



# Pointerra Limited

16 April 2019

## March 2019 Quarter Activities and Cash Flow Report

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

### Highlights:

- **Cash receipts from customers grew nearly 350% to \$433K**
- **Analytics as a Service now driving customer acquisition**
- **Numerous US based utilities and state government agencies are now using Pointerra via their data capture providers**
- **Domestic customers growing and broadening scope of DaaS usage in this region**
- **New sales resources deployed in the North America and Australasia to accelerate sales growth**

## Cash Receipts & Customer Growth

### Cash Receipts

During the quarter the Company received \$433K in customer receipts compared to the December 2018 quarter figure of \$125K. Quarterly ACV will be reported later this month.

### Analytics as a Service

During the quarter Pointerra worked with its largest US customer PrecisionHawk (refer ASX announcements 22 November 2018 and 12 March 2019) to solve ongoing 3D data management and data analytics problems that were impacting PrecisionHawk's ability to service its massive order-book for utility asset inspection services across North America and the world.



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PrecisionHawk has now expanded its use of Pointerra's cloud platform for 3D data from DaaS (Data as a Service) to include AaaS (Analytics as a Service), with the Company's development team building bespoke machine learning algorithms to interpret 3D data captured by this customer to provide answers at an efficiency, scale and cost advantage that was previously missing from their workflow. These outcomes have helped PrecisionHawk solve 3D data problems associated with their capture-analyse-report workflow and has embedded Pointerra's platform within the solution being offered to their global customer base.

PrecisionHawk has further advised the Company that it will contract Pointerra on a regular, ongoing basis to develop additional AaaS algorithms designed to deliver further improvements in their workflow and end-user customer asset digital asset management and reporting. Underlying growth in hosted data resulting from these developments is expected to grow PrecisionHawk's DaaS subscription to more than US\$20,000 pcm throughout calendar 2019 and coupled with ongoing AaaS revenue, has further validated Pointerra's business model in leveraging hosted 3D data (DaaS) into advanced data analytics (AaaS), all of which is possible due to the Company's unique proprietary data structures.

During the quarter the Company demonstrated these advanced analytics to a number of US based 3D data capture companies and utilities and is pleased to report that the combination of DaaS and AaaS has accelerated the evaluation and adoption of Pointerra's platform by these organisations.

## **US Utilities, Government Agencies & Capture Customers**

The Company has previously reported that its largest domestic enterprise utility customer (A\$20,000 pcm DaaS subscription) was being used to accelerate conversion of a number of US utilities that are currently trialling Pointerra's cloud platform for 3D data.

During the quarter the Company's (DaaS subscription paying) US data capture customers also commenced delivery of aerial and mobile 3D data to many of these end-user utilities using Pointerra's platform.

Coupled with material customer ROI (return on investment) evidence and enhanced AaaS capability, Pointerra has experienced accelerated interest in the (paid) adoption of its solution by US utilities, statewide government agencies and data capture companies throughout the US.



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Evidence of this trend during the quarter was reflected in the decision by a large US rail utility to proceed with an enterprise-wide deployment of Pointerra's platform to support its digital asset management operations. The Company currently has a mix of proposals (quotes, RFP responses, pilots) before a broad cross-section of utilities for five-figure monthly DaaS subscriptions, which are expected to drive further sales growth in this important sector.

## **Domestic Customer Growth**

During the quarter the Company's existing domestic customers 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 extended to white-label integration into a diverse range of digital asset management platforms being used by Pointerra's customers to deliver services and solutions to their end-user customers.

Pointerra's platform is now being used by customers to solve a diverse range of day to day, real world digital asset management problems associated with the need to store, manage, visualise, analyse & share 3D data at scale, including:

- Instant and on-demand delivery of 3D data and derived mapping/modelling products to end-user customers;
- Remote visual inspection of geographically dispersed facilities (retail premises, office buildings, plant & process infrastructure) to instantly answer questions without costly and time-consuming site visits;
- Analysing aerial 3D data to detect high-risk vegetation encroachment on electricity transmission and distribution powerlines;
- Analysing temporal (multi-period) 3D data to support high-risk mining operations (tailings dams, remediation, stockpiles);
- Analysing mobile 3D data to identify and extract features from road, rail, pipeline and related linear infrastructure assets; and
- Repurposing and reimagining possible uses for costly and valuable existing 3D data by connecting the owners of data with potential customers in a data marketplace model.



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## Solution Development and R&D

### Solution Development

**Enhanced white-label support.** Increased interest by enterprise customers that are licensing Pointerra's platform has required additional support for white-labelling, eg - allowing customers to rebrand more elements of the interface.

**Analytics development.** The first version of a 3D data analytics platform has been developed and has been used to create custom data analytics functionality for power transmission and distribution applications.

**Single-sign-on support.** SSO support has been added to the platform to allow enterprise customers to manage Pointerra users through their existing enterprise IT user management systems. SSO support can be a soft requirement for enterprise tenders or subscriptions, and this work removes this as a potential barrier.

**Application enhancements.** The platform continues to be enhanced as a result of customer requests and/or internal R&D. Significant new features or improvements include improved annotations, new job management interface, improvements to non-point cloud dataset support, context menu support, and API enhancements.

### Research and Development

As previously outlined, 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 (DaaS);
2. Developing catalogues of analytics (AaaS); and
3. Broadening the platform to support storage, visualisation and analysis of complementary 3D data types, including imagery, CAD and vector layers.

R&D is also being undertaken to change the way that Pointerra's processed data is stored and streamed to client browsers and applications using the Amazon Web Services (AWS) cloud platform. The outcome of this R&D activity is expected to significantly reduce cloud hosting costs, which will enhance operating margins as use of the platform grows over time.



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## **IP Strategy & Patent Protection**

During the quarter the Company was issued a favourable International Preliminary Report on Patentability (IPRP) for its 2nd International Patent Application “Method and System for Storing and Retrieving Multi-Dimensional Data”.

Pointerra has been advised that the Application contained novelty, inventive steps and industrial applicability and accordingly the Board has resolved to pursue National Phase applications for the 2<sup>nd</sup> IPRP as part of its broader intellectual property strategy, which also includes the Company’s 1st favourable IPRP, received in 2017 for its International Patent Application “Method & System for Computer Graphics Rendering”.

## **Cash Flow & Corporate**

Cash receipts from customers during the quarter amounted to \$433K, up from \$125K in Q2 FY19.

Cash outflows for the quarter were in line with management expectations and the cash balance at 31 March 2019 amounted to \$1.455 million. Please refer to the attached Appendix 4C for further detail.

The Company wishes to again note with immense sadness the untimely passing during the quarter of our Non-Executive Chairman, mentor and friend Graham Griffiths.

Graham’s contribution to Pointerra was significant and he leveraged a lifetime of experience in technology sales to help shape his innate understanding of how to build a successful SaaS business on a global scale. His legacy to Pointerra is baked into our business model, our growth strategy and the “Pointerra way”, which we will continue to execute in his honour.

-- 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>

## 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 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	433	639
1.2 Payments for		
(a) research and development	(287)	(743)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(9)	(23)
(d) leased assets	-	-
(e) staff costs	(242)	(639)
(f) administration and corporate costs	(223)	(710)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	15
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	487
1.8 Other (GST return)	9	18
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(315)</b>	<b>(957)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(19)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	(20)	(25)
(e) other non-current assets	(1)	(1)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(31)</b>	<b>(45)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	1,150
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	(62)	(62)
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>(62)</b>	<b>1,088</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	1,865	1,386
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(315)	(957)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(31)	(45)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(62)	1,088



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(2)	(17)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,455</b>	<b>1,455</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	905	1,315
5.2	Call deposits	550	550
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>1,455</b>	<b>1,865</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**

(87)

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	200
9.6 Administration and corporate costs	200
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>670</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		

**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: .....  ..... Date: .....16 April 2019.....  
(Director)

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.