



# ASX RELEASE

10 September 2020

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## **CAPITAL RAISING TO ACCELERATE GROWTH OPPORTUNITIES**

Nearmap Ltd (NEA:ASX) (Nearmap or Company) today announces the launch of a fully underwritten institutional placement to raise a minimum of \$70 million (Placement) and a non-underwritten Share Purchase Plan that aims to raise a further \$20 million in order to accelerate growth opportunities.

## **RATIONALE AND USE OF PROCEEDS**

As announced at the Company's FY20 results, Nearmap maintained strong growth momentum in FY20, achieving closing FY20 Annual Contract Value (ACV) of \$106.4 million and statutory revenue of \$96.7 million. Nearmap continues to see strength in its underlying business model with strong returns made on investments to scale the business.

To capitalise on the momentum of the business and the tailwinds in the industry, Nearmap is undertaking a capital raising to accelerate growth opportunities. Funds will be deployed across the following areas of investment:

- Deeper penetration into strategic growth industry verticals through:
  - Scaling investment in Sales & Marketing, particularly in North America (NA)
  - Expanding product solutions to high-value use cases, providing greater engagement and utility to customers
- Acceleration of the roll-out of HyperCamera3 (HC3) systems, generating expanded coverage at higher fidelity and enabling expansion into new geographical markets
- Investment in operational systems and data to support rapid scaling
- Strategic flexibility to pursue other growth initiatives and respond to opportunities in a dynamic market while continuing to take a disciplined approach to cash management.

Commenting on the capital raising, Dr. Rob Newman, Chief Executive Officer and Managing Director, said "Nearmap has continued to scale rapidly over a short period of time and saw particularly strong ACV growth from three core industry verticals in FY20. The Roofing, Insurance and Government verticals have benefited from the increasing attractiveness of our premium content types and we see a significant opportunity for Nearmap to establish a leadership position in each.



“Through increased investment in Sales & Marketing and the expansion of high-value product solutions, we have the ability to enable deeper integration of our content and deliver strong returns on investments made. The accelerated roll-out of our next generation camera system will further enhance our market and technology leadership, allowing expanded coverage of our North American footprint and enable expansion into new geographical markets.

“With our unique technology and subscription business model which no other aerial imagery company has been able to replicate at scale and with the acceleration of investments into strategic growth initiatives, Nearmap continues to focus on the global opportunity to become the world’s leading provider of subscription-based location intelligence.”

## **INVESTMENT INTO CORE GROWTH VERTICALS**

Nearmap has seen strong growth across a number of its core industry verticals, namely Roofing, Insurance and Government. This is particularly evident in North America where these three industries comprise 70% of the ACV portfolio as at the end of FY20. Investment into the expansion of Product, Sales & Marketing to increase the Company’s focus on these core verticals will allow accelerated adoption of the Company’s content. Further investment into customer success initiatives will also enable deeper engagement and improve retention and upsell opportunities.

Nearmap has invested significantly in creating and commercialising highly-differentiated and industry leading content types including oblique, wide-scale 3D, roof geometry and Nearmap AI which all have strong application in high value use cases in these industries. The Company intends to further enhance these content types through the addition of new product solutions to drive deeper customer engagement and deliver strong returns.

## **INVESTMENT INTO NEXT GENERATION CAMERA SYSTEM ROLL-OUT**

Nearmap has created a significant technology leadership position and competitive advantage through ongoing investment in its patented camera systems. These market-leading systems allow Nearmap to fly higher and faster than any other cameras, enabling the capture of high-resolution imagery with unrivalled efficiency. Since its roll-out in 2017, Nearmap has been using its third generation camera scanning systems to create regularly updated, wide-scale 3D content which is unmatched in the market.

Nearmap has been developing its fourth generation camera, HyperCamera3, which is an ultra-high altitude, enhanced fidelity capture system. The research phase has been successfully completed and prototype HC3 systems are now being manufactured ahead of expected production roll-out in FY22.

The capital raise will enable the acceleration of the roll-out program over the course of FY22. The HC3 systems will generate significant advantages including the expansion of the North American coverage footprint, creating content for deeper penetration into the Company’s core growth verticals, as well as enabling cost-effective expansion into new geographies, providing access to significant new revenue streams in the global location intelligence market.



## **INVESTMENT IN OPERATIONAL SYSTEMS AND DATA**

Nearmap has been investing in its operational foundations to create a highly scalable business that will support its future growth aspirations. Further investment is planned in sales enablement, data & analytics and internal/ customer-facing systems architecture to support the acceleration of growth initiatives.

## **OTHER GROWTH INITIATIVES**

The Placement will strengthen the cash position of the Company to provide strategic flexibility to pursue growth initiatives, including pursuing appropriate potential acquisition targets if identified, responding to growth opportunities as they arise and for general working capital purposes.

## **CAPITAL RAISING**

### **FULLY UNDERWRITTEN INSTITUTIONAL PLACEMENT**

The Placement to raise a minimum of \$70 million has been fully underwritten by Citigroup Global Markets Australia Pty Limited (Citi) and comprises the issue of a fixed ~26.0 million shares (representing 5.7% of the total shares of the Company prior to the issue of New Shares (as defined below)).

Pricing will be determined via an institutional bookbuild, with an underwritten floor price of \$2.69 per new share (New Share). The underwritten floor price represents a 6.9% discount to the closing price of \$2.89 on 9 September 2020. The bookbuild price cap is \$2.77 and the Placement may raise a maximum of ~\$72.1 million.

Final pricing and allocation decisions will be determined by the Lead Manager in consultation with a sub-committee of the Nearmap Board. It is intended that eligible shareholders, who bid for up to their 'pro-rata' share of New Shares under the Placement, at the final price, will be allocated their full bid, on a best endeavours basis.

New Shares to be issued under the Placement will rank equally with existing fully paid ordinary shares of Nearmap.

No shareholder approval is required for the Placement, as the Company will utilise a portion of its existing placement capacity under ASX Listing Rule 7.1.

Nearmap shares will remain in a trading halt today while the Placement is conducted. Normal trading in Nearmap shares is expected to resume on Friday, 11 September 2020 or such other time as the completion of the Placement is announced to the market.



## DIRECTOR SELL-DOWN

Concurrent with the Placement, the Company's Non-Executive Director, Mr. Ross Norgard, is selling ~4.2 million shares, representing ~15.1% of his holding in Nearmap (Director Sell-Down). The Director Sell-Down represents ~0.9% of the total shares outstanding in Nearmap (prior to the issue of New Shares) and following the Director Sell-Down Mr. Norgard's holding will be below 5%.

The Director Sell-Down is fully underwritten with pricing determined under the bookbuild for the Placement. Mr. Norgard is excluded from any decisions relating to pricing and allocations.

Mr. Norgard remains fully committed to Nearmap and is expected to remain one of the Company's largest shareholders with a relevant interest in ~23.6 million shares.

Mr. Norgard will not dispose of his retained shareholding at any time up to the date that is 90 days after the settlement date for the Director Sell-Down (with the exception of ~3.9 million shares held as collateral by Equities First Holdings LLC pursuant to margin lending arrangements previously disclosed to ASX) without the consent of Citi, subject to certain customary exceptions.

## SHARE PURCHASE PLAN

A Share Purchase Plan (SPP) will follow the Placement with eligible Nearmap shareholders in Australia and New Zealand offered the opportunity to acquire additional shares in Nearmap. The SPP will not be underwritten.

Shareholders on the Nearmap register at 7:00pm (Sydney time) on 9 September 2020 (Record Date), with a registered address in Australia or New Zealand will be entitled to subscribe for up to \$30,000 worth of Nearmap shares through the SPP, subject to eligibility criteria and other terms and conditions of the SPP which will be set out in the SPP booklet and dispatched to eligible shareholders in due course. Shares issued under the SPP will rank equally with existing shares of Nearmap.

The SPP aims to raise ~\$20 million. Nearmap may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion. New Shares under the SPP are to be issued at the lower of the price paid by investors under the Placement and a 2.5% discount to the 5-day VWAP of Nearmap shares up to the SPP closing date.

## PRO FORMA CASH BALANCE

Nearmap's pro forma cash balance as at 31 August 2020 following the Placement will be a minimum of \$105 million<sup>1</sup>.

<sup>1</sup> Representing unaudited actual cash at 31 August 2020 adjusted for the anticipated minimum net proceeds of the capital raising excluding the impact of the SPP

## TIMETABLE

Event	Date <sup>1</sup>
<b>Placement and Director Sell-Down</b>	
Trading halt and announcement of Placement and Director Sell-Down	Thursday, 10 Sep. 2020
Placement and Director Sell-Down Bookbuild opens	Thursday, 10 Sep. 2020
Placement and Director Sell-Down Bookbuild closes	Thursday, 10 Sep. 2020
Announcement of completion of Placement and Director Sell-Down	Friday, 11 Sep. 2020
Trading halt lifted	Friday, 11 Sep. 2020
Settlement of New Shares under the Placement as well as existing shares under the Director Sell-Down	Tuesday, 15 Sep. 2020
Allotment of New Shares under the Placement	Wednesday, 16 Sep. 2020
<b>SPP</b>	
Record date for determining eligibility for SPP	7:00pm, Wednesday, 9 Sep. 2020
Despatch of SPP Booklet and SPP opens	Thursday, 17 Sep. 2020
SPP closing date	5:00pm, Monday, 5 Oct. 2020
Allotment of New Shares under the SPP	Monday, 12 Oct. 2020
Normal trading of New Shares under the SPP	Tuesday, 13 Oct. 2020
Despatch of holding statements	Tuesday, 13 Oct. 2020

<sup>1</sup> The above timetable is indicative only. Nearmap and the Lead Manager reserve the right to amend any or all of these dates at their absolute discretion; subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of New Shares is subject to confirmation from the ASX. All references to time in this announcement are to Sydney time.



## ADDITIONAL INFORMATION

Additional information regarding the capital raising is contained within the investor presentation released to the ASX today.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

## IMPORTANT NOTICES

The release of this announcement was authorised by the Board of Nearmap Ltd.

This notice may not be released or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new shares to be offered and sold in the Placement and SPP have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward looking statements and comments about future events, including about the plans, objectives and strategies of Nearmap's management, the industry and the markets in which Nearmap operates, Nearmap's expectations about the financial and operating performance of its businesses, the timetable and outcome of the Placement and SPP and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Nearmap's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond Nearmap's control. Refer to the various risks factors in "Key Risks" of the investor presentation released to the ASX today. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Nearmap. As such, undue reliance should not be placed on any forward looking statement. Past performance information given



in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Nearmap.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Nearmap shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Nearmap is not licensed to provide investment or financial product advice in respect of Nearmap shares. Cooling off rights do not apply to the acquisition of Nearmap shares pursuant to the Placement or SPP.

#### **LEAD MANAGER DISCLAIMER**

Citigroup Global Markets Australia Pty Limited (Citi or the Lead Manager), together with its related bodies corporate, shareholders and affiliates, and each of their respective officers, directors, employees, affiliates, agents and advisers (each a Limited Party) have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and there is no statement in this announcement which is based on any statement made by the Lead Manager or any other Limited Party. To the maximum extent permitted by law, the Lead Manager and each other Limited Party expressly disclaim all liabilities (including for negligence) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the currency, accuracy, reliability or completeness of any information in this announcement.

Neither the Lead Manager nor any other Limited Party makes any recommendation as to whether any potential investor should participate in the Placement or Director Selldown. Further, neither the Lead Manager nor any other Limited Party accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Placement, Director Selldown or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Placement, Director Selldown and any other transaction or other matter arising in connection with this announcement. The Lead Manager and other Limited Parties may have interests in the securities of Nearmap. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities.



Determination of eligibility of investors for the purposes of the Placement and SPP is determined by reference to a number of matters, including legal requirements and the discretion of the Nearmap and the Lead Manager. To the maximum extent permitted by law, Nearmap and the Lead Manager each disclaim any liability in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Placement and Director Sell-down without having independently verified that information and the Lead Manager does not assume responsibility for the accuracy or completeness of the information.

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**WE CHANGE THE WAY PEOPLE  
VIEW THE WORLD, SO THEY CAN  
PROFOUNDLY CHANGE THE WAY  
THEY WORK.**

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