



# Fourth Quarter 2018 Earnings Call

April 2, 2019

# Forward-Looking Statements

This presentation contains certain information which, as presented, constitutes "forward-looking information" or "forward-oriented financial information" within the meaning of applicable Canadian securities laws. Forward-looking information involves statements that relate to future events and often addresses expected future business and financial performance, containing words such as "anticipate", "believe", "plan", "estimate", "expect" and "guidance", statements that an action or event "may", "might", "could" or "will" be taken or occur, or other similar expressions and includes, but is not limited to, statements relating to:

UrtheCast's expectations with respect to its ability to raise capital and to continue as a going concern; UrtheCast's expectations with respect to the Senior Lenders continuing to forbear on, and UrtheCast's ability to cure, the Event of Default under the Credit Agreement prior to the expiry of the Forbearance Agreement or at all; UrtheCast's ability to complete each of the first and second closings of the acquisition of Geosys on the terms set forth in the definitive purchase agreement or at all; UrtheCast's ability to meet its obligations and satisfy its liabilities under its existing indebtedness; UrtheCast's ability to enter into the definitive documentation relating to the revolving credit facility on terms acceptable to the Company or at all; UrtheCast's ability to enter into the planned UrtheDaily™ satellite constellation; UrtheCast's expectations with respect to its ability to raise proceeds from a subordinated debt or equity offering, achieve the required leverage and contracted value ratios and otherwise satisfy the first drawdown conditions under the Credit Agreement; UrtheCast's ability to satisfy the conditions precedent to certain contracts signed and announced; new product functionality and suitability; projected operating expenses and capital expenditures; UrtheCast's ability to secure additional customer contracts for the planned UrtheDaily™ constellation in a timely manner or at all; UrtheCast's ability to secure financing for the planned UrtheDaily™ constellation on acceptable terms, in a timely manner, or at all. Such statements reflect UrtheCast's current views with respect to future events. Such statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by UrtheCast as at the date of this press release, are inherently subject to significant uncertainties and contingencies.

Many factors could cause UrtheCast's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others: UrtheCast's inability to enter into definitive documentation or satisfy any of the other conditions to the completion of the Geosys transaction; UrtheCast's inability to fund the installments for the purchase price of the Geosys transaction; Deimos Imaging or any other imaging provider supplying data to the consortium being unable to deliver imagery products meeting the minimum specifications required by the consortium agreement; interruptions to or failures of Deimos' infrastructure or the infrastructure of any other imaging provider supplying data to the consortium; Airbus Defence and Space's inability to satisfy its payment obligations under the consortium agreement; ESA's inability to satisfy its payments obligations under the head contract with Airbus Defence and Space; legal and regulatory changes; UrtheCast's inability to raise proceeds from a subordinated debt or equity offering, achieve the required leverage and contracted revenue ratios or otherwise satisfy the first drawdown conditions or the final drawdown conditions under the Credit Agreement in a timely manner or at all; and uncertainty about UrtheCast's ability to continue as a going concern; as well as those factors and assumptions discussed in UrtheCast's annual information form dated April 2, 2018, which is available under UrtheCast's SEDAR profile at [www.sedar.com](http://www.sedar.com). UrtheCast cautions readers that such factors and uncertainties are not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual results, performance or achievements may vary significantly from those expected. There can be no assurance that the actual strategies, results, performance, events or activities anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company.

UrtheCast undertakes no obligation to update forward-looking statements except as required by Canadian securities laws. Readers are cautioned against attributing undue certainty to forward-looking statements.

# Recent Accomplishments & Developments

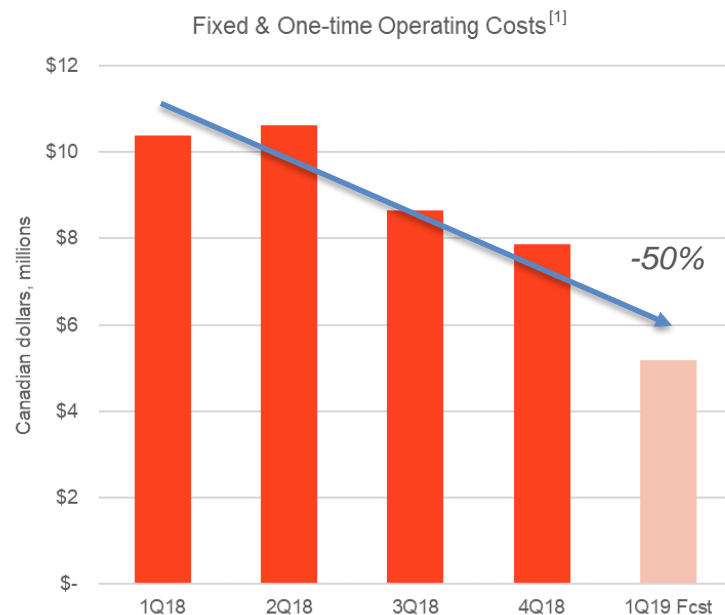
- Completed the acquisition of Geosys, enabling closer integration of imagery data with geanalytics services
- Began providing services under a 13-year, US\$10M+ per year contract with Geosys' former parent company, Land O'Lakes
- Secured a US\$12M term loan and a US\$10M trade finance facility
- Mutually terminated the May 18, 2018 credit agreement, allowing UrtheCast to seek alternative financing for the UrtheDaily Constellation on more flexible terms
- Satisfied the requirements for continued listing on the TSX

# Key Initiatives

1. Continuing to restructure and rationalize the business to strengthen the balance sheet and generate positive EBITDA
2. Securing new financing for the UrtheDaily Constellation
3. Realizing synergies from the Geosys acquisition
4. Monetizing synthetic aperture radar technology (“SAR next-phase”) and other intellectual property

# Restructuring & Rationalizing the Business

*Excluding Geosys*



<sup>1</sup> Excludes non-cash and variable expenses

- Operating costs, excluding non-cash and variable expenses, have been reduced by half
- Headcount has been right-sized across the global organization
  - Staff has been reduced more than 35% in both North America and Spain without affecting the ability to deliver services
- In advanced discussions to sell non-core and under-performing assets to reduce debt and improve working capital
  - Including the sale of all or substantially all of the assets of Deimos Imaging

# Securing New Financing for UrtheDaily

- UrtheCast finalized a mutual termination agreement with respect to the May-2018 UrtheDaily credit facility
- Management is currently working to secure alternative financing that offers greater structural and operational flexibility
  - Signed NDAs and engaged with more than a dozen potential lenders and investors
- The recent Geosys acquisition and significant binding contractual commitments for UrtheDaily data validate the UrtheDaily business case

# Realizing Synergies from the Geosys Acquisition

- This deal combines the unique imagery capabilities of UrtheCast with the proven geoanalytics power of Geosys
- UrtheCast and Geosys have begun delivering service under the 13-year US\$130M+ contract with Land O'Lakes
- Geosys is expected to contribute positive EBITDA in 2019 and is poised to deliver synergies, including:
  - Near-term high-margin revenue growth
  - Greater access to ag customers
  - Optimization and right-sizing of both technical and business development resources
  - Most importantly, bringing together the technical expertise of both companies to maximize the return on the investment in UrtheDaily

# SAR Next-Phase and IP Monetization

- UrtheCast continues to develop the world's first dual-band, fully digital synthetic aperture radar ("SAR")
- This world-leading technology is backed by multiple patents filed to date with more in the pipeline
- Exploring a number of avenues to monetize our technology:
  - Near-term opportunities include licensing agreements and demo missions
  - Long-term strategy is to develop and deploy a commercial SAR mission that is highly complimentary to UrtheDaily
- Management believes there are near-term opportunities to monetize its cloud-based and highly-automated ground processing software, "UrthePipeline," which has been developed to support the UrtheDaily and OptiSAR projects
  - Multiple non-competitive parties have expressed interest



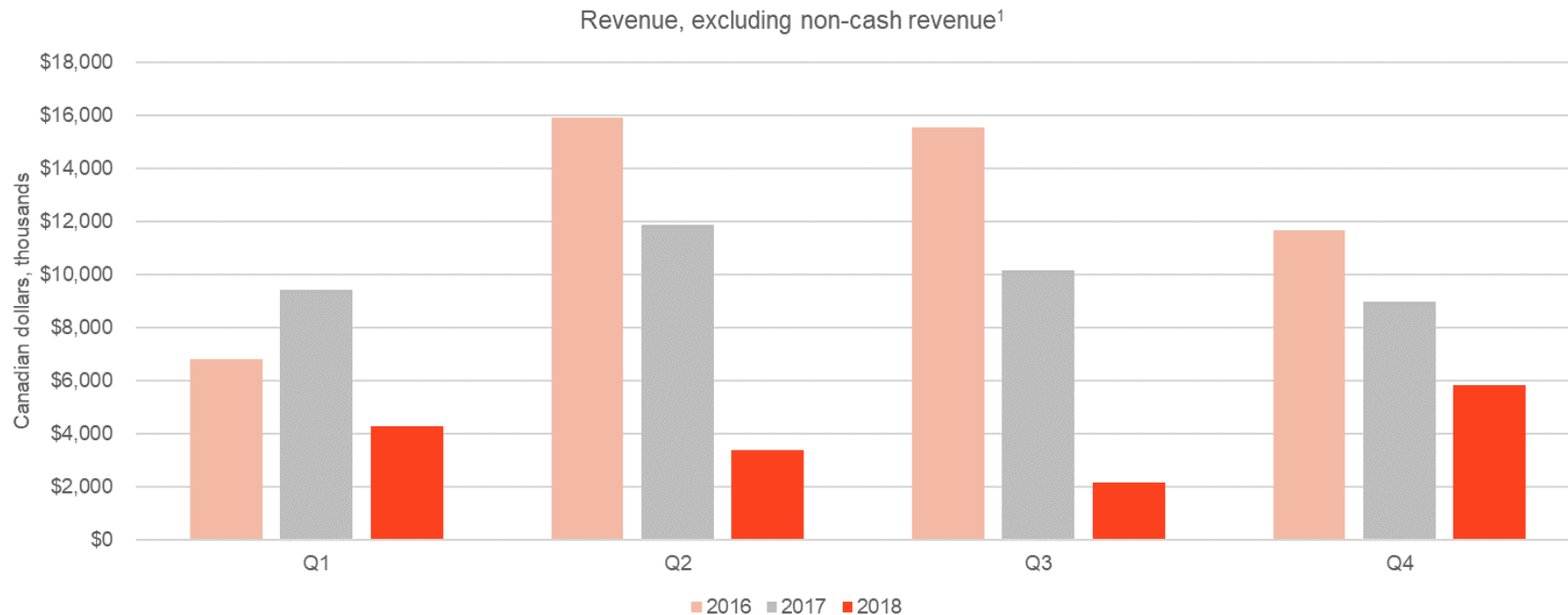
# Q4 2018 Financial Results

Canadian dollars, thousands	Q4		Change		12 Months		Change	
	2018	2017	\$	%	2018	2017	\$	%
Revenue								
Earth Observation	<b>\$5,637</b>	\$1,054	\$4,584	435%	<b>\$9,414</b>	\$7,772	\$1,642	21%
Engineering	<b>\$201</b>	\$7,925	(\$7,724)	(97%)	<b>\$6,220</b>	\$32,621	(\$26,401)	(81%)
Total Revenue	<b>\$5,838</b>	\$8,978	(\$3,140)	(35%)	<b>\$15,634</b>	\$40,393	(\$24,760)	(61%)
Adjusted EBITDA <sup>1</sup>	<b>(\$3,471)</b>	(\$2,349)	(\$1,122)	(48%)	<b>(\$23,725)</b>	(\$3,153)	(\$20,572)	(653%)
Adjusted EBITDA <sup>1</sup> , excluding one-time costs	<b>(\$2,057)</b>	(\$1,041)	(\$1,017)	(98%)	<b>(\$15,840)</b>	(\$1,612)	(\$14,228)	(883%)

Canadian dollars, thousands	Dec. 31,		Dec. 31,		Change	
	2018	2017	\$	%		
Cash and restricted term deposits			\$9,496	\$32,980	(\$23,485)	(71%)

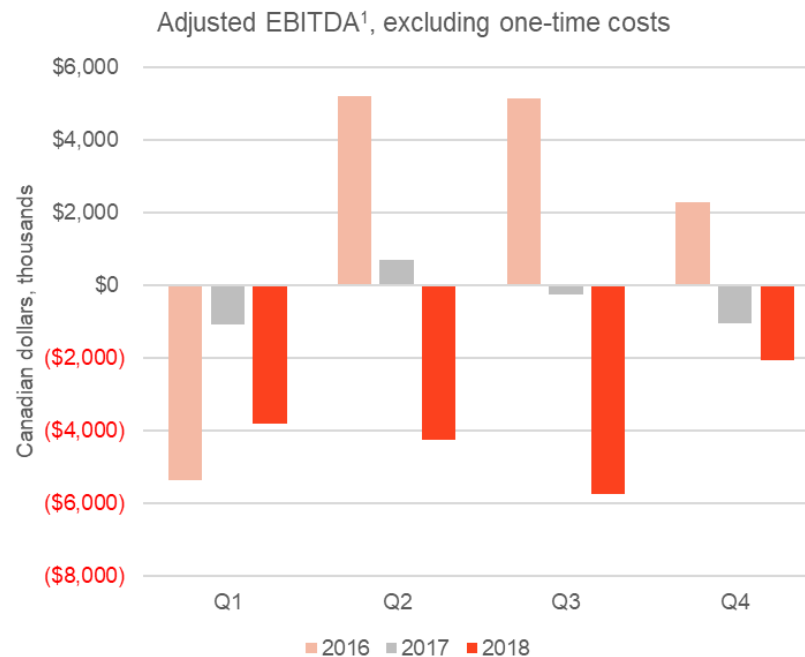
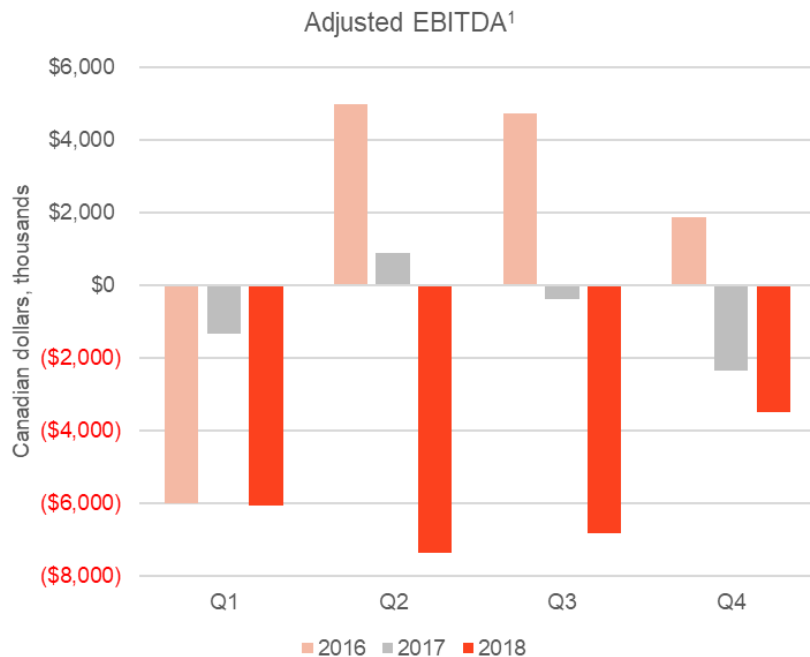
<sup>1</sup> Non-IFRS Measure. See Notes to and Reconciliation of Non-IFRS Measures.

# Revenue



<sup>1</sup> Non-IFRS Measure. See Notes to and Reconciliation of Non-IFRS Measures.

# Adjusted EBITDA



<sup>1</sup> Non-IFRS Measure. See Notes to and Reconciliation of Non-IFRS Measures.

# Selected Financial Information

Canadian dollars, thousands, except per share	Year ended December 31,	
	2018	2017
Revenue	\$15,634	\$40,393
Other operating income	\$706	\$338
Cash operating costs	\$40,065	\$43,884
Non-cash operating costs	\$39,695	\$29,087
Total operating costs	\$79,760	\$72,971
Operating loss	(\$63,420)	(\$32,240)
Net loss	(\$83,252)	(\$31,747)
Comprehensive loss	(\$82,590)	(\$27,959)
Net loss per share – basic and diluted	(\$0.67)	(\$0.27)
Adjusted EBITDA <sup>1</sup>	(\$23,725)	(\$3,153)

Canadian dollars, thousands	December 31, 2018	December 31, 2017
Total assets	\$113,639	\$174,274
Total non-current liabilities	\$39,918	\$29,282
Shareholders' equity	\$22,490	\$102,193

<sup>1</sup> Non-IFRS Measure. See Notes to and Reconciliation of Non-IFRS Measures.

# Notes to Non-IFRS Measures

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. This release includes certain non-IFRS financial measures, such as EBITDA and adjusted EBITDA. The Company uses these non-IFRS financial measures as supplemental indicators of its operating performance and financial position. These measures do not have any standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies, and should not be viewed as alternatives to measures of financial performance calculated in accordance with IFRS or considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS financial measures should be read in conjunction with the Company's financial statements and accompanying MD&A.

# Reconciliation of Non-IFRS Measures

Canadian dollars, thousands	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
<b>Adjusted EBITDA:</b>				
<b>Net loss</b>	<b>(\$42,412)</b>	<b>(\$16,363)</b>	<b>(\$83,252)</b>	<b>(\$31,747)</b>
Add back (subtract):				
Depreciation and amortization	<b>\$4,166</b>	\$4,227	<b>\$17,035</b>	\$17,045
Net finance costs	<b>\$20,460</b>	\$676	<b>\$28,611</b>	\$2,082
Income tax expense	<b>\$5,779</b>	(\$106)	<b>\$5,466</b>	(\$3,067)
<b>EBITDA</b>	<b>(\$12,007)</b>	<b>(\$11,566)</b>	<b>(\$32,140)</b>	<b>(\$15,687)</b>
Impairment of assets	<b>\$19,697</b>	\$8,735	<b>\$20,441</b>	\$9,399
Share-based payments expense	<b>\$107</b>	\$610	<b>\$2,219</b>	\$2,643
Loss (gain) on derivative financial instruments	<b>(\$10,478)</b>	(\$216)	<b>(\$13,053)</b>	(\$1,561)
Foreign exchange (gain) loss	<b>(\$791)</b>	\$88	<b>(\$1,192)</b>	\$2,053
<b>Adjusted EBITDA</b>	<b>(\$3,472)</b>	<b>(\$2,349)</b>	<b>(\$23,725)</b>	<b>(\$3,153)</b>
One-time costs	<b>\$1,414</b>	\$1,308	<b>\$7,885</b>	\$1,541
<b>Adjusted EBITDA, excluding one-time costs</b>	<b>(\$2,057)</b>	<b>(\$1,041)</b>	<b>(\$15,840)</b>	<b>(\$1,612)</b>





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