

FINAL TRANSCRIPT

Intermap Technologies Corporation

Fourth Quarter Results Conference Call

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PRESENTATION**Operator**

Good morning. My name is Sharon (phon), and I will be your conference Operator today.

At this time, I would like to welcome everyone to the Intermap Technologies Corporation Fourth Quarter Results Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there'll be a question-and-answer session. If you would like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key. Thank you.

Mr. Cory Pala, Investor Relations, you may begin your conference.

Cory Pala — Investor Relations, e.vestor Communications Inc.

Thanks, Sharon, and good morning, everyone. Thank you for joining us for our 2015 fourth quarter and year-end conference call.

This call is being recorded, and a replay will be available per the call details outlined in our Q4 press release and also available via webcast archived in the Investor section of our website.

Leading our call today is Intermap President and CEO, Todd Oseth, along with our Chief Financial Officer, Rich Mohr.

This conference call will contain forward-looking statements most specifically with regards to the finalization of a large contract previously announced by the Company. These forward-looking

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statements will include opinions, assumptions, and management's expectation of future plans and operations.

Although Intermap believes these statements are based on information and assumptions which are current and reasonable, these statements are necessarily subject to a variety of known and unknown risks and uncertainties. You can find a discussion of such risks and uncertainties in our annual securities regulatory filings on sedar.com.

I'll now hand over the call to Todd Oseth, CEO.

Todd Oseth — President and Chief Executive Officer, Intermap Technologies Corporation

Thank you, Cory. Good morning, and welcome to Intermap's 2015 year-end conference call.

The year 2015 was slightly better than 2014 from an operational perspective, with revenues at 8.6 million versus 8.2 million, but we also had greatly reduced operating costs. From a forward-looking perspective, I consider the year a very big success.

I'm mostly specifically referencing the signing of a \$175 million award for our Spatial Data Infrastructure project, or the SDI, that occurred in June of 2015, with the completion and execution of the definitive contract following just last month. The product and service delivery on the project is scheduled to commence during the second quarter of this year.

Large SDIs like these leverage the substantial intellectual property we've built up over the years. The implementation of the project incorporates all of Intermap's specialized abilities.

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As an example, this project calls for our airborne IFSAR technology to be used to create a new three-dimensional country-wide digital elevation model. Our fusion technology will then be used to combine LIDAR into the DEM for critical areas such as cities and utility corridors, and it will also use the IFSAR data to orthorectify satellite imagery over the entire country.

Lastly, the entire project is based on our Orion Platform software so that the information can be managed in a single infrastructure. This infrastructure allows for the geospatial data to be easily managed and manipulated in order to derive actual results from the data sets.

The aggregation of Intermap's products and services into an all-encompassing solution for a nation is what an Orion SDI project delivers.

In 2015, our software revenue increased slightly from 1.2 to 1.3, as we licensed our InsitePro software to new flood insurance underwriters. Our InsitePro software is starting to make a real mark on the industry, as it can easily be customized for a unique customer-specific scoring.

This scoring uses Intermap's standard flood model analysis, but can also include an analysis of location to water and other perils. The application can also easily ingest specialized data from a customer, which allows for a score that is specific to the customer's unique business plan.

Our mapping services revenue increased from 2.9 to 3.8. This increase was due to expanded acquisition for our USGS customer. Our IFSAR technology continues to perform better

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than our competition, and is expected to deliver further acquisitions for the USGS in the coming years.

Our agnostic approach to data acquisition truly differentiates our capabilities. We focus on the applications that drive the accuracy of the data required, not the sensor. This delivery mechanism is the most cost-effective demo approach in the industry, and what we believe is in the best interest of our customers.

Our data licensing was fairly consistent year over year at \$3.3 million, and as more countries put SDIs in place we believe the demand for this archive will increase as a source for orthorectification of imagery.

We generated about 0.5 million in professional services revenue for the year, but this area is expected to expand as the Orion Platform is put into place and customers require intelligent queries, or IQs, to produce actionable results from their geospatial data sets.

The majority of our efforts in 2015 were focused on further development of the Orion Platform for our SDIs. The Platform was further enhanced to handle more types of data and new analytics to address specific requirements of the most recently announced \$175 million SDI project.

Remember, the Orion Platform operates as a platform as a service, and the service it provides is an analysis of geospatial data for non-geospatial experts so that the untrained user can access actionable results. For instance, in our InsitePro application non-geospatial users can use the

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result to determine if a property is in a flood zone, and then take the appropriate action on pricing or deciding to quote or not quote on a location.

Our recent large SDI win has taken a significant amount of effort across our entire company to make sure we are ready to execute as soon as the project financing is deployed and the project is launched. We've been instructed to prepare for project launch during the second quarter of this year through the specific date, even though the date has not been confirmed as of this time.

Now I'd like to turn this over to Rich for a discussion on our financials for the quarter and for the year. Rich?

Rich Mohr — Chief Financial Officer, Intermap Technologies Corporation

Thank you, Todd. During today's call I'm going to focus primarily on our full year results for 2015, so I guess let's get started.

I'll first review the key operational takeaways for the year. As Todd mentioned, our goal this year was to further develop our software platform and close at least one major spatial data infrastructure contract.

We certainly made major advancements on both fronts, including the announcement of the \$175 million SDI tender win in June, with the final contract announced last month. We also spent a great deal of time preparing to deliver on our SDI capabilities. We're now waiting for the financing on the announced SDI project to be finalized and deployed, which we have been instructed will occur during the second quarter of this year.

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Our P&L showed an operating loss of 9.2 million for the year, primarily as a result of our investment in our software and SDI capabilities. This operating loss of 9.2 million was a reduction from the previous year's operating loss of 13.7 million.

We really concentrate on operating loss because net loss on our income statement is muddled up by sophisticated accounting for a lot of the dead instruments and the warrants that are outstanding, much of which are really noncash items.

Our top line results were slightly higher than the prior year, but with significantly lower operating costs on a year-over-year basis. Operating costs were down by 19 percent, or roughly 3.9 million during the year. This reduction in operating costs includes a 1.1 million decrease in personnel costs, \$2 million decrease in purchased services and materials, and a \$0.5 million decrease in travel-related costs.

Our revenue components for data and software stayed relatively consistent on a year-over-year basis, but our mapping services revenue increased by almost \$1 million, and our professional services revenue decreased by \$0.5 million. Neither one of these two categories of revenue occur on a consistent basis, as both are project-driven, and as such these types of contracts occur on an irregular basis, and therefore year-over-year comparisons are less meaningful.

As you can see, we continue to aggressively manage our operating costs as we wait for the commencement of the SDI contract. We can then begin to increase costs once an SDI project is in full swing to support the project's requirements.

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Our adjusted EBITDA improved dramatically during the last half of the year, with Q4 showing a positive \$200,000 amount following Q3 at a negative \$500,000 amount. This virtually breakeven performance in the last half of the year was a definite improvement from the first half of the year, where we showed a negative 7.3 million in adjusted EBITDA.

We've been very active on the financing front, closing six different related transactions during the year, with gross proceeds to the Company of 14.8 million; 6.3 million of these proceeds were used to retire promissory notes from prior years that came due during the current year, leaving us with a net of 8.5 million in new working capital during 2015.

Since the end of the year we've announced revised terms on \$10.8 million of the outstanding debt that came due during the first quarter of 2016, extending the due dates and lowering the interest rates. These extensions coincide with the delays that were incurred on the SDI project.

During the year, we recorded 2.4 million of interest expense on these notes, and 1.1 million of royalty expense associated with the debt. These financing costs totalled 3.8 million during the year, or roughly 24 percent of the outstanding principal amount of the debt. We're expecting cash flows from our SDIs and other portions of our business to service the outstanding debt that we currently have in place.

Okay. I'm now going to move on to the key takeaways regarding the balance sheet and the cash flows.

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Our cash and accounts receivable position totalled 3.1 million at year-end compared to 2 million at the end of the previous year. Our cash balance at year-end was restricted to pay down the outstanding debt of the Company pursuant to the terms of the debt; however, to date, none of the Company's money has been used to service the outstanding debt.

We used 8.2 million in cash for operating activities during the year and invested minimally in cash. Based on an SDI launch in 2016, we expect to have positive cash flows from operations during this coming year

One last thing: the accounts payable and accrued liabilities balance of 6.9 million at the end of the year was composed of trade payables totalling 2.4 million and accrued liabilities totalling 4.5 million. Accrued liabilities are primarily made up of convertible note interest of 2.4 million; the royalty on net revenues of 1.1 million; personnel-related costs of \$218,000; and project-related accruals of 202,000.

That covers the financial update for the year, and I will now turn the call back over to Todd for further comments. Todd?

Todd Oseth

Great. Thanks, Rich. 2015's operational improvement was good, and we were able to get much closer to the end goal of launching the substantial Orion SDI project. The SDIs are very complex, both technically and politically, and many different factions are involved to make sure that they can benefit from the end results of the project.

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We're marching toward a launch, and I believe that our future looks very bright. I also believe that the success of this particular first major SDI program will motivate other prospective countries to launch their own Orion SDI programs, so they are not at a disadvantage when competing economically with the surrounding countries.

As we've communicated before, we continue to work on additional SDI opportunities beyond the contracts announced last month. However, due to the complexity and the unique political aspects of each of these different projects, we are unable to provide any further guidance regarding the ultimate closing of any of these opportunities or the timing thereof.

Once again, I'd like to thank all of the investors for their continued support, and I look forward to meeting new investors as we start to execute on our SDI strategy.

So at this time, let's go ahead and open it up, Operator, for any questions that the investors may have.

Q&A

Operator

At time, I'd like to remind everyone in order to ask a question, press *, then the number 1 on your telephone keypad. We will pause for a few moments to compile the Q&A roster.

Your first question is from Mark Gomes from Pipeline Data.

Mark Gomes — Pipeline Data

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Hello, gentlemen. Good morning. The first thing that came to mind...

Todd Oseth

Good morning.

Mark Gomes

You mentioned an objective of being debt-free in about a year. Did you mention that the royalty negotiations would occur before or after that? And did I hear that properly regarding the debt being hopefully retired within a year or so?

Rich Mohr

Mark, I think what my comments were were that it's an issue—we understand it's an issue for our investors. And once we get these near-term debt restructuring taken care of we would anticipate that we would be working with Vertex to come up with a resolution on that royalty. So that would obviously happen during this year.

Mark Gomes

Okay. Great. And I understand that you have no updates for us regarding the SDI progress, but have you received any progress updates internally regarding the project?

Todd Oseth

Yes. In fact, I mean we've talked to the project company on a daily basis. So we're familiar with the rate things are moving through, the overall project, and it is slower than we'd like. But it is what it is. Doing project financing takes time.

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Mark Gomes

Okay. And with regard to the project, prior to winning the deal were there any significant front-loaded expenses regarding proof of concept, software development, or anything of that nature that we might want to know about?

Todd Oseth

Nothing really front loaded, other than our continued development of Orion. I mean as we continue to work on this SDI, as well as others, we learn more of specifically what type of analysis is being requested of us, and we are then changing our product plan accordingly.

Rich Mohr

And I'll also add that a large portion of the down payment is for mobilization costs to get our aircraft prepped, ready to go; our personnel, our aviation company's personnel, in country; getting the permits and so forth that need to be put in place; the approvals by the US government to operate in a foreign country. All of those things are upfront costs that are not insignificant in nature.

Mark Gomes

Okay. And is some of that something that you guys have to do in advance of receiving payment so that you are ready to mobilize as quickly as possible?

Todd Oseth

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Actually, we make sure that we don't start doing any of that until we receive payment. So we don't—we try not to ever get into a negative position as we are performing on a project.

Mark Gomes

Gotcha. Okay. Taking a quick step back, can you walk us through the financing process a little bit just so we get a flavour for that? And has there been any covenants or aspects of the contract that have been tripped? I know there's been a lot of concern regarding a 90-day window to obtain financing, and wondering if that is accurate? And if something needs to happen on that front?

Todd Oseth

So sure. So what ends up happening is that there was a concession agreement that was made between the project company and the government earlier this year. And in November we received our contract for what activities we would perform. As we have said many times before, we are the sole contractor in this effort.

And what ends up happening is that from the information that was delivered in November the government had to submit a certain amount of information, which did not end up hitting the project company until February. The 90-day component did not start until sometime in February. Again, we don't have that contract, so we basically—all we know is the month. So it started in February the 90-day period. So we're not in a problem in any of the covenants of the original concession agreement at this time.

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Then once the project financing starts the first payment is our down payment, and then there are monthly milestones that are met for the next three years.

Did I answer your question?

Mark Gomes

Great. That helps clear things up. You did. I have many more, but to avoid monopolizing the call I'll let some other people jump in, and come back in a bit.

Todd Oseth

Sounds great.

Rich Mohr

Yeah. And, Mark, I'm just going to throw in my two cents on this. I caution people to be careful with what they read on the Internet because oftentimes it's incomplete information. If in fact there were an issue then the Company would be communicating it appropriately, and that has not been communicated.

Mark Gomes

Okay. And you would view the receipt of the milestone payment as a material event that would be press released immediately?

Rich Mohr

Absolutely. I'm assuming all of our investors would want to know that.

Mark Gomes

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Absolutely. All right. I'll be back.

Todd Oseth

Great. Thank you.

Operator

Your next question is from Spencer Churchill from Paradigm Capital.

Spencer Churchill — Paradigm Capital

Yeah. Thanks. Good morning, guys. Just maybe talking a little bit more about the financing side of it, understanding that you guys are one step removed, and this is an agency that is dealing with the government. Does it make sense that all, given the process you guys have gone through and the length of it, and obviously the sovereigns want to have this done, does it make sense at all that they would backstop some portion of the financing, given they're directly dealing with these guys? Or do the people you're dealing with have to go to third-party banks to sort of get this done?

Todd Oseth

Well, remember that the backstop is already in place from the government. So the reason that we go to a project-financing bank is because there was a mismatch between the rate of which the government will backstop or pay, and the rate of which we are performing on a contract.

So you can think of it as basically factoring is what's going on.

Rich Mohr

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And further to that, I think the government acknowledges that when it comes to project financing—and it's not only this government, but a lot of other governments around the world—they acknowledge they can't do project financing as effectively and as economically as a third party can who's skilled to do that.

So therefore they hand it over in a public-private partnership relationship to handle that financing.

Todd Oseth

So we do have—well, we do have other SDIs that we are working on that will be funded directly from governments. So we operate in both modes. Not all SDIs are project financed. Some are actually financed directly from governments. I can't tell you which one's better at this time.

Spencer Churchill

Okay. Fair enough. And then maybe just sort of a bigger picture, the value prop that this provides. I mean you mentioned in your comments that this deal could spur other ones to come—to get closer to the goal line, and then you mentioned that they don't want to be disadvantaged competitively against their neighbour countries. Maybe if you could just sort of talk a little bit about what are some of the advantages to the nation that's now executing on the SDI? And then how would that disadvantage their neighbours?

Todd Oseth

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So the first is by putting everything under a spatial data infrastructure you then start to place most of the rest of the government activities on top of this spatial data infrastructure. For instance, all of your roadworks; today many of these emerging countries have large amounts of mining that are going on. And there are issues with land management; boundaries? Where does the output of the mining go? Is it being mined correctly? Is it following all the rules and laws of the country or of the international recipients of the mining?

We have flood modelling that goes on so that you don't place roads, houses, sewer systems in the way of large amounts of water that may come down on a yearly basis. We have utilities that need to be placed. Those utilities have to be very well understood on where all the perils will affect the local regions.

So all of these types of things start to make a lot of advantages for a specific country, most of which the way that they have to apply taxes. We have situations in a number of these countries where people come in and start mining, and they receive a licence for a mine that's of some number of square kilometres. And some people exceed the amount of square kilometres that they were licensed to perform on. Well, there's a tax that's involved with each of these. And the SDI allows for the appropriate handling of these taxes as long as each of the ministries has access to the SDI.

So as you can see, if you are a country that's exporting a lot of minerals and if you're not, you're at a great disadvantage of making sure that you have a cost-effective way of getting these minerals out of your country and processed by whoever the recipient of these minerals may be.

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Spencer Churchill

So it's a combination of internal management, but also I would assume that it would give foreign investors greater comfort that the country has a good handle on their own internal geography and all the perils that might come or might not come with it. So foreign direct investment might potentially be more beneficial to a country that's done this with you versus someone beside them that hasn't. Is that a fair way of looking at it?

Todd Oseth

You're right on.

Rich Mohr

Absolutely correct.

Todd Oseth

Here's another example for you is that for the World Bank in order to get cheaper money you have to have some level of infrastructure in place, because the World Bank's not going to lend money on putting in a dam or a highway system if the system is going to be destroyed by local perils within the next two to three years.

Spencer Churchill

Okay. Okay. I got it. And then just maybe in terms of the pipeline. I know you can't talk about timing and these things, but maybe if you could just give us any sense of the size of in terms

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of dollar value or a number of opportunities, number of countries that you're talking with right now that you have in the pipeline for these types of agreements?

Todd Oseth

We've talked about our pipeline size, and it changes dramatically on a daily basis. Depending upon the outlook—how many years you want to look—it ranges from 200 million to \$500 million of opportunity. At any one time we're talking to three to five other countries to put in one of these SDIs.

And these SDIs do not always require new acquisition to be done. Many of them have a lot of data that they've collected over the years, and all they're looking for is our Orion software to be installed, and then manage all of the data that they have in place.

So the size of these SDIs can vary dramatically, depending upon the country and how much data they already have in place.

Spencer Churchill

And are any of these countries nearby the one that you have the agreement with?

Todd Oseth

Well, unfortunately the word emerging country kind of puts you into a couple of different regions in the world. And really our forte is dealing with these emerging countries.

So they're not real close to the United States.

Spencer Churchill

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Oh, no. I meant are they close to the country that you're dealing with on the SDI right now?

Todd Oseth

Yeah. At this time it's hard to say which ones move first, but to answer your question you could expect us to be hitting every country in the continent that we have an SDI with.

Spencer Churchill

Okay. And just one final question, then I'll pass the line. When you get the upfront payment of the 12 million, as you said, some of that's going to be used for prepping the airplanes, et cetera. But is there a thought that you would use some portion of that upfront payment just to blow out some of the debt that comes due in the next few months here?

Rich Mohr

Spencer, we obviously will keep a close eye on that. It's the Company's expectation that we will pay down the debt as rapidly as possible. If some of those funds are available to do that, we certainly will deploy them.

Spencer Churchill

All right. Thank you, guys.

Operator

The next question is from John Cassarini from JAC Capital.

John Cassarini — JAC Capital

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Good morning, gentlemen.

Todd Oseth

Hey, John.

Rich Mohr

Hey, John.

John Cassarini

With your existing infrastructure and hard assets, what is a potential or a range of a run rate in revenues that you guys have the internal capability to produce?

Todd Oseth

Well, again, tough question. If it's an SDI that requires only software we have enough people to fire off a lot of SDIs because the software systems themselves do not require that many individuals. So our run rates could run anywhere between 50 million and \$100 million with the people that we have in place.

John Cassarini

Great. And in your last investment presentation—go back just to the last question a bit—you mentioned and you highlighted the robust pipeline. And the profile of the pipeline, as you just mentioned, is a bit software and a bit project. But do you see—how would you comment on your ability to service that pipeline and close these deals? And I know these deals take quite some time, but the fact that it's highlighted and you feel it's robust, do you feel that besides this one contract

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that we're waiting to close your ability to serve other ones with different characteristics are over the next 12 months?

Todd Oseth

So I mean we do have a plan that there will be additional hiring as required. Most of it is around the software space. It's only in the terms of 20, 30 people. This is not like we have to double the Company in order to service more SDIs.

Rich Mohr

Yeah. And I would say that the personnel count for the Company has gone down dramatically over the last couple of years, which is expected. So on a percentage increase basis from a percentage standpoint it's a lot. A lot of that is kind of misleading because it's led by our editors in Jakarta, Indonesia, whereby the costs of those editors are significantly less than in North America.

But from an absolute standpoint as far as the number of personnel it's not a large number.

Todd Oseth

And remember, we have the ability and we do to do a lot of outsourcing, especially when it comes to software development where we can bring teams in from other places that do not end up becoming long-term costs for the Company.

John Cassarini

Excellent. Great. Thank you very much.

Todd Oseth

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Thank you.

Operator

The next question is from Ross Wigle from BMO Nesbitt Burns.

Ross Wigle — BMO Nesbitt Burns

Yes. Good morning, gentlemen.

Todd Oseth

Good morning.

Rich Mohr

Hi, Ross.

Ross Wigle

Actually it's Wigle versus wiggle, but regardless.

Rich Mohr

Wigle?

Ross Wigle

A couple of questions on the royalty; I know it's going to be complicated, but could you give us any idea as to what possible outcomes there could be relative I mean how the royalty could be handled? I guess one of the options would be just to maintain the royalty ongoing. It could be bought out, or it could be converted. Just wondering if you might shed any light on that?

Todd Oseth

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So, well, look, a couple of different things. One, remember when we go and do an SDI we have software that has margins of near 90-plus percent, and then we have other activities that are 50, 65 percent. So when you blend these together, even with that royalty we have a company that can perform better than most of the companies in the industry.

Now that doesn't mean we're not going to try to get rid of this royalty.

Ross Wigle

Mm-hmm.

Todd Oseth

We, of course, would like to replace the royalty with cash, but all of the options that you just identified will be on the table over the years to come to try to get rid of that royalty. But one thing I wanted to make real clear is that from a performance standpoint we will still be a company that will outperform the majority of companies even with that royalty in place.

Ross Wigle

Okay. That's good. Thank you very much.

Rich Mohr

And the royalty on—it's always important to remember that it's on net revenue. So we deduct away all of our third-party costs to create that as revenues and the royalty is on that.

So the effective royalty rate certainly on gross revenues is lower than the 17.5 percent that's sitting out there. And there's a lot of different negotiating type of positions, like Todd

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mentioned, combinations thereof that can come—that are possibilities; even reduced royalties, set terms.

I think one of the things that's difficult is the fact that this is in perpetuity. And as a result it just—it's difficult for an analyst or for an investor to really quantify. And that's problematic as well. I think if everybody kind of knew what the impact would be and be able to measure it against the gross margins that we're able to create, I think they'd be able to digest it a heck of a lot easier.

Ross Wigle

Yes. Yeah. Just hanging out there at a high number is concerning for some people. But I appreciate there are the options that I'm sure that you'll—what would be—what would you be happiest with? Just a payoff from cash flow?

Rich Mohr

Yeah. I mean obviously we'd love to have it gone completely so this is no longer a conversation for the Company.

Ross Wigle

Yeah. No. I can imagine that. Another question I have, if I may. And this just comes up because I know reading on the Internet you get a lot of misleading information, a lot of crap out there, quite honestly. But some comments have been made relative to insider ownership of the Company of management and maybe directors. Could you address that at all? And I'm wondering as

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well, how long is your blackout period when you announce a pending deal to the final time that the deal is announced? Are you often blacked out during those periods?

Rich Mohr

The rule of thumb is if there's material inside information that we're aware of that the external investor is not aware of that would change an investor's opinion of whether they buy or sell the stock, then we're precluded from doing any activities associated with it. We have internal blackouts that are based on earnings releases.

Ross Wigle

Yes.

Rich Mohr

Those blackouts begin at the end of every quarter until earnings are released. Recently, because we are very short staffed, we push our earnings releases out as far as they can go. If you think about last year when the debt came into play, everybody believed that this SDI or an SDI in general would have taken place a heck of a lot sooner than it actually did.

As a result of it, we were in perpetual blackout for probably the last 18 to 24 months. We all assumed it would be better. If you think about it, I would say that there probably wasn't one investor out there who thought if we did an SDI it was going to come in at \$175 million. That's material inside information that it would be very difficult for insiders to trade on.

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And we are cautious about it. We are very, very cautious about it. We seek advice from our counsel all the time. I would have loved to have bought stock at 0.07 or \$0.08; love to have.

Ross Wigle

But you were blocked out...

Rich Mohr

Yes.

Ross Wigle

I mean if you're perpetually blocked out you guys are screwed.

Rich Mohr

We are.

Todd Oseth

We are.

Rich Mohr

We are. But you know what? A lot of that goes along with a small, small company with limited trading that goes on. And obviously you're running operations in a very tight manner, and so having windows of opportunity have been scarce.

Ross Wigle

Mm-hmm.

Rich Mohr

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If at all.

Todd Oseth

Then it's just...

Ross Wigle

No...

Todd Oseth

It's fundamentally a problem when we have sales cycles that are three and four years in length that potentially could pop in three days, or they could end up taking another year. So if we have that information it's not right for us to benefit from it.

Ross Wigle

No. I totally appreciate the conundrum that you have been facing. I just wanted possibly other people to understand that you've been blocked out from doing anything, so..

Rich Mohr

That's correct.

Ross Wigle

Yeah. I just want to help out a little bit that way. On the question of the monthly milestones, you said that that would continue monthly for a period of a couple years. Would they be, let's say, equal installments? Or would they be based on, I mean example, delivery of the software? You can flick a switch on the first day the software is there; integrating everything is a

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different story. So I just wondered if you can shed a little light on what type of milestone payments there might be potentially?

Rich Mohr

There is value associated with every single deliverable in our contract. And the values obviously vary. As you might expect, it's very expensive to do our IFSAR acquisition. It's not as expensive to do a small-corridor LiDAR acquisition. It's not as expensive to provide satellite imagery. It's not as expensive to do our data fusion activities with their existing databases.

So what happens is that monthly milestones progress billings are really based on the functions that we're providing. And it'll vary across the board significantly; probably heavier during the first 12 or so months of the project, and less so as we tail off on the project and we're completing it.

Todd Oseth

So just so that you understand is that each of these SDIs that we work on are different. The large one that's been announced is one that is based on work performed, actual work performed. That's what these milestones turn out to be. Others that we are working on currently are different. They will have common amounts to be spent on a quarterly or monthly basis, and then we will vary the amount of actual work performed from there.

Ross Wigle

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Okay. That's great. Thank you. Just out of interest, you're not at liberty to say which country this is, correct?

Rich Mohr

That's correct.

Todd Oseth

We can't. No.

Rich Mohr

We still have—do not have approval to do so.

Ross Wigle

The—have you—are you able to say whether or not you have ever done any business to date on the continent on which this country resides?

Rich Mohr

Yes. We have.

Todd Oseth

Yes.

Ross Wigle

Okay. Is there any continent you haven't done business with yet?

Rich Mohr

Russia.

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Todd Oseth

Not a continent.

Rich Mohr

That's not a continent but...

Ross Wigle

No. Okay.

Rich Mohr

That's one area that—we haven't been in China.

Todd Oseth

We've actually sold data to Russia.

Rich Mohr

We haven't done any work in China. There are certain countries that our technology is not allowed to go into.

Ross Wigle

Mm-hmm.

rich Mohr

You might imagine it's China; it's North Korea; it's Russia, those kind of countries.

Ross Wigle

And that is because of restrictions being a US-based company?

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Rich Mohr

That's because of the technology that we use in our aircraft.

Ross Wigle

Yeah. You don't...

Rich Mohr

So...

Ross Wigle

That technology is not allowed to enter the country whether or not you're doing the work or not; you can't fly over just because they can knock your plane down and take the technology.

Rich Mohr

You got it. You got it.

Ross Wigle

Okay. That's good. Okay. Gentlemen, that's all I have. Thank you very much.

Todd Oseth

Thank you.

Operator

Your next question is from Ivan Illyushchenko from MBI.

Ivan Illyushchenko — MBI

Yes. Good morning, gentlemen.

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Todd Oseth

Good morning.

Rich Mohr

Good morning.

Ivan Illyushchenko

Thank you for taking my question. And I'm sorry if I make yourself repeat here; I dialled in a little bit late. So my first question would be since you deal with mostly, as you said, emerging and potentially less stable economies and governments, with this in mind what assurances do you currently have to mitigate risks that are out of your control, so whether it would be political or in general economic terms, downturns, things like that?

Todd Oseth

So we do two things. Most of the time when we go into an emerging country the concession agreement is based on sovereign debt. So regardless of the governing party, the country is still responsible for the backstop of funding the activity. So that's the bigger picture.

The smaller picture is we always require a down payment up front. That makes sure that we never get beyond on our costs. So even if they were to cancel things it will not cost us money to participate. We'll always be ahead of the game.

Ivan Illyushchenko

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Right. Understood. Thank you. And then so my other question is while most investors, rightfully so, are focusing on the current SDI, I would be interested to hear a little bit about your InsitePro offering and how it's coming along? So maybe could you walk us through the customer acquisition process for a typical InsitePro customer, an insurance company for example, and give us an idea of the addressable market on the insurance side? Also, are you witnessing a shift in underwriters' attitude towards the adoption of such products?

Todd Oseth

Wonderful question. Yeah. InsitePro is an insurance underwriter's tool. So typically what ends up happening is that we will go into an underwriting agency, of which there are hundreds in the United States, thousands around the world. And that's something also to mention is that our tool, InsitePro, works around the world, not just in the US. That's something unique on all of the other underwriter tools. They are continent specific.

So they end up doing a—some level of test case for two to three months to see how they like the tool. We then have a discussion with the individual underwriter, because many of the underwriters want to add unique content. That unique content may be where did actual payments get made last year? They then want that information integrated into their scoring.

So if a property, for instance, is in a flood zone and they've seen that there has been a significant amount of payout to that, it may get ranked differently than if it was one that while you may be in a flood zone, but they've never had a payout in the last 10 to 15 years. And the number of

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years since a payout is part of the equation that would go into it of which is specific to each of the customers.

Once it's decided on how the scoring is going to be completed we then would move forward, and they would end up doing a subscription and laying it out to all of their underwriters in the company itself.

So what's really unique here is that our main competition in the United States is CoreLogic with a product called RiskMeter. Now RiskMeter does support a number of other perils of which we are adding to our system. It's important to remember that InsitePro is based is based on Orion so that it has the ability to change very rapidly. That is a very good position for us to be in for the exact reason that scores change depending upon customer, and we are able to support that request in our development.

Ivan Illyushchenko

Mm-hmm. Right. Understood. That's helpful. Thank you. Yeah.

Todd Oseth

If you want to talk about markets, in the United States the software market for underwriting is between 200 to \$500 million. Across the world it may be as high as \$4 billion.

Ivan Illyushchenko

Right. Okay. Thank you. Thank you very much. So that's all I had.

Operator

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The next question is from Eric Schwartz from Sebago Capital.

Eric Schwartz — Sebago Capital

Hi, guys. How are you?

Todd Oseth

Good morning.

Rich Mohr

Good.

Eric Schwartz

Good. Just a quick question; I think it might have been Rich, it was last quarter you talk a little bit about capacity maybe being able to only perform another SDI of this size in addition to the one you currently have. I'm curious to know if in fact that's still the fact?

And number two, what's the bottleneck, and is there any ways around that bottleneck? Let's say, for instance, you had an opportunity to close on a couple of these. You'd hate to have to either pass on it or push it off into the future. I'm wondering if you could just maybe give some details to that.

Rich Mohr

Well, again, on these SDIs it really depends on what the program is. If it includes our IFSAR collection we have two platforms that we can use. If in fact we hit the bonus round and we have more than two that are on our plates, then we'd have to go to work to bring on another platform,

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which would probably take us about six months to put into place, which is certainly a workable period.

We'd have to obviously staff up our folks in Jakarta, Indonesia, our editors down there, which we could do. It goes through a training process, and we could make that happen. I think beyond those two pieces, which is aircraft-related and personnel-related to move the data through and obviously some CapEx from a hardware perspective, we could still do it. We could still move.

It would take us about six months to get ourselves in play.

Eric Schwartz

Okay. All right.

Rich Mohr

I'd love—Eric, I'd love to have that problem.

Eric Schwartz

No. I understand. Thank you.

Todd Oseth

So I mean we are—I mean we are looking and working on other SDIs that are of similar magnitude. So I mean this is—it is something real, but at this time we believe that we have the platforms sufficient to take care of the pipeline and when the pipeline actually hits.

Eric Schwartz

Mm-hmm.

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Rich Mohr

And even though Todd said that, I'm going to be the CFO here and always caution just because there are other that are being worked on there's no guarantees that they will ever close. There are a lot of moving parts, a lot of dynamics associated with these, and we cannot predict if and then they will ever close.

Eric Schwartz

Okay.

Operator

And as a reminder, if you would like to ask a question, press *, then the number 1 on your telephone keypad.

Your next question is from Mark Gomes from Pipeline Data.

Mark Gomes

Hi, guys. So I'm going back to the blackout period. When do you anticipate the next time will be that you are not blocked out from buying shares?

Rich Mohr

We're moving into—the first quarter is now over with. So we've moving into earnings release for the second quarter. When we get to the middle of May time frame we'll obviously address that.

Mark Gomes

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Okay. Would you like to be buying shares at these levels?

Rich Mohr

I can't—that's not something I can communicate on.

Todd Oseth

One thing I would like to comment on is that we don't see a lot of Ferraris or Porsches in our parking lot here. So we're not talking about a lot of people that have a lot of disposable money at this time. Even if they have a big desire they may not have the resources in order to buy.

Mark Gomes

Yeah. So what puts management's personal financial alignment in line with that of investors?

Rich Mohr

Well, I think our Board acknowledges that the more management is invested—and we all are invested; I mean I've got stock with a basis of \$5 a share—and so they understand that as our shareholdings increase that we obviously are aligned with the investors that are out there.

I know Todd and I both in our early years of our employment here, portions of our compensation were based on stock. I don't think that the compensation structure of this company is really much different than any other public company out here in how the Board will address it.

Todd Oseth

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So we do have options that go out to management, as well as other employees. And it's in their best interest to make the stock rise, even though that any one person doesn't have the ability to that.

Mark Gomes

Right. And just as a reminder, when's the next award date for options or other types of awards?

Rich Mohr

We don't have anything set particularly at this point.

Mark Gomes

Okay. All right. Getting back to operations, you're familiar with IGN FI. What do you perceive the role of them to be? It's strongly suspected by many that they have also signed an agreement with your SDI customer. What is your relationship between—with IGN? And what might be your impression, if any, with regard to their participation in the customer country?

Todd Oseth

Okay. Great. I mean first, IGN is a customer of ours. They purchase data from us. Second, the governments between France and this country work together continuously and have for tens of years. So it's not uncommon for them to work together.

Specifically what I think you're referring to is a contract that was recently let. And that contract that was let is really an educational contract so that the country knows how to work with

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geospatial content. It is not about putting in the SDI. It's about how do these different ministries take advantage of having geospatial data.

Mark Gomes

Okay. So it sounds like this would be a complementary contract that could potentially...

Todd Oseth

Absolutely.

Mark Gomes

Lead to more business for you guys as the government starts to understand the ways they could use the data.

Todd Oseth

In fact so complementary that if we would have had the money, I would have liked to let the contract to let them do that.

Mark Gomes

Okay. Is the SDI as currently written considered to be the entirety of the business that you would anticipate to get from this customer? Or was there something about the contract process that left business on the table?

Todd Oseth

So there's quite a bit of business on the table. And this is where we hope that the IGN is very successful in getting the Ministry of Human Resources to the Ministry of Mining to the Ministry

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of Transportation wanting more and more actionable results. Because every time they request a new IQ, there's professional services and software licensing that comes back to Intermap. So there's an undetermined amount of additional work.

Now we will train the local people to be able to do their own IQs, but initially there will be significant amounts of the additional work for different ministries to produce IQs that satisfy their specific problems.

Rich Mohr

And additionally, Intermap has other capabilities as well, capabilities other than what we have contracted with them for that, I believe, they are interested. I think I'm safe to say that they are interested in those capabilities as well.

No contract for those, but certainly other things outside of the IQs that...

Todd Oseth

Right.

Rich Mohr

We can do as well.

Mark Gomes

Okay. And so how do you feel about the defensibility of your business relative to an IGN saying and we can help you actually execute against those things? Because it sounds like you want

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to—you're going to obviously want to be developing these IQs and other aspects. How do you feel about your defensibility there?

Todd Oseth

We'll, first, our SDI is a set of APIs that we have gone—or I should say, Orion is a set of APIs we created. So we of course will be the best at utilizing them. IGN did bid originally to become the provider of the system and lost to us. So I'm quite confident that our capabilities, both from an acquisition standpoint and an infrastructure standpoint, are quite competitive in the industry.

Mark Gomes

Okay. So shifting to my stakeholder discussions, the customer is said to have trillions of mineral deposits, hundreds of millions of acres of arable land. People have been focused a lot on the acquisition of the financing from the standpoint of what it means to you folks, but what does it mean to the customer? And what does that say for the importance of the financing from their perspective?

Todd Oseth

Well, what it says to the customer, remember, is their currency by itself is not worth a heck of a lot. They end up having to use these minerals as their currency. So they want to be able to manage the extraction and conversion as rapidly as possible. So they're very incentivized to get this under control and managed as quick as possible.

What that means is that they...

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Mark Gomes

And what does...

Todd Oseth

Go ahead.

Mark Gomes

No, no. Go ahead.

Todd Oseth

No, I was going to say what's at stake for them is that that ability to generate good hard currencies from their minerals so that—I mean that goes directly to their GDP and their value to the rest of the world. And then also there's actually a people side of things. It helps them further develop their nation so that more businesses will come in, which generate more taxes, which ends up becoming a better place to live for the people in that country.

Mark Gomes

Gotcha. And then looking at the prime contractor, what's at stake for them? What's in it for them? What's at stake for them?

Rich Mohr

We—this is kind of a misconception out there, Mark. When we announced our contract, that's the contract between us and the contracting party, the project manager that's in the middle

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of this. Okay? We do not know what the value of the contract between them and the government is, right?

So I would assume that—that they are in line to make a significant amount of return on this project as well.

Todd Oseth

So they make it on this project as well...

Mark Gomes

Okay.

Todd Oseth

As they will back in trying to take advantage of the infrastructure so that this becomes a continuous recurring revenue for them too.

Rich Mohr

And they are the experts on the ground in-country. I would assume this will generate significant other types of business for them as well.

Mark Gomes

Mm-hmm. And are you aware of any vested interest that they currently have in place that would immediately benefit from this?

Todd Oseth

We're not aware of that.

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Mark Gomes

Okay. Let's see. I'll let somebody else ask questions, and then I'll put my final round in after that. Thanks.

Todd Oseth

Okay. Great.

Operator

Your next question is from Sean Callaway from Greenwave Capital.

Sean Callaway — Greenwave Capital

Hey, guys. With regard to the potential restructuring or elimination of the royalty, I know it's kind of beating a dead horse here, but is there a specific goal that needs to be met or a hurdle that needs to be cleared from an Intermap incoming business perspective in Vertex's eyes, before significant progress to be made on eliminating that or restructuring that. For instance, I don't think they would want to restructure prior to the initial financing for this SDI. But is there any sort of hurdle that you guys can discuss?

Rich Mohr

No.

Todd Oseth

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Not that we're aware of. Yeah. I mean our goal is, of course, to get rid of it as quick as possible. But as I stated before, our business generates significant margin so that we're an attractive business even with the royalty.

Rich Mohr

Just...

Sean Callaway

Got it. Okay. I just heard you guys say that all options are on the table over the years to come, so I was just trying to get a better feel for the time line there or any goals or milestones. Thanks, guys.

Rich Mohr

Okay. Thank you.

Operator

As a reminder, to ask a question, press *, then the number 1 on your telephone keypad.

The next question is from Mark Gomes from Pipeline Data.

Mark Gomes

That's an indication we might be near the end here, my friends. It's just a matter of how many questions I have left. I'll keep that to myself.

In all seriousness, looking at and going back to the insurance questions, you mentioned water in there and that kind of talks to the flood capabilities. And that poses Swiss Re; brings them

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to mind for me. Are there any nonobvious benefits of the relationship that you have with Swiss Re? Maybe you can walk us through some things that are possible beyond what we might already know from your press release there?

Todd Oseth

So one nice thing, water in our opinion is worth more than any mineral that you can extract from the earth. So there's good water and there's bad water, and there's money to be made on both sides.

So if you're a mining company, all mining requires water in one way or another. So you need to be able to get water into the mines. And just as importantly is you need to be able to scrub water as it leaves the mine so it doesn't end up affecting other people. Those two additional sources are further insurance-related opportunities, right? Because they become liabilities if you start putting dirty water into other people's drinking water. So as we get more and more involved with water-related activities, the amount of different projects that we can start to get involved with with insurance agencies and others is exponential.

Rich Mohr

And it's worldwide.

Todd Oseth

And you can imagine that this is extremely important in Southeast Asia. I mean we've got countries where they flip back and forth between drought and flooding multiple times per year; not

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even per generation or anything. I mean we have a number of problems that are unbelievably large when it comes to dealing with water and then the protection of it.

In the United States, as people know everything west of the Mississippi is controlled and is managed in one fashion. Everything east of the Mississippi is managed in another way. So the more that we get smart on water the more opportunities we have. And InsitePro is in the centre of all of that.

Mark Gomes

Okay. Along that line, I think you mentioned that the prospective customers trial the products up front. If that's accurate, let me know. And if so, what's your experience to date with regards to sale conversion and what could we expect along those lines, feedback that you're getting from the pipeline, things of that nature?

Todd Oseth

So right now, as you can imagine, we don't spend a whole lot of money on marketing at this time. So it's pretty much who we're able to dial into and start to get them involved with our product. So our conversion rate is quite high. Of customers that we get involved with that end up buying, it's probably north of 90 percent because—remember, the data that our system is based on is considerably more accurate than any of the other data that's out there. Our models are able to identify under- and over-insured locations. Both become opportunities for these underwriting agencies.

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Mark Gomes

Okay. And can you give us some—at least a qualitative sense as to what the size of the pipeline is at this point of potential customers that are trialling the product?

Todd Oseth

Boy, that's a little bit more difficult. I mean it is a subscription. Okay? And as we convert more—and much of our software is a subscription—converting it, we then have to take it on a monthly basis from the subscription. So the overall revenues are divided by 12.

So to give you an exact number...

Mark Gomes

Yeah.

Todd Oseth

We don't have a specific number. We see an opportunity of tens of millions of dollars over the years to come just in one product.

Mark Gomes

Is that an annual opportunity? Or a total?

Todd Oseth

Annual.

Mark Gomes

Okay. And that would be recurring of course?

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Todd Oseth

Yes.

Mark Gomes

Okay. So on the numbers front, in your industry what is kind of the typical operating margins of most of the companies in your industry?

Rich Mohr

Everybody does it a bit different.

Todd Oseth

Yeah. I mean, again, I wish there was a specific rule in the world of finance of how they have to calculate their margins. One, you could look at DigitalGlobe, who actually have some attractive operating margins. They're clearly 55 to 65 percent.

Rich Mohr

But that's a very CapEx highly laden company.

Todd Osseth

Yeah.

Rich Mohr

Yeah.

Todd Oseth

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So each one's—I mean that's a very difficult question to answer because airplanes flying around are different than satellites. So if you're a LiDAR company that's doing acquisitions you do have airplanes, but you typically don't have jets. And you don't have the same kinds of maintenance costs associated with it.

Rich Mohr

And if you're a satellite company you typically—the only way that you can be in business is if you have large governmental contracts that support you, which typically create large margins just because of those relationships. So there's a lot of moving parts.

Mark Gomes

Okay.

Todd Oseth

We...

Mark Gomes

If you look out two or three...

Todd Oseth

Go ahead.

Mark Gomes

If you look out two or three years, can you give us a sense as to what your kind of operating margin target might be? It's kind of typical for companies that a lot of public companies

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give an operating margin model, even a 10, 20, 40 percent range in terms of what you'd like to target for operating margins in the next couple years?

Rich Mohr

Let me just kind of hit it from a different perspective, Mark, and you could put it from there. I think from a gross margin, not an operating margin perspective, we're always looking to be able to pull at least 50 percent margins. We have a relatively scalable operation.

So from an operating expense standpoint we're not a huge expenditure company when it comes to that. So ultimately it should produce some pretty good operating margins when it's all said and done.

Mark Gomes

All right. So on that...

Rich Mohr

Certainly in the double-digits.

Mark Gomes

Mm-hmm. And on the operating side, as you scale the business up you mentioned that you have some leverage in the operations. Approximately what percent of revenue would you expect would go incrementally into operating expenses?

Rich Mohr

We don't—we're not—I don't have that number for you.

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Todd Oseth

Yeah. I mean as things forward...

Mark Gomes

Okay.

Todd Oseth

More and more software will be part of our mix. And that software changes things dramatically.

Mark Gomes

Right. Okay. Let's see, just a few more housekeeping items. We've already talked if there's a \$12 million hit to the balance sheet you guys will press release that. If project financing or other sort of things fall through will you also press release that?

Rich Mohr

Well, of course. We have to.

Todd Oseth

Of course.

Mark Gomes

Okay. So we can—yeah. We can assume that there's been no change one way or the other, unless you put out a press release?

Rich Mohr

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Correct. That's correct. My comment is no news does not necessarily mean that there is nothing going on. It means that there's a lot going on. We just don't have anything that's press releasable at the time.

Mark Gomes

Right. Right. Exactly. Can you assign any probability that there can be a reversal or partial reversal of the impairments that occurred back in Q4 of 2010 and Q4 of 2013? You currently hold zero book value for that. What do you perceive the fair value of that might be at this time? That was like a \$60 million total impairment.

Rich Mohr

Our off-balance sheet assets for our database?

Mark Gomes

Yeah.

Rich Mohr

We always say the value of that data is commensurate with what the user is on the other end. So there's certain users that put a great—a very high value; others not. So trying to put an exact value on that is virtually impossible.

And you have to understand, we wrote off that database. There's—virtually every other business out there in the geospatial world expenses that data when it's created. They never

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capitalize it. And when we wrote it off it was to be consistent with the industry in general. And so is there a value, an off-balance sheet value to the database? Yeah, there really is.

I mean it cost us \$120 million plus to create it. To put a value on it? I can't do that.

Todd Oseth

So to further what Rich...

Mark Gomes

Go ahead.

Todd Oseth

Just further to what Rich is saying there is that remember that the data is used from everything from orthorectification, just making sure that images are accurately positioned on the Earth's surface, to then looking at what is—the data itself is really not the question. It's the applications that the data services, right?

Mark Gomes

Mm-hmm.

Todd Oseth

So if all of a sudden you're doing—what is it worth to an insurance company to be able to identify 30 percent more clients because they have an accuracy for their flood modelling, it depends upon the insurance claims. I mean it could be worth \$10 million; it could be worth hundreds of millions of dollars.

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Mark Gomes

Gotcha. So the data was collected a long—quite a while ago. Is there kind of from a practical standpoint a depreciation in the value of the data before it has to be regenerated?

Rich Mohr

Well...

Todd Oseth

Go ahead.

Rich Mohr

Sorry. I mean sure. We always say that the Earth's surface really doesn't change that much. Where it changes is in urban corridors, and we call it the donut around cities. That's where it changes the most.

But I'm looking out the window here at the snow-capped Rocky Mountains, and I can tell you right now since the time we captured that data to where it is now I'm pretty sure they haven't moved. They haven't changed much. So there is continuing value in small pieces.

I mean we would never deploy our Learjets to fly a donut around the City of Denver, as an example. That's not economical. You would never do it. If you wanted to have specific pieces like that you probably would enlist a small little LiDAR aircraft, or try to work with 3D imagery that comes from satellites.

Todd Oseth

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But what's kind of cool is that we can update our database with other technologies that are acquiring data on a more regular basis. So for instance, we can update our elevation models from satellite that may be taking pictures on a monthly, quarterly, half-a-year basis.

Rich Mohr

That's kind of the beauty of our...

Mark Gomes

Gotcha.

Rich Mohr

Sensor agnostic approach. I think unlike just about any other geospatial company that has a sensor, we don't believe that ours is the end-all. We believe that all of them have value in one way, shape, form, or another. And when we provide it to our customers we will provide them the best solution that works.

Mark Gomes

Gotcha. Final question: can you provide some insight as to why there might be some areas of Central America that are mapped to 5m and portions of the Republic of Congo mapped to 5m in the southern block of the country along the border?

Todd Oseth

When you say 5m, are you referring to posting of 5 metres?

Mark Gomes

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Right.

Todd Oseth

Okay. It all depends upon when they've requested data and what the technology is available at the time.

Mark Gomes

Okay.

Rich Mohr

I mean we deal with other countries that have a lot of what's LiDAR data. And LiDAR theoretically if it's done right is more precise than our IFSAR data. But we deal with a lot of other countries that have a lot of LiDAR data that's worthless; it cannot be used.

So it's one thing...

Mark Gomes

Right.

Rich Mohr

To have data; it's another thing to have quality data and how you manage it. What we bring is the expertise of being able to manage that data.

Mark Gomes

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Fantastic. No, thank you for indulging me on so many questions. It was representative of a number of participants that would have otherwise asked the questions. So hopefully next time we won't have so many, but thank you for the generous allotment of time. Talk to you soon.

Todd Oseth

Thank you for the questions. We want to make sure people are clear.

Rich Mohr

Yeah. This was a good session. Really appreciate it from our investors.

Operator

Your next question is from Tom Whitford from Intermap (sic).

Tom Whitford

From Intermap? Okay. First of all, I don't work for you guys. Somehow that's like a mistake or whatever.

Rich Mohr

Tom, I didn't recognize you.

Tom Whitford

Okay. Well, I don't work there, or at least I don't yet. And anyways, I wanted to apply for a job; I'm totally kidding. Anyways, okay, skipping all this crap, I know you guys are operating on a shoestring budget. Do you guys perceive this to be an issue before receiving your first payment on the SDI?

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Rich Mohr

We've been—we obviously don't give projections in this company. And we've been pretty lucky to have had the other parts of our business be pretty successful through the end of last year and into this year. And so we're obviously living off of that cash at this time.

Tom Whitford

Okay. And how much cash is that?

Rich Mohr

That's not something I can communicate. Sorry.

Tom Whitford

Okay. All right. Thank you.

Todd Oseth

Thank you.

Operator

There are no further questions at this time. I will turn the call back over to you, Mr. Oseth, for closing comments.

Todd Oseth

Great. Well, thank you. And again, we love the discussion. We'd like to see a lot more of this.

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I would encourage all of our investors to spend a little time on the United Nations website where they've just recently published a second edition of the need and the demand for spatial data infrastructures. You will see why we are quite excited about being a leader in this space.

It's not something that you can hold lightly. Countries need it in order to be successful in order for them to grow, and be considered less risk for other types of industries.

Again, I appreciate all of your patience with the Company. We're doing the best we can, and we'll continue to push hard on the recently announced SDI and more to come.

Thank you again. Have yourself a great day. Bye bye.

Operator

This concludes today's conference call. You may now disconnect.

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