



Condensed Consolidated Interim Financial Statements of

**INTERMAP TECHNOLOGIES
CORPORATION**

Third Quarter ended September 30, 2021

INTERMAP TECHNOLOGIES CORPORATION

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

	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash	\$ 1,391	\$ 1,778
Amounts receivable	1,116	579
Unbilled revenue	209	47
Prepaid expenses	317	769
	3,033	3,173
Prepaid expenses	53	41
Property and equipment (Note 4)	2,600	2,731
Intangible assets (Note 5)	1,099	921
Right of use assets (Note 6)	543	778
Total assets	\$ 7,328	\$ 7,644
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 7)	\$ 3,232	\$ 3,102
Current portion of government loans (Note 8(b))	9	4
Lease obligations (Note 9)	271	271
Unearned revenue	2,315	1,607
Income taxes payable	8	5
	5,835	4,989
Long-term project financing (Note 8(a))	189	188
Long-term government loans (Note 8(b))	474	460
Lease obligations (Note 9)	308	521
Total liabilities	6,806	6,158
Shareholders' equity:		
Share capital (Note 13(a))	206,102	203,642
Warrants	232	93
Accumulated other comprehensive loss	(123)	(115)
Contributed surplus (Note 13(b))	26,100	26,007
Deficit	(231,789)	(228,141)
Total shareholders' equity	522	1,486
Going concern (Note 2(a))		
Total liabilities and shareholders' equity	\$ 7,328	\$ 7,644

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Income (Loss) and Other Comprehensive Income
(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,	
	2021	2020	2021	2020
	(Recast, Note 18)	(Recast, Note 18)	(Recast, Note 18)	(Recast, Note 18)
Revenue (Note 10)	\$ 1,391	\$ 1,002	\$ 3,421	\$ 3,795
Expenses:				
Operating costs (Note 11(a))	2,192	2,002	6,595	6,455
Restructuring costs (Note 11(b))	-	-	238	-
Depreciation of property and equipment	354	276	1,018	825
Amortization of intangible assets	11	-	36	-
Depreciation of right of use assets	79	77	237	333
	2,636	2,355	8,124	7,613
Operating loss	(1,245)	(1,353)	(4,703)	(3,818)
Gain on modification of debt (Note 8(a))	-	-	-	32,138
Government grants (Note 12)	219	25	1,129	689
Gain on disposal of equipment	-	-	6	150
Financing costs (Note 11(c))	(16)	(11)	(48)	(1,310)
Gain (loss) on foreign currency translation	13	(36)	(14)	(41)
Income (loss) before income taxes	(1,029)	(1,375)	(3,630)	27,808
Income tax expense:				
Current	-	-	(18)	(21)
	-	-	(18)	(21)
Income (loss) for the period	\$ (1,029)	\$ (1,375)	\$ (3,648)	\$ 27,787
Other comprehensive income (loss):				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(11)	6	(8)	(1)
Comprehensive income (loss) for the period	\$ (1,040)	\$ (1,369)	\$ (3,656)	\$ 27,786
Basic income (loss) earnings per share	\$ (0.04)	\$ (0.07)	\$ (0.14)	\$ 1.54
Diluted income (loss) earnings per share	\$ (0.04)	\$ (0.07)	\$ (0.14)	\$ 1.46
Weighted average number of Class A common shares - basic (Note 13(c))	27,695,227	20,674,391	26,246,488	18,092,611
shares - diluted (Note 13(c))	27,695,227	20,674,391	26,246,488	19,034,405

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Consolidated Statements of Changes in Shareholders' Equity

(In thousands of United States dollars)

(Unaudited)

	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total (Recast, Note 18)
Balance at December 31, 2019	\$ 199,532	\$ 385	\$ 25,527	\$ (154)	\$ (254,673)	\$ (29,383)
Comprehensive (loss) income for the period	-	-	-	(1)	27,787	27,786
Share-based compensation	-	-	85	-	-	85
Expiration of warrants	-	(385)	385	-	-	-
Private placement proceeds (Note 13(a))	1,779	-	-	-	-	1,779
Issuance costs	(300)	93	-	-	-	(207)
Balance at September 30, 2020	\$ 201,011	\$ 93	\$ 25,997	\$ (155)	\$ (226,886)	\$ 60
Comprehensive income (loss) for the period	\$ -	\$ -	\$ -	\$ 40	\$ (1,255)	(1,215)
Share-based compensation	-	-	19	-	-	19
RSU conversion	9	-	(9)	-	-	-
Private placement proceeds (Note 13(a))	2,880	-	-	-	-	2,880
Issuance costs	(301)	-	-	-	-	(301)
Shares issued as compensation	43	-	-	-	-	43
Balance at December 31, 2020	\$ 203,642	\$ 93	\$ 26,007	\$ (115)	\$ (228,141)	\$ 1,486
Comprehensive loss for the period	\$ -	\$ -	\$ -	\$ (8)	\$ (3,648)	(3,656)
Share-based compensation	-	-	102	-	-	102
Private placement proceeds (Note 13(a))	2,976	-	-	-	-	2,976
Issuance costs	(525)	139	-	-	-	(386)
RSU conversion	9	-	(9)	-	-	-
Balance at September 30, 2021	\$ 206,102	\$ 232	\$ 26,100	\$ (123)	\$ (231,789)	\$ 522

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,	2021	2020 (Recast, Note 18)
Operating activities:		
Net (loss) income for the period	\$ (3,648)	\$ 27,787
Interest paid	(19)	(20)
Income tax paid	(15)	(10)
Adjustments for:		
Gain on modification of debt	-	(32,138)
Depreciation of property and equipment	1,018	825
Amortization of intangible assets	36	-
Depreciation of right of use assets	237	333
Share-based compensation expense	102	85
Gain on disposal of equipment	(6)	(150)
Financing costs	48	1,310
Current income tax expense	18	21
Changes in working capital:		
Amounts receivable	(540)	343
Unbilled revenue and prepaid expenses	278	444
Accounts payable and accrued liabilities	143	267
Unearned revenue	708	586
(Gain) Loss on foreign currency translation	(9)	37
Cash flows used in operating activities	(1,649)	(280)
Investing activities:		
Purchase of property and equipment	(887)	(167)
Additions to intangible assets	(214)	(247)
Proceeds from sale of property and equipment	6	150
Cash flows used in investing activities	(1,095)	(264)
Financing activities:		
Proceeds from private placement	2,976	1,779
Issuance costs	(386)	(207)
Payment of lease obligations	(239)	(402)
Proceeds from SBA loan	-	150
Repayment of project financing	-	(270)
Repayment of notes payable	-	(1,000)
Cash flows provided by financing activities	2,351	50
Effect of foreign exchange on cash	6	(1)
Decrease in cash	(387)	(495)
Cash, beginning of period	1,778	1,230
Cash, end of period	\$ 1,391	\$ 735

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, 2021

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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, 2021, the Company reported an operating loss of \$4,703, net loss of \$3,648, and negative cash flows from operating activities of \$1,649. In addition, the Company has a shareholders' equity of \$522 and negative working capital of \$2,802 at September 30, 2021.

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 using teleconference platforms for trainings, customer meetings and conferences, and to 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 raising capital through a private placement, exploring options for additional capital and the announcement of contract wins exceeding \$4,100 to be recognized over the next twelve months.

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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, 2020 (the "2020 Annual Consolidated Financial Statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of November 15, 2021, 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.

The continuing uncertainty around the COVID-19 pandemic required the use of judgments and estimates in the preparation of the unaudited condensed consolidated interim

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financial statements for the period ended September 30, 2021. The future effects 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 and intangible assets, and allowance for expected credit losses.

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 2020 Annual Consolidated Financial Statements. There are no new accounting standards or amendments effective January 1, 2021 that would have had 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, 2020	\$ 187	\$ 2,094	\$ 11	\$ 9	\$ 430	\$ 2,731
Additions	52	500	1	-	334	887
Transfer from under construction	-	455	-	-	(455)	-
Depreciation	(74)	(932)	(3)	(9)	-	(1,018)
Balance at September 30, 2021	\$ 165	\$ 2,117	\$ 9	\$ -	\$ 309	\$ 2,600

	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leasehold improvements	Under construction	Total
Cost	\$ 10,176	\$ 32,267	\$ 396	\$ 1,074	\$ 430	\$ 44,343
Accumulated depreciation	(9,989)	(30,173)	(385)	(1,065)	-	(41,612)
Balance at December 31, 2020	\$ 187	\$ 2,094	\$ 11	\$ 9	\$ 430	\$ 2,731
Cost	\$ 10,228	\$ 33,222	\$ 345	\$ 1,074	\$ 309	\$ 45,178
Accumulated depreciation	(10,063)	(31,105)	(336)	(1,074)	-	(42,578)
Balance at September 30, 2021	\$ 165	\$ 2,117	\$ 9	\$ -	\$ 309	\$ 2,600

During the nine months ended September 30, 2021, the Company disposed of assets with an original cost of \$54 (nine months ended September 30, 2020 - \$1,102), a net book value of \$Nil (nine months ended September 30, 2020 - \$Nil), recognized a gain of \$6 (nine months

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ended September 30, 2020 - \$150) on those assets and received cash proceeds of \$6 (nine months ended September 30, 2020 - \$150).

5. Intangible assets:

	Data library	Data library not yet available for use	Total
Balance at December 31, 2020	\$ 220	\$ 701	\$ 921
Additions	-	214	214
Amortization	(36)	-	(36)
Balance at September 30, 2021	\$ 184	\$ 915	\$ 1,099

	Data library	Data library not yet available for use	Total
Cost	\$ 220	\$ 701	\$ 921
Accumulated amortization	-	-	-
Balance at December 31, 2020	\$ 220	\$ 701	\$ 921
Cost	220	915	1,135
Accumulated amortization	(36)	-	(36)
Balance at September 30, 2021	\$ 184	\$ 915	\$ 1,099

6. Right of use assets:

	September 30, 2021	December 31, 2020
Beginning Balance	\$ 778	\$ 406
Depreciation	(237)	(399)
New leases	-	800
Adjustment	-	(29)
Foreign Exchange	2	-
Ending Balance	\$ 543	\$ 778

7. Accounts payable and accrued liabilities:

	September 30, 2021	December 31, 2020
Accounts payable	\$ 1,427	\$ 1,556
Accrued liabilities	1,805	1,546
	\$ 3,232	\$ 3,102

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8. Financial liabilities:

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities and balances at September 30, 2021:

	Project Financing	Government Loans	Lease Obligations (Note 9)	Total
Balance at December 31, 2020	\$ 188	\$ 464	\$ 792	\$ 1,444
Changes from financing activities:				
Payment of lease obligations	-	-	(239)	(239)
Total changes from financing activities	-	-	(239)	(239)
Foreign exchange	1	-	17	18
Other changes:				
Financing costs	-	19	25	44
Interest paid	-	-	(16)	(16)
Balance at September 30, 2021	\$ 189	\$ 483	\$ 579	\$ 1,251

(a) 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.

(b) Government loans:

	September 30, 2021	December 31, 2020
SBA loan	\$ 155	\$ 152
Western Development Canada loan	328	312
	483	464
Less current portion	(9)	(4)
Long-term portion of project financing	\$ 474	\$ 460

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

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starting 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.

9. 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 period ending September 30:

2022	\$	300
2023		173
2024		64
2025		72
2026		7
	\$	616

Interest expense on lease obligations for the three months ended September 30, 2021 was \$7 (three months ended September 30, 2020 – \$8) and \$25 for the nine months ended September 30, 2021 (nine months ended September 30, 2020 – \$21). Total cash outflow for leases was \$239 (nine months ended September 30, 2020 – \$402), and \$192 for short-term and low-value operating leases for equipment and office spaces (nine months ended September 30, 2020 – \$279).

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 balance sheet which require the payments of \$113 for the twelve months ending September 30, 2022.

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(Unaudited)

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10. Revenue:

Details of revenue are as follows:

	For the three months ended September 30, 2021		For the nine months ended September 30, 2021	
	2021	2020	2021	2020
Acquisition services	\$ 147	\$ 269	\$ 156	\$ 1,382
Value-added data	531	199	1,303	621
Software and solutions	713	534	1,962	1,792
	\$ 1,391	\$ 1,002	\$ 3,421	\$ 3,795
Primary geographical market				
United States	\$ 646	\$ 262	\$ 1,231	\$ 1,133
Asia/Pacific	210	346	556	1,349
Europe	535	394	1,634	1,313
	\$ 1,391	\$ 1,002	\$ 3,421	\$ 3,795
Timing of revenue recognition				
Upon delivery	\$ 653	\$ 271	\$ 1,586	\$ 975
Services overtime	738	731	1,835	2,820
	\$ 1,391	\$ 1,002	\$ 3,421	\$ 3,795

11. Operating and non-operating costs:

(a) Operating costs:

	For the three months ended September 30, 2020		For the nine months ended September 30, 2020	
	2021	(Recast, Note 18)	2021	(Recast, Note 18)
Personnel	\$ 1,417	\$ 1,379	\$ 4,230	\$ 4,201
Purchased services & materials ⁽¹⁾	586	514	1,864	1,759
Travel	10	6	20	81
Facilities and other expenses	179	103	481	414
	\$ 2,192	\$ 2,002	\$ 6,595	\$ 6,455

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

(b) Restructuring costs:

During the nine months ended September 30, 2021, the Company incurred \$238 in restructuring costs (nine months ended September 30, 2020 - \$Nil).

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(c) Financing costs:

	For the three months ended September 30, 2021		For the nine months ended September 30, 2021	
	2021	2020	2021	2020
Accretion of discounts recognized on notes payable	\$ -	\$ -	\$ -	\$ 1,254
Interest on government loans	6	1	19	1
Interest on lease obligations	7	8	25	21
Interest on accounts payable	3	2	4	7
Discount on accounts receivable	-	-	-	27
	\$ 16	\$ 11	\$ 48	\$ 1,310

12. Government grants:

The Company participated the following government assistance programs that were made available by various government agencies during 2021 to support COVID-19 relief:

	For the three months ended September 30, 2020 (Recast, Note 18)		For the nine months ended September 30, 2020 (Recast, Note 18)	
	2021	2020	2021	2020
Paycheck Protection Program	\$ -	\$ -	\$ 562	\$ 562
Canada Emergency Wage Subsidy	57	-	117	-
NRC IRAP Innovation Assistance Program	-	25	-	127
Employee Retention Credit	162	-	450	-
	\$ 219	\$ 25	\$ 1,129	\$ 689

(a) Paycheck Protection Program (PPP):

The Company received \$562 under the first (2020) and second (2021) rounds of the Paycheck Protection Program (PPP) in the United States. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Company used the proceeds for purposes consistent with the PPP and \$562 from the first round in 2020 has been forgiven. The Company is applying for forgiveness on the second round.

(b) Canada Emergency Wage Subsidy (CEWS):

The Company was eligible for \$143 (reduced by \$26 for the portion of wages that were capitalized) under the CEWS program, to cover a portion of employee wages, and is intended to help prevent future job losses and to ease the business back into normal operations. The Company received all but \$15 of the funds during the third quarter of 2021.

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(c) National Research Council Industrial Research Assistance Program Innovation Assistance Program:

The Industrial Research Assistance Program provided a wage subsidy to eligible employers for up to 12 weeks. The Company was eligible for \$127 (reduced by \$25 for the portion of wages that were capitalized) for wages between April 1 and June 30, 2020.

(d) Employee Retention Credit :

The Company was eligible for \$494 (reduced by \$44 for the portion of wages that were capitalized) under the Employee Retention Credit (ERC) in the United States. The ERC is a refundable tax credit against certain employment taxes equal to 50% (2020) or 70% (2021) of the qualified wages an eligible employer pays to employees. For each employee, wages up to ten thousand can be counted to determine the amount of the credit.

13. Share capital:

(a) Issued:

	September 30, 2021		December 31, 2020	
	Number of		Number of	
Class A common shares	Shares	Amount	Shares	Amount
Balance, beginning of period:	25,198,529	\$ 203,642	17,268,472	\$ 199,532
Private placement	4,166,893	2,976	7,804,987	4,659
Issuance costs	-	(525)	-	(601)
RSU conversion	50,000	9	50,000	9
Share-based compensation	-	-	75,070	43
Balance, end of period:	29,415,422	\$ 206,102	25,198,529	\$ 203,642

On April 27, 2021, the Company issued 613,005 Class A common shares at C\$0.87 per share in connection with a private placement. The Company received \$434 in proceeds and recorded \$73 in issuance costs, of which \$28 settled through warrants (see Note 14) and \$45 was paid in cash.

On July 30, 2021, the Company issued 2,241,667 Class A common shares at C\$0.90 per share in connection with the first tranche of a private placement. The company received \$1,605 in proceeds and recorded \$79 of issuance costs settled through warrants (see Note 14).

During August 2021, the Company issued 750,000 Class A common shares and 200,000 Class A common shares at C\$0.90 per share in connection with the second tranche of a private placement. The Company received \$680 in proceeds and recorded \$29 in issuance costs settled through warrants (see Note 14).

On August 11, 2021 50,000 restricted share units (RSUs) were converted to common shares that had a value of \$9 in contributed surplus that was reclassified to share capital (see Note 13(b) and (e)).

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On September 20, 2021, the Company issued 362,221 Class A common shares at C\$0.90 per share in connection with the third tranche of a private placement. The Company received \$257 in proceeds and recorded \$3 in issuance costs settled through warrants (see Note 14). The Company also paid \$341 in cash relating to all three tranches during the third quarter of 2021.

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 14) and \$207 was paid in cash, related to both tranches.

On October 6, 2020 50,000 restricted share units (RSUs) were converted to common shares that had a value of \$9 in contributed surplus that was reclassified to share capital (see Note 13(b) and (e)).

During November 2020, the Company issued 1,648,874 Class A common shares, 728,000 Class A common shares, and 1,270,000 Class A common shares at C\$1.03 per share in connection with the third tranche of a private placement. The Company received \$2,880 in proceeds and recorded \$301 in issuance costs.

On December 17, 2020, 75,070 Class A common shares were issued to a director of the Company as compensation for services. Compensation expense of \$43 for these Class A common shares was included in operating costs.

(b) Contributed surplus:

	September 30, 2021	December 31, 2020
Balance, beginning of period	\$ 26,007	\$ 25,527
Share-based compensation	102	104
Expiration of warrants	-	385
Converted RSUs	(9)	(9)
Balance, end of period	\$ 26,100	\$ 26,007

(c) Earnings (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.

For the three months ended September 30, 2021, there were 823,943 outstanding share options (September 30, 2020 – 927,325), 1,330,884 restricted share units (RSUs) (September 30, 2020 – 1,199,461) and 413,834 outstanding warrants (September 30, 2020 – 159,002)

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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, 2021 there were Nil outstanding share options (September 30, 2020 – Nil), Nil restricted share units (RSUs) (September 30, 2020 – 869,725) and Nil outstanding warrants (September 30, 2020 – 72,068) that were included in the diluted weighted average number of shares calculation as their effect was dilutive. There were 823,943 outstanding share options (September 30, 2020 – 927,325), 1,330,884 restricted share units (RSUs) (September 30, 2020 – 329,736) and 413,834 outstanding warrants (September 30, 2020 – 159,022) 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 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, 2021, 823,943 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, 2021		December 31, 2020	
	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	895,325	\$ 0.81	1,180,575	\$ 0.89
Expired	(71,382)	1.23	(285,250)	1.16
Options outstanding, end of period	823,943	\$ 0.77	895,325	\$ 0.81
Options exercisable, end of period	823,943	\$ 0.77	895,325	\$ 0.81

Exercise Price (CDN\$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	631,011	5.53 years	631,011
0.80	170,932	5.13 years	170,932
2.70	22,000	0.63 years	22,000
	823,943	5.32 years	823,943

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During the nine months ended September 30, 2021, the Company recognized \$Nil (nine months ended September 30, 2020 – \$8) 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 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 Incentive Plan, for a total reserve of 4,360,884. As of September 30, 2021, 823,943 share options and 1,330,884 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 (see Note 13(a)) under the plan, leaving 1,158,804 awards remain available for future issuance.

The following tables summarize information regarding RSUs outstanding:

	September 30, 2021	December 31, 2020
	Number of RSUs	Number of RSUs
RSUs outstanding, beginning of period	1,224,126	1,050,400
Issued	188,159	325,061
Converted to common shares	(50,000)	(50,000)
Forfeitures	(31,401)	(101,335)
RSUs outstanding, end of period	1,330,884	1,224,126

During the nine months ended September 30, 2021, 188,159 RSUs (nine months ended September 30, 2020 – 214,061) were issued at a weighted average grant date fair value of C\$0.91 per share (nine months ended September 30, 2020 – C\$0.76 per share). During the three months ended September 30, 2021, the Company recognized \$47 (three months ended September 30, 2020 – \$27). During the nine months ended September 30, 2021, the Company recognized \$102 (nine months ended September 30, 2020 - \$77) of non-cash compensation expense related to the RSUs.

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(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, 2021		For the nine months ended September 30, 2021		For the nine months ended September 30, 2020	
Employees	\$	22	\$	7	\$	45
Directors and advisors		25		20		40
Non-cash compensation	\$	47	\$	27	\$	85

14. 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	Number of Warrants Outstanding December 31, 2020	Issued	Number of Warrants Outstanding September 30, 2021
8/5/2020	7/31/2022	US\$ 0.42	139,284	139,284	-	139,284
8/17/2020	8/14/2022	US\$ 0.42	19,718	19,718	-	19,718
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
			413,834	159,002	254,832	413,834

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 10.

Property and equipment of the Company are located as follows:

	September 30, 2021	December 31, 2020
United States	\$ 2,536	\$ 2,654
Canada	-	30
Europe	42	24
Asia/Pacific	22	23
	\$ 2,600	\$ 2,731

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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, 2021		2020	For the nine months ended September 30, 2021		2020
Customer A	\$	134	\$	85	\$	325
Customer B		295		-		295
Customer C		147		268		156
Customer D		-		-		1,089
	\$	576	\$	353	\$	776
						1,767

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, 2020.

Amounts receivable as of September 30, 2021 and December 31, 2020, consist of:

	September 30, 2021		December 31, 2020	
Trade receivables	\$	585	\$	351
Other miscellaneous receivables		531		228
	\$	1,116	\$	579

Trade receivables by geography consist of:

	September 30, 2021		December 31, 2020	
United States	\$	164	\$	33
Europe		217		242
Asia/Pacific		204		76
	\$	585	\$	351

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

	September 30, 2021		December 31, 2020	
Current	\$	579	\$	270
31-60 days		6		22
61-90 days		-		21
Over 91 days		-		38
	\$	585	\$	351

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

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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 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. Correction of immaterial error:

During the fourth quarter of 2020, the Company determined the rates used to calculate capitalized labor costs were not properly converted from the local to functional currency. The Company revised beginning deficit and corrected the immaterial error in the accompanying prior period financial information. In addition, the company reclassified intangible assets under construction that were previously included in property and equipment.

The following table sets forth the effect these adjustments had on the Company's condensed consolidated interim statements of income (loss) and other comprehensive income(loss) for the three and nine months ended September 30, 2020:

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	Three months ended September 30, 2020			Nine months ended September 30, 2020		
	Previously Reported	Adjustment	Recast	Previously Reported	Adjustment	Recast
Operating costs	\$ 1,982	\$ 20	\$ 2,002	\$ 6,393	\$ 62	\$ 6,455
Depreciation of property and equipment	278	(2)	276	832	(7)	825
Operating loss	(1,335)	(18)	(1,353)	(3,763)	(55)	(3,818)
Government grants	25	-	25	688	1	689
Net (loss) income	(1,357)	(18)	(1,375)	27,841	(54)	27,787

The following table sets forth the effect these adjustments had within the Company's condensed consolidated interim statements of cash flows for the nine months ended September 30, 2020:

	September 30, 2020		
	Previously Reported	Adjustment	Recast
Net income	\$ 27,841	\$ (54)	\$ 27,787
Depreciation of property and equipment	832	(7)	825
Purchase of property and equipment	(475)	308	(167)
Additions to intangible assets	-	(247)	(247)