

Nearmap Ltd

ABN 37 083 702 907

Preliminary Final Report

Appendix 4E

Year ended 30 June 2016

Lodged with the ASX under Listing Rule 4.3A

Nearmap Ltd
ABN 37 083 702 907

Full Year Statutory Accounts
Year ended 30 June 2016

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Directors' report

Your Directors submit their report on the consolidated entity consisting of Nearmap Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Names, qualifications, experience, directorships and special responsibilities

Mr Peter James, BA, FAICD

Non-Executive Chairman (appointed 18 December 2015)

Peter has enjoyed a successful business career with a focus on building emerging technology, media and telecommunications companies.

Peter is a member of the Australian Computer Society, a Fellow of the Australian Institute of Company Directors and holds a Bachelor of Arts, Computer Science and Business Administration degree from the University of Canberra.

Previously amongst other roles, Peter was a long term director of iiNet where he chaired iiNet's Strategy and Innovation Committee and was actively involved in the \$1.5bn sale to TPG.

Current ASX listed company directorships

Nearmap Ltd (since December 2015) - Chairman

Macquarie Telecom Ltd (ASX:MAQ) - Chairman

Droneshield Limited (ASX:DRO) - Chairman

Former ASX listed company directorships in the last 3 years:

iiNet (ASX: IIN – de-listed 2015)

Special duties:

Member of the Nomination and Remuneration Committee

Chair of the Audit and Risk Management Committee

Dr Rob Newman, B.Eng(1st Hons), Ph.D.

CEO & Managing Director

Rob was appointed as CEO of Nearmap on October 2015, after having been a Non-Executive Director of nearmap (formerly ipernica) for almost 5 years.

He has established a unique track record as a successful Australian high technology entrepreneur in both Australia and Silicon Valley. He has twice founded and built businesses based on Australian technology, both times successfully entering overseas markets. These businesses combined have established market values of over \$200M.

Rob is a trained engineer but has spent his career in marketing, business development and general management in Information Technology focusing on communications. Rob also spent ten years of his career as a venture capitalist co-founding Stone Ridge Ventures, and was previously an investment director for Foundation Capital. As a venture capitalist, Rob has extensive experience in identifying and helping grow companies with significant commercial potential, especially those addressing overseas markets.

In the 1980's, Rob was the inventor and co-founder of QPSX Communications Pty Ltd. After founding the company, Rob provided the technical leadership and product strategy. Rob was instrumental in establishing QPSX as a worldwide standard for Metropolitan Area Networks and the company successfully sold products to Telecommunication Carriers in Australia, Europe, Asia and the US.

Dr Newman has been recognised with a number of awards including the Bicentennial BHP Pursuit of Excellence Award (Youth Category) and Western Australian Young Achiever of the Year 1987.

Current ASX listed company directorships:

Nearmap Ltd (since February 2011)

Pointerra Limited (ASX: 3DP) - Chairman

Former ASX listed company directorships in the last 3 years:

None

Mr Ross Norgard, FCA
Non-Executive Director

In 1987, Ross became the founding Chairman of Nearmap Ltd.

Ross Norgard is a Fellow of the Institute of Chartered Accountants and former managing partner of Arthur Andersen and KMG Hungerfords and its successor firms in Perth, Western Australia. For over 30 years he has worked extensively in the fields of raising venture capital and the financial reorganisation of businesses. He has held numerous positions on industry committees including past Chairman of the Western Australian Professional Standards Committee of the Institute of Chartered Accountants, a former member of the National Disciplinary Committee, former Chairman of the Friends of the Duke of Edinburgh's Award Scheme and a former member of the University of WA's Graduate School of management (MBA Program). Mr. Norgard was appointed Western Australia's Honorary Consul-General to Finland.

Ross is also founding Chairman of Brockman Resources Ltd, now non-executive director of ASX and Hong Kong listed Brockman Mining Ltd.

Current ASX listed company directorships:

Nearmap Ltd (since 1987)
Brockman Mining Ltd (ASX:BCK)

Former ASX listed company directorships in the last 3 years:

Ammtec Ltd (ASX:AEC) (acquired by Australian Laboratory Services Pty Ltd)

Special duties:

Member of the Nomination and Remuneration Committee
Member of the Audit and Risk Management Committee

Mr Ian Morris, MBA
Non-Executive Director (appointed 28 January 2016)

Ian has enjoyed a successful business career in the US technology sector. He brings this extensive and complementary experience to Nearmap at a time when the Company is accelerating its growth in the US.

Mr Morris served as the President and CEO of Market Leader for more than a decade, establishing the company as the leading provider of "software-as-a-service" solutions to the real estate industry. Under his leadership, Market Leader was ranked the 4th fastest growing technology company in North America, leading to a successful IPO in 2004 and the sale of the company to Trulia in 2013 for US\$380 million.

Before joining Market Leader, Ian spent 7 years at Microsoft where he led a number of the company's early online marketing efforts and later served as the General Manager of Microsoft HomeAdvisor.

Ian is a graduate of Bryant University, holds an MBA from Harvard Business School and serves as a strategic advisor and Board member with a number of leading technology companies.

Current ASX listed company directorships:

Nearmap Ltd (since January 2016)

Former ASX listed company directorships in the last 3 years:

None

Special duties:

Member of the Nomination and Remuneration Committee

Mr Cliff Rosenberg, B.Bus.Sci. , M.Sc. Management
Non-Executive Director

Cliff Rosenberg is the Managing Director for LinkedIn South East Asia, Australia and New Zealand. LinkedIn is the world's largest professional network with over 430 million members around the globe, of which over 8 million are in Australia.

In this role, Cliff's focus is driving awareness and uptake of LinkedIn's products, including talents solutions, marketing solutions and sales solutions. Since January 2010, Cliff has set up offices in Sydney, Melbourne and Perth, growing the local team to more than 250 staff, including sales, marketing and public relations personnel.

Cliff has a distinguished 20-year career in the digital space, both as an entrepreneur and executive. He was formerly the Managing Director of Yahoo! Australia and New Zealand where he was responsible for all aspects of the local operation for more than three years. He was a non-executive director of Australia's leading online restaurant booking platform, dimmi.com.au, which was sold to Tripadvisor in early 2015.

Prior to joining Yahoo!, Cliff was the Founder and Managing Director of iTouch Australia and New Zealand, a leading wireless application service provider. He grew the Australian office to one of the largest mobile content and application providers in Australia with key partnerships with companies such as Ninemsn, Yahoo!, Telstra and Vodafone. Previously, Cliff was head of corporate strategy for Vodafone Australasia and also served as an international management consultant

with Gemini Consulting and Bain Consulting. He earned a Master of Science degree in Management as well as Bachelor's degree of Business Science in Economics and Marketing.

Current ASX listed company directorships:

Nearmap Ltd (since July 2012)

Pureprofile Ltd (ASX:PPL)

Afterpay Ltd (ASX:AFY)

Former ASX listed company directorships in the last 3 years:

None

Special duties:

Chair of the Nomination and Remuneration Committee

Member of the Audit and Risk Management Committee

Directors interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of Nearmap Ltd were:

	Ordinary Shares	Options over ordinary shares
P James	190,000	2,500,000
R Norgard	50,076,295	-
R Newman	5,000,000	3,000,000
C Rosenberg	2,901,000	1,500,000
I Morris	-	1,500,000

Corporate structure

Nearmap Ltd is a company limited by shares incorporated and domiciled in Australia.

Nature of operations and principal activities

The principal activity of the consolidated entity during the course of the financial year was online aerial photomapping via its 100% owned subsidiaries Nearmap Australia Pty Ltd and Nearmap US Inc.

Business model

Nearmap is an innovative online PhotoMap content provider that creates high quality current and changing maps. The Company generates revenues through licensing its content to a broad range of customers such as government agencies, the commercial sector and small to medium enterprises.

Nearmap's breakthrough technology has been designed to fully automate the process of creating a high definition PhotoMap of large areas such as cities quickly and in a cost effective fashion. The technology enables PhotoMaps to be updated more frequently than other providers, which can be months, if not years out of date.

Nearmap's strategy is to effectively monetise all of its content by providing convenient access to the content via desktop and mobile platforms, and through subscription models and value add products supported by e-commerce facilities.

The pivotal features underpinning the success of the Nearmap business model are:

- the frequency with which this data is updated;
- the clarity (resolution) of the PhotoMaps; and
- the availability of previous surveys on the same platform, allowing users to track changes at locations over time.

Consolidated result

The consolidated entity's result after provision for income tax was a loss of \$7.1m (2015: loss of \$0.8m).

Review and results of operations

For the year ended 30 June 2016, Nearmap reported total revenue of \$31.3m, up 20% on corresponding prior year revenue of \$26.1m, underpinned by continued customer retention and growth in the customer base.

Nearmap's balance sheet remains strong with no debt and a strong cash balance. During the year ended 30 June 2016, Nearmap invested in sales and marketing in the Australian business, the US expansion, and the HyperCamera2 system. Our cash balance remains strong at \$12.2m at 30 June 2016.

Cash receipts from customers for the year were \$37.3m compared to \$26.9m for the previous year, an increase of \$10.4m (39%).

Dividends

No dividends have been paid or proposed in respect of the current year (2015: nil).

Environmental regulation and performance

The current activities of Nearmap are not subject to any significant environmental regulation. However, the Board believes that Nearmap has adequate systems in place to manage its environmental obligations and is not aware of any breach of those environmental requirements as they apply to Nearmap.

Significant changes in the state of affairs

- In August 2015, two US patents for next-generation aerial camera systems were granted, with several more US patents pending. Progress continues to be made on the HyperCamera2 aerial camera system, which is designed to capture multi-directional oblique views at very high capture efficiencies.
- On 15 October 2015, Dr Rob Newman was appointed Managing Director and Chief Executive Officer of Nearmap while Mr Gerhard Beukes was promoted to Chief Operating Officer. Mr Beukes continues in his role of Chief Financial Officer.

- c) On 18 December 2015, the Company appointed Mr Peter James as Deputy Chair and Non-Executive Director of the Company. Peter is an independent director under the Company's definition of independence and is a member of the Nomination and Remuneration Committee and the Audit and Risk Management Committee.
- d) On 7 December 2015, Nearmap announced the signing of a major contract with an existing customer, which increased its annual contract value to \$1.47m. This contract demonstrated Nearmap's successful business model of working in partnership with customers to grow wider and deeper adoption of Nearmap's product, adding more value to its customers' business.
- e) On 28 January 2016, Nearmap appointed Mr Ian Morris as a Non-Executive Director of the Company. Ian is an independent director under the Company's definition of independence and is a member of the Nomination and Remuneration Committee.
- f) On 18 March 2016, Nearmap appointed Mr Peter James as the new Chair of the Company. The previous Chair, Mr Ross Norgard, remains on the Board as a Non-Executive Director.
- g) On 31 May 2016, Nearmap announced that it had signed a significant new one year subscription contract with an existing customer, one of Australia's largest digital infrastructure companies. The new contract has an annual value of \$1.1m and is the second in excess of \$1m executed by Nearmap in FY16.
- h) On 23 June 2016, Nearmap announced a new strategic partnership with OmniEarth, the US based leader in the Earth observation and geanalysis industry, for nationwide high-resolution aerial imagery.

Significant events subsequent to balance date

There were no matters or circumstances specific to the Group that have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Prospects for future years

The Directors believe that the business strategies put in place will ensure that the Group continues on its growth trajectory in the foreseeable future. Nearmap is primed to continue generating value to its shareholders in future years, subject to a stable macro-economic environment. The Group will continue to seek new opportunities to build scale and to broaden its customer base.

The Group faces a number of risks, including availability and cost of funds, which may impact on its ability to achieve its revenue targets.

Indemnification and insurance of Directors

During the financial year, the Group paid a premium to insure the Directors and officers of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Share options

As at 30 June 2016 there were 37,445,000 unissued ordinary shares under options. Refer to note 6 of the financial statements for further details of the employee options outstanding.

Directors' meetings

The numbers of meetings of Directors (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director was as follows:

	Full Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
	A	B	A	B	A	B
P James ¹	4	4	1	1	2	2
R Norgard	8	8	2	2	2	2
R Newman ²	8	7	1	1	-	-
C Rosenberg	8	7	2	2	2	2
I Morris ³	4	4	-	-	2	2
S Crowther ⁴	1	1	-	-	-	-

¹Appointed as Director 18 December 2015

²Mr. Newman stepped down from the Audit and Risk Committee and the Nomination and Remuneration Committee upon his appointment into an executive role on 15 October 2015.

³Appointed as Director 28 January 2016

⁴Ceased as Director 15 October 2015.

A - Number of meetings held during the time the Director held office and the Director was eligible to attend.

B - Number of meetings attended.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel of Nearmap Ltd (the Company) and the consolidated entity (the Group).

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Employment contracts
- D. Share based compensation
- E. Transactions of key management personnel
- F. Additional information
- G. Shares under option

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director (MD) and the senior management team and ensuring that the Board continues to operate within the established guidelines, including when necessary, selecting candidates for the position of Director.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

(I) Services from remuneration consultants

The Board periodically reviews the level of fees paid to non-executive Directors, including seeking external advice. A review was undertaken during FY15 with the assistance of PwC. No change was made to fees, as the current level of fees is deemed appropriate.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and key management personnel remuneration is separate and distinct.

Non-executive Director remuneration

Objective The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting (AGM) held on 30 November 2015 when shareholders approved an aggregate remuneration of \$500,000 per year.

Voting and comments made at the Company's 2015 Annual General Meeting

The Company received 16.69% "no" votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Each Director receives a fee for being a Director of the Company. A further fee is paid where additional time commitment is required like that being required by the Chairman of the Company.

Key management personnel and executive Director remuneration

Objective The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives and individual performance against key performance indicators;

Remuneration report (audited)

A. Principles used to determine the nature and amount of remuneration (cont.)

- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

Structure Remuneration typically consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration (potential short term and long term incentives) is established for each key management personnel by the Nomination and Remuneration Committee.

Fixed Remuneration

Objective The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee and the process consists of a review of individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices.

The Board determined that no increase would be made to the fixed remuneration for the Managing Director and all other key management Personnel in the 2016 financial year as the current level of remuneration was considered appropriate.

Structure Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration — Short Term Incentive (STI)

Objective The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the employees charged with meeting those targets. The total potential STI where available is set at a level so as to provide sufficient incentive to employees to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure Actual STI payments granted to each employee depend on the extent to which specific operating targets set are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, customer management and leadership/team contribution.

On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Group and each individual's performance is made and is taken into account when determining the amount, if any, of the short term incentive pool to be allocated to each employee. The aggregate of annual STI payments available for employees across the Group is subject to the approval of the Nomination and Remuneration Committee. Payments made are usually delivered as a cash bonus. However, STI payments are subject to discretion by the Board based on performance at the end of the year.

Variable Remuneration – Long Term Incentive (LTI)

Objective The objective of the LTI plan is to reward employees in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Australian employees

Options are granted with a strike price of at least 143% of the share price prevailing at the time of the grant. Executives are therefore required to achieve a fixed increase in share price of more than 43% before any value accrues to the individual.

The options have a 4 year term with the following service condition structures:

- service vesting condition of 1 year for 50% of each tranche granted and 2 years for the second 50% tranche, or
- service vesting condition of 1 year for 33% of each tranche granted, 2 years for 33% of the next tranche and 3 years for the remaining 34%

There are no performance related vesting conditions. The Board believes that this is a challenging fixed target in share price over the option term and is therefore an appropriate mechanism to align company performance with that of the individual.

Remuneration report (audited)

A. Principles used to determine the nature and amount of remuneration (cont.)

An employee loan scheme arrangement exists should an employee elect to apply for a loan on exercise of options, which may be granted subject to Nomination and Remuneration Committee discretion.

United States employees

Options are granted with a strike price of the share price prevailing at the time of the grant.

The options have a 5 year term and a service vesting condition of 1 year for 25% of each tranche granted and then in equal tranches at 3 monthly intervals to 4 years for the remaining 75%. There are no performance related vesting conditions. The Board believes that this structure is necessary to attract and retain high calibre executives to deliver the Group's strategy in the United States market. The Board ensures the alignment of company performance with that of the individual through the STI program as documented above.

Structure LTI grants to employees are delivered in the form of options and the amount is determined by the Nomination and Remuneration Committee having regard to:

- the seniority of the relevant Eligible Person and the position the Eligible Person occupies within the Company;
- the length of service of the Eligible Person with the Group;
- the record of employment of the Eligible Person with the Group;
- the potential contribution of the Eligible Person to the growth of the Group;
- the extent (if any) of the existing participation of the Eligible Person (or any Permitted Nominee in relation to that Eligible Person) in the Plan; and
- any other matters which the Board considers relevant.

Group performance

The overall level of executive reward takes into account the nature of the technology commercialisation business and realistic timeframes for generating profits. In particular, executive rewards recognise the commercialisation of the Nearmap business and future shareholder wealth contained therein and progress in unlocking the value created to date. Executive performance of the Group has been reviewed over the past 5 years taking into account future shareholder wealth and profit performance.

In considering the Group's performance and benefits for shareholder wealth, the Nomination and Remuneration Committee has given regard to the following indices in respect of the current financial year over the last 5 financial years.

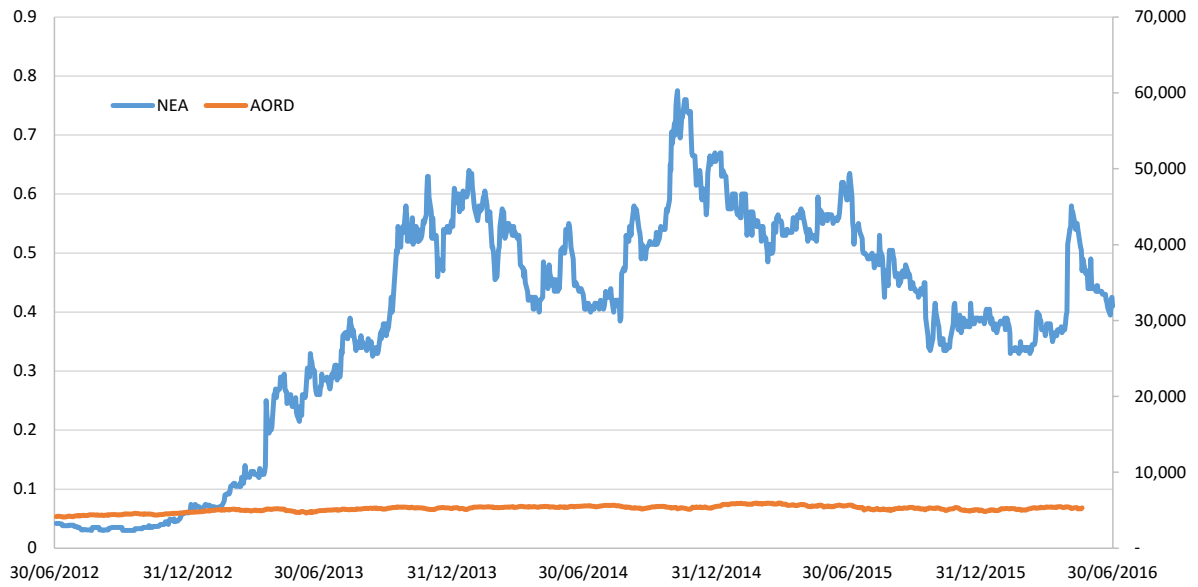
	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Total revenue	\$31,289	\$26,124	\$20,069	\$12,766	\$6,106
EBITDA (earnings before interest, tax, depreciation and amortisation) ¹	\$632	\$944	\$3,384	\$752	(\$5,941)
Change in share price	(\$0.18)	\$0.16	\$0.17	\$0.22	(\$0.03)

¹ EBITDA also excludes R&D tax rebates, foreign currency differences and impairment adjustments

The graph on the following page shows Nearmap's closing share price since 1 July 2012 and the relative performance against the ASX All Ordinaries.

Remuneration report (audited)

A. Principles used to determine the nature and amount of remuneration (cont.)



Remuneration report (audited)

B. Details of remuneration

Directors

The following persons were Directors of the Company during the financial year:

P James	Non-Executive Chairman (appointed as Deputy Chairman on 18 December 2015, appointed Chairman on 18 March 2016)
R Norgard	Non-Executive Director (resigned as Non-Executive Chairman on 18 March 2016)
S Crowther	Chief Executive Officer (ceased 15 October 2015)
R Newman	Chief Executive Officer (appointed as Chief Executive Officer on 15 October 2015, previously Non-Executive Director)
C Rosenberg	Non-Executive Director
I Morris	Non-Executive Director (appointed 28 January 2016)

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

G Beukes	Chief Financial Officer and Chief Operating Officer
P Lapstun	Chief Technology Officer
P Peterson	Senior Vice President of Product and Engineering (resigned 29 December 2015)
L Rankin	Vice President of Product and Engineering (promoted to VP of Product and Engineering on 1 January 2016)
J Biviano	Senior Vice President and General Manager Australia (became a key management personnel on 1 July 2015)
P Quigley	Senior Vice President and General Manager North America (appointed on 31 January 2016)

Remuneration report (audited)

B. Details of remuneration (cont.)

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*):

		Short-term			Long-term	Post employment benefits	Share-based Payment options ¹	Total	Percentage performance related
		Salary & Fees ⁸	Non Monetary ²	Cash Bonus	Long Service Leave				
Non-executive Directors									
P James ³	2016	44,140	-	-	-	4,193	85,918	134,251	-
R Norgard ⁴	2016	64,057	-	-	-	8,025	-	72,082	-
R Norgard	2015	91,324	-	-	-	8,676	-	100,000	-
C Rosenberg	2016	63,926	-	-	-	6,074	60,699	130,699	-
C Rosenberg	2015	51,750	-	-	-	4,916	3,858	60,524	-
I Morris ⁵	2016	31,963	-	-	-	3,037	59,072	94,072	-
Sub-total non-executive Directors	2016	204,086	-	-	-	21,329	205,689	431,104	
	2015	143,074	-	-	-	13,592	3,858	160,524	
Executive Directors									
R Newman ⁶	2016	356,971	42,896	184,080	133	19,308	121,399	724,787	25%
R Newman	2015	56,668	-	-	-	-	3,858	60,526	-
Former Executive Directors									
S Crowther ⁷	2016	485,642	116,034	-	-	6,841	-	608,517	-
S Crowther	2015	435,718	63,787	140,000	15,064	21,162	727,303	1,403,034	10%

¹AASB 2 accounting value determined at grant date, recognised over related vesting periods, plus any incremental benefit to key management personnel as the result of the grant of a limited recourse loan per the employee loan scheme as disclosed in note 6(i) per the financial statements.

²Non-monetary benefits include the cost to the Company of providing vehicle, living away from home benefits and accommodation.

³Mr James was appointed as non-executive Deputy Chairman on 18 December 2015, and was subsequently appointed as non-executive Chairman on 18 March 2016.

⁴Mr Norgard resigned as non-executive Chairman on 18 March 2016.

⁵Mr Morris was appointed as non-executive Director on 28 January 2016

⁶Mr Newman was appointed as Chief Executive Officer on 15 October 2015. Prior to that appointment, he was a non-executive Director of the Company.

⁷Mr Crowther ceased employment on 15 October 2015.

⁸Includes annual leave.

Remuneration report (audited)

B. Details of remuneration (cont.)

		Short-term			Long-term	Post employment benefits	Share-based Payment options ¹	Total	Percentage performance related
		Salary & Fees ⁷	Non Monetary ²	Cash Bonus	Long Service Leave				
Other key management personnel (Group)									
G Beukes ³	2016	281,767	-	112,500	7,437	19,308	351,184	772,196	15%
G Beukes	2015	241,263	-	100,000	2,975	22,267	562,380	928,885	11%
P Lapstun	2016	280,210	-	150,000	3,046	19,308	351,507	804,071	19%
P Lapstun	2015	247,552	-	100,000	1,281	22,425	417,346	788,604	13%
L Rankin ⁴	2016	193,479	-	76,650	129	18,335	44,370	332,963	23%
L Rankin	2015	113,653	-	20,000	42	12,667	11,725	158,087	13%
J Biviano	2016	325,889	-	130,966	170	19,308	269,913	746,246	18%
J Biviano	2015	102,471	-	123,308	38	7,290	88,768	321,875	38%
P Quigley ⁵	2016	137,737	-	81,942	-	14,405	87,778	321,862	25%
Sub-total other key management personnel	2016	1,219,082	-	552,058	10,782	90,664	1,104,752	2,977,113	
	2015	704,939	-	343,308	4,336	64,649	1,080,219	2,197,451	
Former key management personnel (Group)									
P Peterson ⁶	2016	187,098	-	-	-	9,654	76,647	273,399	-
P Peterson	2015	254,218	-	100,000	1,553	22,583	365,440	743,794	13%
Total Directors and key management personnel	2016	2,452,879	158,930	736,138	10,915	147,796	1,508,487	5,015,145	
	2015	1,594,617	63,787	583,308	20,953	121,986	2,180,678	4,565,329	

¹AASB 2 accounting value determined at grant date, recognised over related vesting periods, plus any incremental benefit to key management personnel as the result of the grant of a limited recourse loan per the employee loan scheme as disclosed in note 6(i) per the financial statements.

²Non-monetary benefits include the cost to the Company of providing vehicle, living away from home benefits and accommodation.

³Mr Beukes was appointed as Chief Operating Officer on 15 October 2015. He remains the Chief Financial Officer of the Company

⁴Ms Rankin was promoted to VP of Engineering and Product on 1 January 2016.

⁵Mr Quigley joined the Company as Senior Vice President and General Manager North America on 31 January 2016.

⁶Mr Peterson resigned on 29 December 2015.

⁷Includes annual leave

Remuneration report (audited)

B. Details of remuneration (cont.)

The proportions of remuneration that are linked to performance and those that are fixed are shown below:

Name	Fixed remuneration		At risk – STI 2016
	Salaries and benefits	LTI ¹	
	2016	2016	
Non – executive Directors			
P James	36%	64%	-
R Norgard	100%	-	-
C Rosenberg	54%	46%	-
I Morris	37%	63%	-
Executive Directors			
S Crowther	100%	-	-
R Newman	58%	17%	25%
Other key management personnel			
G Beukes	40%	45%	15%
P Lapstun	38%	44%	19%
L Rankin	64%	13%	23%
J Biviano	46%	36%	18%
P Quigley	47%	27%	25%
Former other key management personnel			
P Peterson	72%	28%	-

¹ LTI awards have service related vesting conditions. See Section A for further details on the remuneration structure of Directors and key management personnel.

C. Employment contracts

All executive employees and key management personnel are employed under contract. All executives have ongoing contracts and as such only have commencement dates and no expiry dates. Details of key management personnel and executives contracts as at 30 June are:

Name	Notice period for termination at will	Notice period for termination at cause
R Newman	6 months	6 months
G Beukes	4 months	4 months
P Lapstun	4 months	4 months
L Rankin	4 months	4 months
J Biviano	3 months	3 months
P Quigley	No notice period	No notice period

- On resignation any unvested options are forfeited. Limited recourse loans (LRLs) are only granted to key management personnel in respect of vested options, therefore the loans are not subject to cancellation on resignation.
- The Company may terminate an employment agreement by providing the respective written notice period or provide payment in lieu of the notice period (based on the fixed component of remuneration). On such termination by the Company, any LTI options that have vested, or will vest during the notice period will be required to be exercised within 180 days from termination date (unless agreed otherwise by the Company) or their options expiry date if earlier. LTI options that have not yet vested will be forfeited.
- The Company may terminate an employment contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the employee is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.
- If an employee ceases to be employed by the Company (including by way of resignation, retirement, dismissal, etc) and has an outstanding LRL, the employee may elect to have the Company sell the loan shares and apply the net proceeds of the sale in repayment of the loan or repay the outstanding amount on the loan. This determination must generally be made within 1 month of the date of ceased employment.
- There are no formal contracts between the Company and non-executive Directors in relation to remuneration other than the letter of appointment that stipulates the remuneration as at the commencement date.

Remuneration report (audited)

D. Share based compensation

Options

A share option incentive scheme has been established whereby Directors and certain employees of the Group may be issued with options over the ordinary shares of the Company. The options, which are usually issued for nil consideration at an exercise price calculated with reference to prevailing market prices and a 43% premium thereon are issued in accordance with performance guidelines established by the Directors of the Company. The options are issued for terms of up to 4 years and are exercisable on various dates (usually in 2 or 3 equal annual tranches when vested) within 4 years from the issue date.

The options only vest under certain conditions, principally centred on the employee still being employed, or the Director still engaged, at the time of vesting (that is, once the service has been satisfied). The options cannot be transferred without the approval of the Company's Board and are not quoted on the ASX. As a result plan participants may not enter into any transaction designed to remove the "at risk" aspect of an option before it is exercised.

Options were issued to Directors and key management personnel during the year ended 30 June 2016, refer to the table below and note 6 per the financial statements for details.

Limited recourse loans (LRLs)

Nearmap's Employee Share Option Plan includes an Employee Loan Scheme that permits Nearmap to grant financial assistance to employees by way of LRLs to enable them to exercise options and acquire shares. Interest on the loans is payable by key management personnel at loan maturity and accrues daily. During the year the shareholders resolved to allow the Company to determine the rate of interest applicable to LRLs (currently the cash rate set by the Reserve Bank of Australia). Previously this was set at a statutory interest rate. Loans are repayable three years after the issue date subject to the total share value being greater than the loan's principal plus accrued interest. The date of alteration was 30 November 2015, and the market price of the underlying equity on that date was \$0.37. There were no other changes to the terms of the grant prior to and after the modification.

Employee Surname	Employee First Name	No. of Options	Grant Date	Maturation Date	Exercise Price Pre Modification	Exercise Price Post Modification	Pre Modification Fair Value	Post Modification Fair Value
Beukes	Gerhard	1,000,000	9-Dec-13	7-Dec-13	0.0896	0.0862	0.0344	0.0349
Lapstun	Paul	2,500,000	8-Mar-14	8-Mar-17	0.1787	0.1705	0.0407	0.0421
Lapstun	Paul	2,500,000	8-Mar-15	17-Apr-15	0.1776	0.1637	0.0720	0.0746
Beukes	Gerhard	750,000	19-Dec-13	27-Mar-15	0.4955	0.4764	0.0259	0.0278
Beukes	Gerhard	750,000	19-Dec-13	27-Mar-15	0.5153	0.4803	0.0259	0.0278
Beukes	Gerhard	750,000	4-Apr-14	17-Apr-15	0.6310	0.6004	0.0331	0.0367
Beukes	Gerhard	750,000	4-Apr-15	17-Apr-15	0.6273	0.5767	0.0666	0.0708
Beukes	Gerhard	1,000,000	9-Dec-13	7-Dec-13	0.0896	0.0862	0.0338	0.0343

Remuneration report (audited)

D. Share based compensation (cont.)

Compensation options:

Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at an exercise price determined at a 43% premium to the market price of the shares on the date of grant. When an individual is granted a LRL to exercise their option, the effect is to extend the life of the original option. The exercise price includes interest accrued.

30 June 2016	Number	Granted during the period	Vested during the period	Unvested at balance date	Exercised during the period	Cancelled or expired during the period	Grant Date	Value per Option/Share at Grant Date ² \$	Exercise Price per share (options)/ Current price per share (loans) ³ \$	Vesting Date	Expiry Date	Value of exercised during the period ⁴ \$
Directors												
P James												
Options	833,333	100%	-	100%	-	-	Mar 16	0.1125	0.55	Mar 17	Mar 20	-
Options	833,333	100%	-	100%	-	-	Mar 16	0.1125	0.55	Mar 18	Mar 20	-
Options	833,334	100%	-	100%	-	-	Mar 16	0.1125	0.55	Mar 19	Mar 20	-
R Newman												
- Options	1,000,000	100%	-	100%	-	-	Nov 15	0.1135	0.56	Nov 16	Nov 19	-
- Options	1,000,000	100%	-	100%	-	-	Nov 15	0.1135	0.56	Nov 17	Nov 19	-
- Options	1,000,000	100%	-	100%	-	-	Nov 15	0.1135	0.56	Nov 18	Nov 19	-
C Rosenberg												
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1135	0.56	Nov 16	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1135	0.56	Nov 17	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1135	0.56	Nov 18	Nov 19	-
I Morris												
- Options	500,000	100%	-	100%	-	-	Mar 16	0.1547	0.40	Mar 17	Mar 20	-
- Options	500,000	100%	-	100%	-	-	Mar 16	0.1547	0.40	Mar 18	Mar 20	-
- Options	500,000	100%	-	100%	-	-	Mar 16	0.1547	0.40	Mar 19	Mar 20	-
Former Director												
S Crowther												
- Options	2,500,000	-	-	-	-	2,500,000	Nov 13	0.2943	0.76	Nov 15	Nov 17	-
- Options	2,500,000	-	-	-	-	2,500,000	Nov 13	0.2943	0.76	Nov 16	Nov 17	-
- Options	1,000,000	-	-	-	-	1,000,000	Nov 14	0.2160	1.08	Nov 16	Nov 18	-
- Options	1,000,000	-	-	-	-	1,000,000	Nov 14	0.2160	1.08	Nov 17	Nov 18	-
- LRL ⁵	5,000,000	-	-	-	5,000,000	-	Dec 14	0.0775	0.0792	Nov 13	Dec 17	396,179
- LRL	5,000,000	-	-	-	5,000,000	-	Nov 13	0.0805	0.0838	Nov 14	Nov 16	419,021

¹ The exercise of these options were funded through the grant of a LRL under the Employee Loan Scheme.

² AASB 2 accounting value determined at grant date as disclosed in note 6(i) per the financial statements.

³ Current price of LRLs determined based on the loan principal plus accrued interest divided by the number of shares exercised

⁴ Value determined based on the share price at exercise date less exercise price.

⁵ Mr Crowther repaid his loans prior to the interest rate change.

Remuneration report (audited)

D. Share based compensation (cont.)

Compensation options (cont.)

30 June 2015	Number	Granted during the period	Vested during the period	Unvested at balance date	Exercised during the period	Cancelled or expired during the period	Grant Date	Value per Option/Share at Grant Date ² \$	Exercise Price per share (options)/ Current price per share (loans) ³ \$	Vesting Date	Expiry Date	Value of exercised during the period ⁴ \$
Other key management personnel												
G Beukes												
- Options	1,250,000	-	1,250,000	-	-	-	Nov 13	0.2943	0.76	Nov 15	Nov 17	-
- Options	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.76	Nov 16	Nov 17	-
- Options	500,000	-	-	100%	-	-	Nov 14	0.2160	1.08	Nov 16	Nov 18	-
- Options	500,000	-	-	100%	-	-	Nov 14	0.2160	1.08	Nov 17	Nov 18	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 16	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 17	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 18	Nov 19	-
- LRL	1,000,000	-	-	-	-	-	Dec 13	-	0.0805	Dec 13	Dec 16	-
- LRL	750,000	-	-	-	-	-	Apr 15	0.0425	0.4197	Dec 13	Apr 18	-
- LRL	750,000	-	-	-	-	-	Apr 15	0.0425	0.4197	Jun 14	Apr 18	-
- LRL	750,000	-	-	-	-	-	Apr 15	0.0419	0.5359	Apr 14	Apr 18	-
- LRL	750,000	-	-	-	-	-	Apr 15	0.0419	0.5359	Apr 15	Apr 18	-
- LRL	1,000,000	-	-	-	-	-	Mar 15	-	0.0761	Dec 14	Dec 18	-
P Lapstun												
- Options	1,250,000	-	1,250,000	-	-	-	Nov 13	0.2943	0.76	Nov 15	Nov 17	-
- Options	1,250,000	-	-	100%	-	-	Nov 13	0.2943	0.76	Nov 16	Nov 17	-
- Options	500,000	-	-	100%	-	-	Nov 14	0.2160	1.08	Nov 16	Nov 18	-
- Options	500,000	-	-	100%	-	-	Nov 14	0.2160	1.08	Nov 17	Nov 18	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 16	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 17	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 18	Nov 19	-
- LRL	2,500,000	-	-	-	(2,500,000)	-	Mar 14	-	0.1611	Mar 14	Mar 17	416,231
- LRL	2,500,000	-	-	-	-	-	Mar 15	0.0070	0.1526	Mar 15	Mar 18	-
L Rankin												
- Options	150,000	-	-	100%	-	-	Dec 14	0.1608	0.85	Dec 16	Dec 18	-
- Options	150,000	-	-	100%	-	-	Dec 14	0.1608	0.85	Dec 17	Dec 18	-
- Options	83,333	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 16	Nov 19	-
- Options	83,333	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 17	Nov 19	-
- Options	83,334	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 18	Nov 19	-
- Options	333,333	100%	-	100%	-	-	May 16	0.1532	0.68	May 17	May 20	-
- Options	333,333	100%	-	100%	-	-	May 16	0.1532	0.68	May 18	May 20	-
- Options	333,333	100%	-	100%	-	-	May 16	0.1532	0.68	May 19	May 20	-

¹ The exercise of these options were funded through the grant of a LRL under the Employee Loan Scheme.

² AASB 2 accounting value determined at grant date as disclosed in note 6(i) per the financial statements.

³ Current price of LRLs determined based on the loan principal plus accrued interest divided by the number of shares exercised.

⁴ Value determined based on the share price at exercise date less exercise price.

Remuneration report (audited)

D. Share based compensation (cont.)

Compensation options (cont.)

30 June 2016	Number	Granted during the period	Vested during the period	Unvested at balance date	Exercised during the period	Cancelled or expired during the period	Grant Date	Value per Option/Share at Grant Date ² \$	Exercise Price per share (options)/ Current price per share (loans) ³ \$	Vesting Date	Expiry Date	Value of exercised during the period ⁴ \$
J Biviano												
- Options	1,000,000	-	-	100%	-	-	Mar 15	0.1453	0.79	Mar 16	Mar 19	-
- Options	1,000,000	-	-	100%	-	-	Mar 15	0.1453	0.79	Mar 17	Mar 19	-
- Options	1,000,000	-	-	100%	-	-	Mar 15	0.1453	0.79	Mar 18	Mar 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 16	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 17	Nov 19	-
- Options	500,000	100%	-	100%	-	-	Nov 15	0.1157	0.56	Nov 18	Nov 19	-
P Quigley												
- Options	375,000	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 17	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	May 17	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Aug 17	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 17	Jan 21	-
- Options	375,000	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 17	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 18	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 18	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	May 18	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	May 18	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Aug 18	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Aug 18	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 18	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 18	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 19	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 19	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	May 19	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	May 19	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Aug 19	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Aug 19	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 19	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 19	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 20	Jan 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Feb 20	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	May 20	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Aug 20	Nov 21	-
- Options	93,750	100%	-	100%	-	-	Feb 16	0.1480	0.39	Nov 20	Nov 21	-

¹The exercise of these options were funded through the grant of a LRL under the Employee Loan Scheme.

² AASB 2 accounting value determined at grant date as disclosed in note 6(i) per the financial statements.

³ Current price of LRLs determined based on the loan principal plus accrued interest divided by the number of shares exercised.

⁴ Value determined based on the share price at exercise date less exercise price.

Remuneration report (audited)

D. Share based compensation (cont.)

Compensation options (cont.)

30 June 2016	Number	Granted during the period	Vested during the period	Unvested at balance date	Exercised during the period	Cancelled or lapsed during the period	Grant Date	Value per Option/Share at Grant Date ² \$	Exercise Price per share (options)/ Current price per share (loans) ³ \$	Vesting Date	Expiry Date	Value of exercised during the period ⁴ \$
Former other key management personnel												
P Peterson												
- Options	1,250,000	-	-	-	-	100%	Nov 13	0.2943	0.76	Nov 15	Nov 17	-
- Options	1,250,000	-	-	-	-	100%	Nov 13	0.2943	0.76	Nov 16	Nov 17	-
- Options	500,000	-	-	-	-	100%	Nov 14	0.2160	1.08	Nov 16	Nov 18	-
- Options	500,000	-	-	-	-	100%	Nov 14	0.2160	1.08	Nov 17	Nov 18	-

¹ The exercise of these options were funded through the grant of a LRL under the Employee Loan Scheme.

² AASB 2 accounting value determined at grant date as disclosed in note 6(i) per the financial statements.

³ Current price of LRLs determined based on the loan principal plus accrued interest divided by the number of shares exercised.

⁴ Value determined based on the share price at exercise date less exercise price.

Remuneration report (audited)

D. Share based compensation (cont.)

Modification of Terms of Share-based Payment Transactions

A modification of terms of share-based payment transactions occurs when the Board accepts key management personnel's loan request to exercise fully vested options under the Employee Loan Scheme through a LRL in lieu of cash payment of the exercise price. Please refer to Section D. Share based compensation in the Remuneration Report for the details of the modification in share-based payment transactions.

E. Transactions of key management personnel

Shares held in the Company

30 June 2016	Balance at 1 July 2015	Exercise of Options	Net Other Change ¹	Balance at 30 June 2016	Balance held nominally
Directors					
P James	-	-	190,000	190,000	190,000
R Norgard	50,076,295	-	-	50,076,295	50,036,295
R Newman	4,000,000	-	1,000,000	5,000,000	5,000,000
C Rosenberg	2,775,000	-	126,000	2,901,000	2,901,000
I Morris	-	-	-	-	-
Former Directors					
S Crowther ¹	10,000,000	-	-	n/a	n/a
Other key management personnel					
G Beukes	5,755,000	-	-	5,755,000	3,255,000
P Lapstun	5,000,000	-	(500,000)	4,500,000	4,500,000
L Rankin	-	-	-	-	-
J Biviano	-	-	-	-	-
P Quigley	-	-	-	-	-

¹Mr Crowther ceased his employment on 15 October 2015. At the date of cessation of employment, Mr Crowther held 10,000,000 Nearmap shares.

Loan options held in the Company

30 June 2016	Balance at 1 July 2015	Exercise of LRL	Net Other Change ¹	Balance at 30 June 2016	Balance held nominally
Former Directors					
S Crowther ²	10,000,000	(10,000,000)	-	n/a	n/a
Other key management personnel					
G Beukes	5,000,000	-	-	5,000,000	5,000,000
P Lapstun	5,000,000	-	(2,500,000)	2,500,000	2,500,000

¹Includes expired options, cancellations and other acquisitions, transfers and disposals

²Mr Crowther ceased his employment on 15 October 2015. As at the date of cessation of employment, Mr Crowther held 10,000,000 LRLs over 10,000,000 Nearmap shares.

Financial assistance under the Employee Share Option Plan

LRLs advanced to key management personnel during the year ended 30 June 2016 amounted to \$2,317,500 (30 June 2015: \$3,067,500). Interest on the loans during the period has been accrued at rates of between 1.75% and 5.65%.

F. Additional information

The Company has applied fair value measurement provisions of AASB 2 *Share-based Payment* for all options and LRLs granted to Directors and employees. The fair value of such grants is being amortised and disclosed as part of Director and employee remuneration on a straight-line basis over the vesting period. Options granted as part of Director and employee remuneration have been valued using the Black-Scholes Option Pricing Model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. LRLs have also been valued using the Black-Scholes Option Pricing Model.

Refer to note 6(i) per the financial statements for details of share based payments and all new options granted to all employees during the year ended 30 June 2016.

Remuneration report (audited)

G. Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Strike price of options	Number under option
8-Apr-13	9-Apr-17	\$0.172	500,000
12-Apr-13	15-Apr-17	\$0.179	300,000
22-Jul-13	25-Jul-17	\$0.444	200,000
30-Sep-13	2-Oct-17	\$0.544	700,000
21-Nov-13	21-Nov-17	\$0.761	5,000,000
24-Feb-14	24-Feb-18	\$0.730	2,250,000
21-Nov-14	21-Nov-18	\$1.080	2,000,000
8-Dec-14	11-Dec-18	\$0.850	2,650,000
6-Mar-15	6-Mar-19	\$0.790	3,000,000
7-Jul-15	7-Jul-15	\$0.790	300,000
30-Nov-15	30-Nov-19	\$0.560	12,145,000
30-Nov-15	30-Nov-20	\$0.400	400,000
1-Feb-16	31-Jan-21	\$0.390	1,500,000
1-Feb-16	30-Nov-21	\$0.390	1,500,000
18-Mar-16	18-Mar-20	\$0.395	1,500,000
18-Mar-16	18-Mar-20	\$0.551	2,500,000
20-May-16	20-May-20	\$0.680	1,000,000
			37,445,000

This is the end of the audited remuneration report.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 26 and forms part of the Directors' report for the financial year ended 30 June 2016.

Signed in accordance with a resolution of the Directors.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'R Newman', is written over a faint, illegible stamp or background.

Dr R Newman
CEO & Managing Director
23 August 2016



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Nearmap Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Trent Duvall
Partner

Sydney

23 August 2016

Consolidated statement of comprehensive income for the year ended 30 June 2016

	Notes	Consolidated	
		2016 \$'000	2015 \$'000
Revenue	4	30,882	23,702
Other income	4	407	2,422
Total revenue		31,289	26,124
Expenses:			
Employee benefits expense	6	(20,303)	(15,357)
Amortisation and depreciation		(5,642)	(3,137)
Net foreign exchange differences		(90)	398
Other operational expenses	5	(9,947)	(7,401)
Total expenses		(35,982)	(25,497)
(Loss) / profit before tax		(4,693)	627
Income tax expense	7	(2,442)	(1,416)
Loss after tax		(7,135)	(789)
Other comprehensive income:			
Exchange differences on translation of foreign operations		1	(205)
Unrealised loss on cash flow hedges		(31)	(57)
Total comprehensive loss attributable to members of the Company		(7,165)	(1,051)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	14	(2.01)	(0.24)
Diluted loss per share (cents per share)	14	(2.01)	(0.24)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2016

	Notes	Consolidated	
		2016 \$'000	2015 \$'000
CURRENT ASSETS			
Cash and cash equivalents	13	12,189	17,169
Trade receivables	9	4,273	4,316
Other current receivables		1,774	3,540
TOTAL CURRENT ASSETS		18,236	25,025
NON-CURRENT ASSETS			
Plant and equipment	12	6,167	4,381
Intangible assets	11	17,240	11,266
Deferred tax assets	7	2,624	4,697
TOTAL NON-CURRENT ASSETS		26,031	20,344
TOTAL ASSETS		44,267	45,369
CURRENT LIABILITIES			
Trade and other payables		1,339	1,620
Unearned income	4	18,908	15,726
Employee benefits		1,731	1,779
Other current liabilities		1,005	1,069
Current tax liabilities		123	-
TOTAL CURRENT LIABILITIES		23,106	20,194
NON-CURRENT LIABILITIES			
Deferred tax liabilities	7	2,525	2,411
Employee benefits		143	184
TOTAL NON-CURRENT LIABILITIES		2,668	2,595
TOTAL LIABILITIES		25,774	22,789
NET ASSETS		18,493	22,580
EQUITY			
Contributed equity	8	28,779	27,621
Reserves		10,365	8,475
Profits reserve		7,078	7,078
Accumulated losses		(27,729)	(20,594)
TOTAL EQUITY		18,493	22,580

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2016

	Contributed Equity	Accumulated Losses	Profits Reserve	Share Based Payment Reserve	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED						
At 1 July 2015	27,621	(20,594)	7,078	8,737	(262)	22,580
Loss for the year	-	(7,135)	-	-	-	(7,135)
<i>Other comprehensive income:</i>						
Changes in fair value of cash flow hedges	-	-	-	-	(31)	(31)
Exchange differences on translation of foreign operations	-	-	-	-	1	1
Total comprehensive income for the year	-	(7,135)	-	-	(30)	(7,165)
<i>Transactions with owners of the Company:</i>						
Loan share options exercised	1,139	-	-	-	-	1,139
Share options exercised	19	-	-	-	-	19
Share-based payment transactions	-	-	-	1,920	-	1,920
At 30 June 2016	28,779	(27,729)	7,078	10,657	(292)	18,493
	Contributed Equity	Accumulated Losses	Profits Reserve	Share Based Payment Reserve	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED						
At 1 July 2014	27,113	(19,805)	7,078	6,119	-	20,505
Loss for the year	-	(789)	-	-	-	(789)
<i>Other comprehensive income:</i>						
Changes in fair value of cash flow hedges	-	-	-	-	(57)	(57)
Exchange differences on translation of foreign operations	-	-	-	-	(205)	(205)
Total comprehensive income for the year	-	(789)	-	-	(262)	(1,051)
<i>Transactions with owners of the Company:</i>						
Share options exercised	508	-	-	-	-	508
Share-based payment transactions	-	-	-	2,618	-	2,618
At 30 June 2015	27,621	(20,594)	7,078	8,737	(262)	22,580

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the year ended 30 June 2016

	Notes	Consolidated	
		2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		37,286	26,876
Payments to suppliers and employees ¹		(38,703)	(26,947)
Interest received		454	545
Other receipts		-	76
R&D refund received		1,828	-
Income taxes received / (paid)		420	(420)
Net cash from operating activities	13	1,285	130
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(3,035)	(3,164)
Payments for development costs		(4,427)	(3,935)
Proceeds from sale of plant and equipment		72	11
Net cash used in investing activities		(7,390)	(7,088)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		19	508
Proceeds from exercise of loans share options		1,139	-
Transfers to non cash trust deposits		(112)	-
Net cash from financing activities		1,046	508
Net decrease in cash and cash equivalents		(5,059)	(6,450)
Cash and cash equivalents at beginning of year		17,169	23,347
Effect of movement in exchange rates on cash held		79	272
Cash and cash equivalents at end of year	13	12,189	17,169

¹ Includes capture costs in Australia and the US of \$1,964,000 and \$5,350,000 respectively (2015: \$2,091,000, \$2,932,000).

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the year ended 30 June 2016

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. The notes are organised into the following sections:

A. Basis of preparation	B. Key financial results	C. Capital structure & financial risk management	D. Investing activities	E. Other
1. Reporting entity	4. Segment results & revenue	8. Contributed equity	11. Intangibles	14. EPS
2. Significant accounting policies	5. Other operational expenses	9. Financial instruments – fair value and risk management	12. PP&E	15. Commitments
3. Other confirmations	6. Personnel expenses	10. Dividends	13. Cash flow	16. Parent entity information
	7. Income tax			17. Group entities
				18. Auditor's remuneration

A. Basis of preparation

In this section

This section sets out the basis upon which the Group's financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in 2016 or later years. We explain how these changes are expected to impact the financial position and performance of the Group.

The Group's current liabilities exceeded its current assets as at 30 June 2016 by \$4,870,000 including a current liability for unearned income of \$18,908,000. Unearned income includes income received in advance which has been deferred in the statement of financial position until service is performed. The preliminary final report has been prepared on a going concern basis, based on the Group's cash flows for the current year and estimated profits and cash flows for future year.

1. REPORTING ENTITY

Nearmap Ltd (the 'Company') is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian securities exchange.

The Company's registered office is at Level 6, 6-8 Underwood Street Sydney NSW 2000. These consolidated financial statements as at 30 June 2016 comprise the Company and its subsidiaries (collectively referred as the 'Group' and individually 'Group entities').

The Group is a for-profit entity and the nature of the operations and principal activities of the Group are described in the Directors' report. The Group is primarily involved in the provision of online PhotoMap content via its 100% owned subsidiaries Nearmap Australia Pty Ltd and Nearmap US Inc.

The consolidated financial statements for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the Directors on 23 August 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies have been moved next to the respective note disclosure. Other relevant policies are in this section.

a. Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

The Group is of a kind referred to in ASIC Corporations (Rounding in financial/Directors' reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Certain comparative amounts have been reclassified to conform with current year presentation.

b. Changes in accounting policies and new standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for AASB 9 *Financial Instruments*, AASB15 *Revenue from Contracts with Customers*, and AASB 16 *Leases*, which become mandatory for the Group's 2019, 2019 and 2020 consolidated financial statements respectively and could change the classification and measurement of financial instruments, revenue recognition and lease recognition. The Group does not plan to adopt these standards early and the extent of the impact has not been determined.

c. Basis of consolidation

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

When the Company ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d. Significant accounting judgments, estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key judgments and estimates which are material to the financial report are found in the following notes:

- Note 6(i): Share-based payments
- Note 7: Income tax
- Note 11: Intangibles

e. Foreign currencies

(i) Foreign currency transactions

Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars (A\$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following item is recognised in OCI:

- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

3. OTHER CONFIRMATIONS

Contingent liabilities

As at 30 June 2016, the Directors are not aware of any contingent liabilities in relation to the Company or the Group.

Subsequent events

There were no matters or circumstances specific to the Company or the Group that have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the Company or Group's operations in future years;
- the results of those operations in future financial years; or
- the Company or Group's state of affairs in future financial years.

Related parties

Other than the loans granted under the employee loan scheme as disclosed in note 6 per the financial statements, there have been no sales, purchases or other transactions with related parties during the year ended 30 June 2016 (year ended 30 June 2015: nil).

B. Key financial results

In this section

This section explains the results and performance of Nearmap Ltd and provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

- a) Accounting policies that are relevant for understanding the items recognised in the financial statements.
- b) Analysis of the Group's result for the year by reference to key areas, including: segment results and revenue, operational expenses, personnel costs including share-based payments and income tax.

4. SEGMENT RESULTS AND REVENUE

This note provides results by operating segment for the year ended 30 June 2016. Operating segments are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been identified as the Nearmap Board who ultimately makes strategic decisions. This note also provides additional information on revenue, including types of revenue and the respective recognition criteria.

(i) Segment reporting

An overview of the new operating segments is provided below:

Segment	Information
Australia	Responsible for all sales and marketing efforts in Australia.
United States	Responsible for all sales and marketing efforts in the United States.
Corporate	Holds all the IP and product "know-how" which allows Nearmap to deliver its product offering, being online aerial photomapping. The segment facilitates the day to day survey operations globally.

Cost of revenue are all the costs directly attributable to the ongoing delivery of the subscription product, including amortisation of capture costs and technology costs.

Sales and marketing costs include direct in-country costs.

General and administration costs for the Corporate segment represent all operating expenses and product design and uncapitalised development expenses.

The assets and liabilities of the Group are reported and reviewed by the Chief Operating Decision Maker in total and not allocated by operating segment. Therefore, operating segment assets and liabilities are not disclosed.

	Australia \$'000	United States \$'000	Corporate \$'000	Total \$'000
Year ended 30 June 2016				
Total revenue	29,746	1,002	541	31,289
Cost of revenue ¹	(2,828)	(3,036)	-	(5,864)
Gross Profit	26,918	(2,034)	541	25,425
Sales & marketing	(7,774)	(5,755)	-	(13,529)
General & administration	(2,693)	(4,151)	(6,660)	(13,504)
Segment contribution	16,451	(11,940)	(6,119)	(1,608)
Amortisation & depreciation ²				(2,995)
FX Loss				(90)
Income tax expense				(2,442)
Loss after tax				(7,135)
Year ended 30 June 2015				
Total revenue	23,615	11	2,498	26,124
Cost of revenue ¹	(2,891)	(1,322)	-	(4,213)
Gross Profit	20,724	(1,311)	2,498	21,911
Sales & marketing	(5,875)	(1,997)	-	(7,872)
General & administration	(2,774)	(3,342)	(5,549)	(11,665)
Segment contribution	12,075	(6,650)	(3,051)	2,374
Amortisation & depreciation ²				(2,145)
FX Gain				398
Income tax expense				(1,416)
Loss after tax				(789)

¹ Includes amortisation of capitalised capture costs

² Includes amortisation and depreciation of business combinations and global assets

Accounting policy – revenue recognition and measurement

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific revenue recognition criteria must also be met before revenue is recognised:

Subscription revenue

Subscription revenue is recognised over the life of the contract in line with when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, and the amount of revenue can be measured reliably. The timing of the transfer of risks and rewards varies depending on the individual terms of the subscription agreement.

On-demand revenue

On-demand revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to percentage area captured to date as a percentage of the total estimated capture area for each contract.

Royalty income

Royalty income is earned through third parties who sell Nearmap imagery on behalf of the Group. It is recognised when the contract of sale between the parties have been signed.

Grant income

Grant income is the New South Wales payroll grant of \$134,000 received from Office of State Revenue. It is recognised when incremental headcounts are hired for new jobs created.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Unearned revenue

Prepaid amounts received from customers in advance are deferred to the relevant future subscription agreement periods. Unearned revenue comprises photo mapping subscription license service fees charged, the revenue for which is primarily recognised in the profit or loss over the subscription period. Unearned revenue at 30 June 2016 was \$18,908,000 (2015: \$15,726,000).

(ii) Total revenue

	Consolidated	
	2016	2015
	\$'000	\$'000
Subscription revenue	30,592	23,432
On-demand revenue	75	194
Royalty income	81	-
Grant income	134	76
	30,882	23,702
Interest income	407	594
R&D tax credit	-	1,828
	407	2,422
Total revenue	31,289	26,124

5. OTHER OPERATIONAL EXPENSES

	Consolidated	
	2016	2015
	\$'000	\$'000
Servicing and processing costs	1,790	1,241
Operating lease expenses	917	452
Travel and office costs	1,560	1,836
Audit, consulting and legal fees	1,652	1,896
Insurance costs	304	232
Marketing costs	1,532	410
Subscription costs	1,128	655
All other operating expenses	1,064	679
	9,947	7,401

6. PERSONNEL EXPENSES

Personnel disclosures include information on (i) share-based payments, (ii) employee benefits expense and (iii) key management personnel.

(i) Share-based payments

An Employee Share Option Plan has been established whereby Directors and certain employees of the consolidated entity may be issued with options over the ordinary shares of the Company. The options, which are usually issued for nil consideration at an exercise price calculated with reference to prevailing market prices, are issued in accordance with terms established by the Directors of the Company. The options are generally issued for 4 years and are exercisable on various dates (usually in 2 or 3 equal annual tranches when vested) within 4 years from the issue date. The options cannot be transferred without the approval of the Company's board and are not quoted on the ASX.

Nearmap's Employee Share Option Plan also includes an Employee Loan Scheme that permits Nearmap to grant financial assistance to employees by way of LRLs to enable them to exercise options and acquire shares.

Key estimates and judgments

The Group estimates the fair value of equity-settled transactions (share options and LRLs at the date at which they are granted. The fair value is determined using the Black-Scholes model and includes assumptions in the following areas: risk free rate, volatility and estimated service periods. The expected life of the options is based on historical data and not necessarily indicative of exercise patterns than may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be actual outcome. No other features of options granted were incorporated into the measurement of fair value. There are no voting or dividend rights attached to the options.

Accounting policy - recognition and measurement of share-based payments

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions') if applicable.

The fair value of equity-settled transactions is recognised, together with the corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting period').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

The profit or loss charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

A modification of terms of share-based payment transactions occurs when the Board accepts a loan request submitted by an employee of the Group to exercise fully vested options under the Employee Loan Scheme through a LRL in lieu of cash payment of the exercise price. Since the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Expenses arising from share-based payment transactions during the year was \$1,920,000 (2015: \$2,618,000).

The following table lists the options and LRLs granted and the inputs to the model used to measure their fair value for the years ended 30 June 2016 and 30 June 2015 to key management personnel:

Model inputs to share option and LRL grants 30 June 2016 (key management personnel)							
Grant date	Expiry date	Exercise price² \$	Number of options / LRLs granted	Fair value at grant date \$	Expected price volatility %	Risk free interest rate %	Expected life (years)
<i>30-Jun-15</i>							
21-Nov-14	21-Nov-18	1.08	5,000,000	0.2160	60	2.77	2.75
1-Dec-14	1-Dec-17	0.09	5,000,000	0.5934	75	2.35	3
10-Mar-15	10-Mar-18	0.18	2,500,000	0.3792	75	1.96	3
27-Mar-15	27-Mar-18	0.09	1,000,000	0.4839	75	1.78	3
17-Apr-15	17-Apr-18	0.49	1,500,000	0.2980	75	1.79	3
17-Apr-15	17-Apr-18	0.63	1,500,000	0.2628	75	1.79	3
<i>30-Jun-16</i>							
30-Nov-15	30-Nov-19	0.56	4,500,000	0.1135	53	2.19	3.5
30-Nov-15	30-Nov-19	0.56	4,750,000	0.1157	53	2.19	3.5
31-Jan-16	31-Jan-21	0.39	3,000,000	0.1486	53	1.89	3.5
18-Mar-16	18-Mar-20	0.40	1,500,000	0.1547	53	1.89	3.5
18-Mar-16	18-Mar-20	0.55¹	2,500,000	0.1125	53	2.05	3.5
20-May-16	20-May-20	0.68	1,000,000	0.1532	58	1.73	3.5

¹These relate to grants of LRLs to key management personnel under the Employee Loan Scheme.

²The exercise price of LRLs is determined based on the loan principal plus accrued interest divided by the number of shares exercised.

The following table lists the options and LRLs granted and the inputs to the model used to measure their fair value for the years ended 30 June 2016 and 30 June 2015 to other executives:

Model inputs to share option and LRL grants 30 June 2016 (Other Executives)							
Grant date	Expiry date	Exercise price ² \$	Number of options / LRLs granted	Fair value at grant date \$	Expected price volatility %	Risk free interest rate %	Expected life (years)
<i>30-Jun-15</i>							
11-Dec-14	11-Dec-18	0.85	4,050,000	0.1608	57	2.77	2.75
23-Dec-14	23-Dec-17	0.08	400,000	0.5734	75	2.25	3
6-Mar-15	6-Mar-19	0.79	3,000,000	0.1453	56	1.98	2.75
6-Mar-15	6-Mar-20	0.56	2,710,000	0.2037	56	1.98	2.75
24-Jun-15	24-Jun-18	0.09	200,000	0.5435	75	2.06	3
30-Jun-16							
7-Jul-15	30-Jun-19	0.79	700,000	0.1631	54	2.08	3.5
30-Nov-15	30-Nov-19	0.56	3,295,000	0.1157	53	2.19	3.5
30-Nov-15	30-Nov-20	0.40	400,000	0.1553	53	2.19	3.5

¹These relate to grants of LRLs to other executives under the Employee Loan Scheme.

²The exercise price of LRLs is determined based on the loan principal plus accrued interest divided by the number of shares exercised.

The following table lists the roll-forward in number of options for the years ended 30 June 2016 and 30 June 2015 for key management personnel and other executives combined:

Reconciliation of options issued under Employee Share Option Plan 30 June 2016						
	Balance at 1 July	Granted	Forfeited	Exercised	Balance at 30 June	Vested & exercisable
<i>30-Jun-15</i>						
Total number of options	35,750,000	14,760,000	(1,805,000)	(18,150,000)	30,555,000	1,950,000
Weighted average price \$	0.37	0.86	0.6	0.14	0.79	0.32
30-Jun-16						
Total number of options	30,555,000	21,645,000	(14,005,000)	(750,000)	37,445,000	6,025,000
Weighted average price \$	0.79	0.53	0.57	0.14	0.64	0.69

LRLs advanced to key management personnel

LRLs advanced to key management personnel during the year ended 30 June 2016 amounted to \$2,317,000 (30 June 2015: \$3,068,000). Loans are interest bearing and interest accrues daily. Interest on the loans during the period has been accrued at rates of between 1.75% and 5.65%. Loans are repayable three years after the issue date subject to the total share value being greater than the loan's principal plus accrued interest. No loans to key management personnel were repaid during the year.

Details in relation to key management personnel, including remuneration paid, are included in the remuneration report section of the Director's report.

LRLs advanced to other executives

LRLs advanced to other executives during the year ended 30 June 2016 amounted to \$86,000 (30 June 2015: \$45,000). Loans are interest bearing and interest accrues daily. Interest on the loans during the period has been accrued at rates of between 1.75% and 5.65%. Loans are repayable four years after the issue date subject to the total share value being greater than the loan's principal plus accrued interest. No loans to other executives were repaid during the year.

(ii) Employee benefits expense

	Consolidated	
	2016	2015
	\$'000	\$'000
Share based payment expense	1,920	2,618
Defined contribution plan expense	1,044	779
Other employee benefits expenses	17,339	11,960
	20,303	15,357

(iii) Key management personnel disclosures

	Consolidated	
	2016	2015
	\$'000	\$'000 ¹
Short-term employee benefits	2,612	1,658
Short-term employee bonus	736	583
Long-term employee benefits	11	21
Post-employment benefits	148	122
Share-based payments	1,508	2,181
	5,015	4,565

¹ Mr J Biviano and Ms L Rankin became key management personnel in the current year. The comparatives have been amended to include their respective remuneration in the prior year.

7. INCOME TAX

Key estimates and judgments

Deferred tax

Pursuant to AASB 112 *Income Taxes*, the Company has assessed its best estimate of the probability that future taxable profits will be available against which the Group can utilise its unused tax losses and deductible temporary differences in future periods.

Accounting policy - recognition and measurement of income tax

Research and development tax incentive

The Group accounts for the benefit of refundable research and development tax incentives as government grant income, which is recognised when there is reasonable assurance that the Group will comply with the conditions that attach to the incentive and that it will be received. The income is recognised in Other Income on a systematic basis over the periods in which the Group recognises the related research and development expense. The Group accounts for any non-refundable research and development tax credits as an income tax benefit.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit and loss.

Tax consolidation

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Nearmap Ltd, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

	Consolidated	
	2016	2015
	\$'000	\$'000
Income tax expense		
Current tax expense	(869)	(194)
Deferred tax expense	(1,573)	(1,222)
	(2,442)	(1,416)
Numerical reconciliation of income tax expense to prima facie tax payable		
(Loss) / profit before income tax	(4,693)	627
Tax at the Australian tax rate of 30% (2015: 30%)	1,408	(188)
Tax effect of amounts which are not deductible in calculating taxable income:		
R&D grant	266	955
Effect of higher tax rate in the US	600	347
Shared based payments expense	(532)	(788)
Entertainment expenses	(79)	(5)
Other non-deductible expenses	31	(1,737)
Current year losses for which no deferred tax asset is recognised	(4,320)	-
Over provision in the prior year	184	-
	(2,442)	(1,416)

	Balance at 1 July	Recognised in the statement of profit or loss	Change in recognised amount	Balance at 30 June	Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax balances						
2016						
R&D credits carry forward	-	2,102	(743)	1,359	-	1,359
Tax losses	4,300	(1,875)	(468)	1,957	1,957	-
Unearned revenue	39	-	388	427	427	-
Provisions and other accruals	341	240	168	749	255	494
Plant and equipment	(52)	(2)	836	782	(15)	797
Intangible assets	(2,359)	(1,947)	(838)	(5,144)	-	(5,144)
Other	-	18	22	40	-	40
Derivative instruments	17	-	21	38	-	38
Unrealised Foreign Exchange Loss	-	(109)	-	(109)	-	(109)
Net tax assets/(liabilities)	2,286	(1,573)	(614)	99	2,624	(2,525)

	Balance at 1 July	Recognised in the statement of profit or loss	Change in recognised amount	Balance at 30 June	Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax balances						
2015						
Tax losses	-	4,597	(297)	4,300	4,300	-
Unearned revenue	4,020	(3,983)	2	39	39	-
Provisions and other accruals	285	51	5	341	341	-
Plant and equipment	(57)	(1,888)	1,893	(52)	-	(52)
Intangible assets	(464)	-	(1,895)	(2,359)	-	(2,359)
Prepayments	(2)	1	1	-	-	-
Derivative instruments	-	-	17	17	17	-
Net tax assets/(liabilities)	3,782	(1,222)	(274)	2,286	4,697	(2,411)

C. Capital structure and financial risk management

In this section

This section outlines how Nearmap manages its capital structure and discusses the Group's exposure to various financial risks and how the Group manages these risks.

Capital Risk Management

The Group's objective in managing capital is to safeguard its ability to continue as a going concern, so it can continue to commercialise intellectual property with the ultimate objective of providing returns to shareholders whilst maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may issue new shares, sell assets, consider joint ventures and may return capital in some form to shareholders.

8. CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Details in relation to share option movements and the share incentive scheme are contained in note 6.

	2016		2015	
	Number of shares	\$,000	Number of shares	\$,000
Movement in shares on issue				
Balance at the beginning of the year	355,496,101	27,621	337,346,101	27,113
Issue of shares during the year	-	-	-	-
Issued from exercise of share options	250,000	19	6,050,000	508
Issued from exercise of loans share options	500,000	-	12,100,000	-
Repayment of loans	-	1,139	-	-
Balance at the end of the year	356,246,101	28,779	355,496,101	27,621

Terms and conditions of contributed equity

Ordinary shares:

Ordinary shares have the right to receive dividends as declared and in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held.

9. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Accounting policy – financial instruments carried at fair value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of these instruments is categorised into different levels of the fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period which the transfer has occurred.

Accounting policy – derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. These derivative instruments are designated as cash flow hedging instruments. The effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivatives is immediately recognised in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

The Group's principal financial instruments comprise cash, short-term deposits and derivatives. The Group is primarily exposed to the following risks arising from financial instruments:

- Market risk, particularly in relation to foreign currencies (see 9(ii));
- Credit risk (see 9(iii)).

This note provides information about the Group's exposure to the above risks and its objectives, policies and processes for measuring and managing those risks.

(i) Risk management framework

The Company's board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of Directors have established the Audit and Risk Management Committee which is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market and the Group's activities.

(ii) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The Group uses derivatives to manage market risk related to foreign currencies. All such transactions are carried out within the guidelines of the Group's risk management policies.

Currency risk

The Group's functional currency is the Australian dollar (AUD) and it is exposed to currency risk on payments denominated in the United States dollar (USD). The Group uses forward exchange contracts to hedge its currency risk, all of which have a maturity of less than six months from the reporting date. The currency risk relating to payments denominated in USD have been fully hedged, with the forward exchange contracts maturing on the same dates that the forecast payments are expected to occur. These contracts are designated as cash flow hedges.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary.

Exposure to foreign currency risk

The summary quantitative data about the Group's exposure to foreign currency risk is as follows:

	Consolidated	
	2016	2015
	USD'000	USD'000
Cash and cash equivalents	1,960	2,110
Receivables and other assets	288	344
Payables and other liabilities	851	980
Gross exposure	3,099	3,434

The following significant exchange rates applied during the year

	Average Rate		Year End Spot Rate	
	2016	2015	2016	2015
USD	0.7283	0.8382	0.7426	0.7680

Sensitivity Analysis:

A 10 percent strengthening or weakening of the Australian to US dollar exchange rate would have increased / (decreased) the net assets denominated in foreign currencies by the following amounts:

	Consolidated	
	2016	2015
	\$'000	\$'000
10%	(171)	(174)
-10%	209	213

Interest rate risk

The Group is exposed to changes in interest rates as it relates to the Company's short-term deposits. The Company monitors changes in interest rates regularly to ensure the best possible return on deposits. Changes to interest rates in this context are not considered a significant financial risk.

(iii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and forward exchange contracts. The Group trades primarily with recognised, creditworthy third parties.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

Ageing profile of trade receivables	Consolidated	
	2016	2015
	\$'000	\$'000
Current	4,119	4,202
31 to 60 days overdue	33	91
Over 61 days overdue	68	16
Over 90 days overdue	225	19
Impairment loss	(172)	(12)
	4,273	4,316

Cash and cash equivalents

The Group held cash and cash equivalents with bank and financial institution counterparties which are rated BBB or above based on Standards & Poors ratings.

Derivatives

The forward exchange contracts are entered into with bank institutions which are rated BBB or above based on Standards & Poors ratings and are authorised in accordance with our Foreign Exchange Risk Management Policy.

The carrying amount of the Group's financial assets represents maximum credit exposure and is as follows:

	Consolidated	
	2016	2015
	\$'000	\$'000
Cash and cash equivalents	12,189	17,169
Trade receivables	4,273	4,316
Prepayments and other receivables	1,774	3,540

Accounting policy – trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 7 – 60 days. The Group has no reliance on any major customers.

Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account for impairment is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms (such as significant financial difficulties of the debtor, probability of bankruptcy, etc). The amount of the impairment loss is recognised in profit or loss within other expenses.

When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash and funding requirements. The Group continually monitors forecast and actual cash flows and the maturity profiles of assets and liabilities to manage its liquidity risk.

(iv) Fair values

The fair values of other financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, at 30 June 2016 and 30 June 2015 is detailed below.

	2016		2015	
	\$'000 Carrying amount	\$'000 Fair value	\$'000 Carrying amount	\$'000 Fair value
Financial liabilities				
Forward exchange contracts used for hedging ¹	(126)	(126)	(57)	(57)

¹ The forward exchange contracts are not quoted in active markets as they are not traded on a recognised exchange. Instead, the Group uses valuation techniques (present value techniques) which use both observable and unobservable market inputs. As these financial instruments use valuation techniques with unobservable inputs that are not significant to the overall valuation, these instruments are included in Level 2 of the fair value hierarchy. There were no transfers between levels of the fair value hierarchy during the year-ended 30 June 2016. The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables because their carrying amounts are a reasonable approximation of fair values.

10. DIVIDENDS PAID ON ORDINARY SHARES

	Consolidated	
	2016 \$'000	2015 \$'000
No dividends were paid or proposed for the year ending 30 June 2016 (2015: nil).	-	-

Franking credit balance

The amount of franking credits available for the subsequent financial year are:

Franking account balance as at the beginning of the financial year at 30% (2015: 30%)	-	-
Franking credits utilised through the receipt of R&D credits as at the end of the financial year	-	-
	-	-

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

D. Investing activities**In this section**

This section outlines Nearmap's investment in intangible assets and property, plant and equipment as well as a broader discussion on the entity's cash flows.

11. INTANGIBLES**Key estimates and judgments***Capture costs*

Pursuant to AASB 138 *Intangible Assets*, the Company has assessed its best estimate of the probability that the expected future economic benefits attributable to the Group's digital imagery will flow to the entity. As a result, capture costs directly attributable and necessary to create and upload digital imagery online have been recognised as an intangible asset. Capture costs capitalised are being amortised over a period of 5 years. Amortisation of capture costs has been included within 'depreciation and amortisation expenses' in the statement of profit or loss and other comprehensive income.

Impairment of assets

The Group assesses impairment at each reporting date by evaluation of conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates, including forecasting of profits, cash flows, and discount rates.

Accounting policy - impairment of assets

The Group assesses at each reporting period whether there is an indication that an asset (other than goodwill or intangibles with indefinite useful life) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent

of those from other assets or groups of assets and the assets value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in estimate used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Accounting policy - recognition and measurement of intangibles

Research and development costs

Intangible assets acquired separately are capitalised at cost and those arising from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The amortisation period and method for intangible assets are reviewed at least annually to determine if the useful lives should be changed. Where there is an expectation that the period or method does not match the consumption of the economic benefits embedded within the asset, the useful life of the asset will be amended to reflect this change.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of intangibles under development impairment is tested annually or at each reporting period where an indicator exists, at the cash-generating unit level.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Research costs and costs that do not meet the definition of development costs for the purpose of the standard are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment rises during the reporting period.

A summary of the amortisation applied to the Group's intangible assets is as follows:

Development costs, patents, capture costs and licences

Useful lives Finite (generally for a period of 5 – 20 years).

Amortisation method used Amortised over the period of expected future benefit. The expected useful life is reviewed annually.

Internally generated or acquired and internally generated.

Impairment testing Annually as at 30 June for assets not yet available for use and more frequently when an indication of impairment exists.

The patents and licences have been granted or are expected to be granted for a minimum of 20 years by the relevant government agency with the option of renewal without significant cost at the end of this period provided that the Group meets certain predetermined targets. Accordingly, the patents and licences have been determined to have finite useful lives.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate the carrying value may be impaired.

All goodwill acquired through business combinations has been allocated to the nearmap.com cash generating unit. The recoverable amount of the nearmap.com cash generating unit has been determined based on a value-in-use calculation using cash flow projections based on board approved budgets and a 4 year forecast period approved by senior management. No impairment was recognised at 30 June 2016 (2015: nil).

	Goodwill \$'000	Development costs \$'000	Capture costs \$'000	Other \$'000	Total \$'000
Reconciliation of carrying amount as at 30 June 2016					
Balance at the beginning of the year	135	5,358	5,125	648	11,266
Additions	-	3,872	7,135	555	11,562
Amortisation	-	(2,825)	(1,913)	(363)	(5,101)
Transfers to Plant and equipment (at net book value)	-	(526)	32	7	(487)
Closing balance at the end of the year	135	5,879	10,379	847	17,240
At 30 June 2016					
Cost	135	13,783	13,018	1,408	28,344
Accumulated amortisation	-	(7,904)	(2,639)	(561)	(11,104)
Closing net book amount	135	5,879	10,379	847	17,240

	Goodwill \$'000	Development costs \$'000	Capture costs \$'000	Other \$'000	Total \$'000
Reconciliation of carrying amount as at 30 June 2015					
Balance at the beginning of the year	135	4,166	745	222	5,268
Additions	-	3,431	5,023	591	9,045
Amortisation	-	(2,239)	(643)	(165)	(3,047)
Closing balance at the end of the year	135	5,358	5,125	648	11,266
At 30 June 2015					
Cost	135	13,480	5,862	853	20,330
Accumulated amortisation	-	(8,122)	(737)	(205)	(9,064)
Closing net book amount	135	5,358	5,125	648	11,266

12. PLANT AND EQUIPMENT**Accounting policy – plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated over the estimated useful life of the assets, between 2 and 10 years, on a straight line basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) De-recognition and disposal

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	Office equipment & furniture \$'000	Camera systems \$'000	Total \$'000
Reconciliation of carrying amount as at 30 June 2016			
Balance at the beginning of the year	519	3,862	4,381
Additions	665	2,390	3,055
Disposals	-	(114)	(114)
Depreciation	(380)	(1,262)	(1,642)
Transfers from Intangible assets (at net book value)	20	467	487
Closing balance at the end of the year	824	5,343	6,167
At 30 June 2016			
Cost	1,844	10,872	12,716
Accumulated depreciation	(1,020)	(5,529)	(6,549)
Closing net book amount	824	5,343	6,167

	Office equipment & furniture \$'000	Camera systems \$'000	Total \$'000
Reconciliation of carrying amount as at 30 June 2015			
Balance at the beginning of the year	233	1,169	1,402
Additions	470	3,129	3,599
Disposals	(10)	-	(10)
Depreciation	(174)	(436)	(610)
Closing balance at the end of the year	519	3,862	4,381
At 30 June 2015			
Cost	922	5,101	6,023
Accumulated depreciation	(403)	(1,239)	(1,642)
Closing net book amount	519	3,862	4,381

13. CASH FLOW STATEMENT

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Cash at banks and short term deposits earn interest at floating rates based on daily bank deposit rates.

The Company had no financing facilities as of 30 June 2016 (2015: nil).

	Consolidated	
	2016	2015
	\$'000	\$'000
Reconciliation of the net loss to the net cash flows from operations		
Loss after tax	(7,135)	(789)
<i>Adjustment for non-cash items</i>		
Amortisation and depreciation	6,747	3,658
Capitalised amortisation and depreciation	(1,105)	(522)
Net unrealised exchange differences	10	(480)
Share based payment expense	1,920	2,618
Loss on disposal of non-current assets	42	-
<i>Changes in assets and liabilities</i>		
Payables and other current liabilities	2,806	2,710
Receivables	1,809	(4,561)
Provision for employee benefits	(89)	1,023
Other non-current assets	(6,030)	(5,023)
Income tax	2,310	1,496
Net cash from operating activities	1,285	130
Reconciliation of cash		
Cash equivalents comprises		
Cash at bank and on hand	5,319	4,665
Short term deposits at call	6,870	12,504
	12,189	17,169

E. Other**In this section**

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however are not considered critical in understanding the financial performance or position of the Group.

14. EARNINGS PER SHARE

Basic earnings per share is calculated as net profit/loss attributable to shareholders, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to shareholders, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	Consolidated	
	2016	2015
	\$'000	\$'000
Net loss attributable to ordinary equity holders	(7,135)	(789)
Net loss used in calculating diluted earnings per share	(7,135)	(789)
	Number of shares	Number of shares
Weighted average number of ordinary shares on issue used in the calculation of basic profit per share	355,572,813	330,667,744
Weighted average number of ordinary shares on issue used in the calculation of diluted profit per share	355,572,813	330,667,744
Earnings per share attributable to the ordinary equity shareholders of the Company:		
Basic loss per share (cents per share)	(2.01)	(0.24)
Diluted loss per share (cents per share)	(2.01)	(0.24)

The options granted to employees are considered to be ordinary shares and are included in the determination of diluted earnings per share to the extent to which they are dilutive.

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

15. EXPENDITURE COMMITMENTS**Accounting policy – leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

Expenditure commitments

There are no capital expenditure commitments or hire purchase commitments contracted at 30 June 2016 (2015: nil).

	2016	2015
	\$'000	\$'000
Operating lease commitments		
Minimum lease payments		
- Not later than one year	1,176	330
- Later than one year and no later than five years	2,076	67
Aggregate lease expenditure contracted for at reporting date	3,252	397

Operating lease commitments relate primarily to commercial office premises and IT related leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

16. PARENT ENTITY INFORMATION

	2016 \$'000	2015 \$'000
Financial position information relating to the Company		
Current assets	22,240	21,057
Total assets	22,454	21,271
Current liabilities	(187)	(101)
Total liabilities	(188)	(101)
Net assets	22,266	21,170
Contributed equity	28,779	27,621
Reserves	10,533	8,680
Accumulated losses	(17,046)	(15,131)
Total shareholder equity	22,266	21,170
Loss and total comprehensive income of the parent entity	(1,914)	(2,844)

Information relating to the Company

The parent entity has not entered into any guarantees with its subsidiaries.

Details of the contingent liabilities of the Group are contained in note 3. There are no contingent liabilities of the parent entity.

Details of the contractual commitments of the Group are contained in note 15. There are no contractual commitments of the parent entity.

Wholly owned Group transactions

Loans made by the Company to and from wholly-owned subsidiaries are repayable on demand and unsecured. No interest is charged on the loans (2015: nil).

	2016 \$'000	2015 \$'000
Loans to wholly-owned subsidiaries		
Beginning of the year	8,380	961
Loans advanced	7,583	7,770
Loan repayments	(534)	(351)
End of the year	15,429	8,380

17. GROUP ENTITIES

The consolidated financial statements incorporate the assets, liabilities of the following subsidiaries in accordance with the accounting policy described in note 2:

Name of entity	Country of incorporation	Equity holding	
		2016 %	2015 %
QPSX Communications Pty Ltd	Australia	100	100
Nearmap Australia Pty Ltd	Australia	100	100
IPR 8 Pty Ltd	Australia	100	100
Ipernica Ventures Pty Ltd	Australia	100	100
Ipernica Holdings Pty Ltd	Australia	100	100
Nearmap USA Pty Ltd	Australia	100	100
Nearmap Aerospace Inc.	United States	100	100
Nearmap US, Inc.	United States	100	100
Nearmap Remote Sensing US, Inc.	United States	100	-

18. AUDITOR'S REMUNERATION

During the year, the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	Consolidated	
	2016	2015
	\$'000	\$'000
Audit services paid to KPMG		
- an audit or review of the financial statements of the entity	92	81
Remuneration paid to KPMG for audit services	92	81
Non-audit services paid to KPMG		
- other assurance matters for the entity and any other entity in the consolidated Group	18	-
- taxation advisory for the entity and any other entity in the consolidated Group	89	79
- other advisory for the entity and any other entity in the consolidated Group	54	48
Remuneration paid to KPMG for non-audit services	161	127

Directors' declaration

In accordance with a resolution of the Directors of the Company, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001 and other mandatory professional reporting standards; and
- (b) the Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) the remuneration disclosures set out in the Directors' report (as part of audited remuneration report) for the year ended 30 June 2016, comply with section 300A of the Corporations Act 2001.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2016.

On behalf of the Board



Dr R Newman
CEO & Managing Director

Sydney
23 August 2016



Independent auditor's report to the members of Nearmap Ltd

Report on the financial report

We have audited the accompanying financial report of Nearmap Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2016, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Auditor's opinion

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included in pages 10 to 24 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Nearmap Ltd for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Trent Duvall
Partner

Sydney

23 August 2016

Corporate information

Nearmap Ltd

ABN 37 083 702 907

Directors

Peter James (Non- executive Chairman)

Ross Norgard (Non-executive Director)

Ian Morris (Non-executive Director)

Cliff Rosenberg (Non-executive Director)

Rob Newman (CEO & Managing Director)

Company Secretary

Shannon Coates

Registered Office

Level 6, 6-8 Underwood Street

Sydney NSW 2000

Website

<http://www.nearmap.com>

Solicitors

DLA Piper

Bankers

Commonwealth Bank of Australia

Wells Fargo

Share Registry

Computershare Registry Services Pty Ltd

Level 11, 172 St Georges' Terrace

Perth WA 6000

Auditors

KPMG Australia

Tower Three,

International Towers Sydney

300 Barangaroo Avenue

Sydney NSW 2000