

31 October 2022

Enterprise Sales & ACV Update

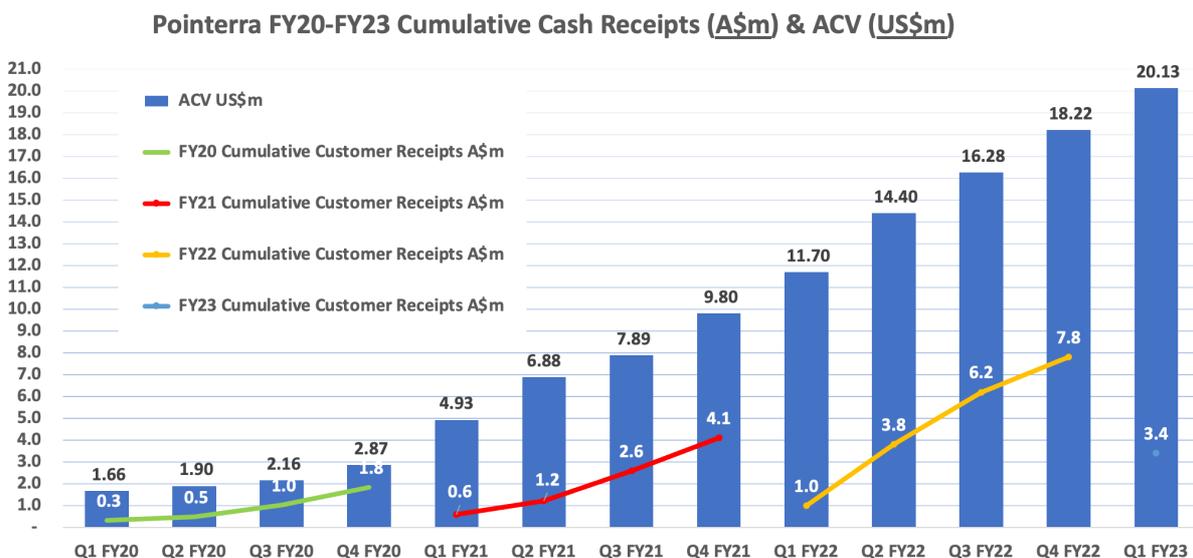
Highlights:

- Growth in US energy utility sector and expansion across AEC, Transport & Mining sectors drives US\$1.9 million uplift in ACV
- ACV now totals US\$20.1 million (31 October 2022)
- YoY ACV Growth = 72%, YoY Net Revenue Retention = 172%

Pointerra Limited (ASX: 3DP) ("Pointerra"; "Company") is pleased to provide an update on enterprise sales activity during the September 2022 quarter and as of 31 October 2022.

ACV Growth

During the September quarter, and since the Company last reported ACV (Annual Contract Value) on 29 July 2022, Pointerra continued to add new customers and also generate growth in spend by existing customers across most of the Company's target market sectors in the US and Australian markets. This growth has generated further uplift in Pointerra's US\$ ACV run-rate.



During the quarter the Company successfully grew the scope of deployment of previously awarded material contracts and paid proof of concepts in the important US energy utility sector. Expansion in platform usage by customers including FPL, PG&E, Entergy and Eversource reflects the continued development and adoption of the higher-value elements of the Pointerra3D solution portfolio (Analytics and Answers) with Pointerra’s Utility Explorer solution proving pivotal in driving this growth.

In addition to the US energy utility sector contract growth, the Company also added new (non-material) customers during the quarter and also increased ACV spend by existing customers across Pointerra’s suite of solutions (Pointerra3D Core, Analytics & Answers).



Revenue recognition and cash generation from the larger utility contracts continued to emerge during Q1 FY23 and is expected to continue during FY23 and into FY24 as the Pointerra3D solution is deployed across additional business units at these important customers.

As previously reported, the initial upload of legacy data by utility customers (as well as new data provided by 3rd party contractors) to the Pointerra3D platform has impacted the Company’s ability to accelerate platform deployment for these larger customers, which in turn impacts invoicing and cash generation. This initial drag on deployment during the first year is not expected to continue in subsequent years with these customers as the Pointerra3D platform becomes embedded in day-to-day workflow activities.

The Company has also previously commented on advocacy by existing customers as a driver of the Pointerra3D Digital Twin solution uptake amongst peer utilities. During the quarter Pointerra’s role in supporting FPL’s Hurricane Ian storm response has further raised the Company’s profile in the global energy utility sector, which is expected to lead to additional deployments of the Pointerra3D Storm Response solution by utilities around the world that are impacted by extreme weather events.

This customer advocacy and heightened awareness of Pointerra3D’s unique capabilities is expected to lower the cost of customer acquisition and shrink the sales cycle.

The combined growth in ACV for the September quarter (compared to June quarter levels) was US\$1.91 million, representing a 10.5% increase, and ACV now stands at US\$20.13 million as of 31 October 2022.

The Year-on-Year (YoY) uplift in ACV stands at 72% and YoY Net Revenue Retention, which considers growth in existing customers net of churn, stands at 172%

Outlook

Further scaling the Company's Development, Product and Sales teams to deliver growth across target sectors is expected to continue in coming quarters to support growing global demand for Pointerra3D's solutions, with the following initiatives being undertaken:

- Opening Pointerra's first US office to provide a regional home for the business (complete);
- Further Scaling the US team across Development, Product and Sales to provide greater North American time zone support (underway);
- Commencing operations in the UK to service the EMEA region (underway); and
- Pursuing strategic M&A tuck-in acquisitions targeted to add domain knowledge in people and product in the AEC, Transport and Mining, Oil & Gas sectors (underway).

The Company continues to demonstrate a growing maturity in its business model, whereby sustained compound organic growth has been self-funded through cash from operations.

Any future strategic M&A tuck-in acquisitions are expected to be largely scrip funded in order to ensure alignment of interests for incoming people.

In Australia the Company also expects to continue growing people numbers in the Perth and Brisbane offices across Development, Product and Sales teams to support customer demand for sector-specific solution enhancements in Pointerra3D Analytics and Answers, with most of these enhancements capable of being sold into other global regions and markets.

General

The Company looks forward to informing the market of further movements in ACV as appropriate and at least on a quarterly basis.

As with previous ACV market updates, the Company again notes that quarter-on-quarter cash receipts may continue to be variable as new customers are onboarded with a variety of different payment cycles including monthly, quarterly, annually and even multi-year agreements.

Further, and as previously advised, any individually material Pointerra3D contract awards will be separately announced to the market as they are confirmed by customers.

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

ENDS