



Pointerra Limited

31 October 2019

September 2019 Quarter Activities and Cash Flow Report

Pointerra Limited (ASX:3DP) (Pointerra; the Company) is pleased to provide an overview of the September 2019 quarter activities and the associated cash flows and cash position in the Appendix 4C (attached).

Highlights:

- **Cash receipts from customers of \$0.31 million compared to \$0.21 million in Q4 FY19**
- **R&D Rebate for FY19 of \$0.47 million received**
- **Analytics as a Service (AaaS) continues to attract new customers and prospects in Australia and the US**
- **Sales to new utility customers in the US, expansion of sectors in Australia and growth in sales to existing customers in both geographic markets**

Cash Flow

Cash Receipts

During the quarter ended 30 September 2019 the Company received \$306K in customer receipts compared to the June 2019 quarter figure of \$212K.

The Company notes that quarter-on-quarter cash receipts will continue to be variable over coming quarters as new customers are on-boarded following contract award, with a variety of different payment cycles including monthly, quarterly and annually in advance.



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This variability in quarterly cash receipts is expected to smooth out in time as ACV continues to grow and the size and diversity of Pointerra's portfolio of Data as a Service (DaaS) and AaaS customers continues to mature.

Pointerra also received the \$0.473 million R&D rebate during the quarter.

Cash Outflows

Cash outflows for the quarter were in line with management expectations and the cash balance at 30 September 2019 amounted to \$0.986 million. Please refer to the attached Appendix 4C for further details on cash flows for the quarter.

AaaS Driving Customer Growth

During the quarter Pointerra continued collaborating with its largest US customer PrecisionHawk to solve ongoing 3D data management and data analytics problems that impact PrecisionHawk's ability to profitably service its order-book for utility asset inspection services across North America and the world.

Pointerra's development team continued building bespoke machine learning algorithms to interpret 3D data captured by PrecisionHawk to provide answers at an efficiency, scale and cost advantage that was previously missing from their workflow. Outputs from Pointerra's platform are integrated within the solution being offered to PrecisionHawk's global customer base.

During the quarter the Company demonstrated these advanced analytics to a number of US based 3D data capture companies and utilities, which resulted in new customer acquisition for Pointerra's DaaS and AaaS solutions.

During the quarter the Company's existing US and domestic customers also continued to grow their DaaS platform usage, which in turn has driven increases in monthly subscriptions. This theme reinforces both the stickiness of Pointerra's paying customer base as well as its propensity to grow over time as more data and users are added by each customer.

The adoption of Pointerra's cloud platform for 3D data by these domestic customers also included white-label integration into a diverse range of digital asset management platforms being used by Pointerra customers to deliver services and solutions to their end-user customers.



Solution Development and R&D

Solution Development

Pointerra's platform continues to be enhanced in response to customer requests and in line with the broader product roadmap. Details of released changes and enhancements can be found in the regularly updated platform release notes on the Pointerra platform, which our customers see every time they log in to Pointerra. Some of the development highlights for the quarter are detailed below.

Poles and Wire Analytics. Phase two of the poles and wires analytics work for PrecisionHawk commenced during the quarter. This extends the analytics to incorporate the detection of guy (pole support) wires and service wires (low voltage connection to customer premises), in addition to the existing network information.

The existing algorithms have also gone through several re-engineering stages that have resulted in significant improvements in both the accuracy and speed of processing. The algorithms have also been tested on a wider variety of input data sources, at the request of other Pointerra customers that would like to solve the same problems and answer similar questions using their valuable 3D data.

More importantly, the first generation of the algorithms relied on a basic level of feature coding and approximate pole (asset) location information to assist the analytics, whereas the current version is now completely automated and no longer requires this information. Poles and wires are now auto-detected through a sequence of operations, and an auto-classified point cloud is produced as a secondary outcome of this process.

This has the potential to become the basis of a point cloud auto-classification analytic that will not only underpin many analytics tasks, but also removes the need to perform the expensive, and time consuming, manual point cloud classification process that is currently routinely undertaken throughout the industry.

Pole feature extraction tool. Pointerra has been working with an Australian customer to develop a semi-automated tool to assist with rapid extraction of detailed information from 3D datasets that have captured power poles. This includes characteristics such as pole geometry (height, lean, profile, volume) and all attached objects (wires, crossarms, lights, etc).



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This task is currently carried out by loading the 3D data into desktop CAD tools and is a cumbersome and time-consuming process. Pointerra has created a new tool that runs within the existing viewer, allowing the user to quickly identify key attachment points, while interactively running analytics to automate many of the manual steps, such as determining the shape and volume of the pole from the 3D point cloud.

Data management/organisation enhancements. A new folder-based system of data organisation was introduced during the quarter. This was in response to customer requests to provide a more structured mechanism to organise their data, given the increasing number of datasets being managed in their accounts. This has been combined with a new user and teams-based permissions model to allow customers to have much greater control over how data access permissions are created and maintained.

The ability to share entire folders (rather than discrete datasets) will soon be added to the platform. This will provide Pointerra's data capture customers with a more efficient way to share large volumes of data with their customers and enhance the value proposition for Pointerra as a digital delivery platform.

Research and Development

R&D efforts continue to focus on the following strategic areas:

1. Development of a platform to underpin the delivery of point cloud analytics to Pointerra customers (DaaS);
2. Developing catalogues of analytics (AaaS);
3. Broadening the platform to support storage, visualisation and analysis of complementary 3D data types, including imagery, CAD and vector layers; and
4. Reducing the cost of providing the service through changing the way that Pointerra's processed data is stored and streamed to client browsers and applications using the Amazon Web Services (AWS) cloud platform.

ENDS



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About Pointerra: Pointerra is an Australian company focussed on the global commercialisation of its unique 3D geospatial data technology. Pointerra's technology has solved an entrenched problem in the digital asset management sector and allows very large 3D datasets to be used without the need for high performance computing. 3D data is processed and stored in the cloud for instant, on demand user access: anytime, anywhere, on any device – providing actionable 3D information to power digital asset management solutions.

Common Q&A's about Pointerra:

1. **What do we do?** We manage, analyze and monetize other people's 3D data for them.
2. **How do we make money?** People pay us to manage their data, to develop or source analytics to make sense of their data and they share revenue with us when we help them to monetize their data.
3. **Why do people need us?** 3D data is hard to manage, use, analyze and share. We have proprietary (patent protected) IP that lets us do what we do better than anyone else.
4. **Do we have competitors?** There are lots of desktop solutions for 3D data and fewer cloud solutions. Most cloud solutions focus on visualization but aren't readily analyzed - either quickly and efficiently or at mass scale. Our IP allows us to do this better than anyone else.
5. **Who are our customers?** Anyone who is engaged in capturing (surveyors, drone operators, aerial and satellite mapping) or using (AEC sector, asset owners/operators/insurers/regulators) 3D data to plan, design, construct/build, operate, maintain, insure and govern/regulate a physical asset.
6. **What sectors do our customers operate in?** Linear infrastructure (road/rail/pipeline/transmission/distribution), non-process infrastructure (civil and built-form) and process infrastructure (mining/oil&gas plant).
7. **How do people pay us?** Our Data as a Service (DaaS) solution to manage 3D data using our digital asset management platform is priced based on the amount of data (in terabytes) we are hosting. We also charge customers to build/deploy analytics against (Analytics as a Service or AaaS) their data and where we connect buyers and sellers of 3D data, we typically agree a revenue share via our 3D data marketplace.

Pointerra's vision is to create a global marketplace for 3D data, saving users time and money and creating a 3D data access revolution. Pointerra: 3D Data Solved
<http://www.pointerra.com>

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Pointerra Limited

ABN

39 078 388 155

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	306	306
1.2 Payments for		
(a) research and development	(260)	(260)
(b) product manufacturing and operating costs	(36)	(36)
(c) advertising and marketing	(1)	(1)
(d) leased assets	-	-
(e) staff costs	(198)	(198)
(f) administration and corporate costs	(240)	(240)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	473	473
1.8 Other (BAS)	-	-
1.9 Net cash from / (used in) operating activities	44	44
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	947	947
4.2 Net cash from / (used in) operating activities (item 1.9 above)	44	44
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
4.6	Cash and cash equivalents at end of quarter	986	986

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	936	897
5.2	Call deposits	50	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	986	947

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(66)

-

The transactions in item 6.1 include directors' fees and salaries paid during the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	230
9.2 Product manufacturing and operating costs	36
9.3 Advertising and marketing	20
9.4 Leased assets	
9.5 Staff costs	274
9.6 Administration and corporate costs	200
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	760

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date:31 October 2019.....

Print name:Ian Olson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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