

License agreement with AAM

Pointerra signs largest customer to-date

Following the MOU with AAM in June, Pointerra Limited (ASX:3DP) has converted AAM into a paying customer for its 3D geospatial data technology. AAM specialises in the collection, analysis, presentation and delivery of geospatial information and is among our region's largest companies in the areas of Geographic Information System (GIS) projects and asset information. The company is active across South East Asia, Africa, Australia and New Zealand. AAM will use the Pointerra platform in its GEOCIRRUS Discovery Portal.

GEOCIRRUS is one of the largest databases and data marketplaces for geospatial information in Australia. It currently uses Geocortex, a Canadian software company mostly focused on 2D data. However, with Pointerra running in parallel, GEOCIRRUS users will be able to store, access and virtualize their 3D data as well.

License fee and usage-based royalties

AAM will be paying 3DP a one-off license fee for use of the company's technology as well as recurring royalties based on actual data usage. Additionally, 3DP will be making AAM's hosted 3D data available online for sale to third parties, such as surveyors, architects, engineers, construction companies, government agencies etc, i.e. a Getty Images for 3D data.

No commercial terms around the deal with AAM have been disclosed by 3DP. However, we believe AAM is 3DP's largest customer to date, presenting a very substantial revenue opportunity. The royalties from data usage by themselves can grow very quickly, in our view, but we believe the online portal for global 3D data sales can potentially be an equally attractive source of revenues for 3DP.

Extremely scalable, very high margin business model

Given that the Pointerra Platform sits in between generators of 3D data (surveyors, Oil & Gas companies, Government agencies, construction companies etc) and users of 3D data (engineers, architects, city planners etc) 3DP doesn't incur the costs associated with generating the data, such as flying airplanes over scan areas or terrestrial surveying. And while 3DP will see an uptick in data hosting costs due to the upload of AAM's vast 3D data sets to the Pointerra Cloud in AWS (Amazon Web Services), these costs are marginal compared to the revenue uptick we expect 3DP to experience as GEOCIRRUS users start accessing the Pointerra Platform and one-off sales of 3D data sets to third parties start to kick in.

	(A\$ M)		FY17A	FY18E	FY19E	FY20E
Number of shares (m)	373.9	Revenues	0.5	2.3	5.7	9.8
Number of shares FD (m)	604.7	EBITDA	-1.3	-0.3	2.2	5.9
Market capitalisation (A\$ m)	13.5	NPAT	-1.3	-0.3	1.5	4.1
Free Float (%)	88%	EPS FD	-0.002	-0.001	0.003	0.007
12 month high/low A\$	0,049/0,017	EV/EBITDA	N/M	N/A	4.3	0.9
Average daily volume (k)	703	EV/Sales	N/M	4.7	1.6	0.5

Readers should be aware that TMT Analytics has been engaged and paid by the company covered in this report for ongoing research coverage. Please refer to the final page of this report for the General Advice Warning, disclaimer and full disclosures.

Pointerra Ltd.

(ASX:3DP)

Software & Services

Australia

Risk: High

Pointerra Limited (ASX:3DP) is focused on the commercialisation of its unique 3D geospatial data technology, providing the tools to map the world in 3D via its data-as-a-service solution for 3D geospatial data.

[SUBSCRIBE TO OUR RESEARCH HERE](#)

BUY

Current price: A\$ 0.036

Price target: A\$ 0.08

10 October 2017

Analyst: Marc Kennis

marc.kennis@tmt-analytics.com.au

+61 (0)4 3483 8134

Expanding the technology platform

Further to the existing Pointerra Platform, 3DP also continues to expand its service offering. The company recently launched ScanView, 3DP's enhanced cloud-based solution for terrestrial laser-scanned 3D data, e.g. scanned by surveyors on the ground using tripod-based laser scanners.

ScanView generates a view of the 3D point cloud dataset from the perspective of the laser scanner while simultaneously enabling the user of the data to zoom out of that perspective to a wider view of the area, made up of multiple scans, i.e. toggle between a narrower view and a wide-area view all within the same point cloud.

3DP also recently launched the next generation of its platform, PointerraCloud 2.0, which includes several new features that will enable more ease-of-use for users and easier expansion of existing 3D data sets with new data.

Enhancing API's will open up the Platform to more third parties

Most importantly, in our view, are the enhancements and expansions of the Pointerra Platform API's (Application Programming Interface) for third party developers. An extensive API library will facilitate fast onboarding of new partners and customers, which in turn will facilitate faster revenue growth.

Arguably one of the best-scalable business models on the ASX

In our view, 3DP's business model is one of the best scalable models of any company listed on the ASX today. While still at the very early stages of its development, we believe 3DP has massive potential in the global Geospatial Analytics market. Furthermore, because 3DP doesn't compete with established players in this market, but is complementary to existing solutions, we expect 3DP will be very successful in partnering with these established players.

More deals like AAM should trigger rerate of 3DP shares

Judging from the company's market cap of just A\$ 13M, we believe investors are largely oblivious to 3DP's upside potential. Commercial agreements, such as with AAM, have very strong revenue potential, which we believe is not reflected in the company's valuation.

We expect 3DP to be able to close deals similar to AAM in the next few months and quarters, which we expect may lead to a rerating of 3DP once the revenue potential of such deals becomes apparent, e.g. through 4C and half-yearly results announcements.

BUY rating reiterated, PT A\$ 0.08

We reiterate our Buy recommendation for 3DP. Our initial price target is A\$ 0.08 per share, but we believe there may be further upside driven by conversion of the sales pipeline and confirmation of revenue potential from current customers, such as AAM.

GENERAL ADVICE WARNING, DISCLAIMER & DISCLOSURES

The information contained herein ("Content") has been prepared and issued by TMT Analytics Pty Ltd ABN 17 611 989 774 ("TMT Analytics"), an Authorised Representative (no: 1242594) of BR Securities Australia Pty Ltd. ABN 92 168 734 530, AFSL 456663. All intellectual property relating to the Content vests with TMT Analytics unless otherwise noted.

DISCLAIMER

The Content is provided on an as is basis, without warranty (express or implied). Whilst the Content has been prepared with all reasonable care from sources we believe to be reliable, no responsibility or liability shall be accepted by TMT Analytics for any errors or omissions or misstatements howsoever caused. Any opinions, forecasts or recommendations reflect our judgment and assumptions at the date of publication and may change without notice. TMT Analytics will not accept any responsibility for updating any advice, views, opinions or recommendations contained in this document.

No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by TMT Analytics, and under no circumstances will any of TMT Analytics, its officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the Content.

GENERAL ADVICE WARNING

The Content has been prepared for general information purposes only and is not (and cannot be construed or relied upon as) personal advice nor as an offer to buy/sell/subscribe to any of the financial products mentioned herein. No investment objectives, financial circumstances or needs of any individual have been taken into consideration in the preparation of the Content.

Financial products are complex, entail risk of loss, may rise and fall, and are impacted by a range of market and economic factors, and you should always obtain professional advice to ensure trading or investing in such products is suitable for your circumstances, and ensure you obtain, read and understand any applicable offer document.

DISCLOSURES

TMT Analytics has been commissioned to prepare the Content. From time to time, TMT Analytics' representatives or associates may hold interests, transact or hold directorships in, or perform paid services for, companies mentioned herein. TMT Analytics and its associates, officers, directors and employees, may, from time to time hold securities in the companies referred to herein and may trade in those securities as principal, and in a manner which may be contrary to recommendations mentioned in this document.

TMT Analytics may receive fees from a company referred to in this document, for research services and other financial services or advice we may provide to that company. The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. Diligent care has been taken by the analyst to maintain an honest and fair objectivity in writing this report and making the recommendation. Where TMT Analytics has been commissioned to prepare Content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid will either directly or indirectly impact the Content provided.

RECOMMENDATIONS

TMT Analytics' issues a BUY recommendation in case of an expected total shareholder return (TSR, share price appreciation plus dividend yield) in excess of 25% within the next twelve months, an ACCUMULATE recommendation in case of an expected TSR between 5% and 25%, a HOLD recommendation in case of an expected TSR between -5% and +5% within the next twelve months and a SELL recommendation in case of an expected total return lower than -5% within the next twelve months.