



# Pointerra

ABN 39 078 388 155

## ANNUAL REPORT

For the year ended 30 June 2021



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# Corporate Information

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## Pointerra Limited

ABN 39 078 388 155

### Directors

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

### Company Secretary

Neville Bassett

### Registered Office

Level 4, 216 St Georges Terrace  
Perth, WA 6000

Telephone: +61 8 6268 2622

Facsimile: +61 8 6268 2699

### Principal Office

Level 2, 27 Railway Road  
Subiaco, WA 6008

### Internet

Website: [www.pointerra.com](http://www.pointerra.com)

Email: [info@pointerra.com](mailto:info@pointerra.com)

### Auditor

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

### Share Registry

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

Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

Telephone: +61 8 9389 8033

Facsimile: +61 8 9262 3723

### Solicitors

Steinpreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth, WA 6000  
Telephone: +61 8 9321 4000  
Facsimile: +61 8 9262 3723

### Stock Exchange Listing

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

# Pointerra Limited

ABN 39 078 388 155

## Annual Report 2021

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# Directors' Report

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The directors of Pointerra Limited ("the Company") present their report, together with the financial statements of the Company, for the financial year ended 30 June 2021.

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
Paul Farrell	Non-executive Director	9 November 2018
Neville Bassett	Non-executive Director	30 June 2016

## 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 14 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, GDip Mgt, MBA

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 such as 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

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## 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:

<b>Name</b>	<b>Company</b>	<b>Period of directorship</b>
<b>Mr Ian Olson</b>	Good Drinks Australia Limited (Non-executive Chairman)	12 November 2007 – current
<b>Mr Neville Bassett</b>	Metalsearch Ltd (Formerly Laconia Resources Ltd)	8 May 2015 – 16 October 2019
	Yowie Group Ltd	5 August 2019 – 27 November 2020
	Auris Minerals Ltd	20 April 2018 – current
	PharmAust Ltd	2 October 2018 – current
	Tennant Minerals NL	28 November 2019 – current



# Directors' Report

## 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	46,814,889	-
Neville Bassett	4,732,266	-
Paul Farrell	3,000,000	-

## Directors' meetings

Attendances by each Director at directors' meetings during the year were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Ian Olson	4	4
Neville Bassett	4	4
Paul Farrell	4	4

Directors' meetings held during the year, included above, do not include meetings held via circular resolution. Directors held an additional 16 meetings via circular resolution, attended by all directors, for a total of 20 meetings.

## Company Secretary

Mr Neville Bassett – appointed 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 civil infrastructure, mining, oil & gas, architecture, engineering & construction, and government agencies at all levels. 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. Customer's 3D data hosted by Pointerra can be dynamically searched, accessed, visualised, analysed and shared by anyone, anywhere, on any device and at any time.

## Review of Operations

### Sales & Platform

During the year the Company continued to generate growth in sales and cash receipts across target sectors, increasing the number of paying customers and regularly reporting cumulative Annual Contract Value (ACV) of Pointerra's customers.

The launch of Pointerra's business intelligence tools during FY21 broadened the appeal of the Company's platform, attracting new customers and prospects as well as growing sales from existing DaaS customers in Australia and the US. During FY21 the Company's R&D team continued to work with customers and partners to build-out the platform and analytics stack, responding to the simple questions that Pointerra uses in determining the suitability of its platform:

- What physical asset management problems are you trying to solve? (using 3D data); and/or
- What questions are you trying to ask of 3D data?

Responding to growth in demand for Pointerra's solution, the Company made a number of appointments during the year to support the R&D team and the Company's business development and sales activities. Pleasingly, Pointerra has become a destination employer in the geospatial sector in the US, Australia and internationally, which means that the Company's management team is able to hand-pick the right people to help continue to underpin platform development and customer growth.



# Directors' Report

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## Corporate

In July 2020 the Company announced that Australian tech entrepreneur Bevan Slattery had invested \$2.5million in the Company via the placement of 50 million shares at \$0.05 per share. Funds were used to accelerate the Company's global expansion.

In June 2021, the Company acquired US-drone based digital asset management business, Airovant LLC ("Airovant") (Note 28). Total purchase consideration was USD\$1million. Pursuant to the Business and Assets Sale Agreement, the Company resolved to issue to Airovant 2,583,092 fully paid ordinary shares in the Company in exchange for acquiring the business assets and undertakings of Airovant. The number of shares issued to Airovant was calculated based on the closing price of Pointerra shares and the AUD/USD exchange rate on 4 June 2021. 1,292,546 of these vendor shares are subject to voluntary escrow for a period of 12 months from the date of issue.

## Financial Review

During the year the Company grew cash receipts from customers to \$4.07 million from \$1.84 million in FY20 and reported ACV subscription growth from US\$2.87 million (July 2020) to US\$9.80 million by July 2021. Operating cash outflows were in line with management expectations during the year.

The Company continues to operate a lean, agile, low-cost operating model as it scales customer sales and will continue to add R&D and sales resources in line with growth in the sales pipeline. This approach generated multiple cashflow positive quarters during FY21 and for the full year, Pointerra generated near cashflow breakeven from operating activities.

The Company notes that quarter-on-quarter cash receipts may continue to be variable as new customers are on-boarded following contract award with a variety of different payment cycles including monthly, quarterly, annually and even multi-year in advance agreements. This ongoing variability in quarterly cash receipts is however expected to smooth out in time as ACV continues to grow and the size and diversity of Pointerra's customer base continues to mature.

## COVID-19

Pointerra team members now reside in 2 Australian and 5 US states and since the global outbreak of the COVID-19 pandemic, Pointerra has followed and adopted hygiene, health and work practice advice from relevant state and federal health departments and agencies in Australia and the US.

To date COVID-19 has had minimal impact on the ability of Pointerra's team to continue to operate the Company's business. The Board has considered a range of operational risk management initiatives, which will continue to be monitored in this fluid and rapidly changing global environment.

First and foremost, the safety of our people will continue to remain a priority.

## Operating Results

The loss for the financial year after providing for income tax was \$1,509,332 (2020: \$2,525,453 (loss)).

## Financial Position

As at 30 June 2021, the Company had cash of \$5,179,363 (2020: \$2,336,873) and net assets of \$4,588,729 (2020: \$1,218,825).

## Future Developments

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 geospatial technology business focused on solving the numerous challenges of using 3D data to manage the physical world – simplifying the complex and doing it faster than anyone else.

## Dividends Paid or Recommended

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

## Environmental Issues

The Company has a policy of at least complying, but in most cases exceeding, its environmental performance obligations. No environmental breaches have been notified by any government agency during the year ended 30 June 2021. The Board believes that the Company has adequate systems in place for the management of its environmental regulations.



The Company also 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.

## Shares under Option

At the date of this report, there were no unissued ordinary shares of Pointerra Limited under option.

Refer to Note 18 for further information on terms of options.

## Indemnifying officers or auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, 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.

## Remuneration Report (audited)

This report details the nature and amount of the remuneration for each member of key management personnel of Pointerra Limited for the year ended 30 June 2021.

For the purposes of this report, Key Management Personnel of the company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

For the purposes of this Remuneration Report, the term 'Executive' encompasses all Directors, the Company Secretary, the Chief Development Officer, Chief Research Officer and Chief Technical Officer of the company.

## Remuneration Philosophy

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.'*

## Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct. The company does not engage remuneration consultants.

## Non-executive Director Remuneration

### Objective

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.

### Structure

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 of comparable companies 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. It is considered good governance for directors to have a stake in the Company on whose board he or she sits.





# Directors' Report

## Voting on the Remuneration Report

At the Company's 2020 Annual General Meeting a resolution to adopt the 2020 Remuneration Report was passed by poll, with the poll indicating majority (99.92%) support in favour of adopting the Remuneration Report.

## 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.

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 are able to 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 a number of 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.

## Company performance, shareholder wealth and Director and executive remuneration

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

The table below shows the performance of the Company for the five years to 30 June 2021:

	2021	2020	2019	2018	2017
Net profit / (loss)	(1,509,332)	(\$2,525,453)	(\$1,907,036)	(\$1,660,843)	(\$1,304,751)
Revenue	3,983,603	1,228,165	443,504	312,068	4,635
Earnings per share	(0.23)	(0.45)	(0.37)	(0.41)	(0.40)
Share price at year end	\$0.49	\$0.040	\$0.046	\$0.043	\$0.025



# Directors' Report

## 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.

	Position	Contract details (duration and termination)	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
			%	%	%	%	%	%
<b>Key Management Personnel</b>								
Ian Olson	Managing Director	Ongoing commencing 30 June 2016. 6 months' notice to terminate.	32	-	-	68	-	100
Neville Bassett	Chairman	Service agreement in place with termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	-	100
Paul Farrell	Director	Service agreement in place with termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	-	100
Randy Rhoads	Chief Operating Officer	Employment agreement in place. 1 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.	21	-	-	79	-	100
Mark Morrison	Chief Research Officer	Employment agreement in place. 4 weeks written notice to terminate by Company, 1 month by employee.	-	-	-	100	-	100
David Lowe	Chief Technical Officer	Employment agreement in place. 4 weeks written notice to terminate by Company, 1 month by employee.	35	-	-	65	-	100



# Directors' Report

## Details of remuneration for the year ended 30 June 2021

Name	Short-term benefits		Post-employment benefits	Share-based payments	Share-based payments	Total	Performance related
	Cash salary, fees & commission	Non-cash benefit	Superannuation	Options	Employee loan Shares		
	\$	\$	\$	\$	\$	\$	%
Paul Farrell	36,000	-	-	-	-	36,000	-
Ian Olson (2)	455,000	-	26,125	-	-	481,125	-
Neville Bassett	36,000	-	-	-	-	36,000	-
Randy Rhoads (1)	346,405	-	23,467	-	-	369,872	21%
Mark Morrison (1)	170,000	-	16,150	-	-	186,150	-
David Lowe (1)	263,608	-	15,675	-	-	279,283	35%
	1,307,013	-	81,147	-	-	1,388,430	-

- (1) During the year the Board determined that existing employees Mr Rhoads (Chief Operating Officer), Mr Morrison (Chief Technology Officer) and Mr Lowe (Chief Revenue Officer) would form part of the key management personnel of the Group.
- (2) Included in the salary of Mr Olson was a STI payment of \$144,000

## Details of remuneration for the year ended 30 June 2020

Name	Short-term benefits		Post-employment benefits	Share-based payments	Share-based payments	Total	Performance related
	Cash salary & fees	Non-cash benefit	Superannuation	Options	Employee loan Shares (1)		
	\$	\$	\$	\$	\$	\$	%
Paul Farrell	36,000	-	-	-	55,908	91,908	-
Ian Olson	240,000	-	22,800	-	186,359	449,159	-
Neville Bassett	36,000	-	-	-	55,908	91,908	-
	312,000	-	22,800	-	298,175	632,975	-

- (1) During the year ended 30 June 2020, remuneration in the form of Employee Loan Shares were issued to KMP and employees. See Note 18, and below at 'Employee Loan Shares'.



# Directors' Report

## Ordinary Shares Held by Key Management Personnel – 30 June 2021

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year
Paul Farrell	3,000,000	-	-	-	3,000,000
Ian Olson (2)	47,514,889	-	-	(4,700,000)	42,814,889
Neville Bassett	4,732,266	-	-	-	4,732,266
Randy Rhoads (1)	9,000,000	-	-	(1,000,000)	8,000,000
Mark Morrison (1)	24,010,778	-	-	(3,601,326)	20,409,452
David Lowe (1)	-	-	-	-	-
	88,257,933	-	-	(5,301,326)	82,956,607

- (1) During the year the Board determined that existing employees Mr Rhoads (Chief Operating Officer), Mr Morrison (Chief Research Officer) and Mr Lowe (Chief Technical Officer) would form part of the key management personnel of the Group.
- (2) 37,960,950 ordinary shares of the 47,514,889 ordinary shares, held at 1 July 2020, were held by Mr Olson's spouse. As at the reporting date 30 June 2021, 33,960,950 ordinary shares of the 42,814,889 were held by Mr Olson's spouse.

## Ordinary Shares Held by Key Management Personnel – 30 June 2020

Key Management Person	Balance at beginning of year	Granted as remuneration during year (1)	Issued on exercise of options during year	Other changes during the year	Balance at end of year
Paul Farrell	-	3,000,000	-	-	3,000,000
Ian Olson	37,514,889	10,000,000	-	-	47,514,889
Neville Bassett	1,732,266	3,000,000	-	-	4,732,266
	39,247,155	16,000,000	-	-	55,247,155

- (1) During the year ended 30 June 2020, remuneration in the form of Employee Loan Shares were issued to KMP and employees. See Note 18, and below at 'Employee Loan Shares'.

## Options Held by Key Management Personnel – 30 June 2021

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year	Vested and exercisable at end of year
Ian Olson	-	-	-	-	-	-
Neville Bassett	-	-	-	-	-	-
Paul Farrell	-	-	-	-	-	-
	-	-	-	-	-	-

## Options Held by Key Management Personnel – 30 June 2020

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year	Vested and exercisable at end of year
Ian Olson	-	-	-	-	-	-
Neville Bassett	-	-	-	-	-	-
Paul Farrell	-	-	-	-	-	-
	-	-	-	-	-	-



# Directors' Report

## Employee loan shares – 30 June 2021

The limited recourse loan provided under the Plan to Mr Farrell, Mr Olson and Mr Bassett as outlined below, remain outstanding, in full at the reporting date. The Company will maintain a lien over the Shares in respect of which a loan is outstanding.

## Employee loan shares – 30 June 2020

During the year ended 30 June 2020, remuneration in the form of Employee Loan Shares were issued to KMP and employees.

## Key Management Personnel

Participant	Number issued	Grant date	Share price at date of issue	Exercise price	Vesting condition	Expected Volatility	Date of expiry	Risk free interest rate	Value per loan share	Valuation
Paul Farrell	3,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$55,908
Ian Olson	10,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$186,359
Neville Bassett	3,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$55,908
<b>Total</b>	<b>16,000,000</b>									<b>\$298,175</b>

## Vesting conditions

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

- The loan will be interest free;
- The loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
- The loan repayment date is five 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 ESP.

## Related party transactions

No related party transactions were entered into during the year.

-End of Remuneration Report-



# Directors' Report

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## Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years, other than the following:

- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

## Non-audit services

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

## Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been received and can be found directly following the directors' report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act of 2001.



**Ian Olson**

**Director**

30 September 2021





# Auditor's Independence Declaration

HALL CHADWICK 

To the Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Pointerra Limited for the financial year ended 30 June 2021, 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**



**DOUG BELL CA**  
**Partner**

Dated this 30<sup>th</sup> day of September 2021

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue		3,983,603	1,228,165
Other income	6	591,011	692,134
Cost of Services		(312,155)	(146,093)
Administrative expenses	7	(3,125,560)	(1,710,288)
Advertising and marketing expenses		(17,046)	(8,334)
Compliance and regulatory expenses		(423,735)	(133,549)
Research and development expenses	8	(1,462,279)	(1,213,237)
Share based payment expenses	18	(235,723)	(690,885)
Other expenses	9	(507,448)	(543,366)
<b>Loss before income tax</b>		<b>(1,509,332)</b>	<b>(2,525,453)</b>
Income tax expense	3	-	-
<b>Loss after income tax for the year</b>		<b>(1,509,332)</b>	<b>(2,525,453)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		36,836	(5,300)
<b>Total comprehensive loss for the year attributable to members of the Company</b>		<b>(1,472,496)</b>	<b>(2,530,753)</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	15	(0.23)	(0.45)

The accompanying notes form part of these financial statements



# Consolidated Statement of Financial Position

as at 30 June 2021

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	5,179,363	2,336,873
Trade and other receivables	11	1,051,698	602,990
Other		12,765	41,696
<b>TOTAL CURRENT ASSETS</b>		<b>6,243,826</b>	<b>2,981,559</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	12	204,034	82,411
Intangible assets	13	1,584,332	74,501
Right of use assets	26	332,711	380,805
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,121,077</b>	<b>537,717</b>
<b>TOTAL ASSETS</b>		<b>8,364,903</b>	<b>3,519,276</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14a	1,710,531	793,317
Lease liabilities	27	85,228	81,586
Deferred revenue	14b	1,134,275	811,210
Provisions		229,273	268,501
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,159,307</b>	<b>1,954,614</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	27	304,951	345,837
Deferred tax liability	3	311,916	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>616,867</b>	<b>345,837</b>
<b>TOTAL LIABILITIES</b>		<b>3,776,174</b>	<b>2,300,451</b>
<b>NET ASSETS</b>		<b>4,588,729</b>	<b>1,218,825</b>
<b>EQUITY</b>			
Issued capital	16	13,782,572	9,175,895
Reserves	17	2,510,983	2,238,424
Accumulated losses		(11,704,826)	(10,195,494)
<b>TOTAL EQUITY</b>		<b>4,588,729</b>	<b>1,218,825</b>

The accompanying notes form part of these financial statements





# Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Issued Capital	Option Reserves	Foreign exchange reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
<b>BALANCE AT 1 JULY 2019</b>		6,821,694	1,564,152	(11,313)	(7,638,562)	735,971
Effects of AASB 16		-	-	-	(31,479)	(31,479)
Loss for the year		-	-	-	(2,525,453)	(2,525,453)
Other comprehensive income		-	-	(5,300)	-	(5,300)
<b>Total comprehensive loss for the year</b>		-	-	(5,300)	(2,525,453)	(2,530,753)
<b>Transactions with owners recorded directly in equity</b>						
Share issued		2,500,000	-	-	-	2,500,000
Share issue transaction costs		(145,799)	-	-	-	(145,799)
Share-based payments	18	-	690,885	-	-	690,885
<b>BALANCE AT 30 JUNE 2020</b>		9,175,895	2,255,037	(16,613)	(10,195,494)	1,218,825
<b>BALANCE AT 1 JULY 2020</b>		9,175,895	2,255,037	(16,613)	(10,195,494)	1,218,825
Loss for the year		-	-	-	(1,509,332)	(1,509,332)
Other comprehensive income		-	-	36,836	-	36,836
<b>Total comprehensive loss for the year</b>		-	-	36,836	(1,509,332)	(1,472,496)
<b>Transactions with owners recorded directly in equity</b>						
Shares issued	16	4,606,677	-	-	-	4,606,677
Share issue transaction costs		-	-	-	-	-
Share-based payments	18	-	235,723	-	-	235,723
<b>BALANCE AT 30 JUNE 2021</b>		13,782,572	2,490,760	20,223	(11,704,826)	4,588,729

The accompanying notes form part of these financial statements



# Consolidated Statement of Cash Flows

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,069,794	1,843,086
Payments to suppliers and employees		(4,885,089)	(3,207,303)
Interest and other costs of finance paid		(30,379)	(28,665)
Interest received		1,146	1,309
Government grants and tax incentives		590,258	589,167
Net Cash Used In Operating Activities	22(b)	<u>(254,270)</u>	<u>(802,406)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire property, plant and equipment		(108,425)	(60,476)
Payments to acquire intangible and other assets		(28,605)	(36,238)
Net Cash Used In Investing Activities		<u>(137,030)</u>	<u>(96,714)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issues of shares		3,300,000	2,500,000
Payment of share issue and recapitalisation related costs		-	(159,880)
Lease payments		(59,218)	(29,761)
Net Cash Provided By Financing Activities		<u>3,240,782</u>	<u>2,310,359</u>
Net increase in cash held		2,849,482	1,411,239
Effect of movement in exchange rates on cash held		(6,992)	(21,702)
Cash and Cash Equivalents at beginning of the period		<u>2,336,873</u>	947,336
<b>Cash and Cash Equivalents at the end of the period</b>	22(a)	<b><u>5,179,363</u></b>	<b><u>2,336,873</u></b>

The accompanying notes form part of these financial statements



# Notes to the Financial Statements

for the year ended 30 June 2021

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## NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Pointerra Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the ASX.

The registered office is:

*C/- Westar Capital Limited, Level 4, 216 St Georges Terrace, Perth WA 6000*

The principal place of business is:

*Level 2, 27 Railway Road, Subiaco WA 6008*

The financial report for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 30 September 2021.

## NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements comprise the financial statements of Pointerra Limited and its subsidiaries at the reporting date (the "Group").

The consolidated financial statements have been prepared on an accruals basis and are measured at historical cost, except for assets and liabilities acquired in business combinations, which are initially measured at fair value. All amounts are presented in Australian dollars.

Accounting policies have been consistently applied, unless otherwise stated.

### Basis of consolidation

Subsidiaries are fully consolidated from the date the Group obtains control until such time as control ceases. The Group controls an entity when the Group 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.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses arising from intra-group transactions are eliminated in full.

### 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 2021, the Group had cash and cash equivalents of \$5,179,363 (2020: \$2,336,873) and had a working capital surplus of \$3,084,519 (2020: \$1,026,945). The Group incurred an operating loss of \$1,509,332 for the year ended 30 June 2021 (2020: \$2,525,453) and net cash outflows from operating activities amounting to \$254,270 (2020: \$802,406).

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 12-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 an appropriate plan to grow its revenue and generate positive cash flows from operations; and
- the Group has the ability to curtail discretionary expenditure as and when required in order to manage its cash flows.

Based on the cashflow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Pointerra Limited.

### Income tax

The income tax expense / (benefit) for the year comprises current income tax expense / (income) and deferred tax expense / (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 / (assets) are therefore measured at the amounts expected to be paid to / (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 / (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 manner in which 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.

### *Tax consolidation legislation*

Pointerra Limited and its wholly owned Australian subsidiary have not implemented tax consolidation legislation.

### Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in the profit and loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Intangibles

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

- patents and trademarks: 5–20 years

### Financial Instruments

#### *Initial recognition and measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### *Classification and subsequent measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants acts in their economic best interests.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### (i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

#### (ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

#### *Derivative instruments*

The Group does not trade or hold derivatives.

#### *Financial guarantees*

The Group has no material financial guarantees.

### Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. No liabilities are recognised for non-accumulating sick leave.





# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The liability for long service leave and other employee entitlements expected to be settled more than 12 months from the reporting date is recognised and measured as 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 years of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation funds are recognised as an expense as they become payable.

### Foreign currency translation

#### *Functional and presentation currency*

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

#### *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

### Share-based payment transactions

The Company measures the cost of equity-settled transactions with Directors and 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 an internal valuation using a Black-Scholes and Monte Carlo option pricing model.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services, the value of options is calculated using the Black-Scholes and Monte Carlo option pricing model, or the quoted bid price where applicable.

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within thirty days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months from the reporting date. They are recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

### Issued capital

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.

### 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-tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

### Goods and Services Tax (GST)

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.

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.

### Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

#### *Key Estimate – Share-based payments*

The Company measures the cost of equity-settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes and Monte Carlo model using the assumptions disclosed in Note 18. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on assets and liabilities within the next reporting period but may impact expenses and equity.

#### *Key Estimate/Judgement – Pay-check Protection Program*

The Company received AUD\$100,545 loan proceeds from the US federal government, under the Pay-check Protection Program (PPP), during the financial year ended 30 June 2020. The loan bears a fixed interest rate of 1% per annum. The loan and any accrued interest are forgivable at the end of the loan deferral period if the loan proceeds have been used for qualifying purposes. In the Company's opinion, loan funds received during the period, were utilised to support qualifying payroll functions. The company has used the loan proceeds for purposes consistent with the PPP, and accordingly, the Company has met the conditions for forgiveness of the loan. Loan proceeds have therefore been recorded as Other Income (Note 6).

#### *Key Judgement - Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group, based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## **Accounting Standards that are mandatorily effective for the current reporting year**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies

## **New 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 Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 3. INCOME TAX

	2021	2020
	\$	\$
(a) The components of tax expense comprise:		
Current	-	-
Deferred	-	-
Income tax expense	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax expense as follows:		
Prima facie tax on operating loss at 26% (2020: 27.5%)	(392,426)	(694,500)
Add / (Less):		
Tax effect of:		
Non-assessable income	(153,366)	(162,321)
Research & Development refundable offset	(255,899)	(194,118)
Other permanent differences	65,658	191,024
Deferred tax assets not brought to account	736,033	859,915
Income tax expense/(benefit)	-	-
(c) Deferred tax assets		
Accrued expenses	248,051	164,936
Capital raising costs	382,410	404,472
Tax losses	950,687	1,005,534
Total deferred tax assets	1,581,148	1,574,942
Set-off deferred tax liabilities pursuant to set-off provisions	(66,020)	(44,824)
Less deferred tax assets not recognised	(1,515,128)	(1,530,118)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Acquisition (Note 28)	311,916	-
Other	66,020	44,824
Set-off deferred tax liabilities	(66,020)	(44,824)
Net deferred tax liabilities	311,916	-
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	-	-
Potential tax benefit @ 26% (2020: 27.5%)	1,515,128	-

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 2021 (continued)

## NOTE 4. AUDITOR'S REMUNERATION

	2021	2020
	\$	\$
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	31,328	41,477
	<u>31,328</u>	<u>41,477</u>

## NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

### Key management personnel compensation

Short-term employee benefits	1,307,013	312,000
Post-employment benefits	81,417	22,800
Share-based payments	-	298,175
	<u>1,388,430</u>	<u>632,975</u>

## NOTE 6. OTHER INCOME

Research and development refundable tax offset	552,366	527,758
Other Income – US Govt Grant	-	100,545
Cashflow Boost	37,500	62,500
Interest Income	1,145	1,331
	<u>591,011</u>	<u>692,134</u>

## NOTE 7. ADMINISTRATIVE EXPENSES

Accounting and audit fees	(177,454)	(138,261)
Consulting and contracting expenses	(25,000)	(60,000)
Director fees	(144,000)	(72,000)
Employee benefits expense	(2,779,106)	(1,440,027)
	<u>(3,125,560)</u>	<u>(1,710,288)</u>

## NOTE 8. RESEARCH AND DEVELOPMENT EXPENSES

Employee benefits expense	(1,077,916)	(838,593)
Other research and development expenses	(384,363)	(374,644)
	<u>(1,462,279)</u>	<u>(1,213,237)</u>

## NOTE 9. OTHER EXPENSES

Depreciation and amortisation expense	(124,005)	(104,314)
Legal fees	(39,329)	(5,989)
General operating expenses	(344,114)	(433,063)
	<u>(507,448)</u>	<u>(543,366)</u>





# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 10. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank	5,129,363	2,286,873
Deposits on call	50,000	50,000
	<u>5,179,363</u>	<u>2,336,873</u>

## NOTE 11. TRADE AND OTHER RECEIVABLES

Trade receivables	533,343	60,227
R&D tax offset receivable	552,367	527,758
GST receivable	(34,012)	15,005
	<u>1,051,698</u>	<u>602,990</u>

The average credit period on provision of services is 18 days (2020: 25 days) and no interest is charged on trade receivables. Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are past due but not impaired

60-90 days	-	-
91-120 days	2,662	-
121+ days	247,344	-
Total	<u>250,006</u>	<u>-</u>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is unrelated.

## NOTE 12. PLANT AND EQUIPMENT

At cost	353,582	181,733
Accumulated depreciation	(149,548)	(99,322)
	<u>204,034</u>	<u>82,411</u>

Movement in the carrying amounts of plant and equipment during the year:

Balance at beginning of year	82,411	58,735
Additions (1)	171,849	57,230
Depreciation expense	(50,226)	(33,554)
Balance at end of year	<u>204,034</u>	<u>82,411</u>

(1) \$107,000 of the \$171,849 relates to the Airovant acquisition (Note 28).



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 13. INTANGIBLE ASSETS

	2021	2020
	\$	\$
At cost	1,681,455	146,564
Accumulated amortisation	(97,123)	(72,063)
	<u>1,584,332</u>	<u>74,501</u>
Movement in the carrying amounts or intangible assets during the year:		
Balance at beginning of year	74,501	60,431
Additions (1)	1,534,891	36,603
Amortisation expense	(25,060)	(22,533)
Balance at end of year	<u>1,584,332</u>	<u>74,501</u>

Intangible assets consist of patents, website development costs, intellectual property and customer relationships.

- (1) The Company acquired US-drone based digital asset management business, Airovant LLC ("Airovant") on 4 June 2021. \$1,511,593 relates to intellectual property and customer relationships. The Business Combination has been provisionally accounted for at the reporting date (Note 28).

## NOTE 14. TRADE AND OTHER PAYABLES

### (a) CURRENT

#### *Unsecured Liabilities:*

Trade Payables	582,283	371,688
Sundry creditors and accrued expense	1,128,248	421,629
	<u>1,710,531</u>	<u>793,317</u>

All amounts are expected to be settled on 30-day terms.

### (b) DEFERRED REVENUE

Deferred Revenue	1,134,275	811,210
	<u>1,134,275</u>	<u>811,210</u>

## NOTE 15. EARNINGS PER SHARE

Earnings used in calculating basic loss per share	(1,509,332)	(2,525,453)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	<u>669,246,504</u>	<u>558,806,674</u>

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



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 16. ISSUED CAPITAL

	2021	2020
	\$	\$
677,806,204 (2020: 613,223,112) fully paid ordinary shares	15,050,803	10,589,925
Less: capital raising fees	(1,268,231)	(1,414,030)
Net issued capital	13,782,572	9,175,895
<b>Movements:</b>	<b>\$</b>	<b>No.</b>
<b>As at 30 June 2019</b>	<b>6,821,694</b>	<b>521,223,112</b>
Capital raising	2,500,000	50,000,000
Employee loan shares	-	42,000,000
Share issue costs	(145,799)	-
<b>As at 30 June 2020</b>	<b>9,175,895</b>	<b>613,223,112</b>
Share placement: 14 July 2020	2,500,000	50,000,000
Option exercise at \$0.05 (3DPAF): 24 July 2020	75,000	1,500,000
Option exercise at \$0.06 (3DPAF): 10 August 2020	148,200	2,470,000
Option exercise at \$0.05 (3DPAF): 01 September 2020	115,000	2,300,000
Option exercise at \$0.06 (3DPAF): 03 September 2020	30,000	500,000
Option exercise at \$0.05 (3DPAF): 22 September 2020	10,000	200,000
Option exercise at \$0.06 (3DPAF): 22 September 2020	14,700	245,000
Option exercise at \$0.09 (3DPAF): 22 September 2020	26,550	295,000
Option exercise at \$0.06 (3DPAF): 15 February 2021	3,000	50,000
Option exercise at \$0.06 (3DPAF): 17 March 2021	44,100	735,000
Option exercise at \$0.09 (3DPAF): 17 March 2021	333,450	3,705,000
Acquisition of Airovant (Note 28)	1,306,677	2,583,092
<b>As at 30 June 2021</b>	<b>13,782,572</b>	<b>677,806,204</b>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### Year ended 30 June 2021

On 14 July 2020, the Company announced that Australian tech entrepreneur Bevan Slattery had invested \$2.5million in the Company via the placement of 50 million shares at \$0.05 per share. Funds to be used to accelerate the Company's global expansion.

The Company acquired US-drone based digital asset management business, Airovant LLC ("Airovant") on 4 June 2021 (Note 28). Total purchase consideration was USD\$1million. Pursuant to the Business and Assets Sale Agreement, the Company resolved to issue to Airovant 2,583,092 fully paid ordinary shares in the Company in exchange for acquiring the business assets and undertakings of Airovant. The number of shares issued to Airovant was calculated based on the closing price of Pointerra shares and the AUD/USD exchange rate on 4 June 2021. 1,292,546 shares are subject to voluntary escrow for a period of 12 months from the date of issue.

### Year ended 30 June 2020

On 5 November 2019, 50,000,000 shares were placed to institutional and sophisticated investors at a price of \$0.05, raising \$2.5 million before costs.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 16. ISSUED CAPITAL (continued)

During the year ended 30 June 2020, remuneration in the form of Employee Loan Shares were issued to KMP and employees (Note 18).

### Options

As at the reporting date, no options over unissued ordinary shares were outstanding.

### Capital 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.

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. Therefore, 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 Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

## NOTE 17. RESERVES

	2021	2020
	\$	\$
<b>Option Reserves</b>		
Balance at beginning of year	2,255,037	1,564,152
Issuance of Employee loan shares	-	660,032
Employee loan shares vesting over multiple periods	52,612	-
Options vesting over multiple periods	-	30,853
Performance rights vesting over multiple periods	183,111	-
Balance at end of year	<u>2,490,760</u>	<u>2,255,037</u>
<b>Foreign Exchange Reserves</b>		
Balance at beginning of year	(16,613)	(11,313)
Foreign currency translation difference	36,836	(5,300)
Balance at end of year	<u>20,223</u>	<u>(16,613)</u>



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 18. SHARE-BASED PAYMENTS

### (a) Options issued to employees

2,500,000 incentive options with an expiry date of 2 August 2020 and an exercise price of \$0.05 were issued on 23 November 2018 pursuant to the Pointerra Ltd Employee Option Plan. The options were valued at \$0.0189 and were expensed as share-based payments. During the year ended 30 June 2020 \$5,992 was expensed in FY2020.

2,500,000 incentive options with an expiry date of 2 August 2020 and an exercise price of \$0.05 were issued on 23 November 2018 pursuant to the Pointerra Ltd Employee Option Plan. The options were valued at \$0.0189 and were expensed as share-based payments. During the year ended 30 June 2020 \$24,861 was expensed.

### (b) Option valuation assumptions

The fair value of the options granted was estimated as at the date of grant using a Black-Scholes option valuation model and a Monte Carlo simulation valuation model. The following table lists the inputs to the models:

	Dividend yield (%)	Expected volatility (%)	Risk-free interest rate (%)	Expected life (years)	Share price at grant date
<b>2019</b>					
Employee Incentive Scheme Options - issued 23 Nov 18	Nil	79	2.03	1.7	0.048
Employee Incentive Scheme Options - issued 23 Nov 18	Nil	79	2.03	1.7	0.048





# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 18. SHARE-BASED PAYMENTS (continued)

### (c) Options outstanding at end of year

The following table illustrates the number and weighted average exercise prices (WAEF) of share options granted as share-based payments on issue during the year.

	2021 Number	2021 WAEF \$	2020 Number	2020 WAEF \$
<b>Outstanding at 1 July</b>	17,000,000	0.07	17,000,000	0.07
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(12,000,000)	0.067	-	-
Expired during the year	(5,000,000)	0.05	-	-
<b>Outstanding at 30 June</b>	-	-	17,000,000	0.07

The weighted average remaining contractual life for options outstanding as at 30 June 2021 was Nil (2020: 4.7 years).

### (d) Share-based Payments summary

Class	Quantity	Grant date	Value recognised during year	Expiry date	Exercise price	Vesting date	Value recognised in future years
<b>2020</b>							
Options	2,500,000	23/11/2018	5,992	02/08/2020	0.05	-	-
Options	2,500,000	23/11/2018	24,861	02/08/2020	0.05	-	-
			30,853				-
Loan Shares	35,000,000	07/05/2020	652,248	06/05/2025	0.06	07/05/2020	-
Loan Shares	7,000,000	07/05/2020	7,784	06/05/2025	0.06	Note 1	122,667
			660,032				122,667
<b>Total</b>			<b>690,885</b>				<b>122,667</b>
<b>2021</b>							
Tranche 1							
Performance Rights	2,666,668	01/06/2021	114,444	31/05/2024	N/a	31/05/2022	1,258,890
Tranche 2							
Performance Rights	2,666,668	01/06/2021	45,778	31/05/2024	N/a	31/05/2023	1,052,889
Tranche 3							
Performance Rights	2,666,668	01/06/2021	22,889	31/05/2024	N/a	31/05/2024	801,110
			183,111				3,112,889
Loan Shares	7,000,000	07/05/2020	52,612	06/05/2025	0.06	Note 1	70,054
<b>Total</b>			<b>235,723</b>				<b>3,182,943</b>

Note 1.

Vesting over multiple periods.

7million loan shares are subject to the following vesting conditions. Conditions shall cease to apply upon the holders remaining continually employed by the Company throughout the vesting period:

- 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



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 18. SHARE-BASED PAYMENTS (continued)

The Company acquired US-drone based digital asset management business, Airovant LLC (“Airovant”) on 4 June 2021 (Note 28). The Company has entered into employment agreements with the four Airovant founder employees. These employment agreements include an offer made pursuant to the Company’s employee incentive share plan for the issue of 2 million ordinary shares in the Company to each of the four Airovant employees (8 million shares in total), with the shares vesting in three equal tranches of 666,667 shares over a three-year period on the anniversary of 1, 2 and 3 years continuous employment with the Company.

Tranche 1: Assigned probability of 100% for satisfaction of vesting condition (1-year continuous employment with the Company).

Tranche 2: Assigned probability of 80% for satisfaction of vesting condition (2-years continuous employment with the Company).

Tranche 3: Assigned probability of 60% for satisfaction of vesting condition (3-years continuous employment with the Company).

Share price on grant date was \$0.515.

### Employee loan shares

During the year ended 30 June 2020, remuneration in the form of Employee Loan Shares were issued to Key Management Personnel and employees.

### Key Management Personnel

Participant	Number issued	Grant date	Share price at date of issue	Exercise price	Vesting conditions	Expected Volatility	Date of expiry	Risk free interest rate	Value per loan share	Valuation
Paul Farrell	3,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$55,908
Ian Olson	10,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$186,350
Neville Bassett	3,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$55,908
<b>Total</b>	<b>16,000,000</b>									<b>\$298,166</b>

### Employees

Participant	Number issued	Grant date	Share price at date of issue	Exercise price	Vesting conditions	Expected Volatility	Date of expiry	Risk free interest rate	Value per loan share	Valuation
Employees	19,000,000	07.05.20	\$0.032	\$0.060	Nil	89.75%	30.04.25	0.41%	\$0.0186	\$354,082
Employees Note 1	7,000,000	07.05.20	\$0.032	\$0.060	Note 1	89.75%	30.04.25	0.41%	\$0.0186	\$130,451
<b>Total</b>	<b>26,000,000</b>									<b>\$484,533</b>

Note 1. 7 million loan shares are subject to the following vesting conditions. Conditions shall cease to apply upon the holders remaining continually employed by the Company throughout the vesting period:

- 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

The Loan Shares represent an option arrangement. Those with vesting conditions attached to the Loan Shares are expensed over the vesting period.

### Vesting conditions

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

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



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## NOTE 18. SHARE-BASED PAYMENTS (continued)

- 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.

## NOTE 19. COMMITMENTS

The lease liability is now recognised in the balance sheet, in line with AASB 16. Refer to Note 27.

There are no other leasing or capital commitments for the year ended 30 June 2021 (2020: Nil).

## NOTE 20. CONTINGENT LIABILITIES AND ASSETS

There are no contingent assets or liabilities.

## NOTE 21. OPERATING SEGMENTS

The Group has only one reportable segment, being the development and commercialisation of its unique 3D geospatial data technology.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 22. CASH FLOW INFORMATION

<b>(a) Reconciliation of cash</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	5,179,363	2,336,873
<b>(b) Reconciliation of cash flow from operations with operating profit after income tax</b>		
Operating loss after income tax	(1,509,332)	(2,525,453)
Non-cash flows in loss from ordinary activities		
Depreciation and amortisation	75,910	56,087
Share-based payments	235,723	690,885
Foreign exchange	151,305	31,646
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(419,777)	(28,477)
(Increase)/Decrease in right to use assets	48,094	(380,805)
Increase/(Decrease) in trade and other payables	917,214	293,205
Increase/(Decrease) in Lease liabilities	(37,244)	427,423
Increase/(Decrease) in Deferred revenue	323,065	528,851
Increase/(Decrease) in Provisions	(39,228)	104,232
Net Cash Used In Operating Activities	(254,270)	(802,406)

## NOTE 23. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years, other than the following:

- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Group up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## NOTE 24. FINANCIAL INSTRUMENTS

### (a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and accounts payable. The main purpose of non-derivative financial instruments are to raise finance for company operations. The Company does not have any derivative instruments at 30 June 2021.

#### 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.

The financial liabilities of the Company are confined to trade and other payables and lease liabilities, as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date. Lease liabilities are non-interest bearing and have fixed terms of repayment.

#### 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. Interest rate risk is not material to the Company as no debt arrangements have been entered into.

#### iv. Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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 Group had net assets denominated in foreign currencies in USD (AUD equivalent \$379,929) as at 30 June 2021. Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% against this foreign currency, with all other variables held constant, the Groups loss before tax for the year would have been \$37,993 lower/higher and equity would have been \$37,993 lower/higher. The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2021 was \$60,194 (2020: \$7,901).



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 24. FINANCIAL INSTRUMENTS (continued)

### v. Credit Risk

Credit risk related to balances with banks and other financial institutions is managed by the Directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	2021	2020
Cash and cash equivalents	\$	\$
- AA- Rated	5,179,363	2,336,873

### (b) Interest Rate Risk

The Group's exposure to interest rate risk, which is the 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:

	2021				Total
	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing over 1 to 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	5,179,363	-	-	-	5,179,363
Trade and other receivables	-	-	-	1,064,463	1,064,463
	5,179,363	-	-	1,064,463	6,243,826
Weighted average interest rate					
<b>Financial liabilities</b>					
Trade and other payables	-	-	-	1,710,531	1,710,531
Lease liability	-	-	-	390,179	390,179
	-	-	-	2,100,710	2,100,710
	2020				Total
	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing over 1 to 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	2,336,873	-	-	-	2,336,873
Trade and other receivables	-	-	-	644,686	644,686
	2,336,873	-	-	644,686	2,981,559
Weighted average interest rate					
	0.05%	0%	0%	0%	
<b>Financial liabilities</b>					
Trade and other payables	-	-	-	793,317	793,317
Lease liability	-	-	-	427,423	427,423
	-	-	-	1,220,740	1,220,740





# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 24. FINANCIAL INSTRUMENTS (continued)

### **Sensitivity Analysis**

The sensitivity analysis below has been determined on the exposure to interest rates at the reporting date and on the basis of the stipulated change taking place at the beginning of the year and held constant throughout the reporting period. A sensitivity of 0.5% has been selected, as this is considered reasonable considering the current market conditions (2020: 0.5%).

At 30 June 2021, 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:

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Profit/(loss) and equity</b>		
+ 0.5% (50 basis points) (2020: +0.5% (50 basis points))	25,897	11,684
- 0.5% (50 basis points) (2020 -0.5% (50 basis points))	25,897	(11,684)

### **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.



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 25. PARENT ENTITY INFORMATION

Pointerra Limited is the legal parent entity.

	2021	2020
	\$	\$
Current assets	4,206,018	2,294,898
Non-current assets	3,082,191	609,219
<b>Total assets</b>	<b>7,288,209</b>	<b>2,904,117</b>
Current liabilities	(2,082,279)	(1,685,292)
Non-current liabilities	(616,867)	-
<b>Total liabilities</b>	<b>(2,699,146)</b>	<b>(1,685,292)</b>
<b>Net assets</b>	<b>4,589,063</b>	<b>1,218,825</b>
Equity		
Contributed equity	19,346,425	14,739,748
Reserves	2,509,675	2,273,951
Accumulated losses	(17,267,037)	(15,794,874)
<b>Total equity</b>	<b>4,589,063</b>	<b>1,218,825</b>
<b>Total comprehensive loss</b>	<b>(1,472,163)</b>	<b>(2,539,058)</b>

### Legal subsidiaries

Name	Country of Incorporation	Class of share	% Equity interest 2021	% Equity interest 2020	Principal activities
Pointerra Technologies Pty Ltd <sup>(i)</sup>	Australia	Ordinary	100%	100%	Provision of 3D digital asset management solutions
Pointerra US, Inc <sup>(ii)</sup>	United States of America	Ordinary	100%	100%	Provision of 3D digital asset management solutions

i. Acquired 30 June 2016

ii. Incorporated 18 January 2018



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

## NOTE 26. RIGHT TO USE ASSETS

The Group's lease portfolio includes buildings, plant and equipment. These leases have an average of 3 years as their lease term.

### i) AASB 16 related amounts recognised in the balance sheet

Right of use assets

	2021	2020
	\$	\$
Leased Building	429,032	429,032
Accumulated depreciation	(96,321)	(48,227)
Total Right of use asset	332,711	380,805

### Movement in carrying amounts:

Leased Buildings:

Opening balance (Note 1)	380,805	429,032
Depreciation expense	(48,094)	(48,227)
Net carrying amount	332,711	380,805

Note 1. Prior year 30 June 2020: Recognised on Initial application of AASB 16 (previously classified as operating leases under AASB 117)

### ii) AASB 16 related amounts recognised in the statement of profit or loss

	2021	2020
	\$	\$
Depreciation charge related to right-of-use assets	48,094	48,227
Interest expense on lease liabilities	22,171	24,043
Total cash outflows for leases	59,218	29,761

## NOTE 27. LEASES

	2021	2020
	\$	\$
Current	85,228	81,586
Non-current	304,951	345,837
	390,179	427,423



# Notes to the Financial Statements

for the year ended 30 June 2021 (continued)

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## NOTE 28. ACQUISITION

On 4 June 2021 the Company purchased the business assets and undertakings of US drone-based digital asset management business, Airovant LLC (“Airovant”). Pursuant to the Business and Assets Sale Agreement (“the Agreement”), the consideration was USD\$1 million which was agreed to be issued in shares using the closing price on execution of the Agreement. The Business Combination has been provisionally accounted for at the reporting date.

Details of the purchase consideration, and the net assets acquired are as follows:

Consideration 2,583,092 ordinary shares	\$ 1,306,677
Plant and equipment	107,000
Intangible assets (intellectual property and customer relationships) (Note 13)	1,511,593
Deferred tax liability	(311,916)
<b>Net Assets acquired</b>	<b>1,306,667</b>

No goodwill was recognised upon acquisition of the business.



## Directors' Declaration

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The directors of the Group, declare that:

- (1) the financial statements, notes and additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the Corporations Act 2001, including;
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Company's and Group's financial position as at 30 June 2021 and of their performance for the year ended on that date.
- (2) The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial report.
- (3) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (4) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended to 30 June 2021.

This declaration is made in accordance with a resolution of the Board of Directors of Pointerra Limited.



**Ian Olson**  
**Director**

30 September 2021

### 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 2021, 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 2021 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 2.

#### 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.



## 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>Acquisition of Airovant</b></p> <p>As disclosed in note 28, on 4 January 2021 the Consolidated Entity purchased the business assets and undertakings of US drone-based digital asset management business, Airovant LLC (“Airovant”)</p> <p>As at 30 June 2021, the acquisition has been provisionally accounted in accordance with <i>AASB 3 Business Combinations</i>.</p> <p>Given the significance of the transaction and the complexity of accounting for business combinations we consider this to be a key audit matter.</p>	<p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> <li>• We reviewed the Business and Assets Sale Agreement, assessing the key terms and considered whether the acquisition constituted a business combination;</li> <li>• We assessed the fair value of consideration paid for the acquisition;</li> <li>• We performed audit procedures on the net assets acquired at acquisition date; and</li> <li>• We assessed the appropriateness of the related disclosures in Note 28 of the financial report.</li> </ul>
<p><b>Revenue Recognition</b></p> <p>During the year, the Consolidated Entity generated revenue of \$3,983,603 and as at balance date had deferred revenue of \$1,134,275.</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>

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Accounting for Share Based Payments</b></p> <p>As disclosed in note 18 to the financial statements, during the year ended 30 June 2021 the Consolidated Entity incurred share based payments expense of \$235,723.</p> <p>Share based payments are considered to be a key audit matter due to</p> <ul style="list-style-type: none"> <li>• the value of the transactions;</li> <li>• the complexities involved in the recognition and measurement of these instruments; and</li> <li>• the judgement involved in determining the inputs used in the valuations.</li> </ul> <p>Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.</p>	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> <li>• Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments;</li> <li>• Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; and</li> <li>• Assessing the amount recognised during the year in accordance with the vesting conditions of the agreements; and</li> </ul> <p>Assessing the adequacy of the disclosures included in Note 18 to the financial statements.</p>

## 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 2021 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 2, 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 2021. 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.

# Independent Auditor's Report



## Auditor's Opinion

In our opinion, the Remuneration Report of Pointerra Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

*Hall Chadwick*  
HALL CHADWICK WA AUDIT PTY LTD

*Doug Bell*  
DOUG BELL CA  
Partner

Dated this 30<sup>th</sup> day of September 2021



## 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 at: [www.pointerra.com](http://www.pointerra.com)





## Additional Information for Shareholders

The shareholder information set out below was applicable as at 22 September 2021.

### 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	1,828	895,702	0.13
1,001 - 5,000	4,718	12,392,103	1.83
5,001 - 10,000	1,725	13,808,401	2.04
10,001 - 100,000	2,580	79,237,765	11.69
100,001 - 999,999,999,999	487	571,472,233	84.31
<b>Total</b>	<b>11,338</b>	<b>677,806,204</b>	<b>100.00</b>

	Holders	Units
Less than marketable parcel	1,889	958,067

The names of the 20 largest holders of fully paid ordinary shares as at 16 August 2021:

Name	Number of shares	Percentage
1. CARTOVISTA PTY LTD	60,777,958	8.97
2. CAPITAL B ASSET MANAGEMENT PTY LTD <CAPITAL B A/C>	50,000,000	7.38
3. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	46,867,257	6.91
4. CARTOVISTA PTY LTD	24,261,426	3.58
5. JENNIFER OLSON	19,983,793	2.95
6. MICHAEL FREETH	17,016,407	2.51
7. CITICORP NOMINEES PTY LIMITED	15,508,326	2.29
8. MRS ALISON ADRIENNE MORRISON + MR MARK WILLIAM MORRISON	14,586,710	2.15
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,530,784	1.70
10. JENNIFER OLSON	10,000,000	1.48
11. MR BLAZE JASPER	8,966,172	1.32
12. MR RANDAL KARL RHOADS	8,000,000	1.18
13. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,638,112	0.98
14. IAN OLSON	6,077,796	0.90
15. MR KEIRAN JAMES SLEE	6,000,000	0.89
16. LIVELY ENTERPRISES PTY LTD <THE NEWMAN RETIREMENT A/C>	6,000,000	0.89
17. MARK MORRISON & ALISON MORRISON	5,822,742	0.86
18. MR MICHAEL FREETH	5,571,234	0.82
19. STEPHEN SAKHAROV	5,000,000	0.74
20. JAMES YOUNG	4,200,000	0.62
<b>Total</b>	<b>332,808,717</b>	<b>49.10</b>
<b>Total all ordinary shares</b>	<b>677,806,204</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	89,078,209	Ordinary
Jennifer Olson	33,960,950	Ordinary
Capital B Asset Management Pty Ltd <Capital B A/C>	50,000,000	Ordinary

### Restricted Securities

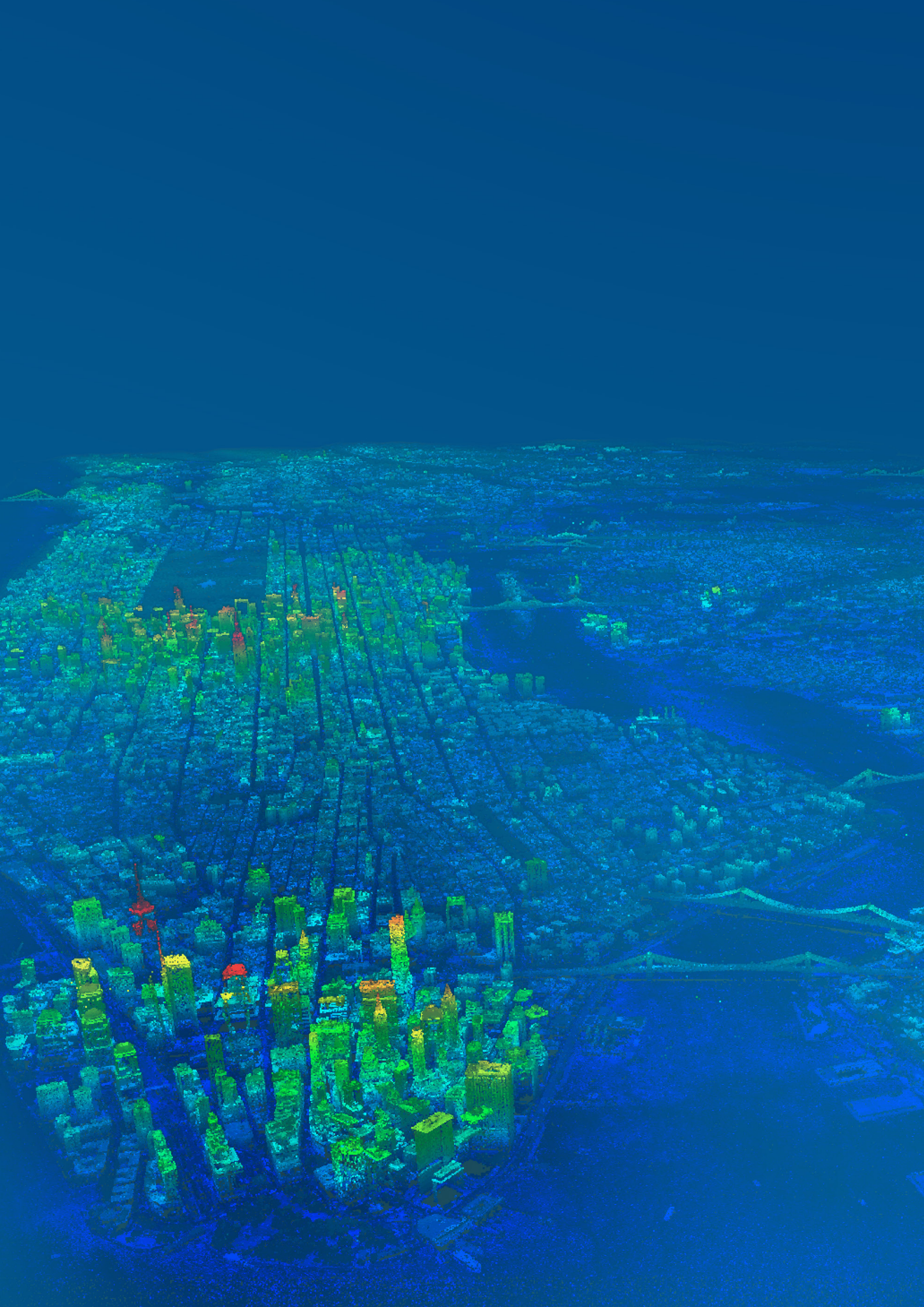
The Company has no restricted securities on issue.

### On-market Buy-back

There is no current on-market buy-back.









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