

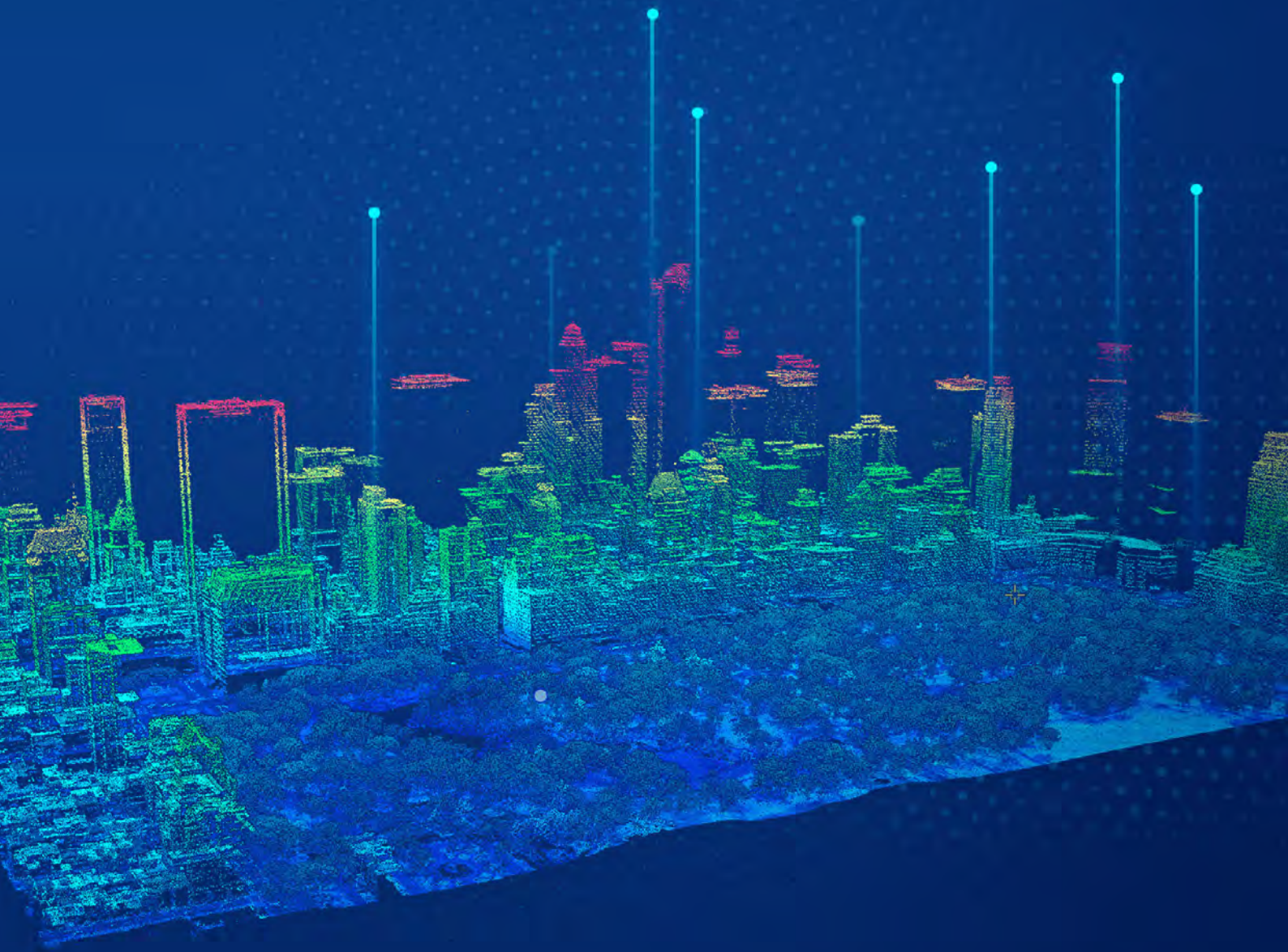


# Pointerra

## ANNUAL REPORT

For the year ended 30 June 2023

ABN 39 078 388 155



Simply *faster.*



# Corporate Information

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## Pointerra Limited

ABN 39 078 388 155

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## Directors

**Ian Olson**, Managing Director  
**Paul Farrell**, Non-Executive Director  
**Neville Bassett**, Non-Executive Director (Chairman)

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## Company Secretary

Neville Bassett

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## Registered Office

Level 4, 216 St Georges Terrace  
Perth, WA 6000

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

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## Principal Office

Level 2, 27 Railway Road  
Subiaco, WA 6008

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## Internet

**Website:** [www.pointerra.com](http://www.pointerra.com)  
**Email:** [info@pointerra.com](mailto:info@pointerra.com)

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## Auditor

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

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## Share Registry

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

**Email:** [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)  
**Telephone:** +61 8 9389 8033  
**Facsimile:** +61 8 9262 3723

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## Solicitors

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

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

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## 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.



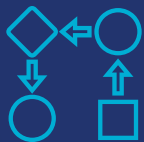
**Pointerra3D ANSWERS** delivers predictive digital insights and definitive answers to complex physical asset management questions via simple, easy to use business intelligence interfaces.

**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.



**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.

**Pointerra’s business targets customers across 6 key sectors.**

SURVEY & MAPPING	TRANSPORT
ARCHITECTURE, ENGINEERING & CONSTRUCTION	MINING, OIL & GAS
UTILITIES	DEFENSE & INTELLIGENCE







# Operational Highlights



**Expanded digital twin solution capability and platform resilience leveraging emerging AI tools**



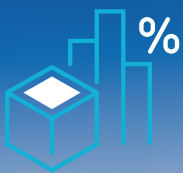
**Adopted agile solution development methodologies to fast-track platform enhancement requests responding to customer needs**



**Key appointments made in senior enterprise sales to shorten sales cycle**



**Leveraged electric utilities growth model into Mining, Oil & Gas and Transport sectors**



**Automated customer acquisition workflows in lower value, higher volume survey and mapping sector**





# Financial Highlights

## Customer Cash Receipts

A\$9.4m

▲ **21%** (2022: A\$7.8m)

## Reported Revenue

A\$8.3m

▼ **22%** (2022: A\$10.7 million)

## Customer Receivables

A\$2.7m

▼ **23%** (2022: A\$3.5 million)

## Customer Invoicing

A\$8.8m

▼ **12%** (2022: A\$10.0 million)

## Deferred Revenue

A\$2.7m

▲ **108%** (2022: A\$1.3 million)

## Cash Balance\*

A\$1.5m

▼ **58%** (2022: A\$3.6 million)

\* before post-year end capital raise and Q1 FY24 collections

## FY23 Highlights – Consolidation & Platform for Growth

- **Record Cash Receipts**  
FY23 cash receipts A\$9.4 million, up 21% on FY22 despite enterprise customer program delays experienced during FY23
- **H2 FY23 Operating Result Improvement v H1 FY23**  
H2 FY23 EBITDA loss A\$1.2 million, improvement of 61% over H1 FY22 result highlights focused cost constraint
- **Sector Expansion Diversifies Customer Concentration Risk**  
Enterprise customer revenue growth generated across transport, mining, oil & gas sectors while power utility customer programs were delayed
- **Platform & Product Development Growth**  
Continued investment in customer-driven R&D across multiple sectors provides impetus for continued growth in platform spend by customers
- **New Customers - Competitive Tender & Organic Sales Success**  
New enterprise customer acquisition through competitive tender and process-driven sales activities demonstrating sustainable competitive advantage of Pointerra3D
- **Existing Customers Renew & Grow Spend**  
Existing enterprise customers continue to re-commit to Pointerra3D and grow their platform spend, underlining scalability of revenue model





# Managing Director's Review of Operations

## Dear Shareholder

I'm pleased to provide a review of our operations for FY23, a year in which your company continued to mature its world-class digital twin platform and solution, while also achieving growth across the business in terms of customers, people, and process.

## Financial Performance

The team approached FY23 confident in the outlook for the business following the financial performance of FY22, which delivered record revenue, cashflow and an underlying EBITDA result.

The Company generated growth in spend by existing customers and also secured a number of material contracts across the electric utility, facilities management, transport, and mining sectors.

FY23's forecast financial performance was expected to be underpinned by contributions from key US electric utility and facilities management customers however a number of underlying programs were delayed by these customers, which in turn negatively impacted the Company's invoicing and cash collections.

The financial impact of these program delays has influenced a decision by the Company to adopt an alternate growth outlook metric, being ARR (annual recurring revenue) in place of the previous ACV (annual contract value) metric.

The financial result for FY23 was further impacted by larger than expected non-recurring project costs associated with specific US electric utility customer programs.

Pointerra has consistently sought to build a capital-light business model capable of generating very high gross margins and has built a team across development, product, sales, and marketing roles capable of delivering materially higher levels of revenue.

FY24 therefore presents an opportunity to demonstrate this capability through emerging operational leverage to deliver a maiden earnings result for the Company.





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## Operational Performance

During the year the Pointerra development and product teams continued to build-out capability and platform resilience in response to material increases in data uploaded to the Pointerra3D cloud platform by large Australian and US enterprise customers.

The development and product teams leveraged agile solution development methodologies to respond to the needs of customers across Pointerra's 6 sector verticals and delivered product and solution enhancements to these customers through Pointerra3D's digital twin solution stack of Core, Analytics and Answers.

In addressing the complex and often lengthy sales cycle for enterprise prospects, the Company recognised the need to further invest in senior, proven enterprise sales professionals. 2 key appointments made during the year are expected to help shrink this sales cycle and also accelerate growth in existing enterprise customer spend. Additional hires at this senior level are expected during FY24 in both Australia and the US markets.

In the emerging key target market sectors of Mining, Oil & Gas, and Transport, the business development and product teams successfully leveraged the Company's proven electric utility sector model of working with customers and prospects to systematically automate slow, inefficient desktop workflows to Pointerra3D, delivering operational productivity, safety, and regulatory compliance to the sector. Pointerra now counts a number of Tier 1 global resources companies and Australian transport utilities as customers that are expected to scale their use to become material enterprise customers in coming periods.

The lower value but higher volume Survey & Mapping sector continued to grow during FY23, and the product and development teams have worked to automate the deal identification, onboarding, and support functions for this important sector. The resultant light-touch solution will assist in accelerating the target prospecting and acquisition activities on a global basis, where a direct sales model is not required to scale customer growth.

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## Industry & Market Update

The global geospatial sector was estimated to be US\$452 billion in 2022 and is forecast to grow at around 15% annually to be US\$681 billion by 2025 before reaching US\$1.44 trillion by 2030<sup>1</sup>.

Whilst these headline numbers appear impressive, the convergence of cloud computing, digital twins, and AI powered solutions like Pointerra3D to automate inefficient asset management workflows by private and public sector organisations is the real driver for Pointerra3D into the future.

In a post-Covid global environment characterised by higher interest rates and broader inflationary pressures, organisations are looking to adopt workflow automation solutions like Pointerra3D to deliver improvements in both OPEX and CAPEX metrics.

In the Company's largest target sector, electric utilities, dual structural tailwinds of increased investment in grid resilience and the expansion of transmission and distribution networks to accommodate a global shift to renewable energy generation and storage underpins a very positive outlook for the Company.

<sup>1</sup>Source - <https://www.geospatialworld.net/latest/advancing-augmenting-usd-1-4-trillion-geospatial-market-by-2030/>



## Growth Strategy

The Company's growth strategy remains consistent:

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 6 key target market sectors.

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

so that the resulting operational leverage can drive sustainable profitability.



## Outlook & Focus Areas for FY24

As we move further into FY24 the Company expects its key US energy utility sector growth trajectory to resume as program delays are resolved and new opportunities, such as the long-term energy utility CAPEX program announced in July, emerge.

The global Mining, Oil & Gas sector is set to become the next high-growth market for the Company as the adoption of Digital Twin solutions becomes operationalised to drive construction, production, safety, and compliance outcomes.

Whilst these top-line revenue drivers are important, the Company also remains laser-focused on balancing our ambitions to deliver exceptional organisational and financial growth with a disciplined approach to financial management.

The Company looks forward to reporting on an improved financial result for FY24.

**Ian Olson**

Managing Director



# Directors' Report



# Directors' Report

The directors of Pointerra Limited ("the Company") present their report, together with the financial statements of the Group (referred to hereafter as the 'Group') consisting of Pointerra Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, for year ended 30 June 2023.

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

NAME OF PERSON	POSITION	DATE APPOINTED
Ian Olson	Managing Director	30 June 2016
Neville Bassett	Non-executive Chairman	30 June 2016
Paul Farrell	Non-executive Director	9 November 2018

## Information on Directors

### Mr Ian Olson – Managing Director

**CA, B.Com, MAICD**

Mr Olson is a Chartered Accountant and professional public company director with a 30-year career in finance and the capital markets sector and has helped numerous high-growth companies move from private to public status via the ASX and International stock exchanges. Mr Olson started his career with Ernst & Young and has worked in London and New York with global investment banks. He is also the Non-executive Chairman of Good Drinks Australia Limited.

In addition to being one of the co-founders of Pointerra in 2015, Mr Olson has more than 15 years' experience in the geospatial sector, having previously owned and operated a surveying business that specialised in the generation of 3D data for customers in the mining, oil & gas and AEC sectors.

### Mr Neville Bassett – Non-executive Director (Chairman)

**AM, FCA**

Mr Bassett is a Chartered Accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. He consults to a number of publicly listed companies and private company groups in a diversity of industry sectors and is a Director or Company Secretary of a number of public and private companies. Mr Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also included mergers and acquisitions and includes significant knowledge and exposure to the Australian financial markets. He has a wealth of experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance.

Mr Bassett is the principal Director of Westar Capital Limited, the holder of an Australian Financial Services License and is a Fellow of Chartered Accountants Australia and New Zealand. He was previously State Chairman and a former National Director of the Royal Flying Doctor Service.

### Mr Paul Farrell – Non-executive Director

**B.Sc (Hons), GDip Mgt, MBA, MAICD**

Mr Farrell is the Managing Director of NGIS Australia, which was established in 1993 and has grown from being a boutique map maker and digitising house to an integrated provider of mapping and location-based technology solutions to large enterprise nationally and internationally, working with globally recognised technology companies including Google.

Mr Farrell has tertiary qualifications in both Science and Management, completing an MBA in 2005. Outside of NGIS, Paul is involved and has sat on many private, government and research boards including the WA Regional Development Trust and Frontier SI. He is a past National Chairman of SIBA (Spatial Industry Business Association) and Vice-Chair of the AIIA (Australian Information Industry Association) in WA.



# Directors' Report

## Directorships of other listed companies

Directorships of other listed companies held by directors during the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Mr Ian Olson	Good Drinks Australia Limited (Non-executive Chairman)	12 November 2007 – current
Mr Neville Bassett	Yowie Group Ltd	5 August 2019 – 27 November 2020
	Auris Minerals Ltd	20 April 2018 – current
	PharmAust Ltd	2 October 2018 – current
	Tennant Minerals Ltd	28 November 2019 – current
	Bulletin Resources Ltd	15 October 2021 - current

## Directors' interests in shares and options

At the date of this report, the direct and indirect interests of the Directors in the ordinary shares and options of the Company were:

	Ordinary shares	Options
Ian Olson	42,814,889	-
Neville Bassett	4,732,266	-
Paul Farrell	3,000,000	-

## Directors' meetings

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Ian Olson	5	5
Neville Bassett	5	5
Paul Farrell	5	5

Directors' meetings held during the year, included above, do not include meetings held via circular resolution. Directors held an additional 11 meetings via circular resolution, attended by all directors, for a total of 16 meetings.

## Company Secretary

Mr Neville Bassett has held the role of Company Secretary since 30 June 2016. For further information about Mr Bassett, please refer to the Information on Directors in this Directors' Report.

## Principal Activities

Pointerra is an Australian headquartered company with operations in the Australasian and North American regions, focused on the global commercialisation of its proprietary 3D technology solution to support digital asset management activities across a range of sectors, including utilities, defence and intelligence, survey and mapping, mining, oil & gas, architecture, engineering, construction and operations, and transport. Pointerra's cloud-based solution is based on compression, visualisation and analytics algorithms that index massive 3D datasets, for which Pointerra has both granted and provisional patent applications in a range of countries and jurisdictions. Customers 3D data hosted by Pointerra can be dynamically searched, accessed, visualised, analysed and shared by anyone, anywhere, on any device and at any time.



# Directors' Report

## Review of Operations

Refer to the 'Review of Operations' for further information.

## Operating Results

The loss for the financial year after providing for income tax was \$4,468,338 (2022: \$2,673,599 (loss)).

## Financial Position

As at 30 June 2023, the Company had cash of \$1,491,823 (2022: \$3,596,423) and net liabilities of \$1,581,302 (2022: net assets of \$3,289,036).

## Subsequent events

No matter or circumstance has arisen since 30 June 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 24 August 2023, the Company completed a Placement with existing and new institutional, professional, and sophisticated investors for 16,666,667 new fully paid ordinary shares at a price of \$0.12 each, raising \$2 million before costs.
- The Placement was undertaken in conjunction with a non-underwritten Share Purchase Plan (SPP) which gives existing eligible shareholders with a registered address in Australia or New Zealand the opportunity to subscribe for new shares at a price of \$0.12 each up to an additional \$1.5 million (before costs). The closing date of the SPP was 27 September 2023 with results to be announced on 3 October 2023.

## Likely developments and expected results of operations

The Company will continue to commercialise its technology stack via a recurring subscription-based revenue model. Pointerra's vision is to become a globally relevant 3D digital twin geospatial technology business focused on solving the numerous challenges of using 3D digital twin data to manage the physical world – simplifying the complex and doing it faster than anyone else.

## Risk Management

Identifying and mitigating business risks that may affect the Company's strategy and financial performance is an essential part of the governance framework. This section outlines some of the key risks identified by the Company.

### *Technology and Software*

The Company's business is based on software, source code, technology and computer programs which comprise its data privacy platforms. There is a risk that this technology and/or software may be superseded or displaced in the market by new technology offerings or software which customers perceive have advantages over the Company's offerings. Furthermore, the Company's systems can be affected by numerous factors including but not limited to data losses, computer system faults, failures of or suspension from key data feeds, data network failures, and catastrophic events such as a natural disaster, computer viruses or power failure.

### *Intellectual Property and Obligations*

There is a risk that failure or inability to protect intellectual property rights may have a significant adverse effect on operations, financial performance and competitive advantage. Further, there is a risk that the operations, products, services or platforms may infringe the intellectual property rights of third parties. If any claim of litigation is brought against the Company which alleges an infringement on another party's intellectual property rights, this could result in the Company being subject to significant liability for damages or losing the right to use the intellectual property.

### *Regulation*

Regulation relating to the privacy of personal data continues to evolve in various jurisdictions. Accordingly, there is an exposure to a range of risks relating to compliance with, changes to, or uncertainty in, the relevant legal and regulatory regimes in those jurisdictions. Changes to laws and regulations or failure to comply may have a material adverse effect on the Company's business, financial position, and prospects.

### *Data*

By their nature, information technology systems are susceptible to cyber-attacks with third parties seeking unauthorized access to data, networks, systems and databases. Further third-party suppliers may receive and store information from the company or its customers and although this information is limited and subject to confidentiality obligations, if third party suppliers fail to adopt or adhere to robust security practices, any such information may be improperly accessed, used or disclosed.

### *Customer Environment*

The Company provides its customers with technology and data solutions that support data protection and ability to securely share data between different customers. Changes in relation to customers perception of the ability to protect data and cost associated with that may have a direct financial impact on the Company customers and therefore an indirect on the Company's financial performance.



# Directors' Report

## Dividends

No dividends were paid or declared since the start of the financial year.

## Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Federal or State laws, however the Company has a policy of complying with and exceeding its environmental performance obligations.

The Company believes that the adoption of its cloud platform for 3D data by customers around the world generates positive ESG (Environmental, Social and Governance) outcomes by allowing customers to manage their physical world using Pointerra's browser-based interface, resulting in fewer physical site visits.

## Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Employment details
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel
- Additional information

## Principles used to determine the nature and amount of remuneration

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the company must attract, motivate and retain highly skilled Directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

'The Board as a whole is responsible for considering remuneration policies and packages applicable both to board members and senior executives of the Company. The Board remuneration policy is to ensure the remuneration package, which is not linked to the performance of the Company, properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.'

### i) Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive Director remuneration is separate.

### ii) Non-executive Director Remuneration

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. Fees and payments to Non-executive Directors reflect the demands and responsibilities of their role.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The current aggregate remuneration pool is \$500,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to Non-executive Directors are appropriate and in line with the market when undertaking the annual review process. Each director receives a fee for being a Director of the company.

Non-executive Directors are encouraged by the Board to hold shares in the company.

### iii) Managing Director and Executive Remuneration Structure

Based on the current stage in the company's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of executives and their contribution towards increasing shareholder value is commercially based, inclusive of share price performance over the review period.

Individual and company operating targets associated with traditional financial and non-financial measures are difficult to set given the small number of executives and their need to be flexible and multi-tasked, as the company responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators (KPI's) and setting targets against the KPI's has not been adopted at the present time.



# Directors' Report

The proportion of fixed remuneration and variable remuneration is established for each executive by the Board.

## *Fixed Remuneration*

The level of fixed remuneration is set so as to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the industry sector and, where appropriate, external advice. Executives receive their fixed remuneration in cash.

## *Variable Remuneration – Short-Term Incentive (STI)*

The objective of the STI is to link the achievement of corporate and operational objectives over the year with the remuneration received by the executives charged with achieving that increase. The total potential STI available is set at a level so as to provide sufficient incentive to the executives to achieve the performance goals and such that the cost to the company is reasonable in the circumstances.

Annual STI payments granted to each executive depend on their performance over the preceding year and are based on recommendations from the Managing Director and/or the Chairman following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

The aggregate of annual STI payments available for executives across the company is subject to the approval of the Board. Payments are usually delivered as a cash bonus.

## *Variable Remuneration – Long-Term Incentive (LTI)*

The objective of the LTI plan is to reward executives in a manner, which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to executives who can influence the generation of shareholder wealth and thus have an impact on the company's performance.

The level of LTI granted is, in turn, dependent on several factors including, the seniority of the executive and the responsibilities the executive assumes in the company.

LTI grants to executives are typically delivered in the form of options, performance rights or loan shares. These options, performance rights or loan shares are issued at an exercise price determined by the Board at the time of issue.

However, under certain circumstances, including breach of employment conditions, the Directors may cause the options to expire prior to their vesting date. In addition, individual performance is more commonly rewarded over time by STIs.

No LTI options were issued during the financial year.

- iv) Company's performance and link to remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors, and executives. Equity instruments issued to Directors have an exercise price higher than the current share price of the Company.

- v) Voting on the Remuneration Report

At the Company's 2022 Annual General Meeting a resolution to adopt the 2022 Remuneration Report was passed by poll, with the poll indicating majority (99.86%) support in favour of adopting the Remuneration Report. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

## **Employment Details of Members of Key Management Personnel**

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Company. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options, rights or loan shares.





# Directors' Report

Name	Position	Contract details	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance		
			Non-salary cash-based incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Employee loan Shares	Total
			%	%	%	%	%	%
Ian Olson	Managing Director	Employment agreement commenced 30 June 2016. Base salary for the year ending 30 June 2023 of \$375,000 plus superannuation and base Director fee of \$36,000 annually. Six months' notice to terminate.	-	-	-	100	-	100
Neville Bassett	Chairman	Service agreement commenced 30 June 2016. Base fee of \$36,000 annually. Termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	-	100
Paul Farrell	Non-executive Director	Service agreement commenced 9 November 2018. Base fee of \$36,000 annually. Termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	-	100
Randy Rhoads	Chief Operating Officer	Employment agreement commenced 23 May 2018. Base salary for the year ending 30 June 2023 of US\$250,000 plus sales commission. One month's written notice to terminate by Company, 3 months by employee. If employment is terminated by the Company with notice, employee is entitled to severance payment of 6 months base salary, including the notice period.	35	-	-	75	-	100

## Details of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

## Directors' Report

Year ended 2023	Short-term benefits		Post-employment benefits	Share-based payments		Long-term benefits	Total	Performance related %
	Cash salary, fees & commission	Non-cash benefit	Superannuation	Options	Employee loan shares	Long service leave		
Name	\$	\$	\$	\$	\$		\$	%
Paul Farrell	36,000	-	-	-	-	-	36,000	-
Ian Olson <sup>(1)</sup>	411,000	-	39,375	-	-	-	450,375	-
Neville Bassett	36,000	-	-	-	-	-	36,000	-
Randy Rhoads	469,466	-	17,048	-	-	-	486,514	35
	952,466	-	56,423	-	-	-	1,008,889	17

(1) Includes directors' fees of \$36,000 for the year ended 30 June 2023.

Year ended 2022	Short-term benefits		Post-employment benefits	Share-based payments		Long-term benefits	Total	Performance related %
	Cash salary, fees & commission	Non-cash benefit	Superannuation	Options	Employee loan shares	Long service leave		
Name	\$	\$	\$	\$	\$		\$	%
Paul Farrell	36,000	-	-	-	-	-	36,000	-
Ian Olson <sup>(1)</sup>	411,000	-	37,500	-	43,755	-	492,255	-
Neville Bassett	36,000	-	-	-	-	-	36,000	-
Randy Rhoads	346,276	-	20,055	-	-	-	366,331	-
Mark Morrison	200,000	-	20,000	-	25,669	-	245,669	-
David Lowe	220,000	-	22,000	-	-	-	242,000	-
	1,249,276	-	99,555	-	69,424	-	1,418,255	-

(1) Includes directors' fees of \$36,000 for the year ended 30 June 2022.

### Share-based compensation

#### Issue of shares

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

#### Options

There were no options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years.

### Additional disclosures relating to key management personnel

#### Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2023	Balance at beginning of year	Received as remuneration during year	Additions	Disposals/other	Balance at end of year
Paul Farrell <sup>(2)</sup>	3,000,000	-	-	-	3,000,000
Ian Olson <sup>(1) (2)</sup>	42,814,889	-	-	-	42,814,889
Neville Bassett <sup>(2)</sup>	4,732,266	-	-	-	4,732,266
Randy Rhoads <sup>(2)</sup>	8,000,000	-	-	-	8,000,000
	58,547,155	-	-	-	58,547,155

(1) As at the reporting date 30 June 2023, 33,960,950 ordinary shares of the 42,814,889 were held by Mr Olson's spouse.

(2) Shareholdings balances include loan share holdings tabled in loan share holdings section below.



## Directors' Report

### Option holdings

There were no options over ordinary shares in the company or movement in options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties.

### Loan share holdings

The limited recourse loan provided under the company's Securities Incentive Plan remain outstanding, in full at the date of this report. The Company will maintain a lien over the shares in respect of which a loan is outstanding. The number of loan shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Exercised during year	Other changes during the year	Balance at end of year	Vested and exercisable at end of year
Paul Farrell <sup>(1)</sup>	3,000,000	-	-	-	3,000,000	-
Ian Olson <sup>(1)</sup>	10,000,000	-	-	-	10,000,000	-
Neville Bassett <sup>(1)</sup>	3,000,000	-	-	-	3,000,000	-
Randy Rhoads <sup>(1)</sup>	8,000,000	-	-	-	8,000,000	-
	<b>24,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,000,000</b>	<b>-</b>

(1) Loan share holdings are included shareholdings balances tabled in shareholdings section above.

Refer to note 21 for further information on fair value measurement and vesting conditions on loan shares.

### Other transactions with key management personnel and their related parties

No related party transactions were entered into during the year.

### Additional information

The earnings of the consolidated entity for the five years to 30 June 2023 and the factors that are considered to affect total shareholders return are summarised below:

	2023	2022	2021	2020	2019
Net profit / (loss)	(4,468,339)	(2,673,599)	(1,509,332)	(\$2,525,453)	(\$1,907,036)
Revenue	7,331,188	9,801,575	3,983,603	1,228,165	443,504
Earnings per share	(0.66)	(0.39)	(0.23)	(0.45)	(0.37)
Share price at year end	\$0.088	\$0.24	\$0.49	\$0.040	\$0.046

This concludes the remuneration report, which has been audited.

### Shares under Option

At the date of this report, unissued ordinary shares of Pointerra Limited under option are as follows:

Class	Grant date	Expiry date	Exercise price	Number of options
Options	24 August 2023	1 April 2028	\$0.15	4,500,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

### Indemnifying officers or auditor

During or since the end of the financial year:

- The Company has paid or agreed to pay insurance premiums and has given an indemnity or entered into an agreement to indemnify all Directors, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the company to pay all damages and costs which may be awarded against the Directors.
- No indemnity has been paid to auditors.



# Directors' Report

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## Non-audit services

No non-audit services were provided by the auditor during the year.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

## Auditor

Hall Chadwick WA Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



**Ian Olson**

**Managing Director**

29 September 2023

Perth



To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of Pointerra Limited for the financial year ended 30 June 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

  
HALL CHADWICK WA AUDIT PTY LTD

  
D M BELL CA  
Director

Dated this 29<sup>th</sup> day of September 2023  
Perth, Western Australia



# Financial Statements



## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue from continuing operations		7,331,188	9,801,575
Other income	5	1,020,349	858,531
Cost of platform services		(959,753)	(470,179)
Cost of non-recurring project services		(2,187,766)	(1,230,912)
Employee benefits expense		(5,403,250)	(4,997,620)
Administrative expenses	6	(160,060)	(294,056)
Advertising and marketing expenses		(229,784)	(222,080)
Compliance and regulatory expenses		(559,838)	(567,764)
Research and development expenses	7	(2,033,476)	(1,463,001)
Share based payment expenses	21	385,499	(1,302,448)
Impairment expense	12	-	(1,360,434)
Depreciation and amortisation expenses		(170,728)	(278,447)
Other expenses	8	(1,500,719)	(1,436,827)
<b>Loss before income tax</b>		<b>(4,468,338)</b>	<b>(2,963,662)</b>
Income tax benefit	2	-	290,063
<b>Loss after income tax for the year</b>		<b>(4,468,338)</b>	<b>(2,673,599)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(36,501)	17,285
<b>Total comprehensive loss for the year attributable to members of the Company</b>		<b>(4,504,839)</b>	<b>(2,656,314)</b>
<b>Loss per share attributable to members of the Company</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	18	(0.66)	(0.39)

The accompanying notes form part of these financial statements

## Consolidated Statement of Financial Position

as at 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,491,823	3,596,423
Trade and other receivables	10	2,722,715	3,501,614
Other		68,985	8,340
<b>Total current assets</b>		<b>4,283,523</b>	<b>7,106,377</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	101,421	182,704
Intangible assets	12	59,854	77,669
Right-of-use assets	13	237,221	284,616
<b>Total non-current assets</b>		<b>398,496</b>	<b>544,989</b>
<b>Total assets</b>		<b>4,682,019</b>	<b>7,651,366</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	2,615,012	2,231,547
Lease liabilities	15	81,092	64,263
Contract liabilities	16	2,712,339	1,287,491
Provisions	17	639,089	406,619
<b>Total current liabilities</b>		<b>6,047,532</b>	<b>3,989,920</b>
<b>Non-current liabilities</b>			
Lease Liabilities	15	215,789	284,318
Provisions	17	-	88,092
<b>Total non-current liabilities</b>		<b>215,789</b>	<b>372,410</b>
<b>Total liabilities</b>		<b>6,263,321</b>	<b>4,362,330</b>
<b>Net assets/(liabilities)</b>		<b>(1,581,302)</b>	<b>3,289,036</b>
<b>EQUITY</b>			
Issued capital	19	13,856,745	13,836,745
Reserves	20	3,408,716	3,830,716
Accumulated losses		(18,846,763)	(14,378,425)
<b>Total equity</b>		<b>(1,581,302)</b>	<b>3,289,036</b>

The accompanying notes form part of these financial statements





## Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Note	Issued capital	Share-based payments reserves	Foreign exchange reserve	Accumulated losses	Total equity
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		13,782,572	2,490,760	20,223	(11,704,826)	4,588,729
Loss for the year		-	-	-	(2,673,599)	(2,673,599)
Other comprehensive income		-	-	17,285	-	17,285
<b>Total comprehensive loss for the year</b>		-	-	17,285	(2,673,599)	(2,656,314)
Transactions with owners recorded directly in equity						
Proceeds from loan shares	19	54,173	-	-	-	54,173
Share issue costs		-	-	-	-	-
Share-based payments	21	-	1,302,448	-	-	1,302,448
<b>Balance at 30 June 2022</b>		<b>13,836,745</b>	<b>3,793,208</b>	<b>37,508</b>	<b>(14,378,425)</b>	<b>3,289,036</b>
<b>Balance at 1 July 2022</b>		<b>13,836,745</b>	<b>3,793,208</b>	<b>37,508</b>	<b>(14,378,425)</b>	<b>3,289,036</b>
Loss for the year		-	-	-	(4,468,338)	(4,468,338)
Other comprehensive income		-	-	(36,501)	-	(36,501)
<b>Total comprehensive loss for the year</b>		-	-	<b>(36,501)</b>	<b>(4,468,338)</b>	<b>(4,504,839)</b>
Transactions with owners recorded directly in equity						
Shares in lieu of services received	19	20,000	-	-	-	20,000
Share issue costs		-	-	-	-	-
Share-based payments	21	-	(385,499)	-	-	(385,499)
<b>Balance at 30 June 2023</b>		<b>13,856,745</b>	<b>3,407,709</b>	<b>1,007</b>	<b>(18,846,763)</b>	<b>(1,581,302)</b>

The accompanying notes form part of these financial statements



# Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Proceeds from customers		9,378,005	7,753,581
Payments to suppliers and employees		(12,322,268)	(9,908,200)
Interest paid		-	(56,177)
Interest received		525	-
Government tax incentives received		922,224	618,371
<b>Net cash used in operating activities</b>	<b>25</b>	<b>(2,021,514)</b>	<b>(1,592,425)</b>
<b>Cash flows from investing activities</b>			
Payments to acquire property, plant and equipment		(14,072)	(74,032)
Payments to acquire intangible assets		(10,306)	(36,527)
<b>Net cash used in investing activities</b>		<b>(24,378)</b>	<b>(110,559)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loan shares		-	54,173
Payments for lease payments		(51,700)	(61,586)
<b>Net cash provided by financing activities</b>		<b>(51,700)</b>	<b>(7,413)</b>
Net (decrease) in cash held		(2,097,592)	(1,710,397)
Effect of movement in exchange rates on cash held		(7,008)	127,457
Cash and cash equivalents at beginning of the period		3,596,423	5,179,363
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>1,491,823</b>	<b>3,596,423</b>

The accompanying notes form part of these financial statements



# Notes to the Financial Statements

for the year ended 30 June 2023

## NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

### Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1-10 years.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pointerra Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Pointerra Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

### Going Concern

The consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

As at 30 June 2023, the Group had cash and cash equivalents of \$1,491,823 (2022: \$3,596,423) and had a working capital deficit of \$1,764,009 (2022: net working capital surplus \$3,116,457). The Group incurred a loss after tax of \$4,468,338 for the year ended 30 June 2023 (2022: \$2,673,599) and net cash outflows from operating activities of \$2,021,514 (2022: \$1,592,425).

On 24 August 2023, the Company completed a Placement with existing and new institutional, professional, and sophisticated investors for 16,666,667 new fully paid ordinary shares in at a price of \$0.12 each, raising \$2 million before costs. The Placement was undertaken in conjunction with a non-underwritten Share Purchase Plan (SPP) which gives existing eligible shareholders with a registered address in Australia or New Zealand the opportunity to subscribe for new shares at a price of \$0.12 each up to an additional \$1.5 million (before costs). The closing date of the SPP was 27 September 2023 with results to be announced on 3 October 2023.



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

The Directors have prepared a cash flow forecast which indicates that the Group 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 Group 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 Group's ability to continue as a going concern and therefore, the Group 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 and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

## Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Income tax

The income tax expense or benefit for the year comprises current income tax expense or income and deferred tax expense or income. Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities or assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year and unused tax losses. Current and deferred income tax expense or benefit is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the way management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Pointerra Limited and its wholly owned Australian subsidiary have not implemented tax consolidation legislation. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts.

## Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### *Patents and trademarks*

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1-10 years.

### *Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-5 years.

### *Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life.

## Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

## *Derivative instruments*

The Group does not trade or hold derivatives.

## *Financial guarantees*

The Group has no material financial guarantees.

## **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## **Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## **Employee Benefits**

### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## **Foreign currency translation**

The financial report is presented in Australian dollars, which is the Company's functional currency.

### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## **Share-based payment transactions**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows: during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period & from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

## **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

## Issued capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction net of tax of the share proceeds received.

## Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Earnings per share

### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.





# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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## Revenue and other income

The consolidated entity recognises revenue as follows:

### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

### *Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

## Government grants

Government grants relating to costs are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no

# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## 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 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 of \$790,255 from administrative expenses to cost of project services; reallocation of depreciation and amortisation expense of \$278,447 from other expenses; and reallocation from cost of services of \$910,837 to cost of project services \$440,658 and cost of platform services \$470,179. The reclassification did not impact the Company's net Profit or Loss and Other Comprehensive Income for the previous corresponding period.

## Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 21 for further information.

### *Revenue from contracts with customers involving sale of goods*

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### *Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

## NOTE 2. INCOME TAX

	2023	2022
	\$	\$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense	<u>-</u>	<u>-</u>
(b) Numerical reconciliation of income tax expense and tax at the statutory rate		
Tax loss at the statutory tax rate 25% (2022: 25%)	<b>(1,117,085)</b>	(740,916)
Tax effect amounts which are not deductible/(taxable) in calculating taxable loss:		
Research and development tax incentive	<b>(376,906)</b>	(336,998)
Other permanent differences	<b>(339,274)</b>	349,393
Deferred tax assets not brought to account	<b>1,833,265</b>	438,458
Income tax expense/(benefit)	<u>-</u>	<u>(290,063)</u>
(c) Deferred tax assets		
Accrued expenses and provisions	<b>363,254</b>	243,893
Prepayments	<b>37,099</b>	-
Share issue costs	<b>367,702</b>	367,702
Tax losses	<b>1,343,421</b>	1,124,020
Total deferred tax assets	<u><b>2,111,476</b></u>	<u>1,735,615</u>
Deferred tax liabilities pursuant to set-off provisions	<b>(40,318)</b>	(58,274)
Less deferred tax assets not recognised	<b>(2,071,158)</b>	(1,677,341)
Net deferred tax assets	<u>-</u>	<u>-</u>
(d) Deferred tax liabilities		
Other	<b>40,318</b>	58,274
Deferred tax liabilities pursuant to set-off provisions	<b>(40,318)</b>	(58,274)
Net deferred tax liabilities	<u>-</u>	<u>-</u>
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	-	-
Potential tax benefit at the statutory tax rate 25% (2022: 25%)	<b>1,343,421</b>	1,124,020

The benefit for tax losses will only be obtained if:

- i. The company and group derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii. The company and group continue to comply with the conditions for deductibility imposed by law; and
- iii. No changes to the tax legislation adversely affect the ability of the company and group to realise these benefits.

# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

## NOTE 3. REMUNERATION OF AUDITORS

	2023	2022
	\$	\$
<b>Remuneration of the auditor</b>		
Audit or review of the financial statements	55,027	42,871
Other services	-	-
	<b>55,027</b>	<b>42,871</b>

## NOTE 4. KEY MANAGEMENT PERSONNEL DISCLOSURES

### Key management personnel compensation

Short-term benefits	952,466	1,249,276
Post-employment benefits	56,423	99,555
Long-term benefits	-	69,424
	<b>1,008,889</b>	<b>1,418,255</b>

## NOTE 5. REVENUE AND OTHER INCOME

Revenue from contracts with customers		
Subscription and project revenue	7,331,188	9,801,575
	<b>7,331,188</b>	<b>9,801,575</b>
Other income		
Research and development tax incentive	1,019,823	858,531
Interest income	526	-
	<b>1,020,349</b>	<b>858,531</b>

### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical regions		
Australia	2,214,293	1,809,304
United States	5,116,895	7,992,271
	<b>7,331,188</b>	<b>9,801,575</b>

## NOTE 6. ADMINISTRATIVE EXPENSES

Accounting and audit fees	(54,650)	(186,056)
Consulting and contracting expenses	9,200	-
Director fees	(35,940)	(108,000)
Other	(78,670)	-
	<b>(160,060)</b>	<b>(294,056)</b>

## NOTE 7. RESEARCH AND DEVELOPMENT EXPENSES

Employee benefits expense	(1,102,849)	(776,218)
Other research and development expenses	(930,627)	(686,783)
	<b>(2,033,476)</b>	<b>(1,463,001)</b>



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

## NOTE 8. OTHER EXPENSES

	2023	2022
	\$	\$
Legal fees	-	(17,900)
Bad debts	(217,335)	(437,497)
Travel expenses	(713,480)	(474,724)
General operating expenses	(569,904)	(506,706)
	<b>(1,500,719)</b>	<b>(1,436,827)</b>

## NOTE 9. CASH AND CASH EQUIVALENTS

Cash at bank	1,441,297	3,546,423
Cash on deposit	50,526	50,000
	<b>1,491,823</b>	<b>3,596,423</b>

## NOTE 10. TRADE AND OTHER RECEIVABLES

Trade receivables	1,832,715	2,704,417
Research and development tax incentive receivable	890,000	792,401
GST receivable	-	4,796
	<b>2,722,715</b>	<b>3,501,614</b>

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Group has not recognised an allowance for expected credit losses because there has not been a significant change in credit quality. The consolidated entity has recognised a loss of \$217,335 in profit or loss and other comprehensive income in respect of the expected credit losses for the year ended 30 June 2023.

Age of receivables that are past due but not impaired

60-90 days	-	21,470
91-120 days	15,112	13,250
121+ days	60,449	1,783
	<b>75,561</b>	<b>36,503</b>

## NOTE 11. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment - at cost	446,041	430,714
Accumulated depreciation	(344,620)	(248,010)
	<b>101,421</b>	<b>182,704</b>

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Balance at beginning of year	182,704	204,034
Additions	14,072	77,131
Depreciation expense	(95,355)	(98,461)
Balance at end of year	<b>101,421</b>	<b>182,704</b>



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

## NOTE 12. INTANGIBLE ASSETS

	2023	2022
	\$	\$
Patents and trademarks - at cost	216,906	206,811
Accumulated amortisation	(157,052)	(129,142)
	<b>59,854</b>	<b>77,669</b>

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Balance at beginning of year	77,669	1,584,332
Additions	10,306	36,950
Amortisation expense	(28,121)	(183,179)
Impairment expense	-	(1,360,434)
Balance at end of year	<b>59,854</b>	<b>77,669</b>

The Company acquired US-drone based digital asset management business, Airovant LLC ("Airovant") on 4 June 2021 with carrying value of intellectual property and customer relationships, subsequently impaired to nil during the 30 June reporting period.

## NOTE 13. RIGHT-OF-USE ASSETS

Office space right-of-use	429,032	429,032
Accumulated depreciation	(191,811)	(144,416)
	<b>237,221</b>	<b>284,616</b>

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Balance at beginning of year	284,616	332,711
Depreciation expense	(47,395)	(48,095)
Balance at end of year	<b>237,221</b>	<b>284,616</b>

The Group leases its office space under a lease agreement of three years. On renewal, the terms of the leases are renegotiated.

## NOTE 14. TRADE AND OTHER PAYABLES

Trade payables	1,538,700	705,685
Other payables and accruals	1,076,312	1,525,862
	<b>2,615,012</b>	<b>2,231,547</b>

Refer to note 26 for further information on financial instruments.

## NOTE 15. LEASES

Current lease	81,092	64,263
Non-current lease	215,789	284,318
	<b>296,881</b>	<b>348,581</b>

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Balance at beginning of year	348,581	390,179
Lease repayments	(64,050)	(61,586)
Interest expense	12,350	19,988
Balance at end of year	<b>296,881</b>	<b>348,581</b>



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

## NOTE 16. CONTRACT LIABILITIES

	2023	2022
	\$	\$
Contract liabilities – deferred revenue	2,712,339	1,287,491
	<u>2,712,339</u>	<u>1,287,491</u>

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 17. PROVISIONS

### Current

Annual leave	516,228	399,421
Other	-	7,198
Long service leave	122,861	-
	<u>639,089</u>	<u>406,619</u>

### Non-current

Long service leave	-	88,092
	<u>-</u>	<u>88,092</u>

## NOTE 18. EARNINGS PER SHARE

	2023	2022
	\$	\$
Loss after income tax attributable to the owners used in calculating earnings per share	<u>(4,468,338)</u>	<u>(2,673,599)</u>
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	<u>677,806,204</u>	<u>677,806,204</u>

This calculation does not include instruments that could potentially dilute basic loss per share in the future, as these instruments are anti-dilutive, as their inclusion would reduce the loss per share.

## NOTE 19. ISSUED CAPITAL

	2023	2022
	\$	\$
677,806,204 (2022: 677,806,204) ordinary fully paid ordinary shares	<u>13,856,745</u>	<u>13,836,745</u>
	\$	No.
Movements in ordinary share capital		
Balance at 30 June 2021	13,782,572	677,806,204
Proceeds from loan shares	54,173	-
Balance at 30 June 2022	<u>13,836,745</u>	<u>677,806,204</u>
Shares in lieu of services received	20,000	-
Balance at 30 June 2023	<u>13,856,745</u>	<u>677,806,204</u>

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.



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

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.

## Options

As balance date, no options over unissued ordinary shares were outstanding.

## NOTE 20. RESERVES

	2023	2022
	\$	\$
<b>Option reserves</b>		
Balance at beginning of year	3,793,208	2,490,760
Employee loan shares vesting over multiple periods	-	52,612
Performance rights forfeited during the period	(402,940)	(385,671)
Performance rights vesting over multiple periods	17,441	1,635,507
Balance at end of year	<u>3,407,709</u>	<u>3,793,208</u>
<b>Foreign exchange reserves</b>		
Balance at beginning of year	37,508	20,223
Foreign currency translation difference	(36,501)	17,285
Balance at end of year	<u>1,007</u>	<u>37,508</u>

## NOTE 21. SHARE-BASED PAYMENTS

### Share-based payments reserve

Balance at beginning of year	3,793,208	2,490,760
Performance rights vesting	-	1,635,507
Performance rights forfeited	(402,940)	(385,671)
Loan shares vesting	17,441	52,612
Balance at end of year	<u>3,407,709</u>	<u>3,793,208</u>

### Performance Rights 2022

Class	Opening balance	Forfeited	Closing balance	Expiry date	Grant date	Vesting date	Fair value on grant
Tranche 1							
Performance Rights	2,666,668	(666,668)	2,000,000	31/05/2024	01/06/2021	31/05/2022	1,373,334
Tranche 2							
Performance Rights	2,666,666	(1,333,333)	1,333,333	31/05/2024	01/06/2021	31/05/2023	1,098,667
Tranche 3							
Performance Rights	2,666,666	(1,333,333)	1,333,333	31/05/2024	01/06/2021	31/05/2024	823,999
<b>Total</b>	<b>8,000,000</b>	<b>(3,333,334)</b>	<b>4,666,666</b>				<b>3,296,000</b>

### Performance Rights 2023

Class	Opening balance	Forfeited	Closing balance
Tranche 1			
Performance Rights	2,000,000	-	2,000,000
Tranche 2			
Performance Rights	1,333,333	(1,333,333)	-
Tranche 3			
Performance Rights	1,333,333	(1,333,333)	-
<b>Total</b>	<b>4,666,666</b>	<b>(2,666,666)</b>	<b>2,000,000</b>





# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

The Company acquired US-drone based digital asset management business, Airovant LLC ("Airovant") on 4 June 2021. The Company has entered into employment agreements with the four Airovant founder employees, pursuant to the Company's employee incentive share plan for the issue of 2 million ordinary shares in the Company to each employee. The shares vest in three equal tranches of 666,667 shares over a three-year period on the anniversary of 1, 2 and 3 years of continuous employment with the Company.

As at 30 June 2022, two of the four employees had resigned and were no long eligible participants under Company's employee incentive share plan. During the year ended 30 June 2023, two remaining employees resigned and were no long eligible participants under Company's employee incentive share plan.

Vested Tranche 1 Performance Rights have not been issued as at 30 June 2023.

## Employee loan shares 2022

Class	Opening balance	Additions	Exercised	Forfeited	Closing balance
Loan shares	7,000,000	-	-	-	7,000,000
Loan shares	35,000,000	-	-	-	35,000,000
	42,000,000	-	-	-	42,000,000

## Employee loan shares 2023

Class	Opening balance	Additions	Exercised	Forfeited	Closing balance
Loan shares	7,000,000	-	-	-	7,000,000
Loan shares	35,000,000	-	-	-	35,000,000
	<b>42,000,000</b>	-	-	-	<b>42,000,000</b>

## Employee loan shares

During the year ended 30 June 2020, remuneration in the form of 35,000,000 employee loan shares with no vesting conditions were issued to Key Management Personnel and employees.

Participant	Number issued	Grant date	Share price			Expected volatility	Expiry date	Risk free	Valuation
			at issue date	Exercise price	Vesting conditions			interest rate	
Mr Farrell	3,000,000	07/05/2020	\$0.032	\$0.060	-	89.75%	30/04/2025	0.41%	\$55,910
Mr Olson	10,000,000	07/05/2020	\$0.032	\$0.060	-	89.75%	30/04/2025	0.41%	\$186,350
Mr Bassett	3,000,000	07/05/2020	\$0.032	\$0.060	-	89.75%	30/04/2025	0.41%	\$55,910
Mr Rhoads	9,000,000	07/05/2020	\$0.032	\$0.060	-	89.75%	30/04/2025	0.41%	\$167,720
Employees	10,000,000	07/05/2020	\$0.032	\$0.060	-	89.75%	30/04/2025	0.41%	\$186,350
	<b>35,000,000</b>								<b>\$652,240</b>

Participant	Number issued	Grant date	Share price			Expected volatility	Expiry date	Risk free	Valuation
			at issue date	Exercise price	Vesting conditions			interest rate	
Employees	7,000,000	07/05/2020	\$0.032	\$0.060	Refer below	89.75%	30/04/2025	0.41%	\$130,451
	<b>7,000,000</b>								<b>\$130,451</b>

## 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;



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

- 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;
- 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 will be \$0.06 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 loan shares 7 million

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

- One-third on the first anniversary of commencement of employment;
- One-third on the second anniversary of commencement of employment; and
- One-third on the third anniversary of commencement of employment

Third anniversary of commencement of employment was on 29 October 2022.

## NOTE 22. COMMITMENTS

There are no commitments that have significantly affected, or may significantly affect the Company's operations.

## NOTE 23. 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 24. OPERATING SEGMENTS

Operating segment information:

2023	Australia \$	United States \$	Adjustments/ Eliminations \$	Total \$
Segment revenue and other income	4,517,491	5,116,895	(1,282,849)	8,351,537
Segment expenditure	(4,837,617)	(6,549,629)	(1,432,629)	(12,819,875)
<b>Segment result</b>	<b>(320,126)</b>	<b>(1,432,734)</b>	<b>(2,715,478)</b>	<b>(4,468,338)</b>
<i>Material expenditure items</i>				
Employee benefits expense	(1,940,980)	(3,462,270)	-	(5,403,250)
Cost of services	(959,753)	(2,187,766)	-	(3,147,519)
Research and development expenses	(2,033,476)	-	-	(2,033,476)
Share based payments	385,499	-	-	385,499
<i>Assets and liabilities by geographical segment</i>				
<b>Segment assets</b>	<b>5,424,774</b>	<b>1,995,233</b>	<b>(2,737,988)</b>	<b>4,682,019</b>
<b>Segment liabilities</b>	<b>3,643,321</b>	<b>4,307,337</b>	<b>(1,687,337)</b>	<b>6,263,321</b>



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

2022	Australia \$	United States \$	Adjustments/ Eliminations \$	Total \$
Segment revenue and other income	5,063,054	8,590,604	(2,993,552)	10,660,106
Segment expenditure	(6,954,096)	(8,150,705)	1,771,096	(13,333,705)
Segment result	(1,891,042)	439,899	(1,222,456)	(2,673,599)
<i>Material expenditure items</i>				
Employee benefits expense	(2,212,584)	(2,785,036)	-	(4,997,620)
Cost of services	(676,234)	(1,024,857)	-	(1,701,091)
Research and development expenses	(1,394,114)	(68,887)	-	(1,463,001)
Impairment	(1,360,434)	-	-	(1,360,434)
Share based payments	(1,302,448)	-	-	(1,302,448)
<i>Assets and liabilities by geographical segment</i>				
Segment assets	7,562,838	2,496,293	(2,407,765)	7,651,366
Segment liabilities	3,146,685	1,603,387	(387,742)	4,362,330

## 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.

## Intersegment receivables, payables and loans

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

## Major customers

During the year ended 30 June 2023, approximately \$2.8 million (2022: \$3 million) of the consolidated entity's external revenue was derived from sales to two largest United States customers. No other single customers contributed 10% or more of the Group's revenue for the year.

## NOTE 25. CASH FLOW INFORMATION

	2023 \$	2022 \$
<b>Reconciliation of loss after income tax to net cash from operating activities</b>		
Operating loss after income tax	(4,468,338)	(2,673,599)
Adjustments for:		
Depreciation, amortisation and impairment expense	170,728	1,638,881
Share-based payments	(385,499)	1,302,448
Expected credit losses	217,335	-
Foreign exchange	-	(68,728)
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	434,786	(2,445,492)
(Increase)/Decrease in right-of-use assets	-	48,155
Increase/(Decrease) in trade and other payables	1,865,096	521,016



## Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

Increase/(Decrease) in lease liabilities	-	(20,965)
Increase/(Decrease) in deferred revenue	-	153,216
Increase/(Decrease) in provisions	<b>144,378</b>	258,241
Increase/(Decrease) in tax liabilities	-	(305,598)
Net cash used in operating activities	<b>(2,021,514)</b>	<b>(1,592,425)</b>

### NOTE 26. FINANCIAL INSTRUMENTS

#### Financial Risk Management

The Company's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as other receivables and creditors which arise directly from its operations. For the year under review, it has been the Company's policy not to trade financial instruments. The main risks arising from the consolidated entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

#### i. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

	2023				
	Carrying amount	< 6 Months	6-12 Months	1-4 Years	Total contractual cash flows
	\$	\$	\$	\$	\$
<i>Financial liabilities interest bearing</i>					
Trade and other payables	370,840	370,840	-	-	370,840
<i>Financial liabilities non-interest bearing</i>					
Trade and other payables	2,244,172	2,244,172	-	-	2,244,172
Provisions	639,089	639,089	-	-	639,089
Lease liabilities	296,881	40,546	40,456	215,879	296,881
	<b>3,550,982</b>	<b>3,294,647</b>	<b>40,456</b>	<b>215,879</b>	<b>3,550,982</b>

	2022				
	Carrying amount	< 6 Months	6-12 Months	1-4 Years	Total contractual cash flows
	\$	\$	\$	\$	\$
<i>Financial liabilities interest bearing</i>					
Trade and other payables	521,525	521,525	-	-	521,525
Other liabilities	60,348	29,701	30,646	-	60,347
<i>Financial liabilities non-interest bearing</i>					
Trade and other payables	1,710,022	1,710,022	-	-	1,710,022
Provisions	494,711	406,619	-	88,092	494,711
Lease liabilities	288,233	32,132	32,132	223,970	288,234
Total financial liabilities	<b>3,074,839</b>	<b>2,699,999</b>	<b>62,778</b>	<b>312,062</b>	<b>3,074,839</b>



## Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

### ii. Market risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

### iii. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

The Group's exposure to risk, that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	2023				Total
	Floating interest rate	Fixed interest maturing 1 year or less	Fixed interest maturing 1 to 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	1,441,297	50,526	-	-	1,491,823
Trade and other receivables	-	-	-	2,722,715	2,722,715
	<b>1,441,297</b>	<b>50,526</b>	<b>-</b>	<b>2,722,715</b>	<b>4,214,538</b>
<b>Financial liabilities</b>					
Trade and other payables	370,840	-	-	2,244,172	2,615,012
Provisions	-	-	-	639,089	639,089
Lease liabilities	-	-	-	296,881	296,881
	<b>370,840</b>	<b>-</b>	<b>-</b>	<b>3,180,142</b>	<b>3,550,982</b>
<b>2022</b>					
	Floating interest rate	Fixed interest maturing 1 year or less	Fixed interest maturing 1 to 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	3,596,423	-	-	-	3,596,423
Trade and other receivables	-	-	-	3,501,614	3,501,614
	<b>3,596,423</b>	<b>-</b>	<b>-</b>	<b>3,501,614</b>	<b>7,098,037</b>
<b>Financial liabilities</b>					
Trade and other payables	-	-	-	2,231,547	2,231,547
Provisions	-	-	-	494,711	494,711
Lease liabilities	-	-	-	348,581	348,581
	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,074,839</b>	<b>3,074,839</b>

### iv. Foreign exchange risk

The group operates internationally and is exposed to foreign currency exchange risk from currency exposure to the US Dollars (USD). The Group has not yet formalized a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements.

## Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
	\$	\$	\$	\$
<i>Currency</i>				
US dollars	2,146,560	5,319,343	2,682,846	1,612,881

### v. Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. All cash is held with financial institutions with a credit rating of - AA or above.

The maximum exposure to credit risk at reporting date is as follows:

	2023	2022
	\$	\$
Cash and cash equivalents - AA- Rated	1,491,823	3,596,423
Trade and other receivables	2,722,715	3,501,614
	<b>4,214,538</b>	<b>7,098,037</b>

### vi. Sensitivity Analysis

The sensitivity analysis below has been determined on the exposure to interest rates at the reporting date and based on the stipulated change taking place at the beginning of the year and held constant throughout the reporting period.

A sensitivity of 3.5% has been selected, as this is considered reasonable considering the current market conditions (2022: 2.5%).

On 30 June 2023, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit/(loss) would have been affected as follows:

	2023	2022
	\$	\$
<b>Profit/(loss) and equity</b>		
+ 3.5% (350 basis points) (2022: +2.5% (250 basis points))	55,345	89,911
- 3.5% (350 basis points) (2022 -2.5% (250 basis points))	(55,345)	(89,911)

### vii. Fair value estimation

The carrying amounts of financial assets and financial liabilities are equal to their fair value based on their short-term nature. No financial assets or liabilities are required to be measured at their fair value on a recurring basis.

### viii. Capital risk management

The Directors' objectives when managing capital are to ensure that the Company can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.



# Notes to the Financial Statements

for the year ended 30 June 2023 (continued)

The focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet business development and corporate overheads. The Group considers its capital to comprise its ordinary share capital and reserves. In managing its capital, the Group's primary objective is to maintain liquidity. These objectives dictate any adjustments to capital structure. Rather than set policies, advice is taken from professional advisors as to how to achieve these objectives. There has been no change in either these objectives, or what is considered capital in the year.

## NOTE 27. PARENT ENTITY INFORMATION

Pointerra Limited is the legal parent entity. Pointerra Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current assets	2,291,525	2,519,901
Non-current assets	395,162	3,573,175
<b>Total assets</b>	<b>2,686,687</b>	6,093,076
Current liabilities	3,369,482	2,431,630
Non-current liabilities	215,789	372,410
<b>Total liabilities</b>	<b>3,585,271</b>	2,804,040
<b>Net assets</b>	<b>(898,584)</b>	3,289,036
Equity		
Contributed equity	19,420,598	19,400,598
Reserves	3,426,617	3,793,208
Accumulated losses	(23,745,799)	(19,904,770)
<b>Total equity</b>	<b>(898,584)</b>	3,289,036
<b>Total comprehensive loss</b>	<b>(3,841,029)</b>	(2,656,314)

### Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

<b>Name</b>	<b>Country of Incorporation</b>	<b>Class of share</b>	<b>Principal activities</b>	<b>Equity interest 2023</b>	<b>Equity interest 2022</b>
Pointerra Technologies Pty Ltd	Australia	Ordinary	Provision of 3D digital asset management solutions	100%	100%
Pointerra US, Inc	United States of America	Ordinary	Provision of 3D digital asset management solutions	100%	100%

## NOTE 28. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 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 24 August 2023, the Company completed a Placement with existing and new institutional, professional, and sophisticated investors for 16,666,667 new fully paid ordinary shares at a price of \$0.12 each, raising \$2 million before costs.
- The Placement was undertaken in conjunction with a non-underwritten Share Purchase Plan (SPP) which gives existing eligible shareholders with a registered address in Australia or New Zealand the opportunity to subscribe for new shares at a price of \$0.12 each up to an additional \$1.5 million (before costs). The closing date of the SPP was 27 September 2023 with results to be announced on 3 October 2023.



## Directors' Declaration

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Ian Olson**  
**Managing Director**  
Perth  
29 September 2023





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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Pointerra Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 30 June 2023 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$4,468,338 during the year ended 30 June 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 opinion is not modified in this respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue recognition</b></p> <p>During the year, the Consolidated Entity generated revenue of \$7,331,188 and as at balance date had contract liabilities of \$2,712,339.</p> <p>The recognition of revenue and associated deferred revenue was considered a key audit matter due to the judgement and estimates involved in determining when performance obligations are met and revenue is recognised.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the processes relating to revenue recognition;</li> <li>• Reviewing the revenue recognition policy for compliance with <i>AASB 15 Revenue from Contracts with Customers</i>;</li> <li>• Testing revenue on a sample basis to supporting documentation;</li> <li>• Assessing cut-off of revenue at year end to ensure revenue has been recorded in the correct reporting period; and</li> <li>• Assessing the adequacy of the Consolidated Entity's revenue disclosures within the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### Auditor's Opinion

In our opinion, the Remuneration Report of Pointerra Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA  
Director**

Dated this 29<sup>th</sup> day of September 2023  
Perth, Western Australia



## Corporate Governance Statement

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The Board of Directors of the Company is responsible for the Corporate Governance of the Company. The Board is committed to achieving and demonstrating the highest standard of corporate governance applied in a manner that is appropriate to the Company's circumstances.

The Company has taken note of the Corporate Governance Principles and Recommendations 4th edition, which became effective for the first full financial year commencing on or after 1 January 2020.

The Company's Corporate Governance Statement is current as of the date of this report and it has been approved by the Board. The Corporate Governance Statement is available on the Company's website [www.pointerra.com](http://www.pointerra.com).



## Additional Information for Shareholders

The shareholder information set out below was applicable as at 26 September 2023.

### Shareholding

**711,800,597**

### Distribution of equity securities:

Analysis of numbers of equity security holders by size of holding:

Holding	Total holders	Number of Shares	% of issued capital
1 - 1,000	1,564	640,021	0.09
1,001 - 5,000	3,430	9,121,402	1.28
5,001 - 10,000	1,335	10,618,794	1.49
10,001 - 100,000	2,423	81,783,077	11.49
100,001 - 999,999,999,999	614	609,637,303	85.65
<b>Total</b>	<b>9,366</b>	<b>711,800,597</b>	<b>100.00</b>

	Holders	Units
Less than marketable parcel	3,799	4,302,707

The names of the 20 largest holders of fully paid ordinary shares as at 26 September 2023:

Name	Number of shares	Percentage
1. CARTOVISTA PTY LTD	60,777,958	8.94
2. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	46,655,979	6.55
3. CITICORP NOMINEES PTY LIMITED	37,227,921	5.23
4. CARTOVISTA PTY LTD	24,261,426	3.41
5. JENNIFER OLSON	19,983,793	2.81
6. MICHAEL FREETH	17,016,407	2.39
7. MRS ALISON ADRIENNE MORRISON + MR MARK WILLIAM MORRISON	14,586,710	2.05
8. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,814,076	1.80
9. MR HOANG HUY NGUYEN <HOANG HUY NGUYEN FAMILY A/C>	11,820,778	1.66
10. JENNIFER OLSON	10,000,000	1.40
11. CAPITAL B ASSET MANAGEMENT PTY LTD <CAPITAL B A/C>	9,500,000	1.33
12. MR RANDAL KARL RHOADS	8,000,000	1.12
13. MR BLAZE JASPER	7,985,000	1.12
14. IAN OLSON	6,077,796	0.85
15. LIVELY ENTERPRISES PTY LTD <THE NEWMAN RETIREMENT A/C>	6,000,000	0.84
16. DAVID LOWE	6,000,000	0.84
17. MARK MORRISON & ALISON MORRISON	5,822,742	0.82
18. STEPHEN SAKHAROV	5,000,000	0.70
19. GREG ITZSTEIN	5,000,000	0.70
20. MR SHANE RAYMOND DOUGLAS	4,872,158	0.68
<b>Total</b>	<b>319,402,744</b>	<b>44.87</b>
<b>Total all ordinary shares</b>	<b>711,800,597</b>	



## Additional Information for Shareholders

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### Substantial holders:

Substantial holders in the Company are set out below:

<b>Name</b>	<b>Number of shares</b>	<b>Class of shares</b>
Cartovista Pty Ltd	85,039,384	Ordinary
Jennifer Olson	33,960,950	Ordinary

### On-market Buy-back

There is no current on-market buy-back.

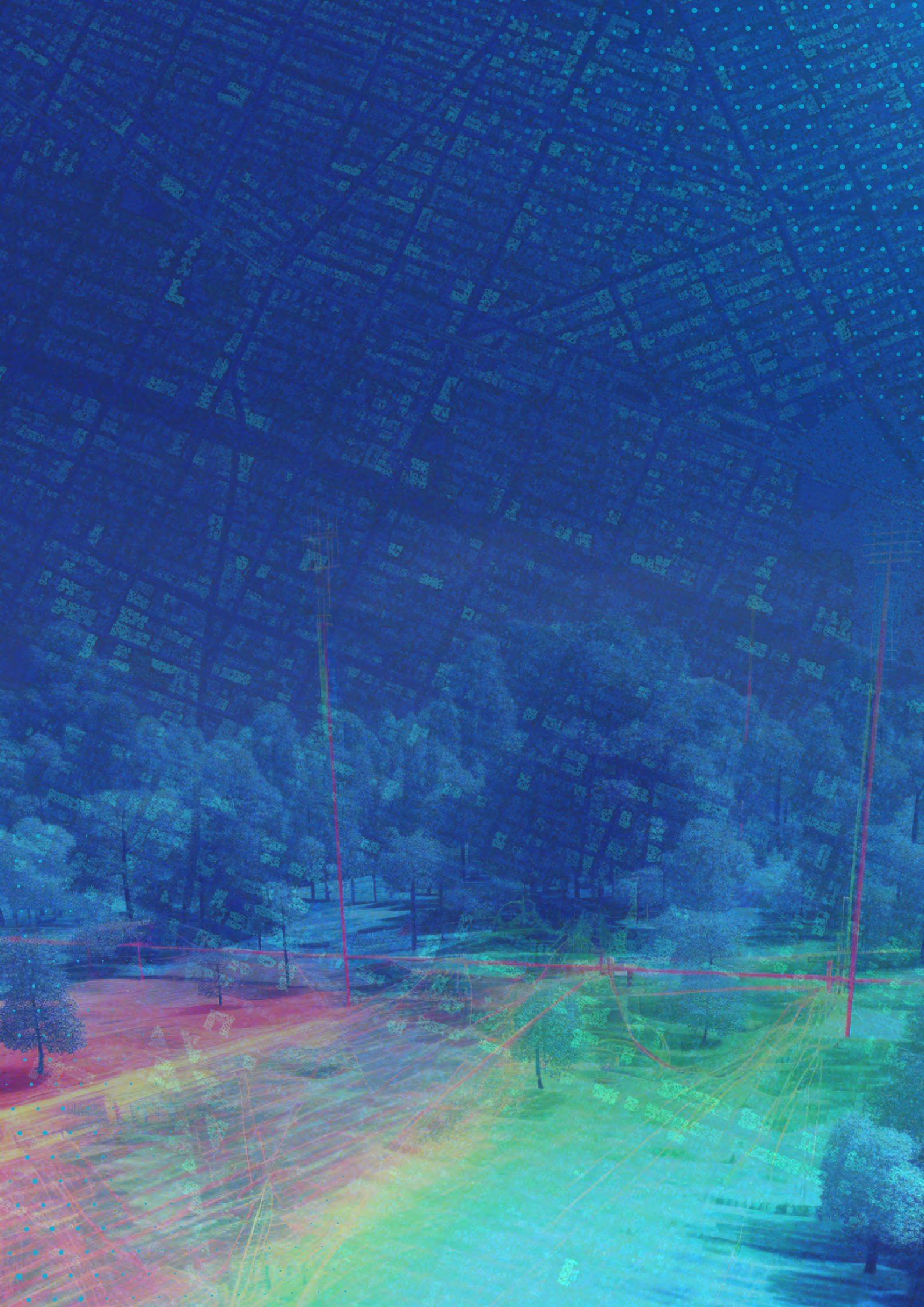
### Voting Rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

### Securities in Escrow

**52,700,000**









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