



# Pointerra Limited

30 April 2020

## March 2020 Quarter Activities and Cash Flow Report

Pointerra Limited (ASX:3DP) (Pointerra; the Company) is pleased to provide an overview of the March 2020 quarter activities and the associated cash flows and cash position in the Appendix 4C (attached).

### Highlights:

- **Cash receipts from customers of \$0.53 million compared to \$0.18 million in Q2 FY20**
- **Growth in customers, ACV (Annual Contract Value) and cash receipts is moving the Company to a cashflow positive position**
- **COVID-19 has increased enquiry levels from new prospects and accelerated platform adoption by existing prospects**
- **Solution development and R&D driving existing customer ACV growth and new customer acquisition**

### Operations

#### **Cash Receipts**

During the quarter ended 31 March 2020 the Company received \$0.53 million in customer receipts compared to the December 2019 quarter figure of \$0.18 million.

#### **Cash Outflows**

Cash outflows for the quarter were in line with management expectations. The cash balance at 31 March 2020 amounted to \$2.20 million. Please refer to the attached Appendix 4C for further details on cash flows for the quarter.

#### **Customer Growth, ACV and Cashflow Positive Position**

During the quarter the Company was able to grow the spend from existing customers and also add new customers across Pointerra's suite of services –



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DaaS (Data as a Service), AaaS (Analytics as a Service) and DPaaS (Data Processing as a Service).

If (as expected) this growth profile continues the Company should become cashflow positive in Q4 FY20, with historical growth in ACV resulting in a cashflow catch-up effect as new customers are onboarded, invoiced and pay.

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

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

## **COVID-19**

Pointerra team members reside in 3 Australian and 2 US states and apart from the head office in Subiaco, Western Australia, the Company has operated a work-from-home environment since 2018 for the non-Western Australian team members.

Since the global outbreak of the COVID-19 pandemic, Pointerra has followed and adopted hygiene, health and work practice advice from relevant state and federal health departments and agencies in Australia and the US.

To date COVID-19 has had minimal impact on the ability of Pointerra's team to continue to operate the Company's business. The Board has considered a range of operational risk management initiatives, which will continue to be monitored in this fluid and rapidly changing global environment.

First and foremost, the safety of our people will continue to remain a priority.

## **Solution Development and R&D Activities**

### **Solution Development**

The Pointerra platform continued to be enhanced in response to customer requests and in line with the broader product roadmap. Details of released changes and enhancements can be found in the regularly updated platform release notes on the Pointerra platform and the highlights for this quarter are detailed below.



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**Analytics as a Service (AaaS).** The smart QA and edit tools outlined in the previous quarterly update have been released into production. These tools allow users to guide the existing analytics to rectify areas where the automated process has missed information or generated a false positive result – for example, a tree classified incorrectly as a power pole can be easily reclassified.

The QA Assistant tool further refines the process by running a series of automated logical checks over the final data analytics output to identify potential areas when results may be incorrect, and highlights these to the user. For example, the QA tool will highlight a pole at a 90-degree intersection that does not have a guy wire extracted. This tool gives the user further confidence that the analytics and subsequent QA/edit process has resulted in a high-quality outcome.

Many customers (existing and new) continue to provide datasets to evaluate the current capabilities of the Pointerra AaaS platform on their own data. The analytics capability of the platform is rapidly evolving as a result of running these different types of data and analyses. There has been significant interest in auto-classification of point cloud data from both airborne and mobile lidar acquisition, as this is a time consuming and manual process for many in the industry at present.

**New storage and server architecture in final testing.** Outcomes from R&D into new ways to store and stream data to end-users is in final testing on the Pointerra test platform. This is expected to be released into production in May. The new architecture eliminates the linear relationship between AWS EC2 service costs and the amount of live data that is hosted on the platform – leading to significantly reduced COGS, and the ability to attract customers requiring very large scale data hosting due to the ability for Pointerra to now offer more flexible pricing options. This work is the culmination of over 12 months of intense R&D work and is essentially a next generation of Pointerra's AWS cloud architecture.

**Photo and image support enhanced.** We have received strong demand from customers to be able to store photos and imagery alongside 3D data on the platform. In response to this, the ability to manage and view photos (both georeferenced – that is, with GPS position and optionally orientation data, and non-georeferenced) has been enhanced. Users can now add photo libraries to a point cloud to give additional contextual information to support applications such as asset inspection and site visualisation.



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There have also been major improvements to the processing and visualisation of panoramic 360-degree photo data.

**API improvements.** The desire to use Pointerra's APIs (application programming interfaces) by customers is growing. This is typically for the purpose of "white labelling" Pointerra's technology into a customer branded application, systems integration tasks for asset management, or for workflow automation (e.g. automating data ingestion). Several improvements to the APIs have been added, including:

- Support for JSON Web Token (JWT) authentication has been added to the API to provide a more secure way of authenticating users;
- Examples and documentation have been improved; and
- A new packaging and loading system has been added to simplify the process of using the Pointerra viewer.

**New application framework in development.** In addition to the API changes noted above, we are also in the process of creating a new application development framework that allows customised applications (mainly developed by Pointerra) to rapidly be developed using the Pointerra API's. This will allow us to respond to a growing demand for custom developed interfaces and dashboards from our customers.

## **Research and Development**

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

1. Development of a platform to underpin the delivery of point cloud analytics to Pointerra customers (DaaS);
2. Developing a catalogue of analytics algorithms (AaaS), in particular extraction of objects of interest from large scale datasets (e.g. poles, trees, signs), automatic point cloud classification and imagery analysis;
3. Broadening the platform to support storage, visualisation and analysis of complementary 3D data types, including imagery, CAD and vector layers;
4. Reducing the cost of providing the service through changing the way that Pointerra's processed data is stored and streamed to client browsers and applications using the Amazon Web Services (AWS) cloud platform; and



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5. Enhancing the core web platform to support the development of additional apps that utilise the core Pointerra API's and available data.

## **Corporate & Compliance**

During the quarter the Board progressed the implementation of Pointerra's Employee Incentive Share Plan, which was approved by shareholders at the Company's AGM in November 2019.

Consistent with representations made to shareholders at the AGM and subsequently, the Board has resolved to price the shares issued under the terms of the Incentive Share Plan at \$0.06, which represents a 20% premium to the most recent capital raise (\$0.05) in November 2019.

Directors and eligible employees that took up their respective offers under the Incentive Share Plan will also be borrowing \$0.06 per share from the Company to acquire shares in Pointerra at a material premium to recent share price history.

The details of shares accepted and subsequently issued under the Incentive Share Plan offer will be advised to the market in coming days through the issue of an Appendix 2A – Application for Quotation of Securities.

Pointerra's cash position at 31 March 2020 was \$2.20 million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$31,000 comprising Directors fees, salaries and superannuation.

This release is authorised by the Board.

**ENDS**



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For more information, please contact:

**Ian Olson**  
**Managing Director, Pointerra**  
+61 417 998 328  
[ian.olson@pointerra.com](mailto:ian.olson@pointerra.com)

**Paul Hart**  
**Director, Canary Capital**  
+61 421 051 474  
[phart@canarycapital.com.au](mailto:phart@canarycapital.com.au)

**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 and the number of users each customer requires. We also charge customers to process their data (Data Processing as a Service or DPaaS), 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 cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Pointerra Limited

**ABN**

39 078 388 155

**Quarter ended ("current quarter")**

31 March 2020

<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	532	1,023
1.2 Payments for		
(a) research and development	(202)	(847)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(1)	(6)
(d) leased assets	-	-
(e) staff costs	(282)	(864)
(f) administration and corporate costs	(338)	(783)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(5)	(19)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	473
1.8 Other (BAS	(1)	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(297)</b>	<b>(1,023)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(16)
(d) investments	-	-
(e) intellectual property	(10)	(23)
(f) other non-current assets	(5)	(21)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) 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>(20)</b>	<b>(60)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,500
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(160)
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>-</b>	<b>2,340</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,502	947
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(297)	(1,023)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(20)	(61)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,340
4.5	Effect of movement in exchange rates on cash held	13	(5)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,198</b>	<b>2,198</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	2,148	2,452
5.2	Call deposits	50	50
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>2,198</b>	<b>2,502</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
(31)
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	-	-
	-	-
	-	-
	-	-

**7.5 Unused financing facilities available at quarter end**

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

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**8. Estimated cash available for future operating activities****\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(297)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,198
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,198
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>7.4</b>

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

## 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.

Date: 30 April 2020

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.