# Pointerra Limited

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15 October 2020

## September 2020 Quarter (Q1 FY21) Activities and Cash Flow Report

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

## Highlights:

- **Cash receipts from customers totalled $0.61 million compared to $0.82 million in Q4 FY20**
- **US Utilities sector continues to be the principal growth driver**
- **US Defence sector opportunities emerge**
- **Data marketplace for 3D asset management insight progresses**
- **Team numbers scale across development and sales to enhance capacity**
- **Customer-centric solution development and R&D activities drive ACV growth and new customer acquisition**

## Operations

***Customer Growth, POC transition and ACV Growth***

During the quarter the Company continued 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).

The Company welcomed new utility companies as customers; including Eversource Energy (Eversource) a US$32 billion market capitalisation energy company servicing customers in Connecticut, Massachusetts and New Hampshire; and Tennessee Valley Authority (TVA) a large federally owned corporation in the US servicing customers across the Tennessee Valley region.



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A number of smaller new customer deployments were also made across the surveying, mapping, engineering, asset management and mining sectors in Australia and the US during the Quarter.

Continuing the trend from the Q4 FY20 quarterly, growth in spend by existing customers was also driven by a number of successful POC projects with utilities and their LiDAR and imagery capture partners in the US, resulting in a number of new, regular ongoing subscription customers across Pointerra's entire DPaaS, DaaS and AaaS solution suite.

Following the successful completion of the POC with Pacific Gas and Electric (PG&E) during the quarter, Pointerra commenced enterprise deployment activities across a select range of PG&E business units. By accommodating PG&E's restructure and recapitalisation process and current emergency fire response activities, instead of finalising a formal enterprise agreement with PG&E as previously foreshadowed, Pointerra is working collaboratively with PG&E management to expand the use of the Company's platform in coming quarters.

The Company continues to invoice PG&E at least US$35,000 pcm for a mix of DaaS and AaaS subscriptions, which is expected to continue growing over time as more data, user numbers and analytics tools are deployed across the wider PG&E enterprise.

During the quarter Pointerra also continued to work with existing utility customers both directly and via their mapping partners across the US, including Florida Power & Light (FPL), Southern California Edison (SCE) and San Diego Gas & Electric (SDGE).

Refer to the separately released Enterprise Sales and ACV update for further information.

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.



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***US Defence Sector Opportunities***

During September, Pointerra was invited to participate in a platform demonstration and situational proof of concept at an exercise for the US Military where the Company showcased dynamic, real world applications for Pointerra's platform that could benefit the US Military by providing crucial information to rapidly changing areas of operations.

During the quarter the Company was also actively engaged with other US defence agencies and US international aid organisations in demonstrating how Pointerra's platform provides actionable 3D insight and solves entrenched data management and analysis problems.

Positive feedback received by the Company from this sector, including multiple invitations for further platform demonstrations by different agencies, have further highlighted the size of the opportunity for the Company in this sector.

To assist in targeting and executing defence and intelligence sector opportunities in the US the Company has identified and is negotiating potential consulting arrangements with a number of recently retired ranking officers with knowledge of the role geospatial technology provides in providing real-time situational awareness, supporting mission planning and intelligence activities.

***3D Data Marketplace***

As previously advised, the Company is working with existing survey and mapping customers and partners as well as asset owner customers in Australia and the US to secure data marketplace license agreements for a range of terrestrial, mobile and aerial 3D datasets for deployment to Pointerra's marketplace platform.

Progress on the soft-launch of the Company's marketplace occurred during September as available data was sourced and identified, pricing (including revenue share) negotiated and data progressively uploaded for analysis and sale to Pointerra's customers and partners.

Unlike existing 3D data marketplaces that seek to sell 3D data through clip-and-ship style transactions, Pointerra's platform will also offer answers (insight), using 3D data to interpret and analyse asset condition, selling access to the insight through discrete event and subscription-based commercial models.

Customers and subscribers will be able to purchase or subscribe to insight, derived from the hosted 3D data leveraging Pointerra's proprietary analytics



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engine, to answer critical business problems, support decision making and drive strategic asset management planning.

The soft-launch of the Company's marketplace initiative will continue in coming months as data is identified, secured, analysed and the resultant insight provided to select prospects across federal, state and local government agencies and the commercial sector.

***Pointerra Team Growth***

During the Quarter the Company made a number of investments in people across the development and sales team to provide additional scale in meeting demand for solution development and also address sector sales opportunities in Australia and the US.

Headcount has now increased from 12 to 19 (18 FTE's) with 13 in Australia and 6 in the US and the Company expects to make additional appointments in coming quarters as the business continues to scale.

***COVID-19***

Pointerra team members now reside in 3 Australian and 4 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 September 2020 the Company received $0.61 million in customer receipts, compared to the June 2020 quarter figure of $0.82 million, which contributed to a net cash outflow from operating activities of $0.33 million for the quarter.



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

During the quarter, payments for Research and Development of $0.34 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.

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 September 2020 amounted to $4.85 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. Solution development highlights for this quarter are detailed below.

**Core Platform (DaaS).** Several new features have been added to the platform, including:

- Improvements to data management (collections) and sharing, with the addition of a new feature to allow cross-company account sharing of data;
- Google Street View integration to allow users to quickly access Street View imagery at locations specified from the point cloud data within Pointerra's browser interface;
- Enhancements to section viewing functionality, including a new plan view mode that supports workflows such as floorplan digitisation and export; and



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- A video recorder tool to allow users to create fly-throughs of their data and record these to a video file.

**Analytics as a Service (AaaS)**. With the number of AaaS subscription customers growing there has been increased focus on the ability to configure analytics functionality and output products to suit the varying requirements of each customer. The processing engine has also been re-engineered and optimised to cater for the increased number of jobs being processed and the increased size of datasets that are being run through the analytics platform.

Work has also commenced on the next phase of UI tool development that will allow users to undertake full QA and editing of point cloud classification data in the browser, something that is currently only available at a desktop software level in competitor solutions. Moving this functionality into the cloud/browser environment will create the ability to work collaboratively in geographically diverse locations across multiple time zones in order to complete these important QA tasks in a way that is not currently possible.

Development of analytics for other (non electric utility) sectors is also underway to service markets and customers that have similar challenges of wanting to extract information from 3D point cloud data at scale.

**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. To support this objective, an additional experienced full-stack software engineer has joined our team in the US region to undertake implementation work.

The DPaaS team have also been working with existing technology solution providers in the LiDAR processing sector to secure licensing of certain elements of the LiDAR data processing technology stack to help move this processing from existing desktop-centric workflows into a fully cloud-deployed offering, hosted by Pointerra. The development work for this initiative will be undertaken during Q2 FY21, with select DPaaS customers being invited to trial the new DPaaS service, which is expected to generate material savings for customers in time and cost whilst also delivering enhanced QA outcomes.

**Pointerra's Data Marketplace.** Work on a new user interface and back-end enhancements to support the Pointerra data marketplace commenced during the quarter. This development work will support the ability for customers to browse and search available data in the Pointerra marketplace both



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geographically and by filtering for desired characteristics, such as quality and capture parameters.

The integration of Pointerra's proprietary analytics algorithms will also form a key element of the marketplace, allowing customers to request or subscribe to derivative insights from the raw point cloud data.

***Research and Development***

As in previous quarters, the Company's ongoing 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

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

## Corporate & Compliance

Pointerra's cash position at 30 September 2020 was $4.85 million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were $0.09 million comprising Directors fees, salaries and superannuation.

During 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.



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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.

During the quarter the Company received $0.419 million from the exercise of options over ordinary shares by various option holders. The details of these transactions are contained in various Appendix 2A announcements made to the market during the quarter.

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

**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 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

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| **Name of entity** | |
|---|---|
| Pointerra Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 39 078 388 155 | 30 September 2020 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 609 | 609 |
| 1.2 | Payments for | | |
| | (a) research and development | (342) | (342) |
| | (b) product manufacturing and operating costs | (45) | (45) |
| | (c) advertising and marketing | (2) | (2) |
| | (d) leased assets | - | - |
| | (e) staff costs | (348) | (348) |
| | (f) administration and corporate costs | (200) | (200) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 1 | 1 |
| 1.5 | Interest and other costs of finance paid | (6) | (6) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(333)** | **(333)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | (39) | (39) |
| | (d) investments | - | - |
| | (e) intellectual property | (9) | (9) |
| | (f) other non-current assets | - | - |

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| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 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** | **Net cash from / (used in) investing activities** | **(48)** | **(48)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,500 | 2,500 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 419 | 419 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **2,919** | **2,919** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 2,337 | 2,337 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (333) | (333) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (48) | (48) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,919 | 2,199 |
| 4.5 | Effect of movement in exchange rates on cash held | (26) | (26) |
| **4.6** | **Cash and cash equivalents at end of period** | **4,849** | **4,849** |

| 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 | 4,799 | 2,287 |
| 5.2 | Call deposits | 50 | 50 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **4,849** | **2,337** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | (93) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*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.*

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| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 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) | (333) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 4,849 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 4,849 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | N/A |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

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

8.6.1 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 |

8.6.2 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 |

8.6.3 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 |

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

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## 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: .....15 October 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.

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