Condensed Consolidated Interim Financial Statements of

INTERMAP TECHNOLOGIES CORPORATION

Three and six months ended June 30, 2020

NOTICE: The condensed consolidated interim financial statements and notes thereto for the three and six months ended June 30, 2020 have not been reviewed by the Company's external auditors.

Management's Discussion and Analysis

For the quarter ended June 30, 2020

For purposes of this discussion, "Intermap®" or the "Company" refers to Intermap Technologies® Corporation and its subsidiaries.

This management's discussion and analysis (MD&A) is provided as of August 13, 2020 and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes for the three and six months ended June 30, 2020 and the audited Consolidated Financial Statements as at and for the years ended December 31, 2019 and 2018, together with the accompanying notes. The results reported herein have been prepared in accordance with International Financial Reporting Standards (IFRS) and, unless otherwise noted, are expressed in United States dollars.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the statements of financial position.

Additional information relating to the Company, including the Company's Annual Information Form (AIF), can be found on the Company's Web site at www.intermap.com and on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

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

The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) there will be adequate liquidity available to the Company to carry out its operations; (ii) payments on material contracts will occur within a reasonable period of time after contract completion; (iii) the continued sales success of Intermap's products and services; (iv) the continued success of business development activities; (v) there will be no significant delays in the development and commercialization of the Company's products; (vi) the Company will continue to maintain sufficient and effective production and software development capabilities to compete on the attributes and cost of its products; (vii) there will be no significant reduction in the availability of qualified and cost-effective human resources; (viii) the continued existence and productivity of subsidiary operations; (ix) demand for geospatial related products and services will continue to grow in the foreseeable future; (x) there will be no significant barriers to the integration of the Company's products and services into customers' applications; (xi) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements, (xii) superior technologies/products do not develop that would render the Company's current product offerings obsolete, and (xiii) expected impact of Covid-19 on the Company's future operations and performance.

Intermap's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, cash available to fund operations, availability of capital, revenue fluctuations, nature of government contracts, economic conditions, loss of key customers, retention and availability of executive talent, competing technologies, continued listing of its common shares on the Toronto Stock Exchange or equivalent exchange, common share price volatility, loss of proprietary information, software functionality, internet and system infrastructure functionality, information technology security, breakdown of strategic alliances, and international and political considerations, including but not limited to those risks and uncertainties discussed under the heading "Risk Factors" in the annual MD&A and the Company's other filings with securities regulators.

On March 3, 2020, COVID-19 was characterized as a pandemic by the World Health Organization. The spread of COVID-19 has significantly impacted the global economy. We are closely monitoring the potential effects and impact on our operations and financial performance; however, the extent of impact is difficult to fully predict at this time. We are conducting business with substantial modifications to employee work locations and travel, along with substantially modified interactions with customers. We will continue to actively monitor the impact of the COVID-19 pandemic on all aspects of our business, including customer purchasing decisions, and may take further actions that alter our business operations. The impact of the COVID-19 pandemic on our operational and financial performance will depend on certain developments, including the duration and spread of the virus, the impact on our customers and our sales cycles, the impact on business development and marketing activities, and potential delays in customer projects and activities, all of which are uncertain and cannot be predicted. Due to our subscription-based business model for commercial customers and long sales cycle for government customers, any impact, if at all, may not be fully reflected in our operations until future periods.

The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company's future course of action depends on Management's assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

BUSINESS OVERVIEW

Intermap is a global geospatial intelligence company, creating a wide variety of geospatial solutions and analytics for its customers. Intermap is a premier worldwide provider of geospatial data solutions.

Intermap currently generates revenue from three primary business activities, composed of i) data acquisition and collection, using proprietary radar sensor technologies, ii) value-added data products and services, which leverage the Company's proprietary NEXTMap® database, together with proprietary software and fusion technologies, and iii) commercial applications and solutions, including a webstore and software sales targeting selected industry verticals that rely on accurate high resolution elevation data.

These geospatial solutions are used in a wide range of applications including, but not limited to, location-based information, risk assessment, geographic information systems (GIS), engineering, utilities, global positioning systems (GPS) maps, oil and gas, renewable energy, hydrology, environmental planning, land management, wireless communications, transportation, advertising, and 3D visualization.

Intermap has the ability to create its own digital 3D geospatial data using its proprietary multi-frequency radar mounted in Learjet aircraft. Intermap's radar-based technology allows it to collect data at any time of the day, including under conditions such as cloud and tree cover, or darkness, which are conditions that limit most competitive technologies. The Company's proprietary radar also enables data to be collected over larger areas, at higher collection speeds, and at accuracy levels that are difficult to achieve with competitive technologies.

In addition to data collection, the Company is a world leader in data fusion, analytics, and orthorectification, and has decades of experience aggregating data derived from a number of different sensor technologies and data sources. The Company processes raw digital elevation and image data from its own and other sources to create three high resolution geospatial datasets that provide a ground-true foundation layer upon which accurate value-added products and services can be developed. The three high resolution data sets include digital surface models (DSM), digital terrain models (DTM), and orthorectified radar images (ORI). These datasets are further augmented with additional elevation and resolution data layers and served to customers by web service to create other value-added products, such as viewsheds, line of sight maps, and orthorectified mosaic tiles.

Unlike many geospatial companies, because of its unique acquisition and processing capability, Intermap retains exclusive ownership of its high resolution NEXTMap® database, which covers the entire globe. Intermap's NEXTMap database, together with third party data and our in-house analytics team, provide a variety of applications and geospatial solutions for its customers. The NEXTMap database contains a fusion of proprietary multi-frequency radar imagery and data, including unique Interferometric Synthetic Aperture Radar (IFSAR)-derived data, proprietary data models, and purchased third-party data, collected from multiple commodity sensor technologies, such as light detection and ranging (LiDAR), photogrammetry, satellite, and other available sources. The NEXTMap database also includes proprietary information developed by our analytical teams such as 3D city models, census data, real-time traffic, 3D road vectors, outdoor advertising assets, weather related hazards, points of interest, cellular towers, flood models and wildfire models.

The Company generates revenue by licensing its geospatial products using its proprietary data, analytics, and applications for specific industries.

FINANCIAL INFORMATION

The following table sets forth selected financial information for the periods indicated.

Selected Annual Information

U.S. $ millions, except per share data	Three months ended June 30, **2020**	Three months ended June 30, 2019	Six months ended June 30, **2020**	Six months ended June 30, 2019
Revenue:				
Acquisition services	**$ 0.3**	$ 1.1	**$ 1.1**	$ 1.2
Value-added data	**0.2**	0.3	**0.4**	0.5
Software and solutions	**0.7**	0.5	**1.3**	1.1
Total revenue	**$ 1.2**	$ 1.9	**$ 2.8**	$ 2.8
Operating loss	**$ (1.4)**	$ (1.5)	**$ (2.4)**	$ (3.7)
Financing costs	**$ (0.5)**	$ (0.7)	**$ (1.3)**	$ (1.4)
Net income (loss)	**$ 31.0**	$ (2.2)	**$ 29.2**	$ (5.2)
EPS basic and diluted	**$ 1.79**	$ (0.13)	**$ 1.69**	$ (0.30)
Adjusted EBITDA	**$ (1.0)**	$ (0.8)	**$ (1.6)**	$ (2.6)

Assets:	**June 30, 2020**	June 30, 2019
Cash, trade receivables, unbilled revenue	**$ 2.0**	$ 2.6
Total assets	**$ 7.6**	$ 8.2
Liabilities:		
Long-term liabilities (including lease obligations)	**$ 0.6**	$ 30.7
Total liabilities	**$ 7.4**	$ 37.7

Revenue

Quarterly Revenue

Consolidated revenue for the quarter ended June 30, 2020 totaled $1.2 million, compared to $1.9 million for the same period in 2019. Approximately 69% of consolidated revenue was generated outside the United States, compared to 26% for 2019.

Acquisition services revenue for the quarter ended June 30, 2020 totaled $0.3 million, compared to $1.1 million for the same period in 2019. The decrease is due to the nature and timing of government contracting.

Value-added data revenue decreased slightly to $0.2 million for the quarter ended June 30, 2020 as compared to 2019.

Software and solutions revenue increased to $0.7 million from $0.5 million for the second quarters of 2020 and 2019, respectively. The Company recognized a 25% increase in subscription-based revenue, which was offset by the intentional cancellation of customers using our products in competing markets.

Year-to-date Revenue

On a year-to-date basis, consolidated revenue remained consistent at $2.8 million during the six months ended June 30, 2020 and 2019. Approximately 67% of consolidated revenue was generated outside the United States, compared to 34% for 2019.

Acquisition services revenue for the six-month period ended June 30, 2020 totaled $1.1 million, compared to $1.2 million for the same period in 2019. The slight decrease is due to the nature and timing of government contracting.

Value-added data revenue for the six-months ended June 30, 2020 was $0.4 million, a slight decrease from the same period in 2019 which was $0.5 million.

Software and solutions revenue increased to $1.3 million from $1.1 million for the six-months ended 2020 and 2019, respectively. The Company recognized a 16% increase in subscription-based revenue, which was offset by the intentional cancellation of customers using our products in competing markets.

Classification of Operating Costs

The composition of the operating costs on the Consolidated Statements of Loss and Other Comprehensive Loss is as follows:

U.S. $ millions	For the three months ended June 30, **2020**	For the three months ended June 30, 2019	For the six months ended June 30, **2020**	For the six months ended June 30, 2019
Personnel	**$ 1.4**	$ 1.5	**$ 2.8**	$ 3.0
Purchased services & materials	**0.6**	1.0	**1.2**	1.9
Facilities and other expenses	**0.1**	0.2	**0.3**	0.4
Travel	**-**	-	**0.1**	0.1
	$ 2.1	$ 2.7	**$ 4.4**	$ 5.4

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions. Personnel expense for the quarters ended June 30, 2020 and 2019, totaled $1.4 million and $1.5 million, respectively. For the six-month periods ended June 30, 2020 and 2019, personal expense was $2.8 million and $3.0 million, respectively. The 6% year-over-year decrease in personnel expense is primarily due to personnel restructuring activities that occurred during the second quarter of 2019 in Jakarta.

Non-cash compensation expense is included in operating costs and relates to the Company's omnibus incentive plan, share options, and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended June 30, 2020 and 2019, was $36 thousand and $24 thousand, respectively. For the six-month periods ended June 30, 2020 and 2019, non-cash compensation expense was $58 thousand and $56 thousand, respectively.

Purchased Services and Materials

Purchased services and materials (PS&M) includes (i) aircraft and radar 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 airborne radar data collection activities; (iv) third-party data collection activities (i.e. LiDAR, satellite imagery, air photo, etc.); and (v) third-party software expenses (including maintenance and support).

For the quarters ended June 30, 2020 and 2019, PS&M expense was $0.6 million and $1.0 million, respectively. For the six-month periods ended June 30, 2020 and 2019, PS&M expense was $1.2 million and $1.9 million, respectively. The decrease for both periods was due to decreased spending on consulting and legal services during 2020.

Facilities and Other Expenses

For the quarters ended June 30, 2020 and 2019, facilities and other expenses were $0.1 million and $0.2 million, respectively. For the six-month periods ended June 30, 2020 and 2019, facilities and other expenses were $0.3 million and $0.4 million, respectively.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net income (loss) and excludes interest (financing costs), taxes, and depreciation. Adjusted EBITDA also excludes share-based compensation and other non-operating gains or losses. 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 or gains that are nonrecurring. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss). The following is a reconciliation of the Company's net loss to Adjusted EBITDA.

	Three months ended June 30,		Six months ended June 30,	
U.S. $ millions	**2020**	2019	**2020**	2019
Net income (loss)	**$ 31.0**	$ (2.2)	**$ 29.2**	$ (5.1)
Financing costs	**0.5**	0.7	**1.3**	1.4
Depreciation of property and equipment	**0.3**	0.3	**0.6**	0.6
Depreciation of right of use assets	**0.1**	0.1	**0.2**	0.2
EBITDA	**$ 31.9**	$ (1.1)	**$ 31.3**	$ (2.9)
Share-based compensation	**0.1**	-	**0.1**	-
Restructuring costs	**-**	0.3	**-**	0.3
Gain on modification of debt	**(32.1)**	-	**(32.1)**	-
Gain on disposal of equipment	**(0.2)**	-	**(0.2)**	-
Government grants	**(0.7)**	-	**(0.7)**	-
Adjusted EBITDA	**$ (1.0)**	$ (0.8)	**$ (1.6)**	$ (2.6)

Adjusted EBITDA for the quarter ended June 30, 2020 was negative $1.0 million, compared to negative $0.8 million for 2019. Adjusted EBITDA for the six-month period ended June 30, 2020 was negative $1.6 million, compared to negative $2.6 million for the same period in 2019. The improvement in adjusted EBITDA is primarily attributable to the decrease in operating costs.

Financing Costs

Financing costs for the quarter ended June 30, 2020 totaled $0.5 million (six-month period $1.3 million) compared to $0.7 million (six-month period $1.4 million) for the same period in 2019. Financing costs relate mostly to the accretion of the notes payable interest using the effective interest method. On June 3, 2020, the company came to a settlement with the note holder (see Note 7(a) of the condensed consolidated interim financial statements). The revised note of $1.0 million will mature on September 1, 2020.

Depreciation of Property and Equipment

Depreciation expense for property and equipment for the quarters ended June 30, 2020 and 2019 were $0.3 million for both quarters. Depreciation expense for property and equipment for the six-months ended June 30, 2020 and 2019 were $0.6 million for both quarters.

Depreciation of Right of Use Assets

Depreciation expense for right of use assets remained steady at $0.1 million for both quarters ended June 30, 2020 and 2019. Depreciation expense for right of use assets also remained steady at $0.2 million for both quarters ended June 30, 2020 and 2019.

Gain on disposal of equipment

Gain on disposal of equipment was $0.2 million compared to $Nil for the quarters and six-months periods ended June 30, 2020 and 2019. The Company disposed of assets with a net book value of $Nil and received cash proceeds of $0.2 million and recognized the gain during the second quarter of 2020.

Government grants

Government grants totaling $0.7 million were received from government assistance programs in the United States and Canada provided in response to the COVID-19 pandemic compared to $Nil for the quarters and six-month periods ended June 30, 2020 and 2019, respectively. The Company has reasonable assurance it will meet the terms for forgiveness of the loans, resulting in the recognition of income during the period for which the forgiveness relates.

Trade Receivables and Unbilled Revenue

Work is performed on contracts that provide invoicing upon the completion of identified contract milestones. Revenue on certain of these acquisition services contracts is recognized using the percentage-of-completion method of accounting based on the ratio of costs incurred to date over the estimated total costs to complete the contract. While an effort is made to align payments on contracts with work performed, the completion of milestones does not always coincide with the costs incurred on a contract, resulting in revenue being recognized in excess of billings. These amounts are recorded in the consolidated balance sheets as unbilled revenue.

Trade receivables and unbilled revenue decreased from $1.2 million at December 31, 2019, to $0.8 million at June 30, 2020. The decrease is due to the timing of billings and cash receipts. The Company reviews the trade receivables aging monthly and monitors the payment status of each invoice. The Company also communicates with slow paying or delinquent customers on a regular basis regarding the schedule of future payments. At the balance sheet date, $Nil has been reserved as uncollectible as all trade receivable balances greater than 90 days are highly likely to be paid in full by the customer.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities increased to $3.4 million at June 30, 2020, from $3.1 million at December 31, 2019.

U.S. $ millions		**June 30, 2020**		December 31, 2019
Accounts payable	$	1.7	$	1.4
Accrued liablities		1.7		1.7
	$	3.4	$	3.1

Notes Payable

The decrease in the notes payable balance from December 31, 2019 of $31.9 million to $1.0 million at June 30, 2020 is purely due to the settlement agreement with the note holder on June 3, 2020 (see Note 7(a) of the condensed consolidated interim financial statements).

Before the $32.1 million debt modification, the notes payable balance reflected the debt restructuring that occurred during the fourth quarter of 2016 and the first quarter of 2017 plus interest as follows:

- During the fourth quarter of 2016, the Company restructured the outstanding notes (July 8, 2016 note for $2.0 million and September 15, 2016 note for $25.8 million), which resulted in the extension of the maturity date to September 1, 2020 and the elimination of the interest. The restructuring also included the elimination of a 17.5% royalty agreement. The note is secured by a first priority lien on all the assets of the Company. The fair value of the notes at December 31, 2017 reflected in the balance sheet is $24.0 million and is subject to prepayment provisions if the Company builds excess cash; if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be applied to reduce debt against the outstanding notes payable.
- During the first quarter of 2017, $2.9 million of proceeds from a Rights Offering was used to partially repay a $6.0 million Bridge Loan, received on December 14, 2016. The balance of the Bridge Loan was converted into a non-interest-bearing note payable due September 1, 2020. The fair value of the note payable at December 31, 2017 was $2.5 million, following the recognition of a $0.7 million gain on the modification of the Bridge Loan, which was credited to contributed surplus. Additionally, the note is secured by a first priority lien on all assets of the Company and is subject to the same prepayment provisions as the Company's other debt, should the Company build excess cash; if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

During the second quarter of 2020, the Company executed an agreement with PenderFund Capital Management Ltd. (Pender), the manager of the Vertex Fund. Under the terms of the agreement, following receipt of a $1,000 cash payment by September 1, 2020, Vertex and Pender shall release all liens, extinguish the notes payable, and the parties shall provide for a general release from all claims associated with the Vertex financings.

Project Financing

The project financing balance decreased from $0.5 million at December 31, 2019 to $0.3 million at June 30, 2020. The decrease is due to payments made to the service provider.

Unearned Revenue and Deposits

The unearned revenue balance at June 30, 2020 increased to $2.1 million from $1.3 million at December 31, 2019. This balance consists of payments received from customers for contracts that are in progress and have not yet fulfilled the necessary revenue recognition criteria. At June 30, 2020 and December 31, 2019, 87% and 89% of the total balance, respectively, is related to software and solutions license revenue, in which the license fee is paid upfront for the term of the license. The balance relates to the collection of milestone billings on acquisition services contracts.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

The following table sets forth selected quarterly financial information for Intermap's eight most recent fiscal quarters. This information is unaudited, but reflects all adjustments of a normal, recurring nature that are, in the opinion of management, necessary to present a fair statement of Intermap's consolidated results of operations for the periods presented. Quarter-to-quarter comparisons of Intermap's financial results are not necessarily meaningful and should not be relied on as an indication of future performance.

For the last eight quarters, the Company has been operating severely undercapitalized and been required to self-finance the advancement of high-growth opportunities in the insurance, aviation and telecommunications verticals. As a result, the impact on gross revenue has been delayed. Management believes an improved capital structure will provide much needed investment in revenue growth.

U.S. $ millions, except per share data	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	**Q2 2020**
Total revenue	$ 3.7	$ 4.2	$ 0.8	$ 1.9	$ 4.2	$ 3.2	$ 1.6	**$ 1.2**
Depreciation	$ 0.4	$ 0.3	$ 0.4	$ 0.4	$ 0.4	$ 0.4	$ 0.4	**$ 0.3**
Financing costs	$ 0.6	$ 0.8	$ 0.7	$ 0.7	$ 0.7	$ 0.8	$ 0.8	**$ 0.5**
Operating income (loss)	$ (0.5)	$ 0.1	$ (2.2)	$ (1.5)	$ 0.6	$ 0.2	$ (1.0)	**$ (1.4)**
Net (loss) income	$ (1.2)	$ (0.6)	$ (2.9)	$ (2.2)	$ (0.1)	$ 0.4	$ (1.8)	**$ 29.2**
Net (loss) income per share - basic and diluted	$ (0.07)	$ (0.04)	$ (0.17)	$ (0.13)	$ -	$ 0.02	$ (0.10)	**$ 1.79**
Adjusted EBITDA	$ 0.4	$ 0.4	$ (1.8)	$ (0.8)	$ 1.1	$ 0.6	$ (0.6)	**$ (1.0)**

LIQUIDITY AND CAPITAL RESOURCES

Management continually assesses liquidity in terms of the ability to generate sufficient cash flow to fund the business. Net cash flow is affected by the following items: (i) operating activities, including the level of trade receivables, unbilled receivables, accounts payable, accrued liabilities and unearned revenue; (ii) investing activities, including the purchase of property and equipment; and (iii) financing activities, including debt financing and the issuance of capital stock.

During the quarter ended June 30, 2020, the Company generated an operating loss of $1.4 million (six-month period loss $2.4 million) and incurred negative adjusted EBITDA of $1.0 million (six-month period negative $1.6 million). Revenue for the six-months ended June 30, 2020 was $2.8 million, which is consistent with revenue for the same period in 2019. At June 30, 2020, the Company has a shareholders' surplus of $0.2 million that was mainly generated by the current quarter's gain on the settlement of debt.

Cash provided by operations during the six-months ended June 30, 2020 totaled $0.5 million, compared to cash provided by operations of $0.7 million during the same period in 2019.

Net cash used in investing activities totaled $0.3 million and $0.8 million for the six-month periods ended June 30, 2020 and 2019, respectively. Net cash used in investing activities for both periods related to the purchase of computer related equipment and the capitalization of labor and materials to build the data archive, processing capabilities, and software assets.

Net cash used in financing activities totaled $0.3 million for the six-months ended June 30, 2020 and 2019. The net cash used during the six-months ended June 30, 2020 resulted from the payment of lease obligations of $298 thousand and repayment of project financing of $180, offset by proceeds from the sale of property and equipment of $150 thousand. The net cash used during the six-months ended June 30, 2019 was the repayment of lease obligations of $299 thousand.

The Company is dependent upon its cash flow from operations to fund its business as it currently has $1.0 million in outstanding secured long-term debt, and no line of credit or credit facility currently in place. The Company believes access to equity capital markets is severely constrained. The cash position of the Company at June 30, 2020 was $1.1 million, compared to $1.2 million at December 31, 2019. Over the past two years, the Company has undertaken a significant reduction in staff and realigning of the mix of talent and key resources, as well as overall reductions in operating costs.

The above factors in the aggregate indicate there are material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on management's ability to successfully secure sales with upfront payments, restructure the balance sheet (including a reduction of debt) and obtain additional financing. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition and / or results of operations. The Board of Directors and management continue to take actions to address these issues including renegotiating the terms of the notes payable, resulting in the elimination of $32.9 million of debt, raising capital through a private placement and exploring options for additional capital and several strategic alternatives. Such alternatives could include, a sale of the Company, a sale of assets, a business combination, continuing as a standalone entity under a new capital structure. There can be no assurance that the consideration of strategic alternatives will result in the completion of any transaction or any other alternative.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

Revenue is recognized when a customer obtains control of the good or services. Determining the timing of the transfer of control, at a point in time or overtime, requires judgement.

Acquisition Service Contracts

Revenue from acquisition service contracts is recognized overtime based on the ratio of costs incurred to estimated final contract costs. The use of this method of measuring progress towards complete satisfaction of the performance obligations requires estimates to determine the cost to complete each contract. These estimates are reviewed monthly and adjusted as necessary. Provisions for estimated losses, if any, are recognized in the period in which the loss is determined. Contract losses are measured in the amount by which the estimated costs of the related project exceed the estimated total revenue for the project. Invoices are issued according to contractual terms and are usually payable within 30 days. Revenue recognized in advance of billings are presented as unbilled revenue.

Data Licenses

Revenue from the sale of data licenses in the ordinary course of business is measured at the fair value of the consideration received or receivable. Customers obtain control of data products upon receipt of a physical hard drive or download of the data from a web link provided. Invoices are generated, and revenue is recognized at that point in time. Invoices are generally paid within 30 days.

Software Subscriptions

Software subscriptions are paid at the beginning of the license term. Revenue is recognized overtime, and payments for future months of service are recognized in unearned revenue. While the license agreements are for a fixed term, some agreements also contain a limited number of clicks or uses. If the limit is reached prior to the end of the term, the license ends early.

Data Library (NEXTMap)

The Company maintains a data library, which is the result of the acquisition and processing of digital map data. Ownership rights to this data are typically retained by the Company and the data is licensed to customers. Although the carrying value of the data library at June 30, 2020 is $Nil, management believes the asset generates significant value to the Company and the solutions it provides. In accordance with IFRS, the Company will review each reporting period for indications that an adjustment to the carrying value may be necessary.

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of Class A common shares without par value and an unlimited number of Class A participating preferred shares without par value. At the close of business on August 13, 2020, 20,839,900 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of August 13, 2020, potential dilutive securities include (i) 1,029,825 outstanding share options with a weighted average exercise price of C$0.81, (ii) 1,092,508 restricted share units, and (iii) 685,740 warrants outstanding with a weighted average exercise price of USD$0.64. Each option and warrant entitles the holder to purchase one Class A common share. 546,456 of the warrants are currently being held by current and former Directors of the Company and expire on September 1, 2020. The remaining 139,284 warrants expire on July 31, 2022.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES

Internal Control over Financial Reporting

The Company's Chairman and Chief Executive Officer and the Company's Chief Financial Officer have designed, or have caused to be designed under their supervision, internal control over financial reporting as defined under National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the design of internal control over financial reporting that occurred during the period beginning on January 1, 2020 and ending on June 30, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures

The Company's Chairman and Chief Executive Officer and the Company's Chief Financial Officer have designed, or have caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company has been made known to them and that information required to be disclosed in the Company's annual filings, interim filings or other reports filed by it or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified by applicable securities legislation.

RISKS AND UNCERTAINTIES

The risks and uncertainties relating to the business and affairs of the Company are described in the Company's 2019 Annual Report and the Annual Information Form.

Additional Information

Additional risk factors may be detailed in the Company's Annual Information Form, which can be found on the Company's Web site at www.intermap.com and on SEDAR at www.sedar.com.

INTERMAP TECHNOLOGIES CORPORATION

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

		June 30, 2020		December 31, 2019
Assets				
Current assets:				
Cash	**$**	**1,145**	$	1,230
Trade receivables		**823**		741
Unbilled revenue		**23**		410
Prepaid expenses		**703**		763
		2,694		3,144
Property and equipment (Note 4)		**4,282**		4,555
Right of use assets (Note 5)		**630**		406
Total assets	**$**	**7,606**	$	8,105
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	**$**	**3,389**	$	3,085
Current portion of project financing (Note 7(b))		**120**		300
Lease obligations (Note 8)		**280**		369
Unearned revenue		**2,086**		1,274
Income taxes payable		**17**		-
Current portion of notes payable (Note 7(a))		**1,000**		31,884
		6,892		36,912
Long-term project financing (Note 7(b))		**176**		184
Lease obligations (Note 8)		**376**		96
Total liabilities		**7,444**		37,192
Shareholders' deficiency:				
Share capital (Note 11(a))		**199,917**		199,917
Accumulated other comprehensive loss		**(161)**		(154)
Contributed surplus (Note 11(b))		**25,585**		25,527
Deficit		**(225,179)**		(254,377)
Total shareholders' equity		**162**		(29,087)
Going concern (Note 2(a))				
Subsequent event (Note 16)				
Total liabilities and shareholders' equity	**$**	**7,606**	$	8,105

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	**2020**	2019
Revenue (Note 9)	**$ 1,160**	$ 1,916	**$ 2,793**	$ 2,756
Expenses:				
Operating costs (Note 10(a))	**2,144**	2,732	**4,411**	5,381
Restructuring costs	**-**	272	**-**	272
Depreciation of property and equipment	**284**	270	**554**	561
Depreciation of right of use assets	**116**	125	**256**	250
	2,544	3,399	**5,221**	6,464
Operating loss	**(1,384)**	(1,483)	**(2,428)**	(3,708)
Gain on modification of debt (Note 7(a))	**32,138**	-	**32,138**	-
Government grants	**663**	-	**663**	-
Gain on disposal of equipment	**150**	-	**150**	-
Financing costs (Note 10(b))	**(542)**	(717)	**(1,299)**	(1,415)
Loss on foreign currency translation	**(58)**	(35)	**(5)**	(61)
Gain (loss) before income taxes	**30,967**	(2,235)	**29,219**	(5,184)
Income tax expense:				
Current	**(17)**	(5)	**(21)**	(15)
	(17)	(5)	**(21)**	(15)
Net income (loss) for the period	**$ 30,950**	$ (2,240)	**$ 29,198**	$ (5,199)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**10**	7	**(7)**	4
Comprehensive income (loss) for the period	**$ 30,960**	$ (2,233)	**$ 29,191**	$ (5,195)
Basic and diluted income (loss) earnings per share	**$ 1.79**	$ (0.13)	**$ 1.69**	$ (0.30)
Weighted average number of Class A common shares - basic and diluted (Note 11(c))	17,268,472	17,268,472	17,268,472	17,268,472

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance at December 31, 2018	$ 199,917	$ 25,379	$ (154)	$ (249,564)	$ (24,422)
Comprehensive income (loss) for the period	-	-	4	(5,199)	(5,195)
Share-based compensation	-	56	-	-	56
Balance at June 30, 2019	$ 199,917	$ 25,435	$ (150)	$ (254,763)	$ (29,561)
Comprehensive (loss) income for the period	-	-	(4)	386	382
Share-based compensation	-	92	-	-	92
Balance at December 31, 2019	$ 199,917	$ 25,527	$ (154)	$ (254,377)	$ (29,087)
Comprehensive (loss) income for the period	-	-	(7)	29,198	29,191
Share-based compensation	-	58	-	-	58
Balance at June 30, 2020	$ 199,917	$ 25,585	$ (161)	$ (225,179)	$ 162

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of United States dollars)
(Unaudited)

For the six months ended June 30,	2020	2019
Operating activities:		
Net income (loss) for the period	**$ 29,198**	$ (5,199)
Interest paid	**(12)**	(30)
Income tax paid	**(4)**	(15)
Adjusted for the following non-cash items:		
Gain on modification of debt	**(32,138)**	-
Depreciation of property and equipment	**554**	561
Depreciation of right of use assets	**256**	250
Share-based compensation expense	**58**	56
Gain on disposal of equipment	**(150)**	-
Financing costs	**1,299**	1,415
Current income tax expense	**21**	15
Changes in working capital:		
Trade receivables	**(118)**	2,097
Unbilled revenue and prepaid expenses	**445**	(130)
Accounts payable and accrued liabilities	**298**	637
Unearned revenue	**811**	1,094
Gain on foreign currency translation	**9**	(94)
Cash flows provided by operating activities	**527**	657
Investing activities:		
Purchase of property and equipment	**(281)**	(777)
Cash flows used in investing activities	**(281)**	(777)
Financing activities:		
Payment of lease obligations	**(298)**	(299)
Proceeds from sale of property and equipment	**150**	-
Repayment of project financing	**(180)**	-
Cash flows used in financing activities	**(328)**	(299)
Effect of foreign exchange on cash	**(3)**	1
Decrease in cash	**(85)**	(418)
Cash, beginning of period	**1,230**	1,284
Cash, end of period	**$ 1,145**	$ 866

See accompanying notes to condensed consolidated interim financial statements.

1. Reporting entity:

Intermap Technologies® Corporation (the Company) is incorporated under the laws of Alberta, Canada. The head office of Intermap is located at 8310 South Valley Highway, Suite 240, Englewood, Colorado, USA 80112. Its registered office is located at 400, 3rd Avenue SW, Suite 3700, Calgary, Alberta, Canada T2P 4H2.

Intermap is a global location-based geospatial intelligence company, creating a wide variety of geospatial solutions and analytics for its customers. Intermap's geospatial solutions and analytics can be used in a wide range of applications including, but not limited to, location-based information, geospatial risk assessment, geographic information systems, engineering, utilities, global positioning systems maps, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, advertising, and 3D visualization.

2. Basis of preparation:

(a) Going concern:

These condensed consolidated interim financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and can realize its assets and discharge its liabilities and commitments in the normal course of business. During the six months ended June 30, 2020, the Company reported an operating loss of $2,428, net income of $29,198, and positive cash flows from operating activities of $527. In addition, the Company has a shareholders' equity of $162 and negative working capital of $4,198 at June 30, 2020.

The above factors in the aggregate indicate there are material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on management's ability to successfully secure sales with upfront payments, restructure the balance sheet (including a reduction of debt) and / or obtain additional financing. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition. The Board of Directors and management continue to take actions to address these issues including renegotiating the terms of the notes payable, resulting in the elimination of $32.9 million of debt, raising capital through a private placement and exploring options for additional capital and several strategic alternatives. Such alternatives could include, a sale of the Company, a sale of assets, a business combination, continuing as a standalone entity under a new capital structure. There can be no assurance that the consideration of strategic alternatives will result in the completion of any transaction or any other alternative.

The condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

(b) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) as issued by the International Accounting Standards Board (IASB).

The notes presented in these unaudited condensed consolidated interim financial statements include in general only significant changes and transactions occurring since the Company's last year-end and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2019 (the "2019 Annual Consolidated Financial Statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of August 13, 2020, the date the Board of Directors approved the condensed consolidated interim financial statements.

(c) Measurement basis:

The condensed consolidated interim financial statements have been prepared mainly on the historical cost basis. Other measurement bases used are described in the applicable notes.

(d) Use of estimates:

Preparing condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(In thousands of United States dollars, except per share information)

3. Summary of significant accounting policies:

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods that were used to prepare the Company's 2019 Annual Consolidated Financial Statements, except as described below.

(a) Government grants

Government grants are recognized at fair value once there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the costs for which the grants are intended to compensate. A forgivable loan from the government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

4. Property and equipment:

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leasehold improvements	Under construction	Total
Balance at December 31, 2019	$ 290	$ 2,198	$ 7	$ 54	$ 2,006	$ 4,555
Additions	-	2	-	-	279	281
Transfer from under construction	-	331	-	-	(331)	-
Depreciation	(54)	(476)	(1)	(23)	-	(554)
Balance at June 30, 2020	$ 236	$ 2,055	$ 6	$ 31	$ 1,954	$ 4,282

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leasehold improvements	Under construction	Total
Cost	$ 11,276	$ 31,460	$ 389	$ 1,074	$ 2,006	$ 46,205
Accumulated depreciation	(10,986)	(29,262)	(382)	(1,020)	-	(41,650)
Balance at December 31, 2019	$ 290	$ 2,198	$ 7	$ 54	$ 2,006	$ 4,555
Cost	$ 10,176	$ 31,791	$ 389	$ 1,074	$ 1,954	$ 45,384
Accumulated depreciation	(9,940)	(29,736)	(383)	(1,043)	-	(41,102)
Balance at June 30, 2020	$ 236	$ 2,055	$ 6	$ 31	$ 1,954	$ 4,282

During the six months ended June 30, 2020, the Company disposed of assets with an original cost of $1,102 and a net book value of $Nil and recognized a gain of $150 on those assets and received cash proceeds of $150.

(In thousands of United States dollars, except per share information)

5. Right of use assets:

		March 31, 2020		December 31, 2019
Beginning Balance	$	406	$	781
Depreciation		(256)		(495)
New leases		480		120
Ending Balance	$	630	$	406

During the six months ended June 30, 2020, the Company signed new leases at the Englewood office location and the Company's COLO facility. The leases mature June 2022 and August 2023, respectively.

6. Accounts payable and accrued liabilities:

		June 30, 2020		December 31, 2019
Accounts payable	$	1,692	$	1,383
Accrued liablities		1,677		1,702
Other taxes payable		20		-
	$	3,389	$	3,085

7. Financial liabilities:

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities and balances at June 30, 2020:

	Notes Payable	Project Financing	Lease Obligations	Total
Balance at December 31, 2019	$ 31,884	$ 484	$ 465	$ 32,833
Changes from financing activities:				
Payment of lease obligations	-	-	(298)	(298)
Repayment of project financing	-	(180)	-	(180)
Total changes from financing activities	-	(180)	(298)	(478)
Foreign exchange	-	(8)	(4)	(12)
Other changes:				
Financing costs	1,254	-	13	1,267
Gain on modification of debt	(32,138)	-	-	(32,138)
New leases	-	-	480	480
Balance at June 30, 2020	$ 1,000	$ 296	$ 656	$ 1,952

(a) Notes payable:

The following table details the liability and equity components of each note payable balance at June 30, 2020:

(In thousands of United States dollars, except per share information)

Closing Date of Note	March 30, 2017	December 14, 2016	December 14, 2016	Total
Proceeds from issuance of notes	$ -	$ 6,000	$ -	$ 6,000
Repayment	-	(2,890)	-	(2,890)
Note modification - 2016	-	-	27,800	27,800
Conversion to long-term note payable	3,110	(3,110)	-	-
Issuance of December 2016 note	-	-	3,000	3,000
Transaction costs	-	-	(168)	(168)
Discount on the note	(746)	(158)	(8,880)	(9,784)
Effective interest on note discount	685	158	8,337	9,180
Gain on modification of debt	(2,049)	-	(30,089)	(32,138)
Current portion of notes payable	$ 1,000	$ -	$ -	$ 1,000

The following table details the liability and equity components of each note payable balance at December 31, 2019:

Closing Date of Note	March 30, 2017	December 14, 2016	December 14, 2016	Total
Proceeds from issuance of notes	$ -	$ 6,000	$ -	$ 6,000
Repayment	-	(2,890)	-	(2,890)
Note modification - 2016	-	-	27,800	27,800
Conversion to long-term note payable	3,110	(3,110)	-	-
Issuance of December 2016 note	-	-	3,000	3,000
Transaction costs	-	-	(168)	(168)
Discount on the note	(746)	(158)	(8,880)	(9,784)
Effective interest on note discount	584	158	7,184	7,926
Current portion of notes payable	$ 2,948	$ -	$ 28,936	$ 31,884

i. December 14, 2016 note payable:

On December 14, 2016, the Company received $6,000 as a bridge loan from Vertex. The loan is payable on the earlier of March 31, 2017 or the completion of the Rights Offering, which closed on March 30, 2017. All the proceeds of the Rights Offering were to be used to pay down this note payable, and any amounts which remain outstanding after the Rights Offering will be converted into a term loan due September 1, 2020. The note is non-interest bearing, and therefore the fair value at inception must be estimated to account for an imputed interest factor. The value at inception was determined to be $5,842. The estimated discount rate was 9.21% and is subject to estimation uncertainty. The discount of $158 was recognized in contributed surplus and was amortized over the term of the note using the effective interest method. The note was subject to prepayment provisions, if the Company's aggregate cash balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

ii. December 14, 2016 note modification:

On December 14, 2016, the Company and Vertex restructured its September 15, 2016 note payable of $25,800 and July 8, 2016 note payable of $2,000. The original notes, bearing interest at 15% per annum each, were extended to mature on September 1, 2020 and the interest was eliminated. In addition, a promissory note payable for $3,000 was issued in exchange for the termination of the royalty agreement, executed on February 23, 2015, and the amending agreement, which established the cash sweep requirement, executed on April 28, 2015. The restructured notes were treated as an extinguishment for accounting purposes, and given they require zero interest payments, the fair value at inception must be estimated to account for an imputed interest factor. The value of the remaining promissory notes ($25,800, $2,000 and $3,000) at inception was determined to be $21,752, net of transaction costs of $168. The estimated discount rate was 9.21% and is subject to estimation uncertainty. The discount to the note payable will be amortized over the term of the note using the effective interest method. For the six months ending June 30, 2020, $1,153 was recognized in financing costs. The note is secured by a first priority lien on all the assets of the Company and is subject to prepayment provisions, if the Company's aggregate cash balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

iii. March 30, 2017 note payable:

On March 30, 2017, the Company executed an amended and restated promissory note with Vertex One Asset Management (Vertex), for $3,110 due September 1, 2020. The note represents the balance remaining from the December 14, 2016 bridge loan, following the completion of the Rights Offering and repayment of $2,890. The note is non-interest bearing, and therefore the fair value at inception must be estimated to account for an imputed interest factor. The value at inception was determined to be $2,364, based on the estimated discount rate of 8.05%, and is subject to estimation uncertainty. The resulting discount of $746 was recognized in contributed surplus as a gain on the modification of debt at March 30, 2017 and will be amortized over the term of the note using the effective interest method. For the six months ending June 30, 2020, $111 was recognized in financing costs. The note is secured by a first priority lien on all the assets of the Company and is subject to prepayment provisions, if the Company's aggregate cash balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

iv. June 3, 2020 settlement:

On June 3, 2020 the Company announced a settlement agreement with PenderFund Capital Management Ltd. (Pender), the manager of the Vertex fund. Under the terms of the agreement, following receipt of a $1,000 cash payment by September 1, 2020, Vertex and Pender shall release all liens, extinguish the December 14, 2016 and March 30, 2017 notes payable (see Notes 7(a)I, 7(a)ii and 7(a)iii), and the parties shall provide for a general release from all claims associated with the Vertex financings.

(In thousands of United States dollars, except per share information)

(b) Project financing:

Project financing includes a promissory note with a service provider. The Company repaid $180 during the first six months of 2020.

Additionally, the project financing balance includes reimbursable project development funds provided by a corporation designed to enable the development and commercialization of geomatics solutions in Canada. The funding is repayable upon the completion of a specific development project and the first sale of any of the resulting product(s). Repayment is to be made in quarterly installments equal to the lesser of 20% of the funding amount or 25% of the prior quarter's sales.

		June 30 2020		**December 31, 2019**
Promissory note payable	**$**	**120**	$	300
Reimbursable project funding		**176**		184
		296		484
Less current portion		**(120)**		(300)
Long-term portion of project financing	**$**	**176**	$	184

8. Lease obligations:

The following table presents the contractual undiscounted cash flows for right of use asset lease obligations which require the following payments for each year ending June 30:

2021	$	288
2022		224
2023		143
2024		20
	$	675

Interest expense on lease obligations for the six months ended June 30, 2020 was $13. Total cash outflow for leases was $480, including $182 for short-term and low-value operating leases for equipment and office spaces. There are no variable payment components which are not included in the measurement of lease obligations.

The Company also has contractual undiscounted cash flows for short-term and low-value operating leases for equipment and office space that are not on the balance sheet which require the payments of $267 for the twelve months ending June 30, 2021.

(In thousands of United States dollars, except per share information)

9. Revenue:

Details of revenue are as follows:

	For the three months ended June 30,				For the six months ended June 30,			
		2020		2019		**2020**		2019
Acquisition services	**$**	**319**	$	1,128	**$**	**1,113**	$	1,182
Value-added data		**207**		320		**422**		473
Software and solutions		**634**		468		**1,258**		1,101
	$	**1,160**	$	1,916	**$**	**2,793**	$	2,756
Primary geographical market								
United States	**$**	**363**	$	1,413	**$**	**871**	$	1,807
Asia/Pacific		**343**		185		**1,003**		199
Europe		**454**		318		**919**		750
	$	**1,160**	$	1,916	**$**	**2,793**	$	2,756
Timing of revenue recognition								
Upon delivery	**$**	**376**	$	306	**$**	**704**	$	597
Services overtime		**784**		1,610		**2,089**		2,159
	$	**1,160**	$	1,916	**$**	**2,793**	$	2,756

10. Operating and non-operating costs:

(a) Operating costs:

	For the three months ended June 30,				For the six months ended June 30,			
		2020		2019		**2020**		2019
Personnel	**$**	**1,359**	$	1,455	**$**	**2,780**	$	2,953
Purchased services & materials(1)		**656**		1,010		**1,245**		1,900
Travel		**4**		77		**75**		134
Facilities and other expenses		**125**		190		**311**		394
	$	**2,144**	$	2,732	**$**	**4,411**	$	5,381

(1) Purchased services and materials include aircraft costs, project costs, professional and consulting fees, and selling and marketing costs.

(b) Financing costs:

	For the three months ended June 30				For the six months ended June 30			
		2020		2019		**2020**		2019
Accretion of discounts recognized on notes payable	**$**	**508**	$	697	**$**	**1,254**	$	1,377
Interest on lease obligations		**7**		14		**13**		32
Interest on accounts payable		**-**		6		**5**		6
Interest on accounts receivable		**27**		-		**27**		-
	$	**542**	$	717	**$**	**1,299**	$	1,415

(In thousands of United States dollars, except per share information)

11. Share capital:

(a) Issued:

	June 30, 2020		December 31, 2019	
Class A common shares	**Number of Shares**	**Amount**	Number of Shares	Amount
Balance, beginning of period:	**17,268,472**	**$ 199,917**	17,268,472	$ 199,917
Balance, end of period:	**17,268,472**	**$ 199,917**	17,268,472	$ 199,917

(b) Contributed surplus:

	June 30, 2020	December 31, 2019
Balance, beginning of period	**$ 25,527**	$ 25,379
Share-based compensation	**58**	148
Balance, end of period	**$ 25,585**	$ 25,527

(c) Earnings (loss) per share:

The calculation of earnings (loss) per share is based on the weighted average number of Class A common shares outstanding. Where the impact of the exercise of options or warrants is anti-dilutive, they are not included in the calculation of diluted loss per share.

For the three and six months ended June 30, 2020, there were Nil outstanding share options (three and six months ended June 30, 2019 – Nil), Nil restricted share units (RSUs) (three and six months ended June 30, 2019 – Nil) and Nil outstanding warrants (three and six months ended June 30, 2019 – Nil) that were included in the diluted weighted average number of shares calculation as their effect was dilutive.

For the three and six months ended June 30, 2020 there were 1,029,825 outstanding share options (three and six months ended June 30, 2019 – 1,208,076) and 546,456 outstanding warrants (three and six months ended June 30, 2019 – 546,456) that were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of the share options and warrants was based on quoted market prices for the period during which the share options and warrants were outstanding.

(d) Share option plan:

The Company established a share option plan to provide long-term incentives to attract, motivate, and retain certain key employees, officers, directors, and consultants providing services to the

(In thousands of United States dollars, except per share information)

Company. The plan permitted granting options to purchase up to 10% of the outstanding Class A common shares of the Company. The share option plan was replaced at the Annual General Meeting on March 15, 2018 (see Note 11(e)), and all options issued and outstanding at that time will remain until such time they are exercised, expired or forfeited. As of June 30, 2020, 1,029,825 share options are issued and outstanding. No additional options will be issued under this plan.

The following tables summarize information regarding share options outstanding:

	June 30, 2020			December 31, 2019		
	Number of shares under option		**Weighted average exercise price (CDN)**	Number of shares under option		Weighted average exercise price (CDN)
Options outstanding, beginning of period	**1,180,575**	**$**	**0.89**	1,284,077	$	1.04
Expired	**(150,750)**		**1.48**	(81,376)		3.25
Forfeitures	**-**		**-**	(22,126)		0.89
Options outstanding, end of period	**1,029,825**	**$**	**0.81**	1,180,575	$	0.89
Options exercisable, end of period	**1,029,825**	**$**	**0.81**	1,018,989	$	0.91

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	750,612	6.79 years	750,612
0.80	231,332	6.38 years	231,332
1.70	2,500	0.12 years	2,500
2.30	12,381	1.13 years	12,381
2.70	33,000	1.88 years	33,000
	1,029,825	6.45 years	1,029,825

During the six months ended June 30, 2020, the estimated forfeiture rate was 10.36%. During the six months ended June 30, 2020, the Company recognized $8 (six months ended June 30, 2019 – $25) of non-cash compensation expense related to the share option plan.

(e) Omnibus plan:

The omnibus plan was approved by the shareholders at the Annual General Meeting on March 15, 2018 and replaces the share option plan, the employee share compensation plan and the director's share compensation plan, which provided for shares to be issued to employees and directors as compensation for services. . The omnibus plan permits the issuance of options, stock appreciation rights, restricted share units and other share-based awards under one single plan.

The maximum number of common shares reserved under the omnibus plan is 3,363,631. Any common shares reserved under the predecessor share option plan related to awards that expire or forfeit will be rolled into the omnibus plan. As of June 30, 2020, 1,029,825 share options and

(In thousands of United States dollars, except per share information)

1,092,508 RSUs are issued and outstanding. In addition, 872,183 Class A common shares were issued during 2018 under the plan, leaving 369,115 awards remain available for future issuance.

The following tables summarize information regarding RSUs outstanding:

	June 30, 2020	December 31, 2019
	Number of RSUs	Number of RSUs
RSUs outstanding, beginning of period	**1,050,400**	430,200
Issued	**92,108**	655,000
Forfeitures	**(50,000)**	(34,800)
RSUs outstanding, end of period	**1,092,508**	1,050,400

During the six months ended June 30, 2020, 92,108 RSUs were issued at a weighted average grant date fair value of C$0.39 per share. During the six months ended June 30, 2020, the Company recognized $50 (six months ended June 30, 2019 - $31) of non-cash compensation expense related to the RSUs.

(f) Share-based compensation expense:

Non-cash compensation expense has been included in operating costs with respect to the share options, RSUs and shares granted to employees and non-employees as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	**2020**	2019
Employees	**$ 16**	$ 24	**$ 38**	$ 56
Directors and advisors	**20**	-	**20**	-
Non-cash compensation	**$ 36**	$ 24	**$ 58**	$ 56

12. Class A common share purchase warrants:

The warrant amounts and prices have been adjusted because of the December 2017 share consolidation. The following table details the number of Class A common share purchase warrants outstanding at each balance sheet date:

Grant Date	**Expiry Date**	**Exercise Price**	**Granted**	**Anti-dilution Adjustment**	**Number of Warrants Outstanding December 31, 2019**	**Expired**	**Number of Warrants Outstanding June 30, 2020**
4/1/2015	9/1/2020	US$ 0.70	458,907	87,549	546,456	-	546,456
			458,906	87,549	546,456	-	546,456

Each warrant entitles its holder to purchase one Class A common share. The 546,456 outstanding warrants denominated in United States dollars are recognized as part of share capital. At December 31, 2018 and 2019 $385 is included in share capital related to these warrants. As the exercise prices are denominated in U.S. dollars, the Company's functional currency, the warrants are not considered a derivative liability and are not required to be recorded as a financial liability and revalued at each balance sheet date.

(In thousands of United States dollars, except per share information)

13. Segmented information:

The operations of the Company are in one industry segment: digital mapping and related services. Revenue by geographic segment is included in Note 9.

Property and equipment of the Company are located as follows:

		June 30, 2020		December 31, 2019
United States	**$**	**4,169**	$	4,399
Canada		**52**		75
Europe		**31**		38
Asia/Pacific		**30**		43
	$	**4,282**	$	4,555

A summary of sales to major customers that exceeded 10% of total sales during each period are as follows:

		Three months ended June 30, 2020		Three months ended June 30, 2019		**Six months ended June 30, 2020**		Six months ended June 30, 2019
Customer A	**$**	**250**	$	-	**$**	**820**	$	-
Customer B		**170**		-		**301**		173
Customer C		**68**		1,127		**292**		1,181
	$	**488**	$	1,127	**$**	**1,413**	$	1,354

14. Financial risk management:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk, and capital risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities. There have been no significant changes to the Company's risk management strategies since December 31, 2019.

Trade receivables as of June 30, 2020 and December 31, 2019, consist of:

		June 30, 2020		December 31, 2019
Trade receivables	**$**	**815**	$	703
Other miscellaneous receivables		**8**		38
	$	**823**	$	741

(In thousands of United States dollars, except per share information)

Trade receivables by geography consist of:

		June 30, 2020		December 31, 2019
United States	$	**523**	$	524
Europe		**261**		152
Canada		**22**		18
Asia/Pacific		**9**		9
	$	**815**	$	703

An aging of the Company's trade receivables are as follows:

		June 30, 2020		December 31, 2019
Current	$	**781**	$	682
31-60 days		**-**		20
61-90 days		**20**		1
Over 91 days		**14**		-
	$	**815**	$	703

The balance of the past due amounts relates to reoccurring customers and are considered collectible.

15. Fair values:

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash, amounts receivable, accounts payable and accrued liabilities and provisions approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Notes payable are evaluated by the Company based on parameters such as interest rates and the risk characteristics of the instrument.
- The fair value of the non-broker warrants is estimated using the Black-Scholes option pricing model incorporating various inputs including the underlying price volatility and discount rate.

(a) Fair value hierarchy:

Financial instruments recorded at fair value on the Condensed Consolidated Interim Balance Sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices;

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the reporting periods, there were no transfers between Level 1 and Level 2 fair value measurements.

16. Subsequent event:

On August 5, 2020, the Company announced the issuance of 3,571,428 Class A common shares (Shares) under a fully subscribed issuer private placement at a price of CAD$0.56 per Share, raising aggregate gross proceeds of CAD$2,000.

The Company also issued 139,284 warrants to certain finders under the private placement. Each warrant is exercisable for one Share at an exercise price of US$0.417 per Share, being the U.S. dollar equivalent to CAD$0.56 as of the date of issuance of the Warrants, at any time until July 31, 2022.

On August 12, 2020, the Company paid $1,000 to Pender to fully repay the outstanding balance in accordance with the amended settlement agreement and Pender provided a general release from all claims associated with the Vertex financings (see Note 7(a)iv).