

# BRINGING THE REAL WORLD TO YOU.

NEARMAP LTD  
INVESTOR BRIEFING  
HALF YEAR RESULTS TO 31 DECEMBER  
2017



Captured: October 2017  
Melbourne, VIC

# NEARMAP HIGHLIGHTS.



## GLOBAL MARKET OPPORTUNITY

Substantial global market opportunity – runway for sustained growth

Additional growth driver with oblique imagery

Creating new market with 3D



## PROVEN PRODUCT LEADERSHIP

Innovation culture

Track record of bringing new products to market

Easy access and seamless integration of content



## COMPETITIVE BUSINESS MODEL

Established, loyal and growing customer base

High retention rates and opportunity for upsell

Recurring revenues with high gross margins

Effective and focused sales and marketing capability

Scalable with significant fixed cost leverage



## CLEAR COMPETITIVE ADVANTAGES

- Coverage
- Resolution
- Frequency
- Consistency
- History
- Functionality
- Usability



## STRONG CAPITAL DYNAMICS

Operating investments largely in place – moving to generating returns

Record growth in Group ACV<sup>1</sup>, generated in both markets

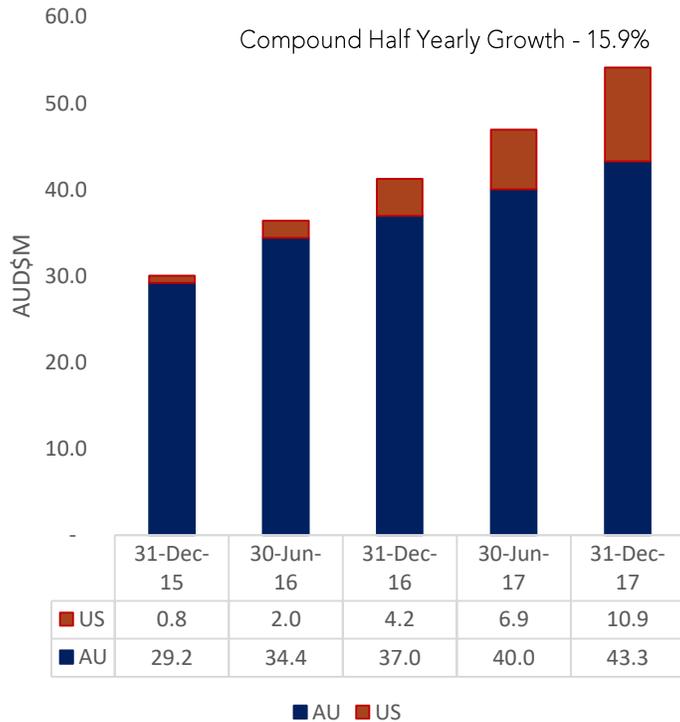
Net cash reserves to self fund growth

Strong free cash flow and return on invested capital

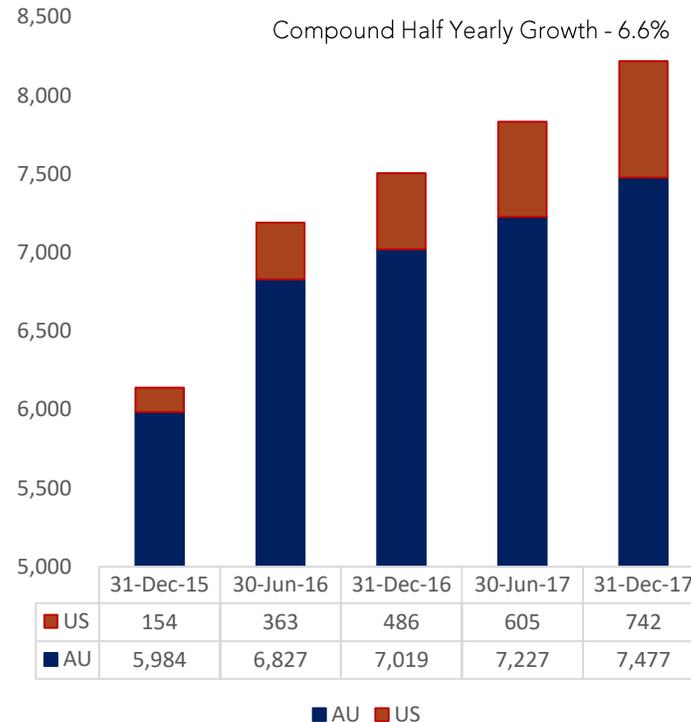
<sup>1</sup> ACV = Annualised Contract Value – refer Appendix

**RECORD GROWTH.  
\$7.2M INCREMENTAL GROUP ACV.  
GROUP PORTFOLIO LTV<sup>3</sup> = \$480M.**

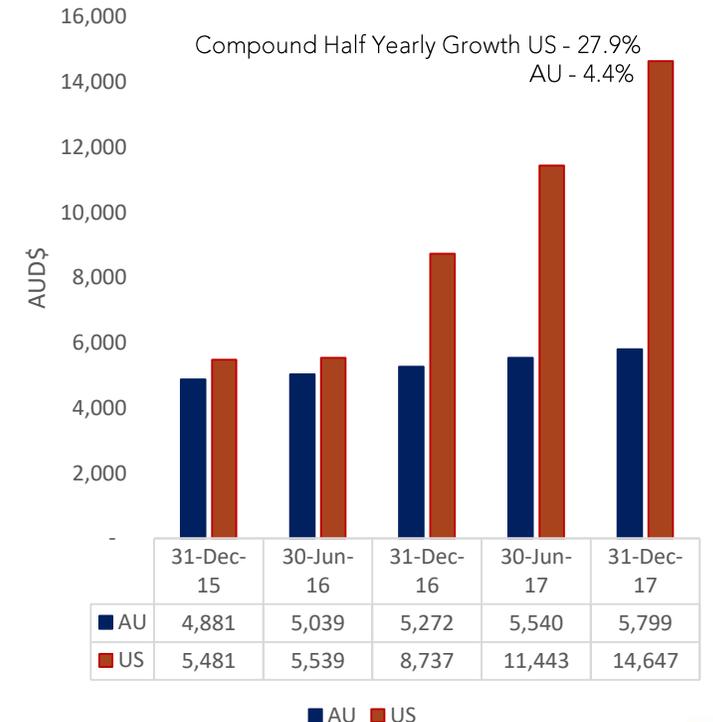
**GROUP ACV GROWTH (AUD\$M)<sup>2</sup>**



**GROUP SUBSCRIPTIONS GROWTH<sup>2</sup>**



**GROUP ARPS<sup>1</sup> GROWTH<sup>2</sup>**



<sup>1</sup> ARPS = Average Revenue per Subscription – Refer Appendix

<sup>2</sup> Adjusted for AU personal subscription account products ceased during FY16

<sup>3</sup> LTV = Lifetime Value – Refer Appendix

# STRONG GROWTH IN SUBSCRIBER NUMBERS AND VALUE.

- US – largest half-yearly US ACV growth since operations commenced. US sales & marketing investment delivering returns above expectations
- Australia – accelerated growth
- Growth driven by traditional 2D product – customers and use cases continue to expand
- Strong customer interest following US launch of oblique products and initial 3D customer trials
- Ongoing focus on customer retention has resulted in reduced churn
- Over 20% of group portfolio backed by multi-year subscription contracts



**\$54.2M**

ACV

31% growth on pcp <sup>1</sup>



**8,219**

Subscriptions

10% growth on pcp <sup>1</sup>

**X**



**\$6,598**

ARPS

20% growth on pcp <sup>1</sup>

## GROUP ACV PORTFOLIO MOVEMENT H1 FY17 TO H1 FY18

| \$M                      | H1 FY17     | H2 FY17     | H1 FY18     |
|--------------------------|-------------|-------------|-------------|
| <b>Opening portfolio</b> | <b>36.4</b> | <b>41.3</b> | <b>47.0</b> |
| New business             | 4.0         | 4.9         | 5.7         |
| Net upsell               | 2.6         | 2.9         | 3.6         |
| Churn                    | (1.9)       | (1.8)       | (1.9)       |
| 12 Month Churn (%)       | *           | 10.3%       | 9.0%        |
| <b>Net incremental</b>   | <b>4.7</b>  | <b>5.9</b>  | <b>7.3</b>  |
| FX impact                | 0.2         | (0.2)       | (0.1)       |
| <b>Closing portfolio</b> | <b>41.3</b> | <b>47.0</b> | <b>54.2</b> |

\* Rolling 12 month churn only reported from 30 June 2017

<sup>1</sup> prior comparative period – Refer Appendix

# FY 18 GUIDANCE UPGRADED.

- In August 2017, FY18 guidance provided for double digit percentage growth in AU ACV, and doubling of US ACV
- Given strong H1 and growing momentum, full year FY18 incremental ACV guidance upgraded – now expect:



## US & AU

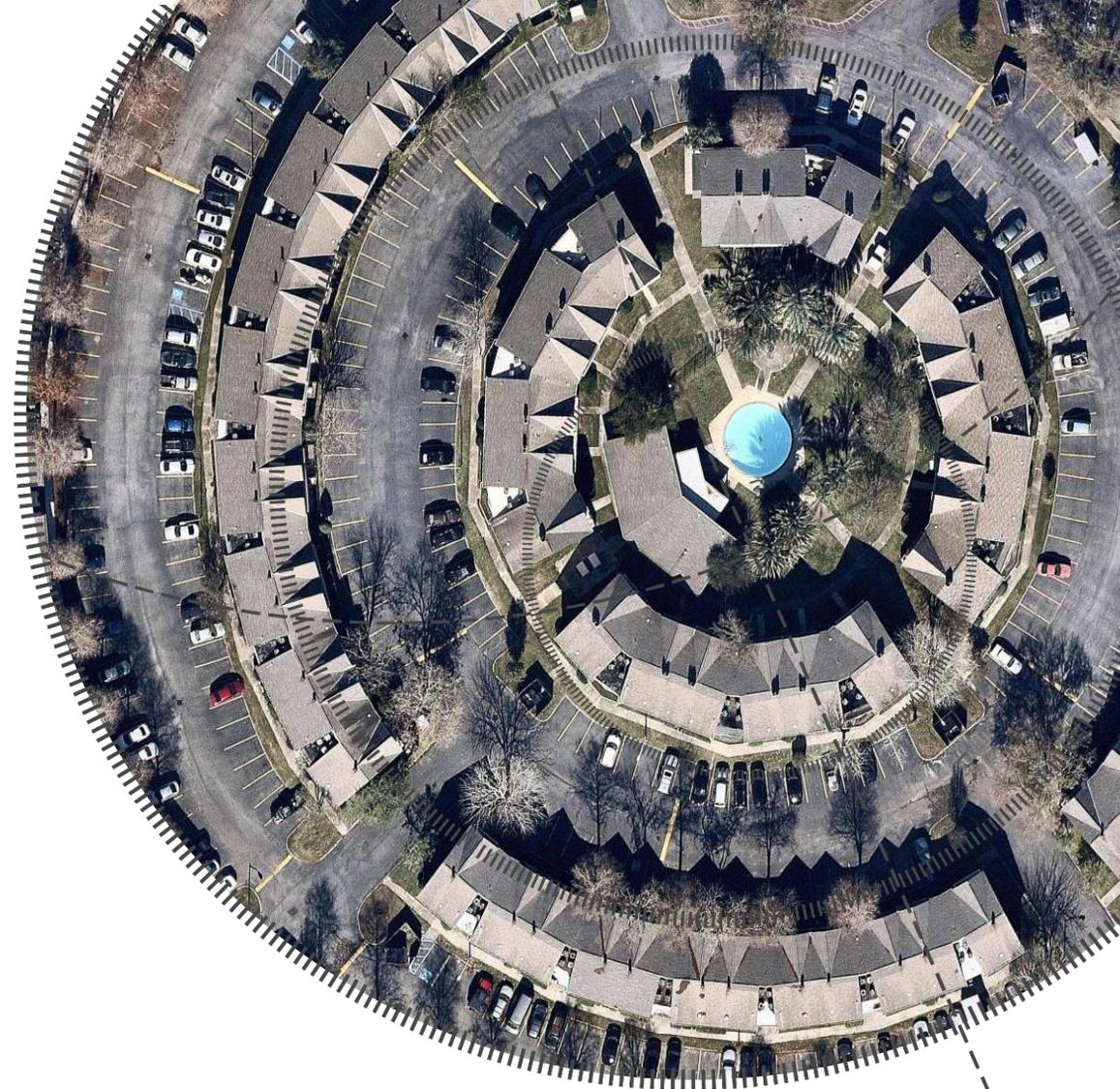
H2 incremental ACV and Sales Team Contribution Ratio (STCR <sup>1</sup>) to be broadly consistent with H1:

US – H1 Incremental ACV USD\$3.2M, STCR 95%

AU – H1 Incremental ACV \$3.3M, STCR 101%

- Guidance includes impact of additional product suite launch

<sup>1</sup> STCR = Sales Team Contribution Ratio – Refer Appendix



Captured: January 2017  
New Orleans, LA



# H1 FINANCIAL HIGHLIGHTS.



**27%**

Growth in H1 Group Revenues on pcp



**80%**

Group Gross Margin



**97%**

Group Sales Team Contribution Ratio

Strong scalable growth with operational leverage



**31%**

Growth in H1 Group Expenses on pcp



**\$1.2M**

Group EBITDA



**\$20.6M**

Closing Group cash

Reflects the investment program underway at Nearmap over the last 18 months



Captured: February 2017  
Richmond, VA

# USD\$2 BILLION MARKET DRIVES INVESTMENT PROGRAM.



## UNITED STATES

- Aerial imagery market estimate USD\$1 – 2 billion, growth of 15.3% CAGR forecast to 2025 <sup>1</sup>
- Largest providers have <10% of the market – Nearmap’s subscription access is unique
- Oblique imagery a market expectation – Nearmap success to date based on 2D
- Nearmap obliques revolutionise market with cloud-based subscription access
- Commercial access to production scale 3D models further expands the market



## AUSTRALIA

- Aerial imagery market estimate \$250 – 300 million, growth of 11.6% CAGR forecast to 2025 <sup>1</sup>
- Fragmented market with numerous bespoke aerial imagery providers
- Nearmap created the market for subscription access to 2D aerial imagery
- Obliques provide first mover advantage and expand the market to new customer use cases
- 3D further expands the market

Driving investment in...



**CAPTURE  
PROGRAM**



**SALES &  
MARKETING**



**OBLIQUE  
PRODUCTS**



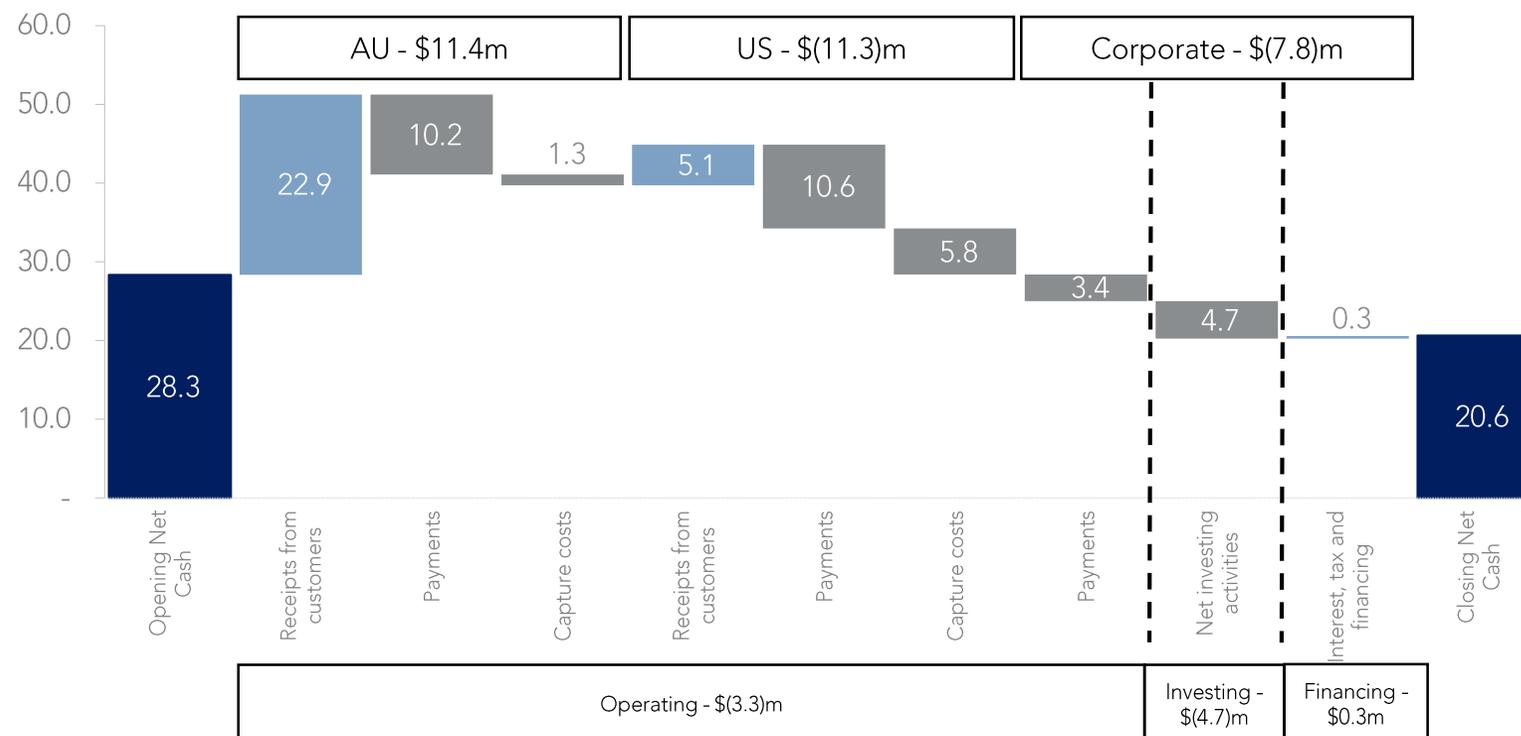
**3D  
TECHNOLOGY**

<sup>1</sup> CAGR estimate from Transparency Market Research “Aerial Imaging Market: Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2017-2025”

# OPERATING INVESTMENTS IN PLACE.

- Australian cash flows of \$11.4M continue to self-fund the US operations
- Capital raise proceeds deployed on growth investment in HyperCamera 2 capture program, launch of oblique product suite and 3D development
- Cash at bank at 31 December 2017 was \$20.6M
- Reduction in cash reflects:
  - \$4.1M increase to operating / investing cost base
  - \$2.1M non-recurring payments
  - \$1.5M timing of period end receivables and payables.

## NEARMAP'S NET CASH FLOW H1 FY18 (\$M)



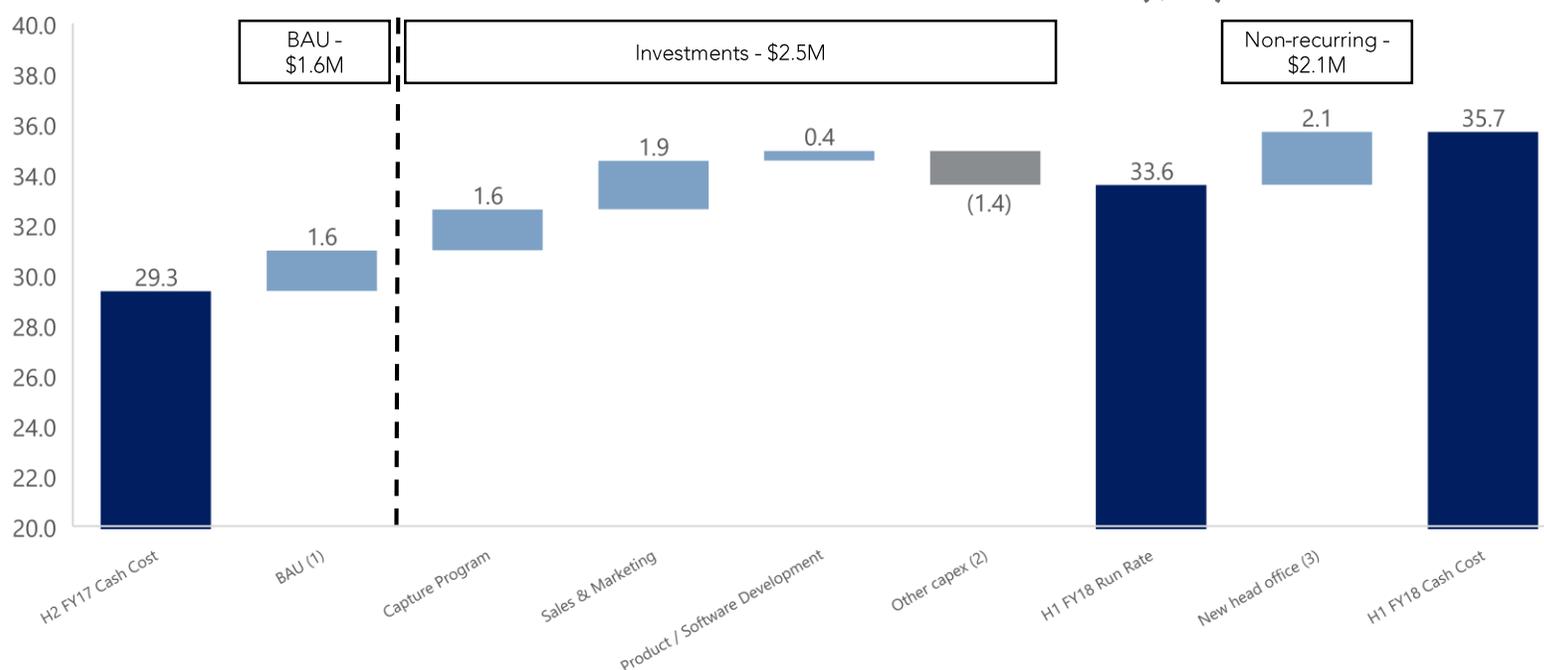
\$28.0M Total cash receipts  
 \$(35.7)M Total cash payments (net of interest)  
 \$(7.7)M Net cash outflow



# FOCUS ON DRIVING INVESTMENT RETURNS.

- Disciplined BAU cost management primarily focused on maintenance of existing systems and software
- Intensive investment phase complete, scalable model well placed to generate strong free cash flow
- H1 FY18 investments reflect:
  - Expanded HyperCamera 2 capture program
  - Enhanced US and AU sales & marketing
  - Product and software development
- Non-recurring cash payments include \$1.2M head office fit-out to be reimbursed in H2

## NEARMAP H2 FY17 TO H1 FY18 CASH COST GROWTH (\$M)



<sup>1</sup> Business as usual – BAU cash costs consist of product & technology maintenance, general & administrative costs as well as interest, tax and impact of FX on cash holdings

<sup>2</sup> Primarily camera systems – reduction reflects the build of HyperCamera 2 units primarily conducted in H2 FY17

<sup>3</sup> New head office costs represent increased rental bond deposit, with \$1.2M fit-out expenditures reimbursed by landlord in January 2018

# H1 FY18 CAPTURE COST AT ONGOING LEVEL OF SPEND.



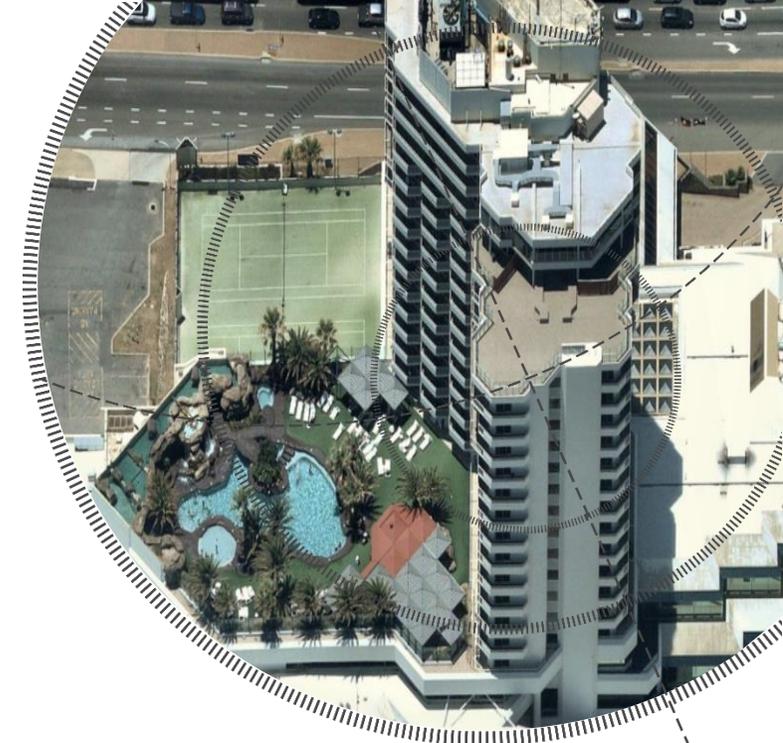
## EXPANDED FOOTPRINT

Increased footprint to areas of urban development and customer interest



## OBLIQUE CAPTURE

Initial US and AU oblique capture footprint almost complete  
3 times improvement in accuracy  
Further enables machine learning and AI



Captured: December 2017  
Scarborough, WA

## US COST OF REVENUE AND GROSS MARGIN (USD)

| USD\$M                          | H1 FY17 | H2 FY17 | H1 FY18 | Change on pcp |
|---------------------------------|---------|---------|---------|---------------|
| Gross Margin (%) <sup>1,2</sup> | (11)%   | 23%     | 2%      | 13%           |
| Capture cost cash spend         | 2.2     | 3.1     | 4.6     | 2.4           |

## AU COST OF REVENUE AND GROSS MARGIN

| \$M                             | H1 FY17 | H2 FY17 | H1 FY18 | Change on pcp |
|---------------------------------|---------|---------|---------|---------------|
| Gross Margin (%) <sup>1,2</sup> | 95%     | 94%     | 94%     | (1)%          |
| Capture cost cash spend         | 0.9     | 1.4     | 1.3     | 0.4           |

<sup>1</sup> Capture cost amortization directly expensed to P&L from H1 FY18 – no longer capitalised to capture asset. Refer Appendix

<sup>2</sup> Reallocation of costs from Cost of Sales to Expenses as the business model is updated to reflect current operations. Refer Appendix

# HIGHLY EFFECTIVE SALES & MARKETING. 97% GROUP SALES TEAM CONTRIBUTION RATIO.



## LAND AND EXPAND

Win new subscribers

Demonstrate the value of Nearmap location content



## RETAIN AND UPSELL

Expand usage and use cases

Integrate into customer work flows



## MARKET AWARENESS

Targeted activities to build awareness



## FOCUS SECTORS

Architecture, Construction & Engineering (ACE), Government, Insurance & Property, Solar, Utilities

### US SALES TEAM CONTRIBUTION RATIO (USD)

| USD\$M                                     | H1 FY17    | H2 FY17    | H1 FY18    | Change on pcp |
|--|------------|------------|------------|---------------|
| Incremental ACV (A)                        | 1.6        | 2.2        | 3.2        | 100%          |
| Direct sales & marketing expense (B)       | 1.9        | 2.5        | 3.3        | 79%           |
| <b>Sales team contribution ratio (A/B)</b> | <b>81%</b> | <b>88%</b> | <b>95%</b> |               |

### AU SALES TEAM CONTRIBUTION RATIO

| \$M  | H1 FY17    | H2 FY17    | H1 FY18     | Change on pcp |
|--|------------|------------|-------------|---------------|
| Incremental ACV (A)                        | 2.6        | 3.0        | 3.3         | 27%           |
| Direct sales & marketing expense (B)       | 2.7        | 3.1        | 3.3         | 22%           |
| <b>Sales team contribution ratio (A/B)</b> | <b>96%</b> | <b>97%</b> | <b>101%</b> |               |



## UNITED STATES

- Increased strategic account representatives to target US enterprise deals
- Focused new business team to capture significant US SME opportunity



## AUSTRALIA

- Focus on retention of existing customers and minimising churn
- Increased account management team, upgraded customer communications

# OBLIQUES AND 3D CREATE NEW MARKET OPPORTUNITIES.



## 3D ENABLED

City-scale 3D reconstructions for commercial use



## PRODUCT SUITE

New MapBrowser facilitates oblique product delivery



## MARKET EXPANSION

Oblique and 3D product suite expands Nearmap addressable market



- H2 FY17 development includes majority of HyperCamera 2 build costs
- Maintenance opex reflects increased focus on maintenance of existing software and systems as business scales

## PRODUCT AND TECHNOLOGY EXPENDITURE (\$M)

| \$M                            | H1 FY17    | H2 FY17    | H1 FY18    | Change on pcp |
|--------------------------------|------------|------------|------------|---------------|
| Development Capex <sup>1</sup> | 4.1        | 5.5        | 4.4        | 7%            |
| Maintenance Opex <sup>2</sup>  | 2.9        | 2.8        | 4.0        | 41%           |
|                                | <b>6.9</b> | <b>8.3</b> | <b>8.4</b> | <b>21%</b>    |

<sup>1</sup> Development capex represents construction of new camera systems and capitalised development costs of software and systems

<sup>2</sup> Maintenance represents servicing of existing software and camera systems



Captured: July 2017  
Rouse Hill, NSW



# OBLIQUES – A NEW DRIVER OF GROWTH.

## GO-TO-MARKET STRATEGY

- Launched to US customers in Q2, launch to AU customers currently being rolled out
- Established use cases and target industry sectors identified for roll-out
- Sales relationship managers leveraging existing customer base as well as targeted enterprise / SME roll-out
- Launched to customers as part of subscription access, with subscription uplift of >50% from increased usage

## USE CASES OF CURRENT NEARMAP OBLIQUE CUSTOMERS



### LOCAL GOVERNMENT

- Property appraisals / valuation for local tax assessment
- Visually inspect properties remotely
- Determine property and structure heights
- Assess changes to structures



### INSURANCE

- Risk assessment as part of underwriting policies
- Determining height of structures and validating changes
- Assessing 'before' and 'after' imagery as part of claims assessment



### EMERGENCY RESPONSE

Highlight access routes and obstructions for first responders



### CONSTRUCTION

Utilised by customers who require measurement or line of sight of structure sides (painters, scaffolders, bricklayers, crane operators)



### TELCO

Height measurement for infrastructure and maintenance planning

# 3D CONTENT FOR COMMERCIAL USE AT AN UNPRECEDENTED SCALE.

## GO-TO-MARKET STRATEGY

- Available to trial commercial customers
- Sales relationship managers focused on capitalizing on strong customer interest arising from trial customers and commercial discussions
- Initial sales and marketing efforts focused on enterprise customers
- 3D products and pricing to be released in H2

## USE CASES OF TRIAL NEARMAP 3D CONTENT CUSTOMERS



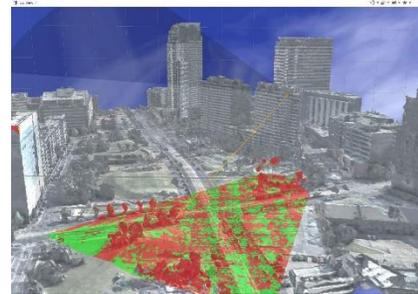
### SOLAR

- Roof dimensioning
- Surrounds and shadowing analysis
- Solar radiation



### TELCO

- Network planning
- Obstruction analysis
- Radiation hotspots



## ADDITIONAL USE CASES UNDER DISCUSSION



Road / Rail / Infrastructure design



Smart Cities



OLS – Airport Management



Optimum outdoor advertising locations



Town planning / urban design

# H1 ACV GROWTH A RECORD IN NEARMAP'S US HISTORY.

- Largest half-yearly ACV growth in Nearmap's US operations
- Sales & marketing investment generated USD\$2.3M of new business – including significant enterprise customers
- 'Land and expand' sales strategy resulted in the opening ACV portfolio being upsold by 20%
- 12 month ACV churn of 15.9% reflects impact of the H2 FY17 acquisition of a partner by competitor – adjusting for this impact, churn is 12.0% and trending towards the rate experienced in AU



**USD\$8.5M**

ACV

176% growth on pcp



**742**

Subscriptions

53% growth on pcp



**X**

**USD\$11,425**

ARPS

81% growth on pcp

## US ACV PORTFOLIO MOVEMENT H1 FY17 TO H1 FY18

| USD\$M                   | H1 FY17    | H2 FY17    | H1 FY18    |
|--------------------------|------------|------------|------------|
| <b>Opening portfolio</b> | <b>1.5</b> | <b>3.1</b> | <b>5.3</b> |
| New business             | 1.3        | 2.1        | 2.3        |
| Net upsell               | 0.3        | 0.4        | 1.1        |
| Churn                    | -          | (0.3)      | (0.2)      |
| 12 month churn (%)       | *          | 20.2%      | 15.9%      |
| <b>Net incremental</b>   | <b>1.6</b> | <b>2.2</b> | <b>3.2</b> |
| <b>Closing portfolio</b> | <b>3.1</b> | <b>5.3</b> | <b>8.5</b> |

\* Rolling 12 month churn only reported from 30 June 2017

# \$3.3M GROWTH IN AUSTRALIAN ACV PORTFOLIO. SALES AND MARKETING EFFORTS ENHANCED.

- Continued ACV growth from strategic sales & marketing leadership
- Multi-channel marketing and strategic sales initiatives delivered new subscriptions of \$2.7M in H1
- Net churn of \$1.6M or 8.3%, demonstrating positive impact of customer retention activities (such as webinars and customer education events)
- Positive customer experience further validated by net upsell of \$2.2M to the existing customer base



**\$43.3M**

ACV

17% growth on pcip



**7,477**

Subscriptions

7% growth on pcip



**X**

**\$5,799**

ARPS

10% growth on pcip

## AU ACV PORTFOLIO MOVEMENT H1 FY17 TO H1 FY18

| \$M                      | H1 FY17     | H2 FY17     | H1 FY18     |
|--------------------------|-------------|-------------|-------------|
| <b>Opening portfolio</b> | <b>34.4</b> | <b>37.0</b> | <b>40.0</b> |
| New business             | 2.3         | 2.2         | 2.7         |
| Net upsell               | 2.2         | 2.3         | 2.2         |
| Churn                    | (1.9)       | (1.5)       | (1.6)       |
| 12 month churn (%)       | *           | 9.8%        | 8.3%        |
| <b>Net incremental</b>   | <b>2.6</b>  | <b>3.0</b>  | <b>3.3</b>  |
| <b>Closing portfolio</b> | <b>37.0</b> | <b>40.0</b> | <b>43.3</b> |

\* Rolling 12 month churn only reported from 30 June 2017



# 27% REVENUE GROWTH WITH INVESTMENTS IN PLACE TO GENERATE SCALE.

## SUMMARY FINANCIALS <sup>1</sup>

| \$M                                 | H1 FY17 | H2 FY17 | H1 FY18 | Change on pcp |
|-------------------------------------|---------|---------|---------|---------------|
| Total revenue <sup>4</sup>          | 19.2    | 21.5    | 24.4    | 27%           |
| Gross margin (%) <sup>2, 3, 4</sup> | 87%     | 84%     | 80%     | (7)%          |
| Operating expenses <sup>2, 3</sup>  | 18.4    | 19.1    | 24.2    | 31%           |
| EBITDA                              | 2.4     | 3.6     | 1.2     | (50)%         |
| (Loss) after tax                    | (3.5)   | (3.2)   | (6.5)   | (85)%         |
| Free Cash Flow                      | (5.6)   | (0.9)   | (8.0)   | (43)%         |

- Continued growth in Group revenues and gross margins
- Group expense growth reflects income statement impact of previously outlined investments
- Investment expenditure levels now largely in place with focus dedicated to generating returns

<sup>1</sup> Excludes impact of realised and unrealised FX gains / losses

<sup>2</sup> Capture cost amortization directly expensed to P&L from H1 FY18 – no longer capitalised to capture asset. Refer Appendix

<sup>3</sup> Reallocation of costs from Cost of Sales to Expenses as the business model is updated to reflect current operations. Refer Appendix

<sup>4</sup> Excludes interest and other income



Captured: January 2018  
Sydney, NSW

# DISTRIBUTION SEGMENT RESULTS.



## AUSTRALIA SEGMENT

| AUD\$M                          | H1 FY17 | H2 FY17 | H1 FY18 | Change on pcp |
|---------------------------------|---------|---------|---------|---------------|
| <b>Total revenue</b>            | 17.7    | 18.6    | 20.6    | 2.9           |
| Gross profit                    | 16.8    | 17.4    | 19.4    | 2.8           |
| <b>Gross margin (%)</b>         | 95%     | 94%     | 94%     | (1)%          |
| Sales & marketing – direct      | (2.7)   | (3.1)   | (3.3)   | 0.6           |
| – indirect                      | (1.3)   | (0.7)   | (1.3)   | -             |
| Total sales & marketing         | (4.0)   | (3.8)   | (4.6)   | 0.6           |
| Overheads                       | (2.7)   | (2.5)   | (3.4)   | 0.7           |
| <b>Segment Contribution</b>     | 10.1    | 11.0    | 11.4    | 1.3           |
| <b>Segment Contribution (%)</b> | 57%     | 59%     | 55%     | (2)%          |



## US SEGMENT (USD)

| USD\$M                          | H1 FY17 | H2 FY17 | H1 FY18 | Change on pcp |
|---------------------------------|---------|---------|---------|---------------|
| <b>Total revenue</b>            | 1.1     | 2.2     | 2.9     | 1.8           |
| Gross profit                    | (0.1)   | 0.5     | 0.1     | 0.2           |
| <b>Gross margin (%)</b>         | (11)%   | 23%     | 2%      | 13%           |
| Sales & marketing – direct      | (1.9)   | (2.5)   | (3.4)   | 1.5           |
| – indirect                      | (0.8)   | (0.9)   | (1.4)   | 0.5           |
| Total sales & marketing         | (2.7)   | (3.4)   | (4.8)   | 1.9           |
| Overheads                       | (2.0)   | (1.9)   | (2.5)   | 1.0           |
| <b>Segment Contribution</b>     | (4.9)   | (4.8)   | (7.3)   | (2.6)         |
| <b>Segment Contribution (%)</b> | n/a     | n/a     | n/a     |               |

# RECORD GROWTH. INVESTMENTS TO GENERATE SCALE IN PLACE.



## SALES & MARKETING INVESTMENT DELIVERS

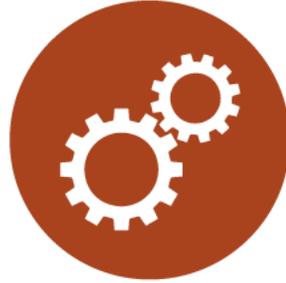
Record group portfolio growth

US investment and strategic Australian leadership positioned to take advantage of new product suite and significant market opportunity



## PRODUCT INVESTMENTS IN PLACE

Disciplined investment in capture program and expanded product suite in place to expand the market opportunity and deliver further growth



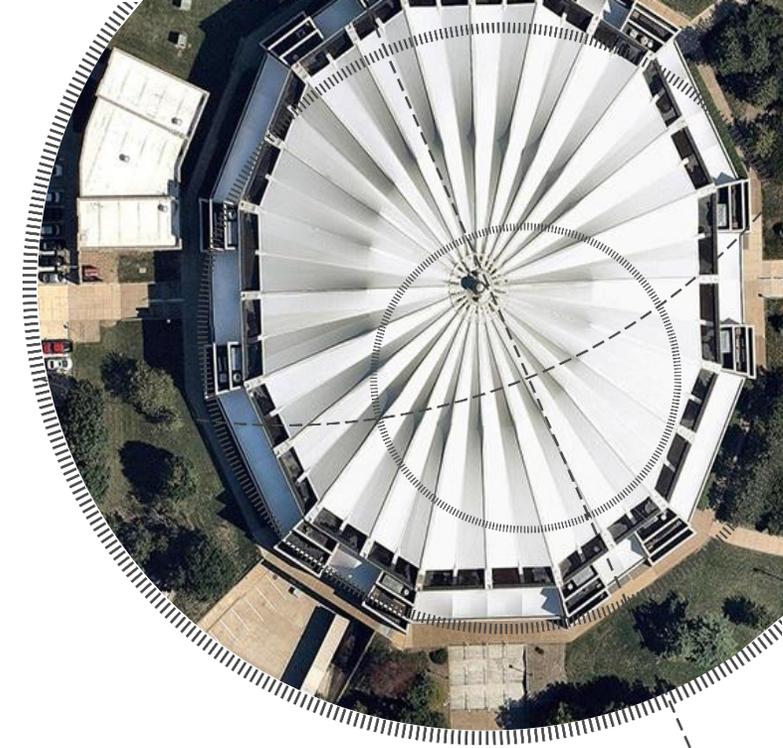
## OPERATIONAL GEARING

Key metrics Sales Team Contribution Ratio and Cash Gross Margins set to deliver the operational gearing inherent in Nearmap's business model



## STRONG BALANCE SHEET

H1 results and investments, together with cash holdings provide resources to organically fund the next stage in Nearmap's growth



Captured: August 2017  
Normal, IL

# H2 FY18 PRIORITIES & OUTLOOK.



## 3D LAUNCH

3D products to be launched

Details to be provided in H2



## OBLIQUE PRODUCTS

Recently launched Panorama and Oblique products and new MapBrowser to Australian customers



## CAPTURE PROGRAM

Completion of 1<sup>st</sup> pass of HyperCamera 2 capture program and expanded US footprint

Focus on increasing efficiency of capture and processing systems



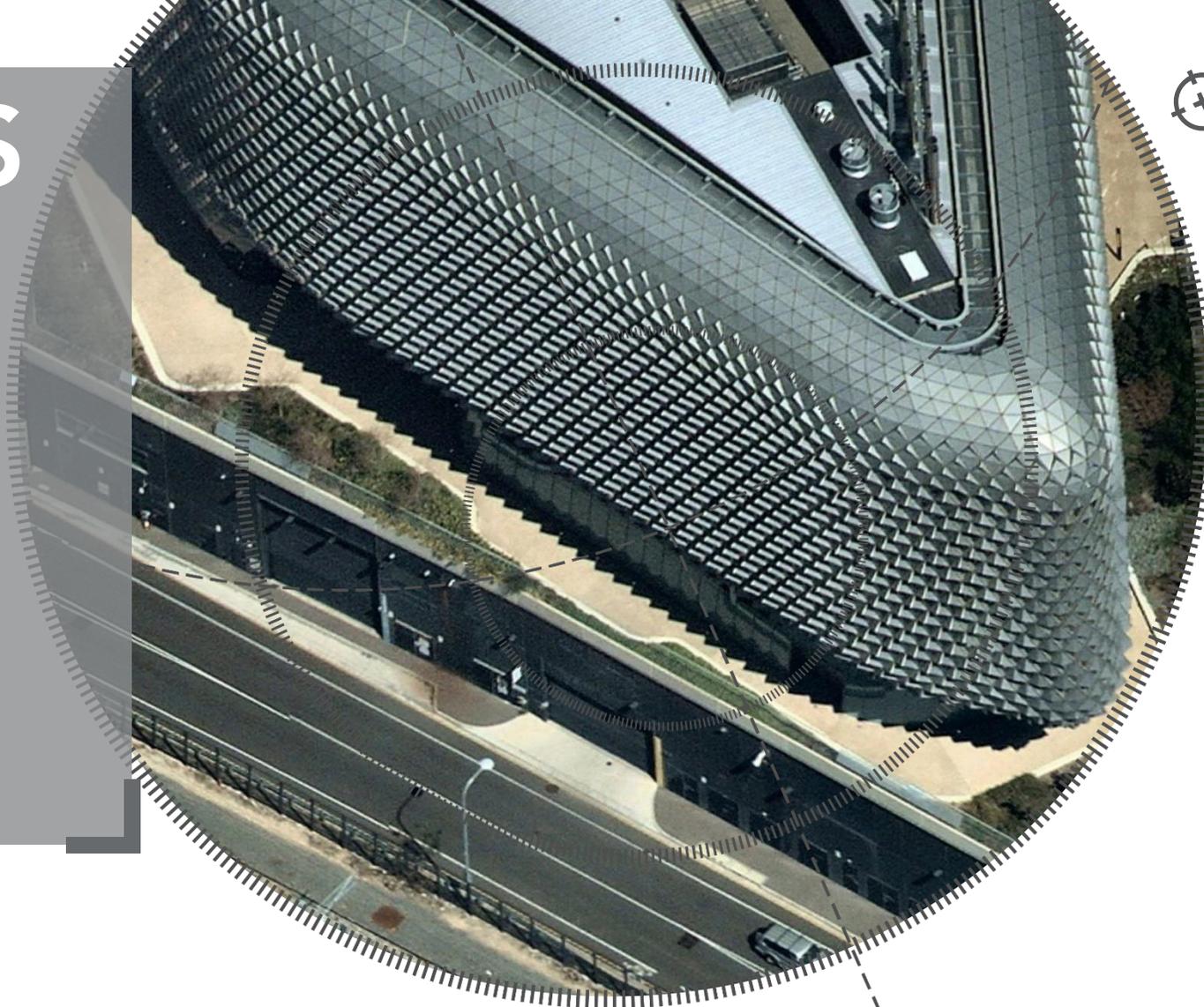
## ACV GUIDANCE UPGRADED

- AU and US incremental ACV and STCR consistent with H1 FY18
- Investments now in place – focus on generating returns



Captured: March 2017  
New Bedford, MA

# APPENDICES



Captured: October 2017  
Adelaide, SA

## STATUTORY INCOME STATEMENT.

| AUD\$M   | H1 FY17       | H1 FY18       |
|--|---------------|---------------|
| Revenue  | 19.2          | 24.4          |
| Other income   | 0.2           | 0.3           |
| <b>Total revenue</b>   | <b>19.4</b>   | <b>24.7</b>   |
| Employee benefits expense                                      | (11.2)        | (14.7)        |
| Amortisation and depreciation                                  | (3.5)         | (5.9)         |
| Net foreign exchange differences                               | (0.2)         | (0.2)         |
| Other operational expenses                                     | (5.6)         | (8.6)         |
| <b>Total expenses</b>  | <b>(20.6)</b> | <b>(29.4)</b> |
| <b>Loss before tax</b>   | <b>(1.1)</b>  | <b>(4.7)</b>  |
| Income tax (expense) / benefit                                 | (1.8)         | (1.8)         |
| <b>Loss for the half year</b>                                  | <b>(3.0)</b>  | <b>(6.5)</b>  |
| <b>Other comprehensive income</b>                              |               |               |
| <i>Items that may be reclassified to the profit and loss</i>   |               |               |
| Exchange differences on translation of foreign operations      | -             | -             |
| Unrealised gain / (loss) on cash flow hedges                   | 0.5           | 0.1           |
| Income tax associated with these items                         | (0.2)         | -             |
| <b>Total comprehensive income for the half year</b>            | <b>(2.6)</b>  | <b>(6.4)</b>  |
| <b>Earnings per share</b>                                      |               |               |
| Basic earnings per share for the half year (cents per share)   | (0.81)        | (1.67)        |
| Diluted earnings per share for the half year (cents per share) | (0.81)        | (1.67)        |

## SEGMENT CONTRIBUTION RECONCILIATION

| AUD\$M                    | H1 FY17    | H2 FY17    | H1 FY18      |
|---------------------------|------------|------------|--------------|
| AU Contribution           | 10.1       | 11.0       | 11.4         |
| US Contribution           | (6.5)      | (6.5)      | (9.4)        |
| Corporate Contribution    | (2.9)      | (3.0)      | (3.7)        |
| <b>Group Contribution</b> | <b>0.7</b> | <b>1.5</b> | <b>(1.7)</b> |

# STATUTORY BALANCE SHEET.

| AUD\$M                          | 30 Jun 17   | 31 Dec 17   |
|---------------------------------|-------------|-------------|
| <b>Assets</b>                   |             |             |
| <b>Current assets</b>           |             |             |
| Cash and cash equivalents       | 28.3        | 20.6        |
| Trade receivables               | 7.1         | 9.7         |
| Other current assets            | 1.5         | 4.8         |
| <b>Total current assets</b>     | <b>36.9</b> | <b>35.2</b> |
| <b>Non-current assets</b>       |             |             |
| Plant and equipment             | 10.6        | 11.8        |
| Intangible assets               | 24.8        | 29.7        |
| Deferred tax assets             | 2.1         | 2.2         |
| <b>Total non-current assets</b> | <b>37.5</b> | <b>43.7</b> |
| <b>Total assets</b>             | <b>74.4</b> | <b>78.9</b> |

| AUD\$M                               | 30 Jun 17   | 31 Dec 17   |
|--------------------------------------|-------------|-------------|
| <b>Liabilities</b>                   |             |             |
| <b>Current liabilities</b>           |             |             |
| Trade and other payables             | 1.6         | 2.4         |
| Unearned income                      | 25.2        | 29.0        |
| Other current liabilities            | 4.8         | 6.9         |
| <b>Total current liabilities</b>     | <b>31.6</b> | <b>38.3</b> |
| <b>Total non-current liabilities</b> |             |             |
|                                      | <b>5.7</b>  | <b>8.6</b>  |
| <b>Total liabilities</b>             | <b>37.3</b> | <b>46.9</b> |
| <b>Net assets</b>                    |             |             |
|                                      | <b>37.2</b> | <b>31.9</b> |
| <b>Equity</b>                        |             |             |
| Contributed equity                   | 51.4        | 51.9        |
| Reserves                             | 11.7        | 12.5        |
| Profits reserve                      | 7.1         | 7.1         |
| Accumulated losses                   | (33.0)      | (39.5)      |
| <b>Total equity</b>                  | <b>37.2</b> | <b>31.9</b> |

## CASH FLOW STATEMENT.

| AUD\$M   | H1 FY17      | H1 FY18      |
|--|--------------|--------------|
| <b>Cash flows from operating activities</b>                  |              |              |
| Receipts from customers                                      | 19.7         | 28.0         |
| Payments to suppliers and employees                          | (21.1)       | (31.4)       |
| Interest, other receipts and tax                             | 0.2          | 0.1          |
| <b>Net cash (outflow)/inflow from operating activities</b>   | <b>(1.1)</b> | <b>(3.3)</b> |
| <b>Cash flows from investing activities</b>                  |              |              |
| Purchase of plant and equipment                              | (2.7)        | (2.2)        |
| Payments for development costs                               | (1.7)        | (2.5)        |
| <b>Net cash flows used in investing activities</b>           | <b>(4.4)</b> | <b>(4.7)</b> |
| <b>Cash flows from financing activities</b>                  |              |              |
| Proceeds from issue of shares (net of transaction costs)     | 19.2         | -            |
| Proceeds from exercise of share options                      | 0.3          | 0.4          |
| Proceeds from exercise of share option loans                 | 2.1          | -            |
| <b>Net cash inflows from financing activities</b>            | <b>21.7</b>  | <b>0.4</b>   |
| Net increase / (decrease in cash and cash equivalents)       | 16.1         | (7.6)        |
| Effect of movement of exchange rates on cash held            | 0.1          | (0.1)        |
| Cash and cash equivalents at the beginning of the half year  | 12.2         | 28.3         |
| <b>Cash and cash equivalents at the end of the half year</b> | <b>28.4</b>  | <b>20.6</b>  |

## RECONCILIATION OF STATUTORY NET PROFIT / (LOSS) AFTER TAX TO EBITDA (\$M).

| AUD\$M                        | H1 FY17      | H1 FY18      |
|-------------------------------|--------------|--------------|
| Net profit / (loss) after tax | (3.0)        | (6.5)        |
| Income tax                    | (1.8)        | (1.8)        |
| R&D tax rebate                | -            | -            |
| Interest income               | 0.2          | 0.3          |
| FX                            | (0.2)        | (0.2)        |
| <b>EBIT</b>                   | <b>(1.1)</b> | <b>(4.7)</b> |
| Depreciation & Amortisation   | (3.5)        | (5.9)        |
| <b>EBITDA</b>                 | <b>2.4</b>   | <b>1.2</b>   |

## CHANGE IN BUSINESS MODEL.

We regularly assess our business model to ensure that it reflects current operations and to ensure that our reporting is clear and transparent. During H1 FY18 we made two changes to our financial reporting:

- The Group has determined that it can no longer reliably attribute camera system usage to specific images as the variety of applications for this data becomes increasingly sophisticated. Effective from 1 July 2017, depreciation of camera system assets is recognised directly in profit or loss rather than capitalised to capture costs.
- The Group has tightened its definition of Cost of Revenue such that it now solely reflects the cost of imagery acquisition, processing and storage. This has resulted in a reallocation of costs between operating segments and from Cost of Revenue to Operating Expenses, but has no impact on Group EBIT or EBITDA.

We believe that both changes will assist shareholders and readers of our financial reports with greater clarity and insight into the operations of the Nearmap business.

The income statement and affected operating metrics for H1 and H2 FY17 in this Analyst Pack have been adjusted from 1 July 2016 for these changes. A comparison of restated to reported numbers is set out in the "H1 FY18 Analyst Pack – Six months ended 31 December 2017" released to the ASX concurrently with this Investor Presentation.

## DEFINITIONS.

| TERM  | DEFINITION   |
|-------|--|
| ACV   | Annualised Contract Value = annualised value of all active subscription contracts in effect at a particular date   |
| ARPS  | Average Revenue per Subscription = Total ACV divided by total number of subscriptions  |
| Churn | ACV value of subscriptions not renewed at the end of a subscription period, offset by the value of recovered subscriptions previously churned                  |
| LTV   | Portfolio Lifetime Value calculated as:<br>$\frac{\text{ACV Portfolio value} \times \text{gross margin \%}}{\text{Churn \%}}$                                  |
| n/a   | Not meaningful when metric is negative   |
| pcp   | Prior comparative period   |
| STCR  | Sales Team Contribution Ratio = ratio of incremental ACV generated by a sales team in a period, compared to the direct costs of obtaining that incremental ACV |

# CORPORATE INFORMATION.

## Nearmap Ltd

Level 4 Tower One, 100 Barangaroo Avenue,  
Barangaroo NSW 2000, Australia

+61 2 8076 0700

investor.relations@nearmap.com

www.nearmap.com

@nearmap

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Captured: November 2016  
Huntington Beach, CA

