



Condensed Consolidated Interim Financial Statements of

**INTERMAP TECHNOLOGIES
CORPORATION**

Three and nine months ended September 30, 2020

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

Management's Discussion and Analysis

For the quarter ended September 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 November 16, 2020 and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes for the three and nine months ended September 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. Any one or more of the foregoing factors may be exacerbated by the ongoing COVID-19 pandemic and may have a significantly more severe impact on the Company's business, results of operations and financial condition than in the absence of such pandemic.

We are closely monitoring the potential effects 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. Proceeds from the government assistance programs in the United States and Canada have helped the Company to retain critical talent during this challenging time. We will

continue to 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 further impact on our customers and our sales cycles, the impact on business development and marketing activities, and further 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, the impact 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 September 30, 2020		September 30, 2019		Nine months ended September 30, 2020		September 30, 2019	
Revenue:								
Acquisition services	\$	0.3	\$	3.5	\$	1.4	\$	4.7
Value-added data		0.2		0.1		0.6		0.6
Software and solutions		0.5		0.6		1.8		1.7
Total revenue	\$	1.0	\$	4.2	\$	3.8	\$	7.0
Operating (loss) income	\$	(1.3)	\$	0.6	\$	(3.8)	\$	(3.1)
Financing costs	\$	-	\$	(0.7)	\$	(1.3)	\$	(2.1)
Net (loss) income	\$	(1.3)	\$	(0.1)	\$	27.9	\$	(5.2)
EPS basic and diluted	\$	(0.07)	\$	-	\$	1.52	\$	(0.31)
Adjusted EBITDA	\$	(0.9)	\$	1.1	\$	(2.5)	\$	(1.5)
Assets:								
		September		September				
		30, 2020		30, 2019				
Cash, trade receivables, unbilled revenue	\$	1.1	\$	2.7				
Total assets	\$	6.7	\$	8.4				
Liabilities:								
Long-term liabilities (including lease obligations)	\$	0.8	\$	0.2				
Total liabilities	\$	6.3	\$	38.1				

Revenue

Quarterly Revenue

Consolidated revenue for the quarter ended September 30, 2020 totaled \$1.0 million, compared to \$4.2 million for the same period in 2019, reflecting the disruption from the COVID-19 pandemic. The decline was expected, given the economic environment resulting from the pandemic. The Company remains well-positioned to withstand the slowdown and remains confident in the pipeline.

Acquisition services revenue for the quarter ended September 30, 2020 totaled \$0.3 million, compared to \$3.5 million for the same period in 2019. The decrease is due to the nature and timing of government contracting, which has been delayed primarily due to the impact of uncertainty surrounding the COVID-19 pandemic.

Value-added data revenue increased to \$0.2 million for the quarter ended September 30, 2020 as compared to \$0.1 million for the same period in 2019.

Software and solutions revenue decreased slightly to \$0.5 million from \$0.6 million for the third quarters of 2020 and 2019, respectively, reflecting the disruption from COVID-19. While the Company's software products are sold with one to three-year subscription licenses, the pandemic is affecting prioritization of new license sales but has not had an effect on renewals.

Year-to-date Revenue

On a year-to-date basis, consolidated revenue decreased from \$7.0 million during the nine months ended September 30, 2019 to \$3.8 million during the same period in 2020, reflecting the disruption from the COVID-19 pandemic. Approximately 71% of consolidated revenue was generated outside the United States, compared to 29% for 2019.

Acquisition services revenue for the nine-month period ended September 30, 2020 totaled \$1.4 million, compared to \$4.7 million for the same period in 2019. The decrease is due to the nature and timing of government contracting, which has been delayed primarily due to the impact of uncertainty surrounding the COVID-19 pandemic.

Value-added data revenue remained consistent at \$0.6 million during the nine months ended September 30, 2020 and 2019. As global aviation related operations were temporally suspended during the first quarter of 2020, with a slow recovery during the second and third quarters, the Company has experienced significant delays in subscriptions for aviation related products.

Software and solutions revenue increased to \$1.8 million from \$1.7 million for the nine-months ended 2020 and 2019, respectively. The Company recognized an 8.2% increase in subscription-based revenue, which was offset by the intentional cancellation of customers using our products in competing markets, considering the disruption in new subscriptions caused by COVID-19.

Classification of Operating Costs

The composition of the operating costs on the Condensed Consolidated Interim Statements of Income (Loss) and Other Comprehensive Income (Loss) is as follows:

U.S. \$ millions	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Personnel	\$ 1.4	\$ 1.6	\$ 4.2	\$ 4.6
Purchased services & materials	0.5	1.2	1.7	3.1
Facilities and other expenses	0.1	0.3	0.4	0.7
Travel	-	0.1	0.1	0.2
	\$ 2.0	\$ 3.2	\$ 6.4	\$ 8.6

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions. Personnel expense for the quarters ended September 30, 2020 and 2019, totaled \$1.4 million and \$1.6 million, respectively. For the nine-month periods ended September 30, 2020 and 2019, personal expense was \$4.2 million and \$4.6 million, respectively. The 10% year-over-year decrease in personnel expense is primarily due to personnel restructuring activities that occurred during the second quarter of 2019.

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 September 30, 2020 and 2019, was \$27 thousand and \$13 thousand, respectively. For the nine-month periods ended September 30, 2020 and 2019, non-cash compensation expense was \$85 thousand and \$69 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 September 30, 2020 and 2019, PS&M expense was \$0.5 million and \$1.2 million, respectively. For the nine-month periods ended September 30, 2020 and 2019, PS&M expense was \$1.7 million and \$3.1 million, respectively. The decrease for both periods was due to decreased spending on acquisition revenue projects during 2020.

Facilities and Other Expenses

For the quarters ended September 30, 2020 and 2019, facilities and other expenses were \$0.1 million and \$0.3 million, respectively. For the nine-month periods ended September 30, 2020 and 2019, facilities and other expenses were \$0.4 million and \$0.7 million, respectively.

Net Income

Net income improved from a loss of \$5.2 million to income of \$27.9 million for the nine-month periods ended September 30, 2019 and 2020, respectively, due to the gain on the modification of debt of \$32.1 million (see Note 7(a) of the condensed consolidated interim financial statements), offset by the reduction in revenue discussed above.

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.

U.S. \$ millions	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net income (loss)	\$ (1.3)	\$ (0.1)	\$ 27.9	\$ (5.2)
Financing costs	-	0.7	1.3	2.1
Depreciation of property and equipment	0.2	0.2	0.8	0.8
Depreciation of right of use assets	0.1	0.2	0.3	0.4
EBITDA	\$ (1.0)	\$ 1.0	\$ 30.3	\$ (1.9)
Share-based compensation	-	0.1	0.1	0.1
Restructuring costs	-	-	-	0.3
Loss on foreign currency translation	0.1	-	0.1	-
Gain on modification of debt	-	-	(32.1)	-
Gain on disposal of equipment	-	-	(0.2)	-
Government grants	-	-	(0.7)	-
Adjusted EBITDA	\$ (0.9)	\$ 1.1	\$ (2.5)	\$ (1.5)

Adjusted EBITDA for the quarter ended September 30, 2020 was negative \$0.9 million, compared to positive \$1.1 million for 2019. Adjusted EBITDA for the nine-month period ended September 30, 2020 was negative \$2.5 million, compared to negative \$1.5 million for the same period in 2019. The decrease in adjusted EBITDA is primarily attributable to a decrease in revenue.

Financing Costs

Financing costs for the quarter ended September 30, 2020 totaled \$Nil million (nine-month period \$1.3 million) compared to \$0.7 million (nine-month period \$2.1 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 was paid in full on August 12, 2020.

Depreciation of Property and Equipment

Depreciation expense for property and equipment for the quarters ended September 30, 2020 and 2019 were \$0.2 million for both quarters. Depreciation expense for property and equipment for the nine-months ended September 30, 2020 and 2019 were \$0.8 million for both quarters.

Depreciation of Right of Use Assets

Depreciation expense for right of use assets decreased slightly to \$0.1 million for the quarter ended September 30, 2020 (nine-month period \$0.3 million), compared to \$0.2 million for the quarter ended September 30, 2019 (nine-month period \$0.4 million).

Gain on Modification of Debt

Gain on modification of debt was \$32.1 million compared to \$Nil for the nine-month periods ended September 30, 2020 and 2019. The gain is due to the settlement agreement with the note holder on June 3, 2020 (see Note 7(a)) of the condensed consolidated interim financial statements).

Gain on Disposal of Equipment

Gain on disposal of equipment was \$0.2 million compared to \$Nil for the nine-month periods ended September 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 nine-month periods ended September 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 \$0.4 million at September 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 September 30, 2020, from \$3.1 million at December 31, 2019.

U.S. \$ millions	September 30,		December 31,	
	2020		2019	
Accounts payable	\$	1.7	\$	1.4
Accrued liabilities		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 \$Nil at September 30, 2020 is purely due to the settlement agreement with the note holder on June 3, 2020 along with a \$1.0 million payment on August 12, 2020 (see Note 7(a) of the condensed consolidated interim financial statements).

Project Financing

The project financing balance decreased from \$0.5 million at December 31, 2019 to \$0.2 million at September 30, 2020. The decrease is due to payments made to the service provider.

Unearned Revenue and Deposits

The unearned revenue balance at September 30, 2020 increased to \$1.9 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 September 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	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Total revenue	\$ 4.2	\$ 0.8	\$ 1.9	\$ 4.2	\$ 3.2	\$ 1.6	\$ 1.2	\$ 1.0
Depreciation	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.3	\$ 0.2
Financing costs	\$ 0.8	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.5	\$ -
Operating income (loss)	\$ 0.1	\$ (2.2)	\$ (1.5)	\$ 0.6	\$ 0.2	\$ (1.0)	\$ (1.4)	\$ (1.3)
Net (loss) income	\$ (0.6)	\$ (2.9)	\$ (2.2)	\$ (0.1)	\$ 0.4	\$ (1.8)	\$ 29.2	\$ (1.3)
Net (loss) income per share								
- basic and diluted	\$ (0.04)	\$ (0.17)	\$ (0.13)	\$ -	\$ 0.02	\$ (0.10)	\$ 1.79	\$ (0.07)
Adjusted EBITDA	\$ 0.4	\$ (1.8)	\$ (0.8)	\$ 1.1	\$ 0.6	\$ (0.6)	\$ (1.0)	\$ (0.9)

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 September 30, 2020, the Company generated an operating loss of \$1.3 million (nine-month period loss \$3.8 million) and incurred negative adjusted EBITDA of \$0.9 million (nine-month period negative \$2.5 million). Revenue for the nine-months ended September 30, 2020 was \$3.8 million, which is a 46% decrease as compared to the same period in 2019. At September 30, 2020, the Company has a shareholders' surplus of \$0.4 million that was mainly generated by the second quarter's gain on the settlement of debt.

Cash used in operations during the nine-months ended September 30, 2020 totaled \$0.2 million, compared to cash provided by operations of \$1.0 million during the same period in 2019.

Net cash used in investing activities totaled \$0.5 million and \$1.2 million for the nine-month periods ended September 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 provided by financing activities totaled \$200 thousand for the nine-months ended September 30, 2020 compared to net cash used of \$450 thousand during the same period in 2019. The net cash used during the nine-months ended September 30, 2020 resulted from the payment of lease obligations of \$402 thousand, repayment of project financing of \$270 thousand, issuance costs of \$207 thousand and repayment of notes payable of \$1.0 million. This was offset by proceeds from the sale of property and equipment of \$150 thousand, SBA loan of \$150 thousand, and the private placement of \$1.8 million. The net cash used during the nine-months ended September 30, 2019 was the payment of lease obligations of \$450 thousand.

The Company is dependent upon its cash flow from operations to fund its business as it currently has no line of credit or credit facility currently in place.

The above factors may be exacerbated by the ongoing COVID-19 pandemic and in the aggregate indicate there are material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. In response to the COVID-19 pandemic the Company has taken actions to adapt to the current environment and manage liquidity by participating in various government support programs, where applicable, including wage subsidies, tax payment deferrals and favorable credit facilities. The Company's ability to continue as a going concern is dependent on management's ability to successfully secure sales with upfront payments, 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 and / or results of operations. The Board of Directors and management continue to take actions to address these issues including the elimination of \$32.9 million of debt, raising capital through a private placement and exploring options for additional capital.

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 September 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 November 16, 2020, 25,123,459 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of November 16, 2020, potential dilutive securities include (i) 927,325 outstanding share options with a weighted average exercise price of C\$0.81, (ii) 1,199,461 restricted share units, and (iii) 159,002 warrants outstanding with a weighted average exercise price of USD\$0.42. Each option and warrant

entitles the holder to purchase one Class A common share. 139,284 warrants expire on July 31, 2022 and 19,718 warrants expire on August 14, 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 September 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)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash	\$ 735	\$ 1,230
Trade receivables	367	741
Unbilled revenue	13	410
Prepaid expenses	718	763
	1,833	3,144
Property and equipment (Note 4)	4,198	4,555
Right of use assets (Note 5)	684	406
Total assets	\$ 6,715	\$ 8,105
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities:		
Accounts payable and accrued liabilities (Note 6)	\$ 3,374	\$ 3,085
Current portion of project financing (Note 7(b))	30	300
Lease obligations (Note 8)	220	369
Unearned revenue	1,860	1,274
Income taxes payable	11	-
Current portion of notes payable (Note 7(a))	-	31,884
	5,495	36,912
Long-term project financing (Note 7(b))	330	184
Lease obligations (Note 8)	480	96
Total liabilities	6,305	37,192
Shareholders' deficiency:		
Share capital (Note 11(a))	201,011	199,917
Accumulated other comprehensive loss	(155)	(154)
Contributed surplus (Note 11(b))	26,090	25,527
Deficit	(226,536)	(254,377)
Total shareholders' equity	410	(29,087)
Going concern (Note 2(a))		
Subsequent event (Note 16)		
Total liabilities and shareholders' equity	\$ 6,715	\$ 8,105

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Revenue (Note 9)	\$ 1,002	\$ 4,265	\$ 3,795	\$ 7,021
Expenses:				
Operating costs (Note 10(a))	1,982	3,250	6,393	8,631
Restructuring costs	-	-	-	272
Depreciation of property and equipment	278	249	832	810
Depreciation of right of use assets	77	124	333	374
	2,337	3,623	7,558	10,087
Operating (loss) income	(1,335)	642	(3,763)	(3,066)
Gain on modification of debt (Note 7(a))	-	-	32,138	-
Government grants	25	-	688	-
Gain on disposal of equipment	-	-	150	-
Financing costs (Note 10(b))	(11)	(726)	(1,310)	(2,141)
Loss on foreign currency translation	(36)	13	(41)	(48)
Gain (loss) before income taxes	(1,357)	(71)	27,862	(5,255)
Income tax expense:				
Current	-	3	(21)	(12)
	-	3	(21)	(12)
Net income (loss) for the period	\$ (1,357)	\$ (68)	\$ 27,841	\$ (5,267)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	6	(18)	(1)	(14)
Comprehensive income (loss) for the period	\$ (1,351)	\$ (86)	\$ 27,840	\$ (5,281)
Basic and diluted income (loss) earnings per share	\$ (0.07)	\$ -	\$ 1.52	\$ (0.31)
Weighted average number of Class A common shares - basic and diluted (Note 11(c))	19,722,973	17,268,472	18,092,611	17,268,472
shares - diluted (Note 11(c))	19,722,973	17,268,472	18,344,996	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 loss for the period	-	-	(14)	(5,267)	(5,281)
Share-based compensation	-	69	-	-	69
Balance at September 30, 2019	\$ 199,917	\$ 25,448	\$ (168)	\$ (254,831)	\$ (29,634)
Comprehensive income for the period	-	-	14	454	468
Share-based compensation	-	79	-	-	79
Balance at December 31, 2019	\$ 199,917	\$ 25,527	\$ (154)	\$ (254,377)	\$ (29,087)
Comprehensive (loss) income for the period	\$ -	\$ -	\$ (1)	\$ 27,841	27,840
Share-based compensation	-	85	-	-	85
Expiration of warrants	(385)	385	-	-	-
Private placement proceeds	1,779	-	-	-	1,779
Issuance costs	(300)	93	-	-	(207)
Balance at September 30, 2020	\$ 201,011	\$ 26,090	\$ (155)	\$ (226,536)	\$ 410

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 nine months ended September 30,	2020	2019
Operating activities:		
Net income (loss) for the period	\$ 27,841	\$ (5,267)
Interest paid	(20)	(43)
Income tax paid	(10)	(13)
Adjusted for the following non-cash items:		
Gain on modification of debt	(32,138)	-
Depreciation of property and equipment	832	810
Depreciation of right of use assets	333	374
Share-based compensation expense	85	69
Gain on disposal of equipment	(150)	-
Financing costs	1,310	2,141
Current income tax expense	21	12
Changes in working capital:		
Trade receivables	343	1,537
Unbilled revenue and prepaid expenses	444	35
Accounts payable and accrued liabilities	267	905
Unearned revenue	586	542
Gain on foreign currency translation	37	(112)
Cash flows (used in) provided by operating activities	(219)	990
Investing activities:		
Purchase of property and equipment	(475)	(1,204)
Cash flows used in investing activities	(475)	(1,204)
Financing activities:		
Proceeds from private placement	1,779	-
Issuance costs	(207)	-
Payment of lease obligations	(402)	(450)
Proceeds from sale of property and equipment	150	-
Proceeds from SBA loan	150	-
Repayment of project financing	(270)	-
Repayment of notes payable	(1,000)	-
Cash flows provided by (used in) financing activities	200	(450)
Effect of foreign exchange on cash	(1)	1
Decrease in cash	(495)	(663)
Cash, beginning of period	1,230	1,284
Cash, end of period	\$ 735	\$ 621

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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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 nine months ended September 30, 2020, the Company reported an operating loss of \$3,763, net income of \$27,841, and negative cash flows from operating activities of \$219. In addition, the Company has a shareholders' equity of \$410 and negative working capital of \$3,662 at September 30, 2020.

The above factors may be exacerbated by the ongoing COVID-19 pandemic and in the aggregate indicate there are material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. In response to the COVID-19 pandemic the Company has taken actions to adapt to the current environment and manage liquidity by participating in various government support programs, where applicable, including wage subsidies, tax payment deferrals and favorable credit facilities. The Company's ability to continue as a going concern is dependent on management's ability to successfully secure sales with upfront payments, 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 and / or results of operations. The Board of Directors and management continue to take actions

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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to address these issues including the elimination of \$32.9 million of debt, raising capital through a private placement and exploring options for additional capital.

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 November 16, 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.

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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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.

The continuing uncertainty around the outbreak of the COVID-19 pandemic required the use of judgments and estimates in the preparation of the unaudited condensed consolidated interim financial statements for the period ended September 30, 2020. The future impact of COVID-19 uncertainties could generate, in future reporting periods, a significant impact to the reported amounts of assets, liabilities, revenue and expenses in these and any future consolidated financial statements. Examples of accounting estimates and judgments that may be impacted by the pandemic include, but are not limited to revenue recognition, impairment of property and equipment, allowance for expected credit losses, and provisions.

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	-	3	7	-	465	475
Transfer from under construction	-	334	-	-	(334)	-
Depreciation	(79)	(716)	(2)	(35)	-	(832)
Balance at September 30, 2020	\$ 211	\$ 1,819	\$ 12	\$ 19	\$ 2,137	\$ 4,198

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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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	\$ 31,795	\$ 396	\$ 1,074	\$ 2,137	\$ 45,578
Accumulated depreciation	(9,965)	(29,976)	(384)	(1,055)	-	(41,380)
Balance at September 30, 2020	\$ 211	\$ 1,819	\$ 12	\$ 19	\$ 2,137	\$ 4,198

During the nine months ended September 30, 2020, the Company disposed of assets with an original cost of \$1,102 (nine months ended September 30, 2019 - \$Nil) and a net book value of \$Nil and recognized a gain of \$150 on those assets and received cash proceeds of \$150.

5. Right of use assets:

	September 30, 2020	December 31, 2019
Beginning Balance	\$ 406	\$ 781
Depreciation	(333)	(495)
New leases	640	120
Adjustment	(29)	-
Ending Balance	\$ 684	\$ 406

During the nine months ended September 30, 2020, the Company executed new lease agreements for two office facilities and the equipment colocation facility. The Company successfully negotiated a decrease in the lease payments due under the existing facility lease in Calgary, resulting in a reduction to the value of the right of use asset.

6. Accounts payable and accrued liabilities:

	September 30, 2020	December 31, 2019
Accounts payable	\$ 1,637	\$ 1,383
Accrued liabilities	1,734	1,702
Other taxes payable	3	-
	\$ 3,374	\$ 3,085

7. Financial liabilities:

(a) Notes payable:

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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	September 30, 2020	December 31, 2019
Beginning balance	\$ 31,884	\$ 29,065
Effective interest on note discount, 9.21%	1,254	2,819
Gain on modification of debt	(32,138)	-
Repayment	(1,000)	-
	\$ -	\$ 31,884

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, Vertex and Pender extinguished the notes payable, and the parties provided for a general release from all claims associated with the Vertex financings, following receipt of a \$1,000 cash payment. On August 12, 2020, the Company paid \$1,000 and all claims associated with the Vertex financings were released.

(b) Project financing:

The following table details the components of the project financing balance at September 30, 2020:

	September 30, 2020	December 31, 2019
Promissory note payable	\$ 30	\$ 300
Reimbursable project funding	180	184
SBA loan	150	-
	360	484
Less current portion	(30)	(300)
Long-term portion of project financing	\$ 330	\$ 184

i. Promissory note:

A promissory note with a service provider. The Company repaid \$270 during the first nine months of 2020.

ii. Project funding:

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.

iii. SBA loan:

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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On July 17, 2020, the Company received a \$150 long-term loan from the Small Business Administration (SBA). Interest will accrue at the rate of 3.75% per annum and payments of \$0.7 monthly will begin twelve months from the date the funds were received. The balance of principal and interest will be payable thirty years from the date of the note.

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 September 30:

2021	\$	190
2022		179
2023		155
2024		58
2025-2026		75
	\$	657

Interest expense on lease obligations for the nine months ended September 30, 2020 was \$21. Total cash outflow for leases was \$681, including \$279 for short-term and low-value operating leases for equipment and office spaces.

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 \$201 for the twelve months ending September 30, 2021.

9. Revenue:

Details of revenue are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Acquisition services	\$ 269	\$ 3,473	\$ 1,382	\$ 4,655
Value-added data	199	234	621	707
Software and solutions	534	558	1,792	1,659
	\$ 1,002	\$ 4,265	\$ 3,795	\$ 7,021
Primary geographical market				
United States	\$ 262	\$ 3,199	\$ 1,133	\$ 5,006
Asia/Pacific	346	672	1,349	871
Europe	394	394	1,313	1,144
	\$ 1,002	\$ 4,265	\$ 3,795	\$ 7,021
Timing of revenue recognition				
Upon delivery	\$ 271	\$ 335	\$ 975	\$ 932
Services overtime	731	3,930	2,820	6,089
	\$ 1,002	\$ 4,265	\$ 3,795	\$ 7,021

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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10. Operating and non-operating costs:

(a) Operating costs:

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Personnel	\$ 1,359	\$ 1,629	\$ 4,139	\$ 4,582
Purchased services & materials ⁽¹⁾	514	1,251	1,759	3,151
Travel	6	87	81	221
Facilities and other expenses	103	283	414	677
	\$ 1,982	\$ 3,250	\$ 6,393	\$ 8,631

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

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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(b) Financing costs:

	For the three months ended September 30		For the nine months ended September 30	
	2020	2019	2020	2019
Accretion of discounts recognized on notes payable	\$ -	\$ 712	\$ 1,254	\$ 2,089
Interest on SBA Loan	1	-	1	-
Interest on lease obligations	8	12	21	44
Interest on accounts payable	2	2	7	8
Interest on accounts receivable	-	-	27	-
	\$ 11	\$ 726	\$ 1,310	\$ 2,141

11. Share capital:

(a) Issued:

	September 30, 2020		December 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Class A common shares				
Balance, beginning of period:	17,268,472	\$ 199,917	17,268,472	\$ 199,917
Private placement	4,158,113	1,779	-	-
Issuance costs	-	(300)	-	-
Expiration of warrants	-	(385)	-	-
Balance, end of period:	21,426,585	\$ 201,011	17,268,472	\$ 199,917

On August 5, 2020, the Company issued 3,571,428 Class A common shares at C\$0.56 per share in connection with the first tranche of a private placement. On August 17, 2020, the Company issued 586,685 Class A common shares at C\$0.56 per share as a second tranche of the private placement. The Company received \$1,779 in proceeds and recorded \$300 in issuance costs, of which \$93 settled through warrants (see Note 12) and \$207 was paid in cash, related to both tranches. The Company used \$1,000 of the proceeds to pay the outstanding notes payable (see Note 7(iv)).

On September 1, 2020, 546,456 warrants expired that had a value of \$385 in share capital, which was reclassified to contributed surplus (see Note 11(b)).

(b) Contributed surplus:

	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 25,527	\$ 25,379
Share-based compensation	85	148
Issuance costs	93	-
Expiration of warrants	385	-
Balance, end of period	\$ 26,090	\$ 25,527

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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(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 months ended September 30, 2020, there were 927,325 outstanding share options (September 30, 2019 – 1,200,784) and 159,002 warrants (September 30, 2019 – 546,456) that were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

For the nine months ended September 30, 2020, there were 780,459 outstanding share options (September 30, 2019 – Nil) and 97,242 outstanding warrants (September 30, 2019 – Nil) that were included in the diluted weighted average number of shares calculation as their effect was dilutive. There were 190,807 outstanding share options (September 30, 2019 – 1,208,076) and 61,578 outstanding warrants (September 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 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 September 30, 2020, 927,325 share options are issued and outstanding. No additional options will be issued under this plan.

The following tables summarize information regarding share options outstanding:

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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	September 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	(253,250)	1.20	(81,376)	3.25
Forfeitures	-	-	(22,126)	0.89
Options outstanding, end of period	927,325	\$ 0.81	1,180,575	\$ 0.89
Options exercisable, end of period	927,325	\$ 0.81	1,018,989	\$ 0.91

Exercise Price (CDN\$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	711,012	6.53 years	711,012
0.80	170,932	6.13 years	170,932
2.30	12,381	0.87 years	12,381
2.70	33,000	1.63 years	33,000
	927,325	6.21 years	927,325

During the nine months ended September 30, 2020, the estimated forfeiture rate was 10.36%. During the nine months ended September 30, 2020, the Company recognized \$8 (nine months ended September 30, 2019 – \$32) 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 September 30, 2020, 927,325 share options and 1,199,461 RSUs are issued and outstanding. In addition, 872,183 Class A common shares were issued during 2018 under the plan, leaving 364,662 awards remain available for future issuance.

The following tables summarize information regarding RSUs outstanding:

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

For the three and nine months ended September 30, 2020

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	September 30, 2020	December 31, 2019
	Number of RSUs	Number of RSUs
RSUs outstanding, beginning of period	1,050,400	430,200
Issued	214,061	655,000
Forfeitures	(65,000)	(34,800)
RSUs outstanding, end of period	1,199,461	1,050,400

During the nine months ended September 30, 2020, 214,061 RSUs were issued at a weighted average grant date fair value of C\$0.76 per share. During the nine months ended September 30, 2020, the Company recognized \$77 (nine months ended September 30, 2019 - \$37) 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 September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
Employees	\$ 7	\$ 13	\$ 45	\$ 69
Directors and advisors	20	-	40	-
Non-cash compensation	\$ 27	\$ 13	\$ 85	\$ 69

12. Class A common share purchase warrants:

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 September 30, 2020
4/1/2015	9/1/2020	US\$ 0.70	458,907	87,549	546,456	(546,456)	-
8/5/2020	7/31/2022	US\$ 0.42	139,284	-	-	-	139,284
8/17/2020	8/14/2022	US\$ 0.42	19,718	-	-	-	19,718
			617,908	-	546,456	-	159,002

Each warrant entitles its holder to purchase one Class A common share. The 159,002 outstanding warrants are recognized as part of share capital. At September 30, 2020 \$93 is included in share capital related to these warrants.

INTERMAP TECHNOLOGIES CORPORATION

Notes to Condensed Consolidated Interim Financial Statements
(In thousands of United States dollars, except per share information)
(Unaudited)

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On September 1, 2020, 546,456 warrants expired that had a value of \$385 in share capital, which was reclassified to contributed surplus (see Notes 11(a) and (b)).

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:

	September 30, 2020	December 31, 2019
United States	\$ 4,103	\$ 4,399
Canada	41	75
Europe	28	38
Asia/Pacific	26	43
	\$ 4,198	\$ 4,555

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

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Customer A	\$ 268	\$ 628	\$ 1,089	\$ 628
Customer B	85	119	385	292
Customer C	-	2,845	293	4,026
	<u>\$ 353</u>	<u>\$ 3,592</u>	<u>\$ 1,767</u>	<u>\$ 4,946</u>

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 September 30, 2020 and December 31, 2019, consist of:

	September 30, 2020	December 31, 2019
Trade receivables	\$ 288	\$ 703
Other miscellaneous receivables	79	38
	<u>\$ 367</u>	<u>\$ 741</u>

Trade receivables by geography consist of:

	September 30, 2020	December 31, 2019
United States	\$ 107	\$ 524
Europe	163	152
Canada	-	18
Asia/Pacific	18	9
	<u>\$ 288</u>	<u>\$ 703</u>

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

	September 30, 2020	December 31, 2019
Current	\$ 172	\$ 682
31-60 days	17	20
61-90 days	92	1
Over 91 days	7	-
	<u>\$ 288</u>	<u>\$ 703</u>

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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:

In November 2020, the Company issued 3,646,874 Class A common shares (Shares) under an issuer private placement at a price of CAD\$1.03 per Share, raising aggregate gross proceeds of CAD\$3,756.

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