



Pointerra Limited

30 October 2018

September 2018 Quarter Activities and Cash Flow Report

Pointerra Limited (ASX:3DP) ("Pointerra" or "the Company") is pleased to provide an overview of September 2018 quarter activities and the associated cash flow and cash position in the Appendix 4C (attached).

Highlights:

- **Significant growth in customer invoicing and cash receipts**
- **Domestic utility sector customer moves to full enterprise license**
- **Material growth in US sales pipeline**
- **R&D tax incentive rebate of \$487K received**
- **Additional solution functionality enhancements delivered**

Direct Sales, Partnerships and Software Licensing

Sales & Cash Receipts

During the quarter the Company invoiced \$175K and received \$81K in customer receipts, which represented significant growth compared to the June 2018 quarter.

Enterprise Sales

During the quarter Pointerra successfully migrated the Company's longest running enterprise customer in the Utility sector from a limited scope \$5,000 pcm DaaS ("Data as a Service") subscription to a \$10,000 pcm enterprise wide subscription.

This landmark outcome followed an extensive and successful paid Proof of Concept ("PoC") period, where Pointerra worked with the customer to



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understand the positive impact on asset management, workflow and operational efficiencies generated through use of Pointerra's cloud platform for 3D data across the enterprise.

The PoC process culminated in the preparation of an internal business case, supported by Pointerra, which identified ROI (Return on Investment) outcomes of at least 5x across the enterprise through the use of Pointerra's solution. As this customer transitions to upload more 3D data and add more user numbers during the coming months, DaaS subscription revenue will continue to grow and is expected to more than double to \$240,000 per annum from early 2019.

The Company has successfully used these business case ROI outcomes to accelerate the conversion of other trial customers to enterprise DaaS subscriptions as well as attracting new prospects across multiple industry sectors.

US & International Sales Pipeline

Pointerra's new US-based COO (Randy Rhoads) commenced with the Company during the quarter (16th July) and has quickly grown the US and international sales pipeline in the Utility, AEC (Architecture, Engineering & Construction), Data Capture (surveyors in terrestrial, mobile and aerial 3D data operations) and ADAS (Advanced Driver Assistance Systems) sectors.

The Company expects a number of US and international sales across these sectors to crystallise during the December quarter.

3D Data Marketplace Update

During the quarter Pointerra continued to work with domestic data capture partners to progress the deployment of curated datasets for sale by subscription and spot-purchase on the Company's 3D data marketplace platform.

The Company also commenced negotiations with several US-based data capture businesses to deploy their 3D data onto Pointerra's 3D data marketplace, again for sale by subscription and spot-purchase. In addition, the more sophisticated and pervasive use of 3D data in the US market has also presented a number of 3D data analytics opportunities leveraging the core 3D data sources to provide deeper insight and answer a range of diverse digital asset management questions.



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As previously advised, the Company expects that data from aerial and mobile capture partners will begin to be loaded onto Pointerra's platform in the coming two quarters, with first sales generated thereafter.

3rd Party Solution Integration & Partnerships

During the quarter, Pointerra successfully deployed **Bentley's** industry leading reality modelling software, ContextCapture, to the Company's cloud-based platform for 3D data.

ContextCapture enables users to create large and challenging 3D models of existing real-world assets, including scales as large as entire cities. ContextCapture utilises the methodology known as photogrammetry to process data from photographs and create 3D models, to easily and quickly provide context for design, construction and operations decisions for all types of asset management and infrastructure projects.

During the quarter, Pointerra also became one of the first **Autodesk** partners globally to successfully integrate Autodesk's new reality capture Software Developer Kit (SDK) with the Company's 3D data platform.

Pointerra is now providing customers with access to cloud hosted file formats of Autodesk's industry leading reality software, Recap, via Pointerra's cloud-based platform for 3D data. Recap enables users to process point clouds post-capture using the Autodesk Recap Pro software to generate file formats that can be easily imported into Autodesk authoring software formats (RCS, RCP, Recap Project).

These derived formats can now be easily imported to and exported from the Pointerra platform, with users able to upload any 3D point cloud format and then share all or part (clip-and-ship) of the dataset in the desired Recap file format, enhancing the end to end workflow from capture to design. This has allowed Autodesk and Pointerra customers to further streamline workflows, saving time and money.

Integrating these solutions provided by the world's largest AEC sector technology companies has provided Pointerra customers with an efficient, scalable and affordable solution for their reality modelling requirements, delivering on Pointerra's vision of being the leading cloud-based platform for managing, sharing and analysing 3D data by providing actionable 3D information to power digital asset management solutions.



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The partnerships with **Autodesk** and **Bentley** are also underpinned by sales and marketing cooperation activities, which provides enormous global leverage to Pointerra's more modest resources and are expected to drive further growth in sales.

Solution Development and R&D

Solution Development

A significant increase in data ingestion and processing from the US region has driven platform engineering efforts to fully support storage, processing and streaming of data from US-based AWS (Amazon Web Services) – the world's leading cloud storage and compute platform where Pointerra's solution is hosted. Until recently, the Australian AWS region had been the primary hosting region, however a move to a more global approach has now become necessary.

This has also been replicated to the European hosting region, in anticipation of similar levels of growth. As a result, the Pointerra service is no longer Australian-centric, with essentially equal capability and performance expectations available in the AU, US, and EU regions.

Major UI Refresh. The front-end user interface has undergone a major refresh, which has also laid the foundation for adding a range of new capabilities into the viewing platform in the future, through the implementation of new plugin architecture.

Data upload improvements. Significant improvements to the browser based data upload process were delivered, with the web upload process now tolerant to network dropouts and other interruptions. A large-scale data upload facility has also been created for enterprise customers so that external tools can be used to upload their data into a custom AWS storage location provided as part of their Pointerra account. This means that enterprise customers are not required to upload large datasets through a web interface and are able to use a more robust methodology to get their data into Pointerra's cloud platform.

Research and Development

As outline previously, R&D efforts continue to focus on three strategic areas:

1. Development of a platform to underpin the delivery of point cloud analytics to Pointerra customers;



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

The status of these R&D activities is outlined as follows:

- **Next generation streaming** – Web browser technology is rapidly changing (driven by sectors like computer gaming) and Pointerra has allocated additional engineering effort to make use of these new features. This R&D work is nearly complete, and the Company is now in the process of integrating the new streaming methods into the existing platform. As outlined previously, an even bigger goal is to use the same approach to provide a streaming service that allows data hosted in Pointerra to be streamed into a number of desktop products from Autodesk and Bentley, with development work now commencing on this.
- **Archiving service development.** A first version of the archiving service is about to be released. This will give customers the ability to archive and restore their data through their company admin console. The next phase of this R&D work will be to fully utilise the various storage options that AWS offers to provide greater flexibility for customers, and also to reduce storage costs for Pointerra.
- **Support for additional 3D data formats.** Elements of this R&D work continue to roll out into the production systems. Work will continue around the area of scalability for very large datasets, and enhancing the functionality as we get feedback from beta test customers.
- **Analytics.** Pointerra continues to work on adding large scale data analytics capabilities to the platform. This is largely an area for internal experimentation at this point in time, as we seek to develop some unique intellectual property in this space.



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Cash Flow & Corporate

Cash receipts from customers during the quarter amounted to \$81K, up from \$30K in Q4 FY18, which was driven by an increase in sales invoiced during the quarter to \$175K, compared to \$28K in Q4 FY18.

During the quarter, the Company worked with its taxation advisers to prepare and lodge an R&D refund claim of \$487K for the FY18 year, which was also received during the quarter.

Cash outflows for the quarter were in line with management expectations and the cash balance at 30 September 2018 amounted to \$1.25 million. Please refer to the attached Appendix 4C for further detail.

Pointerra has previously outlined a plan to report aggregate ACV (annual contract value) as soon as 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.

Following recent sales growth and expected current quarter growth in paying customers, the Company plans to commence reporting ACV for the December quarter, which will be released during January 2019.

-- 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 entrenched problems in the 3D geospatial and asset management sectors and allows very large 3D datasets to be stored, used, analysed and shared without the need for high performance computing. 3D data is processed and stored in a cloud deployed platform 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

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 2018

| 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 | 81 | 81 |
| 1.2 Payments for | | |
| (a) research and development | (246) | (246) |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | (4) | (4) |
| (d) leased assets | - | - |
| (e) staff costs | (205) | (205) |
| (f) administration and corporate costs | (242) | (242) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 6 | 6 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 487 | 487 |
| 1.8 Other (GST return) | 9 | 9 |
| 1.9 Net cash from / (used in) operating activities | (114) | (114) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (7) | (7) |
| (b) businesses (see item 10) | - | - |
| (c) investments | | |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| (d) intellectual property | (5) | (5) |
| (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 | (12) | (12) |

| | | |
|---|----------|----------|
| 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 | 1,386 | 1,386 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (115) | (115) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (12) | (12) |
| 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 | (8) | (8) |
| 4.6 | Cash and cash equivalents at end of quarter | 1,251 | 1,251 |

| 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 | 401 | 329 |
| 5.2 | Call deposits | 850 | 1,057 |
| 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) | 1,251 | 1,386 |

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**

(67)

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. 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 | 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) | |
| 9.8 Total estimated cash outflows | 600 |

| 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 | | |

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)

Date:31 October 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.