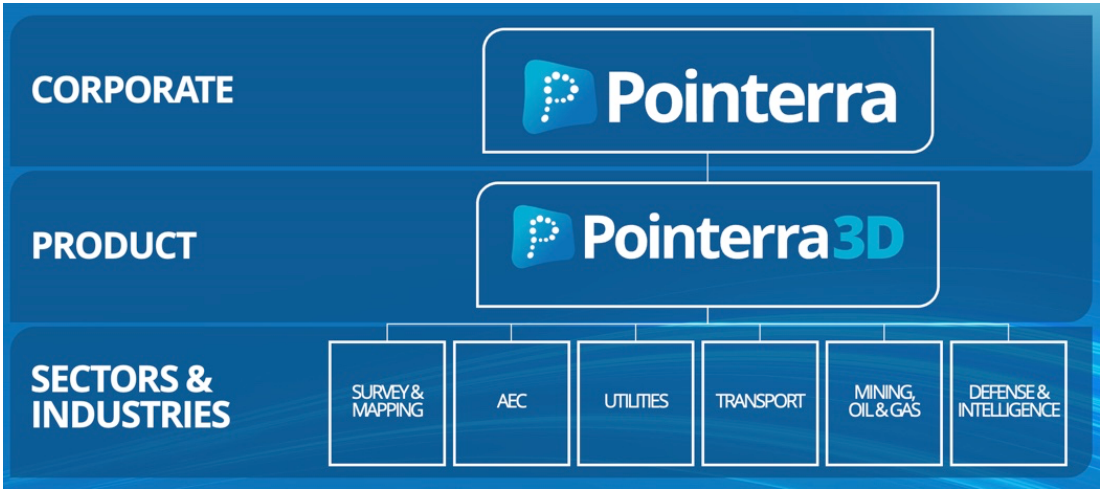
In addition to the identification of these key sectors and industries, the Company simplified solution nomenclature and branding to reinforce the different value propositions, product features and pricing architecture of Pointerra's cloud solution as follows:
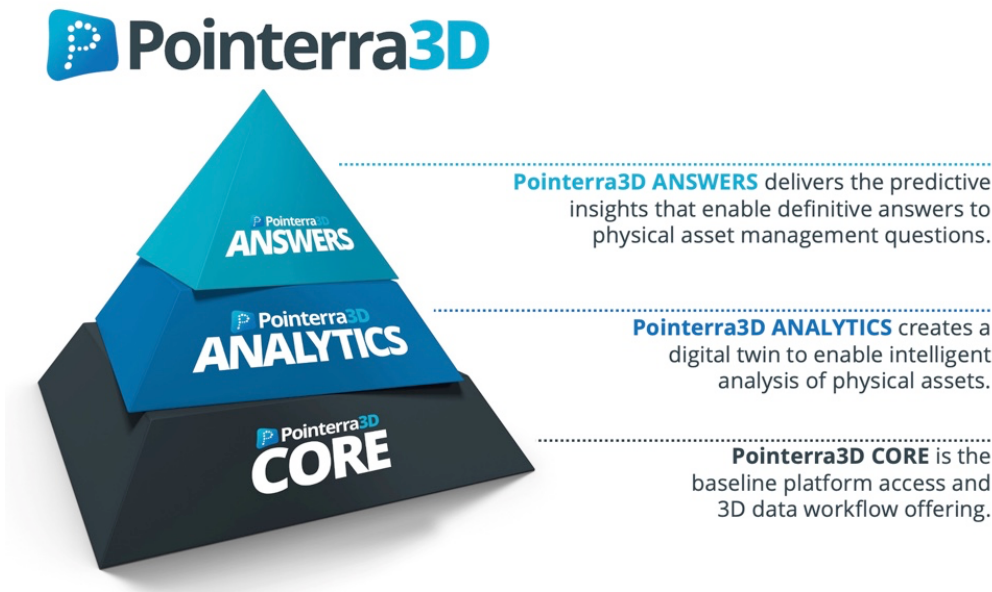
This evolution in branding and solution architecture is being used to simplify the sales and customer onboarding process and has already generated success in converting prospects to customers.

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 Pointerra's cloud platform.

In the US an "inside sales" initiative commenced during the quarter and is expected to drive adoption by this sector, which is characterised by a very large number of lower dollar ACV prospects.

Whilst the customer accounts in this sector are often smaller in ACV value, the survey & mapping sector is important because it drives awareness and adoption of Pointerra's cloud platform across downstream sectors that engage customers in this sector to generate 3D and deliver data.

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 are combining with shortages of people and materials to force the AEC sector to innovate at a pace that is unprecedented in Pointerra's short history.

Pointerra's global AEC customers like Jacobs are adding users, offices and also expanding their adoption of Pointerra 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 and Eversource Energy, as well as working with existing utility customers both directly and via their mapping partners across the US.

As announced during the quarter, the Company was also awarded multiple projects with US energy giant NextEra and its largest operating entity Florida Power & Light (FPL). These projects have now commenced and have also experienced changes to (increases in) scope, which has added to contract value.

In Australia the Company added Western Power (Western Australia) as a customer and saw the renewal of long-term utility customer SA Power Networks in South Australia.

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.

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 Pointerra's platform and is also being by these same customers in an advocacy role, helping showcase Pointerra 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 entered into a partnership agreement with leading Australian predictive analytics management company (Advanced Mobility Analytics Group Pty Ltd) 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 more than 25 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.

During the quarter the Company explored a range of opportunities to collaborate and partner with emerging Australian companies FiberSense and HyperOne.

By integrating Pointerra's 3D digital twin capability that uses 3D Light Image Detection And Ranging (LIDAR) technology with FiberSense's proprietary Vibration Detection And Ranging (VIDAR) technology, the Company expects to be able to accelerate the growth in government and utility customer acquisition in Australia and the US.

HyperOne is currently in the planning and design stage of a nation-building digital infrastructure project. Pointerra expects to be able to assist HyperOne and its contractors using the Pointerra3D platform and suite of solutions to help with planning, design, and construction activities for this critical infrastructure asset.

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 Pointerra3D 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 Pointerra3D platform.

Some of the more significant highlights for this quarter are detailed below.

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

- Addition of a new long-term archiving facility, known as Pointerra3D Vault. This second level of archiving provides a very low-cost storage option for large volumes of data. It is designed for situations where it is unlikely that the stored data needs to be accessed in the future, but it still needs to be kept for regulatory purposes, or just-in-case it is required.

- Integrated customer support widget to allow users to lodge support requests, request new features, or ask for help on using the product from within the application.

- Further enhancements for the creation of digital elevation and surface models (DEM and DSM).

- New processing and rendering logic for 360 photos to provide much shorter processing times and significantly improved handling of very large images through multi-resolution tiling.

- Many enhancements to the photo viewing functionality to gives users a better experience with photos taken with SLR cameras, phones, etc.

Pointerra3D Analytics. Powerline analytics functionality continues to mature as new customers are onboarded and new features are requested as a result. In line with the strategic market segments being targeted by Pointerra, work to broaden the scope of the analytics with specific functionality for the mining, road, rail, AEC, and defence sectors is well underway.

Data processing as a Service (DPaaS)**.**

Pointerra's platform for automating early-stage LiDAR processing workflows continues to expand its support for additional and non-standard sensor configurations.

Active discussions are ongoing with additional sensor manufacturers to broaden our early-stage LiDAR processing support across the LiDAR sensor market. Unit testing is in the final stages on a 'multi-mission' data calibration workflow to enable customers to deliver seamless data from multiple collection dates.

The implementation framework is complete and initial development is underway on a Ground Control analytic tool that will enable customers to adjust point clouds to absolute accuracy position based on independent field control data.

Autoclassification

The analytics and browser-based auto-classification tools continue to be refined. A new version of the ground classification has recently been deployed and uses a new approach to modelling the ground surface and classifying the point cloud in a far more precise way.

In-browser edit tools are currently being enhanced with "smart" classification tools. These new tools build on the basic tool set to introduce functionality that automates the segmentation and classification of objects/features of interest, without the user needing to manually define every point within the object as they do with the existing shape-based tools. By way of example, a user will be able to click a single point on a building roof, and all the other points that make up the roof will automatically be selected and classified.

Power Utilities - multi-user editing support added

The in-browser edit tools are now multi-user aware and fully support concurrent editing of the digital twin. This enhancement will allow customers with large point clouds to have a team of workers doing the editing without having to artificially split the data up into small point clouds (which is the current way that they would do it with the traditional desktop-based tools).

The ability to have multiple users working on the data while maintaining a shared version of the current state is another unique feature that the Pointerra3D platform offers.

Other enhancements of note include:

- A basic wire design tool has been added to allow 5G planning customers to undertake scenario planning, where stringing of communications cables is required to support the network. The tool automatically determines if the design wire can be placed in a way that satisfies safety constraints such as clearance to existing conductors and ground.

- More robust determination of pole diameters is now supported for capture methods that have sufficient density (mobile or terrestrial scanning). The analytics will automatically sample the poles and determine an estimate of the pole diameter at several locations along the length of the pole.

- The edit tools now support "pole annotations" where additional features on poles can be added by the user – for example the location of lighting attachment brackets, or transformers on the pole. This data will automatically be included in reports that are generated.

- A methodology to compare 2 versions of the network digital twin is in development. This will support some upcoming projects that require rapid determination of what has changed in the digital twin (for example, rapid determination of network issues following a hurricane).

Mining

The haul roads compliance tool has now been deployed and is actively being used by the customer that was involved in the co-development of the tool. Some new reporting features

and refinements have been added to the tool and we are now actively marketing this to other mining companies.

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. Existing tree detection analytics from the electrical utility module is being incorporated for applications such as tree inventories.

Work related to the recently announced partnership with AMAG has also begun. This includes development of machine learning systems for road feature extraction from LiDAR and integration of AMAG and Pointerra's applications to support sales and marketing of the combined offerings.

Pointerra3D Answers

Work is continuing with integration of Airovant's Airoport application into a Pointerra branded Site Explorer application. Several existing Airoport customers are now running with the new interface and onboarding of new customers is relatively straightforward with the changes that have already been deployed.

The focus for the Utility Explorer has been the addition of features to support virtual inspection of utility assets from photos. This includes the ability to mark-up issues on the photos and log defects, with associated severity levels.
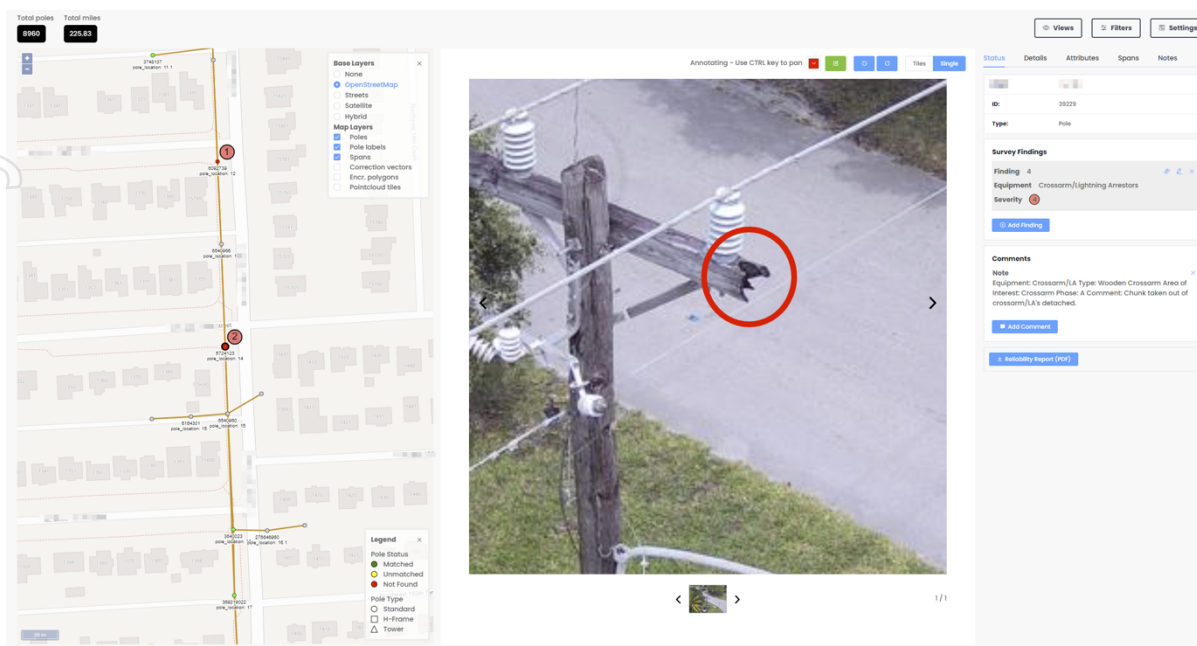
Research and Development

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 Pointerra customers;

2. Developing a catalogue of analytics algorithms, 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 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 29 to 31 (29 FTE's) during the quarter, with 19 in Australia and 12 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.

Cash Receipts

During the quarter ended 30 September 2021 the Company received $0.98 million in customer receipts, compared to the June 2021 quarter figure of $1.45 million, which contributed to a net cash outflow from operating activities of $0.93 million for the quarter.

Cash Outflows (Summary of Expenditure)

During the quarter, payments for Research and Development of $0.26 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.

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 30 September 2021 amounted to $4.26 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 $0.34 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	30 September 2021

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	983	983
1.2	Payments for		
	(a) research and development	(267)	(267)
	(b) product manufacturing and operating costs	(133)	(133)
	(c) advertising and marketing	(43)	(43)
	(d) leased assets	-	-
	(e) staff costs	(1,155)	(1,155)
	(f) administration and corporate costs	(310)	(310)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(6)	(6)
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**	**(931)**	**(931)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(53)	(53)
	(d) investments	-	-
	(e) intellectual property	(3)	(3)
	(f) other non-current assets	-	-

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 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**	**(56)**	**(56)**

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	5,179	5,179
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(931)	(931)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(56)	(56)

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 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	71	71
4.6	**Cash and cash equivalents at end of period**	**4,263**	**4,263**

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	4,213	5,129
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)**	**4,263**	**5,179**

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	(34)
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	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
	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.		
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)	(931)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,263
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,263
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5

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: ....29 October 2021..

Authorised by: ....The Board of Directors...
                        (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 – 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.