Management's Discussion and Analysis

For the three and nine months ended September 30, 2021

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 15, 2021, 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, 2021 (the "Condensed Consolidated Interim Financial Statements") and the audited consolidated financial statements as at December 31, 2020 and 2019, together with accompanying notes(the "Annual Consolidated Financial Statements"), our 2020 annual MD&A (the "Annual MD&A"), and our annual information form for the fiscal year ended December 31, 2020 (the "AIF"), which may be found on SEDAR at www.sedar.com. 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.

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:

- the Company will begin to recognize a large portion of the acquisition services contract in the fourth quarter of 2021;
- the Company remains well-positioned to withstand COVID-19-related slowdowns and remains confident in the pipeline;
- continued revenue generation from future updates related to two new government program awards in South America and the US;
- all trade receivable balances are highly likely to be paid in full by the customer;
- the factors noted under "Liquidity and Capital Resources" 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;
- Management's belief that an improved capital structure, including the August 2021 private placement raising gross proceeds of $2.2 million will provide much needed investment in revenue growth; and
- 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) expected impact of the novel coronavirus (COVID-19) 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. Any one or more of the foregoing factors may be exacerbated by the ongoing COVID-19 pandemic and may have a significantly more severe impact on the Company's business, results of operations and financial condition than in the absence of such pandemic.

We are closely monitoring the ongoing and future potential effects of the COVID-19 pandemic on our operations and financial performance; however, the impacts of the pandemic continue to develop and evolve, and their full extent is difficult to predict at this time. We are conducting business with substantial modifications to employee work locations and travel, along with substantially modified interactions with customers. Proceeds from the government assistance programs in the United States and Canada have helped the Company to retain critical talent during this challenging time. We will continue to monitor the impact of the COVID-19 pandemic on all aspects of our business, including customer purchasing decisions, and may take further actions that alter our business operations. The impact of the COVID-19 pandemic on our operational and financial performance will depend on certain developments, including the duration and spread of the virus, the further impact on our customers and our sales cycles, the impact on business development and marketing activities, and further delays in customer projects and activities, all of which are uncertain and cannot be predicted. Due to our subscription-based business model for commercial customers and long sales cycle for government customers, the impact may not be fully reflected in our operations until future periods.

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

BUSINESS OVERVIEW

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

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

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

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

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

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

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

FINANCIAL INFORMATION 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, 2021	Three months ended September 30, 2020 (1)	Nine months ended September 30, 2021	Nine months ended September 30, 2020 (1)
Revenue:				
Acquisition services	**$ 0.2**	$ 0.3	**$ 0.2**	$ 1.4
Value-added data	**0.5**	0.2	**1.3**	0.6
Software and solutions	**0.7**	0.5	**2.0**	1.8
Total revenue	**$ 1.4**	$ 1.0	**$ 3.5**	$ 3.8
Operating loss	**$ (1.2)**	$ (1.4)	**$ (4.7)**	$ (3.8)
Financing costs	**$ -**	$ -	**$ -**	$ (1.3)
Net (loss) income	**$ (1.0)**	$ (1.4)	**$ (3.7)**	$ 27.8
EPS basic	**$ (0.04)**	$ (0.07)	**$ (0.14)**	$ 1.54
EPS diluted	**$ (0.04)**	$ (0.07)	**$ (0.14)**	$ 1.46
Adjusted EBITDA	**$ (0.5)**	$ (1.0)	**$ (1.9)**	$ (1.9)

	September 30, 2021	September 30, 2020
Assets:		
Cash, amounts receivable, unbilled revenue	**$ 2.7**	$ 1.1
Total assets	**$ 7.3**	$ 6.7
Liabilities:		
Long-term liabilities (including lease obligations)	**$ 1.0**	$ 0.8
Total liabilities	**$ 6.8**	$ 6.3

(1) Operating loss, net (loss) income, and Adjusted EBITDA has been recast. See Note 18 to the Condensed Consolidated Interim Financial Statements.

Revenue

Quarterly Revenue

Consolidated revenue for the quarters ended September 30, 2021 and 2020 totaled $1.4 million and $1.0 million, respectively. Approximately 54% of consolidated revenue was generated outside the United States, compared to 74% for 2020. When compared to the first and second quarters of 2021, consolidated revenue for the quarter ended September 30, 2021 grew sequentially by 35% and 19% each quarter, respectively.

<u>Acquisition Services</u>

Acquisition services revenue for the quarter ended September 30, 2021 totaled $0.2 million, compared to $0.3 million for 2020. The decrease is due to the nature and timing of government contracting, which was delayed starting in 2020 due to the impact of uncertainty surrounding the COVID-19 pandemic.

Value-added Data

Value-added data revenue increased to $0.5 million for the quarter ended September 30, 2021 as compared to $0.2 million for 2020. The increase was primarily due to a new strategic contract award with the National Geospatial-Intelligence Agency to provide continually updated elevation and feature datasets.

Software and Solutions

Software and solutions revenue increased to $0.7 million for the quarter ended September 30, 2021, compared to $0.5 million for the same period in 2020. The Company recognized a 137% increase in subscription-based revenue, during a year that included disruption in sales efforts for new subscriptions caused by COVID-19.

Year-to-date Revenue

On a year-to-date basis, consolidated revenue decreased to $3.5 million during the nine months ended September 30, 2021 from $3.8 million for the nine months ended September 30, 2020, reflecting the continued disruption from COVID-19. The decline was expected, given the economic environment resulting from the COVID-19 pandemic. The Company remains well-positioned to withstand the slowdown and remains confident in the pipeline. Approximately 64% of consolidated revenue was generated outside the United States, compared to 70% for 2020.

Acquisition Services

Acquisition services revenue for the nine-month period ended September 30, 2021 totaled $0.2 million, compared to $1.4 million for the same period in 2020. The decrease is due to the nature and timing of government contracting, which was delayed during 2020 due to the impact of uncertainty surrounding the COVID-19 pandemic. In addition, the deployment of an acquisition services contract that closed at the beginning of the third quarter has been delayed to beginning of the fourth quarter, due to COVID-19 related immigration rules. The Company will begin to deliver on the contract during the fourth quarter of 2021.

Value-added Data

Value-added data revenue increased to $1.3 million for the nine-month period ended September 30, 2021 as compared to $0.6 million for 2020. The increase is mostly due to two new government program awards in South America and the US, which will continue to generate revenue from future updates.

Software and Solutions

Software and solutions revenue increased to $2.0 million for the nine-month period ended September 30, 2021, compared to $1.8 million for 2020. The Company recognized a 30% increase in subscription-based revenue, during a year that included disruption in sales efforts for new subscriptions caused by COVID-19.

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, **2021**	2020	For the nine months ended September 30, **2021**	2020
Personnel	**$ 1.4**	$ 1.4	**$ 4.2**	$ 4.2
Purchased services & materials	**0.6**	0.5	**1.9**	1.7
Facilities and other expenses	**0.2**	0.1	**0.5**	0.4
Travel	**-**	-	**-**	0.1
	$ 2.2	$ 2.0	**$ 6.6**	$ 6.4

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions. Personnel expense for the quarters ended September 30, 2021 and 2020 remained flat at $1.4 million for each quarter. For the nine-month periods ended September 30, 2021 and 2020, personnel expense also remained flat at $4.2 million for each period.

Non-cash compensation expense is included in operating costs and relates to the Company's omnibus incentive plan, share options, and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended September 30, 2021 and 2020, increased to $47 thousand from $27 thousand, respectively. For the nine-month periods ended September 30, 2021 and 2020, non-cash compensation expense was $102 thousand and $85 thousand, respectively. The change in compensation for non-cash share-based compensation period over period resulted from the issuance of 188,159 restricted share units to both employees and directors and advisors (see note 13(e) to the Condensed Consolidated Interim Financial Statements).

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, 2021 and 2020, PS&M expense was $0.6 million and $0.5 million, respectively. For the nine-month periods ended September 30, 2021 and 2020, PS&M expense was $1.9 million and $1.7 million, respectively. The increase is primarily related to a more than 30% increase in general liability, directors and officers and aviation insurance premiums, which is understood to be related to general market conditions and loss experiences by the insurance providers.

Facilities and Other Expenses

For the quarters ended September 30, 2021 and 2020, facilities and other expenses increased slightly to $0.2 million from $0.1 million. For the nine-month period ended September 30, 2021 and 2020, facilities and other expenses also increased slightly to $0.5 million from $0.4 million. The increase is due to Scientific Research and Experimental Development (SR&ED) tax credits received during 2020 that were not received in 2021.

Travel

For the quarters ended September 30, 2021 and 2020, travel expense was $10 thousand and $6 thousand, respectively. For the nine months ended September 30, 2021 and 2020, travel expense was $20 thousand and $81 thousand, respectively.

Government Grants

The Company participated in four government grant programs during the first nine months of 2021 and 2020 related to COVID-19 support and was eligible to receive $1.1 million during 2021 and $0.7 million during 2020 from these programs (see Note 12 of the condensed consolidated interim financial statements).

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net income (loss) and excludes interest (financing costs), taxes, and depreciation. Adjusted EBITDA also excludes share-based compensation and other non-operating gains or losses. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges or gains that are nonrecurring. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss). The following is a reconciliation of the Company's net loss to Adjusted EBITDA.

	Three months ended September 30,		Nine months ended September 30,	
U.S. $ millions	**2021**	2020[1]	**2021**	2020[1]
Net income (loss)	**$ (1.0)**	$ (1.4)	**$ (3.7)**	$ 27.8
Financing costs	**0.1**	-	**0.1**	1.3
Depreciation of property and equipment	**0.4**	0.2	**1.1**	0.8
Depreciation of right of use assets	**-**	0.1	**0.2**	0.3
EBITDA	**$ (0.5)**	$ (1.1)	**$ (2.3)**	$ 30.2
Share-based compensation	**-**	-	**0.1**	0.1
Restructuring costs	**-**	-	**0.3**	-
Loss on foreign currency translation	**-**	0.1	**-**	0.1
Gain on modification of debt	**-**	-	**-**	(32.1)
Gain on disposal of equipment	**-**	-	**-**	(0.2)
Adjusted EBITDA	**$ (0.5)**	$ (1.0)	**$ (1.9)**	$ (1.9)

(1) Net loss, depreciation of property and equipment, EBITDA and Adjusted EBITDA amounts have been recast. See Note 18 to the Condensed Consolidated Interim Financial Statements.

Adjusted EBITDA for the quarter ended September 30, 2021 was negative $0.5 million, compared to negative $1.0 million for 2020. The improvement in Adjusted EBITDA is primarily attributable to the increase in revenue. Adjusted EBITDA for the nine-month periods ending September 30, 2021 and 2020 were negative $1.9 million for both periods.

Financing Costs

Financing costs for the quarter ended September 30, 2021 totaled $16 thousand (nine-month period $48 thousand) compared to $11 thousand (nine-month period $1.3 million) for the same period in 2020. Financing costs during 2020 related mostly to the accretion of the notes payable interest using the effective interest method. The note was paid in full on August 12, 2020.

Depreciation of Property and Equipment
Depreciation expense for property and equipment for the quarters ended September 30, 2021 and 2020 were $0.4 million and $0.2 million, respectively. Depreciation expense for property and equipment for the nine-months ended September 30, 2021 and 2020 were $1.1 million and $0.8 million, respectively.

Depreciation of Right of Use Assets
Depreciation expense for right of use assets for the quarters ended September 30, 2021 and 2020 was $79 thousand and $77 thousand, respectively. Depreciation expense for right of use assets decreased slightly to $0.2 million for the nine-month period ending September 30, 2021 from $0.3 million for the nine-month period ending September 30, 2020.

Gain on Disposal of Equipment
Gain on disposal of equipment was $Nil for the quarters ended September 30, 2021 and 2020. Gain on disposal of equipment was $6 and $150 thousand for the nine-month periods ended September 30, 2021 and 2020, respectively. In both years, the Company disposed of assets with a net book value of $Nil and received cash proceeds equal to the recognized gains during the periods reported.

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 balance sheets as unbilled revenue.

Amounts receivable and unbilled revenue increased to $1.3 million at September 30, 2021 from $0.6 million at December 31, 2020. The Company reviews the amounts receivable aging monthly and monitors the payment status of each invoice. The Company also communicates with slow paying or delinquent customers on a regular basis regarding the schedule of future payments. At the balance sheet date, $Nil has been reserved as uncollectible as all trade receivable balances greater than 90 days are highly likely to be paid in full by the customer.

Accounts Payable and Accrued Liabilities
Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities increased to $3.2 million at September 30, 2021 from $3.1 million at December 31, 2020.

U.S. $ millions		**September 30, 2021**		December 31, 2020
Accounts payable	$	1.4	$	1.6
Accrued liablities		1.8		1.5
	$	3.2	$	3.1

Unearned Revenue and Deposits

The unearned revenue balance at September 30, 2021 increased to $2.3 million from $1.6 million at December 31, 2020. 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, 2021 and December 31, 2020, 77% and 86% of the total balance, respectively, is related to software and solutions license revenue, in which the license fee is paid upfront for the term of the license. The balance relates to the collection of milestone billings on acquisition services contracts.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

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

For the last eight quarters, the Company has been severely undercapitalized and was therefore required to self-finance the advancement of high-growth opportunities in the insurance, aviation and telecommunications verticals. As a result, revenue has been delayed. Management believes an improved capital structure, including the Q3 2021 private placements raising gross proceeds of $2.5 million, will provide much needed investment in revenue growth.

U.S. $ millions, except per share data	Q4 2019[(1)]	Q1 2020[(1)]	Q2 2020[(1)]	Q3 2020[(1)]	Q4 2020[(1)]	Q1 2021	Q2 2021[(2)]	**Q3 2021**
Total revenue	$ 3.2	$ 1.6	$ 1.2	$ 1.0	$ 0.9	$ 0.9	$ 1.2	**$ 1.4**
Depreciation	$ 0.2	$ 0.3	$ 0.3	$ 0.3	$ 0.2	$ 0.3	$ 0.4	**$ 0.4**
Financing costs	$ 0.8	$ 0.8	$ 0.5	$ -	$ -	$ -	$ -	**$ 0.1**
Operating (loss) income	$ 0.1	$ (1.1)	$ (1.4)	$ (1.3)	$ (1.4)	$ (1.8)	$ (1.7)	**$ (1.2)**
Net (loss) income	$ 0.3	$ (1.8)	$ 30.9	$ (1.3)	$ (1.3)	$ (1.1)	$ (1.6)	**$ (1.0)**
Net (loss) income per share								
- basic	$ 0.02	$ (0.10)	$ 1.79	$ (0.07)	$ (0.06)	$ (0.04)	$ (0.06)	**$ (0.04)**
- diluted	$ 0.02	$ (0.10)	$ 1.71	$ (0.07)	$ (0.06)	$ (0.04)	$ (0.06)	**$ (0.04)**
Adjusted EBITDA	$ 0.5	$ (0.6)	$ (0.3)	$ (0.9)	$ (0.8)	$ (0.6)	$ (0.8)	**$ (0.5)**

(1) Depreciation, operating income (loss), and net income (loss) amounts have been recast. See Note 18 to the Condensed Consolidated Interim Financial Statements.

(2) Operating income (loss) and net income (loss) amounts have been adjusted as a result of an adjustment identified in connection with issuing our condensed consolidated financial statements for the period ended September 30, 2021.

During the periods in the above table, Intermap's results were impacted by the following factors and trends:

- Starting in Q1 2020, the COVID-19 pandemic created disruption to both the government and commercial market segments as governments focused resources on response to the virus and commercial aviation was reduced over 90% globally;

- Intermap experienced immediate delays in government contracting, and closed its first government contract in 5 quarters in Q2 2021;
- With additional government contract awards announced in Q3 2021, the Company is beginning to experience improvements in revenue;
- With the support of the COVID-19 wages subsidy programs in the United States and Canada, Intermap was able to retain key talent to build automation and process improvements, resulting in increased fixed assets and depreciation, beginning in Q1 2021

USE OF PROCEEDS

The Company completed the following Private Placements with the proposed use of proceeds for working capital to fund continuing operations.

			Actual use of net proceeds	
U.S. $ millions	Proposed use of net proceeds		Use of proceeds	Remaining
August 2020 Private Placement				
Continuing operations	$	1.6	$ 1.6	$ -
Net proceeds	**$**	**1.6**	**$ 1.6**	**$ -**
November 2020 Private Placement				
Continuing operations	$	2.6	$ 2.6	$ -
Net proceeds	**$**	**2.6**	**$ 2.6**	**$ -**
April 2021 Private Placement				
Continuing operations	$	0.4	$ 0.4	$ -
Net proceeds	**$**	**0.4**	**$ 0.4**	**$ -**
July 2021 Private Placement				
Continuing operations	$	1.3	$ 0.9	$ 0.4
Net proceeds	**$**	**1.3**	**$ 0.9**	**$ 0.4**
August 2021 Private Placement				
Continuing operations	$	0.7	$ -	$ 0.7
Net proceeds	**$**	**0.7**	**$ -**	**$ 0.7**
September 2021 Private Placement				
Continuing operations	$	0.3	$ -	$ 0.3
Net proceeds	**$**	**0.3**	**$ -**	**$ 0.3**

The Company has cash of $1.4 million at September 30, 2021.

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

During the quarter ended September 30, 2021, the Company generated an operating loss of $1.2 million (nine-month period loss $4.7 million) and incurred negative adjusted EBITDA of $0.5 million (nine-month period negative $1.9 million). Revenue for the nine-month period ended September 30, 2021 was $3.5 million, which is a $0.3 million decrease as compared to the same period in 2020. At September 30, 2021, the Company has a shareholders' equity of $0.5 million.

Cash used in operations during the nine-months ended September 30, 2021 totaled $1.6 million, compared to $0.3 million during the same period in 2020. The year-over-year increase in cash used is due primarily to the decrease in revenue and increases in amounts receivable and unearned revenue.

At September 30, 2021, the Company has a working capital deficit of $2.8 million. Of that balance, $2.3 million 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 the 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 third quarter the Company began executing on new contract awards exceeding $4.1 million to be recognized over the next 12 months, in addition to the recurring revenue base of $4.7 million recognized during 2020, while contracting was delayed due to COVID-19, 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 $1.1 million and $0.3 million for the nine-month periods ended September 30, 2021 and 2020, respectively. Net cash used in investing activities for both periods related to the purchase of computer related equipment and the capitalization of labor and materials to build the data archive, processing capabilities, and software assets. For the nine-months ended September 31, 2020, this was offset by proceeds from the sale of property and equipment of $0.2 million.

Financing Activities

Net cash provided by financing activities totaled $2.4 million for the nine-months ended September 30, 2021, as compared to cash provided by financing activities netting to $Nil for the same period in 2020. The net cash provided during the nine-months ended September 30, 2021 resulted from proceeds from a private placement of $3.0 million offset by private placement issuance costs of $0.4 million and the payment of lease obligations of $0.2 million. The net cash used during the nine-months ended September 30, 2020 resulted from payment of lease obligations of $0.4 million, repayment of project financing of $0.3 million, issuance cost of $0.2 million and repayment of notes payable of $1.0 million. This, was offset by proceeds from the Small Business Administration loan of $0.1 million, and private placement proceeds of $1.8 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 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 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 material contracts executed during the third quarter, exceeding $4.1 million to be recognized over the next twelve months and during the fourth quarter, expected to exceed $3.0 million to be recognized over the next twenty-four months.

For a discussion of the risks associated with the Company's liquidity, please refer to "*Risks and Uncertainties – Availability of Capital*" in the Annual MD&A.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Intermap's significant accounting policies are set out in Note 3 of the Consolidated Condensed 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 Consolidated Condensed 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 overtime based on the ratio of costs incurred to estimated final contract costs. The use of this method of measuring progress towards complete satisfaction of the performance obligations requires estimates to determine the cost to complete each contract. These estimates are reviewed monthly and adjusted as necessary. Provisions for estimated losses, if any, are recognized in the period in which the loss is determined. 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 15, 2021 and December 31, 2020, 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 15, 2021, 29,415,422 Class A common shares were issued and outstanding. There are currently no Class A participating preferred shares issued and outstanding.

As of November 15, 2021, potential dilutive securities include (i) 823,943 outstanding share options with a weighted average exercise price of C$0.77, (ii) 1,330,884 restricted share units, and (iii) 413,834 warrants outstanding with a weighted average exercise price of USD$0.65. Each option and warrant entitles the holder to purchase one Class A common share. The following warrants expire on the dates listed below:

- 139,284 warrants expire on July 31, 2022;
- 19,718 warrants expire on August 14, 2022;
- 60,000 warrants expire on April 27, 2023;
- 131,166 warrants expire on July 29, 2023;
- 45,000 warrants expire on August 8, 2023;
- 12,000 warrants expire on August 17, 2023; and
- 6,666 warrants expire on September 19, 2023.

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 during the period beginning on January 1, 2021 and ending on September 30, 2021 that have materially affected, or are 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 2020 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.