

Appendix 4D

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

POINTERRA LIMITED
ABN 39 078 388 155

1. Company details

POINTERRA LIMITED

ABN or equivalent company reference	Financial period ended ('current period')	Financial period ended ('previous period')
39 078 388 155	31 December 2017	31 December 2016

2. Results for announcement to the market

2.1. Revenue	Up	647% to	139,320
2.2. Profit (loss) after tax	Up	27% to	(1,021,138)
2.3. Net profit (loss) for the period attributable to members	Up	27% to	(1,021,138)
2.4. Dividends	It is not proposed to pay dividends.		
2.5. Record date for determining entitlements to the final dividend.	N/A		
2.6. Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.	The significant revenue increase in the half-year is attributable to Pointerra's accelerating sales momentum in the Australasian region by Data as a Service ("DaaS") subscription customers from the Architecture, Engineering and Construction ("AEC"), Energy Utility and data capture sectors as well as from the AAM technology licensing deal. Please refer to the attached Interim Report for the Half-Year ended 31 December 2017 for further information.		

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$0.0055	\$0.0105

4. Control gained over entities

Name of entity (or group of entities)	N/A
---------------------------------------	-----

Date control gained	N/A
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5. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

6. Details of associates and joint venture entities

There are no associates or joint venture entities.

7. Statement of compliance in regards to audit

If the accounts are subject to audit dispute or qualification, details are described below

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Sign here:



Date: 27 February 2018

Non-Executive Director & Company Secretary

Print name:

___Neville Bassett_____

POINTERRA LIMITED

ABN 39 078 388 155

Interim Financial Report

For the Half-Year Ended 31 December 2017

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly this report is to be read in conjunction with the annual report for the year ended 30 June 2017, and any public announcements made by Pointerra Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Pointerra Limited

ABN 39 078 388 155

Interim Financial Report

For the Half-Year Ended 31 December 2017

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Corporate Information

Pointerra Limited ABN 39 078 388 155

Directors

Graham Griffiths, Non-Executive Chairman
Ian Olson, Managing Director
Dr Robert Newman, Non-Executive Director
Neville Bassett, Non-Executive Director

Company Secretary

Neville Bassett

Registered Office

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Internet

Website: www.pointerra.com
Email: info@pointerra.com

Auditor

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Level 3, 216 St Georges Terrace
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Share Registry

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Nedlands, WA 6009

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Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

Solicitors

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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)

Directors' Report

Your Directors present their report on the Group for the half-year ended 31 December 2017.

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

NAME OF PERSON	POSITION
Mr Graham Griffiths	Non-Executive Chairman
Mr Ian Olson	Managing Director
Dr Robert Newman	Non-Executive Director
Mr Neville Bassett	Non-Executive Director
Mr Neville Bassett	Company Secretary

Results

The operating loss after income tax for the half-year amounted to \$1,021,138 (31 December 2016: \$804,886).

Review of Operations

Commentary on the results for the half-year ended 31 December 2017

- **Growth in direct sales across all customer channels**
- **North American operations generate significant sales pipeline growth during initial weeks**
- **Pointerra listed on Autodesk's BIM360 site enabling direct access to millions of Autodesk customers globally**
- **AAM completes first customer 3D data ingestion into Geocirrus powered by Pointerra, which will lead to future royalty payments by AAM**
- **Significant DaaS solution functionality enhancements delivered**

Sales Growth

During the half-year Pointerra grew both sales and cash receipts from recurring monthly DaaS (Data as a Service) subscriptions and enterprise paid trials across all channels, with growth in the energy utility and AEC (Architecture, Engineering & Construction) sectors being a highlight.

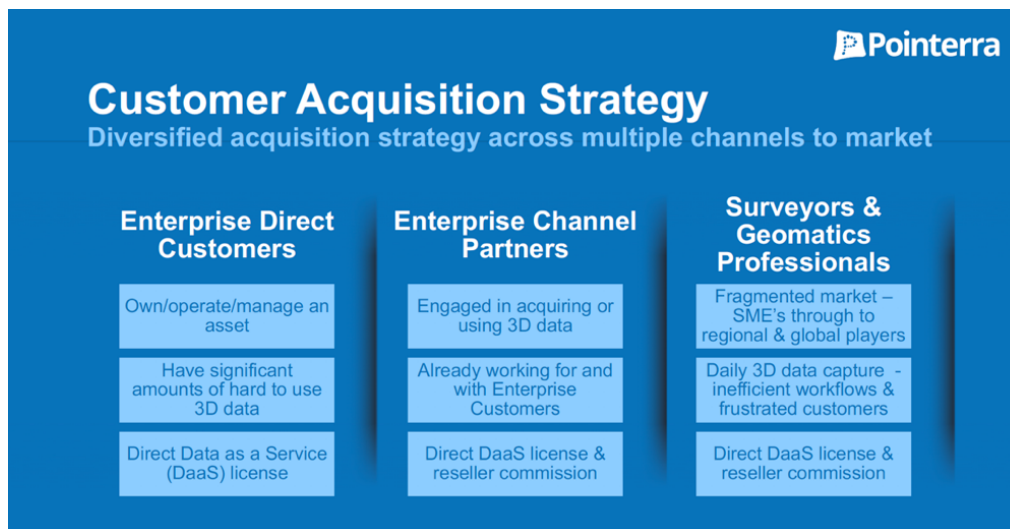
Sales to customers in the 3D data capture channel, most notably the Technology Licence Agreement with AAM (the largest geospatial solutions company in the southern hemisphere) also accelerated during the period.

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.

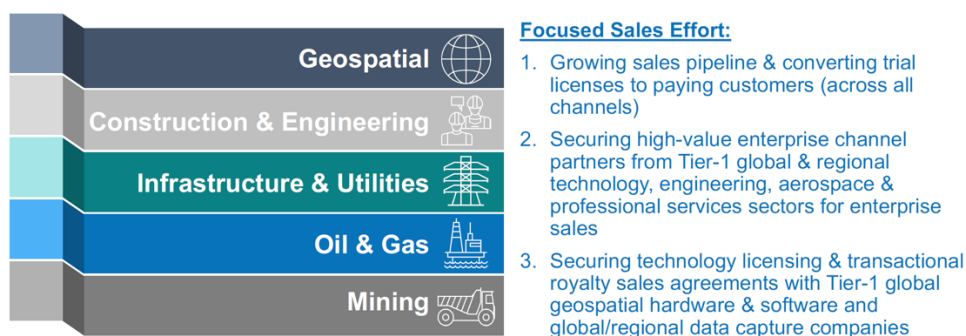
More generally, Pointerra's diversified customer acquisition strategy across multiple channels to market continues to gain traction with the number of discreet deals in the sales pipeline growing materially during the period.

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



During the half-year, 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 customer and 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 sector.

Autodesk now has a direct link to Pointerra's "Try It" page on its BIM360 site, which will allow Autodesk users (that number in the 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 is also integrating 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. This enhanced functionality is expected to go live during Q4 of FY18.

Directors' Report (continued)

Solution Development and R&D

Overview

During the half-year, 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 calendar 2018.

The period saw significant growth in the rate of data ingestion as the total number of 3D data points hosted jumped by 250% to more than 500 billion points. This was driven by a mix of new enterprise customers and the AAM partnership and demonstrated that Pointerra's platform can scale to meet customer demands. In the case of AAM, data ingestion and processing from AAM's own AWS cloud storage into the Pointerra solution was fully automated using the Pointerra API's.

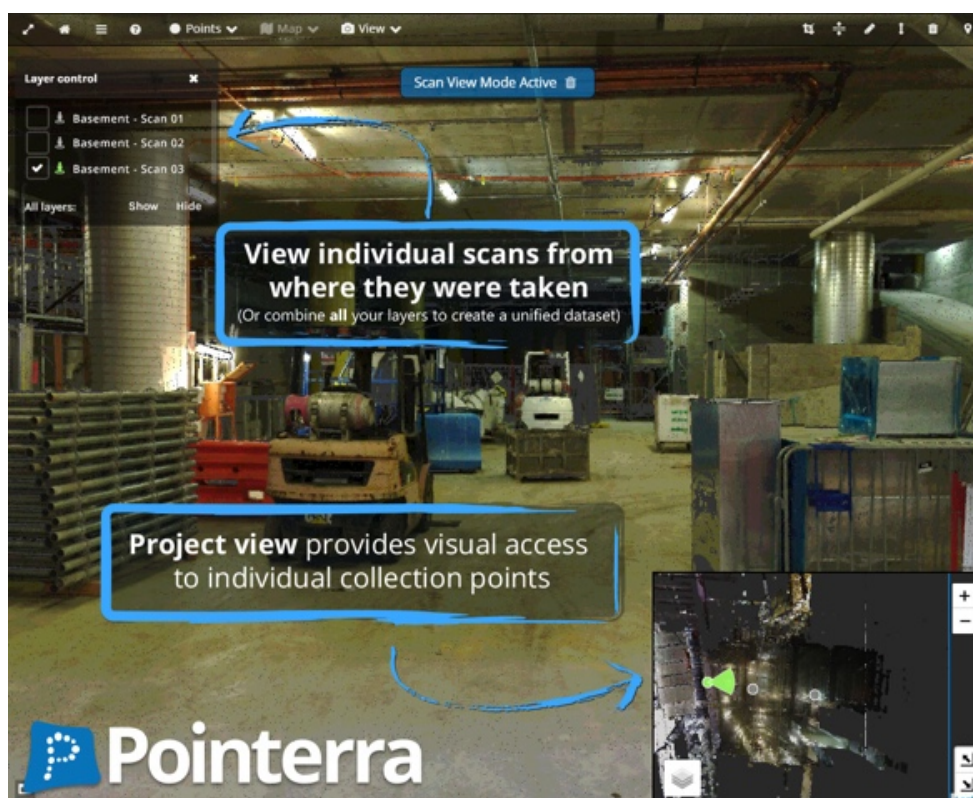
This increased data ingestion activity has driven further optimisation of Pointerra's processing pipeline and platform robustness in anticipation of the North America operations driving significant data processing volume during calendar 2018. The use of Pointerra's API's by AAM has also proven the ability 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 period include:

- **ScanView mode.** During 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 increased accuracy and resolution of contemporary terrestrial laser scanners means that the point cloud is becoming 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 unique ScanView technology renders the actual colourised 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;

Directors' Report (continued)

- **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;
- **Dataset merging.** This is a key workflow enhancement to allow 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; and
- **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 with particular focus on supporting customer acquisition in the energy utility and linear infrastructure asset management sectors in both Australia and North America. Work to enable smaller customers to create a Pointerra account on the website and pay by credit card is being tested for release during Q4 of FY18.

Forward Outlook

Australian Operations

The sales team continues to work with high value energy utility customers to progress them from paid trials to full enterprise DaaS licenses in addition to signing up more customers from the AEC and the data capture channels.

Moving forward, the Company's technology licence agreement with AAM is expected to begin generating royalty income through use of AAM's Geocirrus portal by AAM enterprise customers as AAM adds more 3D customer data to the Geocirrus portal powered by Pointerra.

Pointerra's most entrepreneurial data capture customer and partner is currently planning a series of city-capture programs in Australia using aerial LiDAR to generate 3D datasets that will be hosted on Pointerra's cloud platform to sell access to both 3D data and derived 2D mapping solutions for a range of use cases via a monthly subscription model. The capture programs are being underwritten by local authorities and Pointerra will share in revenue generated from the subscription service.

The engineering and technical development team is being expanded with the addition of a key resource. From the 1st of March, Russell Rogers will join Pointerra as a senior software engineer following an 8-year role with NearMap. Russell will leverage his considerable experience in architecting large-scale AWS geospatial application deployment at a time where North American based customers are expected to drive step-changes in Pointerra's 3D data hosting operations.

The same team continues to work with Autodesk to expand the availability and interoperability of Pointerra's solution for Autodesk customers through the BIM360 and Forge cloud platforms with further integration and channel marketing activities currently planned.

Responding to customer demand, the engineering and technical development team will focus R&D efforts in the first half of calendar 2018 on three primary areas:

1. Deployment of a 3D data analytics user interface (UI) to Pointerra customers;
2. Developing an initial catalogue of analytics (either internally developed, or licensed from 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.

North American Operations

Pointerra's North American operations commenced in January and have added considerably to the enterprise direct sales pipeline in the energy utilities sector in a very short period of time. During late January and early February Pointerra visited target energy utility customers in California, Colorado and the North East (New York & New Jersey) in addition to attending the annual International LiDAR Mapping Forum (ILMF) in Denver during the first week in February. The early results and commercial traction obtained in this region have significantly exceeded management expectations.

The use of 3D data (aerial, mobile and terrestrial) by energy utilities in the North American marketplace is materially more mature than in the Australasian region and reflects a more densely populated region with ageing transmission & distribution assets requiring significantly greater digital asset management support to ensure continuity of energy supply across the continent.

Directors' Report (continued)

In the short time since commencing North American operations, the Company has been asked to provide firm multi-year pricing proposals by a small number of private sector Investor-Owned Energy Utilities (IOU's). Across the entire electricity sector, there are more than 240 of these IOU's in addition to 2,000 federal and state owned utilities; and more than 900 rural cooperatives. Together these groups service just under 150 million customers ranging from residential through to commercial, industrial and transportation users and all are prospective customers for Pointerra.

The most prospective of these proposals is a five-year firm pricing deal for a Pointerra hosted DaaS subscription containing more than 100 terabytes of 3D data. By comparison, the largest 3rd party customer dataset currently hosted by Pointerra amounts to around 3 terabytes. The annual recurring DaaS subscription for this prospective customer would be in excess of USD 500,000 per annum. Other sales opportunities currently being pursued are for annual recurring DaaS subscriptions ranging between USD 75,000 and USD 800,000 per annum.

The sheer scale of the opportunity presented by the energy utility sector alone has reinforced the attractiveness of this marketplace for the Company, however other linear infrastructure asset verticals including road networks, rail networks and pipelines; as well as the broader AEC sector all present similarly attractive opportunities for Pointerra. Sales execution success will underpin an acceleration in US based sales and business development resources through the balance of calendar 2018 and into 2019.

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 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.

Cash Flow

Cash receipts from customers grew to \$66K in the half-year 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 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 a paid trial or an enterprise DaaS licence in lump sum amounts for periods greater than a month.

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 period were in line with management expectations and the cash balance at 31 December 2017 amounted to a healthy \$2.2 million.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2017.

This Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.



Neville Bassett

Director

27 February 2018

Auditor's Independence Declaration



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(WA) Pty Ltd**

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To The Board of Directors

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

As lead audit director for the review of the financial statements of Pointerra Limited for the period ended 31 December 2017, 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 review; and
- ▶ any applicable code of professional conduct in relation to the review.

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 27th day of February 2018



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- ▶ Accountants
- ▶ Auditors
- ▶ Advisors

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
Revenue		115,378	-
Interest income		23,942	18,663
Administrative expenses	3	(318,919)	(208,198)
Advertising and marketing expenses		(12,749)	(9,136)
Compliance and regulatory expenses		(108,776)	(71,538)
Research and development expenses	4	(512,175)	(471,074)
Other expenses		(141,807)	(63,603)
Share-based payment expense		(66,032)	-
Loss before income tax		(1,021,138)	(804,886)
Income tax expense		-	-
Loss after income tax for the year		(1,021,138)	(804,886)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to members of the Group		(1,021,138)	(804,886)
Basic loss per share (cents per share)		(0.2731)	(0.2469)

The accompanying notes form part of these condensed financial accounts

Condensed Consolidated Statement of Financial Position

as at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,252,803	2,818,005
Trade and other receivables	6	206,200	536,336
Other		24,674	6,475
TOTAL CURRENT ASSETS		2,483,678	3,360,816
NON-CURRENT ASSETS			
Plant and equipment		67,108	60,768
Intangible assets		59,907	46,011
TOTAL NON-CURRENT ASSETS		127,015	106,779
TOTAL ASSETS		2,610,692	3,467,595
CURRENT LIABILITIES			
Trade and other payables	7	309,630	369,010
Deferred revenue	8	125,000	-
Provisions		64,480	31,897
TOTAL CURRENT LIABILITIES		499,110	400,907
TOTAL LIABILITIES		499,110	400,907
NET ASSETS		2,111,582	3,066,688
EQUITY			
Issued capital	9	5,728,469	5,728,469
Reserves		1,474,934	1,408,902
Accumulated losses		(5,091,821)	(4,070,683)
TOTAL EQUITY		2,111,582	3,066,688

The accompanying notes form part of these condensed financial accounts

Condensed Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2017

	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2016	5,662,919	1,380,131	(2,765,932)	4,277,118
Loss for the year	-	-	(804,886)	(804,886)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(804,886)	(804,886)
BALANCE AT 31 December 2016	5,662,919	1,380,131	(3,570,818)	3,472,232
BALANCE AT 1 JULY 2017	5,728,469	1,408,902	(4,070,683)	3,066,688
Loss for the year	-	-	(1,021,138)	(1,021,138)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,021,138)	(1,021,138)
<i>Transactions with owners directly in equity</i>				
Share based payments	-	66,032	-	66,032
BALANCE AT 31 December 2017	5,728,469	1,474,934	(5,091,821)	2,111,582

The accompanying notes form part of these condensed financial accounts

Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		65,960	-
Payments to suppliers and employees		(1,109,097)	(725,092)
Interest and other costs of finance paid		(681)	-
Interest received		23,942	18,663
Receipts from Government grants and tax incentives		496,376	-
Net Cash Used In Operating Activities		<u>(523,500)</u>	<u>(706,429)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(14,001)	(64,607)
Payments to acquire intangible assets		<u>(27,701)</u>	<u>(37,117)</u>
Net Cash Used In Investing Activities		<u>(41,702)</u>	<u>(101,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(43,183)
Payment of share issue costs		<u>-</u>	<u>(498,225)</u>
Net Cash Provided By Financing Activities		<u>-</u>	<u>(541,408)</u>
Net decrease in cash held		(565,202)	(1,349,561)
Cash and Cash Equivalents at beginning of the period		<u>2,818,005</u>	<u>5,074,609</u>
Cash and Cash Equivalents at end of the period	5	<u>2,252,803</u>	<u>3,725,048</u>

The accompanying notes form part of these condensed financial accounts

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2017 (continued)

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The half-year report complies with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.

Basis of preparation

The condensed financial statements comprise of the financial statements of Pointerra Limited and its subsidiaries at the reporting date (the “Group”) and have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1048 *Interpretation of Standards*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016*

The adoption of the above standards has not had a material impact on this half-year financial report.

NOTE 2. EVENTS AFTER THE BALANCE SHEET DATE

Pursuant to the commencement of North American operations, Pointerra Limited’s wholly-owned US subsidiary, Pointerra US, Inc. was incorporated during January 2018. No other matters or circumstances have arisen subsequent to 31 December 2017, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2017 (continued)

NOTE 3. ADMINISTRATIVE EXPENSES

	31 December 2017	31 December 2016
	\$	\$
Accounting and audit fees	(26,753)	(17,316)
Consulting and contracting expenses	(67,598)	(97,806)
Director fees	(58,500)	(57,900)
Employee benefits expense	(166,068)	(35,176)
	<u>(318,919)</u>	<u>(208,198)</u>

NOTE 4. RESEARCH AND DEVELOPMENT EXPENSES

Employee benefits expense	(432,667)	(455,039)
Other research and development expenses	(79,507)	(16,035)
	<u>(512,175)</u>	<u>(471,074)</u>

NOTE 5. CASH AND CASH EQUIVALENTS

	31 December 2017	30 June 2017
	\$	\$
Cash at bank	452,803	518,005
Deposits on call	1,800,000	2,300,000
	<u>2,252,803</u>	<u>2,818,005</u>

NOTE 6. TRADE AND OTHER RECEIVABLES

CURRENT		
Accounts receivable	171,590	977
Accrued revenue	25,000	-
R&D tax offset receivable	-	496,376
GST receivable	9,610	38,983
	<u>206,200</u>	<u>536,336</u>

NOTE 7. TRADE AND OTHER PAYABLES

CURRENT		
<i>Unsecured Liabilities:</i>		
Trade Payables	114,883	148,464
Sundry creditors and accrued expense	194,747	220,546
	<u>309,630</u>	<u>369,010</u>

NOTE 8. DEFERRED REVENUE

Deferred revenue	125,000	-
	<u>125,000</u>	<u>-</u>

Deferred revenue arises whereby DaaS customers are invoiced and/or pay in advance for a multi-period DaaS subscription license, which is then amortised monthly over the term.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2017 (continued)

NOTE 9. ISSUED CAPITAL

	31 December 2017	30 June 2017
	\$	\$
373,842,157 (June 2017: 373,842,157) fully paid ordinary shares	6,996,700	6,996,700
Less: capital raising fees	(1,268,231)	(1,268,231)
Net issued capital	<u>5,728,469</u>	<u>5,728,469</u>
Movements:	\$	No.
Opening balance as at 1 July 2016	5,662,919	325,992,157
Share-based payments in lieu of cash corporate advisory fee	65,550	2,850,000
Share issue costs conversion of Class A performance shares	-	45,000,000
As at 30 June 2017	<u>5,728,469</u>	<u>373,842,157</u>
As at 31 December 2017	<u>5,728,469</u>	<u>373,842,157</u>

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.

The Group has 120,000,000 performance shares as issued as part consideration for the acquisition of Pointerra Technologies Pty Ltd.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2017 (continued)

NOTE 10. SHARE-BASED PAYMENTS

(a) Options issued to advisers

4,000,000 incentive options with an expiry date of 25 September 2020 and an exercise price of \$0.05 were issued on 25 September 2017 pursuant to a signed Investor Marketing Services Mandate. The options were valued at \$0.0165 and were expensed as share-based payments.

(b) Option valuation assumptions

The fair value of the options granted was estimated as at the date of grant using a Black-Scholes model. The following table lists the inputs to the model:

	31/12/17	30/06/17
Dividend yield (%)	Nil	Nil
Expected volatility (%)	70%	81%
Risk-free interest rate (%)	1.94%	1.63%
Expected life (years)	3	2.1
Share price at grant date, based on acquisition offer price (\$)	0.04	0.023

NOTE 11. CONTINGENT LIABILITIES AND ASSETS

The Group has a revenue generating royalty agreement with AAM Pty Ltd, a world-leading geospatial technology company, for the use of 3D data through the geographic information system "GEOCIRRUS", whereby the Group is licensed to sell access to AAM Pty Ltd's 3D data (and derivative products) through the Group's own 3D data marketplace. Under the terms of the agreement, AAM Pty Ltd will pay the Group a royalty based on data usage through GEOCIRRUS; and the Group will pay AAM Pty Ltd a royalty based on data sales made through the Group's own 3D data marketplace.

NOTE 12. OPERATING SEGMENTS

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

NOTE 13. FINANCIAL INSTRUMENTS

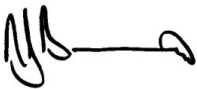
The carrying amount of financial assets and liabilities are equal to their fair value based on their short-term nature. No financial assets or liabilities are required to be measured at their fair value on a recurring basis.

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

This declaration is made in accordance with a resolution of the Directors of Pointerra Limited, made pursuant to s.303(5) of the *Corporations Act 2001*.



Neville Bassett

Director

27 February 2018



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Independent Auditor's Review Report

To the Members of Pointerra Limited

We have reviewed the accompanying financial report of Pointerra Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

Directors Responsibility 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 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Independent Auditor's Report

Independent Auditor's Review Report

To the Members of Pointerra Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Pointerra Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2017 and of its performance for the period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 27th day of February 2018