



Nearmap Ltd

Investor Presentation – Equity Raising

23 November 2016



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This presentation includes certain historical financial information extracted from Nearmap's audited consolidated financial statements and certain historical financial information derived from Nearmap's unaudited management accounts (collectively, the **Historical Financial Information**).

The Historical Financial Information has been prepared and presented in accordance with the measurement and recognition principles of the Australian Accounting Standards (including the Australian Accounting Interpretations) (**AAS**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001* (Cth). The Historical Financial Information has been derived from Nearmap's management accounts has not been audited or reviewed.

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- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, **MIFID**); or
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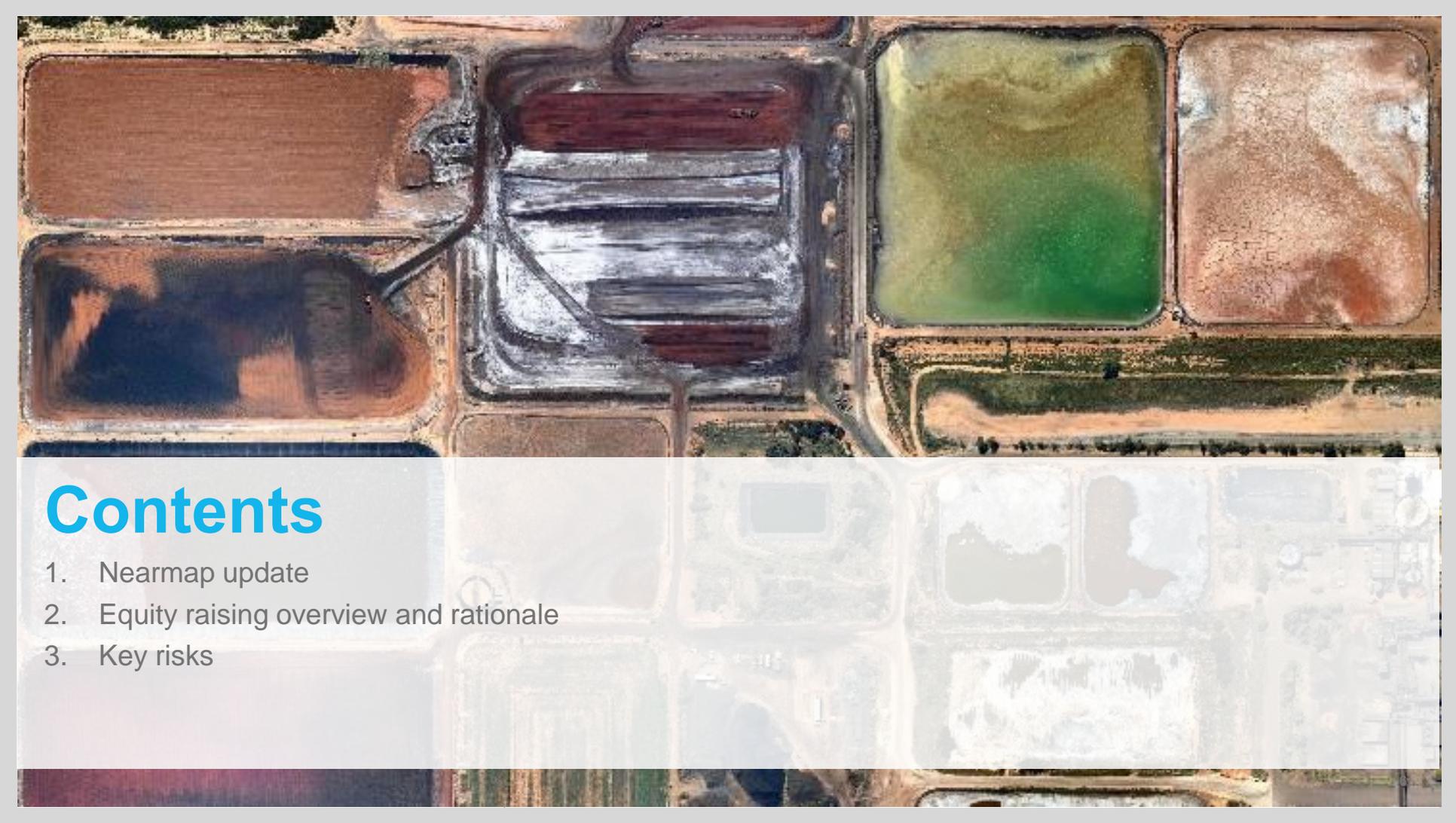
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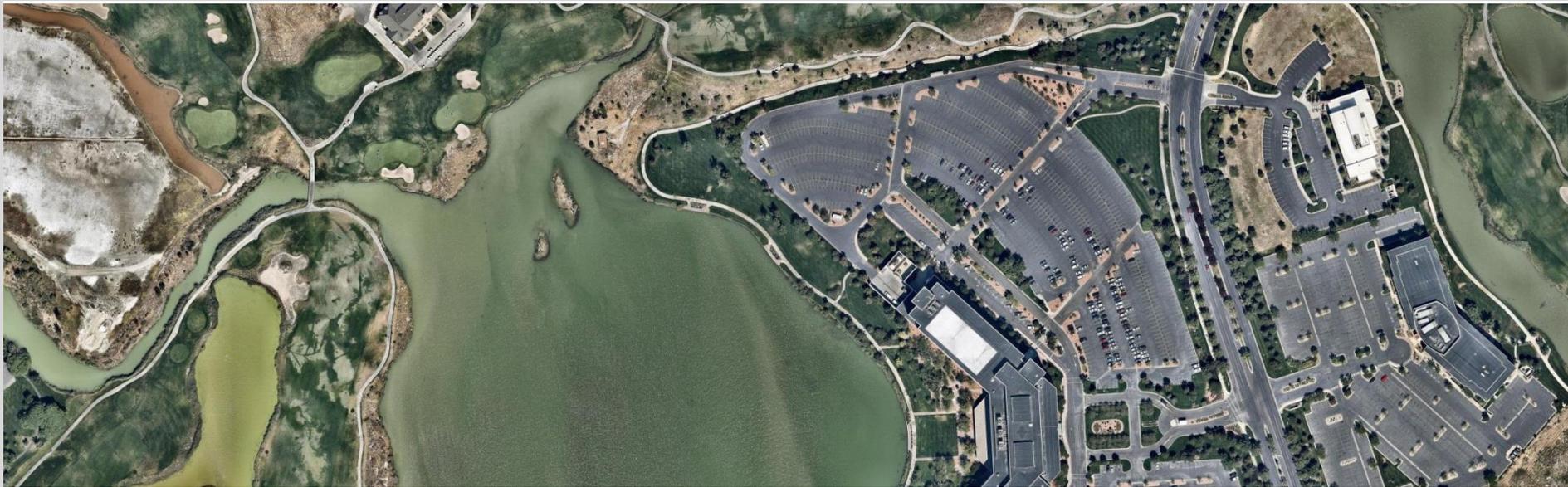
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By accepting this presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.



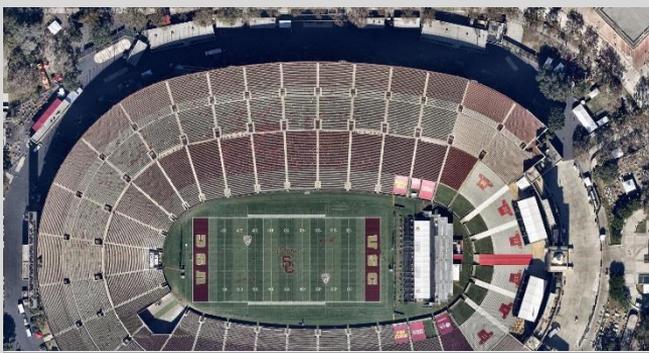
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Nearmap update





Delivery on clearly identified strategic priorities

Nearmap is focused on executing against key identified priorities and building on progress achieved in FY16 and Q1 FY17



Continued growth in Australia

Continued targeted investment in sales and marketing



Drive strong growth in the US

Seek to accelerate growth through increased investment in sales and marketing



Leverage Nearmap's location content as core to rapidly emerging markets

Expand investment in 3D product to seek to drive further expansion of the addressable market

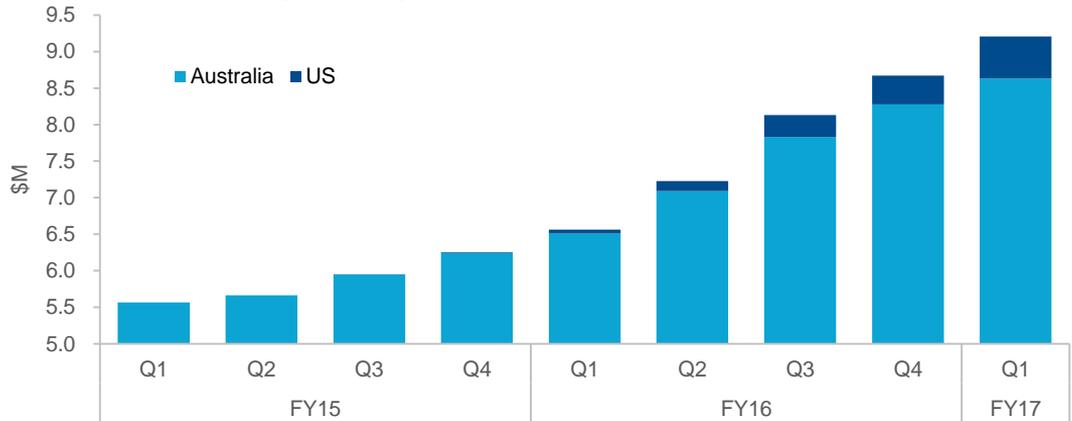


Building on progress delivered in recent periods

Nearmap's recent results demonstrate progress across both the Australian and US markets

- Nearmap provided a Q1 FY17 trading update on 17 October 2016
 - Group revenue \$9.2m in Q1 FY17 (+39% on pcp) including \$0.6m from the US
 - US ACV* of US\$2.3m at 30-Sep-16 (+US\$0.8m vs 30-Jun-16)

Group Subscription Revenue Q1 FY15 to Q1 FY17



* Annualised Contract Value = Annualised value of all active subscription contracts in effect at a particular date
 Note: FY[x] represents year ending 30 June 20[x]



Equity raising overview and rationale



Equity raising overview

Nearmap to undertake an equity raising to accelerate and support delivery of its key strategic objectives

Offer overview

- Fully underwritten institutional placement of approximately 28.6m New Shares to raise approximately \$20m at the offer price of \$0.70 (the **Placement**)
- Nearmap also intends to conduct a non-underwritten share purchase plan (**SPP**) to raise up to a cap of approximately \$5m. The details of the SPP will be announced in due course

Strategic rationale

- Expanding the sales and marketing capability of Nearmap's US and Australian operations (predominantly in the US);
- Expanding the capture footprint of the US and Australian operations to include oblique imagery capture in both the US and Australia;
- Funding to develop HyperCamera2 units for oblique imagery capture; and
- Providing additional flexibility for general working capital purposes



Details of the equity raising

Equity raising structure and size

- Fully underwritten Placement to sophisticated, professional and other institutional investors to raise approximately A\$20 million
- In addition, a non-underwritten SPP will also be conducted to raise up to a cap of A\$5 million
 - Record date for the SPP is Tuesday, 22 November 2016 (7:00pm Sydney time)
 - Details of SPP will be provided to eligible investors in due course

Offer price

- Placement will be conducted at \$0.70 per New Share (**Offer Price**), representing:
 - 5.4% discount to last close price of \$0.74 as at Tuesday, 22 November 2016
 - 10.4% discount to 5 day VWAP of \$0.78 as at Tuesday, 22 November 2016

Underwriting

- Placement is fully underwritten by Macquarie Capital (Australia) Limited (**Underwriter**)
-



Use of proceeds

Capital raising to support ongoing growth in the US and provide working capital flexibility to pursue opportunities

Uses	\$m	Comment
Sales & marketing	5	<ul style="list-style-type: none">- Expanding sales and marketing capability, predominantly US- Incremental annual operating expense commencing in CY17
Capture program	5	<ul style="list-style-type: none">- Expanding capture program, predominantly in the US- Incremental annual capture cost commencing in CY17
Technology investment	3	<ul style="list-style-type: none">- Ongoing investment in Hypercamera 2 technology- Incremental one-off investment in H2 FY17 period
Working capital	6	<ul style="list-style-type: none">- General corporate purposes
Costs of offer	1	<ul style="list-style-type: none">- Transaction costs
Total Proceeds	20	



Indicative offer timetable

Tuesday, 22 November 2016	Record date for SPP (7:00pm)
Wednesday, 23 November 2016	Trading halt (before market opens) Bookbuild conducted for the Placement
Thursday, 24 November 2016	Announcement of completion of Placement (before market opens) Trading halt lifted – normal trading resumes
Monday, 28 November 2016	Settlement of Placement
Tuesday, 29 November 2016	Issue and normal trading of New Shares issued under the Placement

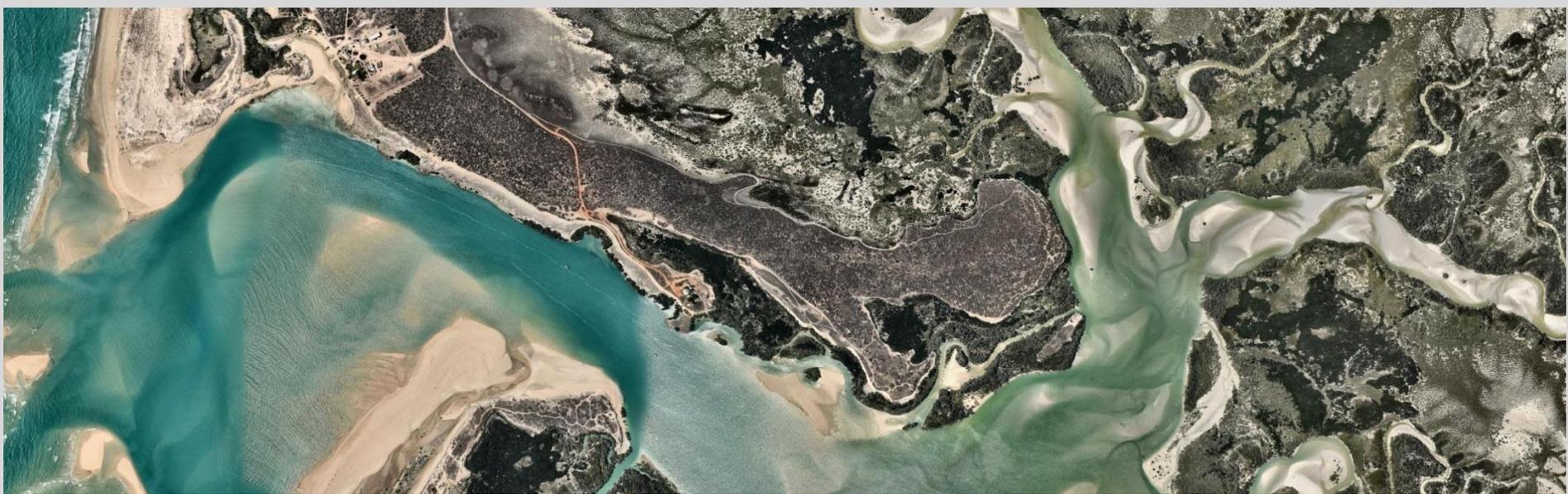
Note: Dates and times are indicative only and subject to change without notice. Nearmap reserves the right to alter the dates in this document at its discretion and without notice subject to the ASX Listing Rules and the Corporations Act 2001 (Cth). All dates refer to Sydney, Australia time.



Impact of raising and outlook

- Revenue benefit from increased investment expected post FY17
- Nearmap anticipates reporting FY17 EBITDA of \$4.5m-\$6.5m⁽¹⁾
 - Includes incremental \$2.5m of sales and marketing investment for H2 FY17 as outlined in the use of proceeds
- The above figures are based on the following key assumptions:
 - Successful completion of the Placement
 - Continuation of current trading conditions
 - No adverse moments in FX
 - No material changes to existing contractual arrangements
- Nearmap is also in the process of negotiating a credit facility agreement with a major Australian bank

Notes: (1) Excluding impact of any one-off expenses associated with the Placement



Key risks





Key risks (1/4)

Competition and new technologies

The industry in which Nearmap operates is competitive and includes companies with significantly greater financial, technical, human, research and development and marketing resources than currently available to Nearmap. Numerous companies around the world may counter Nearmap's efforts to develop and commercialise products that may compete with their own offerings. Those companies may develop products in advance of Nearmap and more effectively than those developed by Nearmap given their resources and may have greater market acceptance if they are well established within the market in comparison to Nearmap. As a result, Nearmap's current and future technologies and products may become obsolete or uncompetitive, which may result in adverse effects on revenue, margins and profitability of the Company.

Loss of major client contracts

Significant customer contracts are frequently up for renewal and there can be no guarantee that Nearmap will be successful in future renewal processes, or that Nearmap will be able to renew these client contracts on similar or more favourable terms. Some customers, particularly in the government sector may also opt not to renew their contracts and instead put out to tender the services which Nearmap would need to respond to. While Nearmap may be the incumbent service provider, it does not necessarily guarantee that Nearmap would be successful under the tender.

One of Nearmap's top 10 customer contracts will expire in the year ending 31 December 2016. Negotiations have already taken place with this customer and a draft renewal contract has been issued. The loss of a major contract if a client terminates a contract where a breach occurs, does not renew their contract at the end of the contract term, or renews the contract on materially different terms, would have a material adverse effect on Nearmap's business, operations and financial performance.

Regulatory and legislative change

While currently not exposed to privacy laws in Australia and the United States, the provision of aerial images may in the future pose legal and regulatory risks for all image providers, including Nearmap. In addition, Nearmap is exposed to the legal and regulatory frameworks of Australia and the United States. Any change in their laws or regulations may impact Nearmap's ability to sell our product.

Loss of key management personnel and ability to access quality staff

The loss of any of Nearmap's key management personnel or a delay in their replacement could impact Nearmap's business. Due to a shortage of appropriately skilled workers in the software and technology industry, Nearmap may not be able to find appropriate replacements for departing staff members or effectively expand its workforce to support growth. This may impact the quality of services Nearmap provides, the value of its business and Nearmap's ability to compete with its competitors in enhancing and developing its product.



Key risks (2/4)

Patent rights

Nearmap relies somewhat for its success on its ability to obtain and maintain patent protection for its technology. Nearmap has pending patent applications covering core technology which present commercialisation opportunities. Nearmap is continually developing its technology and as such patent protection would be an important aspect of securing Nearmap's ability to be ahead of its competitors. The prospect of attaining patent protection for products and the Nearmap technology is highly uncertain and involves complex and continually evolving factual and legal questions. These include:

- (i) legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect Nearmap's ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by Nearmap. As a result, Nearmap's patent application may not proceed to issued patents and, if issued, may not be of commercial benefit to Nearmap, or may not afford Nearmap adequate protection from competing products; and
- (ii) since most patent applications remain secret for eighteen months from the time of filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, Nearmap cannot be certain that it is the first to make the inventions covered by the pending patent applications or that its patent applications for such inventions was the first to be filed.

Dependency on service providers

Nearmap operates a significant amount of its operations through a series of contractual relationships with third party service providers and intends to continue to operate in this manner. Such arrangements carry a risk that the third parties do not adequately or fully comply with their respective contractual rights and obligations. Such failure may lead to termination and/or significant damage to Nearmap. In particular, Nearmap stores information within third-party datacentre hosting facilities located in the cloud. These facilities may be vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Such disruption, particularly prolonged ones, in these services may have a material adverse impact on the reputation of the Company and its business operations. Nearmap relies on advanced hardware technology as part of all its systems from image capture to flight operations. Factors concerning performance of this hardware, the availability of maintenance services which can only be completed externally and spare parts may affect the ability of Nearmap to maintain its equipment and minimise interruptions to the continuous performance of its systems. Nearmap also relies on a number of aerial survey operators in Australia and the United States to capture and update the currency of its imagery. If for any reason these survey operators are unable to fly for a prolonged period of time due to weather, traffic control restrictions or regulatory restrictions imposed on the operators, Nearmap may be delayed in releasing updated imagery to its customers which could impact retention and attracting new customers, and also cause reputational damage to Nearmap.



Key risks (3/4)

Infringement of third party intellectual property rights

If a third party accuses Nearmap of infringing its intellectual property rights or if a third party commences litigation against Nearmap for the infringement of patent or other intellectual property rights, Nearmap may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that Nearmap incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against Nearmap may be able to obtain injunctive or other equitable relief that could prevent Nearmap from further developing discoveries or commercialising its products.

Faults with products / services

The product of Nearmap may have errors or defects that are identified by customers, which could harm the Company's reputation and business. Internet based services frequently contain undetected errors when introduced or when new versions or enhancements are released. Such an occurrence could result in loss of revenue or customers.

External technology risk

Nearmap has developed its own software in house, which is used in conjunction with off-the-shelf software to enable the functionality of its product offerings. Such software may be subject to external factors, such as depreciation of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or obsolescence or other related issues. In addition, the software requires updating and maintenance. These external factors may also affect the ability of Nearmap to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for Nearmap, causing a need to rely on other solutions or develop these in-house. Should Nearmap have such issues it may affect the ability of Nearmap to successfully provide its product.

Disruption or failure of information technology systems

Nearmap depends on the performance, reliability and availability of its software, technology platforms and communication systems (and certain third party systems) to provide services to customers. There is a risk that these systems may be adversely affected by a number of factors including damage, equipment faults, power failure, computer viruses, misuse by employees and contractors, external malicious interventions such as hacking, fire, natural disasters or weather interventions. Events of that nature may cause part of Nearmap's technology platform or websites to become unavailable. Nearmap's operational processes or disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that Nearmap suffers as a result of system failure. If events that cause issues with Nearmap's communication systems, i.e. internet services Nearmap's employees would be able to work remotely and offsite which in the long term will reduce Nearmap's operational efficiency. However, if any systemic failure or sustained interruption occurring in Nearmap's technology platforms could disrupt Nearmap's services to its customers and cause potential errors or faults in Nearmap's billing to customers, which could severely damage Nearmap's reputation and ability to generate new business or retain existing business.

Hackers

Nearmap relies on the availability of the Nearmap website to provide services to customers which is hosted by a third party. Nearmap also relies a number of third parties to process and store customer data. Hackers could render the website unavailable or attempt to illegal obtain access to Nearmap's data through the third party providers. While Nearmap's third party providers have appropriate security and privacy compliance this does not guarantee that Nearmap's website won't be a target for hackers or that Nearmap's data could not be compromised by hacking. Actual or perceived security vulnerabilities in Nearmap's website or any breaches to its third party providers security controls and unauthorised access to Nearmap's customers' data could harm the business and operating results.



Key risks (4/4)

Tax / accounting policies	Legal proceedings and claims may arise from time to time in the ordinary course of Nearmap's business and may result in high legal costs, adverse monetary judgements and damage to Nearmap's reputation which could have an adverse impact on Nearmap's financial position and financial performance and the price of its shares.
Damage to Nearmap's reputation and brand	Nearmap's reputation and brand are a key component of Nearmap's success in winning and retaining contracts, providing confidence in Nearmap's services, maintaining relationships with customer's and their key stakeholders, and third party suppliers and attracting and retaining employees. Reputational damage could arise in a number of circumstances including deterioration in product satisfaction by customers, breach of law, litigation, information technology system breach or failure, failures in internal controls, improper conduct, and adverse media coverage. Reputational damage may result in loss of customers, loss in confidence with customer's key stakeholders, failure to attract new customers, loss of key suppliers and inability to attract and retain employees. If any of these occurs, this could have a material effect on Nearmap's business, operations and financial performance.
Location content market risk	The performance of Nearmap will continue to be influenced by the overall condition of the location content market in Australia and the United States. These markets are influenced by the general condition of the economy, and any change in the location content market could have a material adverse effect on Nearmap's operating and financial performance.
Foreign exchange risk	The actual returns of Nearmap may be materially impacted by fluctuations in the AUD/USD exchange rate, which may adversely impact on financial performance and position.
Litigation	Legal proceedings and claims may arise from time to time in the ordinary course of Nearmap's business and may result in high legal costs, adverse monetary judgements and damage to Nearmap's reputation which could have an adverse impact on Nearmap's financial position and financial performance and the price of its shares.
General market and share price risks	There are general risks associated with any investment in the share market. The price of Nearmap shares may increase or decrease due to a number of factors. Those factors include fluctuations in domestic or global financial markets and general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the removal or inclusion of Nearmap from market indices, and the nature of markets in which Nearmap operates. These factors may cause the price of Nearmap shares to trade below the price at which they are offered under the Offer, notwithstanding Nearmap's financial or operating performance. Neither Nearmap nor its directors warrant the future performance of Nearmap or any return on an investment in Nearmap.



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