



**INTERMAP TECHNOLOGIES CORPORATION**  
**ANNUAL INFORMATION FORM**  
**YEAR ENDED DECEMBER 31, 2015**

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## FORWARD-LOOKING INFORMATION

In the interest of providing the shareholders and potential investors of Intermap Technologies<sup>®</sup> Corporation (“Intermap” or the “Company”) with information about the Company and its subsidiaries, including management’s assessment of Intermap’s<sup>®</sup> and its subsidiaries’ future plans and operations, certain information provided in this Annual Information Form (“AIF”) constitutes forward-looking statements or information (collectively, “forward-looking statements”). Forward-looking statements are typically identified by words such as “may”, “will”, “should”, “could”, “anticipate,” “expect,” “project,” “estimate,” “forecast,” “plan,” “intend,” “target,” “believe,” and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions that Intermap considers to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking information contained in this AIF is based on certain assumptions and analysis by management of the Company in light of its experience and perception of historical trends, current conditions and expected future development and other factors that it believes are appropriate.

The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) there will be adequate liquidity available to the Company to carry out its operations; (ii) the continued sales success of Intermap’s products and services; (iii) the continued success of business development activities; (iv) there will be no significant delays in the development and commercialization of the Company’s products; (v) the Company will continue to maintain sufficient and effective production and software development capabilities to compete on the attributes and cost of its products; (vi) there will be no significant reduction in the availability of qualified and cost-effective human resources; (vii) the continued existence and productivity of subsidiary operations; (viii) new or expanded products and services will continue to be added to the Company’s portfolio; (ix) demand for geospatial related products and services will continue to grow in the foreseeable future; (x) there will be no significant barriers to the integration of the Company’s products and services into customers’ applications; (xi) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements, and (xii) superior technologies/products do not develop that would render the Company’s current product offerings obsolete.

Intermap’s forward-looking statements are subject to risks and uncertainties pertaining to, among other things, cash available to fund operations, availability of capital, project finance facilities, nature of government contracts, revenue fluctuations, economic conditions, loss of key customers, retention and availability of executive talent, competing technologies, common share price volatility, loss of proprietary information, software functionality, internet and system infrastructure functionality, information technology security, breakdown of strategic alliances, and international and political considerations, including but not limited to those risks and uncertainties discussed under the heading “Risk Factors” in this AIF and the Company’s other filings with securities regulators. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company’s future course of action depends on Management’s assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking

statements made in this AIF, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

***UNLESS OTHERWISE NOTED, ALL DOLLAR OR "\$" REFERENCES IN THIS AIF ARE EXPRESSED IN UNITED STATES DOLLARS.***

## **CORPORATE STRUCTURE**

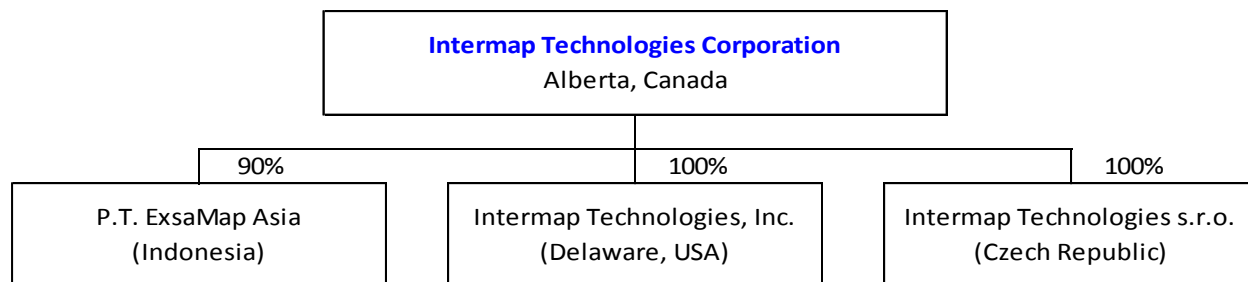
Intermap Technologies Corporation ("Intermap" or the "Company") was formed through the issuance of a Certificate of Amalgamation under the *Business Corporations Act* (Alberta) on February 25, 1997, as Intermap Technologies Limited. The Company changed its name to Intermap Technologies Corporation and consolidated its Class A Common shares (the "Shares" or "Common Shares") on a 12.5-to-one basis by Articles of Amendment filed on May 25, 1999.

The head office of Intermap is located at 8310 South Valley Highway, Suite 400, Englewood, Colorado, USA 80112. Its registered office is located at Suite 1000, Livingston Place West, 250 – 2<sup>nd</sup> Street SW, Calgary, Alberta Canada, T2P 0C1.

Intermap has three active, wholly-owned subsidiaries: Intermap Technologies, Inc. ("Intermap U.S.A."), a corporation formed under the laws of Delaware, with its head office located in Englewood, Colorado; Intermap Technologies s.r.o. ("Intermap s.r.o."), a corporation formed under the laws of the Czech Republic with its head office located in Prague, Czech Republic; and, one majority-owned subsidiary, P.T. ExsaMap Asia, formed under the laws of the Republic of Indonesia.

Intermap U.S.A. satisfies a United States federal government requirement that a United States entity own certain of the technologies used by Intermap. Intermap s.r.o. provides software development services for the Company. P.T. ExsaMap Asia provides geospatial data processing services primarily for the Company's mapping services operations. The Company actively conducts business through Intermap, Intermap U.S.A., Intermap s.r.o, and P.T. ExsaMap Asia.

The following chart illustrates the structure of the Company's subsidiaries and percentage of ownership.



## GENERAL DEVELOPMENT OF THE BUSINESS

### General History

Intermap was formed on January 31, 1996 and commenced active business operations on September 1, 1996. On November 11, 1996 the Company acquired all of the assets that had comprised the image mapping services division of Intera Information Technologies Corporation (“IITC”). On February 25, 1997, Intermap amalgamated with a junior capital pool corporation (effectively a publicly listed shell company) listed on the Alberta Stock Exchange (now the TSX Venture Exchange).

The assets acquired from IITC included cash and cash equivalents, employees, contracts, software, equipment, and goodwill. On November 11, 1996, Intermap acquired the rights to certain digital mapping technology under a Transfer, Assignment, and License Agreement (the “ERIM Agreement”) among Intermap, Environmental Research Institute of Michigan (“ERIM”), and Intermap U.S.A.

Historically, Intermap was primarily a mapping services company. Over the past five years, the focus of the Company has changed and Intermap now considers itself a leading provider of geospatial solutions. These solutions are focused on improving the way commercial entities, governments, and individuals use geospatial related information.

The Company’s geospatial solutions are created from a multitude of internally generated and publicly available data sources. Using a combination of Intermap’s proprietary radar data collection technology, third-party sensors, and other available geospatial related information, the Company aggregates this information and creates a diversified database of location-based information. This database is the foundation for the Company’s 3D business intelligence (“3DBI<sup>®</sup>”) software solutions created to help meet the geospatial-related needs of its customers.

In the coming year, the Company expects to expand its geospatial solutions capabilities through its Orion Platform<sup>®</sup> – a geospatial Platform-as-a-Service (PaaS) product that derives answers for customers through sophisticated software analytics. The key elements of the Orion Platform include:

- **3DBI:** Analytics based software-as-a-solution (“SaaS”) applications driven by Intelligent Inquiries (“IQ’s”) for both geographic information systems (“GIS”) and non-GIS users
- **Infrastructure:** Network based software delivered in both platform as a service (“PaaS”) and traditional local licenses
- **Foundation Data:** Seamless, off-the-shelf, high resolution elevation and image data
- **Data Analysis and Visualization:** Customer driven IQ’s that provide easy to use geospatial answers for non-geospatial experts.

### 2013

In June 2013, Intermap announced the official launch of its Orion Platform, a product that the Company believes is the industry’s first geospatial Platform-as-a-Service (PaaS) product. The Orion Platform is designed to allow governmental entities and enterprises around the world to manage their entire spatial data infrastructure (“SDI”) programs from one unified control point. The Orion Platform was created to help governments and enterprises manage their increasing use of geospatial data in infrastructure planning, weather related risks, agriculture, excavation, national security, and much more.

In July 2013, Intermap introduced AdPro v3.0 for Media Buyers, a SaaS based application specifically designed for creative agencies and media buyers to evaluate the advertising potential of Out-of-Home advertising locations. The software application allows for valuable information to be rapidly extracted from fused layers of data in Intermap's geospatial database enabling an advertising agency to understand and measure the drivers of a successful location-based advertising campaign including area demographics, proximity to points of interest, traffic analysis, exposure time, and viewing approach. This information can then be applied to the placement and value of static billboards, digital billboards, posters, city walls, bus shelters, urban furniture, shopping malls, retail locations, sports arenas, concert venues, and street corners.

In August 2013, Intermap announced the availability of World 30 v2.0, a product that the Company believes is the world's most accurate complete global terrain product. This version of the Company's World 30 product is up to three times more accurate than competing global Digital Elevation Models ("DEM") such as SRTM data and ASTER Global Digital Elevation Model ("GDEM"). It integrates seamlessly with Intermap's Orion Platform and provides a foundation data layer for the Company's web-based 3DBI applications. World 30 v2.0 removed errors native to the ASTER GDEM v2 data in over 3,000 one-degree tiles north of 60 degrees latitude. Additionally, the overall vertical accuracy of v2.0 was improved by over 10-centimeter to a Root Mean Square Error ("RMSE") of just 7 meters globally.

## **2014**

In May 2014, Intermap announced the launch of InsitePro, a SaaS based IQ product. This application was created to visualize and analyze location-specific risk caused by natural catastrophes. The product can provide property and casualty carriers, insurance brokers, enterprise risk managers, and government agencies with a tool to evaluate locations one-by-one, or thousands at a time via unique risk models and analytics. InsitePro accesses Intermap's WorldFlood™ model, which can forecast uniform flood coverage anywhere in the world.

In June 2014, Intermap announced the commercial availability of GeoPro™, a product created to normalize geospatial data that can aid in big data decision making. GeoPro allows users, both novice and geospatial experts, to turn disparate geospatial data into simple to use information. The application can provide enterprises and governments with easy access to their geospatial and non-geospatial data via a web service or web portal without regard to the data's source or original file format. GeoPro incorporates a multi-touch display that can allow users to control terabytes of data from a tablet or laptop. GeoPro is now part of the Company's Orion Platform.

In September 2014, Intermap announced the launch of AdPro v3.2 which can provide media planners, buyers, and owners with a method to turn big data into advertising decisions. This version of AdPro gave users the ability to analyze market-level campaigns using Traffic Audit Bureau (TAB) ratings for reach, frequency and impressions to quickly pinpoint a select audience. AdPro v3.2 allows users to evaluate and select the best locations for their out-of-home advertising campaigns by offering integrated access to standardized TAB ratings. The TAB out-of-home ratings are considered to be standardized, quantitative and reliable – providing exhaustive demographic information across the entire United States.

In October 2014, Intermap announced the release of InsitePro v2.2. This version included a new Underwriting Module that provides property insurance underwriters with a means to evaluate individual locations for flood risk and other perils, globally.

In November 2014, Intermap announced the availability of InsitePro for Pipelines — a customized version of InsitePro, the Company’s natural catastrophe risk management IQ software. InsitePro for Pipelines was created specifically for hazardous liquid pipeline operators throughout North America, enabling risk-based decision-making and improved environmental and regulatory compliance by providing immediate, up-to-date, simple access to geo-hazards and high consequence areas (“HCAs”). HCAs are defined by the Pipeline and Hazardous Materials Safety Administration (PHMSA) as an industry standard for ensuring pipeline operators have accurate information on areas that require special management practices. These include population, commercially navigable waterways, ecologically sensitive areas and locations that house public drinking water reserves. The Company believes InsitePro for Pipelines is a solution that can support numerous strategic business decisions that incorporate risk such as network expansion or contraction, integrity management assessment and maintenance, or volume decisions. In addition, InsitePro for Pipelines includes Intermap’s flood and wildfire risk information, which can be a tool for companies operating hazardous liquid pipelines.

The Company closed a \$5.0 million financing in February 2014 to accelerate the development and market introduction of its InsitePro and GeoPro 3DBI software products for governments, enterprises, and consumers. The Company also closed \$1.0 million of financings in December 2014 to address its working capital needs.

## **2015**

In March 2015, Intermap announced the release of a new version of its InsitePro software to include risk scoring functionality. InsitePro is an IQ product based on the Company’s Orion Platform. Risk scoring provides a more complete view of location-based risk than a simple flood or earthquake zone can, allowing InsitePro to automate complex risk assessment for insurance underwriters. This risk scoring allows users to combine flood and other perils, along with Intermap’s proprietary terrain data and the users own information, such as claims history and accumulation, to deliver location-specific scores that are based on the best information available. Insurers who underwrite flood can combine multiple flood models with heights above river levels together with their own loss histories to create a single score based on the most relevant and complete information available to them. Those responsible for risk accumulation and reinsurance can create scores based on IQ’s which use custom accumulation zones and policy information to understand exposure. Combining location risk with exposure can create customized aggressiveness measurements that can drive pricing. Properties exposed to multiple perils, such as flood, earthquake, or wildfire, can be scored to aggregate the different perils into a single risk score.

In June 2015, Intermap announced the release of its World 10™ Digital Elevation Model (DEM) product. World 10 is the only global digital elevation model available that incorporates the consistency of radar with the resolution of optical. It leverages the best of each technology and builds on Intermap’s World 30 offering. World 10 combines the best of ASTER and SRTM data, for a higher resolution and more accurate product, by leveraging its patent-pending data fusion technologies. This fusion has led to higher spatial content of the final DEM. World 10 also contains upgraded coastal behavior and improved accuracies due to enhanced ICESat processing of land and water boundaries.

World 10 can be used for diverse applications such as orthorectification, preliminary site engineering, and regional flood modeling.

In June 2015, Intermap announced that a consortium was issued a governmental letter of award for the creation, operation and maintenance of a national spatial data infrastructure (SDI) program. The scope of work for the initial SDI implementation phase was valued at greater than \$125 million. Under the letter of award, the Company would also provide an operation and maintenance module valued at greater than \$50 million for an additional 18-year period. The twenty-year SDI program would be administered within a public-private-partnership (PPP) framework under a build-operate-transfer (BOT) model, with the Company serving as the prime contractor, on a turnkey basis. The sovereign client intends to use the Orion Platform for the planning, development, and management of national interests, including natural resource exploration and production, environmental protection, land administration, telecommunication, transportation and power networks, defense, and homeland security. The SDI program would include nation-wide data acquisition, utilizing the Company's proprietary Interferometric Synthetic Aperture Radar (IFSAR) technology, alongside satellite imagery and selective Light Detection and Ranging (LiDAR) coverage. The award was subject to the entry into definitive agreements giving effect to the tender terms and conditions, including a project finance facility agreement. The commencement of this program is expected during 2016 and could have a positive material impact on the financial performance of the Company during the term of the program.

In January 2015, Intermap announced that it completed a debt financing for US\$0.5 million. The proceeds of the debt financing would be used by the Company for general operating purposes.

In February 2015, Intermap announced a US\$7.3 million debt financing with Vertex One Asset Management ("Vertex") of Vancouver, BC. As additional consideration for the debt financing, the Company entered into a royalty agreement with Vertex, pursuant to which the Company agreed to pay Vertex a 17.5% royalty on its net revenues. Under the terms of the financing, Vertex assumed the obligations of an outstanding \$5.0 million note (plus accrued interest of \$800,000), which was issued in February 2014, and became due in February 2015. Vertex subsequently retired the February 2014 note obligation.

In April 2015, Intermap announced that it had completed two debt financings with Vertex in the amounts of US\$1.5 million, and US\$2.5 million, respectively. Under the terms of the first financing, Vertex retired an outstanding \$0.5 million note, which was issued in December 2014, and became due in March 2015. The proceeds of the debt financings would be used for general corporate purposes.

In July 2015, Intermap announced that it had completed a US\$3.0 million debt financing with Vertex. The proceeds of the debt financing would be used in the preparation phase of its SDI activities and for general corporate purposes.

## **DESCRIPTION OF THE BUSINESS**

### **General Overview**

Intermap is a global geospatial solutions company, creating a wide variety of products, services, and analytics from its software and extensive geospatial database. The Company uses its internally generated 3D digital elevation models, together with aggregated third-party information and data (both static and real-time), to create geospatial solutions for its customers. These geospatial solutions are used in a wide range of location-based information applications including, but not limited to, wireless



communications, transportation, outdoor advertising, 3D visualization, “big data” file management, GIS, engineering, military, aviation, terrain simulation, utilities, global positioning systems maps, base mapping, insurance hazard risk modeling and analysis, oil and gas, renewable energy, environmental planning, natural resource management, land management, water management, forestry, and agriculture. Intermap’s solutions are also used to improve the positional accuracy of airborne and satellite images.

Intermap has the ability to create its own digital 3D geospatial data using its proprietary radar technology mounted in a Learjet aircraft. The Company has two radar-equipped aircraft, which provide operational flexibility related to geographical location of data collection. Intermap’s radar-based technology allows it to collect data at any time of the day, including cloud cover or darkness, which are conditions that limit most competitive technologies. The radar technology also enables data to be collected over larger areas, at higher collection speeds, and at accuracy levels that are difficult to achieve with competitive systems. Once the raw digital data is collected, it is then processed to create three different geospatial datasets: digital surface models, digital terrain models, and orthorectified radar images (similar to a black-and-white photo). These datasets can then be further processed and/or aggregated with additional data to create value-added products for the customer. The Company currently uses third-party data in selected areas to enhance the edit process used in the creation of its geospatial datasets. Certain third-party data is, and is expected to be made available to the Company on a no-charge basis. When third-party data is not available on a no-charge basis, a royalty for the use of such data is typically paid by the Company to the provider.

Unlike other geospatial companies, Intermap often retains ownership of its data and licenses the use of its products and services to its customers. Through its product offerings, Intermap is striving to become the premier worldwide provider of geospatial solutions. Intermap currently has 3D geospatial data commercially available worldwide.

The Company believes the value of geospatial content is in its IQ and platform based software applications. To help grow this value base, the Company continues to expand its web-services offerings that allow its products and related location-based information to be accessible via the “cloud” or behind a customer’s firewall in a “private cloud” environment. These web-services offer a suite of hosted tools that gives even those unfamiliar with GIS the ability to quickly and easily perform geospatial analysis based on an area of interest such as a land development site, flood plain, urban corridor, transportation system, city, county, state, or even an entire country. Users of the Company’s IQ and platform based applications, together with its geospatial database, can access information using their current web browsers and/or through popular desktop GIS software applications. The Company believes its aggressive pricing strategy makes the purchase of its products and services attractive and affordable to a wide array of potential users.

Over the past several years, the Company has been actively transitioning its geospatial database from primarily an internally created radar only dataset to an aggregated dataset of radar-derived data and third-party data collected by multiple sensor technologies, including light detection and ranging (“LiDAR”), photogrammetry, satellite, and other available sources. The Company has many years of experience aggregating data derived from a number of different sensor technologies and data sources, and believes it is among the first to commercialize broad access to this combined data and information. The Company disseminates the geospatial data to customers through a low-cost, web-based delivery mechanism, allowing for a rapid and economical means of distributing “big data” location-based information. In addition, the Company is combining its mapping services capability and geospatial

database, together with its software application development capability and system integration expertise, to create spatial data infrastructure (SDI) environments for its customers referred to as the Orion Platform. Customers of the Orion Platform environment can be as small as a company, to as large as an entire country.

All of the Company's data production is controlled and managed through Intermap's ISO 9001:2000 quality management system. The majority of the data production is carried out in-house, although Intermap has available alternative suppliers who can provide additional capacity on an as-required basis.

The Company sells/licenses its products and services to customers either on a fee-for-service contract basis or through perpetual or time based licenses. Intermap is able to license certain of its mapping data multiple times to different customers within the same market and across different markets. The Company distributes its products and services through direct sales, channel partners, OEMs, and distributor arrangements, both domestically and internationally.

## **Summary of Products and Services**

### **Geospatial Products and Services used to provide Answers Now™**

**Spatial Data Infrastructure (“SDI”)** – An SDI is the combination of several components, all working together, to allow people across governments, organizations, and the general public to analyze and share geospatial data and solutions. The key components of an SDI include technology, policies, people, processes, and resources – collectively working together in acquiring, processing and delivering geospatial answers. When designed and implemented well, an SDI can facilitate economic development, infrastructure growth, security, and safety to a nation. Further to this, an SDI can drive the creation of a comprehensive national base map and an integrated geospatial data operating environment.

The Company believes that an SDI can be essential to the successful completion of major infrastructure projects and economic growth in developing nations, and can enable projects such as fiber optic telecommunications lines; expansion of hydroelectric power and build out of the power grid; planning and building of new roads and railroads; expansion of mining and hydrocarbon exploration; national security; tax revenue growth; and protection of the environment.

An SDI project can support governments with the creation of a comprehensive, three dimensional (3D) digital infrastructure that can be used to model and plan for a number of infrastructure, economic, and catastrophic circumstances. An SDI can enable multiple government and commercial uses, and can provide actionable economic related decisions in the areas of natural resources exploration (agriculture, forestry, hydroelectricity, mining, oil and gas), environment, education, transportation, communications, health, and security.

An SDI can also provide the analysis and dissemination of information for government agencies to proactively respond to identified needs of major development projects. A strong SDI originates with a foundation of accurate digital geospatial layers, real-time analytics, and location-based answers, all of which are available through Intermap's products and services.

**Orion Platform** –The Company believes that commercial enterprises and governments worldwide are increasingly using geospatial and location-specific data to manage infrastructure risks, protect

against weather related disasters, perform agricultural planning, provide urban development insights, optimize energy exploration, and improve national security, to name a few. The Company also believes that the number of experts that use established geospatial information systems (GIS) is insufficient to support widespread growth of location based answers. Intermap's Orion Platform was envisioned to meet this need by allowing business and administrative personnel the ability to obtain answers they need from spatial data without the intercession of GIS experts. Orion Platform based software provides data management, spatial analytics, and visualization capability that serves the intersection of business analytics with GIS. Intelligent Queries ("IQ"), a feature of the Orion Platform, provides users with customized answers derived from spatial and location-based data at the push of a button.

The Orion Platform is a Platform-as-a-Service ("PaaS") offering that is delivered via a public cloud as a subscription service or via a private cloud installation for large governments or enterprises with data center facilities. The major advantage of the Orion Platform versus traditional GIS software is based on ease of use for the business user. Existing geospatial software is designed for experts to create and edit data sets, whereas the Orion Platform is designed for users to obtain information they can use in their daily jobs from spatial data. It also provides simple tools for users to combine various data sets (spatial and non-spatial) to uncover unique insights. Orion is accessed using a standard web browser allowing an organization to deploy the software rapidly. The Orion Platform was announced in June 2013 and has been, and will continue to be, under constant development for the foreseeable future.

**InsitePro** - The Company's geospatial database is foundational in Intermap's evolving web-based risk analysis application called InsitePro. This IQ application allows users to analyze, visualize, and present risk on thousands of locations against a variety of perils, including Intermap's WorldFlood™ and WildFire™ USA models. The application calculates risk by using the Company's geospatial information as a foundation for the aggregation of geospatial and satellite data, public records, and third-party datasets. With these data assets, risk can be analyzed and quantified for areas of any scale, from global portfolios or national initiatives, to a residential solution for a single, concerned homeowner. The Company's risk analysis application brings together risk models and datasets with a user's proprietary data in a clear visual environment. Large portfolios of locations can be imported, analyzed, inspected, and exported quickly and easily. These models and datasets can be evaluated against risk and exported, including their risk profiles, to easily integrate into workflows. The application is designed to provide users access to the most updated and current information supporting tactical decision-making. Additionally, users can create customized reports through configurable reporting functionality, enabling easy and clear communication between analysts and decision makers. This product was introduced in May 2014 and is undergoing constant improvement. A top ten global reinsurer is the anchor customer for the product. Initial follow-on sales have occurred and/or are in process.

**AdPro**® - An IQ application that is based on the Orion Platform application program interfaces (API's) and data that leverages off of the Company's geospatial database. The AdPro web application allows the out-of-home advertising industry to research, plan, market, and choose billboard and other outdoor advertising locations for advertising campaigns. The AdPro product is not just for static billboards, but is also designed to support mobile billboards and smart-phones. AdPro integrates key industry intelligence layers, including census and traffic data (speed and congestion information), into one convenient and easy to use web service. AdPro is aimed at media owners, to better manage and price their billboard and outdoor advertising locations, as well as media buyers, to find the best billboard and outdoor advertising locations for their advertising campaigns. The AdPro application is intended to facilitate better and more informed decisions for the outdoor advertising industry. This

product was introduced in June 2013 and is currently scheduled for a major upgrade during the 2016/2017 time period.

**Data Fusion Services** – The Company has developed elevation data fusion techniques that are unique in their ability to model systematic errors present in the individual datasets prior to merging/aggregation. This technique can be used to improve the combining of any elevation data. It is particularly effective when higher resolution data, such as LiDAR, is integrated into the Company’s consistent geospatial database removing any calibration errors, bias and planar tilts, where needed, further increasing the overall accuracy of the data. The combined improvements are applied to the full resolution LiDAR data, unlocking its full potential for government and large geospatial users. The enhanced LiDAR data may also be combined through fusion with the Company’s geospatial digital elevation models resulting in a consistent dataset through the incorporation of all available third-party data into the geospatial base layer. In a similar manner, building models can be fused into the geospatial dataset, further increasing value in large urban centers where radar is known to provide a less than optimal solution.

The Company believes that government and resource geospatial data managers have access to significant quantities of elevation data. Unfortunately, these datasets have often been collected with many different technologies, project specifications, and quality control parameters. This information, when viewed in total, can be inconsistent. As a result, it is difficult to implement key applications requiring seamless integration of multiple datasets, either due to the size of the region of interest, or analysis of temporal variation. The seamless elevation dataset that is created with the Company’s data fusion services can be ideal for maximizing investment in LiDAR, photogrammetric-derived elevation models, or geospatial data, and filling gaps in areas where available data is limited. Intermap introduced this service during 2014 and is performing these services on a relatively frequent basis for its customers.

**World 30** – This product is part of the Company’s geospatial database and provides seamless, surface elevation data with a 30-meter ground sampling distance affording more efficient geospatial analyses, especially in the cloud belt, and in the developing nations of the world. World 30 data was made available for the entire world in June 2012 and World 30 v2.0 was made available in August 2013. During 2015, the Company released v3.0 of this product. This latest version includes improved ICESat Filtering and newly developed Terrain Filter specifically engineered for high-amplitude noise reduction. The ICESat points are used to normalize all component datasets before fusion into the World 30 product. This allows for better control of the land and water boundaries, which can lead to improved coastal behavior and improved accuracies. Terrain Filter improves high-latitude regions of the dataset. The product has an accuracy starting at 5 vertical meters, and the Company believes the application can be used in industries such as telecommunications, forest management, aviation, engineering, energy exploration, environmental management, public works design, firefighting, geology, and city planning.

**World 10** – This product is part of the Company’s geospatial database and provides seamless, surface elevation data with a 10-meter ground sampling distance affording more efficient geospatial analyses throughout the world. World 10 data was made available for the entire world in June 2015. The dataset has increased spatial content and improved coastal regions over SRTM, not to mention improved polar-regions over World 30. World 10 is also available as a Digital Terrain Model (DTM) as a custom order. The product has an accuracy starting at 5 vertical meters, and the Company believes the application can be used in preliminary work in industries such as telecommunications, forest

management, aviation, engineering, energy exploration, environmental management, public works design, firefighting, geology, and city planning.

### **Radar Based Products**

The Company creates high-resolution geospatial data acquired directly using its own radar sensor IFSAR equipped aircraft. This product has a ground sampling distance of 5 meters and is the highest resolution and quality level of data produced by the Company and included in its geospatial database. The digital elevation models created from this radar sensor have a 5 meter posting and vertical accuracy of up to 50 cm in unobstructed regions with slopes less than 10 degrees. The image created from the radar sensor has been corrected to remove geometric distortions caused by the terrain and has a 0.625 meter resolution and horizontal accuracy of 3 meters.

Intermap's radar sensor systems create three core digital map products as follows:

**Digital Surface Model (“DSM”)** – a digital elevation model that measures the top surface of the earth and objects located on it. The DSM is derived from the radar hitting the top of objects or the “first-reflective-surface.” The DSM data includes vegetation, buildings, roads, and natural terrain features. Examples of DSM-related applications include line-of-sight calculations for cell tower placement, property development analysis, and military operations support. A DSM can also be used as a comparatively inexpensive means to improve the accuracy of cartographic products such as topographic line maps and road maps.

**Digital Terrain Model (“DTM”)** – a topographic model of the “bare earth.” A DTM is a DSM that has had vegetation, buildings, and other cultural features digitally removed, leaving just the underlying terrain. This is achieved using Intermap's proprietary software tools that create terrain elevations based on measurements of the ground contained in the original radar data. A DTM provides a geometrically correct reference frame over which other data layers, such as aerial photography and other types of images, can be draped. The DTM, coupled with surface analysis tools, supports applications such as the development of accurate topographic maps. The DTM is also a valuable component in analysis involving various terrain characteristics such as profile, cross-section, line-of-sight, aspect, and slope. Examples of DTM-related applications include flood modeling, agricultural land analysis, recreational GPS applications, Internet mapping, and automotive applications.

**Orthorectified Radar Image (“ORI”)** – a grayscale image of the earth's surface that looks similar to a black-and-white photograph. The ORI is derived from the intensity of the radar wave that is rebounded from the earth's surface back to the IFSAR radar system. The radar image is then processed using the DSM to remove the distortions that are inherent with any image collection process. This rectification process results in each pixel in the image being located in its correct geometric position. The ORI is typically used as the basis for extracting terrain features such as roads, trees, and buildings and for other mapping applications such as topographic line maps.

Using the above core products as foundation elements, Intermap produces additional mapping and image products for its customers tailored to customer-specific accuracy requirements, file formats, and coordinate systems. These products include:

**Custom contours:** enable the end user to perform profile analyses, elevation identification, slope modeling, or to create detailed maps. Because these contours are based on the Company's

geospatial database DTM, the Company is able to offer higher accuracy digital map products than traditional publicly available products.

**Terrain-derived hydrology datasets:** provides water bodies and double line drainages. With this dataset, the end user can perform more accurate flood, stream flow, and soil erosion analyses, and snowmelt runoff predictions.

**Terrain-derived coastline datasets:** represents coastal boundaries in the end users area of interest. The end user can use it in coastal GIS applications for more efficient and correct analyses.

**Slope maps:** represents the terrain's degree of slope. This is useful for quick and effective slope analyses of the terrain.

**Aspect maps:** displays the cardinal direction of the slope for effective terrain analyses. The aspect helps define the amount of sunlight striking the surface of the terrain.

**Hillshade images:** provides the end user with a more accurate and clearer visualization of the topography. It is well suited for hiking applications, site planning, presentations, and plotting.

## **Training**

Intermap provides training services to its customers. This training generates revenue and is used as part of the Company's overall marketing program to educate customers, suppliers, and partners about Intermap's products and services.

## **Business Model and Revenue**

Intermap believes its business model provides a competitive advantage. Any future competitors hoping to offer geospatial solutions on the same basis as Intermap will likely be faced with higher capital costs and a lower probability of success, as they will be competing for customers who are able to purchase products and services with immediate availability from Intermap. Additionally, competitors' products will not have access to Intermap's entire proprietary geospatial database that is used in the Company's 3DBI software applications. The large scale proprietary digital terrain data found in the Company's geospatial database uniquely permits other smaller scale datasets, such as those derived from LiDAR, which are often incompatible, to be reconciled with each other and integrated into a larger whole. The Company's geospatial database provides the consistent "base" for such enhanced data sets.

Intermap operates in one industry segment, digital mapping and related services, with four different classifications of revenue: Mapping Services (fee-for-service contracts), Professional Services, Data Licenses (geospatial database licensing), and 3DBI Software Applications (custom and standard).

## **Mapping Services**

The Company's mapping services business typically involves a client requesting a digital elevation model for a specific area and purpose. Intermap creates such digital elevation models on a fee-for-service contract basis and then typically licenses the use of the data and/or digital maps to the customer. These custom mapping services projects have traditionally been conducted as a result of government or commercial contracts. From time-to-time, the Company also collects data on a

speculative basis, that is, without a contract in place for the collection or licensing of the data to be collected. Prior to the start of any speculative collection, the Company typically receives an expression of interest in all or part of the data from one or more customers, which may include indications of the price that the customer may be prepared to pay and the estimated timing before a commitment to purchase the data could be made. Project-specific contractual data acquisition and speculative data sales have historically generated significant revenues and margins for the Company, however they are unpredictable in timing and value, thus creating sources of revenue and margins that can vary significantly on a quarter-to-quarter and year-over-year basis. See “Risk Factors – Revenue Fluctuations and Speculative Data Collection.”

### **Professional Services**

The Company’s professional services business includes services utilizing specific internal expertise to address a customer’s specific geospatial requirements other than providing a digital map for a specific area and purpose.

### **Data Licenses**

Intermap is creating and updating a worldwide database of location-based information which can be licensed to a broad group of customers as raw data.

### **3DBI Software Applications**

Focused business software application solutions that provides answers to a customer’s specific geospatial problem(s).

### **Revenues by Product Category**

The Company recorded revenues for the following categories of products and services during the two most recently completed financial years:

(in thousands)	2015	2014
<b>Mapping Services</b>	\$3,822	\$2,886
<b>Professional Services</b>	365	869
<b>Data Licenses</b>	3,084	3,276
<b>3DBI Software Applications</b>	1,371	1,224

### **Pricing**

Pricing for mapping services varies by customer, location, and their individual requirements. The project price under a contract is typically negotiated with the customer as a function of the area requested, its location, terrain characteristics, and the type of license requested.

Pricing for professional services are based off of the level of effort and costs required to complete the necessary deliverables under a contract, plus a reasonable margin for the services. If the professional services are included as a component of a SaaS based sale, then an industry standard percentage of the software sale is typically used to determine the pricing

The Company’s geospatial database pricing is dependent on accuracy and includes set pricing per km<sup>2</sup> with discounts for increasingly larger contiguous areas purchased. The Company is planning on the continuous update of its 3D terrain database with new types of data from multiple sources, both

internally and externally generated. The access to this updated data is expected to be primarily via maintenance fees charged to participating customers.

The Company's 3DBI software applications pricing includes per-user, per-month plans through a SaaS model (a subscription-based, recurring revenue model) and one-time purchases of enterprise level licenses.

## **Principal Markets**

### **Market Overview**

Intermap believes that several markets requiring reliable location-based information and 3D terrain data exist as follows:

#### **Geospatial Platform Market**

Intermap believes that there is a large market opportunity for geospatial software platforms that will appeal across a broad range of vertical markets including: oil and gas, engineering, natural resources, transportation, and government. Intermap has introduced and is continuing to develop platform based software products such as InsitePro and AdPro that are powerful and easy to use IQ products for GIS and non-GIS users. This software platform, known as the Orion Platform, is available to customers as a standard local software license or a cloud based PaaS model. The software allows users to aggregate and connect data files, databases, and web services of many different types from an assortment of common platforms or applications. It also allows for the management of information from a centrally accessible location that will provide the engine for sophisticated analytics to drive answers to the end user through customized IQ's. Once connected to the platform, the data can be customized and published as a web-service to end users of desktop and web applications. Additionally, users can develop their own applications using the software's application programming interface and software developers kit (SDK).

#### **Risk Management**

Intermap believes that flood and natural peril modeling applications will have a broad appeal to insurance companies, government agencies, and corporate enterprises. Intermap is continuing to develop its risk management software application called InsitePro that utilizes the Company's comprehensive geospatial database and third-party data sources. The application is web-based, allowing users to quickly and efficiently perform natural hazard risk assessment, based on the best-available and seamless hazard information across entire countries or large contiguous areas. The Company's web-based tools include an underwriting tool for property-specific risk underwriting, an accumulation tool for portfolio-based accumulation control for single risks or a larger portfolio of risks, and a scoring tool for insurance underwriters. Eventually, Intermap envisions that its risk management products will become consumer-focused and will be offered over the Internet to home owners and prospective property buyers. This web service evolution is expected to go much further beyond traditional flood risk hazards to include multiple layers of risk related intelligence.

#### **Outdoor Advertising**

The Company's AdPro application is positioned to service two segments of the outdoor advertising market - operator and buyer. The Company is currently an early service provider to both segments of the outdoor advertising market in the United States. Within the next two years, the Company expects that it will begin to align with strategic partnerships to penetrate the European and Southeast Asia markets.



## **GIS**

Intermap is marketing its geospatial database to a number of traditional geospatial markets. In these markets, customers typically use desktop-based GIS and engineering systems offered by strategic companies such as ESRI (a GIS mapping software company), Autodesk (a 3D design software company), and Blue Marble - Global Mapper (a GIS data processing company) for planning, engineering, environmental management, site, or route selection and permitting.

## **Non-GIS**

Intermap is marketing its location-based information web applications and geospatial database to a number of non-traditional GIS markets. In these markets, customers typically are not experienced with GIS based systems and tools and their workflow can be piecemeal and manual.

## **Commercial Markets**

In addition to the markets discussed above, Intermap sells data licenses to other commercial organizations. Clients include oil and gas companies, pipeline companies, power distribution companies, wind power companies, mining companies, utility companies, and forest management companies.

## **Government Agencies**

A large portion of Intermap's historical revenue has come from government contracts with national mapping agencies. The Company is a leading commercial supplier of DSMs and DTMs to United States federal agencies, including the National Geospatial Intelligence Agency ("NGA") and the United States Geological Survey ("USGS"). As the Company collects data around the world, it expects increased opportunities to arise for selling licensed products to government agencies outside of the United States.

## **Selling and Distribution Methods**

Data distribution occurs through direct sales, channel partners, value-added partners, OEMs, or through the Company's Internet-based store.

### **Direct Sales**

Direct sales are carried out through a commissioned sales team employed by the Company. The direct sales team is responsible for the sale of both contract services work and the licensing of the geospatial database and its associated 3DBI software applications.

### **Channel Partners**

In order to reach markets not easily accessed by traditional direct selling efforts, the Company leverages a network of channel partners. These partnerships are established to broaden the Company's customer base, penetrate new markets, and establish recurring revenue streams. The Company attempts to work with channel partners who are generally well-positioned in broad and diverse vertical markets. The channel partners distribute the Company's products and services to their principal markets, and create and sell solutions or consumer products based on the Company's product infrastructure. Ultimately, Intermap's selection of a channel partner is governed by its ability to promote an integrated solution or product to mass markets, thereby creating an opportunity for recurring revenue to the Company.

## **Production Process**

The Company owns all of the technology required to create, collect, process, edit, and deliver products to its customers. All of the Company's production processes, quality assurance, and quality control processes are documented under the Company's ISO 9001:2000 Quality Management System.

**Software Production:** The Company has assembled a core software development team and is currently planning to expand this team to carry out Intermap's strategy for its SDI's, software platform, and IQ software applications. The team consists of developers, engineers and other staff the Company believes is capable of executing on its product roadmap. The team is complimented by internal personnel knowledgeable about the production and aggregation of the necessary databases utilized in each of the Company's software applications. The Company is also planning to expand its current capabilities in customer support, customer training and implementation, and operating the Company's SaaS and PaaS based infrastructure. This support team plays a key role in the maintenance and development of the Company's software solutions.

**Radar Production:** Areas targeted for radar collection are first flight-planned by Intermap's operations staff. Field crews are then dispatched to install GPS-based ground control points, as required. The aircraft and radar are subsequently flown to collect data over the target locations. The collected raw radar data is sent to the Company's interferometric processing ("IP") centers either in Denver, Colorado or Jakarta, Indonesia. During IP, the raw radar data and GPS information are converted into a fully orthorectified (corrected) image and a digital surface model on a flight line basis. These flight line products are then joined together into map sheets.

**Specialized Skill and Knowledge:** The Company needs well-trained technical staff having knowledge in software development and radar-related disciplines and/or mapping. Intermap fills a portion of this requirement for software developers, engineers, scientists, and technicians through recruitment programs at accredited colleges and universities. Career paths frequently lead from technician, to design engineer or software developer, to manager. In addition, the requirement for mapping specialists is fulfilled from the conventional GIS community or through graduates of GIS programs at both community colleges and universities.

## **Radar Technology**

The Company's ability to produce 3D digital elevation models over large areas and with a high level of detail and accuracy results from its proprietary radar digital mapping technology. This technology remotely and simultaneously collects latitude, longitude, and elevation (x, y, and z coordinates) data with an extremely high level of efficiency relative to other mapping technologies. An added benefit of the radar technology is the ability to collect data in poor visibility conditions (night or overcast) and to fly at high altitudes, which facilitates a wide swath of data collection of 10 km. The Company's highest level of radar technology DEM product provides a vertical accuracy of up to 50 cm and horizontal resolution of up to 62.5 cm. Intermap believes it has a strong leadership position in the mapping industry as a result of its proprietary IFSAR radar technology.

The Company operates two radar systems which consist of two X-band radar antennae coupled to a transmitter receiver and data storage system mounted in two Learjet 36A aircraft. A digital correlation process then extracts terrain height information used to geometrically correct the radar image. The radar technology uses GPS data, together with onboard laser-based inertial measurement data to attain highly accurate positioning control. The accuracy of the system's positioning information, along with

careful baseline calibration, reduces the likelihood that additional location measurements are required in subsequent processing steps.

Compared to competing technologies, the Company's ability to produce data on time and within a specified budget is largely due to the radar technology's all-weather acquisition capability (with the exception of abnormally high winds and turbulence) and its superior speed and efficiency. The post-collection processing of the data is also less labor-intensive than competing technologies (see "Competition").

## **Competition**

### **3DBI Software Products**

Intermap's 3DBI software products approach that addresses the geospatial needs of its customers is relatively unique to the industry. The Company does, however, believe that other companies within the geospatial industry are currently developing, are considering developing, or could develop software applications that may eventually compete with the Company's 3DBI software products.

Intermap's 3DBI software products are designed to combine powerful, but easy to use analytics, presentation quality output, and specialized data elements tailored to specific vertical markets. While there are many competitors that offer location-based analysis products, Intermap believes its approach is unique as it has the only geospatial analytical platform currently in the market. Competitors are typically focused on either different customer categories or on different problems within the same customer.

Intermap's 3DBI software products face competition from software suppliers that includes (i) RMS and Core Logic, for its Risk Analysis Application, (ii) Key Systems, Adstruc, and Telmar, for its AdPro application, and (iii) ESRI and Carto DB, for its Orion Platform application. Competition also arises from companies that provide specialized data products. The Company has been successful to date in its ongoing attempts to partner with these companies to create integrated solutions for the end customer. Examples include risk model providers such as JBA and Ambiental. Lastly, Intermap competes with in-house solutions created by customers using general purpose software and customization.

Intermap's competitors may have significantly more financial, technical, marketing and other resources than the Company. Many of these competitors have extensive customer-bases and broader customer relationships than Intermap, and they also have longer operating histories and greater name recognition, particularly in the software product space. The Company believes that it competes effectively in terms of key factors that include ease of use, specialization in solving customer problems, expertise and optimization of accessed datasets, pricing, and quality.

### **Data Acquisition**

The Company's geospatial solutions approach does include the use of an airborne remote sensing radar technology and there are a number of such technologies that compete with Intermap's radar based capabilities as summarized below:

**LiDAR:** Intermap believes that LiDAR is the most competitive technology to the Company's IFSAR based radar system because of its availability and accuracy. The equipment is easily obtainable, and mapping services are usually offered by companies on a fee-for-service basis.

Pricing, while project-specific, typically ranges from approximately \$60 to \$250 per square kilometer in the US for large areas (>5000 kilometers square), roughly five to ten times the cost of Intermap's products and the end product varies dramatically in quality and precision. In other parts of the world, the price can be significantly higher. However, given the high level of competition in the LiDAR sector, it is likely that prices will continue to be driven down. Although LiDAR is capable of higher accuracy than Intermap's radar technology, the major obstacles to its widespread adoption are its inability to cover large areas efficiently, limited ability to fly in poor weather conditions, non-standard processing methods to derive hydro-enforced (rivers run downstream) DSM and DTM finished data products, and a much higher cost associated with collecting large areas relative to the Company's radar technology. Furthermore, Intermap believes that LiDAR does not play a key role in the cloud belt regions of the world, due to its inability to operate through dense clouds. While Intermap considers its radar capability to be a competing technology, the Company also has partnership agreements with LiDAR suppliers to provide their products and services as part of an optimum geospatial solution for the Company's customers.

**Other IFSAR Systems:** The Company believes there are two other active commercial companies worldwide with IFSAR radar technology.

Orbisat da Amazonia S.A. ("Orbisat") operates an IFSAR system used primarily in South America. Orbisat has historically been active in the IFSAR market and the Company believes that they will remain an active competitor to Intermap during 2016.

Fugro N.V. (a Dutch company that provides geotechnical, survey and geoscience services to the oil, gas, mining, and construction industries) has an IFSAR system mounted in a Gulfstream II aircraft referred to as GeoSAR. Fugro N.V. has historically concentrated its IFSAR sales efforts on fee-for-service work with the United States military and its business does not incorporate the strategy of building and licensing a digital map database. Fugro has historically been active in the IFSAR market and the Company believes that they will remain an active competitor to Intermap during the coming year.

### **Satellite Imagery**

Three high-resolution commercial satellite technologies, with the capability to derive high resolution elevation models, have either recently launched or represent a one-time mission. Intermap partners with certain satellite imagery suppliers to provide dedicated geospatial solutions to its customers.

**Optical Satellite Sensors:** For technical and economic reasons, Intermap believes it is difficult to use satellite optical data from suppliers such as DigitalGlobe and Planet Labs to generate stereo images of large areas and apply photogrammetry to create elevation data. Intermap has previously sold terrain data to satellite companies in order to provide them with the elevation data they require to rectify their satellite imagery for their customers. Intermap also sells terrain data to NGA, which is the largest customer for the satellite companies. The Company regards satellite imagery as a complementary data layer, providing color or black-and-white optical images that can be draped over Intermap's terrain data.

The Ministry of Economy, Trade, and Industry ("METI") of Japan and the United States National Aeronautics and Space Administration ("NASA") released the ASTER GDEM V2 on October 17, 2011. This elevation model has a vertical accuracy of 20-meters. The first version of the ASTER GDEM, released in June 2009, was generated using stereo-pair imagery collected by the

ASTER instrument onboard the satellite. ASTER GDEM coverage spans from 83 degrees north latitude to 83 degrees south, encompassing 99 percent of Earth's landmass. The improved GDEM V2 adds 260,000 additional stereo-pairs, improving coverage and reducing the occurrence of artifacts. The refined production algorithm provides improved spatial resolution, increased horizontal and vertical accuracy, and superior water body coverage and detection. The ASTER GDEM V2 maintains the GeoTIFF format and the same gridding and tile structure as V1, with 30-meter postings and 1 x 1 degree tiles. This elevation data set has not been hydro-enforced and is negatively biased downward by approximately 10-meters. Intermap believes that this data is not sufficiently precise for most commercial applications such as aviation safety, environmental control, engineering, flood management and topographic mapping.

Intermap has merged ASTER V2 and SRTM (explained below) and calibrated it using high resolution LiDAR data from a spaceborne LiDAR sensor (“ICESat”) to derive an elevation model with fewer artifacts than the ASTER V2 and with a better vertical accuracy. The Company introduced this product in June 2012, called World 30, at a 30-meter horizontal resolution and a follow-on product called World 10 at a 10-meter horizontal resolution, in June 2015.

**SAR Satellite Sensors:** A new SAR synthetic aperture radar (“SAR”) satellite called TerraSAR-X was launched in 2010 by the German military. This satellite is a SAR satellite with 3-meter pixel horizontal resolution in strip map mode and 1-meter horizontal resolution in spotlight mode. A second TerraSAR-X platform was launched in a tandem orbit with the original creating the Tandem-X mission (launched in 2007) which provides an interferometric solution to derive digital elevation data. The first pass of the globe by Tandem-X mission has enabled the creation of a first look digital elevation model with a 10-meter posting and a 10-meter vertical accuracy. This elevation model is currently available to the public. Additionally, the first release of the Tandem-X DEM will not be hydro-enforced, which will make the data set not suitable for many applications such as topographic and flood mapping.

**One-Time Shuttle Mission:** A NASA space shuttle mission flown in February 2000 generated near worldwide digital map coverage of the Earth’s surface, using IFSAR technology. Intermap was a member of one of two teams chosen by the NGA to produce and edit the shuttle mission data. The digital maps generated by the mission have a vertical accuracy of 10-meters at 30-meters horizontal resolution (USA), or DEM posting. Intermap believes that this data is not sufficiently precise for most commercial applications such as automobile related applications, aviation safety, environmental control, engineering, and flood management.

While Intermap expects competitors to eventually develop or acquire technology that competes with its IFSAR radar digital mapping capabilities, the Company believes that it has a lead in accuracy, efficiency, production throughput, know-how, and software tools to manage the production process. In particular, within the cloud belt, the high resolution (.625-meter) cloud free Intermap IFSAR radar image is still a key differentiator for Intermap. The Company’s business initiatives, InsitePro, GeoPro, AdPro, 5-meter elevation data, World 30 DSM, and World 10 DSM, along with its e-commerce data store are intended to capitalize on the market lead Intermap believes it currently enjoys. Additionally, while Intermap considers satellite imagery to be a competing technology, the Company also has partnership agreements with certain satellite imagery suppliers to provide their products as part of an optimum geospatial solution for the Company’s customers.

## Intangible Properties

To increase its market share, the Company is positioning itself as an industry leader and innovative enabler in GIS/geospatial markets and 3DBI software applications markets.

**Print and online branding:** all Intermap advertising and lead-generation campaigns are focused on brand recognition by using the Intermap and/or Pro series name product brands in all online and print copy.

**NEXTMap<sup>®</sup>, InsitePro<sup>™</sup>, GeoPro<sup>™</sup>, AdPro<sup>®</sup>, 3DBI<sup>®</sup>, World 30<sup>™</sup>, Orion Platform<sup>®</sup>, and Solutions on Demand<sup>®</sup>:** Trade marking these unique brand names has increased industry awareness within the domains the trademarks are used. Additionally, the Company currently has two patents pending and a third in process concerning certain aspects of its products and services.

**Webinars:** These topical online events attract geospatial users and decision makers worldwide who are unable to spend time away from the office at a physical seminar event.

**White papers and case studies:** These intellectual properties are showcased on both the Company and Partner websites.

**Websites:** All customer-facing materials are updated and new material has been created to support the expanding nature of the Company's product lines, drive brand recognition, and support marketing campaigns directed at promoting thought leadership and industry enablement. The Company reaches target audiences through its Intermap.com web-site and associated microsites in support of targeted campaigns, and various social media outlets.

## Business Cycles

Over the past three years, the Company has been migrating towards a software solutions model, which minimizes the sales cycle and increases recurring revenue. The software sales cycle is typically ninety (90) days, or less. The Company's mapping services business is highly dependent on government budgeting cycles and, to a lesser extent, data re-sales to state and local governments that are also subject to government budgeting cycles. These government cycles can be as long as 24 months or more. In addition to these governmental cycles, the Company's data acquisition functions are restricted in the northern United States, Canada, and Europe by weather activity, including snow on the ground and increased wind turbulence associated with winter weather patterns.

## Employees

As of December 31, 2015, Intermap had 160 employees located as follows: 26 in Calgary and Ottawa, Canada; 54 in Englewood, Colorado, USA; 1 in California, USA; 18 in the Czech Republic; and 61 in Jakarta, Indonesia.

## Foreign Operations

The Company operates through its three active subsidiaries which are based in the United States, Czech Republic, and Indonesia. The Company has a long history of performing projects in a wide variety of countries in addition to the countries in which it resides. For 2015, approximately 65% of Intermap's revenue was derived from the United States, 21% from Asia Pacific, and 15% from Europe. For more details, see "Risk Factors – Foreign Operations" below and the financial statement

note entitled “Segmented Information” of the consolidated financial statements for the year ended December 31, 2015, a copy of which is filed and is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **RISK FACTORS**

The risks and uncertainties described below are not exhaustive. Additional risks not presently known or currently deemed immaterial may also impair the Company’s business operations. If any of the events described in the following business risks actually occur, overall business, operating results, and the financial condition of the Company could be materially adversely affected.

### **Cash Flow and Liquidity**

The cash position of the Company at December 31, 2015 (cash and cash equivalents) was \$0.8 million, and working capital was negative \$16.4 million.

During the year ended December 31, 2015, the Company had negative cash flow from operations of \$8.2 million. The Company’s continuing operations are dependent on its ability to generate future profitable operations, sell excess capacity assets, or obtain additional financing to fund future operations and, ultimately, generate positive cash flows from operations.

The Company closed \$9.1 million in new debt financing during 2015 to prepare for the culmination of one or more pending SDI contracts. If the Company’s ongoing operations and the 2015 financings are not adequate to fund the Company’s ongoing operations, the Company may be required to explore additional financing alternatives, if available. Failure to achieve one or more of these requirements could have a material adverse effect on the Company’s financial condition and/or results of operations in future periods.

### **Availability of Capital**

The Company cannot be certain that cash generated from its operations will be sufficient to satisfy its liquidity requirements and it may need to raise capital by selling additional equity and or by securing credit facilities. The Company’s future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products and services and the impact of prior financing arrangements. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favorable to the Company or in the timeframe required.

The Company currently has no commitments for additional working capital funding and therefore its ability to meet any unexpected liquidity needs is uncertain. If additional funds are raised through the issuance of equity securities, the Company’s shareholders may experience significant dilution. Furthermore, if additional financing is not available when required, or is not available on acceptable terms, or in the timeframe required, the Company may be unable to develop or market its products, take advantage of business opportunities, or may be required to significantly curtail its business operations.

## **Project Finance Facilities**

Intermap's SDI contracts include significant down payments and the commencement of work under such contracts is often dependent on the finalization of a third-party project finance facility to provide for the down payment and progress payments under the terms of the contract. While the Company expects that such financing facilities will be finalized in a reasonable period of time from the date of contract completion, Intermap is typically not a party to the financing facility negotiations and both finalization and timing of the financing facility is therefore outside of the Company's control. No assurance can be given that any required financing facility will ultimately be completed subsequent to contract finalization.

## **Revenue Fluctuations**

Intermap's revenue has fluctuated over the years. Data collection projects, the purchase of archived data, and the purchase of 3DBI geospatial software solutions by the Company's customers are all scheduled according to customer requirements and the timing of regulatory and/or budgetary decisions. The commencement or completion of data collection projects within a particular quarter or year, the timing of regulatory approvals, operating decisions of clients, and the fixed-cost nature of Intermap's business, among other factors, may cause the Company's results to vary significantly between fiscal years and between quarters in the same fiscal year.

## **Nature of Government Contracts**

Intermap conducts a significant portion of its business either directly from, or in cooperation with, the governments around the world and international funding agencies. In many cases, the terms of these contracts provide for cancellation at the option of the government or agency at any time. The current state of the public finances in many of the countries the Company has historically operated in has led to reductions in the amount of data ordered by its government customers. In addition, many of Intermap's products and services require government appropriations and regulatory licenses, permits, and approvals, the timing and receipt of which are not within Intermap's control. Any of these factors could have an effect on Intermap's revenue, earnings, and cash flow.

## **Foreign Operations**

A significant portion of Intermap's revenue is expected to come from customers outside of the United States and is therefore subject to additional risks, including foreign currency exchange rate fluctuations, agreements that may be difficult to enforce, receivables difficult to collect through a foreign country's legal system, and the imposition of foreign-country-imposed withholding taxes or other foreign taxes. Intermap relies on contract prepayments or letters of credit to secure payment from certain of its customers when deemed necessary. The Company has in the past secured export credit insurance on certain of its international receivables, which greatly reduces the commercial and political risks of operating outside of North America.

## **General Economic Trends**

Worldwide economic conditions and the access to credit in the financial markets may impact the business of our customers, which could have an adverse effect on Intermap's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in any of the major countries in which the Company does business could also adversely affect Intermap's operating results.



## **Key Customers**

During 2015, the Company had two key customers that accounted for 57% of the Company's total revenue. In 2014, the Company had two key customers that accounted for approximately 47% of the Company's total revenue. To the extent that significant customers cancel or delay orders, Intermap's revenue, earnings, and cash flow could be materially and adversely affected.

## **Executive Talent**

Intermap is in a repositioning phase in its markets. This repositioning, coupled with the development of new product lines, web services, and developing software applications, requires the retention of executive talent. The Company will continue to invest in training and leadership development in response to the changes within the Company to retain talent. Although Intermap has a talented team of experienced executives, it may not be able to further develop executive talent internally or attract and retain enough executive talent to effectively manage the anticipated growth and changes within the Company.

## **Competing Technologies**

With respect to the Company's software applications, several direct and indirect competitors are currently in the market with product offerings that could be considered at least partially competitive to Intermap's products. These potential competitors vary in size and could have greater technical and/or financial resources than the Company, to develop and market their products. The financial performance of the Company may be adversely affected by such competition. Additionally, no assurances can be given that additional direct competitors to the Company may not be formed or that the Company may not lose some or all of its contracts with existing or future customers, thereby decreasing its ability to compete. Also, existing and future customers may have, or may develop, in-house solutions that could take the place of the Company's software applications. Any adverse change in the business relationships with the Company's customers or partners could have a material adverse impact on the Company's software applications business and its future prospects.

With respect to the Company's radar data collections business, it is possible that commercially available satellite images could match or come close to the image resolution offered by the Company's radar technology. In any event, Intermap continues to evaluate its data collection capabilities and look for improvements to the performance of its radar technology. Although there are only a few direct Intermap competitors currently, the industry is characterized by rapid technological progress. Intermap's ability to continue to develop and introduce new products and services, or incorporate enhancements to existing products and services, may require significant additional research and development expenditures and investments in support infrastructure.

Another approach to production of digital elevation models is the use of auto correlation software to analyze common points in two or more optical images of the same area taken from different viewing angles. Essentially this is the same principle that is used by technicians as they extract elevation points using stereo photogrammetric techniques, but in this case it is automated using computer software image matching algorithms. This process is well known and has been used with limited success over small areas. Advances in computing power, coupled with massive storage solutions, may make this technology useful over larger areas in the future, and if so, could represent a significant competing technology.

Any required additional financing needed by the Company to remain competitive with these other technologies may not be available or, if available, may not be on terms satisfactory to the Company.

### **Common Share Price Volatility**

The market price of the Company's common shares has fluctuated widely in recent periods and is likely to continue to be volatile. A number of factors can affect the market price of Intermap's common stock including (i) actual or anticipated variations in operating results, (ii) the low daily trading volume of the Company's stock, (iii) announcement of technological innovations or new products by the Company or its competitors, (iv) competition, including pricing pressures and the potential impact of competitors products on sales, (v) changing conditions in the geospatial and related industries, (vi) unexpected production difficulties, (vii) changes in financial estimates or recommendations by stock market analysts regarding Intermap or its competitors, (viii) announcements by Intermap or its competitors of acquisitions, strategic partnerships, or joint ventures, (ix) additions or departures of senior management, (x) changes in economic or political conditions (xi) the selling of significant holdings by large investors, and (xii) the financing terms of existing large debt holders of the Company.

Additionally, in recent years, the stock market in general and shares of technology companies in particular, have experienced price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of these technology companies. These broad market and industry fluctuations may harm the market price of Intermap's common stock, regardless of its operating results.

### **Loss of Proprietary Information**

Intermap does not currently hold patents on the technology used in its operations and products and, therefore, relies principally on trade secrets, know-how, expertise, experience, and the marketing ability of its personnel to remain competitive. Although Intermap requires all employees, consultants, and third parties to agree to keep its proprietary information confidential, no assurance can be given that the steps taken by Intermap will be effective in deterring misappropriation of its technologies. Additionally, no assurance can be given that employees or consultants will not challenge the legitimacy or scope of their confidentiality obligations, or that third parties, in time, could not independently develop and deploy equivalent or superior technologies.

### **Software Functionality**

Defects in the Company's software applications, delays in delivery, and failures or mistakes in the Company's software code could materially harm the Company's business, including customer relationships and operating results.

### **Internet and System Infrastructure Functionality**

The end customers of the Company's software applications depend on internet service providers, online service providers and the Company's infrastructure for access to the software applications the Company provides to its customers. These services are subject to service outages and delays due to system failures, stability or interruption. As a result, the Company may not be able to meet a satisfactory level of service as agreed to with its customers, which could have a material adverse effect on the Company's business, revenues, operating results and financial condition.

## **Information Technology Security**

The Company's software applications are dependent on its ability to protect its computer equipment and the information stored in its data centers against damage that may be caused by fire, power loss, telecommunication failures, unauthorized intrusion, computer viruses, disabling devices and other similar events. A failure in the Company's production systems or a disaster or other event affecting production systems or business operations, both internally and externally, could result in a disruption to the Company's software services. Such a disruption could also impact the Company's reputation and cause it to lose customers, revenue, face litigation, or necessitate customer service/repair work that would involve substantial costs and could ultimately have a material impact on the Company.

Intermap's geospatial database has become a valuable asset to the Company. While Intermap has invested in database management, information technology security, firewalls, and offsite duplicate storage, there is a risk of a loss of data through unauthorized access or a customer violating the terms of the Company's end user licensing agreements and distributing unauthorized copies of its data. Intermap has, and will continue to invest, in both legal resources to strengthen its licensing agreements with its customers and in overall information technology protection.

## **Breakdown of Strategic Alliances**

Intermap has fostered a number of key alliances over the past several years and intends to enter into new alliances in the future. These alliances occasionally take the form of performing contract services in tandem with, or as a sub-contractor to, another GIS company. The Company believes these new alliances will help enable access to significant scalable markets that would not otherwise be accessible in a timely manner. The breakdown or termination of some or all of those alliances could have a material impact on the Company. At this time, the Company is not aware of any material issues in its strategic relationships. Should any one of these companies be unable to continue its alliance with Intermap, or otherwise choose to dissolve the relationship, the Company would seek to replace the connection with other entities, but there is no guarantee such replacement would occur.

## **Exporting Products – Political Considerations**

Intermap's data collection systems contain technology that is classified as a defense article under the International Traffic and Arms Regulations. All mapping efforts undertaken outside the United States, therefore, constitute a temporary export of a defense article, requiring prior written approval by the United States Department of State for each country within which data acquisition operations are to be performed. The Company does not currently anticipate that requirements for export permits will have a material impact on its operations, although either government policy or government relations with select foreign countries may change to the point of affecting the Company's operational opportunities. The data produced by Intermap's IFSAR radar system falls under Department of Commerce regulations and is virtually unrestricted.

## **Political Instability**

Intermap understands that not every region enjoys the political stability that is taken for granted in North America. Developments in recent years in the Middle East and Asia illustrate this clearly. Political or significant instability in a region where Intermap is conducting data collection activities and any of its other services, or where Intermap has clients, could adversely impact Intermap's business.

## **Regulatory Approvals**

The development and application of certain of the Company's products requires the approval of applicable regulatory authorities. A failure to obtain such approval on a timely basis, or material conditions imposed by such authority in connection with the approval, would materially affect the prospects of the Company.

## **Aircraft/Radar Lost or Damaged**

Although the Company believes that the probability of one of the Company's aircraft or radar sustaining significant damage or being lost in its entirety is extremely low, such damage or loss could occur. The Company is expected to have available to it, for data collection purposes, one additional aircraft at any given time. The risk to the Company of loss from the damage of an aircraft is therefore considered to be minimal. In the event that a radar mapping system is lost in its entirety through the destruction of the aircraft, it would take the Company approximately six to nine months to replace the lost equipment, if required.

## **Global Positioning System Failure**

GPS satellites have been available to the commercial market for many years. The continued unrestricted access to the signals produced by these GPS satellites is a requirement in the collection of the Company's IFSAR data. A loss of GPS would have such a global impact that it is believed that controlling authorities would almost certainly make another system available to GPS receivers in relatively short order.

## **Information Openly Available to the Public**

The Company accesses information available to the public via the internet and may incorporate pieces of such information into its products. If a source of public information determined that the Company was profiting from free information, there is risk it could seek compensation.

## **Speculative Data Collection**

From time to time, the Company collects data on a speculative basis. While the Company generally undertakes this activity with a reasonable expectation that it will be able to subsequently enter into a contract relating to the data collected, there is no assurance that it will be able to do so and, as a result, the costs of collecting the data may not be recovered on a timely basis, or at all.

## **Force Majeure**

The Company's projects may be adversely affected by risks outside of its control including labor unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, or quarantine restrictions.

## **DIVIDENDS**

The Company has not paid any cash dividends on any class of shares during the three most recently completed financial years. Further, the Company has not paid any cash dividends since its inception and does not intend to pay any cash dividends in the foreseeable future. The Company intends to retain any earnings to finance its operations. There are no restrictions preventing the Company from paying dividends.

## DESCRIPTION OF CAPITAL STRUCTURE

### General Description of Capital Structure

The Company's authorized capital consists of an unlimited number of Common Shares and an unlimited number of Class A participating preferred shares ("Preferred Shares") without par value. At the close of business on December 31, 2015, there were 100,237,372 Common Shares issued and outstanding. There are no Preferred Shares currently issued and outstanding.

Each Common Share entitles the holder thereof to (i) dividends if, as and when declared by the directors; (ii) one vote at all meetings of holders of common shares; and (iii) participate in any distribution of the Company's assets upon liquidation, dissolution, or winding up.

Each Preferred Share entitles the holder thereof to (i) dividends if, as and when declared by the directors; (ii) one vote at all meetings of the shareholders of the Company; and (iii) participate (after receiving in priority to the holders of Common Shares, a sum equal to its purchase price) in any distribution of the Company's assets upon liquidation, dissolution, or winding up.

### MARKET FOR SECURITIES

The outstanding common shares of the Company are listed and posted for trading on the Toronto Stock Exchange under the symbol "IMP".

#### Trading Price and Volume (in Canadian dollars):

<b>Intermap Technologies Corporation</b>			
<b>TSX Share Price Information</b>			
<b>2015</b>			
<b><u>Month</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Total Volume</u></b>
January 2015	0.085	0.050	98,258
February 2015	0.070	0.045	80,759
March 2015	0.140	0.055	67,597
April 2015	0.125	0.070	154,350
May 2015	0.085	0.070	85,901
June 2015	0.465	0.060	1,774,098
July 2015	0.590	0.415	764,299
August 2015	0.780	0.500	822,443
September 2015	0.680	0.510	212,265
October 2015	0.540	0.480	98,179
November 2015	0.480	0.385	136,708
December 2015	0.425	0.280	218,077

### Prior Sales

In the financial year ended December 31, 2015, the Company issued the following securities:

On January 14, 2015, the Company issued a promissory note for \$500,000. Simple interest is payable at maturity at an annual rate of 18%. The note also includes 6,000,000 detachable warrants to purchase Class A common shares of the Company, of which 1,469,834 warrants were issued at a per share price

of C\$0.08 and expire on January 21, 2018. The remaining 4,530,166 warrants were issued at a per share price of US\$0.06 and expire on May 1, 2018. The principal and accrued interest balance is payable at maturity on January 14, 2016.

On February 23, 2015, the Company entered into promissory note agreements with Vertex One Asset Management Inc. (Vertex) totaling \$7,300,000 that will mature 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 25%. Of the \$7,300,000 proceeds, \$5,800,000 was used to retire a \$5,000,000 convertible promissory note (plus accrued interest of \$800,000) which was issued on February 6, 2014, and became due on February 6, 2015. 12,367,054 conversion shares associated with the February 6, 2014 note were cancelled with the retirement of the note.

On April 2, 2015, the Company issued a promissory note for \$1,500,000 to Vertex. Simple interest is payable at maturity at an annual rate of 20%. The note also includes 9,178,266 detachable warrants to purchase Class A common shares of the Company at a per share price of US\$0.07 and expire on April 2, 2018. Under the terms of the financing, the holder retired an outstanding \$500,000 note. The principal and accrued interest balance is payable at maturity on April 2, 2016.

On April 28, 2015, the Company issued a promissory note for \$2,500,000 to Vertex. Simple interest is payable at maturity at an annual rate of 20%. The principal and accrued interest balance is payable at maturity on April 28, 2016.

On June 12, 2015, 5,741,187 Class A common shares were issued upon conversion of a convertible promissory note issued on December 12, 2014.

On June 29, 2015, 1,550,000 Class A common shares were issued upon the exercise of warrants.

On July 2, 2015, 89,250 Class A common shares were issued to directors of the Company as compensation for services.

On July 13, 2015, the Company issued a promissory note for \$3,000,000 to Vertex. Simple interest is payable at maturity at an annual rate of 15%. The principal and accrued interest balance is payable at maturity on January 9, 2016.

On August 20, 2015, 958,020 Class A common shares were issued upon the exercise of warrants.

On August 28, 2015, 7,500 Class A common shares were issued upon the exercise of options.

On September 15, 2015, 108,750 Class A common shares were issued upon the exercise of options.

## **DIRECTORS AND EXECUTIVE OFFICERS**

Set out below are the names of the directors and executive officers of the Company as of the date of this AIF, their place of residence, their positions held within the Company, and their principal occupations in the last five years.

<b>Name, Present Office Held and Residence</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Common Shares Beneficially Owned, Controlled or Directed, Directly</b>
Todd A. Oseth President and Chief Executive Officer, Director Colorado, U.S.A.	December 6, 2010	President and Chief Executive Officer of the Corporation and the same position with Neterion, Inc. <sup>(6)</sup>	308,517

<b>Name, Present Office Held and Residence</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Common Shares Beneficially Owned, Controlled or Directed, Directly</b>
Larry G. Garberding <sup>(1)(3)(4)(5)</sup> Director Michigan, U.S.A	August 15, 2001	Retired since December 31, 2001. Member of the board of directors of Plug Power Inc. (NASDAQ) and several other private corporations. <sup>(7)</sup>	537,206
Donald R. Gardner <sup>(1)(2)(4)</sup> Director Alberta, Canada	November 26, 1998	Corporate Director. Prior to retirement in 2012, Chief Executive Officer of Canadian Spirit Resources Inc. (TSXV). <sup>(8)</sup>	442,942
John C. Curlander <sup>(2)(3)(4)</sup> Director Colorado, U.S.A.	August 10, 2011	President and Chief Executive Officer of Pindrop, Inc. Prior to that, General Manager, Microsoft Startup Business Group. <sup>(9)</sup>	212,648
Michael A. Hoehn <sup>(1)(2)(4)</sup> Director Toronto, Canada.	July 10, 2015	Private Investor. Prior to that, Vice President at Morgan Stanley Principal Strategies <sup>(10)</sup>	1,514,500

**Notes:**

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Nominating and Governance Committee
- (4) Member of Independent Committee
- (5) Chairman of the Board
- (6) Neterion, Inc. is a provider of 10 Gigabit Ethernet products and services.
- (7) Plug Power Inc. is a fuel cell technology company.
- (8) Canadian Spirit Resources is a natural resources company focusing on the gas sector of the energy industry.
- (9) Pindrop, Inc. is a provider of location-based shopper services for brick and mortar retailers. The Microsoft Start-up Business Group works independently within Microsoft to understand how key trends will influence technology in the near future, as well as collaborate across the company to incubate and rapidly prototype new technologies.
- (10) Morgan Stanley is a worldwide investment banking firm.

The directors will hold office until the next annual general meeting of the shareholders unless their office is earlier vacated in accordance with the by-laws of the Corporation and in accordance with the Business Corporations Act (Alberta). The directors and key management personnel in aggregate own or control 3.5% of the issued and outstanding Common Shares of the Company.

During the past five years, each director's principal occupation has been as indicated above except as described in the following brief biographical notes.

**Todd A. Oseth** is Chief Executive Officer and President of Intermap effective December 6, 2010. From 2009 to 2010, Mr. Oseth served as President and Chief Executive officer of Neterion, Inc. (a provider of 10 Gigabit Ethernet products and services).

**Donald R. Gardner** is a corporate director for Canadian Spirit Resources Inc. as well as the Company. Prior to his current position, Mr. Gardner was the Chief Executive Officer of Canadian Spirit Resources Inc. (a natural resources company) of Calgary, Alberta.

**Larry G. Garberding** serves as a member of the board of directors of a publicly traded technology company. He has previously been a member of the board of directors for several public and private technology and energy related companies.

**Dr. John C. Curlander** is President and Chief Executive Officer of Pindrop, Inc. (a provider of location-based shopper services for brick and mortar retailers). Prior to his current position, Mr. Curlander was General Manager for Microsoft's Startup Business Group.

**Michael A. Hoehn** is a private investor. Prior to his current position, Mr. Hoehn was Vice President at Morgan Stanley Principal Strategies in New York.

### **Executive Officers Who Are Not Directors**

**Richard L. Mohr, Senior Vice President and Chief Financial Officer (Monument, Colorado, U.S.A.)** joined Intermap in June 2003 and resigned from the Company on February 28, 2010. From March 1, 2010 to December 31, 2010, Mr. Mohr was Senior Vice President and Chief Financial Officer of Pure Energy Solutions, Inc. He rejoined the Company on January 1, 2011.

### **Cease Trade Orders**

No director or executive officer of the Company is, as of the date of this AIF, or was, within the 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any company (including the Company) that was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued (i) while that person was acting in such capacity; or (ii) after that person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

### **Bankruptcies**

Except as detailed below, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company is, as of the date of this AIF, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets. Mr. Oseth was the chief executive officer of Sanz, Inc. and resigned from such position early in November 2007. Subsequent to his resignation, Sanz filed for chapter 7 bankruptcy. Mr. Oseth had no further contact with the company or its trustees after his resignation.

No director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with



creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### **Penalties or Sanctions**

No director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Circumstances may arise where members of the Company's board of directors or officers are directors or officers of corporations which are in competition to our interests. No assurances can be given that opportunities identified by such board members or officers will be provided to the Company. Pursuant to the *Business Corporations Act* (Alberta), directors who have a material interest in a proposed material transaction upon which the Company's board of directors is voting are required to disclose their interests and refrain from voting on the transaction.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Management of the Company is not aware of any existing or contemplated legal proceedings material to the Company, to which the Company is, or during the financial year ended December 31, 2015 was, a party or of which any of its property is, or during the financial year ended December 31, 2015 was, subject.

Management of the Company is not aware of any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2015.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

There were no material interests, direct or indirect, of directors or executive officers of the Company, or of any of the shareholders of the Company who beneficially own, directly or indirectly, or exercises control or direction over more than 10 percent of the Company's outstanding Common Shares, or any known associate or affiliate of such persons in any transactions within the three most recently completed financial years of the Company or during the current financial year which has materially affected, or is reasonably expected to materially affect, the Company or a subsidiary.

### **TRANSFER AGENT AND REGISTRAR**

The Company's transfer agent and registrar is Computershare Trust Company of Canada, located at 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1.

## **MATERIAL CONTRACTS**

The Company has not entered into any material contract within the most recently completed financial year, or before the most recently completed financial year that is still in effect, and was not in the ordinary course of business.

## **INTERESTS OF EXPERTS**

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report, or valuation described or included in a filing, or referred to in a filing, made by the Company under National Instrument 51-102 during, or related to, the Company's most recently completed financial year other than KPMG LLP, the Company's auditors. KPMG LLP is independent in accordance with the auditors' rules of professional conduct in Canada.

In addition, none of the aforementioned persons or companies, nor any director, officer, or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed, or employed as a director, officer, or employee of the Company or of any of the Company's affiliates.

## **AUDIT COMMITTEE INFORMATION**

The text of Intermap Technologies Corporation's Audit Committee Charter is attached as **Schedule A**.

### **Composition of the Audit Committee**

The members of the Audit Committee are Mr. Donald R. Gardner (Chair), Mr. Larry G. Garberding, and Mr. Michael A. Hoehn, each of whom is independent and financially literate. The relevant education and experience of each Audit Committee member is outlined below.

### **Relevant Education and Experience**

All members of the Audit Committee are financially literate and all members of the committee have accounting or related financial experience.

Mr. Gardner is currently a corporate director and prior to that was the chief executive officer of an energy-related company in Calgary, Alberta, Canada. He has held chief financial officer and other financial management positions with several companies throughout his career. As part of his role in each of these positions, he was required to have extensive knowledge of the financial operations of the company for which he worked, including the understanding of balance sheets, income statements, and cash flow statements.

Mr. Garberding, prior to his retirement, was the executive vice president and chief financial officer of an energy-related company in the Great Lakes region of the United States. He also held financial-related positions with other companies prior to his employment with this company. As part of his role in each of these positions, he was required to have extensive knowledge of the financial operations of the company for which he worked, including the understanding of balance sheets, income statements, and cash flow statements.

Mr. Hoehn is currently a private investor. Prior to that, he was an Associate Analyst at one of Canada's largest investment banks. As part of his role in each of these positions, he was required to have extensive knowledge of the financial operations of companies for which he was an analyst or invested in, including the understanding of balance sheets, income statements, and cash flow statements.

### **Audit Committee Oversight**

All recommendations of the Audit Committee to nominate or compensate an external auditor were adopted by the Board of Directors since the commencement of its most recently completed financial year.

### **Pre-approval Policies and Procedures**

Any engagement of non-audit services by the Company's external auditors/accountants, including estimated fees, must be pre-approved by the Audit Committee and the Audit Committee must obtain an annual statement from the auditors regarding non-audit services.

### **External Auditor Service Fees**

#### **Audit Fees**

The aggregate fees billed by the Company's external auditor for audit services during 2015 and 2014 were C\$156,740 and C\$178,594, respectively.

#### **Audit Related Fees**

The aggregate fees billed by the Company's external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under the "Audit Fees" caption above during 2015 and 2014 were minimal.

#### **Tax Fees**

The aggregate fees billed by the Company's external auditing firm for professional services relating to tax compliance, tax advice and tax planning during 2015 and 2014 were C\$69,106 and C\$119,816, respectively. The services provided were generally related to: (i) the review of tax provisions; (ii) tax return preparation; (iii) personal tax returns for expatriate employees; and (iv) tax related due diligence on potential foreign contracts.

#### **All Other Fees**

There were no other fees billed to the Company during the last two fiscal years for products and services provided by the Company's external auditors other than the services reported above in the prior three captions.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the Company's equity compensation plans, if applicable, is contained in the Company's information circular for the most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the financial statements and management's discussion and analysis for the year ended December 31, 2015.

## **SCHEDULE A**

### **AUDIT COMMITTEE CHARTER**

#### **ADOPTION**

This charter (“**Charter**”) was approved by the Board of Directors (“**Board**”) of Intermap Technologies Corporation (“**Corporation**”) on the date noted at the conclusion hereof.

#### **PURPOSE**

It is the policy of the Corporation to establish and maintain an Audit Committee (“**Committee**”), composed of independent directors, to assist the Board in carrying out their oversight responsibility for the Corporation’s external audit, internal controls, disclosure, financial reporting, and related risk management.

The Committee’s function is one of oversight only and shall not relieve management of its responsibilities.

The Corporation’s external auditor shall report directly to the Audit Committee.

#### **ORGANIZATION**

1. The Committee shall consist of a minimum of three (3) directors.
2. Each director appointed to the Committee by the Board shall be independent as such term is defined in Section 1.4 of National Instrument 52-110 and Section 3.1 of the related companion policy.
3. Each member of the Committee shall be financially literate as such term is defined in Section 1.6 of National Instrument 52-110 and at least one (1) member shall have accounting or related financial management expertise.
4. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Nominating and Corporate Governance Committee in identifying qualified candidates. The Board shall appoint one (1) member of the Committee to be the Chair of the Committee.
5. A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation. A member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation.
6. The Secretary of the Corporation shall be the Secretary of the Committee.

#### **RESPONSIBILITIES**

7. The Committee’s primary duties and responsibilities are to:
  - (a) Select and recommend the nomination and compensation of the external auditors.

- (b) Oversee the independence, work, and performance of the Corporation's external auditors.
  - (c) Review the principal risks that could impact the financial reporting of the Corporation and monitor how management is dealing with such risks.
  - (d) Monitor the integrity of the Corporation's disclosure and financial reporting process and its system of internal controls regarding financial reporting and accounting compliance.
  - (e) Monitor the Corporation's compliance with laws, regulations, and internal policies that apply to financial or accounting matters.
  - (f) Oversee the resolution of any disagreements among external auditors, management, and the internal auditing department, if any.
8. The Committee shall annually select and recommend to the Board the nomination of an external auditor, recommend the replacement of the current external auditor when circumstances warrant it, and monitor the independence, work, and performance of the external auditors. This shall include:
- (a) Considering the views of management in respect of the nomination of the external auditors.
  - (b) Reviewing and recommending for approval by the Board, the terms of the external auditors' engagement, including the reasonableness of the proposed audit fees.
  - (c) Pre-approving any engagement for non-audit services to be provided by the external auditors' firm or its affiliates, together with estimated fees. This shall involve considering the potential impact of such services on the independence of the external auditors.
  - (d) When there is to be a change of external auditors, reviewing all issues and documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation called for under National Instrument 51-102 as defined in Section 4.11 and the planned steps for an orderly transition.
  - (e) Reviewing all reportable events, including disagreements, unresolved issues and consultations with external auditors, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.
9. In carrying out its primary duties and responsibilities, the Committee shall:
- (a) Review the annual audit plan with the external auditors and with management.
  - (b) Discuss with management and the external auditors any proposed changes in major accounting policies or principles, the potential impact of significant risks and uncertainties on future operations, and key estimates and judgments of management that may be material to financial reporting.
  - (c) Review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues

- (d) Review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there were a disagreement with management.
- (e) Review periodically with management the Corporation's disclosure controls and procedures as such term is defined in National Instrument 52-109 and monitor the certification process set out therein.
- (f) Review audited annual financial statements and related documents in conjunction with the audit findings report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods.
- (g) Review with management the adequacy and effectiveness of the internal financial controls of the Corporation including any deficiencies noted in the Audit or Interim Review Findings Report and subsequent follow-up to any identified weaknesses.
- (h) Review with management and the external auditors the quarterly unaudited financial statements before release to the public.
- (i) Before release, review and, if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information including any press release, annual report, annual information form, management discussion and analysis of operations, prospectus (and all documents which may be incorporated by reference into such prospectus), and all other securities offering documents of the Corporation.
- (j) Review periodically with management the internal procedures implemented to review any other public disclosure of financial information extracted or derived from the Corporation's financial statements.
- (k) Approve the hiring of any partners, employees, or former partners and employees of the Corporation's present and former external auditor.

10. In addition, the Committee shall:

- (a) Oversee the receipt, review, and follow-up of questions, concerns, or complaints pursuant to the Corporation's Code of Business Conduct and Ethics and the procedures set out in Appendix "A" thereto.
- (b) Review with management, at least annually, the capital management policies, the financing strategy and funding plans of the Corporation.
- (c) Review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to insurable risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
- (d) In conjunction with the Nominating and Corporate Governance Committee, monitor financial and accounting personnel succession planning within the Corporation and review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
- (e) Inquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters.

- (f) Periodically review with management the need for an internal audit function.
- (g) Quarterly, review any legal matter that could have a significant impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
- (h) Review periodically with management the adequacy and effectiveness of the Corporation's policies and procedures for compliance with securities laws, regulatory requirements, and stock exchange rules.
- (i) Report to the Board at the earliest opportunity after each meeting the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
- (j) Bi-annually assess the performance of the Committee.
- (k) Annually review the Audit Committee Charter and report to the Board on Committee compliance with the Charter.

## **MEETINGS**

1. The Committee shall convene a minimum of four (4) times each year at such time and places as may be designated by the Chair of the Committee and whenever a meeting is requested by the Board, a member of the Committee, the external auditors, or a senior officer of the Corporation.
2. Notice of each meeting of the Committee shall be given to each member and to the external auditors, who shall be entitled to attend each meeting of the Committee and shall attend whenever requested to do so by a member of the Committee or the Secretary of the Committee.
3. Notice of a meeting of the Committee shall:
  - (a) Be in writing.
  - (b) State the nature of the business to be transacted at the meeting in reasonable detail.
  - (c) To the extent practicable, be accompanied by copies of documentation to be considered at the meeting.
  - (d) Be given at least forty-eight (48) hours' notice preceding the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
4. A quorum for the transaction of business at a meeting of the Committee shall consist of two (2) members of the Committee.
5. A member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic, or other communication facilities, provided it permits all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at the meeting.
6. The Chair of the Committee ("Chair") shall be appointed by the Board. The Chair shall have only those responsibilities and powers delegated to it herein and shall not have a second or

casting vote. The Chair shall have the responsibility of reporting annually to the Board on the Committee's compliance with this Charter.

7. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting and, in the absence of the Secretary of the Committee; the members shall choose one of the persons present to be the Secretary of the meeting.
8. By invitation, the CEO and other parties may attend meetings of the Committee; however, the Committee may meet separately at any time with the external auditors, invited management, or any other third parties as determined by the Committee.
9. At each regular meeting of the Committee, the agenda shall include an opportunity for the members of the Committee to meet in-camera.
10. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting.
11. Minutes of the meetings of the Committee shall be retained by the Secretary of the Corporation and shall be available on request to any member of the Board.

## **RESOURCES AND AUTHORITY**

1. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including administrative support. If deemed necessary by the Committee, it will have the discretion to institute investigations of improprieties or suspected improprieties, including the standing authority to retain independent counsel or advisors and to set their compensation.
2. The Committee shall have the authority to:
  - (a) inspect any and all of the books and records of the Corporation, its subsidiaries, and affiliates;
  - (b) discuss with any officer of the Corporation, its subsidiaries and affiliates, the Chief Financial Officer and senior staff of the Corporation, any affected party, and external auditors, such accounts, records, and other matters as any member of the Committee considers necessary and appropriate; and
  - (c) communicate directly with the internal and external auditors.

Approved by the Board of Directors on August 5, 2009