



# Pointerra Limited

24 January 2018

## **December 2017 Quarter Activities and Cash Flow Report**

Pointerra Limited (ASX:3DP) ("Pointerra" or "the Company") is pleased to provide an overview of December 2017 quarter activities and the associated cash flow and cash position in the Appendix 4C (attached).

### **Highlights: Sales Growth, North American Expansion, Enhanced Solution Functionality**

- **Further growth in direct sales & paid trials with enterprise customers plus reseller partner & technology licensing partner sales**
- **Pointerra set to list on Autodesk's BIM360 and integrate with the Forge cloud platform to access millions of Autodesk customers**
- **First North American sales resource deployed targeting massive enterprise customer pipeline in energy & utilities sector**
- **AAM completes first customer 3D data ingestion into Geocirrus powered by Pointerra**
- **Significant DaaS solution functionality enhancements delivered**

### **Direct Sales, Partnerships and Software Licensing**

#### Sales Growth

During the quarter Pointerra again grew both sales and cash receipts from enterprise paid trials and recurring monthly DaaS subscriptions across all channels, with growth in the utilities and AEC (architecture, engineering & construction) sectors being a highlight.



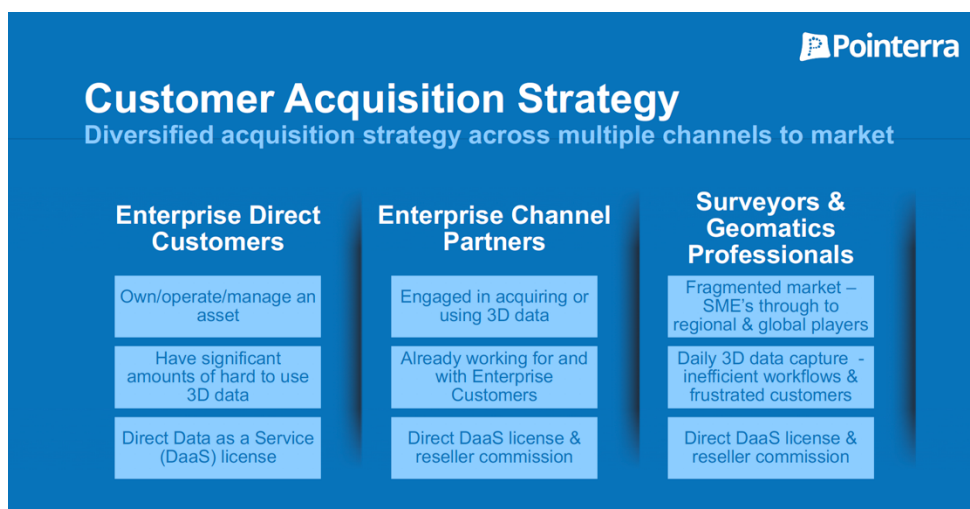
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Sales by reseller-partners in the 3D data capture space, most notably the Technology Licence Agreement with AAM (the largest geospatial solutions company in the southern hemisphere), which has generated a **technology licence fee and will lead to ongoing royalty receipts** from the use of Pointerra's technology by AAM, also accelerated.

AAM is a world leader in geospatial technologies, is the largest private holder of geographic information system (GIS) data in Australia, has been at the forefront of aerial 3D data capture for many years and has compiled a comprehensive temporal library of 3D data and derivative products. AAM provides access to this valuable data via its GEOCIRRUS cloud-based GIS and digital asset management workflow solution.

As part of expanding and improving its GEOCIRRUS strategy, AAM has licensed Pointerra's unique 3D geospatial technology. The technology teams have completed integration of Pointerra's solution into GEOCIRRUS, enabling AAM to market and sell access to its 3D data library. Under the terms of the Agreement, Pointerra is also licensed by AAM to sell access to AAM's 3D data (and derivative products) through Pointerra's own 3D data marketplace.

More generally, Pointerra's diversified customer acquisition strategy across multiple channels to market continues to gain traction with the number of discreet deals in the sales pipeline growing by 70% since the last Quarterly Report.



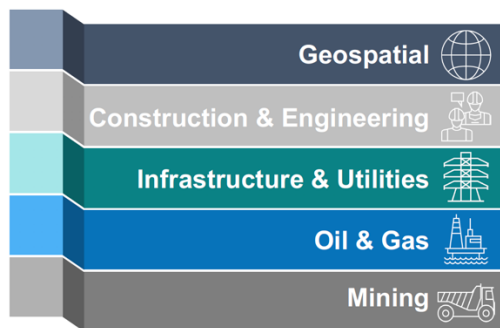


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Importantly, the profile of the sales pipeline continues to mature, meaning that individual deals are moving through the various stages of the sales process, with the combined value of the most prospective of these (evaluation trial, paid trial and under-proposal) customers sufficient to move Pointerra into a cashflow positive position following their successful conversion into full DaaS licenses.



## Growth Strategy Targeted customer segments



### Focused Sales Effort:

1. Growing sales pipeline & converting trial licenses to paying customers (across all channels)
2. Securing high-value enterprise channel partners from Tier-1 global & regional technology, engineering, aerospace & professional services sectors for enterprise sales
3. Securing technology licensing & transactional royalty sales agreements with Tier-1 global geospatial hardware & software and global/regional data capture companies

During the quarter, Pointerra's most entrepreneurial 3D capture partners also began bundling Pointerra DaaS licenses with capture projects and the sale of 3D capture hardware to their customers. An example of this activity is the sale of UAV drone hardware, bundled with Pointerra DaaS licenses to a global mining company by a Pointerra reseller.

### Autodesk Integration

Following attendance at the annual Autodesk University conference held in Las Vegas during November, Pointerra's development team commenced working with Autodesk's Forge and BIM360 teams to deploy Pointerra's 3D data solution to these cloud platforms.

Autodesk is a USD25 billion company by market capitalisation and is the world's largest 3D software solution provider to the AEC (Architecture, Engineering & Construction) sector.

Pointerra is set to shortly deploy a direct link to Pointerra's "Try It" page on Autodesk's BIM360 site, which will allow Autodesk's users (that number in the



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tens of millions globally) to easily find, explore and sign up to Pointerra's cloud based DaaS solution for 3D data.

As part of a more comprehensive technology deployment project, Pointerra will also integrate with Autodesk's Forge API's so BIM360 users will be able to manage their point cloud data in Pointerra, utilising the workflow capabilities of the Pointerra solution to manage, use, extract and share their data with other BIM360 users.

## North American Operations

Pointerra's first North American employee (Trent Casi) commenced on 8 January and in the space of only 2 weeks has added considerably to the enterprise direct sales pipeline in the energy and utilities sectors.

Describing Pointerra's DaaS solution as "game changing technology" for the North American aerial 3D capture market, Trent will be joined by Pointerra's MD Ian Olson during late January to visit target energy utility customers on the West Coast (California & Washington State) Central (Colorado) and the North East (Massachusetts New York & Rhode Island) in addition to attending the annual International LiDAR Mapping Forum (ILMF) in Denver during the first week in February.

Pointerra has identified the global power transmission and distribution utility sector as highly prospective for its enterprise DaaS solution. Paid trial, evaluation trial and prospective customers in this segment of the enterprise channel alone present an addressable global market of more than \$400 million in annual recurring revenues, with existing Pointerra users in this segment identifying material savings in routine daily asset management workflow tasks that underpin Pointerra's value proposition, supporting five-figure recurring monthly enterprise DaaS subscription revenue levels.

The Company expects to convert existing paid trial and evaluation trial customers in this segment to full enterprise licenses in coming quarters and intends to add further sales resources to the North American marketplace and then the European marketplace during calendar 2018, commensurate with growth in sales and underlying cash flow.

Pursuant to the commencement of North American operations, Pointerra's wholly-owned US subsidiary, Pointerra US, Inc. was incorporated during January.



## Solution Development and R&D

### Overview

During the quarter, the development team continued to enhance the Pointerra solution with new features in response to customer feedback, and conducted R&D activities geared toward supporting the company's strategic objectives for 2018.

The quarter saw a significant upscale in the rate of data ingestion as the total number of 3D data points hosted jumped from 300 billion to more than 500 billion points. This was driven by the acquisition of new enterprise customers and the AAM partnership and demonstrated that Pointerra's platform could scale to meet customer demands. In the case of AAM, data ingestion and processing from AAM's own AWS cloud storage into the Pointerra service has been fully automated using the Pointerra API's.

The increased data ingestion activity has driven further optimisation Pointerra's processing pipeline and has been an excellent opportunity to increase the robustness of the platform in anticipation of the North America operations driving significant data processing volume increases during calendar 2018.

The use of Pointerra's API's by AAM has proven the ability of Pointerra to offer a streamlined way for data capture organisations to deliver data directly to their customers using Pointerra's cloud platform for 3D data.

### Solution Enhancements

Customer feedback continues to drive the development of new solution features within the existing DaaS offering.

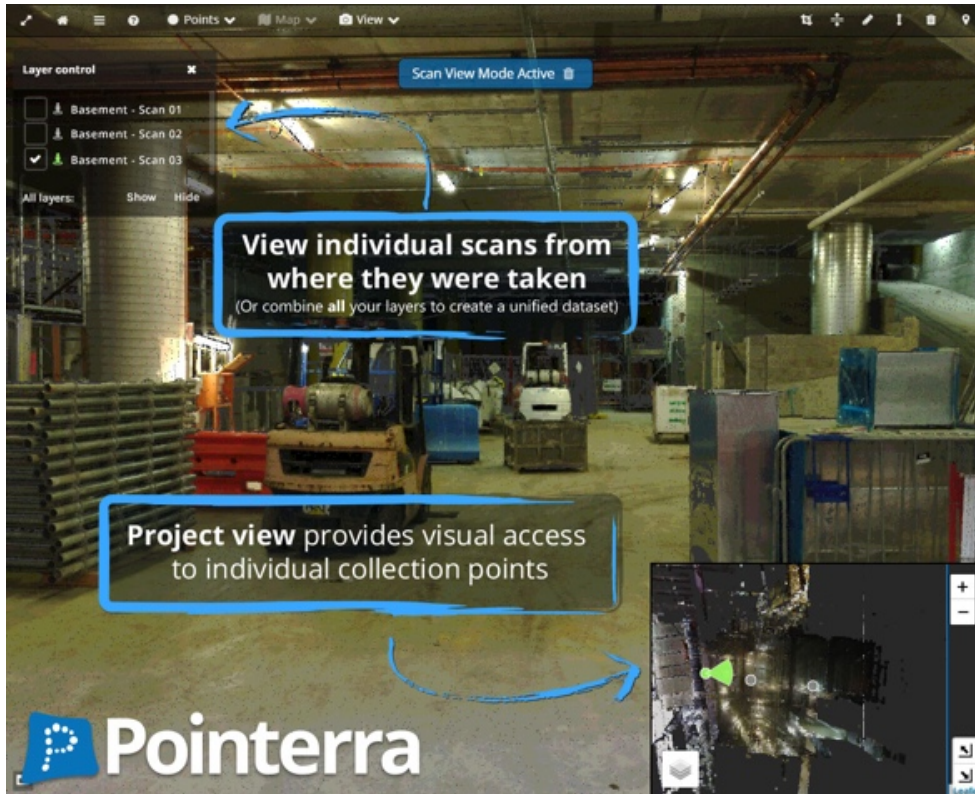
Significant new solution features deployed during the quarter include:

- **ScanView mode.** During the last week of September, the Company attended the annual INTERGEO conference in Berlin and launched its revolutionary cloud-deployed solution for terrestrial laser scanned 3D datasets, called ScanView, to a global audience. ScanView generates a view of the 3D pointcloud dataset from the perspective of the laser scanner, resulting in the highest fidelity view possible of what the laser scanner saw and captured. The increasing accuracy and resolution of contemporary terrestrial laser scanners means that the point cloud is becoming increasingly photorealistic, as well as larger and more difficult to manage. Whilst there are existing web-based applications that use 360-degree photos to provide this single scan view, Pointerra's ScanView



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technology renders the actual coloured 3D points acquired by the scanner, delivering users the full fidelity and accuracy of the 3D dataset as captured by the laser scanner and in a photorealistic view.



- A **profile viewing mode**, allowing users to generate cross-sectional views of their 3D data. This has been a heavily requested feature, as it allows users to gain valuable insights about the vertical characteristics of their 3D data (e.g. examine road profiles);
- **Map browsing/searching** functionality. The location of all customers datasets is displayed on an intuitive map interface. Users can search by address, or geographic coordinates. This will underpin the data browsing and searching interface for Pointerra's 3D data marketplace;
- **3D scene** saving/loading;
- **Multi-region data hosting** options, allowing customers in regions other than Australia to have their data located in a more suitable AWS data centre, and to replicate data into multiple regions for larger enterprise customers;
- **Enhanced metrics** capture to support customer admin consoles and to provide analytics data to support Pointerra sales and marketing activities;
- **Site branding and white-label options** for premium customers;



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- **Dataset merging.** This is a key workflow enhancement to allows users to merge new data into their existing datasets as new layers. A future enhancement will add an option time duration to layers, which will support time-based display and change detection analytics;
- **Point-type display customisation and filtering.** This allows users to turn display of points on and off based on the classification associated with each point (e.g. ground, building, tree), and to extract data matching required characteristics (e.g. only extract "building" points).

The next 6 months will continue to see new features added to the Pointerra DaaS solution – particularly focussed on supporting customer acquisition in the energy, utilities, and linear infrastructure asset management sectors in both Australia and North America. Work to enable smaller-scale customers to create accounts and pay via credit card is also currently underway.

## Research and Development

R&D efforts in the first half of calendar 2018 will be focussing on three primary areas:

1. Development of a platform to underpin the delivery of point cloud analytics to Pointerra customers;
2. Developing an initial catalogue of analytics (either internal developed, or through partners); and
3. Broadening of the platform to support storage and visualisation of complementary 3D data types, including imagery, CAD and vector layers.

In addition, Pointerra will continue to mature API's to support workflow automation and integration into other software systems. Integration into the Autodesk Forge ecosystem, enabling Forge customers to utilise the Pointerra service for point cloud data management and visualisation is a key focus.

## **Cash Flow**

Cash receipts from customers grew from \$20K in Q1 FY18 to \$46K in Q2 however sales invoices raised and revenue generated (as both earned and unearned under accrual accounting) during the quarter were higher again, with cash receipts from customers expected to grow strongly in the next quarter and beyond as the Company moves towards a cash flow positive operating position.

These timing differences in cash receipts and revenue recognition reflect the nature of Pointerra's growing business, where certain enterprise customers are electing to pay for either a paid trial or an enterprise DaaS licence in lump sums



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for periods greater than a month. The upcoming Appendix 4D and Half-Yearly Report for the period ended 31 December 2017 will contain more information on revenue (both earned and unearned) in this respect.

Moving forward, Pointerra intends to report aggregate ACV (annual contract value) as soon as it is practical. ACV is generally accepted as one of the better measures of sales performance for a SaaS business and will allow the Company to report on growth in customer sales in addition to cash generated through operations.

Cash outflows for the quarter were in line with management expectations and the cash balance at 31 December 2017 amounted to a healthy \$2.2 million. Please refer to the attached Appendix 4C for further detail.

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For more information, please contact:

**Ian Olson**  
**Managing Director, Pointerra**  
+61 417 998 38  
[ian.olson@pointerra.com](mailto:ian.olson@pointerra.com)

**Erik Bergseng**  
**Canary Capital**  
+612 8052 9519  
[ebergseng@canarycapital.com.au](mailto:ebergseng@canarycapital.com.au)

**About Pointerra:** *Pointerra is an Australian company focussed on the commercialisation of its unique 3D geospatial data technology. Pointerra's technology has solved an entrenched problem in the 3D geospatial sector and allows very large 3D datasets to be viewed by users without the need for high performance computing. The 3D datasets are processed and stored in the cloud for instant, on demand user access: anytime, anywhere, on any device. Pointerra's vision is to create a global marketplace for 3D data, saving users time and money and creating a 3D data access revolution.*  
[www.pointerra.com](http://www.pointerra.com)



## 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")**

31 December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	46	66
1.2 Payments for		
(a) research and development	(228)	(469)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(9)	(14)
(d) leased assets		
(e) staff costs	(104)	(176)
(f) administration and corporate costs	(211)	(497)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	24
1.5 Interest and other costs of finance paid		(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		496
1.8 Other (GST return)	25	48
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(471)</b>	<b>(523)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(14)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	(18)	(27)
(e) other non-current assets		(1)
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)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(22)</b>	<b>(42)</b>

<b>3. Cash flows from financing activities</b>		
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)		
<b>3.10 Net cash from / (used in) financing activities</b>		

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,746	2,818
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(471)	(523)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(22)	(42)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,253</b>	<b>2,253</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	453	946
5.2	Call deposits	1,800	1,800
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,253</b>	<b>2,746</b>

**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**

(77)

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**

8. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	250
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	20
9.4 Leased assets	
9.5 Staff costs	150
9.6 Administration and corporate costs	180
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>600</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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		

## 11. Outstanding performance shares

The table below details the outstanding performance shares that were issued to vendors as part consideration for the acquisition of Pointerra Pty Ltd on 30 June 2016.

Performance shares on issue during the quarter					
Class	Expiry	Balance on issue at 01/09/17	Converted into fully paid ordinary shares	Forfeited	Balance on issue at 31/12/17
Class B	30 June 2018	60,000,000	-	-	60,000,000
Class C	30 June 2019	60,000,000	-	-	60,000,000
		<b>120,000,000</b>	<b>-</b>	<b>-</b>	<b>120,000,000</b>

Each performance share converts into one fully paid ordinary share for nil consideration, upon achievement of the performance based milestones listed below. If the relevant milestone is not achieved by the required date, each performance share in that class will be automatically redeemed by the Company for \$0.00001 within 10 business days of non-satisfaction of the milestone.

### Class B Milestone

Execution of a commercial technology evaluation agreement with an independent third party for potential use of Pointerra's DaaS solution, and the volume weighted average price of shares traded on the ASX over 20 consecutive days is not less than \$0.06.

### Class C Milestone

Execution of a commercial license agreement with an independent third party for potential use of Pointerra's DaaS solution, and the volume weighted average price of shares traded on the ASX over 20 consecutive days not less than \$0.09.

### 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: .....24 January 2018.....

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.