Pointerra Limited

ABN 39 078 388 155

Annual Report

For the year ended 30 June 2018

Corporate Information

Pointerra Limited
ABN 39 078 388 155

Directors
Graham Griffiths, Non-Executive Chairman
Ian Olson, Managing Director
Dr Robert Newman, Non-Executive Director
Neville Bassett, Non-Executive Director

Company Secretary
Neville Bassett

Registered Office
Level 4, 216 St Georges Terrace
Perth, WA 6000

Telephone: +61 8 6268 2622
Facsimile: +61 8 6268 2699

Principal Office
Level 2, 27 Railway Road
Subiaco, WA 6008

Internet
Website: www.pointerra.com
Email: info@pointerra.com

Auditor
Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth, WA 6000

Share Registry
Advanced Share Registry Services Ltd
110 Stirling Highway
Nedlands, WA 6009

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Solicitors
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Level 4, The Read Buildings
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Stock Exchange Listing
Pointerra Limited shares are listed on the Australian Securities Exchange (ASX Code: 3DP)

Pointerra Limited

ABN 39 078 388 155

Annual Report 2018

Table of Contents

Directors' Report

The directors of Pointerra Limited ("the Company") present their report, together with the financial statements of the Company, for the financial year ended 30 June 2018.

The names of the directors in office at any time during or since the end of the year are:

NAME OF PERSON	POSITION	DATE APPOINTED
Graham Griffiths	Non-executive Chairman	30 June 2016
Ian Olson	Managing Director	30 June 2016
Dr Robert Newman	Non-executive Director	30 June 2016
Neville Bassett	Non-executive Director	30 June 2016

* Effective 1 July 2017 Graham Griffiths assumed the role of Non-Executive Chairman, with retired Chairman Rob Newman continuing to support the Company as a Non-Executive Director.

Information on directors

Mr Graham Griffiths – Non-Executive Chairman
B.Bus, (Acc) FAICD

Mr Griffiths is an experienced information and communications technology executive including 22 years at the multinational level with computer vendor NCR Corporation and telecommunications provider AT&T (US and Asia based), in various senior sales, marketing and R&D positions.

He was subsequently managing director for 11 years of ASX-listed technology commercialisation company ipernica ltd, during which time he led the IPO. He was also responsible for the acquisition of Nearmap, a global leader in the provision of geospatial map technology, by ipernica in 2008, and supported the early stage of commercialisation and launch of Nearmap.

Mr Griffiths' involvement in the geospatial industry commenced in 2006 as a non-executive director for both NGIS Australia, a privately held provider of location-based information and technology solutions, and Indji Systems, which develops a range of world-leading geospatial products that empower businesses through location-based technologies. He is a director and angel investor supporting a number of early stage technology companies to scale their businesses globally.

Dr Robert Newman – Non-Executive Director
Ph.D.

Dr Newman has established a unique track record as a successful high technology entrepreneur in both Australia and Silicon Valley. He has twice founded and built businesses based on technology from Western Australian universities and both times successfully entered overseas markets. These businesses combined have established market values of over $200 million.

As a Ph.D. student at the University of Western Australia, Dr Newman was the inventor and co-founder of QPSX Communications Pty Ltd, which sold products to telecommunications carriers in Australia, Europe and the US. He was also the founding CEO of Atmosphere Networks. The technology was developed at Curtin University and he established a company with US venture capital backing, and ran it until it was acquired by Ditech Communications. He is co-founder and executive director of Stone Ridge Ventures, a technology venture capital firm.

Dr Newman's focus is on identifying disruptive technologies with global potential. He is also an active director of high technology companies, including being the initial Chairman of Nearmap Pty Ltd when it was privately owned. He is currently Managing Director of Nearmap Ltd.

Mr Ian Olson – Managing Director
CA, B.Com, MAICD

Mr Olson is a Chartered Accountant and professional public company director with a 25-year career in finance and the capital markets and has helped numerous high-growth companies move from private to public status via the ASX. Mr Olson started his career with Ernst & Young and has worked in London and New York with global investment banks. He is also the Non-Executive Chairman of Gage Roads Brewing Co Ltd.

In addition to being one of the co-founders of Pointerra in 2015, Mr Olson has more than 10 years' experience in the geospatial sector, having previously owned and operated a surveying business that specialised in the generation of 3D data for customers in the mining, oil & gas and AEC sectors.

Mr Neville Bassett – Non-Executive Director
AM, FCA

Mr Bassett is a Chartered Accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. He consults to a number of publicly listed companies and private company groups in a diversity of industry sectors, and is a director or company secretary of a number of public and private companies. Mr Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also included mergers and acquisitions, and includes significant knowledge and exposure to the Australian financial markets. He has a wealth of experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance.

Mr Bassett is the principal director of Westar Capital Limited, the holder of an Australian Financial Services License and is a Fellow of Chartered Accountants Australia and New Zealand. He was previously State Chairman and a former National Director of a major not-for-profit organisation.

Directorships of other listed companies

Directorships of other listed companies held by directors during the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Mr Graham Griffiths	Botanix Pharmaceuticals Ltd (Non-executive Chairman)	1 July 2016 – current
Mr Ian Olson	Gage Roads Brewing Co Limited (Non-executive Chairman)	12 November 2007 – current
	Threat Protect Australia Limited	23 October 2015 – 29 November 2016
Dr Robert Newman	Nearmap Ltd	17 February 2011 – current
Mr Neville Bassett	Longford Resources Ltd (Non-executive Chairman)	22 March 2004 – 31 October 2017
	Meteoric Resources NL	29 November 2012 – 4 December 2017
	Vector Resources Ltd	22 April 2010 – 4 January 2018
	Metalsearch Ltd (Formerly Laconia Resources Ltd)	8 May 2015 – current
	Quantify Technology Holdings Ltd	5 February 2016 – 1 March 2017
	The Gruden Group Ltd	20 August 2014 – 13 May 2016
	Auris Minerals Ltd	20 April 2018 - current

Directors' interests in shares and options

At the date of this report, the direct and indirect interests of the Directors in the ordinary shares and options of the Company were:

	Ordinary shares	Options
Robert Newman	13,160,632	5,000,000
Ian Olson	37,514,889	30,000,000
Graham Griffiths	3,816,666	20,000,000
Neville Bassett	1,732,266	5,000,000

Directors' meetings

Attendances by each Director at directors' meetings during the year were as follows:

	Directors Meetings	
	Number Eligible to Attend	Number Attended
Robert Newman	7	7
Ian Olson	7	7
Graham Griffiths	7	7
Neville Bassett	7	7

Directors' meetings held during the year include meetings held via circular resolution.

Company Secretary

Mr Neville Bassett – appointed 30 June 2016

For further information about Mr Bassett, please refer to the information on directors in this Directors' Report.

Principal Activities

Pointerra is a Perth, Western Australia-based company with operations in the US, focused on global commercialisation of its proprietary 3D Data as a Service (DaaS) solution to support digital asset management activities across a range of sectors, including civil infrastructure; mining, oil & gas; architecture, engineering & construction; and government agencies at all levels. Pointerra's cloud-based solution is based on compression, visualisation and analytics algorithms, which index massive 3D datasets, for which Pointerra has Provisional Patent Applications. The processed and hosted 3D data can be dynamically searched, accessed, visualised, analysed and shared by anyone, anywhere, on any device and at any time.

Review of Operations

Highlights

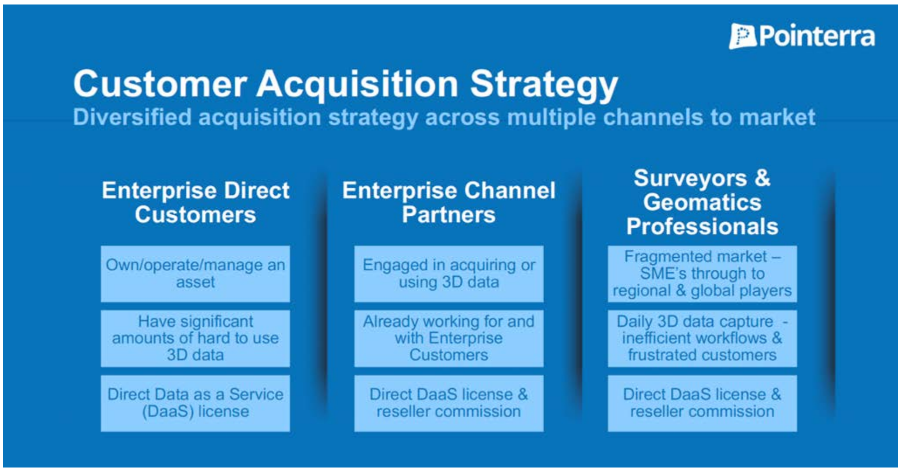
- **Sales growth and cash receipts from paying customers across all segments, including enterprise**
- **Numerous enterprise customer DaaS sales pending award in Australia and US**
- **Landmark platform integration with Autodesk and Bentley Systems driving sales opportunities**
- **Early launch of 3D Data Marketplace**
- **Continued R&D and solution functionality enhancements delivered**

Sales Growth, Partnerships and 3D Data Marketplace

During the year the Company generated growth in sales and receipts across all customer segments, successfully increasing the number of paying customers from the data capture sector, whilst also securing important paid proof of concept (POC) trials with enterprise customers in the utility and architecture, engineering & construction (AEC) sectors.

Success with domestic enterprise POC trials provided the impetus to launch operations in the US early in calendar 2018, which subsequently resulted in the recruitment of a US-based COO, Randy Rhoads, in July. Subsequent to year-end Pointerra successfully secured its first domestic enterprise customer, which is expected to deliver more than A$240,000 per annum in recurring revenue, and has numerous similar enterprise sales opportunities pending award in Australia and the US.

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.



Pointerra's multi-channel customer acquisition strategy spans the entire digital asset management value chain

During the year Pointerra also executed a number of reseller and partnership agreements during the year, with landmark technology integration milestones reached with global geospatial technology giants Autodesk and Bentley Systems, both of which have resulted in growth in enterprise sales opportunities across all target sectors.

Pointerra is targeting customers from key asset-intensive sectors where 3D digital asset management is integral to operations

The Company has a highly scalable, low cost business model to globally commercialise its technology and generate near-term revenue and earnings. As the profile of the sales pipeline continues to mature, individual opportunities move 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.

This diversity of customer size, nature and geographic location has generated a sales and earnings pipeline that will be integral in delivering on Pointerra's ultimate vision of leading the global market for 3D data.

During the year, Pointerra signed its first Data Marketplace and Business Partnership Agreements with domestic Pointerra DaaS customers from the capture sector who saw an opportunity to disrupt the business model for 3D data in much the same way that NearMap changed the market for aerial imagery back in 2009. As this data comes online, access will be offered for sale via a mix of monthly recurring subscriptions and spot purchases on Pointerra's cloud platform for 3D data.

Pointerra will host the data and will share in subscription revenue generated from the sale of access to the 3D data and the derived 2D mapping and analytics products. The Company is currently working with a number of US partners in the aerial and mobile capture sectors to replicate this model in the significant North American marketplace.

R&D and Software Development

During the year development of Pointerra's cloud platform for 3D data continued in line with the planned roadmap, with valuable feedback from users driving incremental functionality enhancements to both the user interface and the back-end service components.

A significant allocation of resources was again directed towards R&D efforts to enhance the current platform offering and in the development of new capabilities to support the growing opportunities being presented by 3rd party partnerships, particularly in the area of 3D data analytics, which the Company expects to become as important to growth as the current DaaS solution.

The year saw a significant upscale in the rate of data ingestion as the total number of 3D data points hosted, with customers and partnership activities continuing to mature and drive increasing data ingestion volumes, dataset sizes, and functionality. The Pointerra data ingestion and analytics API's are also being enhanced via feedback gained through working with customers and partners including AAM, Autodesk and Bentley Systems who are seeking to take advantage of the power and scalability of Pointerra's platform.

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 continued 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.

The development team are in active discussions with several 3rd parties (both vendors and customers) regarding the usage of existing API's as well as the provision of additional API capabilities to support streaming of data into 3rd party systems. This is likely to drive a greater focus on API-related development activities into FY19.

Pointerra's technology development team is deep in talent and experience and in early in 2018 we were pleased to welcome Russell Rogers, a highly experienced engineer with many years of geospatial sector experience, to the team. Russell has added bandwidth to the existing team and has already leveraged his considerable experience from working at Nearmap to bring new capabilities and perspectives to Pointerra.

Corporate

Following the expiry of voluntary and mandatory escrow periods during the year, the Company has spoken to its founder, management and director shareholders who have expressed a willingness to extend voluntary escrow over their holdings for a further 12 months to July 2019. Details of these voluntary escrow agreements have been lodged with the ASX.

Financial review

During the year operating cash outflows were in line with management expectations. During Q4 the Company also commenced documentation of relevant R&D activities for the FY18 year in preparation for lodging a claim for a refundable tax offset under the federal government's R&D tax incentive program. The relevant documentation was lodged and $487K was received subsequent to year end.

The Company continues to operate a lean, agile, low-cost operating model as it scales customer sales and will continue to add sales resources in line with growth in the sales pipeline while maintaining a strong focus on achieving cashflow positive operations in the near-term.

Operating Results

The loss for the financial year after providing for income tax was $1,660,843 (2017: $1,304,751).

Financial Position

As at 30 June 2018, the Company had cash of $1,385,834 (2017: $2,818,005) and net assets of $1,545,552 (2017: $3,066,688).

Future Developments

Pointerra will continue to commercialise its technology via its Data as a Service (DaaS) recurring subscription based revenue model as well as by seeking technology licensing and partnership opportunities with Tier-1 companies across the geospatial, technology, engineering and construction sectors to generate a mix of license fees and royalties. Pointerra's ultimate vision is to create an online marketplace for the massive amounts of 3D point cloud data currently captured by governments and the commercial sector globally.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year.

Environmental Issues

The Company has a policy of at least complying, but in most cases exceeding, its environmental performance obligations. No environmental breaches have been notified by any government agency during the year ended 30 June 2018. The Board believes that the Company has adequate systems in place for the management of its environmental regulations.

Shares under Option

At the date of this report, the unissued ordinary shares of Pointerra Limited under option are as follows:

Number under option	Average Exercise price	Date of expiry
107,000,000 unlisted options	$0.05	30 Jun 19
4,000,000 unlisted options	$0.05	25 Sep 20
4,000,000 unlisted options	$0.06	19 Mar 21
4,000,000 unlisted options	$0.09	19 Mar 21
6,000,000 unlisted options	$0.07	20 May 20

Refer to Note 18 for further information on terms of options.

Indemnifying officers or auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- The Company has entered into agreements to indemnify all Directors and provide access to documents, against any liability arising from a claim brought by a third party against the Company. The agreement provides for the company to pay all damages and costs which may be awarded against the Directors.
- No indemnity has been paid to auditors.

Remuneration Report (audited)

This report details the nature and amount of the remuneration for each member of key management personnel of Pointerra Limited for the year ended 30 June 2018.

For the purposes of this report, Key Management Personnel of the company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly. The Company did not have any other key management personnel other than its Directors.

For the purposes of this Remuneration Report, the term 'Executive' encompasses all Directors and the Company Secretary of the company.

Remuneration Philosophy

The performance of the company depends upon the quality of its Directors and Executives. To prosper, the company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the company embodies the following principles in its remuneration framework:

'The Board as a whole is responsible for considering remuneration policies and packages applicable both to board members and senior executives of the company. The Board remuneration policy is to ensure the remuneration package, which is not linked to the performance of the company, properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.'

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct. The company does not engage remuneration consultants.

Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the *ASX Listing Rules* specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The current aggregate remuneration pool is $500,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a Director of the company.

Non-executive Directors are encouraged by the Board to hold shares in the company. It is considered good governance for directors to have a stake in the Company on whose board he or she sits.

Voting on the Remuneration Report

At the Company's 2017 Annual General Meeting a resolution to adopt the 2017 Remuneration Report was put to vote and passed unanimously on a show of hands, with the proxy received also indicating majority (99%) support in favour of adopting the Remuneration Report.

Managing Director and Executive Remuneration Structure

Based on the current stage in the company's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of Executives and their contribution towards increasing shareholder value is commercially based, inclusive of share price performance over the review period.

Individual and company operating targets associated with traditional financial and non-financial measures are difficult to set given the small number of Executives and their need to be flexible and multi-tasked, as the company responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators (KPI's) and setting targets against the KPI's has not been adopted at the present time.

The proportion of fixed remuneration and variable remuneration is established for each Executive by the Board.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board; having regard to the Company and individual performance, relevant comparable remuneration in the industry sector and, where appropriate, external advice. Executives receive their fixed remuneration in cash.

Variable Remuneration – Short-Term Incentive (STI)

The objective of the STI is to link the achievement of corporate and operational objectives over the year with the remuneration received by the Executives charged with achieving that increase. The total potential STI available is set at a level so as to provide sufficient incentive to the Executives to achieve the performance goals and such that the cost to the company is reasonable in the circumstances.

Annual STI payments granted to each Executive depend on their performance over the preceding year and are based on recommendations from the Managing Director and/or the Chairman following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

The aggregate of annual STI payments available for Executives across the company is subject to the approval of the Board. Payments are usually delivered as a cash bonus. There were no STI payments made during the financial year.

Variable Remuneration – Long-Term Incentive (LTI)

The objective of the LTI plan is to reward Executives in a manner, which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the company's performance.

The level of LTI granted is, in turn, dependent on a number of factors including, the seniority of the Executive and the responsibilities the Executive assumes in the company.

LTI grants to Executives are delivered in the form of options. These options are issued at an exercise price determined by the Board at the time of issue.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

However, under certain circumstances, including breach of employment conditions, the Directors may cause the options to expire prior to their vesting date. In addition, individual performance is more commonly rewarded over time by STIs.

No LTI options were issued during the financial year.

Company performance, shareholder wealth and Director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. Options issued to Directors have an exercise price higher than the current share price of the Company.

The table below shows the performance of the Company since inception.

	2018	2017
Net profit / (loss)	($1,660,843)	($1,304,751)
Revenue	312,068	4,635
Earnings per share	(0.41)	(0.40)
Share price at year end	$0.043	$0.025

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Company. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position	Contract details (duration and termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives	Shares/ Units	Options/ Rights	Fixed Salary/ Fees	Total
			%	%	%	%	%
Key Management Personnel							
Ian Olson	Managing Director	Ongoing commencing 30 June 2016. 6 months' notice to terminate.	-	-	-	100	100
Robert Newman	Director	Service agreement in place with termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	100
Graham Griffiths	Director	Service agreement in place with termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	100
Neville Bassett	Director	Service agreement in place with termination upon resignation, non-election at shareholders meeting or prohibited by law.	-	-	-	100	100

Details of remuneration for the year ended 30 June 2018

Name	Short-term benefits		Post-employment benefits	Share-based payments	Total	Performance related
	Cash salary & fees	Non-cash benefit	Superannuation	Options		
	$	$	$	$	$	%
Robert Newman	36,000	-	-	-	36,000	-
Ian Olson	240,000	-	22,800	-	262,800	-
Graham Griffiths	45,000	-	-	-	45,000	-
Neville Bassett	36,000	-	-	-	36,000	-
	357,000	-	22,800	-	379,800	-

Details of remuneration for the year ended 30 June 2017

Name	Short-term benefits		Post-employment benefits	Share-based payments	Total	Performance related
	Cash salary & fees	Non-cash benefit	Superannuation	Options		
	$	$	$	$	$	%
Robert Newman	45,000	-	-	-	45,000	-
Ian Olson	240,000	-	22,800	-	262,800	-
Graham Griffiths	36,000	-	-	-	36,000	-
Neville Bassett	36,000	-	-	-	36,000	-
	357,000	-	22,800	-	379,800	-

Ordinary Shares Held by Key Management Personnel – 30 June 2018

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year
Robert Newman	6,839,724	-	-	6,320,908(1)	13,160,632
Ian Olson	18,561,006	-	-	18,953,883(2)	37,514,889
Graham Griffiths	3,816,666	-	-	-	3,816,666
Neville Bassett	1,732,266	-	-	-	1,732,266
	30,949,662	-	-	25,274,791	56,224,453

(1) On 21 March 2018, 6,320,908 Class B and Class C Performance shares were converted into Ordinary Shares, refer to Note 16 for further information.

(2) On 21 March 2018, 18,953,883 Class B and Class C Performance shares were converted into Ordinary Shares, refer to Note 16 for further information.

Ordinary Shares Held by Key Management Personnel – 30 June 2017

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year
Robert Newman	4,469,384	-	-	2,370,340(1)	6,839,724
Ian Olson	10,903,300	-	-	7,657,706(2)	18,561,006
Graham Griffiths	3,566,666	-	-	250,000	3,816,666
Neville Bassett	1,732,266	-	-	-	1,732,266
	20,671,616	-	-	10,278,046	30,949,662

(1) On 30 June 2017, 2,370,340 Class A Performance shares were converted into Ordinary Shares, refer to Note 16 for further information.

(2) 300,000 and 250,000 Ordinary Shares were acquired from an on-market trades on 5 September 2016 and 3 May 2017 respectively. On 30 June 2017, 7,107,706 Class A Performance shares were converted into Ordinary Shares, refer to Note 16 for further information.

Options Held by Key Management Personnel – 30 June 2018

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year	Vested and exercisable at end of year
Robert Newman	5,000,000	-	-	-	5,000,000	5,000,000
Ian Olson	30,000,000	-	-	-	30,000,000	30,000,000
Graham Griffiths	20,000,000	-	-	-	20,000,000	20,000,000
Neville Bassett	5,000,000	-	-	-	5,000,000	5,000,000
	60,000,000	-	-	-	60,000,000	60,000,000

Options Held by Key Management Personnel – 30 June 2017

Key Management Person	Balance at beginning of year	Granted as remuneration during year	Issued on exercise of options during year	Other changes during the year	Balance at end of year	Vested and exercisable at end of year
Robert Newman	5,000,000	-	-	-	5,000,000	5,000,000
Ian Olson	30,000,000	-	-	-	30,000,000	30,000,000
Graham Griffiths	20,000,000	-	-	-	20,000,000	20,000,000
Neville Bassett	5,000,000	-	-	-	5,000,000	5,000,000
	60,000,000	-	-	-	60,000,000	60,000,000

Other transactions with key management personnel of the Company:

In the 2017 year, a total of $11,467.50 was paid to NGIS Australia Pty Ltd, a company of which Graham Griffiths was at the time a related party of (Chairman of the Board) in consideration for expenses that were classified as research and development costs.

Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Non-audit services

No non-audit services were provided by the auditor during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been received and can be found directly following the directors' report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act of 2001.

Neville Bassett

Director

28 September 2018

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Pointerra Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 28th day of September 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2018

	Note	2018 $	2017 $
Revenue		312,068	4,635
Other income	6	527,980	548,351
Administrative expenses	7	(826,850)	(599,130)
Advertising and marketing expenses		(23,002)	(37,283)
Compliance and regulatory expenses		(159,784)	(35,911)
Research and development expenses	8	(1,098,903)	(1,078,615)
Share based payment expenses	18	(141,649)	(30,772)
Other expenses	9	(250,703)	(76,026)
Loss before income tax		(1,660,843)	(1,304,751)
Income tax expense		-	-
Loss after income tax for the year		(1,660,843)	(1,304,751)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(1,942)	-
Total comprehensive loss for the year attributable to members of the Company		(1,662,785)	(1,304,751)
Earnings per share		**Cents**	**Cents**
Basic and diluted loss per share	15	(0.41)	(0.40)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at 30 June 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	10	1,385,834	2,818,005
Trade and other receivables	11	614,255	536,336
Other		23,818	6,475
TOTAL CURRENT ASSETS		2,023,907	3,360,816
NON-CURRENT ASSETS			
Plant and equipment	12	60,706	60,768
Intangible assets	13	53,689	46,011
TOTAL NON-CURRENT ASSETS		114,395	106,779
TOTAL ASSETS		2,138,302	3,467,595
CURRENT LIABILITIES			
Trade and other payables	14	478,055	369,010
Provisions		114,695	31,897
TOTAL CURRENT LIABILITIES		592,750	400,907
TOTAL LIABILITIES		592,750	400,907
NET ASSETS		1,545,552	3,066,688
EQUITY			
Issued capital	16	5,728,469	5,728,469
Reserves	17	1,548,609	1,408,902
Accumulated losses		(5,731,526)	(4,070,683)
TOTAL EQUITY		1,545,552	3,066,688

The accompanying notes form part of these condensed financial statements

Consolidated Statement of Changes in Equity

for the year ended 30 June 2018

	Note	Issued Capital	Option Reserves	Foreign exchange reserve	Accumulated Losses	Total
		$	$	$	$	$
BALANCE AT 1 JULY 2016		5,662,919	1,380,131	-	(2,765,932)	4,277,118
Loss for the year		-	-	-	(1,304,751)	(1,304,751)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(1,304,751)	(1,304,751)
Transactions with owners recorded directly in equity						
Share-based payments	18	65,550	28,771	-	-	94,321
BALANCE AT 30 June 2017		5,728,469	1,408,902	-	(4,070,683)	3,066,688
BALANCE AT 1 JULY 2017		5,728,469	1,408,902	-	(4,070,683)	3,066,688
Loss for the year		-	-	-	(1,660,843)	(1,660,843)
Other comprehensive income		-	-	(1,942)	-	(1,942)
Total comprehensive loss for the year		-	-	(1,942)	(1,660,843)	(1,662,785)
Transactions with owners recorded directly in equity						
Share-based payments	18	-	141,649	-	-	141,649
BALANCE AT 30 June 2018		5,728,469	1,550,551	(1,942)	(5,731,526)	1,545,552

The accompanying notes form part of these condensed financial statements

Consolidated Statement of Cash Flows

for the year ended 30 June 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		188,043	3,946
Payments to suppliers and employees		(2,102,413)	(1,422,670)
Interest and other costs of finance paid		(924)	(679)
Interest received		41,077	51,975
Government grants and tax incentives		496,376	-
Net Cash Used In Operating Activities	22(b)	(1,377,841)	(1,367,428)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(23,129)	(76,563)
Payments to acquire intangible and other assets		(31,201)	(52,684)
Net Cash Used In Investing Activities		(54,330)	(129,247)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(46,146)
Payment of share issue and recapitalisation related costs		-	(713,783)
Net Cash Provided By Financing Activities		-	(759,929)
Net increase/(decrease) in cash held		(1,432,171)	(2,256,604)
Cash and Cash Equivalents at beginning of the period		2,818,005	5,074,609
Cash and Cash Equivalents at end of the period	22(a)	1,385,834	2,818,005

The accompanying notes form part of these condensed financial statements

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Pointerra Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the ASX.

The registered office is:
C/- Westar Capital Limited, Level 4, 216 St Georges Terrace, Perth WA 6000

The principal place of business is:
Level 2, 27 Railway Road, Subiaco WA 6008

The financial report for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 28 September 2018.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act *2001*. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements comprise the financial statements of Pointerra Limited and its subsidiaries at the reporting date (the “Group”).

The consolidated financial statements have been prepared on an accruals basis and are measured at historical cost, except for assets and liabilities acquired in business combinations, which are initially measured at fair value. All amounts are presented in Australian dollars.

Accounting policies have been consistently applied, unless otherwise stated.

Going Concern
The consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

As at 30 June 2018, the Group had cash and cash equivalents of $1,385,834 (2017: $2,818,005) and had a working capital surplus of $1,431,157 (2017: $2,959,909). The Consolidated Entity incurred an operating loss of $1,660,843 for the year ended 30 June 2018 (2017: $1,304,751) and net cash outflows from operating activities amounting to $1,377,841 (2017: $1,367,428). Subsequent to year end, the Group received its R&D refund of $486,903.

The Directors have prepared a cash flow forecast which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- the Directors have an appropriate plan grow its revenue and generate positive cash flows from operations; and
- the Group has the ability to curtail discretionary expenditure as and when it is required in order to manage its cash flows.

Based on the cashflow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate.

Acquisition of Pointerra Pty Ltd
On 30 June 2016, Pointerra Limited (formerly Soil Sub Technologies Limited) acquired 100% of the ordinary share capital of Pointerra Pty Ltd. In accordance with reverse asset acquisition accounting principles under AASB 3 Business Combinations, Pointerra Pty Ltd is the deemed acquirer of Soil Sub Technologies Limited.

Basis of consolidation
Subsidiaries are fully consolidated from the date the Group obtains control until such time as control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses arising from intra-group transactions are eliminated in full.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Pointerra Limited.

Income tax

The income tax expense / (benefit) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year and unused tax losses.

Current and deferred income tax expense / (benefit) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation legislation
Pointerra Limited and its wholly-owned Australian subsidiary have not implemented tax consolidation legislation.

Plant and equipment
Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in the profit and loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangibles
Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

– patents and trademarks: 5–20 years

Financial Instruments
Recognition and initial measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement
Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method;
d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Impairment of assets
At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Employee Benefits
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. No liabilities are recognised for non-accumulating sick leave.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The liability for long service leave and other employee entitlements expected to be settled more than 12 months from the reporting date is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Contributions to defined contribution superannuation funds are recognised as an expense as they become payable.

Foreign currency translation
Functional and presentation currency
The financial report is presented in Australian dollars, which is the Company's functional currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes and Monte Carlo option pricing model.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services, the value of options is calculated using the Black-Scholes and Monte Carlo option pricing model, or the quoted bid price where applicable.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within thirty days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months from the reporting date. They are recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

Issued capital
Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction net of tax of the share proceeds received.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and other income
Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments
The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimate – Share-based payments

The Company measures the cost of equity-settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes and Monte Carlo model using the assumptions disclosed in Note 18. The accounting estimates and assumptions relating to equity settled share-based payments used would have no impact on assets and liabilities within the next reporting period but may impact expenses and equity.

New, revised or amending Accounting Standards and Interpretations adopted
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2018. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is unlikely to have a material effect based on the current position of the Group.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is unlikely to have a material effect based on the current position of the Group.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 ‘Leases’ and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a ‘right-of-use’ asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a ‘right-of-use’ asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 but the impact of its adoption is unlikely to have a material effect based on the current position of the Group.

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
The amendments clarify the following:
1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity settled share based payments
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee’s tax obligation to meet the employee’s tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a ‘net settlement feature’, such an arrangement should be classified as equity settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature
3. A modification of a share-based payment that changes the transaction from cash settled to equity settled should be accounted for as follows:
   - The original liability is derecognised
   - The equity-settled share based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date
   - Any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Group’s consolidated financial statements as the Group does not have any cash settled share based payment arrangements or any withholding tax arrangements with tax authorities in relation to share based payments.

NOTE 3. INCOME TAX

	2018	2017
	$	$
(a) The components of tax expense comprise:		
Current	-	-
Deferred	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax expense as follows:		
Prima facie tax on operating loss at 27.5% (2017: 27.5%)	(456,732)	(358,807)
Add / (Less):		
Tax effect of:		
Non-assessable income	(133,898)	(136,503)
Research & Development refundable offset	(179,091)	(182,575)
Other permanent differences	42,473	26,788
Deferred tax assets not brought to account	727,248	651,097
Income tax expense/(benefit)	-	-
(c) Deferred tax assets		
Accrued expenses	48,855	30,049
Capital raising costs	348,764	348,764
Tax losses	548,582	-
Total deferred tax assets	946,201	378,813
Set-off deferred tax liabilities pursuant to set-off provisions	(27,811)	(26,343)
Less deferred tax assets not recognised	(918,390)	(352,470)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Other	27,811	26,343
Set-off deferred tax liabilities	(27,811)	(26,343)
Net deferred tax liabilities	-	-
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	-	-
Potential tax benefit @ 27.5%	-	-

The benefit for tax losses will only be obtained if:

i. The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
ii. The company and consolidated entity continue to comply with the conditions for deductibility imposed by law; and
iii. No changes to the tax legislation adversely affect the ability of the company and consolidated entity to realise these benefits.

NOTE 4. AUDITOR'S REMUNERATION

	2018	2017
	$	$
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	25,727	31,909
	25,727	31,909

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Short-term employee benefits	357,000	357,000
Post-employment benefits	22,800	22,800
Share-based payments	-	-
	379,800	379,800

(b) Other transactions with related parties
In the 2017 year, a total of $11,467.50 was paid to NGIS Australia Pty Ltd, a company of which Graham Griffiths is a related party of (Chairman of the Board) in consideration for expenses that were classified as research and development costs.

NOTE 6. OTHER INCOME

Research and development refundable tax offset	486,903	496,376
Interest Income	41,077	51,975
	527,980	548,351

NOTE 7. ADMINISTRATIVE EXPENSES

Accounting and audit fees	(93,762)	(77,635)
Consulting and contracting expenses	(109,848)	(264,179)
Director fees	(117,000)	(116,400)
Employee benefits expense	(506,240)	(140,916)
	(826,850)	(599,130)

NOTE 8. RESEARCH AND DEVELOPMENT EXPENSES

Employee benefits expense	(785,064)	(832,417)
Other research and development expenses	(313,839)	(246,198)
	(1,098,903)	(1,078,615)

NOTE 9. OTHER EXPENSES

Depreciation and amortisation expense	(40,934)	(21,466)
Legal fees	(14,380)	(35,557)
Sundry expenses	(195,389)	(19,003)
	(250,703)	(76,026)

NOTE 10. CASH AND CASH EQUIVALENTS

	2018	2017
	$	$
Cash at bank	329,129	518,005
Deposits on call	1,056,705	2,300,000
	1,385,834	2,818,005

NOTE 11. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	111,570	977
R&D tax offset receivable	486,903	496,376
GST receivable	15,782	38,983
	614,255	536,336

The average credit period on provision of services is 38 days and no interest is charged on trade receivables. Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are past due but not impaired		
60-90 days	5,845	651
91-120 days	-	-
121+ days	101,200	-
Total	107,045	651
Average age (days)	100	61

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is unrelated.

NOTE 12. PLANT AND EQUIPMENT

At cost	98,882	76,825
Accumulated depreciation	(38,176)	(16,057)
	60,706	60,768

Movement in the carrying amounts or plant and equipment during the year:

Balance at beginning of year	60,768	4,873
Additions	22,057	69,685
Depreciation expense	(22,119)	(13,790)
Balance at end of year	60,706	60,768

NOTE 13. INTANGIBLE ASSETS

	2018	2017
	$	$
At cost	80,179	53,687
Accumulated amortisation	(26,490)	(7,676)
	53,689	46,011

Movement in the carrying amounts or intangible assets during the year:

Balance at beginning of year	46,011	-
Additions	26,493	53,687
Amortisation expense	(18,815)	(7,676)
Balance at end of year	53,689	46,011

Intangible assets consist of patents and website development costs.

NOTE 14. TRADE AND OTHER PAYABLES

CURRENT		
Unsecured Liabilities:		
Trade Payables	228,886	148,464
Sundry creditors and accrued expense	249,169	220,546
	478,055	369,010

All amounts are expected to be settled on 30-day terms.

NOTE 15. EARNINGS PER SHARE

Earnings used in calculating basic loss per share	(1,660,843)	(1,304,751)
Movements:	**No.**	**No.**
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	407,376,404	326,533,801

This calculation does not include instruments that could potentially dilute basic earnings per share in the future, as these instruments are anti-dilutive, since their inclusion would reduce the loss per share.

NOTE 16. ISSUED CAPITAL

	2018	2017
	$	$
493,842,159 (2017: 373,842,157) fully paid ordinary shares	6,996,700	6,996,700
Less: capital raising fees	(1,268,231)	(1,268,231)
Net issued capital	5,728,469	5,728,469

Movements:	**$**	**No.**
As at 1 July 2016	5,662,919	325,992,157
Share-based payments in lieu of cash corporate advisory fee	65,550	2,850,000
Share issue costs conversion of Class A performance shares	-	45,000,000
As at 30 June 2017	5,728,469	373,842,157
Share issue costs conversion of Class B performance shares	-	60,000,001
Share issue costs conversion of Class C performance shares	-	60,000,001
As at 30 June 2018	5,728,469	493,842,159

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Performance shares

The performance shares were issued on 30 June 2016 as part consideration for the acquisition of Pointerra Pty Ltd.

On 28 June 2017 45,000,000 Class A performance shares were converted as a result of achieving the performance milestone of releasing a commercially saleable product based on a 3D dynamic points database containing at least 100 billion points.

On 21 March 2018 60,000,001 Class B performance shares were converted as a result of achieving the performance milestone of 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.

On 21 March 2018 60,000,001 Class C performance shares were converted as a result of achieving the performance milestone of 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 is not less than $0.09.

NOTE 16. ISSUED CAPITAL (continued)

Options

At the end of the year, the following options over unissued ordinary shares were outstanding:

- 107,000,000 options expiring 30 June 2019 at an exercise price of $0.05.
- 4,000,000 options expiring 25 September 2020 at an exercise price of $0.05
- 4,000,000 options expiring 19 March 2021 at an exercise price of $0.06
- 4,000,000 options expiring 19 March 2021 at an exercise price of $0.09
- 3,000,000 options expiring 19 March 2021 at an exercise price of $0.07
- 3,000,000 options expiring 19 March 2021 at an exercise price of $0.07

Capital Management

The Directors' objectives when managing capital are to ensure that the Company can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.
Due to the nature of the Company's activities, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet business development and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

NOTE 17. RESERVES

	2018	2017
Option Reserves	**$**	**$**
Balance at beginning of year	1,408,902	1,380,131
Share based payments	141,649	28,771
Balance at end of year	1,550,551	1,408,902
Foreign Exchange Reserves		
Balance at beginning of year	-	-
Foreign currency translation difference	(1,942)	-
Balance at end of year	(1,942)	-

NOTE 18. SHARE-BASED PAYMENTS

(a) Shares issued for corporate advisory services

2,850,000 shares were issued on 9 June 2017 in settlement of a corporate advisory fees of $65,550.

(b) Options issued for corporate advisory services

4,000,000 options were issued on 25 September 2017 in consideration of corporate advisory services. The options were valued at $0.0178 and were expensed as share-based payments.

4,000,000 options were issued on 25 September 2017 in consideration of corporate advisory services. These options met the performance condition that Pointerra's share price achieve a 15-day VWAP of $0.06 within 12 months from date of issue, and were valued at $0.0037 and were expensed as share-based payments.

4,000,000 options were issued on 25 September 2017 in consideration of corporate advisory services. These options met the performance condition that Pointerra's share price achieve a 15-day VWAP of $0.09 within 24 months from date of issue, and were valued at $0.0014 and were expensed as share-based payments.

(c) Options issued to employees

5,000,000 incentive options with an expiry date of 30 June 2019 and an exercise price of $0.05 were issued on 9 June 2017 pursuant to the Pointerra Ltd Employee Option Plan. The options were valued at $0.0058 and were expensed as share-based payments.

3,000,000 incentive options with an expiry date of 20 May 2020 and an exercise price of $0.07 were issued on 21 March 2018 pursuant to the Pointerra Ltd Employee Option Plan. The options were valued at $0.0358 and were expensed as share-based payments.

3,000,000 incentive options with an expiry date of 20 May 2020 and an exercise price of $0.07 were issued on 21 March 2018 pursuant to the Pointerra Ltd Employee Option Plan. The options were valued at $0.0358 and were expensed as share-based payments.

(d) Option valuation assumptions

The fair value of the options granted was estimated as at the date of grant using a Black-Scholes option valuation model and a Monte Carlo simulation valuation model. The following table lists the inputs to the models:

	Dividend yield (%)	Expected volatility (%)	Risk-free interest rate (%)	Expected life (years)	Share price at grant date
2017					
Employee Incentive Scheme Options - issued 9 Jun 17	Nil	81	1.63	2.1	0.023
Advisor Options - issued 9 Jun 17	Nil	81	1.63	2.1	0.023
2018					
Advisor Options - issued 25 Sep 17	Nil	70	1.76	3.0	0.042
Advisor Options - issued 25 Sep 17	Nil	69	2.18	4.0	0.042
Advisor Options - issued 25 Sep 17	Nil	69	2.18	4.0	0.042
Employee Incentive Scheme Options - issued 21 Mar 18	Nil	69	2.02	2.2	0.080
Employee Incentive Scheme Options - issued 21 Mar 18	Nil	69	2.05	2.2	0.080

NOTE 18. SHARE-BASED PAYMENTS (continued)

(e) Options outstanding at end of year

The following table illustrates the number and weighted average exercise prices (WAEP) of share options granted as share-based payments on issue during the year.

	2018 Number	2018 WAEP $	2017 Number	2017 WAEP $
Outstanding at 1 July	107,000,000	0.05	102,000,000	0.05
Granted during the year	18,000,000	0.07	5,000,000	0.05
Outstanding at 30 June	125,000,000	0.05	107,000,000	0.05

The weighted average remaining contractual life for options outstanding as at 30 June 2018 was 1.5 years (2017: 2 years).

(f) Share-based Payments summary

Class	Quantity	Grant date	Value recognised during year	Expiry date	Exercise price	Vesting date	Value recognised in future years
2017							
Options	5,000,000	9/06/2017	28,771	30/06/2019	0.05	-	-
Shares	1,000,000	9/06/2017	23,000	-	-	-	-
Shares	1,250,000	9/06/2017	28,750	-	-	-	-
Shares	500,000	9/06/2017	11,500	-	-	-	-
Shares	100,000	9/06/2017	2,300	-	-	-	-
2018							
Options	4,000,000	25/09/2017	71,330	25/09/2020	0.05	-	-
Options	4,000,000	25/09/2017	14,800	19/03/2021	0.06	-	-
Options	4,000,000	25/09/2017	5,600	19/03/2021	0.09	-	-
Options	3,000,000	21/03/2018	29,937	20/05/2020	0.07	19/03/2019	77,361
Options	3,000,000	21/03/2018	19,982	20/05/2020	0.07	19/09/2019	87,843

No options expired or were exercised during the year.

NOTE 19. COMMITMENTS

Commitments	2018 $	2017 $
Not later than 1 year	43,128	43,128
Later than 1 year and not later than 5 years	181,045	224,313
Later than 5 years	-	-

The Group has entered into a rental contract for the lease of office space from a third party.

NOTE 20. CONTINGENT LIABILITIES AND ASSETS

There are no contingent assets or liabilities.

NOTE 21. OPERATING SEGMENTS

The Group has only one reportable segment, being the development and commercialisation of its unique 3D geospatial data technology.

NOTE 22. CASH FLOW INFORMATION

(a) Reconciliation of cash	2018	2017
	$	$
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	1,385,834	2,818,005
	1,385,834	2,818,005
(b) Reconciliation of cash flow from operations with operating profit after income tax		
Operating loss after income tax	(1,660,843)	(1,304,751)
Non-cash flows in loss from ordinary activities		
Depreciation and amortisation	40,934	21,466
Share-based payments	141,649	94,321
Foreign exchange	(13,505)	(600)
Expense recognised in respect of equity-settled share-based payments	-	-
Changes in assets and liabilities		
Increase in trade and other receivables	(77,919)	(526,082)
Increase in trade and other payables	109,045	316,321
Increase in Provisions	82,798	31,897
Net Cash Used In Operating Activities	(1,377,841)	(1,367,428)

(c) Non-cash financing and investing transactions

i. 45,000,000 and 120,000,002 performance shares were converted on 28 June 2017 and 21 March 2018 respectively as a result of achieving performance milestones. These performance shares were initially issued on 30 June 2016 as consideration for the acquisition of Pointerra Technologies Pty Ltd. Refer to Note 16 for further information.

NOTE 23. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 24. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and accounts payable. The main purpose of non-derivative financial instruments are to raise finance for company operations. The Company does not have any derivative instruments at 30 June 2018.

i. Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Company are confined to trade and other payables and current borrowings, as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date. Current borrowings are non-interest bearing and have no fixed terms of repayment.

ii. Market Risk

The Board meets on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

iii. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. Interest rate risk is not material to the Company as no debt arrangements have been entered into.

iv. Foreign exchange risk

The company is not exposed to fluctuations in foreign currencies.

v. Credit Risk

Credit risk related to balances with banks and other financial institutions is managed by the Directors in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	2018	**2017**
Cash and cash equivalents	**$**	**$**
- AA- Rated	1,385,834	2,818,005

NOTE 24. FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	2018				
	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing over 1 to 5 years	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	329,129	1,056,705	-	-	1,385,834
Trade and other receivables	-	-	-	638,073	638,073
	329,129	1,056,705	-	638,073	2,023,907
Weighted average interest rate	0.09%	2.31%	0%	0%	
Financial liabilities					
Trade and other payables	-	-	-	478,055	478,055
Provisions	-	-	-	114,695	114,695
	-	-	-	592,750	592,750

	2017				
	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing over 1 to 5 years	Non-interest bearing	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	518,005	2,300,000	-	-	2,818,005
Trade and other receivables	-	-	-	542,811	542,811
	518,005	**2,300,000**	**-**	**542,811**	**3,360,816**
Weighted average interest rate	0.10%	2.22%	0%	0%	
Financial liabilities					
Trade and other payables	-	-	-	369,010	369,010
Provisions	-	-	-	31,897	31,897
	-	-	-	**400,907**	**400,907**

Sensitivity Analysis

The sensitivity analysis below has been determined on the exposure to interest rates at the reporting date and on the basis of the stipulated change taking place at the beginning of the year and held constant throughout the reporting period. A sensitivity of 0.5% has been selected, as this is considered reasonable considering the current market conditions (2017: 0.5%).

At 30 June 2018, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit/(loss) would have been affected as follows:

	2018	2017
	$	$
Profit/(loss) and equity		
+ 0.5% (50 basis points) (2016: +0.5% (50 basis points))	6,929	14,090
- 0.5% (50 basis points) (2016: -0.5% (50 basis points))	(6,929)	(14,090)

Fair value estimation

The carrying amounts of financial assets and financial liabilities are equal to their fair value based on their short-term nature. No financial assets or liabilities are required to be measured at their fair value on a recurring basis.

NOTE 25. PARENT ENTITY INFORMATION

Pointerra Limited is the legal parent entity.

	2018	2017
	$	$
Current assets	2,019,010	3,355,919
Non-current assets	69,025	103,727
Total assets	**2,088,035**	**3,459,646**
Current liabilities	(582,483)	(400,907)
Total liabilities	**(582,483)**	**(400,907)**
Net assets	**1,505,552**	**3,058,739**
Equity		
Contributed equity	11,292,324	11,292,324
Reserves	1,569,466	1,427,816
Accumulated losses	(11,356,238)	(9,661,401)
Total equity	**1,505,552**	**3,058,739**
Total comprehensive loss	**(2,761,718)**	**(2,410,477)**

Legal subsidiaries

Name	Country of Incorporation	Class of share	% Equity interest 2018	% Equity interest 2017	Principal activities
Pointerra Pty Ltd(i)	Australia	Ordinary	100%	100%	Provision of 3D digital asset management solutions
Pointerra US, Inc(ii)	United States of America	Ordinary	100%	0%	Provision of 3D digital asset management solutions

i. Acquired 30 June 2016

ii. Incorporated 18 January 2018

Directors' Declaration

In accordance with a resolution of the Directors of Pointerra Limited, the Directors of the Company declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Neville Bassett
Director

28 September 2018

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Pointerra Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pointerra Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Recognition of Research & Development Tax Incentive (Refer to note 6) Under the Research and Development ("R&D") tax incentive scheme, the Consolidated Entity receives a 43.5% refundable tax offset of eligible expenditure. An R&D submission has been filed with AusIndustry, and a receivable has been recorded at year end representing the claim to be received for the year ended 30 June 2018. This area is a key audit matter due to the inherent subjectivity that is involved in the Consolidated Entity making judgements in relation to estimation and recognition of the R&D tax incentive income and receivable.	Our procedures included, amongst others: – obtaining an understanding of the objectives and activities in the R&D program; – reviewing the related working papers utilised by the expert engaged by the Consolidated Entity; – assessing the scope of services and capabilities of the expert engaged by the Consolidated Entity; – comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger; – agreeing the receipt of the refund to the bank statement subsequent to year end; and – assessing the adequacy of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

BENTLEYS	**MARK DELAURENTIS** CA
Chartered Accountants	**Partner**

Dated at Perth this 28th day of September 2018

Corporate Governance Statement

The Board of Directors of the Company is responsible for the Corporate Governance of the Company. The Board is committed to achieving and demonstrating the highest standard of corporate governance applied in a manner that is appropriate to the Company's circumstances.

The Company has taken note of the Corporate Governance Principles and Recommendations 3rd edition, which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for the financial year beginning on or after 1 July 2014.

The Company's Corporate Governance Statement is current as of the date of this report and it has been approved by the Board. The Corporate Governance Statement is available on the Company's website at: www.pointerra.com

Additional Information for Shareholders

The shareholder information set out below was applicable as at 26 September 2018.

Distribution of equity securities:
Analysis of numbers of equity security holders by size of holding:

Holding	Total holders	Number of Shares	% of issued capital
1 - 1,000	809	50,207	0.01
1,001 - 5,000	140	372,399	0.08
5,001 - 10,000	136	1,016,351	0.21
10,001 - 100,000	655	29,591,026	5.99
100,001 - 999,999,999,999	416	462,812,176	93.71
Total	2,156	493,842,159	100

	Number of shares in minimum parcel size	Holders	Units
Less than marketable parcel	13,513	1,144	2,124,050

The names of the 20 largest holders of fully paid ordinary shares as at 26 September 2018:

	Name	Number of shares	Percentage
1.	Cartovista Pty Ltd	60,777,958	12.31
2.	Cartovista Pty Ltd	24,261,426	4.91
3.	Jennifer Olson	19,983,793	4.05
4.	Michael Freeth	17,016,407	3.44
5.	Mark Morrison & Alison Morrison	14,586,710	2.95
6.	Philippa Cameron Cummins	12,950,000	2.62
7.	Pershing Australia Nominees Pty Ltd <Indian Ocean A/C>	12,500,000	2.53
8.	HSBC Custody Nominees (Australia) Limited	11,293,955	2.29
9.	Blaze Jasper	9,723,052	1.97
10.	Lively Enterprises Pty Ltd <Newman Retirement Fund A/C>	8,691,248	1.76
11.	Mr Paul Cozzi	8,295,446	1.68
12.	Jennifer Olson	7,977,157	1.62
13.	Egmont Pty ltd <Craig Carter Super Fund A/C>	6,910,000	1.40
14.	Ian Olson	6,077,796	1.23
15.	Osum Pty Ltd	6,063,781	1.23
16.	Smyth Super Investments Pty Ltd	5,920,000	1.20
17.	Mark Morrison & Alison Morrison	5,822,742	1.18
18.	Michael Freeth	5,822,742	1.18
19.	Saltini Pty Ltd <Sheldrick Family S/F A/C>	5,000,000	1.01
20.	Corporate Equity Pty Ltd	3,899,998	0.79
Total		**253,574,211**	**51.35**
Total all ordinary shares		**493,842,159**	

Additional Information for Shareholders

Substantial holders:
Substantial holders in the Company are set out below:

Name	Number of shares	Class of shares
Cartovista Pty ltd	86,206,051	Ordinary
Jennifer Olson	27,960,950	Ordinary

Restricted Securities

The Company has on issue the following restricted securities:

Class of Security	Number	Date cease to be restricted securities
Subject to Voluntary Escrow		
Ordinary shares fully paid	143,352,104	30 June 2019

On-market Buy-back

There is no current on-market buy-back.

Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time re-compliance in a way consistent with its stated business objectives.