



# Pointerra Limited

29 January 2021

## December 2020 Quarter (Q2 FY21) Activities and Cash Flow Report

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

### Highlights:

- **Cash receipts from customers A\$0.64 million**
- **Additional A\$0.96 million in receivables and unbilled customer accounts as at 31 December 2020**
- **US and Australian aerial mapping sectors and US utilities sector were the principal growth drivers during the quarter**
- **Multiple funding proposals lodged for US Defense and Intelligence sector opportunities**
- **Data marketplace for 3D asset management insight progresses**
- **Team numbers continue to scale across development and sales**
- **Customer-centric solution development and R&D activities drive ACV growth from existing and new customers**

### Operations

#### **Customer 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).

Continuing the trend from the Q1 FY21 quarterly, growth in spend by existing customers was also driven by a number of successful paid trials with utilities and



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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.

During the quarter Pointerra continued platform rollout and enterprise deployment activities with Pacific Gas and Electric (PG&E) and the Company continues to invoice PG&E at least US\$35,000 pcm for a mix of DaaS and AaaS subscriptions, which should grow to at least US\$80,000 pcm during the current quarter as more data, user numbers and analytics tools are deployed across the wider PG&E enterprise.

The Company also worked with new customer Eversource Energy (Eversource) a US\$32 billion market capitalisation energy company servicing customers in Connecticut, Massachusetts and New Hampshire to determine the scope and scale of deployment of Pointerra's platform to support Eversource's storm response and network integrity operations.

As part of its recent storm response efforts, Eversource has engaged Pointerra to provide an enterprise repository and analytics platform to extract actionable information from geospatial data allowing for better and informed decisions, leading to faster response efforts and higher reliability for its customers.

Pointerra's platform will provide a full digital twin of Eversource's network assets and deliver crucial insight in daily operations and maintenance activities, allowing Eversource to continue to focus on industry best-practice in delivering power to its customers safely, reliably and cost effectively.

The initial deployment of Pointerra's DPaaS, DaaS and AaaS solutions for Eversource totals US\$150,000 pcm (US\$600,000 in total) for the duration of a 4-month deployment period, after which time the Company expects to agree a material ongoing subscription with Eversource.

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 in relation to customer growth during the December quarter.

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



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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.

## **US Defense Sector Opportunities**

During the Quarter, Pointerra was invited to participate in a number of in-person and online demonstrations to audiences across a range of defense and intelligence sector agencies.

During these demonstrations the Company showcased dynamic, real world applications for Pointerra's platform that solve existing problems facing these agencies and have resulted in a number of industry partnerships and subsequent applications for rapid funding rounds through the US Federal Government's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.

The SBIR and STTR programs offer a proven, well established pathway to access short-term funding to support the provision of defense and intelligence sector solutions in the US marketplace as a pathway to full enterprise deployment supporting each agency's operations.

Pointerra is actively engaged in more than 25 SBIR, STTR and direct contract opportunities across Army, Air Force, Navy and other military and intelligence sector agencies.

To assist in targeting and executing defense and intelligence sector opportunities in the US the Company continues to explore consulting arrangements with recently retired ranking officers with knowledge of the role geospatial technology provides in providing real-time situational awareness, supporting mission planning and intelligence activities.

During the Quarter the Company welcomed Jason Higgs to the team as a Defense Consultant. Jason Higgs, MAJ (retired) is a former US Air Force pilot with over 20 years of Special Operations experience where he deployed over 12 times to multiple locations throughout the world and has also worked on multimillion-dollar government contracts as a Project Manager and Program Leader. A past squadron commander in Special Operations, Higgs flew MC-130, AC-130 and MQ-9 aircraft and was also deployed at Joint Special



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Operations Command (JSOC) and Air Force Special Operations Command (AFSOC).

The Company's disciplined strategy in pursuing defense and intelligence sector opportunities is clearly directed towards generating short-term program funding and paid commercial agreements to create a funded pathway to larger, longer term whole of agency deployments of Pointerra's platform.

### **3D Data Marketplace**

During the quarter the Company continued 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 progressed during the quarter 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 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.



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Headcount increased from 19 to 23 (20 FTE's) during the quarter, with 14 in Australia and 9 in the US. The Company expects to make additional appointments in coming quarters as the business continues to scale.

## **COVID-19**

Pointerra team members now reside in 2 Australian and 5 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 31 December 2020 the Company received \$0.63 million in customer receipts, compared to the September 2020 quarter figure of \$0.61 million, as well as \$0.58 million in R&D rebates, which contributed to a net cash outflow from operating activities of \$0.23 million for the quarter.

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

During the quarter, payments for Research and Development of \$0.33 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 31 December 2020 amounted to \$4.52 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**

The development team has grown with the addition of two key team members - a senior developer to work primarily on 3D data analytics, and a full stack developer to focus on UI/UX work.

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

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

- Inter-company project sharing. Users are now able to share and/or transfer data into another user's Pointerra account. This augments the existing point cloud and collection sharing mechanisms, and further enhances the digital delivery capabilities of the platform for our customers. A key driver of this development is that we are now seeing downstream customers of our surveying and engineering customers onboarding as Pointerra customers themselves, due to data being delivered to them through the existing sharing mechanisms;
- The new streaming technology detailed in previous updates is now fully deployed and enabled as the default point streaming mode for all customers with browsers that have the necessary features to support it. The (web-browser) client-side capabilities provided by this new technology will underpin ground-breaking features coming to the Pointerra platform during 2021 (for example, see in-browser classification editing below); and
- Automatic zip/archive creation when undertaking downloads to support the efficient transfer of large data volumes.



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**Analytics as a Service (AaaS).** Many enhancements to the AaaS platform have been released during the quarter in response to new customers using the service and a large increase in the volume of data being processed. Some of the highlights include:

- Support for user-defined attribution of 3D objects to enable filtering, analysis and reporting customisations. For example, in the utilities sector, properties can be assigned to each wire in the model to allow for different vegetation analytics parameters to be used based on the wire type/voltage;
- Substantial increase in the range and content of output formats and reports have been added. These include automated PDF and image generation, customisable Excel spreadsheet reports, and fully attributed vector files (e.g. KML);
- Automated generation and reporting of wire-to-ground clearances; and
- DEM (digital elevation model) generation from ground models.

Leveraging the concepts developed for the electric utilities analytics into other sectors, such as road and rail feature extraction, is now being undertaken as a priority, with an additional developer added to the team to focus on this area.

**Browser-based point cloud classification editing.** During the second half of 2020, the development team have been undertaking an R&D program directed toward the long-held goal of being able to perform editing of point cloud classifications (i.e. assigning a semantic “label” for every point in the point cloud – ground, building, vegetation, etc) within the web browser. In combination with our existing point cloud analytics capabilities, this will disrupt existing lidar classification workflows that depend heavily on sourcing significant levels of labour from low cost jurisdictions, coupled with expensive desktop software licenses.

Using recent advances in browser technology, the team have implemented a version of the Pointerra spatial indexing technology directly within a web browser session, allowing efficient and intelligent editing operations to be performed within the browser itself. The first exploitation of this new capability has been the development of smart tools to enable editing of point classifications. During the edit session, updated data gets written back to the stored point cloud data within AWS.

We anticipate releasing a production version of this AaaS capability to select existing customers and then the wider market during the current (March) quarter.



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**Data processing as a Service (DPaaS).** Pointerra's new platform to automate and move the capture-to-point-cloud processing workflow into the cloud is now reaching the beta testing stage. Where required, the team have also been working with key vendors that have existing (desktop) software applications that perform elements of the required workflow (e.g. to process data from their sensors) to negotiate cloud-deployed licensing and pricing deals to utilise these applications as components of the Pointerra DPaaS solution.

The primary stages of the processing pipeline are being tested and refined by utilising the platform to complete existing customer DPaaS data processing contracts. Work is now underway to move the platform into production and to integrate the user interface into the existing Pointerra platform UI.

Data processed with the DPaaS platform will automatically get hosted on the Pointerra DaaS platform, forming a complete end-to-end, cloud-based solution for raw sensor processing through to hosting, delivering, analytics, and the option to sell access to 3D insights through the Pointerra data marketplace.

**Data Marketplace (3Dinsight.ai).** Work on a new user interface and back-end enhancements to support the Pointerra data marketplace has begun. This will support the ability for customers to browse and search available data in the Pointerra marketplace both geographically and by filtering for desired characteristics, such as quality and capture parameters.

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

## **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;





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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;
5. Enhancing the core web platform to support the development of addition apps that utilise the core Pointerra API and available data; and
6. Exploring methods to apply neural network machine learning technology to 3D point cloud data.

## Corporate & Compliance

Pointerra's cash position at 31 December 2020 was \$4.52 million.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$0.07 million comprising Directors fees, salaries and superannuation.

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

**Name of entity**

Pointerra Limited

**ABN**

39 078 388 155

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

31 December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	635	1,244
1.2 Payments for		
(a) research and development	(329)	(671)
(b) product manufacturing and operating costs	(99)	(144)
(c) advertising and marketing	(4)	(6)
(d) leased assets	-	-
(e) staff costs	(793)	(1,141)
(f) administration and corporate costs	(207)	(407)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(12)	(18)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	578	578
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(231)</b>	<b>(564)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(32)	(71)
(d) investments	-	-
(e) intellectual property	(8)	(17)
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(40)</b>	<b>(88)</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	-	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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>2,919</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	4,849	2,337
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(231)	(564)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(88)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,919
4.5	Effect of movement in exchange rates on cash held	(61)	(87)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,517</b>	<b>4,517</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	4,467	4,799
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>4,517</b>	<b>4,849</b>

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	(72)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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7. <b>Financing facilities</b> <i>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.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(231)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,517
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,517
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	19.55
<i>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.</i>	
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	
<i>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.</i>	

**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: .....29 January 2021.....

Authorised by: .....the Board of Directors.....  
(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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