



23 July 2020

## June 2020 Quarter Activities and Cash Flow Report

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

### Highlights:

- **Cash receipts from customers of \$0.82 million compared to \$0.53 million in Q3 FY20**
- **First cashflow-positive quarter**
- **Successful enterprise POC (Proof of Concept) projects expected to result in material enterprise contract awards and deployment in Q1 and Q2 FY21**
- **Ongoing solution development and R&D activities are driving existing customer ACV growth and new customer acquisition**

### Operations

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

During the quarter the Company was again able to grow the spend from existing customers and also add new customers across Pointerra's suite of services – DaaS (Data as a Service), AaaS (Analytics as a Service) and DPaaS (Data Processing as a Service).

As forecast in the Q3 FY20 quarterly, this growth profile resulted in a cashflow positive quarter for Q4 FY20, with historical growth in ACV (Annual Contract Value) generating stronger cash inflows as new customers were onboarded, invoiced and started paying the Company.



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The cashflow positive result of \$0.22 million for the quarter was also aided by \$0.12 million from a US Federal Government COVID-19 related grant that is discussed in more detail below.

During the quarter the Company progressed a number of ongoing enterprise POC projects and subsequent to quarter end, successfully concluded the most advanced of these projects with Pacific Gas and Electric (PG&E).

PG&E is one of the largest energy utilities in the US with more than 5 million customers and is currently emerging from US Chapter 11 Bankruptcy proceedings, which were triggered by the Northern Californian Wildfires in 2017 and 2018.

As part of PG&E's restructure and recapitalisation process, Pointerra has been working with PG&E and its adviser Accenture on an enterprise POC to demonstrate and quantify the value created by Pointerra's cloud platform for 3D geospatial data across a range of diverse PG&E business units.

The POC has now been successfully completed and the Company is working with PG&E and Accenture to negotiate an initial commercial enterprise agreement for the deployment of Pointerra's platform, which is expected to make PG&E the Company's largest customer and also have a material impact on ACV growth.

The Company expects to be able to finalise and announce to the market the quantum and key terms of an enterprise agreement with PG&E during Q1 FY21.

In addition to the POC with PG&E, Pointerra continued to work with other US utilities, large corporates and state/federal government agencies either directly or through Pointerra's large US mapping company partners. These evaluation activities are also expected to mature into large enterprise customer relationships in coming quarters, again driving growth in Pointerra's ACV.

Pointerra also plans to partner with Accenture's global Energy Consulting Services team to evaluate and pursue additional large-scale enterprise deployment opportunities for Pointerra's platform around the world. Because one of Pointerra's key value propositions is quantified through documenting and implementing material savings in digital asset management workflow activities (digital disruption) by large energy companies, partnering with a consulting business like Accenture is expected to assist the Company in accelerating adoption of Pointerra's platform in this important sector.



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During the quarter the Company also renewed and further extended its commercial relationship with longstanding customer and partner Precisionhawk. Pointerra continues to support Precisionhawk's aerial inspection business in the US by automating analysis and interpretation of 3D data generated by Precisionhawk's fleet of LiDAR equipped drones. Precisionhawk uses the complete suite of Pointerra solutions (DaaS, AaaS and DPaaS) to reduce its operating costs and enhance its competitive advantage in servicing energy sector customers with essential network-wide condition assessment activities.

During the quarter Pointerra also extended the scope and reach of its commercial engagement with Florida Power & Light (FPL), which is also one of the largest energy utilities in the US and is owned by NYSE listed NextEra Energy Inc (a US\$135 billion market cap diversified energy company). FPL is evaluating Pointerra's platform across a range of business units including network condition assessment, vegetation management and storm/disaster response and recovery through a mix of trials and paid POC's. The Company also expects to convert these opportunities into material enterprise license agreements in coming quarters.

In a first for Pointerra during the quarter, the Company began exploring the expansion of its 3D data marketplace into the film and television sector. Film and television production use real-world 3D data (streets, buildings, coastlines, etc) to drive CGI (Computer Generated Imagery) animation and Pointerra has partnered with a Californian based aerial 3D LiDAR business to catalogue, license and offer this data for sale through revenue share arrangements with data owners. Whilst still early stage, the Company expects that the ability to match and connect owners of 3D datasets with prospective customers across a diverse range of sectors using Pointerra's cloud platform will help drive our vision to become the "Getty Images" of 3D data.

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

This ongoing variability in quarterly cash receipts is however 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.

The Company will separately report an enterprise sales update including ACV analysis prior to the end of July.



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## **COVID-19**

Pointerra team members now reside in 3 Australian and 3 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.

## **Cash Receipts**

During the quarter ended 30 June 2020 the Company received \$0.82 million in customer receipts compared to the March 2020 quarter figure of \$0.53 million, which contributed to a cashflow positive result of \$0.22 million for the quarter.

The Company also received \$0.12 million in Government Grants and Tax Incentives, which represents funds received by the Company's US subsidiary (Pointerra US, Inc) from the US federal government's Payroll Protection Program. This program is a COVID-19 relief measure that is similar to Australia's Jobkeeper initiative (which Pointerra was not eligible for) and did not require a COVID-19 revenue or operational impact for qualification.

## **Cash Outflows (Summary of Expenditure)**

During the quarter, payments for Research and Development of \$0.21 million represented salary allocations of Pointerra team members who are 100% focused on R&D activities.

Payments for Product Manufacturing and Operating Costs represent the portion of Pointerra's AWS (Amazon Web Services) cloud platform expenditure allocated to supporting paying customers.

Payments for Staff Costs represent salaries for administration, sales and general management activities by Pointerra team members.



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Payments for Administration and Corporate Costs represent general costs associated with running the Company, including ASX fees, legal fees, adviser fees and rent.

Cash outflows for the quarter were in line with management expectations and the cash balance at 30 June 2020 amounted to \$2.34 million. Please refer to the attached Appendix 4C for further details on cash flows for the quarter.

## Solution Development and R&D Activities

### Solution Development

Pointerra's cloud platform for 3D data is continually being enhanced in response to customer requests and in line with the product roadmap. Details of solution updates and enhancements can be found in the release notes on the Pointerra platform. Significant highlights for the quarter are detailed below.

**Analytics as a Service (AaaS).** Smart QA and edit functionality continues to be enhanced with the addition of tools to define and edit electricity transmission towers, including span wire connections and the calculation of ground clearances and sag/sway information. Auto-clipping of the point cloud to a buffer polygon around the created network topology, coupled with the ability to trim the final point cloud to this buffer have also been added during the quarter.

Additional vegetation encroachment analytic capabilities have been added in response to customer requirements in the US region. This includes the ability to identify and tag regions containing at-risk trees that may grow or fall into the powerline conductor wires.

In response to the growing demand to store and analyse high-resolution photos that are often collected during corridor data acquisitions, additional photo management and viewing functions have been added. An option to run these through machine learning systems to auto-detect anomalies is also in early-stage R&D.

**Data processing as a Service (DPaaS).** A cloud-based system to automate elements of the capture-to-point-cloud workflow is in the early stages of development. This will allow Pointerra to have greater involvement in the capture and processing stages of large-scale LiDAR acquisition programs, and to have greater control over the quality of data being run through Pointerra's



analytics pipeline. To this end, a new role of Director – Automation and Data Production has been filled in the US region (starting 1 July 2020). Work on the DPaaS platform is expected to ramp up significantly in coming quarters.

**3D CAD-in-the-cloud feature released.** As outlined at the 2019 AGM, a new CAD-in-the-cloud capability has been under development, and an initial version has been released to production. This will allow customers to undertake some elements of their point cloud-related CAD work within the Pointerra viewer that previously required expensive, complex and time-consuming desktop CAD software. New capabilities and features will be rapidly added to this area of the platform in response to customer feedback.

**API improvements.** Pointerra continues to see increasing demand for integration of the platform into customer systems – either white-labelled as part of “powered by Pointerra” offerings from our survey and AEC customers, or integrations into internal information and asset management systems for our enterprise customers. We have continued to enhance the documentation and support available for our APIs and to ensure that API customers get access to new platform capabilities.

Custom portals/interfaces built on top of the Pointerra platform and APIs are being co-developed with several customers/partners. Market announcements and joint marketing releases this will follow in due course.

## **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 AWS cloud platform; and



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

## Corporate & Compliance

Pointerra's cash position at 30 June 2020 was \$2.34 million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$44,000 comprising Directors fees, salaries and superannuation.

Subsequent to the end of the quarter, on July 14 the Company announced a placement of 50 million shares at \$0.05 to raise \$2.5 million. The placement was made to Capital [b] Trust, the early stage investment vehicle of Australian technology entrepreneur Mr Bevan Slattery and the Slattery family.

Proceeds from this placement will be used to accelerate the appointment of additional cloud platform development and sales resources in key Australian and US marketplaces and for general working capital purposes.

This announcement has been authorised and approved for release by the Board of Pointerra Limited.

**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")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	820	1,843
1.2 Payments for		
(a) research and development	(212)	(1,059)
(b) product manufacturing and operating costs	(36)	(144)
(c) advertising and marketing	(3)	(9)
(d) leased assets	-	-
(e) staff costs	(271)	(1,135)
(f) administration and corporate costs	(185)	(860)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(9)	(28)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	116	589
1.8 Other (BAS	-	(1)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>220</b>	<b>(803)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(44)	(60)
(d) investments	-	-
(e) intellectual property	(13)	(36)
(f) other non-current assets	(8)	(29)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(65)</b>	<b>(125)</b>

<b>3.</b>	<b>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)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,340</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 period	2,198	947
4.2	Net cash from / (used in) operating activities (item 1.9 above)	220	(803)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(126)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	(16)	(21)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,337</b>	<b>2,337</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	2,287	2,148
5.2	Call deposits	50	50
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>2,337</b>	<b>2,198</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

**Current quarter  
\$A'000**

(44)

-

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

The transactions in item 6.1 include directors' fees and salaries paid during the quarter.

**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.

**8. Estimated cash available for future operating activities**

**\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	220
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,337
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,337
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	N/A

- 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: 23 July 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.