Operator:	Welcome to the NamSys Annual Meeting. My name is Miranda, and I would be your conference moderator for today's call. During the presentation, all participants would be in a listen-only mode. We would be facilitating a brief Question & Answer session towards the end of the conference. [Operator Instructions] As a reminder, this conference is being recorded for replay purposes.
	I would like to now turn the presentation over to our host for today's call, Barry Sparks, CEO. Please, go ahead.
Barry Sparks:	Good morning, ladies and gentlemen. Welcome to the annual meeting of shareholders of NamSys Inc. As the young lady said, my name is Barry Sparks and I'm CEO of the corporation, and according to the corporation's bylaws, in the absence of our Chairman, Christopher Stait-Gardner, I will act as chairman of the meeting. Before the meeting, however, I would like to make a couple of introduction of people that are integral to the operation of the corporation. The first person I'd like to introduce is Jason Siemens who is the Chief Operating Officer of the corporation and a director. And secondly, Christie Gray, who's the Controller and Office Manager of the corporation, and Joe Prodan who is the Director and Chairman of the Audit Committee.
	I plan to deal with the formal parts of the meeting first of all, in which Jason would make a presentation on business and developments for the future. As you heard at the start of this, we have also invited investors to join us today by way of a conference call, questions would be taken from those participants as well as from today's attendees here in Toronto.
	Moving on to the 2019 Annual Meeting of Shareholders of NamSys Inc. would now come to order. Christie Gray, our Controller, would act as secretary of the meeting. The first item of business is the appointment of scrutineers. I have asked Rosa Vieira of TSX Trust, the transfer agents for the corporation's shares to act as scrutineer. I have received a declaration prepared by an officer of TSX Trust, indicating that the notice calling this meeting with the accompanying information circular and formal proxy were mailed on April 2, 2019, to shareholders of record March 20, 2019. Or alternatively, the information was delivered to the meeting areas for transmission to the shareholders.
	Has the secretary determined the presence of a quorum?
Christie Gray:	Yes, Mr. Chairman.
Barry Sparks:	Thank you, Christie. I now declare that the meeting has been regularly called and is properly constituted for the transaction of business. The first item of formal business, we would proceed with--as the first order of formal business--we would proceed with the election of directors. I now declare the meeting open for the nomination of directors.

Christie Gray: Mr. Chairman, my name is Christie Gray, I'm pleased to nominate the following persons for election as directors of the corporation for the ensuing year, or until their successors are elected or appointed. Mr. Leslie T. Gord, Mr. G. James Johnson, Mr. H. Joe Prodan, Mr. Jason R. Siemens, Mr. K. Barry Sparks, Ms. Nicole A. Sparks, Mr. E. Christopher Stait-Gardner.

Barry Sparks: Thank you, Christie. Are there any further nominations? In the absence of further nominations, I declare the nominations for directors closed. May I have a seconder for this motion?

Jason: Jason seconds.

Barry Sparks: Thank you, Jason. I appreciate you doing that. The second is in.

Christie Gray: The scrutineers have provided the vote breakdown by directors. Each director received between 93.5 and 100 percent received of the votes cast in favor of reelection.

Barry Sparks: Thank you. Given the votes for director by proxy, the vote on this resolution appears to be redundant. However, will all those in favor of the directors signify by raising your hand. Those against? I hereby declare those persons nominated to be duly elected as directors of the corporation, to hold office until the next annual meeting of the shareholders or until their successors are elected or appointed.

The next matter of business that I table at this meeting, the financial statement of the corporation for the period ended October 31, 2018, together with the reported ordinance thereon. I do not propose to ask shareholders to approve the financial statements which have been approved by your board of directors. However, I do wish to recognize and advise the meeting of the auditors of the corporation for Fiscal 2018, Flabbi & Associates LLP, have agreed to stand for nomination by shareholders for Fiscal 2019. Could I please have someone make a resolution appointing the auditors for the current year.

Jason Siemens: My name is Jason Siemens, and I move that Flabbi & Associates LLP or their successors be and they are hereby appointed auditors of the corporation to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and thereby authorized to fix such remuneration.

Barry Sparks: Thank you, Jason. May I have a seconder for this.

Joe Prodan: Joe Prodan. Mr. Chairman, I second the resolution.

Barry Sparks:	Thank you, Joe. As there are no other nominations, I declare the nomination for directors closed, I now call for a vote to appoint Flabbi & Associates LLP the company's auditors for the Fiscal 2019 year. All in favor? Again?
Christie Gray:	Mr. Chairman, I have been provided with a printout of the shares voted in favor of the auditor appointment and confirm that the shareholders voted 100 percent to appoint Flabbi & Associates LLP the company's auditor for 2019.
Barry Sparks:	Thank you, Christie. I hereby declare Flabbi & Associates LLP the duly appointed auditors of the corporation to hold office until our next annual meeting of shareholders, at such remuneration as may be fixed by the directors, and as the directors are authorized to fix such remuneration. Ladies and gentlemen, this concludes the formal portion of this meeting, and I therefore declare the formal portion of the meeting terminated. As mentioned before the start of the meeting, Jason Siemens, our Chief Operating Officer would now lead the presentation on existing operations on the future of the corporation. And it goes Christie for some reason here. I'm not sure why.
Christie Gray:	Alright. So, we're going to start here. Hi. My name is Christie Gray, and I'm the Controller at NamSys Inc. After I read this cautionary note regarding forward-looking statements, Jason Siemens will provide the business updates, we would then open the call for a brief Q&A session. This call is open to the general public, and a replay would be available on the namsys.com website. Some of the statements what we would be making today constitute forward-looking statements and are made pursuant to the safe-harbour provisions of Canadian securities laws. We would indicate forward-looking statements by using words such as "expect", "will", "should", "model", "intend", "believe", and similar expression. I want you know forward-looking statements are based on estimates and assumptions made by the company in light of its experience and its perception of historical trends. Current conditions and expected future developments, as well as other factors that a company believes are relevant. Many factors could cause the company's actual results or performance to differ materially from those expressed or implied by the forward-looking statements, including the risk factors that are discussed in the company's annual information form which is included in our MD&A. You should not place undue reliance on the company's forward-looking statements; the company has no intention and undertakes no obligation to update or revise any forward-looking statements except as required by law. So, I'm going to pass it on to Jason. [Crosstalk]

Jason Siemens: Hi. My name is Jason Siemens, I'm President & CEO of NamSys, and what I'd like to do today is start off with a brief company update and overview, go through an industry update to give you some news on trends and things that we're seeing in the market, and then finish up with some product updates to tell you what we're working on, where we see things going, and then we're going to open it up to a Q&A session.

So, to review, in 2018, we continued to perform well. We had 70 percent gross margins, 45 percent net margins. In Q1, we experienced 22 percent year-over-year revenue growth and that was largely due to new products coming online. The recurrent revenue is still at approximately 95 percent; we are committed to software as a service business model, so we have virtually eliminated all license sales at this time, and that 5 percent is really just enhancing revenue--one-time enhancement revenue.

We have 3.4 million in cash and short-term investments and we are--towards the end of the year--and currently--experienced a slight tailwind in the US dollar, so we're now seeing 1.33 versus 1.28 as an exchange rate, which, if that continues would give us a bump in the current fiscal year. We are getting better at revenue collection, so our accounts receivable agent was short, and we had a shorter time to pay and that should result in smaller foreign exchange adjustments and good cash flow.

So, the next big item I'd like to talk about is our new logo and website, just one thing we mentioned in October that was an initiative of that we started, took a little bit longer than we expected, but we think the results are very good. We worked with a Toronto firm called Moden to consult with both ourselves as well as our clients, to deliver our focus message of what customers wanted to hear about our different technology solutions. And so that is now live, and it's a fresh new look for a company that's been around for... it would be 30 years in October. And one of the sections that we recommend taking a look at is our case studies.

So, we did have Moden do an independent interview of our clients to find out what their experience with the product was, and now we have documented-- these are stories that we internally knew about, but now we have a public record that we can now point new customers to, and we think that would be a very valuable sales tool.

And this is part of our overall strategy for marketing. The first thing we want to do is increase engagement. Traditionally, we've been poor marketers--we would admit to that--and what we wanted to do is make sure that customers understand what we offer, how it can benefit them, and understand the breadth of our offering. So, if they use just our cash vault system, that we also want to know that if they're thinking about starting a smart safe program, that they can come to us for that technology as well. Because, oftentimes,

within a single customer, we're working across many different departments and the visibility needs to be across the entire organization.

 So, we'll be seeing articles, LinkedIn and email marketing campaigns, we feel that we can establish more of a connection with our customers, we're also going to be doing more public webinars where customers as well as non-customers can register for to see demos and live demonstrations of the software in action. Again, an educational tool to make sure that everyone understands just what the capability or the applications are.

And the next thing is--I'll pivot in a little bit later in our discussions--is translated content, being able to--we have it only in English right now, but we are planning on translating it to Spanish and possibly other languages, and that is due just to our initiative to capture more business in South America, and we move into Europe and Asia, then we may get translated further there as well. But it would allow us to get that translated content online.

We continue to attend trade shows like IACOA, which is the Independent Armored Car Operators Association, and this is a trade show that's targeted towards smaller regional armored car operators also known as CIT or cash-in-transit companies, so you'll hear me use the term interchangeably, but it's all really the same thing. And we now have a majority of their largest members, so it's a very good beneficial trade show for us, and that when we go, we're essentially our entire--almost our entire customer base there. The other show that's very successful for us is the SCTA or Secure Cash Transport Association, and this is a broader group of companies, but we're a key sponsor of that show as well and some of our largest customers are also sponsors there, so it's more of a partnership model in that association.

A new association that we just joined is called ATMIA, A-T-M-I-A, and it is the ATM Industry Association, and we joined that because of new initiatives that we're making and pushes that we're making for ATM-based or ATM-related software solutions which I'll talk about in a moment.

As far as challenges, our largest current challenge is hiring, and I think it's a problem that affects a lot of growing organizations, is finding the right people to fit into this our thoughts. And so, currently, we're actively looking for more Java software engineers, actively looking for AWS support personnel--and unfortunately, especially the AWS employees are very hard to find, there's a lot of demand for AWS technical experience. So, it so far has not affected any kind of projects that have ongoing, but looking forward, it's a spot that we need to address. So, we're working on that.

Other ongoing objectives though, I mentioned that we're working to better our marketing, improving customer engagement, and including more multilingual materials. We have already, in fact, added a 24/7 Spanish technical support line which can be used by our customers in Mexico and

South America if they experience problems after business hours. We also have an ongoing objective to address the deployment of existing capital, and whether that'd be in acquisitions or in investment in another company, that's something that Barry and I are actively working on.

Another objective which I think would come up as a question is our diversification or revenue from Brinks. So, currently, Brinks, as of the latest quarter, I think is 41 percent of revenue, which we think is dangerously high, so we are--part of the marketing effort, part of the reason we're making certain product improvement and enhancements, is to try to capture more customers outside of just Brinks. Unfortunately, the market in North America is a little bit consolidated, so we are looking outside of those North American borders to try to help with that.

So, the next part, next session I'd like to talk about is just the industry update to give you a little bit of news on latest trends. And we did this in October, our presentation. But to give you the latest news on the Federal Reserve Cash Visibility Project continues and is a project that is designed to help banks and armored carriers or cash-in-transit providers better track their shipments of cash, and so we're participating in two pilots with the Federal Reserve now in both St. Louis and Chicago with two of our customers.

The next industry trend that we're seeing is related to our investment in the ATMIA association, where they have developed a new... what they call next gen ATM standard, and the ATM industry in a bit of a flux right now. It seems that the number of ATMs that are deployed, at least in North America, has hit the ceiling and manufacturers are looking at new ways to deploy new types of hardware and solutions, and really modernize the ATM device itself. So, the next gen ATM initiative is designed to actually have an ATM that's driven from a smartphone. And so, you would go--instead of going to the ATM and putting in your card and entering your pin, you would be able to go into your phone, go into your online banking app, tap to withdraw $200 and then walk up to any ATM with your smartphone, and it would already know that you've made this request and you tap your phone on the ATM, and it dispenses the cash to you.

This may reenergize the North American ATM market just because they're simpler devices, would be lower maintenance, lower cost to operate, there's no printer, there's no screen, there's not pin pad, and it's really just an internet-connected cash dispenser. And as part of that, there's a lot of backend software that needs to be put in place--forecasting software, monitoring software, that we're trying to see where we can fit into that--we already have some ATM cash-processing software that we offer.

There is a continued interest in sending cash via mail and courier, and this is probably an effort to bypass cash-in-transit companies, it's also an effort by the banks to better serve commercial customers and merchant customers as

they close branches. So, oftentimes, they have trouble closing a branch because they may have 100 merchant customers in that area that they're just going to lose service for. And this by-mail service or by-courier service would allow them to continue that customer relationship, but then also close the branch. And so, we're working on integration with specifically UPS right now, to be able to allow customers to advise the shipment of cash, just like you advise the shipment of a parcel or a gift through a UPS website.

The other industry update I'd like to talk about is the cashless retail trend, so there are... we're seeing and hearing of more and more stores that are just not taking cash as a payment. Some are doing it because they feel that the cost of accepting cash is too high, some advocate the cashless because the cashiers never have to touch money and so they don't have to take off their gloves if they're handling food, they don't to switch back and forth.

But one of side effect of it is that it does--there are certain portions of the public that is unbanked or underbanked. And in the US, for example, 6.5 percent of the population does not have a bank account, they do not have any ability to pay electronically. 25 percent of the population is what they call underbanked, meaning that they do have a bank account, but they tend to operate in cash, they tend to use things like check cashing services, non-banked type services for their day to day needs. And so, right now, Philadelphia and New Jersey have passed laws mandating that stores must accept cash payments, and other states like New York and California are considering the same legislation. And, for example, Amazon Go, which is the same as cashier less stores, they've announced this week that they will actually start accepting cash based on some public pressure.

But that is a trend that we have to be cognizant of, that cash is declining--we'll talk about probably a little bit about that towards the end of the presentation, and just how our products fit into that environment and the declining cash environment.

Now, for our products update, the first product we'll talk about is Currency Controller, and Currency Controller is our cash vault system that's used to process cash, so count cash, and fill cash orders. So, that is our oldest flagship product, but this year we're--and continuing from last year--we are focusing on smart safes and ATM processing, we're currently rolling out nationwide with French Canada which will cover a significant number of ATMs across the country, and we've learned, based on consulting with customers out in the industry, our ATM reconciliation processing capabilities really do set us apart in terms of our productivity.

When you get into networks of thousands of ATMs, there's traditionally have been an enormous amount of effort to make sure that those ATMs are in balance, that money is not missing, that the various parties that service those machines are billing correctly for their services, and what our software does

is reduce by a factor of four-to-one, because most of the reporting becomes automated, and it allows that person to just focus on the extractions, meaning that they don't have to worry about every dollar, they can worry about the bigger issues.

With this product, we're also about to introduce our new web portal for customers, which has an updated look and feel, we're adopting the Google material look and feel so that it will be both mobile and desktop-friendly. And this will allow--we currently have a web portal, but this new one would just be an enhanced, better-performing version of it, and it allows commercial customers, branches, and financial institutions to see all the transactions that are being processed by the bank or by a cash-in-transit provider like Brinks.

Looking at cash-in-transit, that's the next thing I'll talk about is our Cirreon Cash-in-Transit application. And this is used to track the movement of cash, so the use of handheld device to do barcode scanning how the cash move from Point A to Point B, we always know where it is and where it's going, and one of the features that we're enhancing is our ability to work multi-leg and drop operations. And what we're seeing as the cash industry consolidates and tries to reduce cost further and further, that they're closing some of their small branches and consolidating their operations in these large hubs.

And what means is that for a customer in rural Illinois to get their deposits processed, it has to get to Chicago, and that might be a--that might have to go on two or three trucks to get there--and it's going to take a longer amount of time to get there. The other aspect to this is what we call drop operations where they're putting unmanned facilities where a truck can pull in, drop something off, and another truck can come in at a later date, pick it up, and then deliver it to its endpoint. It allows for more efficient routing; it allows for smaller carriers to cover a larger geographic area.

But for them, it's incredibly complicated to manage because it is akin to a multi-leg air fare. So, instead of a non-stop flight, you're booking a two-stop flight, and first of all, it's more difficult to organize the routes, where you need the capacity? But it also increases your risk of error, because every time a parcel moves from one truck to another and you start it and offload it, it increases the chance that something could go wrong--and that's where the importance of software becomes evident, that we can now track and enforce how things should be done in that type of environment.

Our Cirreon Smart Safe application, which is used to capture activity of deposits in devices that are in stores, that continues to grow. We're now in use in 22 countries and countless pilot projects, but that's up from 14 last year, we're now supporting 18 different safe manufacturers as well, and we're now north of 16,000 safes online which represents a healthy growth--so, year-over-year, that unit growth of 39 percent. And so, our initiatives there are working, we're moving into a lot of different countries that are... where

it's very early days for smart safes, and so it allows us to essentially get in on the ground floor before population grows, we're going to build beachhead with integration with the other systems and with the banks in that country. So, as the smart safe network grows, we'll be able to grow right along with them.

We have adopted a strategy to have data centers limited to North America, Europe, and Asia-Pacific instead of having dozen data centers, we'll be able to control costs better for these smaller deployments initially and that strategy seems to be working out well.

Lastly, our Cirreon banking product, which allows customers to--essentially, it's a self-service portal for commercial cash user. It continues to be successful, we're part of the Brinks--what they call 24SEVEN products. So, if you Google "24" and the word "seven", you would find Brinks' explanation of what that product does, and we service the backend for that application. And that's one of the products I mentioned early on that was... our recent revenue increase was partly due to that, the rollout of that product. So, we hope that if Brinks is successful, then that would enjoy some of that success as well.

So, I think with that, I'd like to open it up to questions and answers. Barry, do we want to start with people in the room first and then go to the phone?

Barry Sparks:	I think that would be the preferable way.
Jason Siemens:	I think so. So, does anyone have any questions?
Unidentified Male:	You guys talked about expanding the distribution in the past like Brinks. What initiatives are you working on to move in that direction?
Jason Siemens:	So, we continue to engage with large and small cash-in-transit operators in North America and internationally, I don't think we can name any names.
Barry Sparks:	Not at this point, because we're right in the middle of negotiating some of that stuff. So, until they say, yes, we can't name them. But there are some large cash-in-transit operators that we are dealing with at the present time, and we hope--we believe we're going to succeed because they all turn in…
Jason Siemens:	Yeah, and I think in previous meetings, we've talked about how--the sales cycle for our products is quite long, because they're complicated, they have a lot of integration points, and in some cases, a lot of customer impact. So, when you're converting a network of safes that may be used by thousands of customers, there are a lot of different things to consider. So, it's not--it's certainly not a sale that gets closed in three months or even six months, because the customer does a lot of due diligence as part of the sign-on process. So, like our other sales, it tends to be a little bit protracted.

Unidentified Male: And that's for the core CIT product.

Jason Siemens: That is specifically for the smart safe application.

Unidentified Male: In terms of your revenue run rate currently, what's on your sales today scenario--just ballpark, products that you've launched in the last 24 months? How much of it is stock you've had for a long time versus what you're doing now? And I'm not looking for a hard number, just kind of a ballpark...

Jason Siemens: So, we are... so, as far as revenue breakdown by product, we're currently around 60 percent Smart Safe, 30 percent Currency Controller. So, both of those are preexisting products, and then the remaining 10 percent combine CIT and banking products. We foresee that the actual highest growth rate--product level--would be from our Cirreon banking product in the short term, and in the midterm, we think it's with our Cirreon CIT product. Does that answer your question about giving a breakdown?

Unidentified Male: Yeah.

Sorry, especially the Cirreon banking product which we've spent a lot of time on in the past 24 months, that is just now really gaining traction and generating meaningful revenue.

Unidentified Male: Could you talk about the Cirreon banking in terms of pursuit? Do you go to financial institutions or do you go through your cash-in-transit partners?

Jason Siemens: Right now, we're going through our cash-in-transit partners. And the reason for that is the... the public cloud is still something that's scary to a lot of financial institutions--and we do want to continue operating as a software as a service, I mean that's why we can deliver it economically, and that's what we think makes it reliable, and it's delivered through small, regional, or large CITs... they look at that as a service of the cash-in-transit company, whereas the banks, there's more onerous requirement around the operation of the system, they want something that works just for them, or they want specific designs or specific user-interface tools.

Meanwhile, the customer base that they're servicing overlaps with the cash-in-transit customers, anyway. So, we think that it's a faster channel to pursue the cash-in-transit first. We're not excluding banks by any means, but you can see even with our Currency Controller, we don't actively pursue--we're not actively pursuing bank clients with our Currency Controller, we're very much focused on the CIT because that's where the growth is. The banks continue to outsource cash services to the cash-in-transit companies.

Barry Sparks: And that was started by Bank of America a couple of years ago--about ten years ago.

Jason Siemens: Yeah, this is a longer-term trend, it's not new, but it just continues to accelerate.

Unidentified Male: With your Cirreon products and your existing customers, what's the rate of implementation you may have--like roughly? So, as opposed to... are they starting a new office, 10 percent of their back end, or 100 percent right off the bat?

Jason Siemens: That's a good question. So, it depends on the customer. Obviously, we have some customers that are just green field, and so they safes get hooked up with us and that's easy. With larger deployments, it's usually done in a phased way that's often delineated by financial institutions that those devices are associated with. So, within a given CIT, they may have 1000 safe networks, they may have 30 percent of the safes are doing provisional credit or daily credit with a certain bank. And so, as part of that, there's accounting problems, posting problems, to go through, and that's a task to do retesting and integration work.

        So, often, that's the best subgroup to phase on, and if they don't have that kind of segregation, if they're just working with one bank, sometimes it's a certain model of safe that we do first... it might be the large ones and then we tick off the smaller ones later. And maybe, if they want to save their biggest clients for last because they want to use their other customers as guinea pigs, see how the training goes there and optimize their training. But we always recommend a phased approach for pretty much everything; it's safer. That's how we organize it. Does that answer your question?

Barry Sparks: When Jason talks about "customer", he's really talking about our distributors.

Jason Siemens: Yes, yes.

Barry Sparks: I mean, they buy the products from us for use with their clients, and so there's a lot of work that goes into making them sure that we're offering software-wise, they can use in their processes to enhance the experience of their customers.

Unidentified Male: And currently, for example, Brinks, would their level of communication be on the small end or are they using...?

Barry Sparks: They are right at the forefront in using our stuff. But we provide most of what they're offering in terms of... I guess enhancements of their products through our technology. And we really don't have that many people--at least, we know it's America, they come close to offering what offer, and so it give us a little niche that's bigger than you might think. Jason?

Unidentified Male: As far as acquisitions and _____ [00:38:45], you guys seem to have sort of developing your own products as opposed to buying other companies to take

on their products. Is that still kind of what you're thinking about, that you'd rather--so, typically with fast companies, you can either buy failing businesses just to get their customers cheaper than it would to hire a sales force would do or you can buy products--and then there are some companies that just say, "No, we like our in-house stuff better than we can buy." What's your thinking on those different options right now?

Jason Siemens: I think it's easy to fall into the Not Invented Here syndrome, there's plenty of software service companies out there that make great software. I know they've done it differently than us, but their successful technology and successful business model would still be attractive to us. One thing we probably look for is, at a basic technology level, standardizing our Java, which is pretty common in the software industry... it'd be like, "You're a Microsoft.net shop," or "You're a Java shop," and we'd like to keep that in place so that there's, at least... we can transfer some knowledge at the developer level because we have common platform. But other than that, we're approaching it with an open mind.

Unidentified Male: Can you talk with your international efforts? So, far we've only seen sales in North America and the US. Are you integrated or...?

Jason Siemens: Yeah, so the biggest driver of international right now is not--we're not selling necessarily to CITs in Latin America, but we are going in piggyback on our Brinks global agreement. And it has a lot of advantages, the contracts are negotiated, the ink is very dry, and we have an established process and have an established team that's an expert in our solutions, and they can go into it--they essentially have a deployment team that goes into the country to figure out what they have in place right now and how do we get them on to sharing, that's always the initiative.

Some of those countries are purely green, other ones have established networks of safes. So, for example, in Mexico, we're approximately 60 percent complete with our deployment with Brinks' subsidiary in Mexico, and we should be complete in the next couple of months. They did a rollout by bank, installment, so they split it out by financial institution. And a lot of the other... so, names of some other countries that we're working with are Panama, Bolivia, Columbia... just in that area.

We've already got customers in Jamaica, Dominican Republic, Bahamas. We're also working in Argentina, Peru, and Brazil, we've got safes and projects ongoing. We've got brand new opportunities in Greece, we're just signed a statement of work for Morocco and United Arab Emirates, which is interesting. And we've even had countries like Saudi Arabia who do not have smart safes at all yet that are evaluating Cirreon.

So, almost all of those are on the Brinks relationship, but our armored safe relationship has also been very good there. They have armored safe as a

specific manufacturer that resells our Smart Safe dashboard, and they've been very good focusing on those international opportunities, especially in Latin America, but we also even have some projects in Kenya with them.

Unidentified Male: Could you talk about Brinks and Dunbar and how that relationship is progressing and whether you are already providing services to Dunbar?

Jason Siemens: That is a good question. So, Brinks acquired Dunbar mid last year, it's closed. Before that transaction was fully closed, we approached Ellen by, which is a safe manufacturer that provided all of the smart safe hardware to Dunbar, and made sure that by the time transaction closed, we had premier support for the Ellen by device. We didn't want to risk having a third--another competitor going and saying, "Well, we'll take this portion of the business."

So, we really hit the ground running with a ready-made solution for them. Now, I'll withhold comment on how that acquisition is proceeding, at this point, we have not converted any of the Dunbar safes to the Cirreon platform that, they continue to run on Dunbar-specific tools. But that is in the pipeline along with other projects to get those converted. And I won't disclose te exact number of it, but Dunbar did have a very successful smart safe program based on the size of the organization.

Barry Sparks: But we don't get any indication from Brinks that they plan to adopt the Dunbar system in replacement for us.

Jason Siemens: No, the plan is purely to go with both safes onto Cirreon, yes.

Unidentified Male: So, what do you think would be the most important industry development over the next five years, and how do you positioning yourself to take advantage [?] of that?

Jason Siemens: The basic trend of consolidation... and consolidation, sometimes... there's a lot of business to go around, but it also means that that the market would be in flux, and when things are in flux, there's opportunities. And whether it's our CIT products that's designed them to allow them use multileg routes to consolidate their cash vaults for some of the work that we're doing with the ATM, and smart safe, and daily credit that would allow them to better distribute work... and essentially queue up the work remotely, and them bring it in a consolidated fashion and process it that way.

A lot of what we do is actually... our strategy is around the consolidation which is based on the decline of cash and taking advantage of that change. Does that answer your question?

Barry Sparks: Okay. We do have one question from Richard Jordan.

Operator: Hi, Richard. Please go ahead, your line is now open.

Richard Jordan:	I just wondered why you chose the specific countries that you guys have targeted, any reason behind why those countries?
Jason Siemens:	Probably the first reason is just growth in the market. So, in South America and México, Central American, smart safes have really--are growing at a healthy pace, it's the same pace that we saw early on in the North American market where they're growing at--their fleets of safes are growing by 50 to 100 percent a year, and so it makes us a good candidate to help keep those networks of safes organized.
	So, a big problem that Brinks--or others--as an operator of these networks faces, is that oftentimes they started out with 30 devices in the field, and then that grew to 50 devices, and they were able to manage that on an Excel spreadsheet and a guy with a cellphone. And as the concept takes hold in that country before they know it, they're at 500 devices, and they can no longer and report manually for the bank, and they can no longer figure out where to dispatch technicians to.
	And so, our software then becomes--at that point, it becomes a necessity to have a dashboard to have a reliable network of safes.
	So, I think that's where we're... the countries that we're going into now, that's the reason we're participating in those types of projects, it's that they've reached that stage. So, smart safes have existed for a few years, and they're now actively looking for a solution. So, I want to clarify that it's not a situation where we're sending in any kind of marketing or sales effort into any individual countries, these are organizations that are coming to us based on their immediate needs. Does that answer your question, Richard?
Richard:	Yes, thank you. [Crosstalk]
Unidentified Male:	You get questions from time to time about the use of the cash you're building... it's probably too small to do share buybacks... but is it just there, when something comes up for now--
Barry Sparks:	That's the approach we have the present time. We have even invested in really GITs that don't give us that much interest, but we believe it's important to have the cash to take advantage of some opportunities, and we hope we're going to develop in the future, and we're working hard to expand our list of who we think that might be. But it's always better to have the cash as opposed to go looking for it, and that really is fundamental to our approach on it.
Jason Siemens:	Yeah, it would allow us to act quickly.
Barry Sparks:	Right.
Unidentified Male:	Now, your program is programming, I think. Is that...?

Jason Siemens: Uh-huh. Correct.

Unidentified Male: Do you find yourself so busy working on the program that's happening in the business right now, that you don't have the time to go look at potential acquisitions or do you feel like that's not an issue at this point in time?

Jason Siemens: No, I don't think it's restrictive. And although my background is programming, we've got a team of programmers that handle that, so I'm able to focus more on the customer relationship, managing those premier accounts like Brinks and working with Barry to evaluate different opportunities. So, right now--

Barry Sparks: He's our main sales guy, and he's the troubleshooter when it comes to technology as opposed to the guys--

Unidentified Male: Yeah, with your background... so, the organic growth is excellent for your business. But that doesn't happen by accident, it usually happens if somebody is really on top of making sure... "What's happening here, right?

Jason Siemens: I think the Dunbar--I'll toot our own horn a little bit here--the Dunbar-Ellen by example, where, before someone asks us do it, we had already finished the development of the software, is evidence that skate to where the puck is going, and so I think that's a reason why the organic growth seems to come so easily, is because, for example, we were the first company to develop a real, holistic remote management system for safes to reduce technician visits.

And we did that based on what we saw as a problem in the industry, not based on a customer request or any sort of external feedback. And that, by itself, allowed us to save Brinks millions of dollars a year in technicians visits, and that drove that next--we're going back several years--so that kind of put us into the next tier of deployments with Brinks and allowed us to move into a global agreement with them.

So, I think a lot of that organic growth was just technology, foresight, keeping track of this trend towards consolidation, and making sure that we have a solution that's ready-made and proven by the time this industry wakes up and goes, "Oh, yeah, we need that." That's what we hope to do.

Barry Sparks: And another piece on that would be our CIT enhancement program where we're enhancing the procedures that Brinks would follow to determine what truck picks up what cash for which customer, and what truck is delivering cash, and then combining all that into a program that has, as its base, Google Maps--we pay Google to use their maps and systems, but then all of those other individual idiosyncrasies of various customers of the Brinks organization have to be factored in, and Brinks found that we gave them substantial enhancements in terms of their ability to deliver and how many vehicles they have to have on the road--

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Jason Siemens: [Crosstalk] tell you about Davis Bancorp and the improvements that the saw. But just... if you go to our website and you go to the case study section, there are actually some hard numbers that they provided on what their cost savings, time savings, and route saving were, which is good.

Barry Sparks: So, that's just one additional product that people don't really normally think is our product but is used by the CITs right now.

Unidentified Male: How interested [?] are you in route planning?

Jason Siemens: That's a good question. The route planning--there's two tiers of route planning, the first one is giving a human user the ability to visualize the routes, see the different combinations that are possible, and then choose the most effective strategy for routing. And then the other part would be--we call it Level 2--is where you just throw a bunch of nodes, and your endpoints, and schedules at an optimization algorithm, and have it spit out a result. We have both of those solutions, we sell the route optimization solution separately from the manual management process, and the route optimization tool, we've had good success--we still call it beta, you won't see it prolifically on our website, but it's something that we do engage with customers on.

And the reason we treat it--we treat it more as a customer project with a customer because there's so much... it's not a solution that you can just spin up and it'll spit out a result, there has to be some meaningful data that's injected into the system to make sure that things like--for example, curbside or ramp[?] which side of the road to get to that stop on? Do they have a parking lot? Because an armored truck cannot make a U-turn on a city street, so things like that we have to make sure are in place, because without those, any solution that we output would not make sense--it would be mathematically optimized, but it would not be practical. Does that answer your question?

Unidentified Male: Yeah. So, who provides the companies with their route planning capabilities? And is that a market that you can see yourself growing into, or are there adjacencies...?

Jason Siemens: It definitely is. And here is the--the reason for that is a traditional... truthfully, off-the-shelf route planning software like Descartes, for example, does not take into account the fact that you can turn around an armored truck in the middle of the street, they don't take into account necessarily that the person carrying a bag of money and a gun does not want to cross a public road. And so they would generate a solution for you, but again, it won't be practical and that's what some of the off-the-shelf applications to you. So, for example, you could get a Microsoft Maps product that would spit out a result, we'll have customers try to use that approach.

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But there are specific ways armored carriers that differ from like a FedEx, so one of the things is like time windows. If you are an armored carrier and you're servicing a restaurant, you normally are excluded from servicing at lunchtime, or at dinner rush--the manager is just not available. And so, a lot of rules that say, "You can show up between nine and 11 and two to five. Those are the two windows you can use." And so those ought to be incorporated into it. The other aspect of this is that in most cases, CIT routes, based on just the history of it, but also just the business model. In North America, it's more oriented towards scheduled routes, meaning that they're really designed to be--we serve you on Monday, Wednesday, and Friday, and traditionally, they would show up at a certain time whether you had anything for them or not, they would show up.

And what our solutions enable the customer or cash-in-transit providers to do, is the customers log on to Cirreon banking and they indicate whether they have something to pick up--similar to FedEx.

So, if you have FedEx coming to your office--they don't just show up every day--unless you're huge, unless you're a big corporation--they only show up if you tell them that you have something for them to pick up, or they're going to come when they have something to deliver to you.

So, what we've helped our customers do is to... it's low-hanging fruit, but it does make a difference in that we get the customers to indicate whether service is required, they put that into the contract with the customer that, "We're not going to show up unless you tell us to." We've made it very easy for the customers to use us, they can even print out a QR code in the cash office and they just scan with anyone's cellphone, and that raises basically like a flag on your mailbox to say that there's something inside. This ends up significantly reducing the number or unnecessary trucks and that gives them more time and flexibility to service those other customers.

And the CIT business--and they complete a lot of stops with a day, they're very busy, and anything that we can do to make that schedule more flexible and better organize that schedule is a godsend to them.

Barry Sparks: Did that answer your question?

Unidentified Male: Sure.

Jason Siemens: Thank you.

Unidentified Male: _____ [01:00:09] high coming from Brinks... number three or five years.

Jason Siemens: Three or five years... to get an accurate number, we've got to check... off the top of my head, it would be somewhere between 25 and 40 percent. It's always--Brinks for the past three to five years has been our largest customer

by revenue. They are gradually creeping up as we do more and more projects with them in different countries, and we do things like our Brinks 24SEVEN project, and that growth is reflected in a greater portion of the revenue, and it's something that we're... like I mentioned earlier, we're trying to find ways to bring down and diversify our revenue.

Unidentified Male: Just to imagine a worst-case scenario, how replaceable are we?

Jason Siemens: So, without Brinks, we're still profitable, which is important. We don't want to talk about losing the Brinks relationship, it's obviously critical. We think that we're deeply integrated with them on in their backend systems, whether it's billing or just fleet management systems that means that if they're pulling us out, we'll have a lot of notice and a lot of time to repair the relationship. But we have a great relationship with them, and they are our most important customer.

Unidentified Male: What's the term of the agreements or is it just professional?

Jason Siemens: It renews automatically. The next renewal date is the beginning of June next year. And so, we're currently entering the last year of a three-year agreement.

Barry Sparks: Which has, in the past, rolled over.

Jason Siemens: We've rolled it over.

Unidentified Male: Are there any changes in pricing when the rollovers happen, or... how does that work?

Jason Siemens: So, there's a potential... we can see to alter the terms of the agreement--

Barry Sparks: And they can seek to alter them as well with us.

Jason Siemens: Yeah. However, we are not--we are not, at this point, looking to raise prices. We feel that we've established a price point that is easy for our customers to digest and we're more interested in capturing market share and establishing a really impenetrable beachhead or moat around that network of safes that we can count on for many years.

Unidentified Male: You talk of Brinks as effectively a customer—the end customer? [Crosstalk]

Barry Sparks: Well, you know what they do. [Crosstalk]... we don't know.

Jason Siemens: Yeah, in the past, they have made it optional, so the customer has the option of having access to a dashboard--and then it was more of a direct pass-through. Now, every new safe is on Cirreon. So, we don't actually know if they're still charging for the dashboard access or just giving it away. We do

know that even at the price when we had internal benefits, that they can justify with other customers signing on.

Unidentified Male: Is that on like on a per-user basis or a on a company vault?

Jason Siemens: Yeah, all the products are not per-user, but they're really per... like capacity unit. So, the smart safe is per device, per smart case box. For the CIT, per truck--because some cash-in-transit companies have to two guys on a truck, some have one on a truck, some of have three on a truck. So, we do it based on per truck. The Cirreon banking product is per location, per store that's using it, or per branch that's using it. And our Currency Controller application is charged per processing work station, regardless of how many shifts they have.

And whether it's per truck or per work station, our philosophy is... we're there to actually help the customer improve their business and we don't--we're not there to skim off their performance. If they use our software and experience an improvement in productivity, good for them. That's all we want them to do.

Unidentified Male: How many total devices do you manage with that?

Jason Siemens: For the Smart Safe, we are now at over 16,000, which is that 40 percent growth that I mentioned earlier.

Barry Sparks: And the actual population of smart safes in North America is about 80,000.

Jason Siemens: Yes, so there are 150,000 smart safes in North America. Now, many of them are what we would call offline devices--they're older devices, you may have seen them behind the counter in a petrol [?] station where they'll be used to dispense coins and bills to the cashier, so they don't have to hold a lot of money in a till overnight for security reasons. So, approximately half of those are what we call online devices that are registered with the CIT cash-in-transit companies or banks.

And so, by that metric, we have a pretty good penetration on the device market. Brinks calculates that there are 1.2 million potential locations for smart safes. And one of the reasons that number is so much larger than the current installed base is that there's a lot of potential for smaller devices--smaller, more economical devices. And we are seeing that as a trend, so we're seeing manufacturers from China enter the market at a lower price point. And that's opened up the market to retailers that never considered or could justify smart safe equipment, and that's beneficial for us in the long run.

Barry Sparks: If every checkout has one, then they wouldn't have to aggregate cash at the back of the store in the money room to get credited.

Jason Siemens:	Alright, I think we're ten minutes past twelve right now...
Barry Sparks:	Any more questions coming from the conference...?
Christie Gray:	No, there aren't at this point.
Jason Siemens:	Miranda, if you could you pause for any more questions. Other than that, I think we're ready to close the meeting.
Operator:	And there are no further questions over the phone.
Jason Siemens:	Alright. Well, thank you, everyone. Barry, I'll let you...
Barry Sparks:	No, go ahead. Thank you.
Jason Siemens:	Thank you, everyone for attending. Lots of great questions today, we hope we were able to give you a good idea of the business and what we're working on, and we look forward to our next call. Thank you.
Barry Sparks:	Thank you. Thank you all for coming.