Condensed Consolidated Interim Financial Statements of

INTERMAP TECHNOLOGIES CORPORATION

Third quarter ended September 30, 2023

NOTICE: The condensed consolidated interim financial statements and notes thereto for the three months ended September 30, 2023 have not been reviewed by the Company’s external auditors.

Management's Discussion and Analysis

For the quarter ended September 30, 2023

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 13, 2023 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, 2023 and the audited Consolidated Financial Statements as at December 31, 2022 and 2021, 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.

The 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.

The 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 AIF, can be found on the Company's website at www.intermap.com and on SEDAR at www.sedar.com.

NON-IFRS MEASURES

This MD&A makes reference to certain non-IFRS measures such "EBITDA" and "Adjusted EBITDA". These non-IFRS measures are not recognized, defined or standardized measures under IFRS. The Company's definition of EBITDA and Adjusted EBITDA will likely differ from that used by other companies and therefore comparability may be limited. EBITDA and Adjusted EBITDA should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. These non-IFRS measures should be read in conjunction with the Company's audited Consolidated Financial Statements and the accompanying notes for the years ended December 31, 2022 and 2021. Readers should not place undue reliance on non-IFRS measures and should instead view them in conjunction with the most comparable IFRS financial measures. See the reconciliation of EBITDA and Adjusted EBITDA to the most comparable IFRS financial measure in the Reconciliation of Non-IFRS Measures section of this MD&A.

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 statements and information provided in this MD&A constitute 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.

Forward-looking information and statements in this MD&A include, but are not limited to the following:

- increases in recurring revenue generated from multi-license contracts in Europe and software subscription renewal value increase;
- all trade receivable balances are highly likely to be paid in full by the customer;
- the factors noted under "Liquidity and Capital Resources" in the aggregate indicate there are material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern;
- failure to achieve certain requirements could have a material adverse effect on the Company's financial condition and/or results of operations.

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) impact of a potential future pandemic 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.

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 AND DISCUSSION OF OPERATIONS

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, **2023**	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Revenue:				
Acquisition services	**$ -**	$ 0.2	**$ -**	$ 1.1
Value-added data	**0.4**	0.3	**1.6**	2.1
Software and solutions	**1.1**	0.7	**3.4**	2.4
Total revenue	**$ 1.5**	$ 1.2	**$ 5.0**	$ 5.6
Operating loss	**$ (0.8)**	$ (1.9)	**$ (2.6)**	$ (3.8)
Net loss	**$ (0.8)**	$ (1.8)	**$ (2.7)**	$ (3.7)
EPS basic and diluted	**$ (0.02)**	$ (0.06)	**$ (0.07)**	$ (0.12)
Adjusted EBITDA[1]	**$ (0.9)**	$ (1.6)	**$ (1.3)**	$ (1.8)

	September 30, 2023	September 30, 2022
Assets:		
Cash, amounts receivable, unbilled revenue	**$ 0.8**	$ 1.2
Total assets	**$ 4.7**	$ 5.6
Liabilities:		
Long-term liabilities (including lease obligations)	**$ 0.7**	$ 0.8
Total liabilities	**$ 8.2**	$ 6.7

[1]Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of Non-IFRS Measures" below.

Revenue

Quarterly Revenue

Consolidated revenue for the quarter ended September 30, 2023 was $1.5 million, compared to $1.2 million for 2022. Approximately 71% of consolidated revenue was generated outside the United States, compared to 67% for 2022.

<u>Acquisition Services</u>

Acquisition services revenue for the quarter ended September 30, 2023 totaled $Nil, compared to $0.2 million for 2022. The decrease is due to the nature and timing of government contracting and the related revenue recognition activities.

<u>Value-added Data</u>

Value-added data revenue increased to $0.4 million for the quarter ended September 30, 2023 as compared to $0.3 million for 2022.

Software and Solutions

Software and solutions revenue increased to $1.1 million from $0.7 million for the third quarters of 2023 and 2022, respectively. The Company recognized a 35% increase in subscription-based revenue, driven by the expansion of the European insurance market and growth in InsitePro license values.

Year-to-date Revenue

On a year-to-date basis, consolidated revenue decreased to $5.0 million during the nine months ended September 30, 2023 from $5.6 million for 2022. Approximately 66% of consolidated revenue was generated outside the United States, compared to 73% for 2022.

Acquisition Services

Acquisition services revenue for the nine-month period ended September 30, 2023 totaled $Nil, compared to $1.1 million for 2022. The decrease is due to the nature and timing of government contracting and the related revenue recognition activities.

Value-added Data

Value-added data revenue decreased to $1.6 million for the nine-month period ended September 30, 2023 as compared to $2.1 million for 2022. The change relates to ordinary course delays in repeating contracts.

Software and Solutions

Software and solutions revenue increased to $3.4 million from $2.4 million for the first nine months of 2023 and 2022, respectively. The Company recognized a 46% increase in subscription-based revenue, driven by the expansion of the European insurance market and growth in InsitePro license values.

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 September 30, **2023**	2022	For the six months ended September 30, **2023**	2022
Personnel	**$ 1.4**	$ 1.7	**$ 4.7**	$ 5.0
Purchased services & materials	**0.5**	0.7	**1.6**	2.3
Facilities and other expenses	**0.2**	0.2	**0.5**	0.5
Travel	**-**	0.1	**-**	0.2
	$ 2.1	$ 2.7	**$ 6.8**	$ 8.0

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions. Personnel expense for the quarters ended September 30, 2023 and 2022 totaled $1.4 million and $1.7 million, respectively. For the nine-month periods ended September 30, 2023 and 2022, personnel expense totaled $4.7 million and $5.0 million, respectively. The Company maintains operating leverage in personnel expense with the ability to quickly adjust labor costs in response to changing business conditions.

Non-cash compensation expense is included in operating costs and relates to the Company's omnibus incentive plan and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended September 30, 2023 and 2022, decreased to $61 thousand from $140 thousand, respectively. For the nine-month periods ended September 30, 2023 and 2022, non-cash compensation expense was $213 thousand and $314 thousand, respectively. The decrease for both periods was due to timing of RSU issuances.

Purchased Services and Materials

Purchased services and materials (PS&M) includes (i) aircraft and radar related costs, including jet fuel; (ii) insurance, 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, 2023, and 2022, PS&M expense was $0.5 million and $0.7 million, respectively. For the nine-month periods ended September 30, 2023 and 2022, PS&M expense was $1.6 million and $2.3 million, respectively. The decrease is primarily related to the subcontractor charges on the acquisition services project revenue during 2022 compared to 2023.

Facilities and Other Expenses

For the quarters ended September 30, 2023 and 2022, facilities and other expenses remained flat at $0.2 million. For the nine-month period ended September 30, 2023 and 2022, facilities and other expenses remained flat at $0.5 million for each period.

Travel

For the quarters ended September 30, 2023 and 2022, travel expense decreased to $Nil from $0.1 million. For the nine-month period ended September 30, 2023 and 2022, travel expense also decreased to $Nil from $0.2 million.

Net Loss

For the nine-month period ended September 30, 2023, net loss improved to a $2.7 million loss from a $3.7 million loss for the nine months ended September 30, 2022. The improvement is mainly due to decreased operating costs.

Total Liabilities

The increase in total liabilities from $6.7 million at September 30, 2022 to $8.2 at September 30, 2023 relates to the increase in unearned revenue, representing upfront cash collections for software license fees. As software license sales increase, unearned revenue also increases.

Reconciliation of Non-IFRS Measures

To supplement the audited Consolidated Financial Statements, which are prepared and presented in accordance with IFRS, the Company provides the following non-IFRS financial measures: EBITDA and Adjusted EBITDA, as EBITDA and Adjusted EBITDA are 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 term Earnings before interest, taxes, depreciation and amortization (EBITDA) consists of net income (loss) and excludes interest (financing costs), taxes, and depreciation. Adjusted EBITDA also excludes working capital investment and share-based compensation.

The most directly comparable measure to EBITDA and 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 September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net loss	**$ (0.8)**	$ (1.8)	**$ (2.6)**	$ (3.7)
Amortization of intangible assets	**-**	-	**0.2**	0.2
Depreciation of property and equipment	**0.2**	0.3	**0.4**	1.0
Depreciation of right of use assets	**-**	0.1	**0.2**	0.3
EBITDA	**$ (0.6)**	$ (1.4)	**$ (1.8)**	$ (2.2)
Working capital investment				
(Decrease) Increase in unearned revenue	**(0.3)**	(0.2)	**0.3**	0.2
Share-based compensation	**0.1**	0.1	**0.2**	0.3
Loss (gain) on foreign currency translation	**(0.1)**	(0.1)	**-**	(0.1)
Adjusted EBITDA	**$ (0.9)**	$ (1.6)	**$ (1.3)**	$ (1.8)

Adjusted EBITDA for the quarters ended September 30, 2023 was negative $0.9 million, compared to negative $1.6 million for 2022. Adjusted EBITDA for the nine-month period ended September 30, 2023 was negative $1.3 million, compared to negative $1.8 million for the same period in 2022. The improvement in Adjusted EBITDA is primarily attributable to decreased net loss for both periods.

Amortization of Intangible Assets

Amortization expense for intangible assets for the quarter ended September 30, 2023 totaled $79 thousand (nine-month period $236 thousand) compared to $79 thousand (nine-month period $232 thousand) for the same period in 2022.

Depreciation of Property and Equipment

Depreciation expense for property and equipment for the quarters ended September 30, 2023 and 2022 were $0.2 million and $0.3 million, respectively. Depreciation expense for property and equipment for the nine-months ended September 30, 2023 and 2022 were $0.4 million and $1.0 million, respectively. The decrease for both periods is due to older assets reaching their useful lives with few equipment purchases.

Depreciation of Right of Use Assets

Depreciation expense for right of use assets for the quarters ended September 30, 2023 and 2022 was $74 thousand and $90 thousand, respectively. Depreciation expense for right of use assets for the nine-month periods ended September 30, 2023 and 2022 was $235 thousand and $248 thousand, respectively.

Amounts Receivable 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 statements of financial position as unbilled revenue.

Amounts receivable and unbilled revenue decreased to $0.6 million at September 30, 2023 from $1.3 million at December 31, 2022. The Company reviews the amounts receivable aging monthly and monitors the payment status of each invoice to determine the collectability. At the statement of financial position 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 $3.9 million at September 30, 2023 from $3.6 million from December 31, 2022.

U.S. $ millions		**September 30, 2023**		December 31, 2022
Accounts payable	$	2.2	$	1.9
Accrued liablities		1.7		1.6
VAT payable		-		0.1
	$	3.9	$	3.6

Government Loans

The government loans balance decreased slightly to $0.4 million at Septemver 30, 2023 from $0.5 million at December 31, 2022 due to regular monthly payments. The loans were available to help off-set the impacts of the COVID-19 pandemic and will be repaid.

Unearned Revenue

The unearned revenue balance at September 30, 2023 increased to $3.2 million from $3.0 million at December 31, 2022. 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, 2023, 88% of the total balance is related to software and solutions license revenue (91% at December 31, 2022), 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 and data licenses.

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 severely undercapitalized and was therefore required to self-finance the advancement of high-growth opportunities in the government vertical. As a result, revenue has been delayed.

U.S. $ millions, except per share data	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	**Q3 2023**
Total revenue	$ 2.3	$ 2.0	$ 2.4	$ 1.2	$ 1.2	$ 2.0	$ 1.5	**$ 1.5**
Depreciation	$ 0.3	$ 0.4	$ 0.3	$ 0.3	$ 0.1	$ 0.1	$ 0.1	**$ 0.2**
Financing costs	$ -	$ -	$ -	$ -	$ 0.1	$ -	$ -	**$ -**
Operating loss	$ (0.8)	$ (1.2)	$ (0.7)	$ (1.9)	$ (1.4)	$ (0.8)	$ (1.0)	**$ (0.8)**
Net (loss) income	$ 0.3	$ (1.3)	$ (0.6)	$ (1.8)	$ (1.6)	$ (0.8)	$ (1.1)	**$ (0.8)**
Net (loss) income per share - basic and diluted	$ 0.02	$ (0.04)	$ (0.02)	$ (0.06)	$ (0.04)	$ (0.02)	$ (0.03)	**$ (0.02)**
Adjusted EBITDA[1]	$ (1.0)	$ (0.1)	$ (0.1)	$ (1.6)	$ -	$ 0.5	$ (0.9)	**$ (0.9)**

[1] Adjusted EBITDA is a non-IFRS measure. See "Reconciliation of Non-IFRS Measures" above.

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.

Operating Activities

Cash used in operations during the nine-months ended September 30, 2023 totaled $0.4 million, compared to cash used by operations of $1.3 million during the same period in 2022.

At September 30, 2023, $6.3 million of the current assets over current liabilities deficiency relates to unearned revenue, which is the accounting treatment for contracts in which the revenue recognition criteria have not been met at the time of payment. The Company has an obligation to deliver the required services (software) over the term of the license, and there is no incremental cash cost or payment. At the end of the first quarter of 2023, the Company began executing on new contract awards exceeding $1.4 million to be recognized over the next 12 to 36 months, along with significant government and commercial pipeline, and as such, management expects to meet the obligations as they come due through operations.

Investing Activities

Net cash used in investing activities totaled $0.3 million and $0.2 million for the nine-month periods ended September 30, 2023 and 2022, respectively. For both periods, the balance 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 in advance of anticipated contract awards.

Financing Activities

Net cash provided by financing activities totaled $0.2 million for the nine-months ended September 30, 2023, as compared to net cash provided by financing activities of $1.3 million in 2022. The net cash provided during the nine-months ended September 30, 2023 resulted from proceeds from a private placement of $0.6 million, offset by private placement issuance costs of $0.1 million, payment of lease obligations of $0.2 million, and repayment of loans $0.1 million. The net cash provided during the nine-months ended September 30, 2022 resulted from proceeds from a private placement of $1.6 million, offset by private placement issuance costs of $0.1 million and the payment of lease obligations of $0.2 million.

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 in place.

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 exploring options for additional capital and securing subscription-based contracts which will increase revenue in future periods.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Intermap's significant accounting policies are set out in Note 3 of the Condensed Consolidated Interim Financial Statements. The 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). Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgements about matters that are inherently uncertain. As detailed in Intermap's Annual MD&A, these critical accounting estimates relate to: depreciation and amortization rates, accounts receivables, share-based compensation, government loans, revenue and impairment. For additional details, see Note 2 of the Condensed Consolidated Interim Financial Statements.

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 over time based on the ratio of costs incurred to estimated total 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. 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.

OFF-BALANCE SHEET ARRANGEMENTS

As at November 13, 2023 and September 30, 2023, the Company did not have any material off-balance sheet arrangements.

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 13, 2023, 39,885,755 Class A common shares were issued and outstanding. There are currently no Class A participating preferred shares issued and outstanding.

As of November 13, 2023, potential dilutive securities include (i) 794,443 outstanding share options with a weighted average exercise price of C$0.72, (ii) 2,453,744 restricted share units, and (iii) 5,867,980 warrants outstanding with a weighted average exercise price of US$0.51. Each option and warrant entitles the holder to purchase one Class A common share. The following warrants expire on the dates listed below:

- 43,500 warrants expire on February 10, 2024;
- 88,235 warrants expire on March 18, 2024;

- 3,188,900 warrants expire on November 17, 2024;
- 265,000 warrants expire on December 6, 2024;
- 858,600 warrants expire on August 9, 2025;
- 602,500 warrants expire on August 15, 2025;
- 84,545 warrants expire on September 4, 2025; and
- 736,700 warrants expire on October 19, 2025.

Other than as listed above, the Company does not currently have any material financial instruments which can be converted into additional common shares.

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 January 1, 2023 and ending on September 30, 2023 that have 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 2022 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 Statements of Financial Position
(In thousands of United States dollars)
(Unaudited)

		September 30, 2023		December 31, 2022
Assets				
Current assets:				
Cash	**$**	**266**	$	843
Amounts receivable (Note 16)		**549**		1,290
Unbilled revenue		**19**		8
Prepaid expenses		**342**		382
		1,176		2,523
Prepaid expenses		**59**		55
Property and equipment (Note 4)		**1,072**		1,387
Intangible assets (Note 5)		**1,001**		1,016
Right of use assets (Note 6)		**387**		343
Investment (Note 7)		**1,011**		1,011
Total assets	**$**	**4,706**	$	6,335
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Accounts payable and accrued liabilities (Note 8)	**$**	**3,900**	$	3,633
Bank loan (Note 9(a))		**36**		37
Current portion of government loans (Note 9(c))		**114**		108
Lease obligations (Note 10)		**269**		223
Unearned revenue		**3,165**		2,953
		7,484		6,954
Bank loan (Note 9(a))		**43**		71
Long-term project financing (Note 9(b))		**179**		177
Long-term government loans (Note 9(c))		**301**		375
Lease obligations (Note 10)		**188**		177
Total liabilities		**8,195**		7,754
Shareholders' (deficiency) equity:				
Share capital (Note 13(a))		**208,690**		208,406
Warrants (Note 14)		**595**		493
Accumulated other comprehensive loss		**(171)**		(141)
Contributed surplus (Note 13(b))		**26,894**		26,603
Deficit		**(239,497)**		(236,780)
Total shareholders' deficiency		**(3,489)**		(1,419)
Going concern (Note 2(a))				
Subsequent event (Note 18)				
Total liabilities and shareholders' deficiency	**$**	**4,706**	$	6,335

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Loss and Other Comprehensive Loss
(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,	
	2023	2022	**2023**	2022
Revenue (Note 11)	**$ 1,462**	$ 1,147	**$ 5,000**	$ 5,616
Expenses:				
Operating costs (Note 12(a))	**2,053**	2,646	**6,772**	7,982
Depreciation of property and equipment (Note 4)	**134**	243	**416**	957
Amortization of intangible assets (Note 5)	**79**	79	**236**	232
Depreciation of right of use assets (Note 6)	**74**	90	**235**	248
Loss on disposal of equipment (Note 5)	**3**	-	**3**	-
	2,343	3,058	**7,662**	9,419
Operating loss	**(881)**	(1,911)	**(2,662)**	(3,803)
Financing costs (Note 12(b))	**(15)**	(14)	**(43)**	(40)
Financing income	**-**	3	**4**	4
(Loss) gain on foreign currency translation	**43**	83	**(20)**	82
Loss before income taxes	**(853)**	(1,839)	**(2,721)**	(3,757)
Income tax expense:				
Current	**-**	-	**4**	15
	-	-	**4**	15
Loss for the period	**$ (853)**	$ (1,839)	**$ (2,717)**	$ (3,742)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**(21)**	(4)	**(30)**	(10)
Comprehensive loss for the period	**$ (874)**	$ (1,843)	**$ (2,747)**	$ (3,752)
Basic and diluted loss per share	**$ (0.02)**	$ (0.06)	**$ (0.07)**	$ (0.11)
Weighted average number of Class A common shares - basic and diluted (Note 13(c))	38,460,407	33,423,710	37,886,960	32,560,018

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at December 31, 2021	$ 206,102	$ 232	$ 26,144	$ (129)	$ (231,497)	$ 852
Comprehensive loss for the period	-	-	-	(10)	(3,742)	(3,752)
Share-based compensation	-	-	288	-	-	288
Private placement proceeds (Note 13(a))	1,611	-	-	-	-	1,611
Issuance costs	(139)	29	-	-	-	(110)
Expiry of warrants	93	(93)	-	-	-	-
Balance at September 30, 2022	$ 207,667	$ 168	$ 26,432	$ (139)	$ (235,239)	$ (1,111)
Balance at December 31, 2022	$ 208,406	$ 493	$ 26,603	$ (141)	$ (236,780)	$ (1,419)
Comprehensive loss for the period	-	-	-	(30)	(2,717)	(2,747)
Share-based compensation	-	-	153	-	-	153
Private placement proceeds (Note 13(a))	610	-	-	-	-	610
Issuance costs	(326)	240	-	-	-	(86)
Expiry of warrants	-	(138)	138	-	-	-
Balance at September 30, 2023	$ 208,690	$ 595	$ 26,894	$ (171)	$ (239,497)	$ (3,489)

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,		**2023**		2022
Operating activities:				
Net loss for the period	**$**	**(2,717)**	$	(3,742)
Interest paid		**(28)**		(14)
Income tax refunded		**4**		11
Adjustments for:				
Depreciation of property and equipment		**416**		957
Amortization of intangible assets		**236**		232
Depreciation of right of use assets		**235**		248
Share-based compensation expense		**213**		314
Loss on disposal of equipment		**3**		-
Financing costs		**43**		40
Current income tax expense		**(4)**		(15)
Changes in working capital:				
Amounts receivable		**737**		(94)
Unbilled revenue and prepaid expenses		**38**		770
Accounts payable and accrued liabilities		**225**		(217)
Unearned revenue		**212**		212
Gain on foreign currency translation		**(50)**		19
Cash flows used in operating activities		**(437)**		(1,279)
Investing activities:				
Purchase of property and equipment		**(104)**		(21)
Additions to intangible assets		**(221)**		(142)
Cash flows used in investing activities		**(325)**		(163)
Financing activities:				
Proceeds from private placement		**610**		1,611
Issuance costs		**(86)**		(110)
Payment of lease obligations		**(240)**		(248)
Proceeds from bank loan		**-**		98
Repayment of bank loan		**(36)**		-
Repayment of government loans		**(89)**		(7)
Cash flows provided by financing activities		**159**		1,344
Effect of foreign exchange on cash		**26**		(6)
Decrease in cash		**(577)**		(104)
Cash, beginning of period		**843**		188
Cash, end of period	**$**	**266**	$	84

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 385 Inverness Parkway, Suite 105, 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, 2023, the Company reported an operating loss of $2,662, net loss of $2,717, and negative cash flows from operating activities of $437. In addition, the Company has a shareholders' deficit of $3,489 and negative working capital of $6,308(current assets less current liabilities) at September 30, 2023.

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, and / or obtain additional financing. There can be no assurance that such plans will be achieved. 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 exploring options for additional capital and securing subscription-based contracts which will increase revenue in future periods.

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 consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position 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, 2022 (the "2022 Annual Consolidated Financial Statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of November 13, 2023, 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 consolidated 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 material 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 2022 Annual Consolidated Financial Statements, except as described below.

The Company adopted the following new accounting standards which are effective for the Company's condensed consolidated interim financial statements commencing January 1, 2023. The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ended December 31, 2023.

(a) Amendments to IAS 1 – *Classification of Liabilities as current or non-current*

Effective January 1, 2023, the Company adopted amendments to IAS 1 – Presentation of financial statements, which provide a more general approach to the classifications of liabilities based on the contractual agreements in place at the reporting date. The adoption of these amendments did not have a material impact on the consolidated financial statements.

(b) Amendments to IAS 8 – *Definition of accounting estimates*

Effective January 1, 2023, the Company adopted amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendments to IAS 8 replace the definition of a "change in accounting estimates" with a definition of "accounting estimates". Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involved measurement uncertainty. The amendments confirm that a change in an accounting estimate that results from new information or new developments is not a correction of an error. The adoption of these amendments did not have a material impact on the condensed consolidated interim financial statements.

4. Property and equipment:

	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leasehold improvements	Under construction	Total
Balance at December 31, 2022	$ 430	$ 782	$ 4	$ -	$ 171	$ 1,387
Additions	-	-	-	13	91	104
Depreciation	(39)	(375)	(1)	(1)	-	(416)
Disposal	-	(3)	-	-	-	(3)
Balance at September 30, 2023	$ 391	$ 404	$ 3	$ 12	$ 262	$ 1,072

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

	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leasehold improvements	Under construction	Total
Cost	$ 10,618	$ 33,239	$ 345	$ 1,074	$ 171	$ 45,447
Accumulated depreciation	(10,188)	(32,457)	(341)	(1,074)	-	(44,060)
Balance at December 31, 2022	$ 430	$ 782	$ 4	$ -	$ 171	$ 1,387
Cost	$ 10,618	$ 24,878	$ 345	$ 1,081	$ 262	$ 37,184
Accumulated depreciation	(10,227)	(24,474)	(342)	(1,069)	-	(36,112)
Balance at September 30, 2023	$ 391	$ 404	$ 3	$ 12	$ 262	$ 1,072

During the nine months ended September 30, 2023, the Company disposed of fully depreciated assets with an original cost of $8.3 million (nine months ended September 30, 2022 - $Nil), a net book value of $Nil (nine months ended September 30, 2022 - $Nil), and received cash proceeds of $Nil (nine months ended September 30, 2022 - $Nil).

5. Intangible assets:

	Data library	Data library not yet available for use	Total
Balance at December 31, 2022	$ 652	$ 364	$ 1,016
Additions	-	221	221
Amortization	(236)	-	(236)
Balance at September 30, 2023	$ 416	$ 585	$ 1,001

	Data library	Data library not yet available for use	Total
Cost	$ 1,035	$ 364	$ 1,399
Accumulated amortization	(383)	-	(383)
Balance at December 31, 2022	$ 652	$ 364	$ 1,016
Cost	1,035	585	1,620
Accumulated amortization	(619)	-	(619)
Balance at September 30, 2023	$ 416	$ 585	$ 1,001

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

6. Right of use assets:

	September 30, 2023	December 31, 2022
Beginning Balance	$ 343	$ 497
Depreciation	(235)	(338)
New leases	279	174
Adjustment	-	10
Ending Balance	$ 387	$ 343

7. Investment:

The Company has an investment in a privately held company over which the Company exercises no control or significant influence. The fair value of the investment at September 30, 2023 was estimated using a market-based approach with primarily unobservable inputs, including the comparable enterprise value to revenue multiples discounted for considerations such as the lack of marketability and other differences between the comparable peer group and the privately held company. Revenue multiples were selected from comparable public companies based on, industry, size, target markets, and other factors that the Company considers to be reasonable. The comparable enterprise value to revenue multiple was applied to the trailing twelve months actual revenues of the privately held company to determine the enterprise value of the privately held company. Once the enterprise value of the privately held company was determined the net debt was removed (total debt less cash) and the remaining equity value was allocated to the capital of the privately held company in order of ranking (e.g., preferred shares, common shares). At September 30, 2023, the fair value was estimated to be $1,011 (December 31, 2022 - $1,011) and is a level 3 fair value measurement. A 20% change in the estimated value of the investment would impact net income by approximately $202.

8. Accounts payable and accrued liabilities:

	September 30, 2023	December 31, 2022
Accounts payable	$ 2,154	$ 1,934
Accrued liablities	1,716	1,592
VAT payable	30	107
	$ 3,900	$ 3,633

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

9. Financial liabilities:

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities and balances at September 30, 2023:

	Bank Loan	Project Financing	Government Loans	Lease Obligations (Note 11)	Total
Balance at December 31, 2022	$ 108	$ 177	$ 483	$ 400	$ 1,168
Changes from financing activities:					
Payment of lease obligations	-	-	-	(240)	(240)
Repayment of bank loan	(36)	-	-	-	(36)
Repayment of government loans	-	-	(89)	-	(89)
Total changes from financing activities	(36)	-	(89)	(240)	(365)
Foreign exchange	7	2	18	6	33
Other changes:					
New leases	-	-	-	279	279
Financing costs	8	-	18	17	43
Interest paid	(8)	-	(15)	(5)	(28)
Balance at September 30, 2023	$ 79	$ 179	$ 415	$ 457	$ 1,130

(a) Bank loan:

	September 30, 2023	December 31, 2022
Bank loan	**$ 79**	$ 108
	79	108
Less current portion	**(36)**	(37)
Long-term portion of project financing	**$ 43**	$ 71

On August 8, 2022, the Company executed a bank loan in the Czech Republic to finance the purchase of foundation data for 2,500,000 Czech Republic koruna (equivalent $110 thousand). Interest will accrue at 10.71% and minimum monthly installment payments of $4 thousand began in December 2022.

(b) Project financing:

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. There were no sales of the related products during the nine months ended September 30, 2023.

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

(c) Government loans:

		September 30, 2023		December 31, 2022
SBA loan	**$**	**149**	$	150
Western Development Canada loan		**266**		333
		415		483
Less current portion		**(114)**		(108)
Long-term portion of project financing	**$**	**301**	$	375

i. SBA loan:

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 began 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.

ii. Western Development Canada loan:

On December 29, 2020, the Company received a $385 (C$494) long-term loan from Western Economic Diversification in Canada. The loan will be repaid in 36 monthly installments that started in January 2023. The loan 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 $312, based on the estimated discount rate of 6.07%, and is subject to estimation uncertainty. The resulting discount of $73 was recognized in government grants at December 31, 2020 and will be accreted through interest expense over the term of the loan using the effective interest method.

10. Lease obligations:

The following table presents the contractual undiscounted cash flows for lease obligations which require the following payments for each period ending September 30:

2024	$	299
2025		128
2026		67
2027		5
	$	499

Interest expense on lease obligations for the nine months ended September 30, 2023 was $17 (nine months ended September 30, 2022 – $20). Total cash outflow for leases was $240 (nine months ended September 30, 2022 – $242), and $262 (nine months ended September 30, 2022 – $222) for short-term and low-value operating leases for equipment and office spaces.

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

The Company also has contractual undiscounted cash flows for short-term and low-value operating leases for equipment and maintenance that are not on the statements of financial position which require the payments of $289 for the twelve months ending September 30, 2024.

11. Revenue:

Details of revenue are as follows:

	For the three months ended September 30,				For the nine months ended September 30,			
		2023		2022		**2023**		2022
Acquisition services	**$**	**-**	$	149	**$**	**6**	$	1,077
Value-added data		**404**		247		**1,623**		2,095
Software and solutions		**1,058**		751		**3,371**		2,444
	$	**1,462**	$	1,147	**$**	**5,000**	$	5,616
Primary geographical market								
United States	**$**	**430**	$	374	**$**	**1,719**	$	1,502
Asia/Pacific		**154**		260		**366**		2,249
Europe		**878**		513		**2,915**		1,865
	$	**1,462**	$	1,147	**$**	**5,000**	$	5,616
Timing of revenue recognition								
Upon delivery	**$**	**620**	$	283	**$**	**2,038**	$	2,425
Services overtime		**842**		864		**2,962**		3,191
	$	**1,462**	$	1,147	**$**	**5,000**	$	5,616

12. Operating and non-operating costs:

(a) Operating costs:

	For the three months ended September 30,				For the nine months ended September 30,			
		2023		2022		**2023**		2022
Personnel	**$**	**1,440**	$	1,734	**$**	**4,721**	$	5,046
Purchased services & materials(1)		**441**		715		**1,531**		2,312
Travel		**8**		37		**39**		131
Facilities and other expenses		**164**		160		**481**		493
	$	**2,053**	$	2,646	**$**	**6,772**	$	7,982

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

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

(b) Financing costs:

	For the three months ended September 30, **2023**	2022	For the nine months ended September 30, **2023**	2022
Interest on bank loan	**$ 2**	$ -	**$ 8**	$ -
Interest on government loans	**6**	7	**18**	20
Interest on lease obligations	**7**	7	**17**	20
	$ 15	$ 14	**$ 43**	$ 40

13. Share capital:

(a) Issued:

Class A common shares	**September 30, 2023** Number of Shares	**Amount**	December 31, 2022 Number of Shares	Amount
Balance, beginning of period:	**37,693,710**	**$ 208,406**	29,415,422	$ 206,102
Private placement	**1,497,045**	**610**	8,278,288	2,588
Issuance costs	**-**	**(326)**	-	(284)
Balance, end of period:	**39,190,755**	**$ 208,690**	37,693,710	$ 208,406

During the third quarter of 2023, the Company completed a private placement resulting in the issuance of 1,497,045 Units for aggregate consideration of $610. Each Unit had a purchase price of C$0.55 and consisted of one Class A common share of the Corporation and one Class A common share purchase warrant. Each warrant entitles the holder to purchase one Class A common share at a purchase price of US$0.59 per share for a period of two years from the issue date. The total consideration received was allocated to Share Capital and Warrants on a relative fair value basis. The fair value of the warrants was determined using the Black Scholes pricing model based on the risk-free rate of 4.70%, average expected warrant life of 2 years, share price estimated volatility of 73% and expected dividend payments of Nil. In addition, the Corporation paid finder's fees of $35 and issued 48,600 warrants to a third party for services rendered in connection with the transaction. The finder's fee warrants were issued on the same terms as the private placement warrants with an exercise price of US$0.49. The Company recorded non-cash issuance costs related to this award based on the fair value of the award at the date of the closing of $51, bringing the total costs of the issuance to $86.

On December 7, 2022, the Company completed a private placement resulting in the issuance of 250,000 Units for aggregate consideration of $74. Each Unit had a purchase price of C$0.40 and consisted of one Class A common share of the Corporation and one Class A common share purchase warrant. Each warrant entitles the holder to purchase one Class A common share at a purchase price of US$0.44 per share for a period of two years from the issue date. The total consideration received was allocated to Share Capital and Warrants on a relative fair value basis. The fair value of the warrants was determined using the Black Scholes pricing model based on the risk-free rate of 3.86%, average expected warrant life of 2 years, share price estimated volatility of 83% and expected dividend payments of Nil. In addition, the Corporation paid finder's fees of $7 and issued 15,000 warrants to a third party for services rendered in connection with the transaction. The finder's fee warrants were issued on the same terms as the private placement warrants with an exercise price of US$0.44. The Company recorded non-cash issuance costs related to this award based on the fair value of the award at the date of the closing of $2, bringing the total costs of the issuance to $9.

During November 2022, the Company completed a private placement resulting in the issuance of 3,020,000 Units for aggregate consideration of $906. Each Unit had a purchase price of C$0.40 and consisted of one Class A common share of the Corporation and one Class A common share purchase warrant. Each warrant entitles the holder to purchase one Class A common share at a purchase price of US$0.45 per share for a period of two years from the issue date. The total consideration received was allocated to Share Capital and Warrants on a relative fair value basis. The fair value of the warrants was determined using the Black Scholes pricing model based on the risk-free rate of 3.87%, average expected warrant life of 2 years, share price estimated volatility of 84% and expected dividend payments of Nil. In addition, the Corporation paid finder's fees of $81 and issued 168,900 warrants to a third party for services rendered in connection with the transaction. The finders fee warrants were issued on the same terms as the private placement warrants with an exercise price of US$0.45. The Company recorded non-cash issuance costs related to this award based on the fair value of the award at the date of the closing of $29, bringing the total costs of the issuance to $110.

On October 14, 2022, the Company issued 1,000,000 Class A common shares at C$0.40 per share in connection with a private placement. The Company received $291 in proceeds and issuance costs of $26 was paid in cash.

On March 18, 2022, the Company issued 1,470,588 Class A common shares at C$0.51 per share in connection with a private placement. The Company received $596 in proceeds and recorded $111 in issuance costs, of which $19 settled through warrants (see Note 14) and $92 was paid in cash.

During February 2022, the Company issued 2,537,700 Class A common shares at C$0.51 per share in connection with two private placements. The Company received $1,015 in proceeds and recorded $28 in issuance costs, of which $11 settled through warrants (see Note 14) and $17 was paid in cash.

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

(b) Contributed surplus:

	September 30, 2023		December 31, 2022	
Balance, beginning of period	**$**	**26,603**	$	26,144
Share-based compensation		**153**		366
Expiration of warrants		**138**		93
Balance, end of period	**$**	**26,894**	$	26,603

(c) Loss per share:

The calculation of 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. The Company has incurred a net loss for each period presented and the inclusion of the outstanding options and warrants in the loss per share calculation are anti-dilutive and therefore not included in the calculation.

The underlying Class A common shares pertaining to 794,443 outstanding share options, 2,453,744 restricted share units (RSUs), and 5,131,280 outstanding warrants could potentially dilute earnings.

(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 by the Omnibus Incentive Plan at the Annual General Meeting on March 15, 2018 (see Note 13(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, 2023, 794,443 share options are issued and outstanding. No additional options will be issued under this plan.

The following tables summarize information regarding share options outstanding:

	September 30, 2023			December 31, 2022		
	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	**801,943**	**$**	**0.77**	822,943	$	0.77
Expired	**(7,500)**		**0.70**	(21,000)		2.70
Options outstanding, end of period	**794,443**	**$**	**0.72**	801,943	$	0.77
Options exercisable, end of period	**794,443**	**$**	**0.72**	801,943	$	0.72

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

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	623,511	3.53 years	623,511
0.80	170,932	3.13 years	170,932
	794,443	3.45 years	794,443

During the nine months ended September 30, 2023 and 2022, the Company recognized $Nil of non-cash compensation expense related to the share option plan.

(e) Omnibus Incentive Plan:

The Omnibus Incentive Plan (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 was 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. At the Annual General Meeting on June 29, 2021, shareholders approved replenishment of 997,253 Common Shares reserved for issuance under the omnibus plan. At the Annual General Meeting on June 29, 2023, shareholders approved replenishment of 1,300,000 Common Shares reserved for issuance under the omnibus plan, for a total reserve of 5,660,884. As of September 30, 2023, 794,443 share options and 2,453,744 RSUs are issued and outstanding. In addition, 872,183 Class A common shares were issued during 2018, 125,070 Class A common shares were issued during 2020, and 50,000 shares were issued during 2021 under the plan, leaving 1,365,444 awards remain available for future issuance.

The following tables summarize information regarding RSUs outstanding:

	September 30, 2023	December 31, 2022
	Number of RSUs	Number of RSUs
RSUs outstanding, beginning of period	**2,453,744**	1,330,884
Issued	**-**	1,132,860
Forfeitures	**-**	(10,000)
RSUs outstanding, end of period	**2,453,744**	2,453,744

During the nine months ended September 30, 2023, no RSUs (nine months ended June 30, 2022 – 1,102,860) were issued at a weighted average grant date fair value of $Nil per share (nine months ended September 30, 2022 – C$0.58 per share). During the nine months ended September 30, 2023, the Company recognized $213 (nine months ended September 30, 2022 – $314) of non-cash compensation expense related to the RSUs.

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

(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,	
	2023	2022	**2023**	2022
Employees	**$ 36**	$ 78	**$ 112**	$ 167
Directors and advisors	**25**	62	**101**	147
Non-cash compensation	**$ 61**	$ 140	**$ 213**	$ 314

14. Class A common share purchase warrants:

The following table details the number of Class A common share purchase warrants outstanding at each statement of financial position date:

Grant Date	Expiry Date	Exercise Price	Granted	Warrants Outstanding December 31, 2022	Issued	Expired	Warrants Outstanding September 30, 2023
4/27/2021	4/27/2023	US$ 0.73	60,000	60,000	-	(60,000)	-
7/30/2021	7/29/2023	US$ 0.80	131,166	131,166	-	(131,166)	-
8/9/2021	8/8/2023	US$ 0.80	45,000	45,000	-	(45,000)	-
8/18/2021	8/17/2023	US$ 0.88	12,000	12,000	-	(12,000)	-
9/20/2021	9/19/2023	US$ 0.87	6,666	6,666	-	(6,666)	-
2/11/2022	2/10/2024	US$ 0.54	43,500	43,500	-	-	43,500
3/19/2022	3/18/2024	US$ 0.54	88,235	88,235	-	-	88,235
11/16/2022	11/15/2024	US$ 0.45	2,929,900	2,929,900	-	-	2,929,900
11/18/2022	11/17/2024	US$ 0.45	259,000	259,000	-	-	259,000
12/7/2022	12/6/2024	US$ 0.44	265,000	265,000	-	-	265,000
8/10/2023	8/9/2025	US$ 0.60	810,000	-	810,000	-	810,000
8/10/2023	8/9/2025	US$ 0.49	48,600	-	48,600	-	48,600
8/16/2023	8/15/2025	US$ 0.59	602,500	-	602,500	-	602,500
9/5/2023	9/4/2025	US$ 0.59	84,545	-	84,545	-	84,545
			5,386,112	3,840,467	1,545,645	(254,832)	5,131,280

The following table details the value of the broker and non-broker Class A common share purchase warrants outstanding at each statement of financial position date.

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

	Number of Warrants	Value	Number of Warrants	Value	Number of Warrants	Value
Balance at December 31, 2022	3,270,000	$ 294	570,467	$ 199	3,840,467	$ 493
Issued	1,497,045	226	48,600	14	1,545,645	240
Expired	-	-	(254,832)	(138)	(254,832)	(138)
Balance at September 30, 2023	4,767,045	$ 520	364,235	$ 75	5,131,280	$ 595

Each warrant entitles its holder to purchase one Class A common share.

15. 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 11.

Property and equipment of the Company are located as follows:

	September 30, 2023	December 31, 2022
United States	**$ 1,051**	$ 1,362
Europe	**19**	19
Asia/Pacific	**2**	6
	$ 1,072	$ 1,387

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	**2023**	2022
Customer A	**$ -**	$ 149	**$ 25**	$ 1,077
Customer B	**234**	51	**463**	361
Customer C	**-**	1	**-**	667
	$ 234	$ 201	**$ 488**	$ 2,105

16. 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, 2022.

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

Amounts receivable as of September 30, 2023 and December 31, 2022, consist of:

		September 30, 2023		December 31, 2022
Trade receivables	**$**	**525**	$	1,268
Other miscellaneous receivables		**24**		22
	$	**549**	$	1,290

Trade receivables by geography consist of:

		September 30, 2023		December 31, 2022
United States	**$**	**27**	$	34
Europe		**366**		1,226
Asia/Pacific		**132**		8
	$	**525**	$	1,268

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

		September 30, 2023		December 31, 2022
Current	**$**	**387**	$	1,232
31-60 days		**97**		30
61-90 days		**-**		-
Over 91 days		**41**		6
	$	**525**	$	1,268

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

17. Fair values:

The fair values of the financial assets and liabilities are determined 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.
- Carrying amount of project financing, bank loan and government loans approximates fair value due to prevailing interest rates and the risk characteristics of the instrument.
- The fair value of the 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.

18. Subsequent event:

On October 20, 2023, the Company closed an issuer private placement of 695,000 units (Units). Each Unit consists of one Class A common share of the Company (a “Share”) and one transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share at an exercise price US$0.59 per Share, which is exercisable for two years from the date of issuance. The Units were issued at a price of C$0.55 per Unit for aggregate gross proceeds of C$382. In addition, the Company issued 41,700 Class A common share purchase warrants to finders with an exercise price of US$0.59 expiring on October 19, 2025.