Results Presentation

Half year results to 31 December 2015

10 February 2016

Images delivered within days of capture

Traditional (Australia 45 days – US 6 months)

tnearmap (3-5 days)

3mo 6mo 9mo 1yr

George Street, Sydney NSW

High resolution imagery enables effective decision making.
Current.
Clear.
Change.

Track change over time

Elizabeth Quay, Perth WA
1. Results Highlights
2. nearmap Today
3. Financial Update
4. Summary & Outlook
• Accelerating growth in Australian subscription revenues.
• Seeing positive returns on targeted marketing spend in Australia.
• High gross margins, capital-light and strong free cash flows in Australian business model.
• Ongoing investment in US growth, building the foundations.
• Maintaining our technology leadership with disciplined R&D investment.
• Reaffirming the opportunities for growth and high returns in both the Australian and US markets.
nearmap Today

Cloud based, scalable, disruptive geospatial imaging platform

Compelling customer value proposition based on coverage, frequency and clarity

Subscription revenue model with recurring annuity income and minimal churn

Growing AGV in AU at $30m

First complete capture and processing of next generation imagery at commercial quality

Significant technology leadership

Compelling business case across many industries

Expanding aerial imagery market to new users

123 employees: 33 AU commercial, 16 US commercial, 40 R&D

Expanding aerial imagery market to new users

150M population coverage in the US

222M population coverage in Australia

Strong balance sheet and high gross margin business model

Experienced board and management. New CEO

22M population coverage in the US

150M population coverage in Australia

Strong balance sheet and high gross margin business model

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222M population coverage in Australia

Strong balance sheet and high gross margin business model

Experienced board and management. New CEO
Enhanced leadership team with experienced, growth oriented board and executive team members joining in H1 FY16 with on the ground presence in the US.

**Board**
- Ross Norgard, Chairman
- Peter James, Deputy Chairman
- Cliff Rosenberg, Non-Executive Director
- Ian Morris, Non-Executive Director (US)

**Executive**
- Dr Rob Newman, Chief Executive Officer & Managing Director
- Gerhard Beukes, Chief Operating Officer & Chief Financial Officer
- Paul Lapstun, Chief Technology Officer
- Leah Rankin, Vice President – Product & Engineering
- John Biviano, Senior Vice President & General Manager, Australia
- Patrick Quigley, Senior Vice President & General Manager, US

**Team of 123 worldwide**
- Australia 99
- US 24
Success Across Industries in Australia

- Australian run-rate subscription portfolio under management of $30M i.e. achieved previous market guidance.
- Strong penetration across industries in Australia with growth particularly in the SME and Enterprise markets.
- Focus on core competitive strengths in the B2B market. Moving personal users to SME products.
Significant opportunity to expand within existing customers and to reach new customers.

Continued investment in sales & marketing:

- Drive adoption in customers who have not traditionally utilised aerial imagery;
- Increase brand awareness; and
- Identify new customers.

Total Addressable Market (TAM)

- External estimate of geospatial image acquisition and processing market in Australia of $235M in 2015 (1).
- Estimate likely does not reflect the market expansion nearmap’s subscription platform creates.

Building the Foundations in the US

- Appointment of Patrick Quigley as Senior Vice President & General Manager, US.

- Following first commercial sales in H2 FY15, ACV of AUD$1M achieved by 31 December 2015, with continued quarter on quarter growth.

- Significant progress in positioning compared to our main US competitor:

<table>
<thead>
<tr>
<th></th>
<th>Nearmap</th>
<th>Pictometry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planes</td>
<td>11</td>
<td>c. 95</td>
</tr>
<tr>
<td>Population Coverage</td>
<td>55%</td>
<td>c. 80%</td>
</tr>
<tr>
<td>Frequency</td>
<td>Multiple per year</td>
<td>1 – 5 years</td>
</tr>
<tr>
<td>Images</td>
<td>Ortho</td>
<td>Ortho and Oblique</td>
</tr>
</tbody>
</table>

- Increased focus on early market opportunities:
  - Align marketing spend to key market opportunities.
  - Early stage focus on market share gains to drive initial large sales (city and county government and solar); and
  - Investment in developing the emerging market of new users, leveraging AU strengths and learnings (construction & engineering, in particular civil and property management).
### Building the Foundations in the US

#### Achieved to date

- Imagery commercially available
- Footprint covering 50% of the US population
- Generated AUD$1M in ACV
- Obtained key learnings and networks in the market

#### Building foundation in H2 FY16

- Sales leadership
- Marketing focus
- Deliver Product based on HyperCamera 2
- Larger revenue opportunities based on share gains
- Building awareness in the emerging market for customers new to imagery

#### End of FY16

- 27 FTE
- Highly competitive product suite
- Compelling offering
- Marketing capability to address key verticals

#### Phase 2 Accelerator

- Rapid growth in ACV
- c. 30 FTE
- Highly scalable business model
- Increased population coverage for similar cost
- Enriching value in the product set
## Financial Update

### Group P & L

<table>
<thead>
<tr>
<th></th>
<th>1H 16</th>
<th>2H 15</th>
<th>1H 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Revenue</td>
<td>13.8M</td>
<td>12.2M</td>
<td>11.2M</td>
</tr>
<tr>
<td>Total Revenue (1)</td>
<td>14.1M</td>
<td>14.4M</td>
<td>11.7M</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>(11.0)M</td>
<td>(8.9)M</td>
<td>(6.5)M</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(2.7)M</td>
<td>(2.4)M</td>
<td>(1.3)M</td>
</tr>
<tr>
<td>Net foreign exchange differences</td>
<td>0.6M</td>
<td>0.5M</td>
<td>(0.1)M</td>
</tr>
<tr>
<td>Other operational expenses</td>
<td>(5.0)M</td>
<td>(3.8)M</td>
<td>(3.1)M</td>
</tr>
<tr>
<td>Net (loss)/profit after tax</td>
<td>(3.3)M</td>
<td>(1.1)M</td>
<td>0.3M</td>
</tr>
</tbody>
</table>

(1) Includes receipt of government tax refund of $1.8M in 2H 15

### Key Metrics (AU)

<table>
<thead>
<tr>
<th></th>
<th>1H 16</th>
<th>2H 15</th>
<th>1H 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Revenue</td>
<td>13.6M</td>
<td>12.2M</td>
<td>11.2M</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>12.3M</td>
<td>10.6M</td>
<td>10.1M</td>
</tr>
<tr>
<td>EBIT</td>
<td>8.6M</td>
<td>7.7M</td>
<td>7.2M</td>
</tr>
<tr>
<td>EBIT – fully costed</td>
<td>7.0M</td>
<td>6.3M</td>
<td>5.8M</td>
</tr>
</tbody>
</table>

### Key Metrics (US)

<table>
<thead>
<tr>
<th></th>
<th>1H 16</th>
<th>2H 15</th>
<th>1H 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Revenue</td>
<td>0.2M (3)</td>
<td>* (2)</td>
<td>--</td>
</tr>
</tbody>
</table>

(1) Includes receipt of government tax refund of $1.8M in 2H 15

(2) Revenue less than $50k

(3) ACV of $1M
## Geographic Breakdown

<table>
<thead>
<tr>
<th></th>
<th>1H 16</th>
<th>AU</th>
<th>US</th>
<th>Global</th>
<th>1H 15</th>
<th>AU</th>
<th>US</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Revenue</td>
<td>13.8M</td>
<td>13.6M</td>
<td>0.2M</td>
<td>--</td>
<td>11.2M</td>
<td>11.2M</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>On-Demand Revenue</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>0.2M</td>
<td>0.2M</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Other Income</td>
<td>0.3M</td>
<td>--</td>
<td>--</td>
<td>0.3M</td>
<td>0.3M</td>
<td>--</td>
<td>--</td>
<td>0.3M</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>14.1M</td>
<td>13.6M</td>
<td>0.2M</td>
<td>0.3M</td>
<td>11.7M</td>
<td>11.4M</td>
<td>--</td>
<td>0.3M</td>
</tr>
<tr>
<td>Cost of Revenue</td>
<td>(2.7)M</td>
<td>(1.3)M</td>
<td>(1.4)M</td>
<td>--</td>
<td>(1.7)M</td>
<td>(1.3)M</td>
<td>(0.4)M</td>
<td>--</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>11.4M</td>
<td>12.3M</td>
<td>(1.2)M</td>
<td>0.3M</td>
<td>10.0M</td>
<td>10.1M</td>
<td>(0.4)M</td>
<td>0.3M</td>
</tr>
<tr>
<td>Direct sales &amp; marketing</td>
<td>(8.2)M</td>
<td>(3.7)M</td>
<td>(4.5)M</td>
<td>--</td>
<td>(3.4)M</td>
<td>(2.9)M</td>
<td>(0.5)M</td>
<td>--</td>
</tr>
<tr>
<td>Overheads</td>
<td>(7.7)M</td>
<td>--</td>
<td>--</td>
<td>(7.7)M</td>
<td>(5.8)M</td>
<td>--</td>
<td>--</td>
<td>(5.8)M</td>
</tr>
<tr>
<td>EBIT</td>
<td>(4.5)M</td>
<td>8.6M</td>
<td>(5.7)M</td>
<td>(7.4)M</td>
<td>0.8M</td>
<td>7.2M</td>
<td>(0.9)M</td>
<td>(5.5)M</td>
</tr>
<tr>
<td>Direct Overheads</td>
<td>--</td>
<td>(1.6)M</td>
<td>(1.2)M</td>
<td>2.8M</td>
<td>--</td>
<td>(1.4)M</td>
<td>(1.1)M</td>
<td>2.5M</td>
</tr>
<tr>
<td>FX</td>
<td>0.6M</td>
<td>--</td>
<td>--</td>
<td>0.6M</td>
<td>(0.1)M</td>
<td>--</td>
<td>--</td>
<td>(0.1)M</td>
</tr>
<tr>
<td>EBIT – fully costed</td>
<td>(3.9)M</td>
<td>7.0M</td>
<td>(6.9)M</td>
<td>(4.0)M</td>
<td>0.7M</td>
<td>5.8M</td>
<td>(2.0)M</td>
<td>(3.1)M</td>
</tr>
</tbody>
</table>
• Targeted sales and marketing initiatives in Australia under stable leadership resulted in subscription revenue growth of 21% PCP.
• Additional unearned income of $2M in 1HFY16.
High Margin, Cash Generative Business Model

- High gross margins, generates strong cash flow to fund growth.
- Margins expected to decline c. 85% as a result of the build-up of the amortisation on capture costs over the next 3 years.
- After this date gross margins on subscriptions are expected to increase as operational leverage kicks in.

AU Gross Margin %

<table>
<thead>
<tr>
<th></th>
<th>H1 FY14</th>
<th>H2 FY14</th>
<th>H1 FY15</th>
<th>H2 FY15</th>
<th>H1 FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU Gross Margin</td>
<td>85%</td>
<td>85%</td>
<td>89%</td>
<td>89%</td>
<td>90%</td>
</tr>
</tbody>
</table>
Balance Sheet

<table>
<thead>
<tr>
<th>Group</th>
<th>1H 16</th>
<th>2H 15</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>14.4M</td>
<td>17.2M</td>
<td>(16.3)%</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>6.2M</td>
<td>7.8M</td>
<td>(20.5)%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>43.3M</td>
<td>43.0M</td>
<td>0.7 %</td>
</tr>
<tr>
<td>Unearned Income (1)</td>
<td>17.7M</td>
<td>15.7M</td>
<td>12.7%</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>5.0M</td>
<td>4.5M</td>
<td>11.1%</td>
</tr>
<tr>
<td>Total Liabilities (2)</td>
<td>22.8M</td>
<td>20.4M</td>
<td>11.7%</td>
</tr>
<tr>
<td>Net Assets</td>
<td>20.5M</td>
<td>22.6M</td>
<td>(9.3)%</td>
</tr>
</tbody>
</table>

1. Represents sales to be recognised as accounting revenue over time
2. No debt

- Strong balance sheet with no debt.
- Unearned income increased to $17.7M, represents revenue to be recognised predominantly over the next 12 months.
### Cash Flows

<table>
<thead>
<tr>
<th>Group</th>
<th>1H 16</th>
<th>2H 15</th>
<th>1H 15</th>
<th>2H 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Customers</td>
<td>15.5M</td>
<td>15.4M</td>
<td>11.5M</td>
<td>13.6M</td>
</tr>
<tr>
<td>Interest and tax</td>
<td>2.5M</td>
<td>(0.1)M</td>
<td>0.3M</td>
<td>2.0M</td>
</tr>
<tr>
<td>Total Receipts</td>
<td>18.0M</td>
<td>15.3M</td>
<td>11.8M</td>
<td>15.6M</td>
</tr>
<tr>
<td>Payments to Suppliers &amp; Employees</td>
<td>(17.7)M</td>
<td>(16.6)M</td>
<td>(10.4)M</td>
<td>(8.7)M</td>
</tr>
<tr>
<td>Operating Cashflows (1)</td>
<td>0.3M</td>
<td>(1.3)M</td>
<td>1.4M</td>
<td>6.9M</td>
</tr>
<tr>
<td>Investing Cashflows (Capex)</td>
<td>(3.8)M</td>
<td>(3.6)M</td>
<td>(3.5)M</td>
<td>(1.1)M</td>
</tr>
<tr>
<td>Financing Cashflows</td>
<td>0.6M</td>
<td>0.1M</td>
<td>0.4M</td>
<td>--</td>
</tr>
<tr>
<td>Net Decrease in Cash</td>
<td>(2.9)M</td>
<td>(4.8)M</td>
<td>(1.7)M</td>
<td>5.8M</td>
</tr>
<tr>
<td>Cash at End of Half Year</td>
<td>14.4M</td>
<td>17.2M</td>
<td>21.8M</td>
<td>23.3M</td>
</tr>
</tbody>
</table>

1. Includes government tax related refunds - $2.2m cash received in 1H 16 relating to FY 15, $1.7m received in 2H 14 relating to FY 14.

- Increase of 35% in receipts from customers versus PCP.
- Seasonality relating to the renewal base impacts cash receipts.
- $1.5M investment in core technology and camera systems.
- $1.8M invested in operating systems to drive scalability.
- $0.3M one-off spend to facilitate operational expansion.
Funding Growth

• Growing high margin cash generative business in Australia.
• Control over investment spend and expansion costs.
• Large variable component in investment spend.
• Careful and controlled investment profile with returns ahead of WACC.
• No requirement for new equity funding / dilution.
Encouraging H1 FY16 Results:

- Achieved market revenue guidance for Australian operations;
- Marketing investments driving growth and delivering returns;
- High gross margins;
- Continued quarter on quarter growth in the US – early commercial success and investment in developing the emerging market of new users;
- Strengthened board and management in place – experienced in delivering profitable growth and managing capital for high returns.

Growth strategies in place. Execution on track and advanced:

- Continuing revenue growth in Australia;
- Building on the foundations in the US.
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