

Intermap Technologies Reports 2015 First Quarter Financial Results

DENVER, May 15, 2015 /CNW/ - (TSX: IMP) – Intermap Technologies Corporation ("Intermap" or the "Company") today reported financial results for the first quarter ended March 31, 2015. A conference call will be held today, May 15th, at 5:00 p.m. Eastern Time to discuss the results.

All amounts in this news release are in United States dollars unless otherwise noted.

Intermap reported total revenue of \$1.0 million for the first quarter of 2015, compared to \$2.1 million recorded in the same period of 2014. Operating loss for the first quarter of 2015 and 2014 was \$4.0 million in each period. First quarter adjusted EBITDA for 2015 and 2014, a non IFRS financial measure, was a loss of \$3.6 million in each period. Adjusted EBITDA excludes restructuring costs, share-based compensation, change in value of derivative instruments, gain or loss on the disposal of equipment, and gain or loss on foreign currency translation.

"Our focus for the quarter continued to be on further development of our 3DBI[®] software platform and the pursuit of an anticipated Spatial Data Infrastructure ("SDI") contract," said Todd Oseth, President & CEO of Intermap. "Notable progress was achieved on both fronts with a concentration on the analytics portion of our Orion Platform[™]. Our platform based approach to solving geospatial problems allows each of our customers to customize their geospatial related requirements in a rapid manner, eliminating the need for lengthy development times that would otherwise be required in non-platform based software applications. We believe this approach is key to attracting new customers that have never had available to them this type of flexibility, speed and power."

Mr. Oseth added, "In addition to the progress on our 3DBI software platform, which is the key component driving our SDI opportunities, we furthered our progress towards closing SDI contracts during the quarter. As we've communicated previously, we have been pursuing numerous SDI opportunities throughout 2014 and this pursuit has continued into this year. We had planned on signing at least one SDI contract by the end of last year, which we did not, but they are progressing well at this time. Some of these opportunities have been in development for the past few years and are very complex in nature. Frequently, the governments we're working with have multiple ministries and approval levels involved and we must work through all of them to ultimately receive final approval and close a contract. The complexities involved dictate the prolonged periods required to close any of these SDI contracts. Our communication remains the same; we believe we are nearing closure on certain of these opportunities."

Financial Review

Consolidated revenue for the first quarter of 2014 totaled \$1.0 million and included (i) \$0.3 million in mapping services, (ii) \$0.1 million in professional services, (iii) \$0.4 million in data licensing, and (iv) \$0.2 million in 3DBI software licensing. For the same period in 2014, consolidated revenue totaled \$2.1 million and included (i) \$0.9 million in mapping services, (ii) \$0.4 million in professional services, (iii) \$0.6 million in data licensing, and (iv) \$0.2 million in 3DBI software licensing. Amounts receivable and unbilled revenue at March 31, 2015 was \$1.2 million, compared to \$1.5 million at December 31, 2014.

For the first quarter of 2015, personnel expense was \$3.0 million, compares to \$3.2 million last year. The decrease was primarily due to reduced commission expense consistent with decreased revenue recognized on a year-over-year basis.

For the first quarter of 2015, purchased services and materials expense was \$1.1 million, compared to \$1.6 million recognized during the same period last year. The decrease in this category of expense is primarily due to decreases in subcontractor expenses associated with the Company's 3DBI software development, as subcontractors were converted to full-time employees during the year. Purchased services and materials includes (i) aircraft related costs, including jet fuel, (ii) professional and consulting costs, (iii) third-party support services related to the collection, processing and editing of the Company's data collection activities, and (iv) software expenses (including maintenance and support).

The cash position of the Company at March 31, 2015 (cash and cash equivalents) was \$Nil, compared to \$0.5 million at December 31, 2014. Working capital was negative \$6.1 million at March 31, 2015, compared to negative \$8.7 million at December 31, 2014 (see "Intermap Reader Advisory" below). Subsequent to the close of the first quarter the Company arranged an aggregate of \$4.0 million in debt financing.

Detailed financial results and management's discussion and analysis can be found on SEDAR at: www.sedar.com.

First Quarter Business Highlights

- Intermap announced the release of a new version of its InsitePro, SaaS product that delivers location-based risk assessments to the property insurance industry. The centerpiece of this announcement is the powerful risk scoring functionality. 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 underwriters. Typical uses of the risk score function include:
 - Selection: deciding which properties to underwrite based on quantified risk.
 - Pricing: matching premium to a better understanding of risk.
 - Flood model validation: using terrain features to confirm the accuracy of flood zones.
 - Multi-peril analysis: developing a combined view of risk for a location.
- InsitePro's 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 underwriting flood can combine multiple flood models with heights above river levels and 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 custom accumulation zones and policy information to understand exposure. Combining location risk with exposure creates powerful customized aggressiveness measurement 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.
- Intermap announced that on January 14, 2015, it completed a private placement debt financing for aggregate proceeds of US\$500,000 (the "Debt Financing"). The Debt Financing matures on January 14, 2016. Simple interest is payable at maturity at an annual rate of 18.0%. In addition, the Company undertook to issue up to 6,000,000 warrants to purchase common shares of the Company of which 1,469,834 warrants were issued and the issuance of remaining balance of 4,530,166 warrants was subject to shareholder approval. The Debt Financing is subject to a prepayment right by the Company at 118% of the principal amount at any time from the date of closing, subject to a 60 day notice period. The proceeds of the Debt Financing will be used by the Company for general operating purposes. Intermap also announced that further to its press release dated December 31, 2014, it has re-priced the exercise price of 4,597,443 previously-issued warrants to C\$0.08 per warrant.
- Intermap announced a non-brokered US\$7.3 million debt financing (the "Debt Financing") with Vertex One Asset Management ("Vertex") of Vancouver, BC. The promissory notes granted under the Debt Financing matures 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 25.0%. 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 on February 6, 2014, and became due on February 6, 2015. Vertex subsequently retired the February 2014 note obligation, and the 12,367,054 conversion shares associated with the note were cancelled. The Debt Financing is subject to a prepayment right by the Company at 125% of the principal amount at any time, subject to a 30 day notice period. Intermap intends to use the net proceeds of the Debt Financing for general corporate purposes.
- On April 3, 2015, Intermap announced that it had completed a non-brokered US\$1.5 million debt financing (the "Debt Financing") with Vertex One Asset Management ("Vertex") of Vancouver, BC. The promissory note granted under the Debt Financing matures 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 20.0%. In addition, warrants were issued to the holder of the debt entitling the holder to purchase up to 9,178,266 Common Shares at a price of C\$0.09 per share (US\$0.07 per share). Under the terms of the financing, Vertex will retire an outstanding \$0.5 million note, which was issued on December 26, 2014, and became due on March 31, 2015. Additionally, with the retirement of the note, 8,333,333 conversion shares associated with the note were cancelled. The Debt Financing is subject to a prepayment right by the Company at 120% of the principal amount at any time, subject to a 30 day notice period. The Company intends to use the net proceeds of the Debt Financing for general corporate purposes.

As of May 15, 2015, there were 91,782,665 common shares outstanding.

As of May 15, 2015, potential dilutive securities include (i) 7,367,400 outstanding share options in the Company's share option plan with a weighted average exercise price of C\$0.46, and (ii) 27,371,150 warrants outstanding with a weighted average exercise price of C\$0.08. Each option and warrant entitles the holder to purchase one Class A common share.

Important factors, including those discussed in the Company's regulatory filings (www.sedar.com) could cause actual results to differ from the company's expectations and those differences may be material. Detailed financial results and management's discussion and analysis can be found on SEDAR at: www.sedar.com.

Conference Call

Intermap will host a conference call today, May 15, 2015, at 5:00 pm ET (3:00 pm MT). To participate in the call, please dial +1-647-427-7450 approximately 10 minutes prior to the conference call and provide conference ID 39755918. A recording of the conference call will be available through July 31, 2015. Please dial +1-416-849-0833 and provide pass code 39755918 to listen to the rebroadcast. The call will also be available on Intermap's website at <http://www.intermap.com/investors> for replay.

About Intermap Technologies

Headquartered in Denver, Colorado - Intermap (www.intermap.com) is an industry leader in geospatial solutions on demand. Through its powerful suite of 3DBI applications and proprietary development of contiguous databases that fuse volumes of GIS data into a single source, Intermap is able to provide location based solutions for customers in diverse markets around the world that solve today's complex geospatial challenges.

Adjusted EBITDA is not a recognized performance measure under GAAP and does not have a standardized meaning prescribed by IFRS. The term EBITDA consists of net income (loss) and excludes interest, taxes, depreciation, and amortization. Adjusted EBITDA is included as a supplemental disclosure because management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges that are nonrecurring. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net income (loss).

Intermap Reader Advisory

Certain information provided in this news release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Although Intermap believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of known and unknown risks and uncertainties. You can find a discussion of such risks and uncertainties in our Annual Information Form and other securities filings. While the Company makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to Intermap or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements made herein, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

Reference is made to the Company's audited Consolidated Financial Statements for the year ended December 31, 2014, together with the accompanying notes, which includes a going concern disclosure and such disclosure remains applicable as of the date of the financial statements included herein.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Balance Sheets
(In thousands of United States dollars)

	March 31, December 31,	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ -	\$ 537
Amounts receivable	1,125	1,453
Unbilled revenue	65	63
Prepaid expenses	315	412
Work in process	10	-
	1,515	2,465
Property and equipment	2,625	2,833
Intangible assets	-	13
	\$ 4,140	\$ 5,311

Liabilities and Shareholders' Equity

Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,156	\$	3,785
Current portion of convertible and other notes payable	1,263		5,313
Current portion of project financing	1,191		1,168
Current portion of deferred lease inducements	137		137
Unearned revenue and deposits	433		451
Warrant liability	318		226
Income taxes payable	13		2
Obligations under finance leases	134		131
	7,645		11,213

Long-term convertible and other notes payable	7,282	122
Long-term project financing	157	122
Deferred lease inducements	253	311
Obligations under finance leases	61	96
Other long-term liabilities	19	6
	15,417	11,870

Shareholders' equity:

Share capital	194,377	194,377
Accumulated other comprehensive income	(114)	(57)
Contributed surplus	11,491	11,395
Deficit	(217,031)	(212,152)
	(11,277)	(6,437)

\$ 4,140 \$ 5,433

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Profit and Loss and Other Comprehensive Income
(In thousands of United States dollars, except per share information)

	(as restated)	
For the three months ended March 31,	2015	2014
Revenue	\$ 956	\$ 2,104
Expenses:		
Operating costs	4,658	5,767
Depreciation of property and equipment	242	292
Amortization of intangible assets	13	29
	4,913	6,088
Operating loss	(3,957)	(3,984)
Gain on disposal of equipment	47	362
Change in fair value of derivative instruments	29	1,229
Financing costs	(1,120)	(189)
Financing income	4	7
Gain (loss) on foreign currency translation	138	(78)
Loss before income taxes	(4,859)	(2,653)
Income tax (expense) recovery:		
Current	(20)	-
Deferred	-	318
	(20)	318
Net loss for the period	\$ (4,879)	\$ (2,335)

Other comprehensive loss:

Items that are or may be reclassified subsequently to profit or loss:

Foreign currency translation differences	(57)	(1)
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Comprehensive loss for the period	\$ (4,936)	\$ (2,336)
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Basic and diluted loss per share	\$ (0.05)	\$ (0.03)
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Weighted average number of Class A common shares - basic & diluted **91,782,665** 91,613,401

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity
(In thousands of United States dollars)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at December 31, 2013 (as restated)	\$ 194,337	\$ 10,671	\$ 37	\$ (199,352)	\$ 5,693
Comprehensive loss for the period	-	-	(1)	(2,335)	(2,336)
Share-based compensation	-	82	-	-	82
Deferred tax effect of convertible note	-	(318)	-	-	(318)

Conversion option of convertible note	-	599	-	-	599
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Balance at March 31, 2014 (as restated)	\$ 194,337	\$ 11,034	\$ 36	\$ (201,687)	\$ 3,720
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Comprehensive loss for the period	-	-	(93)	(10,465)	(10,558)
Share-based compensation	40	326	-	-	366
Conversion option of convertible note	-	105	-	-	105
Issuance costs	-	(5)	-	-	(5)
Deferred tax effect of convertible note	-	(65)	-	-	(65)

Balance at December 31, 2014	\$ 194,377	\$ 11,395	\$ (57)	\$ (212,152)	\$ (6,437)
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Comprehensive loss for the period	-	-	(57)	(4,879)	(4,936)
Share-based compensation	-	96	-	-	96

Balance at March 31, 2015	\$ 194,377	\$ 11,491	\$ (114)	\$ (217,031)	\$ (11,277)
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INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)

(as restated)

For the three months ended March 31,	2015	2014
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Cash flows provided by:

Operating activities:

Net loss for the period	\$ (4,879)	\$ (2,335)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	242	292
Amortization of intangible assets	13	29
Share-based compensation expense	110	82
Gain on disposal of equipment	(47)	(362)
Amortization of deferred lease inducements	(35)	(47)
Deferred taxes	-	(318)
Change in fair value of derivative instruments	(29)	(1,229)
Financing costs	1,120	189
Current income tax expense	20	-
Interest paid	(4)	(7)
Income tax paid	(9)	(10)
Changes in working capital:		
Amounts receivable	416	2,409
Work in process and other assets	85	(239)
Accounts payable	648	(51)
Accrued liabilities	(499)	(20)
Unearned revenue and deposits	(18)	45
Gain on foreign currency translation	425	(3)
	(2,441)	(1,575)

Investing activities:

Purchase of property and equipment	(34)	(147)
Proceeds from sale of equipment	-	132
	(34)	(15)

Financing activities:

Proceeds from notes payable	7,800	5,000
Financing costs of notes payable	(74)	(93)
Proceeds from reimbursable project funding	46	-
Repayment of obligations under finance lease	(32)	(28)
Repayment of long-term debt and notes payable	(5,800)	(38)
	1,940	4,841

Effect of foreign exchange on cash	(2)	-
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(Decrease) increase in cash and cash equivalents	(537)	3,251
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Cash and cash equivalents, beginning of period	537	2,420
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Cash and cash equivalents, end of period	\$ -	\$ 5,671
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SOURCE Intermap Technologies Corporation

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