

Intermap Technologies Corporation - Q3 2024

Earnings Call

Thursday, November 14, 2024 4:30 PM

Event Participants

Executives

Patrick Blott, Jennifer Bakken

Analysts

Unknown Analyst

Operator

Operator

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All right. Good afternoon, and thank you for joining us for Intermap's Conference Call to discuss its Financial Results for the Third Quarter of 2024 ending September 30, 2024. The I'm Sean Peasgood, from Soffa Capital, and we handle Intermap's Investor Relations. On the call today, we have Intermap's CEO, Patrick Blott, CFO, Jennifer Bakken; and COO, Jack Schneider. [Operator Instructions] Before management discusses the results, I'd like to remind everyone that certain statements in this call may be forward-looking in nature.

These include statements involving known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements. For caveats about forward-looking statements and risk factors, please see our MD&A for the quarter ended September 30, 2024, which can be found on our company profile at SEDAR Plus.

I'll now pass the call over to Intermap's CEO, Patrick Blott. Patrick?

Patrick Blott

Ladies and gentlemen, thank you, and welcome to Intermap's Quarterly Results Conference Call for the Third Quarter of 2024. I'm Patrick Blott, Chairman and CEO of Intermap. Today, as we review the quarterly results, I will provide highlights along with the business update and outlook. Then I'll turn the call over to Jen Bakken to walk through some recent financial performance, and we will leave time at the end for Q&A.

This is our first conference call, and we plan to have regular conference calls going forward. For those of you new to Intermap, we're a premier global provider of geospatial data and analytics solutions. The company creates 3D high-resolution elevation models using proprietary multi-frequency radar, patented processing, fusion and data production methods and a massive proprietary 3D archive called NEXTMap that is global in scale and the largest of its kind in the world.

We're constantly adding to our data sets using our own sensors, which are mounted on [indiscernible] jets and drones, and government or third-party from spaceborne satellites. Our products empower customers to solve 3D problems with global scale. A great example is flood underwriting because water, of course, flows downhill. That's a 3D problem. Intermap has a strong barrier to entry.

Our technology was developed in conjunction with the U.S. Defense Advanced Research Projects Agency, DARPA and various other defense research laboratories, which we constantly work with currently.

We operate our dual use technology under exclusive permits to provide mill spec data for commercial applications. So you cannot get Intermap quality data at this scale from alternative sources. And in return, Intermap complies with military regulations and permitting that include using the technology only for the benefit of friendly allied countries. When I became Chairman of Intermap, the Board adopted a policy to not provide commentary or forward guidance

until the company had paid down a senior notes and was profitable. Today, we have resolved our balance sheet challenges that constrained our prospects and concerns some of our customers.

We've retooled our organization and leadership and continue to invest in talent. We've innovated new technology and new products, elevation data solutions that provide market with unprecedented simplicity, accuracy, speed and scale. And we've launched these new data solutions customer segments and vertical markets that are experiencing rapid growth, where we're gaining incredible customer support across the board for these unique and targeted solutions from both long-standing and new accounts.

I'm pleased to announce Intermap has eliminated its senior debt and delivered over \$1.5 million of EBITDA this past quarter, growing revenue to \$5 million, up 241% from the same period last year. Our third quarter of fiscal 2024 saw 28% EBITDA margin compared with a loss in the year ago quarter. Structural advantages allow us to convert a high percentage of revenue and EBITDA to net income where the company reported \$1.1 million and \$0.02 per share fully diluted, a 22% net income margin, which is a significant improvement compared with last year and our prior history.

We've improved our liquidity profile as well, raising over \$3 million in the private placement during the quarter, attracting over \$300,000 of low interest rate, unsecured working capital financing, which has already been repaid, reducing our working capital debt and monetizing over \$1 million from our outstanding warrants. Our net liquidity now exceeds \$3.6 million.

In addition, we invested in our technology and fixed assets, including software processing, sensors and platform, growing total assets to more than \$8 million. We've realized over \$10 million of revenue year-to-date with less than half of what we still expect to book from Indonesia before the end of the year. And I'll speak more about Indonesia in a moment. To further highlight our earnings power, we improved our operating margins by more than 13 points during the quarter compared to the beginning of the year. We're on track to meet our top line guidance for year-end revenue of \$16 million to \$18 million and likely to exceed our 25% EBITDA margin objective and will continue to generate a high rate of profitable growth into 2025 and beyond, taking advantage of our AI ML-driven automated systems and extensive operating leverage.

Intermap is a valuable brand for our customers. Importantly, we've succeeded in selling our NEXTMap data as value-added solutions delivered through the cloud with software with undeniable and quantifiable economic benefit for our customers and their customers. This allows accounts to grow, better utilize their geospatial investment to drive profitability and most importantly, expand accessibility of geospatial data for their users, many of whom are not geospatial experts but they can nonetheless benefit from world-class military quality 3D geospatial data. This dynamic extends the universe of use cases deeper into our carefully targeted vertical markets. Perhaps no better example exists for this achievement of growing in scale and scope than our insurance vertical market, Intermap can count over 60 global insurance companies that subscribe to our proprietary NEXTMap elevation data, which has grown from nothing when we reposition the company's vertical go-to-market strategy prior to COVID.

Many of these customers are now on multiyear subscriptions, providing strong visibility for the future, healthy combined ratios for catastrophe risk and better underwriting are allowing our accounts to see strong ROI using our platform regardless of short-term climate effects.

They're using our data around the world throughout their value chain, from risk assessment to underwriting, to claims and expected loss estimation, portfolio monitoring and regulatory compliance to financing, property valuation and reinsurance trading. Our churn is de minimis around 1% a year. In addition, we enjoy the confidence of over 60 governments and agencies from around the world that have been using our data and solutions since we revitalized Intermap's core capabilities and focus, including some of the most sophisticated geospatial data users in the world, like the U.S. Air Force, the U.S. National Geospatial Intelligence Agency and the Pentagon, all of whom established new contracts during the quarter.

Working with these agencies is important for Intermap because they have the world's largest geospatial data wallet, and it allows us to fund advanced research and development, apply our technology to address some of the world's most difficult geospatial challenges, partner with and understand the full range of technologies available in this industry globally, including those that remain classified and maintain our strong dual use technology moat, which we can then leverage as an unmatched competitive advantage in the commercial market.

We've recently added space-based communications as a new vertical, where our commercial customer works closely with governments and agencies. The view from space is 2D, not 3D, and we're working with one of the largest dual-use space launch in satellite communications providers to get them the quality of 3D data they need to establish a world-class network and support civilian and military requirements. This is a new relationship, and they are growing quickly and already relying on our proven best-in-class digital twin elevation data to deploy and monitor their network in different areas throughout the world. Another example of the success of Intermap's government come back is the recent contract we won through a global competitive process in Indonesia. This is one of the most important, wealthiest high-growth and geo strategically located nations in the world.

Because of its climate and history, it's also one of the world's most sophisticated geospatial users. Indonesia has over 17,500 islands. Jungles that include volcanos, glaciers and dense population centers near sea level at risk of severe climate effects. They selected Intermap after a multiyear competitive process for a \$20 million first phase award to remap their entire country at unprecedented 1:5000 map scale 3D elevation map sheet. They chose us because they knew we had superior technology that we could map through persistent cloud cover, jungle canopy, day or night with unprecedented time frames, accuracy and quality standards.

And they knew they could rely on our proven cost performance to help them better utilize and commercialize their data once they made this significant national investment in their strategic data infrastructure. We're helping them extend the economic benefits and grow their future commercial markets. Given we have now been deployed in Indonesia for a few months, I wanted to update everyone on how that is going. I'm pleased to announce that we are executing on the contract extremely well. We just hosted an 18-member multi-departmental senior executive team from the Indonesian government in our offices in Denver last week.

And this week in our Jakarta offices, we completed a week-long in-person training session for over 180 future government users of our geospatial data. We're fully deployed in the country with several hundred people working. We just ramped up our third sort team this week, which will accelerate production by approximately 1/3. We've deployed some of the world's most modern sensors, which Intermap developed and owns. We've incorporated advanced AI ML algorithms, automation to process data automatically extract and deliver data products at unprecedented speeds.

We've delivered our first fully attributed map sheets and 3D feature vectors ahead of schedule. We anticipate completing approximately 60% of the first phase of this initial award by the end of the year, which is incorporated in our guidance. We are currently working to develop follow-on awards anticipated mid-next year with all of this activity combined with our new AI ML capabilities, we are operating at less than 30% of our effective installed capacity and can easily ramp up production to accommodate additional and larger contracts.

Much of our upfront deployment and innovation costs have been absorbed. So we anticipate operating leverage to continue to provide expanding margins going forward. Our focus for the remainder of 2024 and 2025 will be to build from our strong base of organic growth, we're going to hit the ball out of the park in Indonesia and upsize that workload. We're going to expand in the neighborhood where we're already on contract next door in Malaysia. We're going to expand across the pond in South America, where we are also already on contract.

We're working on our first task order competition. It has recently dropped under our recent U.S. National Geospatial Intelligence Agency contract.

We've expanded our Air Force and Pentagon work to include drones, and we'll continue working to get additional airborne platforms engaged with the U.S. Defense Department under these high-impact classified programs. We're transferring lessons learned in Indonesia to reduce latencies and expand product offerings and capabilities for our commercial segments, including what is expected to become exciting global opportunities in commercial space-based communications. Major apparel events like we've seen recently in Florida, North Carolina, Slovenia, Czech Republic, Germany, Croatia, Hungary, Italy, Poland, and Romania. These typically lead to a surge in subscriptions and data usage as industries reposition their portfolio.

We expect that repositioning to benefit Intermap and we will continue to upgrade and cross-sell our software solutions in Europe, America and in Asia.

We further plan to open new markets in Southeast Asia as we deliver new underwriting quality data that allows our customers to expand their programs and new domestic providers to build new ones.

At this point, I would like to turn the call over to Jen Bakken, who can walk you through some of the Q3 financial results. Jennifer?

Jennifer Bakken

Thank you, Patrick. Good afternoon, everyone. It's good to have the opportunity to present our financial results for the third quarter of 2024. As mentioned earlier, we report in U.S. dollars.

Q3 2024 revenue was \$5 million, up 241% year-over-year and 39% sequentially. Revenue growth was driven by the expansion of the U.S. Air Force contract and the initial revenue from the Indonesia contract. Acquisition services revenue grew \$2.9 million from

[Audio Gap]

in the third quarter '23 as the company accelerated data collection for the Indonesia mapping program. Value-added data revenue increased to \$1.1 million compared with \$400,000 in the third quarter of 2023. The year-over-year increase was due to the expansion of the U.S. Air Force contract. EBITDA was \$1.5 million with a margin of 28% versus a loss in the same quarter of last year.

Net income was \$1.1 million, a \$1.9 million improvement from the same period last year and a 75% increase from Q2 of this year. We ended the quarter with \$3.7 million of cash, unbilled and receivables compared to \$1.1 million in the second quarter of this year. Total assets increased by \$4.4 million to \$8.9 million following a successful capital upgrade and certification of the sensor and airborne platform to meet geospatial data specifications in Indonesia. We are affirming our 2024 guidance. Revenue is expected to be in the range of \$16 million to \$18 million with an adjusted EBITDA margin of approximately 25%.

[Risk] our outlook include timing related to the Indonesia follow-on awards, which include approved World Bank funding. We're exposed to currency fluctuations around the world, which we partially hedge to mitigate exposure concentrations. There is a potential risk of delayed short-term commercial product adoptions because of the distractions created by the recent hurricanes in the insurance industry.

I will now pass the call back to Patrick for final comments.

Patrick Blott

Thank you, Jennifer. As you can see, we're delivering on our guidance for the year, and we feel confident about the foundation underneath us as we close out 2024 and prepare for another year of growth in 2025. We are seeing significantly more contract activity across the company and our visibility for growth and positive operating leverage are strong.

With that, we will wrap up the prepared remarks by pointing you to where you can find more information. As mentioned earlier, our website contains all of our press releases, corporate presentations and other updates. You can also find our financial filings on SEDAR, you can also visit Sophic Capital's website for additional information and sign up to get press releases and updates directly from them. Thanks again for tuning in today.

I will now pass the call back to [indiscernible] to moderate the Q&A.

Unknown Analyst

Analyst

Great. Thanks, Patrick and Jennifer. [Operator Instructions] We've got some questions that have come in already, and you can keep asking them as we go here. So to start, there's a number of questions here on Indonesia. So I'm going to try and get it in maybe a couple and amalgamate these together.

I see you've acquired 15% of data on the first \$20 million of the Indonesian contract this quarter. When do you expect to acquire the remaining 85%? And then someone else asked how we think about Q4, Q1 and how that's going to roll into next year? So maybe tie those together just give us a sense of what's going on there.

Patrick Blott

Yes. And that's a good question because part of what's going on now is calibrating and pacing because we have the entire country to get done, and that's for us, it's also for the customer and everyone else involved and there's a lot of people and moving parts involved and integrated workflows involved, in terms of both producing and delivering and accepting all of it. And so pacing is an important part of it. But what is really, I think, terrific is we went through the sort of upfronts. And as I've said before, we are -- it's expensive to get started.

And so that's why you're going to see operating leverage benefits kick in. Now that we are operating, and we're starting to get the efficiencies and operate efficiently. But it is exciting because we started with the wheels up in August and the better part of 90 days, less than 100 days, we'll have collected basically the entire contract amount of data. And so that's operating with, for the most part, 50% of a single asset capacity. So once we start to ramp up, which we are pushing now we'll push capacity on the current collection program.

And then we also have additional installed capacity behind that in other collection platforms that the company owns. But importantly, with just operating at 50%, we're getting this data done in record time frame. And then we're getting it turned around at lightning speed. And so that's all very encouraging in terms of the follow-on, it's comforting for the customer. That follow-on is all getting worked on and shape now.

I'm not going to be presumptuous in terms of how they choose to do that. That is the customer's project and mandate but in terms of the job and the execution, where we have control, everything is working really quickly and add well.

Unknown Analyst

Analyst

Great. Next question. To face all of this growth, do you expect further investments in CapEx?

Patrick Blott

Yes. I think that's sort of related to the last question, where we have -- we've now -- the upfront we've deployed. And so now we're seeing the benefits of of the operating leverage kick in. One of the -- from an investor perspective, but even from a manager perspective, from my perspective, one of the great things about this company and operating it is the tremendous amount of legacy capital investment. And in terms of own sensors on platforms on data, largest archive of multiple look SAR data in the world right to the phase level.

No one has that. I mean imagine if you're a university and you have the only library in the world. And we have not, going back decades, it's driving automation and systems, and it's just a tremendous collection of underlying assets

that are allowing us to not only execute and not only innovate and provide products that you really can't get anywhere else because they're tapping out these unique assets, but also tremendous operating leverage.

Unknown Analyst

Analyst

Okay. Great. The next question here is on cash position and the question is actually asking what our cash position is today, which I'm not sure we're willing to do given we haven't reported it yet. But maybe just talk about -- how do you feel about your ability to manage working capital until you receive additional milestone payments from Indonesia? And this question also wanted some color if we had any on the volume of warrants that have been exercised at this point in Q4.

Patrick Blott

Yes. I think they're in the statements. We worked very hard to get any to get that sort of done and registered so that we could get very precise share counts out. So I think if you look in the statements, you're going to see that. So we had the warrants come in.

And so that obviously has the benefit of reducing overhang for one. It also provides a source of liquidity for the company or 2, it is very good for those investors that participated in funding the company about a year ago during that period, and we're grateful for that, too. So I think the share counts that have been found are pretty close to where we're at and where we expect to be through the end of the year.

Unknown Analyst

Analyst

Perfect. Okay. Please update the opportunity with National Geospatial Intelligence. Your press release said that it's a \$290 million initiative over 5 years. How should investors think about this rolling out and what could it mean for Intermap?

Patrick Blott

Yes. Another good question. So a couple of things. One, the -- in all of these contracts, whether with NGA or the Air Force, the Pentagon and then several others through partners. In all cases, we're working on very important next-generation systems.

And so that has a dual benefit of not only we're getting paid, and these are customers with the biggest wallet in the industry by far, like by zeros. These guys spend the most money on geospatial of anyone. That's good. But furthermore, we're working on future look and advanced requirements, which is helping us upgrade our capabilities as well. because we're a dual-use company.

So when we upgrade our capabilities, we have the trust to be able to commercialize those capabilities without compromising, and we have a long track record of doing that. And when we commercialize it, we have a tremendous moat that comes along with it.

So each of these contract vehicles are sizable because these are the largest customers in the industry, and so they tend to do things in size. The way the progression works is we work on prototypes, and we work on the initial proof of concept, which evolves to the prototype, which then evolves to a fielded capability which evolves into what they call technology readiness level 9, which is a programmatic rollout. And so that's the evolution, and that's -- these wallets are big for that reason so that you can go through that evolution. And we're at various stages depending on which contract and which customer we're talking about, but Intermap is on the program of record with the Air Force, the ABMS, Advanced Battle Management System.

We're on this award with MMGA, which is focused on rapid features and exploitation of geospatial data, rapid extraction, rapid delineation, rapid detection and rapid response. And we're also working closely with other areas of

the defense department on other requirements. And in each of these were different places in terms of that evolution from proof of concept to roll out on a major program.

Unknown Analyst

Analyst

The next question, it's fairly general. I know we have different segments in the business, but looking for some color on providing an estimate for your current market share. So how do you think about market share? And maybe you can talk about it in a couple of different buckets.

Patrick Blott

Yes. Broadly speaking, the industry structure, which is where we start is currently approximately 70%, 30% government spend and commercial spend, that's writ large. So that's industry-wide globally. We reflect our business along those lines as well, deliberately for a couple of reasons. We -- our commercial business tends to grow quickly.

Our commercial use cases and applications are newer. We're picking vertical markets within those carefully. So we're taking a rifle-shot approach. We're not trying to be horizontally oriented in terms of our data. We're trying to be vertically deep in terms of use cases and problem sets and solving those so that we can get entrenched, and we can get repeating and recurring software type business.

And so we take within that broad construct of 70-30, we then slice that pie further in verticals, and then we target those verticals. So for example, in our risk vertical, that's a pretty big market, and it's a global market.

Our customers look at the world, they aren't for the most part, most of those customers aren't focused on a particular small area. They're focused on looking at their market opportunity around the world. So it's pretty big. And then those customers also have multiple ways that they can exploit our data. So we start with the most important.

If I take the case of flood underwriting and insurance, we start at the front end, which is gosh, how do I price premium? What is the risk here? And if you get that right, a whole lot of the downstream stuff gets a lot easier if you got that piece right before you even write a risk. So we start there. And then our data can also be exploited to improve their knowledge and improve their opportunity to get returns on capital as they go through the whole value chain from monitoring and valuing losses and reporting relative value to reinsuring.

And our most sophisticated customers. The bigger ones are really focused on sort of from day one, what the underwriting versus reinsurance spread looks like. And we can help them through that whole value chain.

So that's a pretty big market that we have barely penetrated because we've got the underwriting piece, which is the initial focus, but then our customers are pulling us into their value chain and then exploiting the data in additional ways from that, which is expanding the market. That's in one vertical. And then similarly, the government spend, it's a big [indiscernible] chunk of the industry. And then within that, most of it even around the world is defense-oriented. So those are important customers.

And then there's different -- we look at it around use cases and what the best use cases are for our data, and our data is global scale very appropriate for things like situational awareness, navigation. And so we start there and we frame our markets that way.

Unknown Analyst

Analyst

Okay. Perfect. I mean you kind of touched on this, but someone is asking if there are plans to further or cross monetize the data. And I think you just kind of highlighted this with what you're doing in insurance, but alluding to, can you get higher gross margins on reusing the data? I don't know if there's anything else you want to add on that or if there's other end markets that you see in the future, but I think you nailed most of that, but I don't know if there's anything you want to add.

Patrick Blott

I'll add one thing. And there's a reason we take a rifle shot approach because what happens when you have a deep relationship with the customer and then the industry segment is the collaboration between use cases and problem sets and we got lots of visibility there. And then that drives new opportunity and new use cases and new problem sets. Like our insurance underwriters they'll work with 130-plus different inputs in terms of what they're looking at and analyzing to get to the answers they need. We're doing that for them in the background, but ours is foundational data and then it interacts with a whole lot of other sources and data sets in order to get to the answers that you need, that the customer needs.

And so understanding what those problem sets are in a very deep way helps to inform that mix of requirements that get you to that answer and how you layer it and where it comes from. So we're -- that's the way we're operating.

We're working very, very deep in all of these segments, government and commercial, in a way where we can take our data combined with customer data and other data and really get down to hard problem sets that we're solving -- we're not just out there how in our data set to people. That is not at all how we approach it.

Unknown Analyst

Analyst

Okay. There's a few other questions here on Indonesia. World Bank document suggests that the Indonesian contract acquisition or Indonesia contract acquisition will be 90% done in 3 years and that there's \$292 million slated for the acquisition and delivery of maps. Are you expecting more than \$180 million?

Patrick Blott

There's a couple of things. The biggest thing to segment in that is the urban and rural. So what the Intermap doesn't do. We do work in terms of complex urban problem set. So our -- and specifically on the defense side.

So we are engaged on complex urban problem set, subterranean problem set, stuff like that. There was an example a couple of years ago, which is a good one, I'll refer people to if you haven't seen it because I think it's on our website about the cave, rescue in Thailand. We're very, very good with complicated problem sets that can find themselves in urban settings. But we are not, as a business focused on urban and small micro what I would call micro areas. Intermap is a global scale, large-scale oriented provider.

And so within that contract, there are funds for urban, which we won't chase. Those will go to local participants. Those will go to local players and they're going to be small areas. And that is that's a different kind of business. Our our value proposition comes from being able to take massive amounts of data, bring it in at extremely high resolutions and accuracy levels and turn it around really quickly at scale that's our value proposition.

So we're not too focused on the small little micro areas. So within that budget that you're looking at, that includes urban.

What we will also, and we are heavily focused on is the downstream and the exploitation and that gets back to our defense work. It gets back to our commercial work. All of that is around how -- it's 1 thing to go out and spend a lot of money to collect data, but you need the other half of that coin. You need to be able to turn around and exploit it. You need to be able to find it when you need it, you need to be able to integrate it with all the comprehensive data sets that will get you answers that you need, you need to be able to solve problems with it.

That's all application driven. That's all automated, that's all software, and we're heavily involved in that. And that's what's rounding out the larger budget in Indonesia.

Unknown Analyst

Analyst

Sticking with Indonesia. How many aircraft are currently in operation? And are there plans to add additional aircraft for faster data collection and capacity to execute on multiple contracts at the same time or is the current fleet thought to be sufficient for the current road map of contracts?

Patrick Blott

It's more than sufficient right now. And then as we go, we'll make those decisions. We have multiple assets. We have multiple customers. and optimizing is my job.

So we spend a lot of time on that. As I said on the call, we're at approximately 30% capacity right now with what's already deployed there.

Unknown Analyst

Analyst

Again, Indonesia, costs have increased, as you've been deploying in the country, you've guided 25% EBITDA margins for 2024. Are you still comfortable with the guidance here, which I think you stated on the call. Can you provide margin guidance or any visibility over the next 1 to 3 years of where this could go?

Patrick Blott

Yes. It's a good question. And again, it gets to the operating leverage. And that's a really important feature of Intermap that it's -- there's a couple of things that are really important to understand: one, there's tremendous installed capacity, and there's tremendous asset base at the company, in particular with the data archive sensors and platform. And so what you see once we move the battleship and it starts going in a direction, it goes faster and faster and faster, and those margins expand accordingly.

And you're already seeing that in this quarter's results, and you're going to see it even further in the next quarter's results because you're going to start getting a greater advantage of the operating leverage.

Unknown Analyst

Analyst

I'm going to combine 3 questions here. So are there any other countries interested like Indonesia? And so that's the first one. But then someone else is asking if there's a time line of when Malaysia might be wishing to move forward, so maybe tie in Malaysia to that first question. And then the third one is, are we getting -- are you looking at getting more significant government contracts in South America.

So just other large contracts like Indonesia, what are you working on? And then specifically South America and Malaysia.

Patrick Blott

Yes. We are -- the answer is both. It is even more beneficial in terms of customer efficiency and also margin efficiency to cluster. So it's convenient, having customers next door to each other, which those 2 are in Southeast Asia. And we're -- we have very deep and strong relationships with both, and they both have requirements.

They're not the only requirements. What I will say without getting deeply into our pipeline and competitive sensitivities around that. I will say that our current opportunity set, which I would -- which we do define as our pipeline unfactored and unprioritized because we prioritize it, but it is more than twice what it was pre-COVID right now.

Unknown Analyst

Analyst

Okay, great. In the Insurance segment, you announced an expanded contract with the customer. Can you talk about the current customer base, how much of this market you currently have and your strategy to go after the rest? We already talked a little bit about kind of market and penetration. So I don't know if you just want to expand a little bit on this new customer or this expanded customer?

Patrick Blott

What I will say is that we're also putting a lot of effort in terms of partnerships because that's been pulled by the customer. We're being pulled into their workflows. And so we expand by acquiring new customers, we expand by expanding the areas of where the programs and the underwriting is happening within an existing customer, and we expand by moving deeper into the workflow of the customers in all areas, in all jurisdictions. And so -- and part of the third piece, is partnering because they're working with other suppliers and other partners in those other areas of their workflows. They want to improve them.

So we get introduced who's doing that with them, and we get encouraged to partner, and we work on partnership and then we provide a solution jointly that's even better. And we've made announcements to that effect this year. The most recent one, I think, was with Aon. Also, I think, recently with Deloitte, these are important to highlight because it reflects a value proposition for our existing accounts being pulled by the larger accounts, deeper into the value chain.

Unknown Analyst

Analyst

Okay. So just -- this is more about the stock. What are we putting in place to create maximum exposure to the investment community? And then combining another one, it's probably still early, but any plans to relist on NASDAQ at some point, looking for timeline framework or how you're thinking about that process potentially?

Patrick Blott

Yes. I mean we have sort of done a lot on that process and spend time. First and foremost, bringing you on board, Sean, and I think that has been an important step. We're back in a place now where Intermap is engaging with its shareholders and the market. We've settled our debt, and we've repositioned the business and now we're in a place where we can start to make people much more aware of what's going on and the exciting things that are going on in Intermap.

So bringing on Investor Relations and very, very good investor relations we're grateful to have you on board, Sean is one step of it. We're also engaging in conferences. We're engaging with research analysts, building awareness in the name as we execute. And as these wins come in and as we scale, we want people to be educated in advance. So as we qualify, we're building liquidity and valuation in the stock.

And so we're focused on that. I'm spending a bunch of time on that, where we will graduate our listings. So particularly in the United States, we will graduate that listing. As we qualify and graduate that listing, we're already talking to people to help us increase the exposure whether that's nondeal road shows or just one-on-ones with investors, we're doing all of that. And so we want to build our institutional following.

We want to build our research following. I've done -- I've done desk updates. So we want to expand leverage sales, all of this stuff.

Unknown Analyst

Analyst

Yes. And I guess the only other thing I would add is we're doing these conference calls now as well. So this is also starting back up. So we'll be doing this every quarter. There's a number of things that -- there's some of these questions that I don't think we've either answered or so I'm just moving through them here to see.

Can you talk about any other militaries outside of the U.S.? Is there any interest in kind of what you're doing with the U.S. and other NATO countries around the world?

Patrick Blott

I mean, it's a really important thing around the world to have not only interoperability and also joint force. So the problem sets are becoming much more strategic. They're becoming much bigger much more challenging and

having joint force application and having -- which means bringing capabilities from the various areas of defense, but also being able to interoperate with partners, that's all really important. So the answer is yes, but it's never in a one-off. So we take the approach -- we take the interoperable approach, and we definitely want to find capabilities that are interoperable around the world with Allied partners.

So capability building, as an example, is really important.

Unknown Analyst

Analyst

Okay. We keep getting more questions. So thank you, everyone, for typing in your questions. Ultimately, does the data belong to both Intermap and the client, i.e., Indonesia or varies per contract. The reason I'm asking is to understand if insurance companies operating in Indonesia would be able to use this data for what you're doing elsewhere?

Patrick Blott

Yes. I mean I get a flavor of this question a lot. And the answer is it does depend. I mean there are data sets, there are restricted data sets that nobody in the world, even though we'll ever know about. And so there's a whole spectrum in terms of in terms of how the data is licensed and otherwise.

But I think what's really important to understand, and especially if you go out there and look at just dual use companies in general, it's hard -- it's hard to commercialize. And just because you can go and fly a fancy sensor, collect data, do it for one customer to turn around and then say, well, I've got something that I'm going to be able to sell to farmers in New Zealand. That's a monumental stretch. It is hard to commercialize. And so I don't think there's such a thing as an insurance person or an insurance underwriter, who spent his career underwriting whenever risk peril, and is really good at underwriting is picking up a phone and calling some government agency that's just not how it works.

Commercializing is hard. We're bringing capability to our customers, which is what they're paying for and it's not interaction with the customer to solve the problems and do it in a way that makes the money that they're willing to pay for because it makes them enough money that they're willing to pay for it. That's hard, and Intermap's good at it.

Unknown Analyst

Analyst

Time for a couple more here. You won the second phase of the U.S. Air Force to support its development of navigation solutions for GPS tonight environments. Can you talk about the revenue opportunity here and milestones we should be watching for?

Patrick Blott

Yes, system of systems and multiple approaches. So -- and also not just within that single service. So Intermap is doing a prime work, very specific focused prime work, and it's based on our core capability and it's based on our core data sets, which were really, really obviously smart about, but it's part of a more holistic problem set out there, which is we have all kinds of systems navigation systems, weapon systems that are heavily, heavily dependent on GPS. And in a modern war fighter contexts, that is a dependency that people just can't tolerate, especially with big power competition. So there's effort going on and a lot of money being spent to mitigate that massive problem.

And there's alternative systems to do that, and we're working on stuff specific to what we do and feeding into it and as a prime contractor doing that. We're also working with in 2 other cases with other defense prime contractors in other alternative that are feeding into this kind of system of systems.

So it affects navigation. It affects space. It affects airborne platforms, it affects weapon systems. It affects people on the ground and just situational awareness ISR, which is all of these things. And so it's a big problem.

We're not the only people in the world working on it, and we are working on it through several tracks with several different services.

Unknown Analyst

Analyst

Okay. More questions here. Can you discuss the importance of the leading satellite communications customer that was announced in September of '23 and how it can scale if this customer is successful?

Patrick Blott

Yes. I mean that's -- it's early days. It's a big deal, I think. We will keep the market abreast as that evolves. It's potentially big for Intermap and big for the customer.

As I said before, when you're up in space and you're looking down at the earth, the earth is 3D, it's not 2D. And so if you want to be effective with the stuff that you put up in space, it's very important to get absolute perfection in terms of your ground truth and your terrain awareness. And you need to be able to -- if you're going to operate the kind of businesses that this customer and not just this customer but others are trying to do, you need to be able to do that at global scale all over the world. And this customer does have requirements and has deployed Intermap data all over the world for those requirements. So the relationship is evolving.

It's still new. It is, I think, has a potential to be mutually beneficial as it evolves, we'll keep the market updated, but I don't want to speculate it get too far ahead of ourselves.

Unknown Analyst

Analyst

Okay. While the capital raises were needed over the past couple of years to be able to execute on these large contracts, what are the plans for large amounts of free cash flow going forward as margins expand and the cash balance grows?

Patrick Blott

Yes, that's a great question. I mean we've already started this quarter. So we both grew and retired debt. And by the way, debt it like T-plus 150, unsecured. So people are taking notice of Intermap and we're getting to a place now where we can start to pay more attention to our capital structure and and build in more flexibility and build in more efficiency there.

That's something that is new. I mean, we haven't had that opportunity. And so as we go forward and start to scale up, start to grow, start to generate cash we're going to have options to become even more efficient. And as the largest shareholder of Intermap, my interest, I consider to be quite aligned, and we're very, very careful with capital allocation, and we're very, very focused on shareholder value. And making sure that when we have the resources that they're being efficiently deployed including perhaps bringing in some of our float.

But at the moment, we also want to build liquidity. So there's a balancing act there. But at all times, we're focused on maximizing the shareholder value.

Unknown Analyst

Analyst

Okay. That's great. I want to thank everybody for all of their questions. We have -- we still have some questions that haven't been answered. Some of them, I would -- if we haven't answered your question, please reach out to anybody, the contact information is on the page in front of you.

And we're happy to get back to you if there's something that we've missed here. And with that, I'm going to pass it back to Patrick for closing remarks, and we'll conclude the call.

Patrick Blott

Well, thanks again, everyone for listening in and following Intermap story, we look forward to continuing to share our progress with you in the quarters ahead. And this concludes our Q3 2024 conference call. Thank you, everyone. Appreciate it.