



# Pointerra Limited

30 April 2018

## **March 2018 Quarter Activities and Cash Flow Report**

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

### **Highlights: Sales Growth, Data Marketplace Launched, Further Integration Partnership & Enhanced Solution Functionality**

- **Further growth in direct sales & paid trials with enterprise customers plus reseller partner & technology licensing partner sales**
- **3D Data Marketplace launched ahead of plan with foundation customer - will deliver recurring subscription revenue**
- **Material growth in US enterprise sales pipeline in energy utilities sector - several material opportunities pending award**
- **Landmark technology integration agreement with global geospatial & infrastructure technology giant Bentley Systems**
- **Continued DaaS solution functionality enhancements delivered, including first cloud deployed analytics**

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

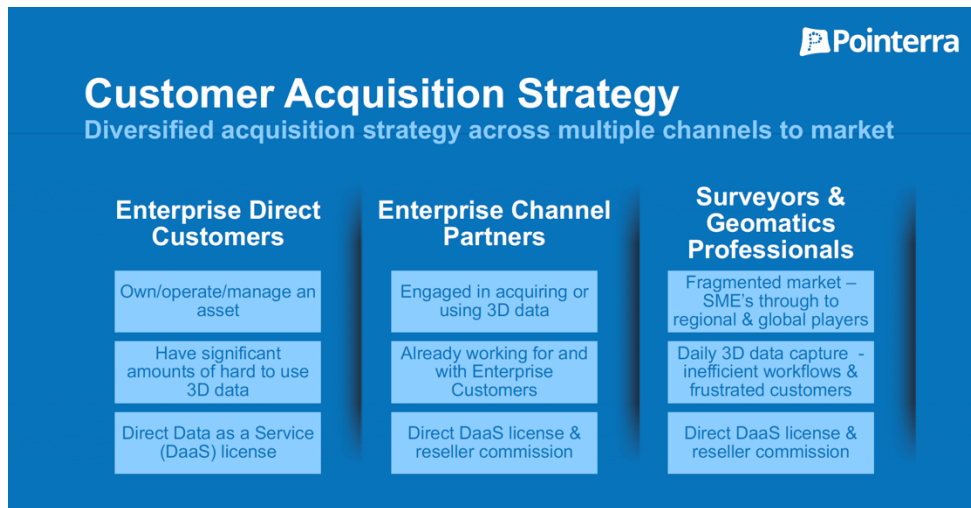
### **Sales Growth**

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



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More generally, Pointerra's diversified customer acquisition strategy across multiple channels to market continues to gain traction with the number of discreet opportunities in the sales pipeline continuing to grow.



The profile of the sales pipeline continues to mature, meaning that individual opportunities 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.





### **3D Data Marketplace Launched**

During the quarter, Pointerra signed its first Data Marketplace and Business Partnership Agreement ("Agreement") with Total Earth Solutions Pty Ltd ("TES"), an existing and entrepreneurial Pointerra DaaS customer who saw the opportunity to change the business model for aerial 3D data in much the same way that NearMap changed the market for aerial imagery back in 2012.

TES will fly the Perth LGA (Local Government Area) during May 2018 with LiDAR and multispectral (RGB and NIR) equipped aircraft, producing a highly accurate aerial 3D dataset. Access to this data will be offered for sale via a monthly recurring subscription model on Pointerra's cloud platform for 3D data.

Under the terms of the Agreement, TES will procure the dataset, Pointerra will host the dataset and the two companies will share in subscription revenue generated from the sale of access to the 3D data and the derived 2D mapping and analytics products. TES will also be responsible for marketing and selling the Perth LGA dataset.

TES Managing Director Brett Johnson said *"For years capture companies like TES have delivered 2D mapping products to customers that have been derived from 3D data capture programs. Pointerra's revolutionary cloud platform allows us for the first time to be able to sell access to the high-fidelity 3D data under a recurring subscription model. Using Pointerra's platform also allows us to offer on-demand derived mapping products and analytics as customers require."*

*This really is a world-class development in the market for the capture and sale of aerial 3D LiDAR, derived mapping products and analytics made possible because of the power, scale and flexibility offered through Pointerra's cloud platform. We look forward to working with Pointerra to extend the geographical reach of the 3D Data Marketplace."*

TES will market and sell access to the 3D data, as well as on-demand derived mapping and analytics products to customers from the Perth LGA community, WA State Government agencies and the private sector under a subscription model using Pointerra's cloud platform for 3D data, becoming the first dataset from the commercial sector captured specifically for sale through Pointerra's platform.

There are more than 25 cities, towns, and shires in the Perth LGA and numerous WA State Government Departments and agencies that regularly procure aerial



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imagery and 3D data for their needs from a variety of sources. In addition, across the private sector, companies involved in geospatial, architecture, engineering, construction, town planning, insurance, solar and general property all require access to high-quality aerial 3D data from time to time.

TES intends to capture the Perth LGA twice annually and extend its LGA strategy to all Australian capital cities and major regional centres. Pointerra's share of the Perth LGA addressable market alone is estimated to be circa \$1.4 million per annum in recurring subscription revenue. If TES is able to successfully extend its LGA capture strategy across Australia, this commercial relationship is expected to become a significant source of revenue for the Company.

The city capture model clearly is replicable in offshore markets and Pointerra is working with potential capture partners in North America and Western Europe to further grow this source of revenue.

## **North American Operations**

In establishing operations in North America, Pointerra had previously identified the power transmission and distribution utility sector as highly prospective for its enterprise DaaS solution. Target customers in this segment of the broader 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.

During the quarter, Pointerra was asked to provide pricing for potential multi-year DaaS contracts by several US based capture partners who are undertaking aerial (LiDAR) and terrestrial (mobile laser scanning) projects for their utility customers. These utility customers have specified cloud platforms for data delivery, which has resulted in a number of the Tier-1 capture companies approaching Pointerra to incorporate our solution in their data capture projects.

If successful, each of these projects will result in five-figure monthly recurring enterprise DaaS subscriptions for Pointerra.

The US market for aerial 3D capture and data analytics in the energy utility sector is mature and sophisticated. In targeting this market since entering the US in January, the Company has determined that working through capture partners to secure DaaS subscriptions presents the most effective way to establish a revenue base in the country from which to sustain and grow



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operations. Accordingly, Pointerra will recruit a senior channel partner executive to work with capture partners to deliver on these opportunities in preference to the direct sales approach over the next 3-6 months.

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

## **Bentley Systems Integration**

Since the Company commenced commercialising its cloud based DaaS platform in 2017, solution enhancements have always been customer lead. The capture sector is increasingly adopting a multi-sensor approach to 3D data generation, with 3D laser scanning and LiDAR being augmented by photogrammetry-derived datasets.

These are typically captured from drones and other UAV/UAS platforms with lightweight digital cameras through to fixed wing and rotary wing platforms hosting larger camera systems such as those used by Nearmap and Spookfish.

Photogrammetry software applications are required to turn these digital images into 3D data via a process that is extremely demanding on compute resources. Responding to customer demand, Pointerra has evaluated the market for photogrammetry solutions and has elected to partner with Bentley Systems, a global geospatial and infrastructure software giant, in order to provide this capability to our customers.

Pointerra has agreed to licence Bentley's market leading photogrammetry solution, Context Capture. Bentley has also agreed to licence Pointerra's cloud platform for 3D data and will use Pointerra's API's to provide a cloud-based 3D point cloud platform for users of Bentley's desktop applications including MicroStation, which has more than a million global users, as well as its growing portfolio of cloud-deployed solutions.

The agreement with Bentley, which is currently at executed term-sheet stage and is progressing to formal licence agreement, will provide Pointerra capture customers with an efficient, scalable and affordable solution to their photogrammetry requirements, delivering on Pointerra's philosophy of creating material workflow savings as well as data management, sharing and analytics through its world-class cloud data platform for 3D data; 3D Data Solved.

The Company expects that the partnership with Bentley will generate additional customer acquisition for Pointerra's DaaS platform from the both the data capture sector and AEC sectors. The commercial terms of the agreement



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will see each company pay the other under a royalty approach based on use of respective technology solutions by Pointerra and Bentley customers. It is too early to estimate the likely quantum of these payments.

## **Autodesk Integration**

Pointerra has deployed a direct link to Pointerra's "Try It" page on Autodesk's BIM360 site, which will allow Autodesk's 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 wider technology deployment project, Pointerra is also integrating with Autodesk's Forge API so BIM360 users will be able to manage their 3D data in Pointerra, utilising the workflow capabilities of the Pointerra solution to manage, use, extract and share their data with other BIM360 users. The technology integration project is expected to be complete in the coming quarter.

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

### **Overview**

Development of the Pointerra platform during the quarter has continued largely in line with the planned roadmap for 2018. The user experience for DaaS customers has continued to be enhanced with additional functionality added to both the user interface and the back-end service components.

A significant portion of resources was directed toward R&D to enhance the current platform offering and in the development of new capabilities to support the growing opportunities being presented by 3<sup>rd</sup> party partnerships.

The quarter again saw a significant upscale in the rate of data ingestion as the total number of 3D data points hosted jumped from approximately 500 billion to more than 900 billion points. The AAM partnership continues to mature and is driving increasing data ingestion volumes, dataset sizes, and functionality.

The Pointerra data ingestion APIs are constantly being enhanced through feedback gained through working with AAM and are now at a maturity level where additional partners (e.g. TES with the Perth LGA capture program, Autodesk and Bentley Systems with cloud application integration) are seeking to take advantage of the platform.





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In anticipation of a step change in the level of data ingestion that will result from closing potential opportunities in the sales pipeline, the development team continue to focus on ways to further scale the platform, both from a data ingestion/hosting perspective, and the ability to run value-adding services on the data that is being hosted. An example of this will be the automated generation of elevation models for areas of interest to support the TES LGA customer subscriptions.

The development team are in active discussions with several 3<sup>rd</sup> parties (both vendors and customers) regarding the usage of the current APIs and also the provision of additional API capabilities to support streaming of data into 3<sup>rd</sup> party systems. This is likely to drive a greater focus on API-related development activities in the coming quarter.

During the quarter, Pointerra was very pleased to add Russell Rogers, a highly experienced engineer with many years of geospatial sector experience, to the team. Russell will add bandwidth to the existing team and will also leverage his experience from working at Nearmap to bring some new capabilities and perspectives to the team.

## **Solution Enhancements**

Significant new solution features deployed during the quarter include:

- **Viewer UI Refresh.** The 3D viewer component has been substantially reworked to take advantage of some of the latest web frameworks. This will not only provide a fresh interface for users but more importantly, will allow the development team to rapidly enhance and customise the viewer capabilities in the future.
- The team are currently finalising testing for a **new customer sign-up system**. This will enable new customers to self-create accounts (both personal and company) and includes an automated payment processing/invoicing system. New customers will have a time-limited trial period, after which time Pointerra will automatically bill them for the subscription they have signed up for. This will allow Pointerra to have standardised pricing and subscription tiers (for non-enterprise customers) without the need for sales resources to be involved in the process. This capability is expected to go live during May.
- **Support for additional data export formats and options.** To further enhance the value of Pointerra as a universal platform for 3D data, additional point cloud export formats have been added, and the ability to transform spatial reference system on output has been provided.
- **Data ingestion APIs** now have several new capabilities, including the ability to automatically read spatial reference information from the input



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files (where possible). There have also been significant improvements to the data validation and error reporting systems to support API-driven workflows.

- **AWS optimisation.** Data processing is now significantly faster and makes more efficient use of AWS resources. This results in an improved data ingestion timeframe for customers, and reduced costs for Pointerra, when processing datasets.

## **Research and Development**

R&D efforts have been in line with previous guidance, focussing on three primary areas:

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

There is also an additional focus on further development of capabilities and APIs to address a range of partnership opportunities.

The status of current **R&D** activities is outlined below:

- **Next generation streaming** – work has continued toward developing a new method for streaming points from Pointerra's servers to client systems, in particular the existing web viewer. This is now working in development versions of the platform. The primary benefits will be a much greater ability to cache data on the client (provide new user capabilities, and reduce overall network traffic), and the ability to develop SDKs (software develop kits) to allow 3<sup>rd</sup> party systems to connect to the Pointerra platform and request streaming of points. This will greatly enhance the value of Pointerra as a true platform for 3D data and is planned for release into production systems by the end of June.
- **Autodesk Forge integration.** Pointerra has developed a connection between the Autodesk BIM 360 Docs service and our cloud platform. This will allow customers that have point cloud data stored in the Pointerra service to extract areas of interest and publish the data to their connected BIM 360 Docs account, improving workflow for project participants. Pointerra is also actively engaged with Autodesk engineers to gain early access to new Autodesk services that will enhance the way integration will work in the future.





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- **Support for additional 3D data formats.** This is a high priority item, being driven by requests from customers and partners and will allow customers to store a range of additional 3D data types in the Pointerra cloud platform – and to visualise them along with point cloud data. The additional data types will initially include 3D CAD models, textured meshes, 2D and 3D vectors, ortho-imagery and 360-degree photos. This will move Pointerra into being a fully-fledged 3D GIS platform, and make the platform valuable to an even broader customer base. This work is progressing well, and the results of it will be released in stages into the production platform during May and June.
- **Analytics.** Pointerra is undertaking a number of R&D activities that will add large scale data analytics capabilities to the platform. In the shorter term, this includes adding spatial queries to the service to support point cloud change-over-time and proximity analyses (e.g. vegetation encroachment around power infrastructure). In the longer term, and with much higher potential value, is the development of machine learning algorithms to perform analytics such as object detection, recognition and automated classification of LiDAR datasets.

## Cash Flow & Corporate

Cash receipts from customers grew from \$46K in Q2 FY18 to \$92K in Q3 with cash receipts from customers expected to continue to grow in coming quarters as the Company moves towards a cash flow positive operating position.

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

Cash outflows for the quarter were in line with management expectations and the cash balance at 31 March 2018 amounted to \$1.9 million. Please refer to the attached Appendix 4C for further detail.

During the coming quarter, the Company will work with its taxation advisers to prepare and lodge an R&D refund claim for the FY18 year. The FY17 refund was \$0.5 million and the FY18 refund is expected to be a similar level.

As the expiry of voluntary and mandatory escrow periods approach, the Company has spoken to founder, management and director shareholders who



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have all expressed their willingness to extend voluntary escrow over their holdings for a further 12 months to July 2019.

-- ENDS --

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

## Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Pointerra Limited

**ABN**

39 078 388 155

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

31 March 2018

<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	92	158
1.2 Payments for		
(a) research and development	(209)	(678)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(3)	(17)
(d) leased assets		
(e) staff costs	(126)	(302)
(f) administration and corporate costs	(164)	(661)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	34
1.5 Interest and other costs of finance paid		(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		496
1.8 Other (GST return)	11	59
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(389)</b>	<b>(912)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(20)
(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	(1)	(28)
	(e) other non-current assets		(1)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(49)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>		

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,253	2,818
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(389)	(912)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(49)
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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,857</b>	<b>1,857</b>

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	557	453
5.2	Call deposits	1,300	1,800
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,857</b>	<b>2,253</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**

(113)

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**

*Add notes as necessary for an understanding of the position*

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.

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

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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



## 11. Outstanding performance shares

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

Performance shares on issue during the quarter					
Class	Expiry	Balance on issue at 01/01/18	Converted into fully paid ordinary shares	Forfeited	Balance on issue at 31/03/18
Class B	30 June 2018	60,000,000	60,000,001	-	-
Class C	30 June 2019	60,000,000	60,000,001	-	-
		<b>120,000,000</b>	<b>120,000,002</b>	-	-

Each performance share converts into one fully paid ordinary share for nil consideration, upon achievement of the performance based milestones listed below.

### Class B Milestone


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

### Class C Milestone

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

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Director/Company secretary)

Date: .....30 April 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.