Nearmap Ltd (ABN 37 083 702 907) and its subsidiaries (Nearmap or Company) is a leading provider of cloud-based geospatial information services and an innovative location intelligence company.

Nearmap captures a rich data set of the real world, providing high value insights to a diverse range of more than 10,000 businesses and government organisations.

Using its own patented camera systems and processing software, Nearmap conducts aerial surveys capturing wide-scale urban areas in Australia, New Zealand, the United States of America and Canada multiple times each year, making fresh content instantly available in the cloud via web app or API integration.

Every day, Nearmap helps tens of thousands of users conduct virtual site visits for deep, data-driven insights – enabling businesses and government organisations to make informed decisions, streamline operations and bolster bottom lines.

Founded in Australia in 2007, Nearmap is one of the ten largest aerial survey companies in the world by annual data collection volume and is publicly listed on the Australian Securities Exchange (ASX).

Nearmap employs nearly 300 people globally, held a total annual subscription portfolio of $106.4m as at 30 June 2020 and was named as one of Fast Company’s 10 Most Innovative Enterprise Companies in 2020.
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In uniquely challenging circumstances, our Company has remained focused on our growth initiatives and executing these initiatives. In FY21 we will continue to focus on supporting our customers, growing our business and executing our go-to-market strategy. Subsequent to the end of the financial year, Nearmap undertook a $72.1 million Placement and Share Purchase Plan to accelerate the Company’s growth opportunities. Nearmap has demonstrated its capability to execute asset-light business models and, we saw an opportunity to capitalise on the momentum of the business and the tailwinds in the industry. The capital raise will allow Nearmap to accelerate growth opportunities in the Company’s core industry verticals, fast-track the roll-out of the Company’s fourth generation camera system and build out the operational foundations to support future growth aspirations. The capital raise will bolster the business with the financial resources required to deliver rapid value creation to shareholders and provide a strong capital base to ensure the Company is positioned to withstand the current economic uncertainty and build upon our leadership in the large and expanding global location intelligence market in the 2021 financial year (FY21).

Nearmap seeks to achieve best practice in Corporate Governance and the Company’s Board, senior executives and employees are committed to achieving this goal. The Company has a strong Corporate Governance framework across its operations and details of this, together with relevant policies and procedures, can be found at https://www.nearmap.com/au/en/investors/governance. In June 2020, we updated our Corporate Governance framework to reflect the ASX Corporate Governance Council’s 4th Edition of the ASX Corporate Governance Principles and Recommendations, which applies to Nearmap for its financial year commencing 1 July 2020 and will be reported against as part of annual reporting in FY21.

Last September, we appointed Tracey Morton AO as an Independent Non-executive Director. Tracey has made an immediate impact at Nearmap, in particular, by providing extensive guidance in transforming the Nomination and Remuneration Committee into the People, Culture and Remuneration Committee, which Tracey now Chairs. The Board broadened the scope and responsibilities of the Committee this financial year and it provides valuable support and advice to the Board in fulfilling its responsibilities to shareholders.

Nearmap continues to support a culture of zero-tolerance towards unethical, illegal or fraudulent activities. In FY20, Nearmap strengthened the framework around the Code of Conduct by adopting a Global Anti-Bribery and Corruption Policy and a Global Whistleblower Policy. These policies provide a framework for Nearmap officers and employees to ensure that they conduct their activities in accordance with legislative requirements and the standards and principles set out in our Code of Conduct. The policies support a culture of transparency and encourage reporting of any suspected unethical, illegal or fraudulent activities.

MANAGEMENT

Nearmap continues to elevate the strength and experience of our Executive team and we made several changes in this regard in FY20. Recognising the importance of our North American business, we appointed Jeff Adams as our global Chief Revenue Officer. Jeff joined with a strong background in sales leadership across high growth software companies in North America and has also oversaw a range of strategies across the business. Jeff’s appointment enables Patrick Quigley to focus on the significant opportunity in the North American insurance market and Tony Agesta to provide leadership and support to Jeff as we grow our core North American sales team. Additionally, we appointed Simone Shugg as our new Chief People Officer, who has added a depth of experience from high growth and subscription businesses.

OUTLOOK

In uniquely challenging circumstances, our Company has remained focused on our growth initiatives and executing these initiatives. In FY21 we will continue to focus on supporting our customers, growing our business and executing our go-to-market strategy.

Nearmap achieved a number of significant milestones in the 2020 financial year (FY20). We exceeded $100 million in Annual Contract Value (ACV), commercially released transformative Artificial Intelligence (AI) content, announced our first ever acquisition as a data imagery company, all while navigating the challenges the COVID-19 pandemic presented to our Company and our customers. This progress leaves Nearmap well positioned to unlock the current economic uncertainty and build upon our leadership in the large and expanding global location intelligence market in the 2021 financial year (FY21).

Nearmap has always facilitated flexible working by enabling governments and businesses to conduct work remotely. This trend accelerated in FY20 and Nearmap focused on supporting our customers as they transitioned their organisations to working more remotely. Our customer focus was demonstrated when we launched our COVID-19 response initiative, which was improved and expanded over the life of the financial years to further increase the positive experience our customers receive with our Nearmap subscription. The success we experienced in some of our key industry verticals in FY20 has already demonstrated the positive outcomes that can be achieved by ensuring we remain focused on our customers’ needs. Continued growth in our ACV portfolio has further validated our unique subscription business model and the value businesses and governments derive from our leading geospatial data set. Nearmap has derived a significant advantage over other providers by establishing a repeatable, scalable software business delivering location intelligence insights to customers, many of whom were not able to afford to access these insights in the past. Other companies have tried and will try to replicate the same subscription business model we have, but we believe they still will struggle to succeed.

Importantly, Nearmap has continued growing its technology capabilities. After several years of research and development, in FY20 we commercially launched Nearmap AI, expanding our content offering and location intelligence insights. Nearmap AI delivers unparalleled insights and efficiencies for our customers, who can now generate a data set of location intelligence from our software. We also acquired and integrated our rooftop technology, significantly reducing turnaround time for roof measurement and utilising our wide-scale 3D content. We continued to invest in developing the next generation of the world’s best high-altitude camera system. We have already built the world’s best high-altitude camera systems but we want to fly higher and faster and further improve the attractive unit economics of our capture program.

North America remains our core growth market and in FY20 we delivered 27% growth in ACV. While this represents strong growth, the Company was impacted by several large and downscale events in December 2019 which led to revised guidance in January this year. While each event was unforeseen and beyond our control, clearly this was a disappointing outcome for the Company and our shareholders and something we worked hard to rectify in the second half of FY20.

The Australian & New Zealand business continues to be a growing, cash flow generative business. ACV growth of 11% was impacted in the first half as we stretched our local sales leadership team in support of our North American expansion, but we pleased to see this situation addressed in the second half of the financial year. Our market leadership position here is firmly established and we strengthened even further with a renewed focus on retention as we build out our customer success, experience and retention teams.

As a company, we have always promoted flexible working among our people and we were able to respond quickly to the rapid onset of COVID-19, seamlessly transitioning to remote working without impacting our ability to serve our customers. We also recognised the importance of cash preservation during these unprecedented times and announced several cash management initiatives in April 2020. These initiatives were fiscally responsible, preserved our Balance Sheet, had a minimal impact on business operations and ensured our strategic growth initiatives continued. I am very proud of our Company’s response to COVID-19 and how our people have adapted during this time. As part of April’s cash management initiatives, the Board and Chief Executive Officer (CEO) agreed to a 20% reduction in their remuneration and the Executive team and all other employees agreed to accept a 20% reduction for a fixed six-month period. In response and excluding the Board, CEO and Executive, employees will be compensated through the issuance of an equivalent value of Nearmap shares. This decision was made with our employees, customers and shareholders in mind; we wanted to protect as many jobs as we could, continue to deliver for our customers and provide more financial certainty for our shareholders during COVID-19. I am pleased everyone accepted the reduction in remuneration and I am sincerely grateful for their understanding. The Board is acutely aware of the impact COVID-19 is having on our communities and considered it appropriate that Board and CEO remuneration remain unchanged in FY21.
TO OUR SHAREHOLDERS, EMPLOYEES AND CUSTOMERS,

As I reflect upon the achievements of our Company in the last twelve months I am reminded why Nearmap was founded and what our Company set out to achieve – we change the way people see the world, so they can profoundly change the way they work. People definitely changed the way they viewed the world in FY20. Despite the unprecedented circumstances the global economy is facing as a consequence of COVID-19, our Company not only remained focused on our mission but delivered to it; increasing the content types available to our customers, increasing the capability to integrate our content into their workflows, and growing the number of customers using our content. FY20 reinforced our technology and market leadership and our competitive advantage, and we remain in a strong position as we expand our leadership within the global location intelligence market.

Nearmap achieved several significant milestones in FY20, including the release of two new content types for our customers. First, after releasing Artificial Intelligence (AI) content in beta towards the end of FY19, Nearmap AI was made commercially available for all of our customers in FY20. Customers with a Nearmap subscription need only to purchase AI credits, valid for an annual contract period, to access this content. The scalable location intelligence insights that Nearmap AI provides are transformative for both our customers and our Company. It delivers on our commitment to continue investment in research and development and expansion of our product suite.

In FY20, we also announced the acquisition of technology and intellectual property from Primitive LLC (Pushpin), a deep learning and analytics technology company that extracts data to provide roof geometry insights. This technology is maturing in its ability to semi-automate roof measurement at scale, leverages our existing 3D content and we believe it has a potential market size of up to US$20bn per year. I have been pleased in how we quickly integrated this technology into our business and with the early success we have had in commercialising this content in North America.

Our premium content, whether it be 3D, AI or roof geometry, only exists because of our world-leading HyperCam2 camera systems. In FY20 we continued to invest in the next generation camera system which we believe will enable us to fly above 20,000 feet and still capture imagery at the same 5-7 centimetre resolution we do today. While we are still in the research phase of this camera system, the progress made in FY20 has been very encouraging and I look forward to further progress in FY21.

In FY20 we realigned our sales structure to focus on specific industry verticals where we were seeing the most growth and adoption of our content. We now have dedicated insurance and government sales teams in North America and Australia & New Zealand and a dedicated sales team in Australia & New Zealand as well. By focusing on specific industry verticals, we believe we can continue the success we have experienced with our existing customers and accelerate the adoption from new customers in those verticals.

In January this year and prior to the release of our first half results, we revised our FY20 guidance following several customer losses in our North American business. These events were unexpected and outside of our control and highlighted that, at current scale, our performance in North America can be impacted by a small number of larger customers. As we grow our repeatable and scalable business and expand and diversify our customer base, the potential for a small number of customers to materially impact our results will reduce over time. We worked hard to ensure we remained focused on our customers and delivered on our growth initiatives.

Despite the impact of our revised guidance and the speed of COVID-19, Nearmap delivered Group ACV growth of 17% in FY20. North America remains the key growth driver and biggest opportunity for our Company and delivered 27% ACV growth in FY20. We had our first full year of Capture in Canada, capturing 60% of the population, and we expect to see growing traction of sales to customers in that region in FY21. North America now makes up almost 40% of our total ACV portfolio and we expect this to expand above 30% as we grow and integrate more closely with our customer base.

Our market leadership position in Australia & New Zealand was strengthened in FY20 with 11% ACV growth over the course of the financial year. Our business here is growing and cash generative and is underpinned by our strong brand recognition and reputation in the marketplace. We did see a slight fall in customer retention as we stretched our sales leadership in support of expansion in North America and in the second half of FY20 we re-launched our sales leadership in recognition of that. Our plans to increase investment in customer success, experience and retention were brought forward as a consequence of COVID-19 and I am looking forward to seeing the results of this investment in FY21.

The outbreak of COVID-19 saw organisations faced with some distinct challenges; whether they could operate remotely and productively and what the financial impact of the pandemic might be. Nearmap has always had policies promoting flexible working and we were able to seamlessly and productively transition our people to remote working. Our subscription content is also a remote working enabler for businesses and governments – not only does our subscription platform enable organisations to access our content remotely but in times of restricted travel, Nearmap enables organisations to continue to operate without the need to physically inspect a site or an asset. Continued ACV growth throughout FY20 is testament to the value businesses and government organisations derive from our unique subscription business model.

As we enter FY21, our focus is to continue to grow and expand our sales leadership and up to date aerial imagery to businesses and government entities. When COVID-19 started spreading across the world, we asked ourselves what we could do to help our communities respond to the pandemic. In order to help officials identify locations for temporary medical facilities, plan emergency response mobilisation centres, determine proximity to medical clinics and hospitals, and provide visibility of the site for planning parking and logistics, we provided our customers the full cost of charge for COVID-19. In addition, we worked with state and local health officials and government authorities to make sure that the people involved in the recovery efforts nearmap is committed to recapturing those areas in future years to show how our communities recover over time.

FY20 was an unprecedented year but in which our Company achieved significant milestones; we broadened our customer base across 10,000 small and large businesses and organisations, released transformative new content types and continued to grow our ACV in the face of a global pandemic; the likes of which none of us have ever experienced. In three years, Nearmap has evolved from a single product, to a remote working enabler for businesses and governments - not only does our online subscription platform enable organisations to access our content remotely but in times of restricted travel, Nearmap enables organisations to continue to operate without the need to physically inspect a site or an asset. Continued ACV growth throughout FY20 is testament to the value businesses and government organisations derive from our unique subscription business model.

Nearmap provides accurate and up to date aerial imagery to businesses and government entities. When parts of Australia were devastated by bushfires late last year and early in 2020, Nearmap was there. We made a commitment to capture every populated area impacted by the bushfires, an additional 15,000 square kilometres on our standard coverage footprint, and we delivered that content to the people involved in the recovery efforts. Nearmap is committed to recapturing those areas in future years to show how our communities recover over time.

Nearmap is well positioned to navigate the uncertain times ahead. Our clear focus in FY21 is to ensure we continue to grow our business, increase our competitive advantage, further support and grow our customers and our software. We will continue to invest in research and development while maintaining a disciplined approach to our Balance Sheet and cash flow position. It is difficult to predict what may be ahead for the global economy but on behalf of everyone at Nearmap, I want to thank our shareholders and customers for their support and guidance throughout the course of the financial year. FY20 proved to be quite a journey and I look forward to continuing this journey with you as we build an even stronger leadership position in the global location intelligence market in FY21.
MILESTONE YEAR WITH RELEASE OF PREMIUM CONTENT TYPES

- Commercial release of AI content, representing significant investment in research and development, delivering content which profoundly changes the way people work.
- Successful acquisition and integration of industry-leading roof geometry technology into the product suite, utilising Nearmap 3D content at massive scale.
- Increased adoption of premium content with more than half the portfolio now relating to subscriptions incorporating premium content types.
- Continued investment in a next generation camera system to allow higher and faster capture, support expansion of premium content and providing greater utility to our customers.
CONTINUED EXPANSION AND PENETRATION OF THE GLOBAL MARKET

- Significant milestones passing $100 million in Annual Contract Value and more than 10,000 commercial and government customers
- New partnerships in North America and Australia & New Zealand including OpenSolar, Cityworks, Teranet and Eagle Technology
- Strong incremental ACV growth of 27% in North America and ACV now being generated from domestic Canadian customers
- Strengthening of market leadership in Australia & New Zealand with incremental ACV growth of 11% in FY20
- Alignment of Product, Sales & Marketing to target increased penetration of core growth verticals
A GLOBALLY RECOGNISED AWARD-WINNING TEAM

- Recognition of our world class talent with Nearmap named one of Fast Company’s 10 Most Innovative Enterprise Companies of 2020
- Strengthened Executive and senior leadership teams in support of scaling Nearmap for growth
- Successfully transitioned employees to working remotely during COVID-19 and maintained productivity and business continuity with business operations continuing as normal
- Focused on the skills and diversity required to capitalise on the global market opportunity Nearmap is creating
IN SUMMARY

The 2020 financial year was a milestone year for our Company. We continued to add value to our product suite by releasing transformative new content for more than 10,000 customers, passed $100m in ACV, and validated our unique subscription business model in a time of profound economic uncertainty. That's quite an achievement for a company with less than 300 employees.

It is clear that to be successful in our industry, companies will need to continue to invest in their technology capabilities. For Nearmap, investment in technology remains core to our DNA. This will enable us to expand our content and product suite, increasing the value customers derive from our content and further enabling growth within our core industry verticals.

As we navigate FY21 and beyond it is important for us to remain focused on our mission – we change the way people view the world, so they can profoundly change the way they work. Despite recent challenges, there remains a large and growing global market opportunity for Nearmap. We are committed to maintaining and strengthening our leadership in location intelligence content derived from aerial imagery, captured by world leading camera systems, built right here in Australia.

ROB NEWMAN
Managing Director and Chief Executive Officer
Sydney, NSW
13 October 2020
Within just a few months following one of the most savage Australian bushfire seasons on record, Nearmap completed the first round of a comprehensive post-fire image capture program. The imagery covers all fire-affected, populated areas in New South Wales, Queensland, South Australia and Victoria totalling 28,500 sq km of fire-affected areas, including 15,000 sq km in addition to our normal coverage footprint. Aerial imagery of fire-ravaged areas assists in the analysis, planning and rebuilding of recovering communities.

Nearmap conducts aerial surveys as soon as possible following significant natural disasters or extreme weather events. As you can imagine, it’s challenging to fly amid active fire and take photos in lingering smoke.

**PARTNERS FOR RECOVERY**

Nearmap is committed to providing support where and when needed. To have a bigger impact, we’re forming partnerships. Here is how our partners are using Nearmap imagery in responding to the bushfire crisis.

- **Red Cross Australia** uses Nearmap before-and-after location information for the charity’s vital on-the-ground assistance in communities suffering great loss.
- **Disaster Relief Australia** pairs military veterans with emergency responders and medical professionals for disaster relief. Nearmap imagery helps them remove guesswork in making damage assessments.
- **Australia’s spatial organisations** joined the Surveying & Spatial Sciences Institute (SSSI) industry-wide ‘Map-a-thon’ with teams using Nearmap imagery to fully visualise the massive scale and impact of bushfire.

We captured the first post-fire images in the aftermath of bushfires that began in September 2019. We plan to follow up the current surveys to document and support recovery - which we all hope will be swift and full.
 recognised as a leader in conservation, Lake County Forest Preserves protects nearly 31,000 acres - the second-largest Forest Preserve District in Illinois, USA. This includes managing open space and natural areas, and providing outdoor recreation and education opportunities for residents.

**THEIR CHALLENGE:**

"Before we started using Nearmap," says Nick Spittlemeister, GIS Analyst in the Planning and Land Preservation Department, "we were going about every two years between aerial captures. But we needed more consistency, more current imagery we could rely on."

The Department started looking at the capabilities of Nearmap after discovering how many times a year Nearmap captured their area. After a short test run in accessing imagery, they switched all their aerial imagery needs entirely over to Nearmap.

**HOW NEARMAP HELPS:**

"Nearmap is just so unique in the fact that you’re able to get aerial photography - get that clear imagery - within a week or two after the capture," says Spittlemeister. "In my opinion, that completely sells the reason why anyone would want to use Nearmap imagery. And getting it across seasons? We use it all the time across many of our projects, whether they are development or restoration. Before Nearmap, we’d have to wait nine to twelve months for access to imagery from other companies."

Dave Cassin, Superintendent of Natural Resources, runs field crews to investigate, identify, and monitor invasive species management, controlled burning, tree planting, tree removal, and more. "We recently burned an area of land that had colonies of phragmites," explained Cassin. "I used Nearmap imagery to compare that area with an area that had not yet been burned and the phragmites were easily distinguishable. We could actually see the flower heads on a plant."

"Having access to multiple captures across seasons has become a critical component to the care and monitoring of the forest environment, as well as keeping tabs on project progress," says Kevin Kleinjan, Senior Engineer of Operations and Infrastructure.

"We had a project for our Natural Resources Department helping to restore drainage hydrology to a site. The work was done in winter, and with the March capture from Nearmap, we could already see how the hydrology was coming back. The funding for this was part of a grant, and it was extremely beneficial to show the transition and provide extra documentation along with a great narrative. And, to highlight progress and development in this way adds extra excitement to those providing the grants. It’s just been a huge benefit."

During the COVID-19 pandemic, Kleinjan’s team also needed to round up all of the picnic tables in their five dog parks at the request of the local health department. "I had to bring in a crew to go around and get them," says Kleinjan. "But I didn’t have any data or information available to know how many were out there, or where they were, and our sites are fairly large. But I was able to open up our most recent capture from Nearmap and easily identify and locate all tables."

The ability to plan remotely - and keep crews safe during the pandemic - also helped alleviate the strain of staying compliant with social distancing rules. "We keep finding new ways to use Nearmap," says Kleinjan.
City of Ryde is a vibrant Local Government Area (LGA) just 12km from the central business district of Sydney. With Lane Cove National Park in the North and the Parramatta River in the South, there are lush connecting corridors and river walks, in fact, council staff manage a total of 207 Parks and Open Space areas.

**THEIR CHALLENGE:**
City of Ryde aims for a strong sense of balance and sustainability as the City’s population grows by over 30% over the next 15 years. Protecting and enhancing Ryde’s natural and urban environments calls for a quantifiable approach, such as creating a benchmark for the tree canopy across the entire LGA.

“In order to protect a resource, you need to be able to measure what you currently have,” says Lindsay Mason, head of the Land Information team at the City of Ryde. “The community values all green space. It doesn’t differentiate who owns it, so we wanted to measure the total tree canopy cover, not just those areas in council’s ownership.”

**HOW NEARMAP HELPS:**
Commissioning bespoke aerial surveys is very expensive, and to measure change over time would require several years of captures, scheduled at similar times of the year.

With Nearmap, Mason explains, “Not only do we have the up-to-date aerial imagery, we also gained access to the Nearmap catalogue of historical imagery. And since it has been captured using the same method, it’s consistent, which is perfect for analysis.”

Along with high-resolution aerial imagery, Nearmap provides location content derived from the image capture process – and that’s where Mason saw the opportunity to take things further for the City of Ryde using the latest Nearmap content offering Nearmap AI.

“I asked the (Nearmap) AI team for their expertise and the latest machine learning technology to help us calculate tree canopy cover from the existing imagery, and I was really impressed with the quality of the results and the time it took to provide the analysis,” Mason says.

“It quantified what the tree management staff were seeking to measure and it has provided them with data upon which they can base their business decisions.”

Nearmap fits easily into the City’s own ecosystem of geospatial information systems (GIS).

“At Ryde, we have over 170 layers of GIS data available to staff, including external services, land parcel boundaries, and house numbers, as well as internal layers for planning, engineering and infrastructure. Now we can add tree canopy cover as an additional overlay,” Mason says.

Including the tree canopy layer within the council’s GIS allows City of Ryde’s staff to consider this green space during their daily work and project planning. It also allows them to observe trends to support valuable decision-making and then in turn communicate this information to the local community.
WHO: METRO TRAINS

The network control centre at Metro Trains oversees the entire metropolitan network in Greater Melbourne. With rail tracks spanning over 900 km and more than 220 trains, the network is responsible for transporting 450,000 passengers daily.

THEIR CHALLENGE:

Metro Trains aims to provide a seamless transport solution to keep passengers connected, and that means responding to incidents that may occur on tracks, platforms, or staffed and unstaffed stations. There isn’t much that control centre staff haven’t seen before, except perhaps low passenger volumes during the COVID-19 pandemic lockdown. On an average weekday there are up to 250 incidents ranging from a short delay to an accident or major incident.

HOW NEARMAP HELPS:

Nearmap provides Metro Trains with ready-to-go aerial imagery for responding to incidents that may be reported anywhere across the rail network. With fast-growing suburbs, nearby roads and traffic changes, there are numerous changes to access points and updates to station properties that simply won’t be reflected in internal documentation or outdated satellite imagery.

Remote site inspections are an almost daily occurrence at Metro, with operators using high-resolution aerial imagery from Nearmap when checking on incidents or complaints. Staff work directly with police and an Emergency Liaison Officer embedded at the centre. Having a detailed view of the entire rail network, including tracks, stations and surrounds is essential, especially as 95 of the network’s 217 stations don’t have staff on hand.

If a train is stuck between point A and point B, Metro staff will use Nearmap to check for suitable access. If there’s a trespasser, Metro can provide direction to authorised officers or police, advising where they can get through.

Incident response can be impacted by changes in road conditions, building and construction - changes that are often fast moving. For example, Metro staff checked an incident at Kananook near Frankston, where there have been major changes to the line on account of upgrade works and the Level Crossings Removal project (a Major Rail Project in Victoria). Satellite imagery for the location was out of date, whilst Nearmap had completed 11 aerial surveys in that same timeframe.

Frequently updated aerial imagery can provide all the difference, especially when visibility is a must. For Metro Trains, this means ensuring minimal disruption to keep trains on time and commuters safe and happy.
WHO: TREMCO

Tremco is a USD$7 billion international construction products company providing commercial roofing services that are backed with an exclusive maintenance program - to ensure a property will be leak-proof for as long as the building stands.

THEIR CHALLENGE:

In the US roofing industry, being able to quickly and accurately assess a roof’s condition means saving time and resources on countless site visits. For Tremco, in particular, detailed roof assessments with historical content are also essential for the integrity of the company’s maintenance program. “Before Nearmap, we had a ‘per view fee’ to access aerial imagery,” says Robb Chauvin, Executive Director of Inspection Services. “It was incredibly frustrating because we weren’t able to get the historical comparison we needed when it came to roof assessments. Since I own the responsibility for due diligence across multimillion-dollar assets, I needed to be able to see accurate, clear information and compare it with imagery from prior years.”

HOW NEARMAP HELPS:

Upon implementing the Nearmap library of content for asset management, current high-resolution imagery became an indispensable tool and resource that multiple units began using across Tremco’s organisation.

Chauvin’s team uses high-resolution aerial imagery to evaluate unapproved roof alterations. By accessing an image library with up to six years of historical captures from Nearmap, they can easily track deterioration of a particular roof’s condition over a five-year span - or more. The information gleaned from these reviews helps drive important decisions when it comes to commercial roof maintenance.

“The best thing for us about using Nearmap imagery is the objective viewpoint it provides. It’s not us with an opinion; it’s us saying, ‘here’s a fact’ based on what’s been captured. It helps insulate us from providing bad data and allows us to just present the facts on a project.”

Remote inspection becomes easier when a customer calls to report a roofing issue. Chauvin and his team can begin investigating the problem immediately by pulling up the latest aerial captures within MapBrowser.

“It’s common to have a customer call and complain about a leak pouring down a wall in their building. I can immediately pull up the location in MapBrowser, review if any changes have been made to alter the roofs condition over the years, and typically determine fairly quickly what happened to challenge the integrity of the roof. These historical captures help us have an honest conversation with our customer about who is really responsible for an issue.”

FREQUENT SURVEYS REVEAL TRUTH ON THE ROOF

Customer Story

CAPTURED: 21 SEPTEMBER 2019
NEW HAVEN CT USA
MESSAGE FROM THE CEO

I am pleased to present our 2020 Sustainability Statement. This Statement outlines our approach to People & Culture, suppliers, stakeholders, the community, and our activities as they relate to the environment. Nearmap has a positive story to tell on sustainability and by producing this Statement, we hope everyone can understand the significant contribution our Company makes.

This financial year has been a particularly challenging one for many communities and organisations. The devastating bushfires in late 2019 and early 2020 had a physical and emotional toll on many communities in Australia and as an imagery company we were in a unique position to help emergency services manage their response. The COVID-19 pandemic has also had an unprecedented global impact, at least in our lifetimes, and the impact to our people and our customers presented challenges to all of us. The way in which companies respond in such times can be a true measure of their corporate values, and I am proud of our Company and our actions in FY20.

Nearmap remains at the forefront of building out and integrating additional content types, enabling businesses to make more efficient and better informed decisions, thereby improving outcomes for the environment and society. Our content types allow customers to save time, reduce their carbon footprint and reduce occupational health and safety risks by not physically travelling to monitor, assess, inspect or visualise a site.

I am proud to be working for a company that enables businesses to have a positive impact in the area of sustainability, and I look forward to Nearmap continuing to deliver content which helps facilitate a smarter and more sustainable future.

ROB NEWMAN
Managing Director and Chief Executive Officer
SUSTAINABILITY STATEMENT

NEARMAP CORE VALUES

Nearmap is committed to fostering a high-performance culture which is diverse and engaged, allowing employees to grow and succeed. This culture is put into action through an emphasis on the core values and by providing all Nearmap employees the necessary resources to succeed in their roles. The Executive lead by example, upholding and role modelling the core values in everything they do. These values encourage employees to:

OWN IT
We hold ourselves and each other accountable to succeed

WORK IT
We are better when we collaborate

LOVE IT
We are passionate about what we do and how we do it

TELL IT
We are honest and transparent in our communication

We hold ourselves and each other accountable to succeed.

The Company’s commitment to an open and engaged culture can be seen throughout the organisation. As monthly all-company stand-ups; the CEO encourages questions about any topic. Deep-dives are also held throughout the organisation. At monthly all-company stand-ups; the CEO encourages questions about any topic. Deep-dives are also held

DIVERSITY & INCLUSION

Nearmap is committed to providing a diverse and inclusive workplace, where employees are empowered to live the Company’s core values and be the best they can be. The Board is regularly updated, and is responsible for the oversight of progress the Company is making on all new initiatives and programs, that seek to support diversity and inclusion.

Being able to attract, retain and motivate employees from the widest possible pool of available talent is critical in contributing to the ongoing success of the Company. Recruitment and selection practices at all levels of the Company including at a Board level, are structured so that a diverse range of candidates are considered. The Company is committed to guarding against any conscious or unconscious biases that might discriminate against certain candidates, and in FY20 management undertook formal unconscious bias training, to further assist leaders in understanding how any conscious or unconscious biases can be overcome.

Returning to work whilst raising a young family presents unique challenges, and Nearmap specifically ensures its policies are flexible and encouraging of all employees to step back into the workforce if and when they wish to do so. Initially, employees have access to three week paid parental leave in common cases and two weeks paid parental leave for secondary carers. Upon returning to work, Nearmap ensures it offers all employees a flexible working environment to successfully manage this transition.

As an Australian leader in technological innovation, Nearmap believes it has a responsibility to nurture industry talent and promote industry diversity. According to the Australian Government’s 2019 whitepaper Advancing Women in STEM (Science, Technology, Engineering & Mathematics), women are less interested and less confident in STEM subjects compared to men, particularly in the areas of engineering and technology. Completions of STEM subjects by women at a tertiary level are less than 25% and employment across these industries represents only 17% of the qualified population. In FY20, gender diversity at Nearmap was 75% male and 25% female, and within STEM 73% male and 27% female. Women make up 29% of the global management team, which provides a platform to mentor the next generation of women in STEM at Nearmap.

Although female representation within STEM is higher than industry average at Nearmap, the Company wants to be part of a movement which encourages, promotes and recruits women to succeed at Nearmap and in their STEM careers. In support of this, several initiatives have been launched to overcome the challenges of recruiting a diverse talent pool within STEM. These initiatives include, but are not limited to, utilising such platforms as:

- WORK180, the only platform that pre-screen’s employers to see how well they support women’s careers, considering arrangements such as parental leave, flexible working arrangements, pay equity, and professional development. Nearmap now advertises all open positions on this platform with a particular focus of attracting STEM candidates.
- Hatch, a specialist recruitment firm partnered with nine educational institutions which provides access to a pool of students seeking part time and flexible arrangements, of whom 30% of Hatch’s student pool are women and 72% are from STEM background, providing Nearmap with an available pool of female talent to source and match with opportunities within the Company.
- LinkedIn, the de facto tool of potential candidates to network and analyse prospective employers. Nearmap has invested in promoting the array of female STEM talent at the Company and highlighting the organisation as being a place in which women can successfully develop their STEM career.

Age diversity amongst Nearmap employees is spread across five decades, with 42% staff either under 30 or over 45 years of age. Additionally, Nearmap is proud of the cultural and ethnic diversity cultivated in the organisation. Across a workforce of nearly 300 people in Australia and the United States, there were at least 36 different ethnicities represented at the end of FY20. Nearmap actively encourages diverse cultural events to provide a sense of belonging and education on cultural differences within the organisation.

EMPLOYEE ENGAGEMENT

People are the engine that drives a company to achieve incredible results. A highly engaged team offers their best to an organisation and play their part in helping the business achieve its vision. Nearmap recognises this, and recently partnered with Culture Amp to measure and monitor engagement across the business on a quarterly basis. This ‘pulse’ check enables barriers to engagement to be identified and remediated quickly. Engagement is a key metric for the business and is embedded within the Company’s DNA.
LEARNING & DEVELOPMENT

Talent development and retention has been identified as a key business objective for management across the Company, specifically the Executive team. It has been established as a key performance indicator, and investment into establishing an appropriate learning and development strategy has been a key priority. Across the organisation, a number of initiatives were made available to employees in FY22, including but not limited to:

- LinkedIn Learning, available to all employees across the organisation. LinkedIn Learning is an online tool which offers over 13,000 video courses taught by industry experts in software, creative, and business skills. With the flexibility of being available to employees when it suits them, it helps develop talent and ensures vital business skills remain current.

- 10,000 hours, an eight-month program designed to enhance leadership capability across the organisation. Nearmap wants its future leaders to come from within the Company, and this course is specifically targeted to equip potential future leaders with required capabilities.

- Nearmap Learning Library, a global training library that allows all employees to opt into courses which are linked to the core capabilities of their positions. Employees are given the flexibility to focus on the specific skills they want to develop, in conjunction with feedback from management and with specific goals in mind.

In addition to these formal initiatives, teams engage in ad hoc training programs over the course of the financial year, and Nearmap has additional budget set aside for employees who wish to enrol in an external course, including support for tertiary education and study leave, which meets the personal development goals of the individual and the Company. Nearmap understands the importance of an ever-evolving marketplace and the Company will continue investing in its people to increase employee engagement, retain its best talent, and remain competitive in the location intelligence industry.

Nearmap also operates a Student Industry Placement Scholarship program. A select number of students are recruited for six-month placements working in Artificial Intelligence Systems, Sensor Systems and Survey Systems teams, providing on-the-job experience and helping them complete their university dissertations. Nearmap is passionate about creating and cultivating opportunities for students to apply their learnings in a cutting-edge commercial environment.

WELLBEING & THE COMMUNITY

The wellbeing of a company’s employees determines the wellbeing of a company. Nearmap is committed to ensuring the physical and mental wellbeing of its employees is at its utmost and supports all employees in order to achieve this outcome. Nearmap does this in a variety of ways, including but not limited to:

- Work Life Balance
  Nearmap recognises the productivity benefits and improved business outcomes that flexibility and balance deliver to an organisation. The Company has put in place a specific Work Life Balance Policy, which provides all employees with the right to achieve a work life balance, such as the flexibility of working from home.

- Wellbeing Allowance
  In support of an employee’s healthy lifestyle, Nearmap pays a subsidy to employees each month to cover part of their sporting or gym membership.

- Employee Helpline
  Employees have confidential access to a global 24/7 counselling service to discuss any issues they may be experiencing in the workplace or personal life.

- Safe Workspace
  Nearmap puts new employees through a health and safety initiation. As part of this program all employees are taken through a health and safety induction.

- Employee Wellbeing Program
  The wellbeing of a company’s employees determines the wellbeing of a company. Nearmap is committed to ensuring the physical and mental wellbeing of its employees is at its utmost and supports all employees in order to achieve this outcome. Nearmap does this in a variety of ways, including but not limited to:

- Fresh Fruit & Food
  Nearmap supplies fully stocked kitchens filled with nutritious snacks for breakfast and lunch.

- Fighting Illness & Disease
  Nearmap provides free flu vaccinations, an incentive to help smokers quit, and an ergonomic work environment which includes large computer monitors and sit/stand desks.

- Loyalty Rewarded
  For every two years an employee has worked at Nearmap, the Company shows its appreciation by rewarding employees with an extra day off.

- Massage Therapy
  Each fortnight in-house massages are provided by a qualified masseur to Australian-based employees and contractors when in the office.

- Fighting Illness & Disease
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SUSTAINABILITY STATEMENT

WORKPLACE HEALTH & SAFETY

Nearmap is committed to ensuring that employees and external visitors are provided with a safe and healthy working environment. Nearmap ensures safety training is carried out as required for employees and management across every level of the Company to ensure Nearmap complies with its Workplace Health and Safety (“WHS”) obligations within the workplace. The Executive, People & Culture, and elected WHS representatives review all WHS systems at various stages throughout the year through the use of reporting, annual workplace inspections, risk assessment and other meetings involving relevant stakeholders. WHS representatives are responsible for consulting with employees should they have any WHS concerns, and when Nearmap is implementing new WHS initiatives. People & Culture provide WHS metrics to the Executive and the Board on a regular basis. Information and data captured in these reports ensures senior management have access to all available information in order to make effective decisions regarding the health and safety of Nearmap employees. This information includes reports of any incidents, injuries, or lost time due to injury. At Nearmap, the Company’s key priority is the health, safety and wellbeing of its people. Upon the onset of the COVID-19 pandemic and in line with guidance from the Australian and United States (US) Governments and health agencies, Nearmap transitioned its employees to working remotely across all of its Australian and US offices.

Nearmap established a COVID-19 Response Team to continually monitor the impact of the pandemic, issuing frequent communications and holding all staff and department conferences. These conferences provided employees with consistent updates as it pertained to the impact on Nearmap and their roles, and became regular forums for employees to ask questions and offer feedback. Employees were updated with health and hygiene procedures as recommended by health agencies and were encouraged to stay in touch with colleagues using conferencing and messaging channels and via company-wide virtual events.

EMPLOYEE MATCHING SHARE SCHEME

In FY18 Nearmap established an Employee Matching Share Scheme (“Scheme”) to give permanent part-time and full-time employees the opportunity to invest in Nearmap and share in the Company’s success. Employees elect a percentage of their salary to purchase Nearmap shares, and the Company provides a generous match. The Scheme is designed to instil a sense of ownership in the business among employees and also contributes towards talent retention and an appreciation of shared values. The Scheme is optional but has been well received, with over one third of eligible employees choosing to participate in FY20.

All employees, including those eligible to participate, must sign the Staff Trading Policy before joining Nearmap and receive additional training when they are onboarded to ensure that they understand the obligations of securities trading as it pertains to the Company’s Continuous Disclosure Policy.

PRIVACY & DATA SECURITY

Nearmap understands the importance of protecting the personal and confidential information of customers, suppliers and employees. In day-to-day operations, Nearmap creates, collects and maintains a vast amount of data, and aims to strike a balance between minimising the amount of information collected, and still operating the business in an efficient and effective manner. The type of information collected, how that information is collected, stored and protected, and to whom that information may be disclosed is outlined in the Company’s Privacy Policy, a copy of which is available on the Company’s website. Nearmap takes privacy very seriously and ensures that it complies with the Privacy Policy, as well as all applicable federal and state privacy and data security laws in the jurisdictions in which it operates. When any company experiences a data security breach, individual’s privacy rights can also be breached. To mitigate any potential impact, Nearmap has implemented a Data Breach Response Plan (“Plan”). The Plan is designed to ensure that Nearmap can contain, assess and respond to data breaches in a timely fashion, mitigating and minimising the potential harm to affected individuals and complying with its reporting obligations to regulatory bodies. As part of the Plan, any employee made aware of an actual or suspected data breach must notify a member of the Company’s response team, with each business unit represented and the Chief Financial Officer being the primary person responsible for data security breaches. The responsibility of the response team is to undertake an investigation into any suspected data breach incident, to coordinate service providers and subject matter experts as required, and to conduct a series of post-event analyses to minimise the risk of future data security breaches occurring.

Data security risks are ever evolving, and it is vital for businesses to keep abreast of any new or emerging trends. Nearmap proactively considers data security risks and has a cyber working committee which meets regularly to consider new developments, and how the Company can continue to improve its cyber awareness and security requirements. This includes but is not limited to implementation of best practice frameworks that enable Nearmap to have visibility and control over its critical infrastructure and assets. The Company has also established a Global Risk Assurance Group (“GRAG”), which is made up of senior representatives from every business unit across Nearmap. GRAG acts as the facilitator of all risk information as it pertains to the respective business unit, information which is cascaded from all employees up to Board level through the Enterprise Risk Register. GRAG provides regular updates to the Audit and Risk Management Committee at a Board level, and reports to the Chief Financial Officer at a management level.

Nearmap is committed to ensuring that it has the right policies and procedures in place to mitigate cyber security risks and is actively implementing new security measures and best practice frameworks to protect against unauthorised access or disclosure of confidential or other proprietary information. The Company is insured against certain cyber risks and security incidents but is pleased to say it did not receive any complaints regarding data breaches or security incidents during the reporting period.
SUSTAINABILITY STATEMENT

MODERN SLAVERY

On 1 January 2019, the Modern Slavery Act 2018 (Cth) ("Modern Slavery Act") was introduced, heralding a new statutory modern slavery reporting regime for larger companies operating in Australia. Entities will need to report under the Modern Slavery Act if they are an Australian entity or carry on business in Australia with a minimum annual consolidated revenue of $100 million.

As at the date of this Sustainability Statement, Nearmap remains below the Modern Slavery Act reporting threshold, but has opted to take the necessary steps internally to consider the implementation of a Global Modern Slavery Policy and associated processes that address the various risks of modern slavery practices in its global operations and supply chain. Nearmap is committed to ensuring that it has a robust and effective framework and processes that are firmly embedded in how it conducts business, including delivering appropriate awareness with employees and suppliers.

ANTI-BRIBERY AND CORRUPTION

Nearmap supports and fosters a culture of zero-tolerance towards bribery and corruption in all of the Company’s activities. In addition to the standards and principles set out in the Company’s Code of Conduct, Nearmap has adopted a Global Anti-Bribery and Corruption Policy to monitor the culture of the organisation through reporting of material breaches and enforcing a zero-tolerance approach to contraventions of bribery and corruption laws. The Global Anti-Bribery and Corruption Policy applies to Nearmap Ltd and its related bodies corporate and applies to all officers and employees of the Company.

WHISTLEBLOWER PROTECTION

Nearmap has adopted a Global Whistleblower Policy that encourages and supports the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving the Company’s businesses and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage or reprisal. In doing so, Nearmap has appointed an external service provider to provide an independently monitored external hotline and reporting service for the purposes of managing whistleblowing in line with the Global Whistleblower Policy. The Code of Conduct and the Global Anti-Bribery and Corruption Policy work in tandem with the Global Whistleblower Policy to ensure oversight of the Company’s business activities in compliance with all relevant laws in the jurisdictions in which it operates.

SUPPLY CHAIN

Nearmap acknowledges the importance of building and maintaining strong relationships with suppliers in order to effectively understand their business models and the ongoing and emerging risks associated with the supply chain which could impact the Company’s operations. The Company’s approach is expected to conform with and uphold the values of the Company’s Corporate Code of Conduct and its Health, Safety and Environment Policy, both of which can be found on the Company’s website.

Nearmap contracts with external companies to provide aerial imagery across its coverage areas using the Company’s camera systems to effectively and efficiently deliver its frequent and wide scale capture programs. The aviation industry places inherent risks and is therefore heavily regulated by federal agencies. Nearmap currently engages all aerial operators to be fully compliant with applicable regulations before it engages with any aerial operator. The Company requires its aerial operators to provide compliance documentation, including but not limited to An Operator’s Certificates, and operator documentation or information including aircraft details, insurance and business continuity plans.

Nearmap is committed to ensuring it only engages with aerial operators who have appropriate registrations and have regulatory compliance procedures in place to ensure the highest possible levels of safety management. As with any organisation which relies on an important third-party supplier, Nearmap ensures it has an appropriate level of oversight and understands the aviation regulatory and safety environment, and the practices of its aerial operators, in order to design appropriate safety-awareness procedures and support ongoing operations. Nearmap has formed strong partnerships with its aerial operators across the regions within it to support transparent communication of any issues and ensuring compliance with safety regulations in relation to aircraft and its operators. The systems and processes in place have been specifically designed to maintain the highest safety standards.

In order to provide customers with the full back catalogue of historical aerial content, Nearmap utilises Amazon Web Services ("AWS") to host, process and make available all of the Company’s content. Any disruption of, or interference with, the use of such cloud-based services could adversely impact the Company and its operations. Nearmap understands this risk and has implemented risk management processes and designed its systems to mitigate and minimise any such form of disruption or potential service impact to customers.

AWS contractually guarantees that its monthly uptime is at least 99.99%. Service credits are provided in the event they do not meet these metrics and AWS provides compensation for any issues Nearmap may incur due to any outages in breach of its agreed service level. Nearmap also plays its part in reducing the impact of any AWS service disruption by ensuring services and content is designed for availability, while also being hosted across multiple sites within a number of regions across the world. AWS has a rigorous approach to its risk and compliance framework, and they disclose their security and control responsibilities to their customers, including Nearmap. This disclosure enables Nearmap to properly assess the risk associated with hosting the Company’s content on the AWS platform. These disclosures include, but are not limited to:

• industry certifications and independent third-party attestations;
• information about the AWS security and control practices in whitepapers and web site content; and
• certificates, reports, and other documentation as required.

As a key supplier to Nearmap, the Company is constantly engaged with, and maintains a thorough understanding of AWS’ risk and compliance procedures. Nearmap will continue having ongoing dialogue with AWS, both to ensure these procedures remain well understood and to satisfy its own risk assessment of its third-party suppliers.

Nearmap has increased its investment into Artificial Intelligence and Machine Learning, relying on global impact sourcing solutions to enable the Company to build out its technology capabilities in this area. Nearmap is conscious of its corporate social responsibility in ensuring this investment is allocated appropriately so that it benefits the Company but also provides income, technical skills and a valuable workplace to people who might not otherwise have had the opportunity. In FY17, Nearmap partnered with a member company of the Global Impact Sourcing Coalition ("GISC"), an organisation funded by The Rockefeller Foundation. Members of the GISC commit to providing meaningful career opportunities to people who might not otherwise have had the opportunity to work in the technology sector. Nearmap joined the GISC in order to build and grow its impact sourcing team and enable employees to grow in their careers. As at the date of this Sustainability Statement, Nearmap remains below the Modern Slavery Act reporting threshold, but has opted to take the necessary steps internally to consider the implementation of a Global Modern Slavery Policy and associated processes that address the various risks of modern slavery practices in its global operations and supply chain. Nearmap is committed to ensuring that it has a robust and effective framework and processes that are firmly embedded in how it conducts business, including delivering appropriate awareness with employees and suppliers.
THE ENVIRONMENT

The Nearmap vision embodies both its business purpose as well as characterising how the Company’s location intelligence has a positive impact on the environment. “We change the way people view the world, so they can profitably change the way they work.” Access to Nearmap content enables customers to reduce physical visits to sites, allowing them to perform a multitude of tasks from their desk. Customer feedback indicates that up to 80% of customers use Nearmap content to reduce physical visits to sites. This has a direct correlation to a reduction in carbon dioxide (CO₂) emissions that would otherwise have been emitted by customers travelling to and from these sites.

In order to provide customers with content, Nearmap engages aerial operators to fly the Company’s proprietary camera systems. These flights will emit CO₂; however, the impact is limited given a typical plane flying these camera systems is lightweight and the operational pilot and the camera system. Nearmap recognises these emissions and continually invests in technology that could lead to a reduction in emissions per square kilometre. Specifically, the Company is researching methods to enable its camera systems to be flown higher and faster, reducing the time required to capture imagery at the same resolution thereby reducing CO₂ emissions associated with the capture program.

Based on an understanding of customer usage, Nearmap is confident that CO₂ emissions associated with content captured from the Company’s aerial operators are offset many times over by the reduction in emissions attributed to reduced travel by the Company’s customers on the ground.

Data generated by the Company continues to grow, driven in recent years by the addition of new content types, the frequency of capture across an increased number of geographies and the addition of Artificial Intelligence content. This data requires substantial storage capacity, which consumes a significant amount of energy and Nearmap has considered the most energy efficient way to store this content and thereby limiting the environmental impact.

Cloud computing substantially reduces energy consumption, given on-site server utilisation rates typically average between 10-20% across industry. Nearmap contracts AWS, the world’s largest cloud computing platform, to host the Company’s extensive data set. By doing so, Nearmap utilises a more energy efficient process than if it were to host this data on proprietary servers at the Company’s offices or any co-located sites. Nevertheless, the energy required to host the Company’s data is still significant and Nearmap continually evaluates ways to improve its storage efficiency and associated environmental impact. This can include utilising more efficient virtual servers for processing and lifecycle of data to ensure only required data is accessible.

In November 2014, AWS announced a long-term commitment to achieve 100% renewable energy usage for their global infrastructure footprint and last year AWS’ parent company, Amazon, pledged a target of 80% of total energy generation powered by renewable energy by 2024 and 100% by 2030, on its path to net zero carbon by 2040, a decade ahead of the Paris Accords goal of 2050. Nearmap is encouraged by the ambitious targets which have been set and will continue engaging with AWS to encourage progress toward these targets. AWS has committed to updating Nearmap on its progress.

Nearmap considers the welfare of the broader community and the environment as part of its Health, Safety and Environment Policy, a copy of which can be found on the Company’s website. As outlined in the Health, Safety and Environment Policy, decision-making at Board and management levels must take into account environmental issues as a key priority and the identification of potential environmental problems requires ongoing review by employees, management and the Board. Despite a limited environmental footprint, Nearmap takes its environmental responsibilities seriously and is committed to improving its impact where it can.

The Company’s small direct environmental footprint is reflected in office energy consumption, waste and water usage in Australia and the United States. As the Company increases its investment and expansion plans, it is likely that this footprint will increase, and the Company is actively considering the degree to which it can manage the impact of this growth.

There are a range of reporting frameworks that currently exist for Australian companies to disclose their environmental impact. Discussion papers from the Australian Securities Exchange and the Australian Council of Superannuation Voters have made reference to the Task Force on Climate-Related Financial Disclosure initiative, established in 2015 by the Financial Stability Board, to develop voluntary, consistent climate-related disclosure. Nearmap will continue monitoring industry adoption of climate reporting frameworks to consider if there is an appropriate disclosure framework for the Company to report against.

Two thirds of the Company’s employees are based in its Sydney office, part of the Barangaroo precinct, which is one of only eighteen precincts globally to be part of the G40 Cities Clinton Climate Initiative. Climate Positive Development Program and Australia’s first large scale carbon neutral community. Tower One in Barangaroo is one of Australia’s most sustainable high-rise buildings and the Nearmap office has been awarded 5.5 stars under the National Australian Built Environment Rating System.

In addition to such systems as sensor lights and intelligent lifts in the Sydney office, Nearmap facilitates an office environment which encourages employees to minimise the environmental impact of their day-to-day activities. This includes such measures as:

- issuing new employees with a water bottle to reduce the use of single use plastics; Nearmap does not provide employees with any single use plastic for daily use;
- providing recycling bins for paper, mixed recycling, organics and coffee pods;
- installing filtered water taps and supplying crockery and cutlery in the kitchen;
- reducing printing through software such as DocuSign to electronically manage business agreements; and
- utilising Shred X to provide a closed loop, secure documentation destruction and recycling service.

Prior to the COVID-19 pandemic, employees engaged via online software platforms, minimising the need for travel and improving overall productivity. With the onset of COVID-19, Nearmap accelerated the usage of these platforms and employees moved to engaging completely virtually. In the ordinary course of business a degree of travel would be required as the Company continues with its expansion plans and in 2020 the Company changed travel providers to enable Nearmap to more closely monitor air travel by employees and, by default, the environmental impact their travel has.

As a technology company, Nearmap will from time to time produce electronic waste. The Company’s technology team is solely based out of the Sydney office and has arrangements with building management for any electronic waste, such as monitors or cables, to be donated to not-for-profit organisations or social enterprise businesses if they can be reused, or recycled if they cannot.

Customers use Nearmap to monitor areas impacted by climate change, detect illegal dumping, changes in water runoff, assess natural disaster risk, monitor green space, historic sites and preserve the natural environment. Eight percent of the Company’s global customer base by Annualised Contract Value are solar installation companies, who utilise Nearmap content to efficiently assess and price solar installation for potential customers, increasing the supply of renewable energy to tens of thousands of households and businesses.

Nearmap is proud to have built a company which empowers individuals and organisations to make an overwhelmingly positive impact on the environment and Nearmap is committed to playing its part in facilitating a greener and more sustainable future.
The Directors submit their report together with the consolidated financial statements of the Group, consisting of Nearmap Ltd ("Nearmap" or the "Company") and the entities it controlled at the end of, or during, the financial year ended 30 June 2020 and the auditor’s report thereon.

The Directors of the Company at any time during, or since the end of, the financial year are:

**MR PETER JAMES, BA, FAICD**
INDEPENDENT NON-EXECUTIVE CHAIRMAN

PETER has extensive experience as Chair, Non-executive Director and Chief Executive Officer across a range of publicly listed and private companies, particularly in emerging technologies and e-commerce. Previously among other roles, Peter was a long-term Director of iNet, chairing iNet's Strategy and Innovation Committee. Peter is a successful investor in digital media and technology businesses in Australia and the US and travels extensively in reviewing innovation and consumer trends globally. Peter is an experienced and successful business leader with significant strategic and operational expertise. He brings a strong record of corporate governance and stakeholder communication and is a Fellow of the Australian Computer Society. Peter holds a BA degree with majors in Business and Computer Science.

**DR ROB NEWMAN, B.ENG (1ST HONS), PH.D.**
CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

Rob has a unique track record as a successful Australian technology entrepreneur in Australia and Silicon Valley. He has twice founded and built Australian technology businesses, both successfully entering overseas markets. Rob is a trained engineer and spent his career in marketing, business development and general management in Information Technology businesses focusing on communications. Rob also spent ten years 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 growth companies with significant commercial potential, especially those addressing overseas markets. In the 1980s, Rob was the inventor and co-founder of QPSX Communications Pty Ltd. Rob provided the technical leadership and product strategy and was instrumental in establishing QPSX as a worldwide standard for Metropolitan Area Networks.

**MS TRACEY HORTON AO, B.ECON (HONS), MBA, FAICD, FGIA**
INDEPENDENT NON-EXECUTIVE DIRECTOR

Tracey is an experienced Company Director with significant global strategy experience and is currently a Non-executive Director of OPT Group Limited (ASX: OPT), a member of the Australian Takeovers Panel and the National Board of the Australian Institute of Company Directors, Chair of Australian Industry Skills Committee and was, until recently, Chair of Navitas Limited (ASX: NVT). Tracey’s extensive prior board experience includes a wide range of listed, government and not-for-profit boards. Tracey has lived, worked, and studied in Australia, the US, Canada and the UK. Tracey was previously a Winthrop Professor and Dean of the University of Western Australia’s Business School. Prior to that she held executive and senior management roles with Bain & Company in North America, and in Australia with advisory firm Poynter and Partners and the Reserve Bank of Australia.

**MS SUE KLOSE, B.SCI.ECON., MBA, GAICD**
INDEPENDENT NON-EXECUTIVE DIRECTOR

Sue is an experienced senior executive and board director, with a diverse background in Software as a Service (SaaS) businesses with a focus on digital strategy, corporate development, partnerships and business growth in Australia and the US. Sue was previously the Chief Marketing Officer of GreyOrange, where she was responsible for brand development, marketing communications and digital product strategy. In prior roles in consulting and global media companies including News Ltd (ASX: NWS), Sue has led strategic planning and development and is passionate about helping teams continually seek new opportunities for growth and innovation. As Director of Digital Corporate Development for News Ltd, Sue screened hundreds of potential investments, leading multiple acquisitions, establishing the CareerOne and Carsguide joint ventures, and holding multiple board roles in high-growth digital and SaaS businesses. Sue has an MBA with honours in Finance, Strategy and Marketing from the J. Kellogg School of Management at Northwestern University, and a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania. Sue is currently a Non-executive Director of Pureprofile (ASX: PPL) and Stוכל Mental Health Limited, one of Australia’s largest mental health care providers.

**SPECIAL RESPONSIBILITIES:**
Chair of the Audit and Risk Management Committee
Member of the People, Culture and Remuneration Committee

**CURRENT ASX LISTED COMPANY DIRECTORSHIPS:**
• Nearmap Ltd (since 21 December 2018) - Non-executive Chairman
• Macquarie Telecom Ltd (ASX: MAQ) (since 2 April 2012) - Non-executive Chairman
• Drooheld Limited (ASX: DRC) (since 1 April 2016) - Non-executive Chairman
• UUV Aquabotix Ltd (ASX: UUV) (since 9 March 2017) - Non-executive Chairman
• Keytone Diary Corporation Limited (ASX: KTD) (since 25 September 2019) - Non-executive Director

**DIRECTORSHIPS IN THE LAST 3 YEARS:**
• Deamiscpe Networks Limited (ASX: DNB) (16 September 2016 to 30 October 2019) - Non-executive Chairman

**FORMER ASX LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS:**
• Deamscape Networks Limited (ASX: DNB) (16 September 2016 to 30 October 2019) - Non-executive Chairman
• Macquarie Telecom Limited (ASX: MAQ) (since 2 April 2012) - Non-executive Chairman
• Drooheld Limited (ASX: DRC) (since 1 April 2016) - Non-executive Chairman
• UUV Aquabotix Ltd (ASX: UUV) (since 9 March 2017) - Non-executive Chairman
• Keytone Diary Corporation Limited (ASX: KTD) (since 25 September 2019) - Non-executive Director

**SPECIAL RESPONSIBILITIES:**
Member of the Audit and Risk Management Committee
Member of the People, Culture and Remuneration Committee

**CURRENT ASX LISTED COMPANY DIRECTORSHIPS:**
• Nearmap Ltd (since 1 September 2019) - Non-executive Director
• The GPT Group Ltd (ASX: GPT) (since 1 May 2018) - Non-executive Director

**FORMER ASX LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS:**
• Navitas Limited (ASX: NVT) (13 June 2012 - 16 November 2016) - Non-executive Director
• Nearmap Ltd (ASX: 3DP) (30 June 2016 to 9 November 2018) - Non-executive Director

**DIRECTORSHIPS IN THE LAST 3 YEARS:**
• Remuneration Committee
• Chair of the Audit and Risk Management Committee
• Member of the People, Culture and Remuneration Committee

**CURRENT ASX LISTED COMPANY DIRECTORSHIPS:**
• Navitas Limited (ASX: NVT) (13 June 2012 - 16 November 2016) - Non-executive Director
• The GPT Group Ltd (ASX: GPT) (since 1 May 2018) - Non-executive Director

**FORMER ASX LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS:**
• None
In 1987, Ross became the founding Chairman of Nearmap Ltd. He held this role until 23 February 2019, at which point he moved into a Non-executive role. Ross is a former managing partner of Arthur Andersen and KPMG Hungerfords and is a successor firm 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 former Chairman of the Western Australian Professional Standards Committee of the Institute of Chartered Accountants, a former member of the National Disciplinary Committee of the Institute of Chartered Accountants, former Chairman of the Friends of the Duke of Edinburgh’s Award Scheme and a former member of the University of Western Australia’s Graduate School of Management (MBA Program). Ross is also Western Australia’s Honorary Consul-General to Finland.

SPECIAL RESPONSIBILITIES:
- Member of the Audit and Risk Management Committee
- Member of the People, Culture and Remuneration Committee

CURRENT ASX LISTED COMPANY DIRECTORSHIPS:
- Nearmap Ltd (since 1987) - Non-executive Director
- Brockman Mining Ltd (ASX: BDO) (since 22 August 2012) - Non-executive Director

FORMER ASX LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS:
- None

Mr. Ross Norgard, FCA
Non-Executive Director

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

Cliff has more than 20 years’ experience leading change and innovation in technology and media companies. As the former Managing Director of Linklife for Australia, NZ and South-East Asia, Cliff started the Australian office in 2003 and oversaw the expansion of Linklife in Australia from 1 million members in 2009 to more than 8 million members in 2017. Previously, he was Managing Director at Yahoo! Australia and New Zealand, and prior to that role he was the founder and Managing Director of Touch Australia NZ where he grew the Australian office to one of the largest mobile content and application providers in Australia. Previously, Cliff was head of corporate strategy for Vodafone Australasia and also served as an international management consultant with Gemini Consulting and Bain Consulting. Cliff has more than ten years’ experience on the boards of publicly listed companies. His current directorships include Nearmap, A2B Australia Limited (ASX: A2B), TechnologyOne (ASX: TNE) and Bidcorp (ASX: BID). Cliff was also a Non-Executive Director with Dimmi (online reservations company bought by Tripadvisor.com in May 2018) and Afterpay Touch Group (ASX: APT). He holds a Bachelor of Business Science (Honors) from the University of Cape Town and a Masters of Science (Honors) from the University of Natal’s Business School.

SPECIAL RESPONSIBILITIES:
- Member of the Audit and Risk Management Committee
- Member of the People, Culture and Remuneration Committee

CURRENT ASX LISTED COMPANY DIRECTORSHIPS:
- Nearmap Ltd (since 3 July 2012) - Non-executive Director
- A2B Australia Ltd (ASX: A2B) (since 25 August 2017) - Non-executive Director
- Technology One Pty Ltd (ASX: TNE) (since 27 February 2019) - Non-executive Director

FORMER ASX LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS:
- Pureprofile Ltd (ASX: PPL) (23 June 2015 to 28 February 2019) - Non-executive Director
- SP Ltd (ASX: SP) (29 September 2017 to 2 July 2019) - Non-executive Director
- Afterpay Touch Group Ltd (ASX: APT) (2 March 2016 to 24 May 2020) - Non-executive Director

Mr. Ian Morris, MBA
(Resigned, 14 November 2019)
Independent Non-Executive Director

Ian has enjoyed a successful business career in the US technology sector. He currently is the CEO of Likewise, Inc., a Gates Ventures-backed technology company which he co-founded. Previously he served as President and CEO of Market Leader for more than a decade, a leading provider of real estate Software as a Service (SaaS) solutions. 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$380M. Ian also spent seven years at Microsoft leading early online marketing efforts and later served as the General Manager of Microsoft HomeAdvisor.

He has also served as a strategic advisor and Board member to a number of leading US technology companies.

CURRENT ASX LISTED COMPANY DIRECTORSHIPS:
- None

FORMER ASX LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS:
- Nearmap Ltd (23 January 2016 to 14 November 2019) - Non-executive Director

Ms Shannon Coates LLB was appointed to the position of company secretary in June 2013. Ms Coates is a qualified lawyer, Chartered Secretary and graduate of the ACCA. Company Directors course; with over 20 years’ experience in corporate law and compliance. She is currently company secretary to a number of publicly listed and unlisted companies and has provided company secretarial and corporate advisory services to boards and various committees across a variety of industries, including financial services, resources, manufacturing and technology.

COMPANY SECRETARY

Ms. Shannon Coates, LLB.
The number of meetings of Directors (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director are as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Total Attendance</th>
<th>Eligible to Attend</th>
<th>Full Board Meetings</th>
<th>Audit and Risk Committee Meetings</th>
<th>People, Culture and Remuneration Committee Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. James</td>
<td>11</td>
<td>11</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>R. Newman</td>
<td>11</td>
<td>11</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>T. Horton</td>
<td>9</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>S. Klose</td>
<td>11</td>
<td>11</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>R. Norgard</td>
<td>11</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>C. Rosenberg</td>
<td>11</td>
<td>11</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

* Ms.Horton attended one meeting of the Audit and Risk Committee as an invitee. Ms Horton did not attend one of the Board meetings due to another previously scheduled Board meeting that prevented her attendance.
* The Committee was re-named from Nomination and Remuneration Committee to People, Culture and Remuneration Committee on 9 June 2020.
* Mr. Morris resigned as a Director on 14 November 2019.
* Ms. Horton was appointed as a Director on 1 September 2019.

The principal activity of the Group during the course of the financial year was the provision of online aerial photomaps to business customers via subscription through its 100% owned subsidiaries, Nearmap Australia Pty Ltd and Nearmap US, Inc. There were no significant changes in the nature of the activities of the Group during the year.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the year.

### OPERATING AND FINANCIAL REVIEW

**Overview of the Group**

Nearmap is a location intelligence company capturing data about the real world and providing insights to a diverse range of businesses. By subscribing to Nearmap, customers can remotely plan and inspect, monitor and validate, assess risk, communicate and visualise, estimate and quote, and generate leads, enabling businesses to increase their productivity by reducing the need for costly, time-consuming site visits.

Nearmap has a diverse subscription base of more than 10,000 customers across a number of industry verticals. These verticals include Architecture, Construction, Engineering (25% of the Group’s customer portfolio), Insurance (19% of the Group’s customer portfolio), Solar (8% of the Group’s customer portfolio), Utilities (11% of the Group’s customer portfolio), Commercial (16% of the Group’s customer portfolio), Roofing (3% of the Group’s customer portfolio), and Government Organisations (15% of the Group’s customer portfolio). Given this diversity, the Group does not have concentration risk on specific industry segments or individual customers. Using its own patented camera systems and processing software, the Group captures wide-scale urban areas in Australia (98% population coverage), New Zealand (75% population coverage), the United States (71% population coverage) and Canada (64% population coverage) multiple times each year. The updated content is delivered to customers as Orthogonal DLO imagery, Ortho image to side view, orthomosaic, urban below view, orthophoto, Ortho image to perspective, Ortho image to elevation view, Ortho image to perspective view, and Ortho image to texture.

3D models and, as of June 2020, via Nearmap AI, a new product that enables customers to more accurately and efficiently measure change and quantify attributes through a series of data sets constructed from machine learning models deployed across the Group’s high-definition aerial imagery.

The Group’s content includes a wide range of analytics and tools, including artificial intelligence content, and is instantly available in the cloud via web app or API integration.

The pivotal features underlying the success of the Nearmap business model are:
- the frequency with which this data is captured and updated;
- the clarity of the imagery provided;
- the large geographic scale of the coverage area; and
- the availability of previous surveys on the same platform, allowing users to track changes at locations over time.

The Group is a participant in the large, fragmented and growing global location intelligence market, holding a global market share of less than 1%.

The Group’s strategy is effectively monetize its content by providing convenient access to the content via desktop and mobile platforms, through a subscription model and value-added products supported by e-commerce facilities. The Group generates revenues in two main geographic regions, Australia and New Zealand (together “ANZ”), and the United States and Canada (together “NA”). See segment reporting in note 3 to the consolidated financial statements for more details of the financial performance of the Group’s operating segments.

**Review of operations**

**Financial performance**

For the year ended 30 June 2020, the Group reported revenue of $96.7m (30 June 2019: $77.6m), and a net loss after tax of $36.7m (30 June 2019: $14.9m).

<table>
<thead>
<tr>
<th>GROUP ACTIVITY</th>
<th>FY20</th>
<th>FY19</th>
<th>YOY $</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue</strong></td>
<td>$96,714</td>
<td>$77,642</td>
<td>$19,072</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Depreciation and amortisation</strong></td>
<td>($46,698)</td>
<td>($26,659)</td>
<td>($20,039)</td>
<td>(75%)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>($37,627)</td>
<td>($11,175)</td>
<td>($26,452)</td>
<td>(237%)</td>
</tr>
<tr>
<td><strong>Net finance income</strong></td>
<td>$340</td>
<td>$1,389</td>
<td>($1,049)</td>
<td>(76%)</td>
</tr>
<tr>
<td><strong>Net loss before tax</strong></td>
<td>$36,717</td>
<td>$14,934</td>
<td>$21,783</td>
<td>(146%)</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>($0.81)</td>
<td>($0.34)</td>
<td>($0.47)</td>
<td>(137%)</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>$12,088</td>
<td>$24,899</td>
<td>($12,811)</td>
<td>(51%)</td>
</tr>
</tbody>
</table>

Total revenue for the year ended 30 June 2020 ($96,714m) increased 25% to $96,714m compared to total revenue for the year ended 30 June 2019 ($77,642m). ANZ revenue increased 13% to $60,214m compared to prior year revenue of $53,214m, while NA revenue increased 49% to $36,512m compared to prior year revenue of $24,530m.
Operational and financial review (cont.)

Review of operations (cont.)

The increase in revenue is correlated to the 16% growth in the Annual Contract Value (“ACV”) portfolio over the same period. The drivers behind ACV growth for the year ended 30 June 2020 are:

- New business: New customers contributed $16.0m of incremental ACV in FY20. This increase is marginally down on prior year in part impacted by the onset of COVID-19, but shows the continued penetration of the total addressable market to new user groups across key industry segments in both ANZ and NA. The NA and ANZ segments respectively represented $10.2m and $5.8m of the Group’s new business for the year ended 30 June 2020.
- Net upsell: Net upsell is the aggregate of customer upgrades offset by downgrades. Net upsell in FY20 totalled $8.3m which was $0.9m below prior year. However, this includes a significant downgrade from an enterprise customer in NA impacted by a downturn in the autonomous vehicle sector. Net upsell across both segments highlights the increasing value that existing customers derive from Neamaap, and the success of cross-selling into new products and features. The NA and ANZ segments respectively reported net upsell of $4.2m and $4.1m during the year ended 30 June 2020.
- Churn: As a subscription business selling annual contracts, a key focus for sales and marketing activities is the retention of existing customers. Neamaap has invested significantly in customer retention activities and in FY19 recorded ACV portfolio churn of 5.3%. In FY20 this number increased to 9.9%, largely due to two large enterprise churn events relating to the cancellation by a partner which was subject to a permanent court injunction, and the loss of a customer contract due to the slowdown in mapping for the autonomous vehicle industry. Without these two events, churn would have been 5.4%, which is consistent with prior year and a strong result when considering the change in the macroeconomic environment as a result of COVID-19. The NA and ANZ segment respectively reported churn rates of $3.0m and $3.4m during the year ended 30 June 2020.

COVID-19 had the impact of slowing sales velocity during March-June 2020. Despite this, the Group continued to grow its overall ACV portfolio during this period, demonstrating the strength of business operations and the increasing relevance of the Group’s products to many customers who themselves are working remotely and are unable to make physical site visits. Revenue is recognised evenly over the subscription period, while ACV represents the annualised value of all active subscription contracts in effect at a particular date. The difference between ACV growth and revenue growth is a result of the timing of new business, net upsell and churn events across the financial year. Excluding the impact of the two material NA churns at the end of the first half, revenue growth would have aligned with ACV growth for the year ended 30 June 2020.

Group EBITDA for the year ended 30 June 2020 is down 41% to $36.1m compared to prior year Group EBITDA of $61.5m. In ANZ, EBITDA is down 28% to $10.3m compared to prior year EBITDA of $14.1m. Offsetting the increase in revenue, an increase in staff related expenses of 33% or $7.7m compared to prior year is the main driver of the decrease in EBITDA. This is in line with the commitment made during the September 2019 capital raise to expand the sales, marketing, product and technology teams to support and accelerate the delivery of strategic objectives. In NA, EBITDA is down 178% to $(1.4)m compared to prior year of $1.8m. The drivers of the decrease in NA are consistent with those in ANZ. Group NIRF for the year ended 30 June 2020 is down 146% to $(36.7)m compared to prior year of $(13.4)m. The decrease in NIRF is driven by the decrease in EBITDA, and an increase in impairment of $13.7m, largely resulting from the impairment in the carrying value of the investments in the Neamaap owned and controlled subsidiaries, as well as the impairments of the business acquired in FY19. The net tax expense of the Group reduced by $3.5m mainly as a result of a $1.9m reduction in current tax expense in Australia and a favourable net deferred tax adjustment of $1.6m. Other drivers of the decrease in NIRF include a decrease of $8.0m in net finance income resulting from lower interest income on the Group’s cash and cash equivalents, a $5.6m increase in interest expense as a result of the adoption of AASB 16 on 1 January 2019, offset by a $0.5m foreign exchange gain for the year ended 30 June 2020.

Financial position

The Group’s balance sheet remains strong with no debt and a closing cash balance at 30 June 2020 of $36.1m (30 June 2019: $17.9m). The 30 June 2019 balance included a significant part of the net proceeds from a fully underwritten $70.0m capital placement to institutional investors in September 2018. The decrease between 30 June 2019 and 30 June 2020 is in line with intended use of the capital raised, being the investment in the sales and marketing workforce, the development of international and partnership opportunities, and new product and technology development.

During the year ended 30 June 2020 the Group implemented a number of cash management initiatives in response to the macroeconomic uncertainty created by COVID-19. This resulted in a 30% reduction to the overall cost base and included a 10% reduction to permanent employment costs, a temporary 20% reduction to employee salaries for a 6 month period from 1 May 2020 (offset by the grant of restricted stock units of an equivalent value to non-KMPs), a temporary 25% reduction to Non-executive Director fees and the Chief Executive Officer & Managing Director’s salary for the same period, and various other cost savings across the business. In doing so, the Group accelerated the drive to cash flow breakeven and brought greater strength and flexibility to the balance sheet.

The Group’s net working capital, excluding cash and cash equivalents and deferred revenue, increased 128% to $7.3m from $3.2m between 30 June 2019 and 30 June 2020. The increase is mainly driven by trade receivables which have increased by $9.2m, in line with the increase in revenue, offset by an increase in current lease liabilities of $4.5m resulting from the adoption of AASB 16 on 1 July 2019 (see below). Cash receipts from customers for the year were $103.2m compared to $86.4m for the previous year, an increase of $16.8m or 19%.

On 1 July 2019, the Group adopted new accounting standard AASB 16 Leases (AASB 16) using the modified retrospective approach under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, comparative figures have not been restated in the consolidated financial statements.

The newly effective standard introduced a single, on-balance sheet accounting model for leases. Upon transition, the Group, as a lessee, has recognised right-of-use assets of $60.5m in property and plant equipment on the consolidated statement of financial position representing its right to use the underlying assets, deferred tax assets of $10.2m representing its obligation to pay tax on the assets, derecognised the lease liabilities accounted for under AASB 117 Leases of $1.2m and recognised the initial application impact of $0.4m in accumulated losses. As at 30 June 2020, the carrying value of the right of use assets and lease liabilities are respectively $14.1m and $14.4m. See note 2 to the financial statements for a comprehensive review of the impact of the transition to AASB 16 Leases on the consolidated statement of financial position and the Group’s accounting policy.

The Group’s net assets as at 30 June 2020 decreased 35% to $56.7m, from $87.7m at 30 June 2019. The decrease is mainly driven by the $37.5m comprehensive loss recorded by the Group for the year ended 30 June 2020 and the $2.4m operating retained earnings adjustment on initial application of AASB 16, offset by $2.0m increase in contributed equity resulting from the exercise of share options and repayment of limited recourse loans, and a $0.3m increase in share-based payment reserve.

Dividends

No dividends have been paid or proposed in respect of the current year (30 June 2019: nil).

Events subsequent to the reporting date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely developments

The Group will continue to implement the business strategies put in place to ensure that the Group continues on its growth trajectory in the foreseeable future, subject to a stable macro-economic environment. The Group will continue to seek new opportunities to build scale and to broaden its customer base, sales and marketing capability, product offering and technological advantage.

In reliance on an APRA/32 of the Corporations Act 2001, we have not disclosed further information on business strategies and prospects, because adequate systems in place to manage its environmental obligations and is not aware of any breach of those environmental requirements during the period covered by this report as they apply to the Group.

Environmental regulation

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

48 DIRECTORS’ REPORT DIRECTORS’ REPORT 49
DIRECTORS’ INTERESTS

The relevant interest of each Director in the shares, debentures, interests in registered schemes and rights and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report are as follows:

ORDINARY SHARES OPTIONS OVER ORDINARY SHARES

<table>
<thead>
<tr>
<th>Director</th>
<th>Ordinary Shares</th>
<th>Options Over Ordinary Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>P James</td>
<td>2,382,000</td>
<td></td>
</tr>
<tr>
<td>R Newman</td>
<td>9,600,000</td>
<td>2,302,018</td>
</tr>
<tr>
<td>T Horton</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>S Klose</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>R Norgard</td>
<td>27,738,921</td>
<td></td>
</tr>
<tr>
<td>C Rosenberg</td>
<td>3,201,000</td>
<td></td>
</tr>
</tbody>
</table>

SHARE OPTIONS

As at 30 June 2020 there were 16,979,545 unissued ordinary shares under option. Refer to note 5 to the consolidated financial statements for further details of the Group’s share-based payment plans.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITOR

Indemnification of officers

The Company has agreed to indemnify the current Directors and certain Senior Executives of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or Senior Executives of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including legal fees. Since the end of the previous financial year, the Group has paid insurance premiums in respect of Directors’ and officers’ liability and legal expenses insurance contracts. The insurance premiums relate to:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the indemnification agreements do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor’s own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group, or jointly sharing risks and rewards.

Details of the amounts paid to KPMG and its network firms for audit and non-audit services provided during the year are outlined in note 18 to the consolidated financial statements.

Indemnification of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ROUNDOFF 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

The remuneration report on pages 52 to 68 forms part of this Director’s Report.

This report is made in accordance with a resolution of the Directors.

On behalf of the Board of Directors

Rob Newman
Chief Executive Officer & Managing Director
18 August 2020

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Non-audit services

During the year, KPMG, the Group’s auditor, has performed certain other services in addition to the audit and review of the consolidated financial statements.

The Board has considered the non-audit services provided during the year by the auditor of the Group, KPMG, and in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor’s own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group, or jointly sharing risks and rewards.

Details of the amounts paid to KPMG and its network firms for audit and non-audit services provided during the year are outlined in note 18 to the consolidated financial statements.

Lead auditor’s independence declaration

The lead auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 71 and forms part of the Directors’ report for the financial year ended 30 June 2020.

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

The remuneration report on pages 52 to 68 forms part of this Director’s Report.

This report is made in accordance with a resolution of the Directors.

On behalf of the Board of Directors

Rob Newman
Chief Executive Officer & Managing Director
18 August 2020
INTRODUCTION

The remuneration report outlines the remuneration arrangements in place for Directors and Key Management Personnel of Nearmap Ltd (the Company) and the consolidated entity (the Group) for the year ended 30 June 2020.

CONTENTS:
A. Key Management Personnel (KMP) disclosed in this report
B. Principles used to determine the nature and amount of remuneration
C. Details of remuneration
D. Employment contracts
E. Share-based compensation
F. Transactions with Key Management Personnel
G. Additional information
H. Shares under option

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

A. KEY MANAGEMENT PERSONNEL (KMP) DISCLOSED IN THIS REPORT

KMP are the directors and employees who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year. On that basis, the following roles and individuals are addressed in this report:

Directors
The following persons were Directors of the Company during the current and previous financial year and up to the date of this report, unless otherwise stated:

- F. James Non-executive Chairman
- R. Newman Chief Executive Officer & Managing Director
- T. Horton Non-executive Director (appointed 1 September 2019)
- S. Preston Vice President of People & Culture (resigned 4 September 2019 and last day of employment 31 March 2020)
- J. Adams Chief Revenue Officer (appointed 20 February 2020)*
- T. Agresta Chief Financial Officer (appointed 15 November 2018)
- C. Rosenberg Non-executive Director
- J. Steel Vice President, People & Culture (resigned 11 September 2019 and last day of employment 31 March 2020)

Senior executives classified as KMP
The following persons were Senior executives classified as KMP of the Group during the current and previous financial year and up to the date of this report, unless otherwise stated:

- S. Preston Vice President of Sales – Australia (until 20 February 2020)
- T. Agresta Vice President of Product (until 20 February 2020)
- J. Steel Vice President, People & Culture (resigned 11 September 2019 and last day of employment 31 March 2020)
- T. Horton Non-executive Director (appointed 1 September 2019)
- S. Preston Vice President of Sales – Australia (until 20 February 2020)
- T. Agresta Chief Revenue Officer (appointed 20 February 2020)*
- T. Agresta Vice President of Product (until 20 February 2020)
- J. Steel Vice President, People & Culture (resigned 11 September 2019 and last day of employment 31 March 2020)

* Effective 20 February 2020, the Group appointed J Adams as Chief Revenue Officer, reporting directly to R Newman as Chief Executive Officer. As a result, T Agresta, T Horton and R Newman resigned from their Company director roles effective 20 February 2020.

B. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

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

To this end, the Group applies 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.

People, Culture and Remuneration Committee
The People, Culture and Remuneration Committee (formerly “Nomination and remuneration committee”) of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors and the Chief Executive Officer & Managing Director, and ensuring that the Board continues to operate within the established guidelines, including when necessary selecting candidates for the position of Director. The Committee makes recommendations to the Board for the fixed and variable remuneration for the Chief Executive Officer & Managing Director, and reviews and recommends the overall Group variable remuneration framework to the Board.

The Committee also reviews and endorses the Chief Executive Officer & Managing Director’s recommendation for KMP remuneration packages.

The People, Culture and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and the Chief Executive Officer & Managing Director on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of a high-quality Board and executive team.

Securities trading policy
A securities trading policy (“Trading Policy”) has been adopted by the Board to provide guidance to Directors, employees of the Group, and other parties who may have access to price sensitive information, who may be contemplating dealing in the Company’s securities or the securities of entities with whom the Company may have dealings.

The Trading Policy is designed to ensure that any trading in the Company’s securities is in accordance with the law. Any non-compliance with the Trading Policy will be regarded as an act of serious misconduct. The Trading Policy is available on the Nearmap website at www.nearmap.com/ au/investor/governance.

Remuneration structure
In accordance with best practice corporate governance, the structure of Non-executive Director and KMP remuneration is separate and distinct.

(i) 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, while incurring a cost which is acceptable to shareholders.

Structure
Each Non-executive Director receives a fee for being a Director of the Company. 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 15 November 2018 when shareholders approved an aggregate remuneration of $960,000 per year.

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

During the year ended 30 June 2019, fees were introduced for the sub-committee Chairs and members (other than the Board Chair) to recognise their additional responsibilities. The current base Director fees per annum, including statutory superannuation, are:

<table>
<thead>
<tr>
<th>Position</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>$175,000</td>
</tr>
<tr>
<td>Non-executive Director</td>
<td>$110,000</td>
</tr>
<tr>
<td>Committee Chair</td>
<td>$105,000</td>
</tr>
</tbody>
</table>

The Board periodically reviews the level of fees paid to Non-executive Directors, including seeking external advice. The last external review was undertaken during the year ended 30 June 2019 by Godfrey Remuneration to benchmark Non-executive Director remuneration and the proposed design of an equity plan. Following this review, it was agreed that an equity plan would not be put in place for Non-executive Directors.

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

To this end, the Group applies 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.

The Board periodically reviews the level of fees paid to Non-executive Directors, including seeking external advice. The last external review was undertaken during the year ended 30 June 2019 by Godfrey Remuneration to benchmark Non-executive Director remuneration and the proposed design of an equity plan. Following this review, it was agreed that an equity plan would not be put in place for Non-executive Directors. A grant of Non-executive Director share options was last made during the year ended 30 June 2016. No grants were made in the years ended 30 June 2017, 30 June 2018, 30 June 2019 or 30 June 2020.

During the year ended 30 June 2020, KMP’s were engaged to provide general remuneration advice including the preparation of a discussion paper on COVID-19 related remuneration arrangements for employees, KMP’s and Non-executive Directors. The total costs of this service were $21,450 including GST. Following the review, all Non-executive Director fees were reduced by 25% for a period of 6 months, effective 1 May 2020.

The Company is planning a comprehensive review of its remuneration structure, to be conducted over the course of FY21.

The Board periodically reviews the level of fees paid to Non-executive Directors, including seeking external advice. The last external review was undertaken during the year ended 30 June 2019 by Godfrey Remuneration to benchmark Non-executive Director remuneration and the proposed design of an equity plan. Following this review, it was agreed that an equity plan would not be put in place for Non-executive Directors. A grant of Non-executive Director share options was last made during the year ended 30 June 2016. No grants were made in the years ended 30 June 2017, 30 June 2018, 30 June 2019 or 30 June 2020.

During the year ended 30 June 2020, KMP’s were engaged to provide general remuneration advice including the preparation of a discussion paper on COVID-19 related remuneration arrangements for employees, KMP’s and Non-executive Directors. The total costs of this service were $21,450 including GST. Following the review, all Non-executive Director fees were reduced by 25% for a period of 6 months, effective 1 May 2020.

The Company is planning a comprehensive review of its remuneration structure, to be conducted over the course of FY21.
B. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (CONT.)

(ii) Key management personnel and Executive Director remuneration

Objective: The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities

• Reward executives and individual performance against key performance indicators;
• 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:

1) Fixed Remuneration
2) Variable Remuneration, comprising:
   - Short-Term Incentive (STI); and
   - Long-Term Incentive (LTI).

1) Fixed Remuneration

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

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

During the year ended 30 June 2020, performance related adjustments were made to the fixed remuneration of the Chief Executive Officer &
Managing Director, the Vice President of Product, the Chief Technology Officer, the Vice President of Sales – Australia, the Senior Vice President
of People, Culture and Remuneration and the People, Culture and Remuneration Committee.

Fixed remuneration for KMP was reduced by 20% for a six-month period from 1 May 2020 in response to the uncertainty created by the impact
of COVID-19. Fixed remuneration for the Non-executive Directors and the Chief Executive Officer & Managing Director was reduced by 25% for
the same period. Continuing revenue growth during the COVID-19 affected period meant that the Group was ineligible for any Australian or US
government-funded salary incentives schemes e.g. JobKeeper allowance. See note 5 of the consolidated financial statements for further details on
the impact of COVID-19 on non-KMP remuneration structures.

2) Variable Remuneration

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 Group.

Short Term Incentive (STI)

Objective: The objective of the STI program is to link the achievement of the Group’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 to provide sufficient incentive to employees to achieve the operational targets at a cost
to the Group that is reasonable in the circumstances.

Structure: Actual STI payments granted to each employee depend on the extent to which specific operating targets are met. The operational
targets consist of a number of Key Performance Indicators (KPIs) covering individual and Group performance measures aligned to the short-
term success of the business. The performance measures are set as follows:

- Group performance: 60% of the STI comprises a Group Revenue target. The payout is scaled to the internal Group Revenue target (FY20
  Group Revenue Target $102.3m). Subject to meeting the gateway, outperformance results in higher than target payments (target achievement
  of 150% of the 60%), while underperformance results in below target payments (target achievement of 90% or less results in nil payment).
  The Group removed the EBITDA threshold for FY20 (FY19: EBITDA threshold > $0) to align variable remuneration with the Group’s revenue
growth strategy. Group performance will be measured against incremental ACV in FY21, further aligning employee incentivisation with the
  primary operating metric for the business.
- Individual performance: 40% of the STI comprises personal performance targets, typically including employee engagement, leadership/team
  contribution and functional specific deliverables. Executives responsible for sales have an uncapped STI aligned to internal ACV growth targets.

STI payments are made, subject to Board discretion, if the relevant targets are achieved. If the targets are not achieved, then any STI payment is
discretionary and will only be made if the Board deems that the executive has demonstrated exceptional performance in meeting other objectives.

The amount of annual STI payments available for employees across the Group is subject to the approval of the Board, on the recommendation
of the People, Culture and Remuneration Committee. Payments made are usually delivered as a cash bonus paid after the release of the
audited financial statements.

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.

Structure: There are two components to the LTI granted to KMP: a share option grant upon hiring and a yearly share option grant thereafter.

- New hire award: options are granted to KMP upon becoming an executive of the Group. One-off LTI grants to new executives are delivered
  in the form of options with the amount for the Chief Executive Officer & Managing Director recommended by the People, Culture and
  Remuneration Committee and approved by the Board, and for other executive KMP by the Chief Executive Officer & Managing Director with
  endorsement by the People, Culture and Remuneration Committee. Consideration is given to:
  • The seniority of the relevant Eligible Person and the position the Eligible Person occupies within the Group;
  • The potential contribution of the Eligible Person to the growth of the Group; and
  • Any other matters which the Board considers relevant.

One-off LTI grants to new executives granted subsequent to 1 July 2017 are granted at the closing share price on the grant date and vest in
equal tranche over 3 years. Vesting is subject to the executive continuing in employment or service. See Section E of the remuneration report
for further details.

- Annual award: Executives are entitled to an annual award, set at 40% of total remuneration (an increase from 25% in FY19 to further incentivise
  KMP on attaining long-term value creation for shareholding holders), and subject to a total shareholder return (TSR) growth performance vesting
  condition and to the Executive continuing in employment or service until the vesting date. TSR is a measure of the increase in the price of a share
  (assuming dividends are reinvested). The number of options that will vest and become exercisable at the vesting date will be determined by
  reference to the achievement of a percentage of the Group’s compound annual growth rate (CAGR) in TSR over the period commencing on
  the grant date and ending on the vesting date, as follows:

<table>
<thead>
<tr>
<th>CAGR % ACHIEVED</th>
<th>% OF OPTIONS WHICH WILL VEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>50%</td>
</tr>
<tr>
<td>16%</td>
<td>60%</td>
</tr>
<tr>
<td>17%</td>
<td>70%</td>
</tr>
<tr>
<td>18%</td>
<td>80%</td>
</tr>
<tr>
<td>19%</td>
<td>90%</td>
</tr>
<tr>
<td>20%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Options are issued with a strike price based on the five-day volume weighted average price of the Company’s shares as tracked on the ASX over
the five trading days prior to the date of the annual general meeting. Options vest 36 months from the date of grant and expire 48 months after
the date of grant.

An employee loan scheme arrangement exists should an employee elect to apply for a loan on exercise of premium-priced options granted
prior to 30 June 2017, which may be granted at the discretion of the Chief Executive Officer & Managing Director. Refer to section E for limited
recourse loans.
B. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (CONT.)

(iii) Group Performance

The overall level of executive reward takes into account the technology commercialisation nature of the 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 the progress that has been made in unlocking value to date.

In considering the Group’s performance and benefits for shareholder wealth, the People, Culture and Remuneration Committee has given regard to the following indices over the last 5 financial years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total revenue and other income $’000</th>
<th>Change in share price ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$97,513</td>
<td>$2.64</td>
</tr>
<tr>
<td>2019</td>
<td>$80,375</td>
<td>$0.53</td>
</tr>
<tr>
<td>2018</td>
<td>$54,140</td>
<td>$0.20</td>
</tr>
<tr>
<td>2017</td>
<td>$41,065</td>
<td>($0.18)</td>
</tr>
<tr>
<td>2016</td>
<td>$31,289</td>
<td></td>
</tr>
</tbody>
</table>

The graph below shows the Company’s closing share price since 1 July 2015 and the relative performance against the ASX All Ordinaries.

C. DETAILS OF REMUNERATION

Performance for the year ended 30 June 2020 is reflected in the outcome of the variable components of the remuneration framework:

- Group performance: Group Revenue was delivered to 95.3% of management target which, based on the tiered earnings schedule, means that employees are entitled to a payout of 76.3% of their target. This would have equated to a payout of 45.8% of the 60% Group performance entitlement.
- Individual performance: The People, Culture and Remuneration Committee would normally review the Chief Executive Officer & Managing Director’s performance against the individual performance criteria set at the start of the year and would review and endorse the Chief Executive Officer & Managing Director’s recommendations relating to KMP performance against individual targets.
- Based on Group and Individual performance criteria, the likely STI payout to KMP for the year ended 30 June 2020 would have been at or close to 85.8%. However, due to the exceptional circumstances presented by COVID-19, the Board opted to make a discretionary payment of 50% of the maximum payout to all KMP at Board discretion. In using its discretion, the Board felt that a 50% payout was appropriate to provide recognition of the ongoing efforts of KMP in maintaining business operations and in continuing to deliver growth during a challenging economic period, where the Group has made some difficult decisions to significantly reduce operating expenses, including headcount reductions, in the light of economic uncertainty.
- Executives with a commission based STI were paid in accordance with the terms of their commission schemes.
- STI payout percentages to Directors and KMP are shown below:

<table>
<thead>
<tr>
<th>GROUP TARGET REVENUE</th>
<th>SALES TARGET ACV</th>
<th>INDIVIDUAL TARGET FUNCTIONAL SPECIFIC</th>
<th>SUB-TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECTORS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Newman</td>
<td>60%</td>
<td>100%</td>
<td>50%</td>
</tr>
</tbody>
</table>
| OTHER KEY MANAGEMENT PERSONNEL

| KMP                   |                  |                                      |           |
| J Adams               | 0%               | 100%                                 | 50%       |
| T Celinski            | 60%              | 40%                                  | 100%      |
| H Sanchez             | 60%              | 40%                                  | 100%      |
| S Shugg               | 60%              | 40%                                  | 100%      |
| A Watt                | 60%              | 40%                                  | 100%      |

- LTI grants were awarded to the Chief Executive Officer & Managing Director and other KMP as follows:
  - Dr Newman received a grant of 812,101 market-priced share options vesting in three years, as approved at the Company AGM on 14 November 2019 (executive annual award);
  - Mr Celinski, Mr Sanchez, Ms Shugg and Mr Watt received grants on 14 November 2019 of 495,499, 440,261, 490,351 and 464,611 market-priced share options respectively, vesting in three years (executive annual award); and
  - Upon joining the Company during the 2020 financial year, Ms Shugg received a grant of 200,000 market-priced share options, vesting in equal tranches over three years (new hire LTI grant).
  - Upon joining the Company during the 2020 financial year, Mr Adams received a grant of 1,300,000 market-priced share options, vesting in equal tranches over three years (new hire LTI grant).

Statutory remuneration tables

The following table of KMP remuneration has been prepared in accordance with accounting standards and the Corporations Act 2001 (Cth) requirements.
C. DETAILS OF REMUNERATION (CONT.)

<table>
<thead>
<tr>
<th>SHORT-TERM</th>
<th>LONG-TERM</th>
<th>POST-EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALARY &amp; FEES</td>
<td>CASH BONUS</td>
<td>LONG SERVICE LEAVE*</td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>NON-EXECUTIVE DIRECTORS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Morris 2019</td>
<td>191,156</td>
<td>-</td>
</tr>
<tr>
<td>R Newman 2019</td>
<td>70,776</td>
<td>-</td>
</tr>
<tr>
<td>T Horton 2020</td>
<td>83,714</td>
<td>-</td>
</tr>
<tr>
<td>S Klose 2019</td>
<td>105,023</td>
<td>-</td>
</tr>
<tr>
<td>S Klose 2019</td>
<td>70,776</td>
<td>-</td>
</tr>
<tr>
<td>R Norgard 2020</td>
<td>96,271</td>
<td>-</td>
</tr>
<tr>
<td>R Norgard 2020</td>
<td>45,333</td>
<td>-</td>
</tr>
<tr>
<td>T Agresta 2019</td>
<td>324,041</td>
<td>171,614</td>
</tr>
<tr>
<td>T Agresta 2019</td>
<td>202,372</td>
<td>114,523</td>
</tr>
<tr>
<td>T Celinski 2020</td>
<td>352,367</td>
<td>96,251</td>
</tr>
<tr>
<td>T Celinski 2019</td>
<td>350,600</td>
<td>197,771</td>
</tr>
<tr>
<td>C Rosenberg 2020</td>
<td>85,000</td>
<td>-</td>
</tr>
<tr>
<td>S Shugg 2020</td>
<td>239,759</td>
<td>114,523</td>
</tr>
<tr>
<td>S Shugg 2020</td>
<td>141,545</td>
<td>-</td>
</tr>
<tr>
<td>FORMER NON-EXECUTIVE DIRECTORS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Morris† 2020</td>
<td>45,333</td>
<td>-</td>
</tr>
<tr>
<td>I Morris† 2019</td>
<td>104,886</td>
<td>-</td>
</tr>
<tr>
<td>EXECUTIVE DIRECTORS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S Klose 2019</td>
<td>121,267</td>
<td>-</td>
</tr>
<tr>
<td>S Klose 2019</td>
<td>70,776</td>
<td>-</td>
</tr>
<tr>
<td>R Newman 2020</td>
<td>83,714</td>
<td>-</td>
</tr>
<tr>
<td>R Newman 2019</td>
<td>105,023</td>
<td>-</td>
</tr>
<tr>
<td>P Quigley</td>
<td>227,067</td>
<td>130,264</td>
</tr>
<tr>
<td>P Quigley</td>
<td>324,041</td>
<td>171,614</td>
</tr>
<tr>
<td>P Quigley</td>
<td>202,372</td>
<td>114,523</td>
</tr>
<tr>
<td>T Agresta</td>
<td>491,793</td>
<td>693,852</td>
</tr>
<tr>
<td>T Agresta</td>
<td>328,667</td>
<td>90,251</td>
</tr>
<tr>
<td>T Agresta</td>
<td>141,545</td>
<td>-</td>
</tr>
</tbody>
</table>

<p>|</p>
<table>
<thead>
<tr>
<th>TOTAL</th>
<th>PERCENTAGE PERFORMANCE RELATED‡</th>
</tr>
</thead>
<tbody>
<tr>
<td>$636,375</td>
<td>-</td>
</tr>
</tbody>
</table>

ASX Listing Rule 10.17 states that ‘Directors’ fees’ constitutes fees, including superannuation, but excluding securities issued. The total Directors’ fees paid to Non-executive Directors during the year ended 30 June 2020, excluding share-based payments, was $636,375 which is within the amount determined at the AGM on 10 November 2019.

OTHER KEY MANAGEMENT PERSONNEL

A Watt 2020 | 328,667 | 90,251 | 2,527 | 21,003 | - | - | 542,441 | - |
A Watt 2019 | 320,000 | 181,759 | 1,577 | 20,531 | - | - | 522,793 | - |
T Celinski 2020 | 352,600 | 197,771 | 186 | 20,531 | - | - | 572,392 | - |
T Celinski 2019 | 350,600 | 197,771 | 186 | 20,531 | - | - | 572,392 | - |
H Sanchez 2019 | 280,333 | 77,751 | 130 | 21,003 | - | - | 439,137 | - |
H Sanchez 2019 | 202,372 | 114,523 | 75 | 15,399 | - | - | 421,299 | - |
S Shugg 2020 | 239,759 | 114,523 | 75 | 15,399 | - | - | 465,698 | - |
S Shugg 2019 | 141,545 | - | - | - | - | - | 141,545 | - |

S Steel’s last day was 31 March 2020.

Ms Shugg and Mr Adams commenced on 24 October 2019 and 20 February 2020 respectively. The remuneration for these executives reflects their time in their KMP roles.

T Agresta, S Preston and P Quigley remuneration for FY20 is for the period from 1 July 2019 to 20 February 2020, reflecting their time in their KMP roles.

Mr Shutt left the group on 31 March 2020.
The overall KMP fixed and variable remuneration framework is established by the People, Culture and Remuneration Committee. The proportion of fixed and potential at risk components for the KMP as a percentage of potential target total annual remuneration for the 2020 year, is shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Fixed</th>
<th>Variable</th>
<th>At Risk - STI</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Morris</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R. Newman</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
</tbody>
</table>

C. DETAILS OF REMUNERATION (CONT.)

<table>
<thead>
<tr>
<th>Name</th>
<th>Fixed</th>
<th>Variable</th>
<th>At Risk - STI</th>
</tr>
</thead>
<tbody>
<tr>
<td>P. James</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A. Watt</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>T. Grudni</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>H. Sanchez</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>S. Shugg</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>J. Adam</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>T. Agresta</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>M. Preston</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>P. Qvickfy</td>
<td>31%</td>
<td>31%</td>
<td>30%</td>
</tr>
<tr>
<td>S. Steel</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Limited Recourse Loans (LRLs)

The Nearmap Employee Share Option Plan includes an Employee Loan Scheme that permits the Company to grant financial assistance to employees of the Group by way of LRLs to enable them to exercise premium priced options granted prior to 30 June 2017 and acquire shares. Interest on the loans is payable by KMP at loan maturity and accrues daily. The Company determines the interest rate applicable to LRLs (currently the cash rate set by the Reserve Bank of Australia plus 20 basis points). 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. The employee does not have a beneficial interest in the shares until the loan is repaid with any such shares being held in escrow until this time.

On resignation any unvested options are forfeited. Limited Recourse Loans (LRLs) may be granted to KMP in respect to vested premium priced options. If an employee ceases to be employed by the Group (including by way of resignation, retirement, dismissal, etc.) and/or as 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 one month of the date of ceased employment. The Group may terminate an employment agreement by proceeding by 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 Group, 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 or the options' expiry date if earlier. LTI options that have not yet vested will be forfeited.

The Group 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. 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.

E. SHARE-BASED COMPENSATION

Options

A share option incentive scheme, the Nearmap Employee Share Option Plan, has been established whereby Directors and certain employees of the Group may be issued with options over ordinary shares of the Company.

In Australia, up until 30 June 2017, options were issued for nil consideration at an exercise price calculated with reference to prevailing market prices and a 43% premium in accordance with performance guidelines established by the Directors of the Company. From 1 July 2017, all options issued are for nil consideration at an exercise price calculated with reference to prevailing market prices.

The grants are either issued for 4 years:

(i) with TSR growth performance vesting conditions and are exercisable after three years; or
(ii) without any performance vesting conditions and are exercisable on various dates (usually in two or three equal annual tranches when vested).

In the US, options are issued for nil consideration at an exercise price equal to the prevailing market price. The options are issued for terms up to four or five years and are exercisable on various dates within four or five years from grant date.

The options only vest under certain conditions, principally centred on the employee still being employed at the time of vesting (that is, once the service has been satisfied), or specified performance hurdles being achieved to determine vesting. 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.

Refer to the tables later in this section for details of the options that were issued to KMP during the year ended 30 June 2020.
**SHARE-BASED COMPENSATION (CONT.)**

**Limited Recourse Loans (LRls) (cont.)**

If the employee fails to repay the loan, the Company takes security over the option shares and can sell some or all of the shares to repay the loan. In the event that the shares are sold for an amount less than the amount of the loan and any interest, the employee is only required to repay the loan and any interest to the amount of the sale proceeds. The Company has no other recourse against the employee.

The Group does not expect to grant new LRls in future financial years as the last premium priced options held by Australia-based KMP have been exercised during the year ended 30 June 2020.

**Compensation options**

(1) **Grants made prior to 30 June 2017**

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

Details on unvested options over ordinary shares in the Company that were granted as compensation to each KMP during the reporting period, original option. The exercise price includes interest accrued.

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

Details on unvested options over ordinary shares in the Company that were granted as compensation to each KMP during the reporting period, lapse or forfeited by KMP during the reporting period, and vested during the reporting period are as follows:

**E. SHARE-BASED COMPENSATION (CONT.)**

**Other Key Management Personnel**

**J. Adams**

- Options 495,499 - - - 495,499 Nov 19 0.7770 2.48 Nov 22 Nov 23

**T. Agresta**

- Options 464,611 - - - 464,611 Nov 19 0.7770 2.48 Nov 22 Nov 23

**A Watt**

- Options 451,381 - - - 451,381 Nov 19 0.7770 2.48 Nov 22 Nov 23

**S. Preston**

- Options 324,534 - - - 324,534 Dec 18 0.4910 1.60 Nov 21 Nov 22

**S. Steel**

- Options 100,000 - - - 100,000 Jul 18 0.3032 1.12 Jul 20 Jul 22

**T. Agresta**

- Options 12,500 - - - 12,500 Jul 16 0.2678 0.41 Sep 19 Jun 21

- Options 12,500 - - - 12,500 Jul 16 0.2744 0.41 Dec 19 Jun 21

- Options 12,500 - - - 12,500 Jul 16 0.2807 0.41 May 20 Jun 21

- Options 12,500 - - - 12,500 Jul 16 0.2966 0.41 Jun 20 Jun 21

- Options 142,112 - - - 142,112 Nov 17 0.2495 0.71 Nov 20 Nov 21

- Options 100,000 - - - 100,000 Jul 18 0.3338 1.12 Jul 19 Jul 22

- Options 100,000 - - - 100,000 Jul 18 0.3032 1.12 Jul 20 Jul 22

- Options 100,000 - - - 100,000 Jul 18 0.3710 1.12 Jul 21 Jul 22

- Options 324,534 - - - 324,534 Dec 18 0.4910 1.60 Nov 22 Nov 23

**Former Other Key Management Personnel**

**J. Adams**

- Options 538,793 - - - 538,793 Nov 17 0.2495 0.71 Nov 20 Nov 21

- Options 346,774 - - - 346,774 Dec 18 0.4910 1.60 Nov 22 Nov 23

- Options 464,611 - - - 464,611 Nov 19 0.7770 2.48 Nov 22 Nov 23

**T. Agresta**

- Options 12,500 - - - 12,500 Jul 16 0.2678 0.41 Sep 19 Jun 21

- Options 12,500 - - - 12,500 Jul 16 0.2744 0.41 Dec 19 Jun 21

- Options 12,500 - - - 12,500 Jul 16 0.2807 0.41 May 20 Jun 21

- Options 12,500 - - - 12,500 Jul 16 0.2966 0.41 Jun 20 Jun 21

- Options 100,000 - - - 100,000 Jul 18 0.3338 1.12 Jul 19 Jul 22

- Options 100,000 - - - 100,000 Jul 18 0.3032 1.12 Jul 20 Jul 22

- Options 324,534 - - - 324,534 Dec 18 0.4910 1.60 Nov 22 Nov 23

- Options 451,381 - - - 451,381 Nov 19 0.7770 2.48 Nov 22 Nov 23

**S. Preston**

- Options 256,245 - - - 256,245 Mar 17 0.1414 0.64 Mar 20 Mar 21

- Options 538,793 - - - 538,793 Nov 17 0.2495 0.71 Nov 20 Nov 21

- Options 346,774 - - - 346,774 Dec 18 0.4910 1.60 Nov 22 Nov 23

- Options 464,611 - - - 464,611 Nov 19 0.7770 2.48 Nov 22 Nov 23

**T. Agresta**

- Options 333,000 - - - 333,000 Feb 18 0.3262 0.82 Feb 20 Feb 21

- Options 334,000 - - - 334,000 Feb 18 0.3862 0.82 Feb 21 Feb 22

- Options 377,324 - - - 377,324 Dec 18 0.4910 1.60 Nov 21 Nov 22

**A Watt**

- Options 495,499 - - - 495,499 Nov 19 0.7770 2.48 Nov 22 Nov 23

**AASB 2 accounting value determined at grant date.

**Effective** 30 February 2020, the Group appointed J. Adams as Chief Revenue Officer, reporting directly to R. Newman as Chief Executive Officer. As a result, T. Agresta, T. Preston and F. Gujral have then reporting lines changes to report directly to J. Adams and are therefore no longer considered KMP in the sense intended by the Corporations Act 2001 and the Australian Accounting Standards Board (AASB).
E. SHARE-BASED COMPENSATION (CONT.)

<table>
<thead>
<tr>
<th>FORMER OTHER KEY MANAGEMENT PERSONNEL</th>
<th>OPTIONS</th>
<th>UNVESTED BALANCE AT 1 JULY</th>
<th>GRANTED AS COMPENSATION</th>
<th>EXERCISED</th>
<th>VALUE EXERCISED</th>
<th>FORFEITED AS COMPENSATION</th>
<th>UNVESTED BALANCE AT 30 JUNE</th>
<th>NET OTHER CHANGE</th>
<th>NET OF OTHER CHANGE</th>
<th>EXERCISABLE AT 30 JUNE</th>
</tr>
</thead>
<tbody>
<tr>
<td>T Agresta</td>
<td>866,446</td>
<td>451,381</td>
<td>-</td>
<td>-</td>
<td>1,318,027</td>
<td>150,000</td>
<td>200,000</td>
<td>-</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>T Cecinski</td>
<td>3,283,363</td>
<td>677,072</td>
<td>525,000</td>
<td>-</td>
<td>3,435,435</td>
<td>656,250</td>
<td>1,437,500</td>
<td>-</td>
<td>591,750</td>
<td>-</td>
</tr>
<tr>
<td>T Sanchez</td>
<td>1,044,324</td>
<td>495,499</td>
<td>-</td>
<td>-</td>
<td>1,539,025</td>
<td>330,000</td>
<td>330,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>T Shugg</td>
<td>660,949</td>
<td>400,261</td>
<td>-</td>
<td>-</td>
<td>1,061,210</td>
<td>120,000</td>
<td>120,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>S Watt</td>
<td>1,736,861</td>
<td>643,611</td>
<td>833,334</td>
<td>-</td>
<td>2,156,584</td>
<td>1,200,001</td>
<td>1,200,001</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1 AASB 2 accounting value determined at grant date.
2 Effective 30 February 2020, the Group appointed A Adams as Chief Revenue Officer, reporting directly to R Newman as Chief Executive Officer. As a result, T Agresta, S Preston and P Quigley had their reporting lines changed to report directly to J Adams and are therefore no longer considered KMP in the sense intended by the Corporations Act 2001 and the Australian Accounting Standards Board (AASB).
3 Loan shares held in the Company include loan shares as follows:

<table>
<thead>
<tr>
<th>YEAR ENDED 30 JUNE 2020</th>
<th>BALANCE AT 1 JULY 19</th>
<th>EXERCISE OF OPTIONS</th>
<th>NET OTHER CHANGE</th>
<th>BALANCE AT 30 JUNE 20</th>
<th>BALANCE HELD NON-EXERCISABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECTORS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P James</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>-</td>
<td>3,268,500</td>
<td>3,268,500</td>
</tr>
<tr>
<td>R Newman</td>
<td>2,156,584</td>
<td>812,101</td>
<td>666,667</td>
<td>2,302,018</td>
<td>646,667</td>
</tr>
</tbody>
</table>

1 The exercise of options for these employees was funded through the grant of an LRL under the Employee Loan Scheme.
2 Value determined based on the share price at exercise date less exercise price.
3 During the year ended 30 June 2020, LRLs relating to 400,020 shares were repaid, releasing the shares from holding lock.

Financial assistance under the Employee Share Option Plan

LRLs advanced to KMP during the year ended 30 June 2020 amounted to $1,647,099 (30 June 2019: $3,227,820). Interest on the loans during the period has been accrued at a rate of between 0.45% and 1.45%. The loans are not recognised in the consolidated statement of financial position.
F. TRANSACTIONS WITH KMP (CONT.)

Shares held in the Company

During the year ended 30 June 2020, the number of shares held by KMP changed per the table below. This includes the issue of shares following the exercise of options previously granted as compensation.

<table>
<thead>
<tr>
<th>YEAR ENDED 30 JUNE 2020</th>
<th>BALANCE AT 1 JULY 19</th>
<th>EXERCISE OF OPTIONS</th>
<th>AMOUNT PAID/OPTION</th>
<th>SHARES PURCHASED</th>
<th>SHARES GRANTED</th>
<th>SHARES SOLD</th>
<th>BALANCE AT 30 JUNE 20</th>
<th>BALANCE HELD NOMINALLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECTORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P Jones</td>
<td>1,282,000</td>
<td>1,500,000</td>
<td>$0.55</td>
<td>-</td>
<td>-</td>
<td>(400,000)</td>
<td>2,382,000</td>
<td>2,382,000</td>
</tr>
<tr>
<td>R Newman</td>
<td>8,953,333</td>
<td>66,667</td>
<td>$1.06</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,000,000</td>
<td>9,000,000</td>
</tr>
<tr>
<td>T Horton</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>R Norgard</td>
<td>48,076,295</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(20,337,374)</td>
<td>27,738,921</td>
<td>27,698,921</td>
</tr>
<tr>
<td>C Rosenberg</td>
<td>1,201,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,201,000</td>
<td>1,201,000</td>
</tr>
<tr>
<td><strong>FORMER DIRECTORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Morris</td>
<td>150,000</td>
<td>750,000</td>
<td>$0.40</td>
<td>$0.00</td>
<td>-</td>
<td>(900,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>OTHER KEY MANAGEMENT PERSONNEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Watt</td>
<td>1,666,666</td>
<td>833,334</td>
<td>$0.93</td>
<td>-</td>
<td>8,456</td>
<td>-</td>
<td>2,508,456</td>
<td>2,508,456</td>
</tr>
<tr>
<td><strong>FORMER OTHER KEY MANAGEMENT PERSONNEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S Preston</td>
<td>258,345</td>
<td>-</td>
<td>$0.64</td>
<td>-</td>
<td>21,160</td>
<td>-</td>
<td>279,505</td>
<td>279,505</td>
</tr>
</tbody>
</table>

1 Shares granted as part of the Employee Matching Share Scheme. For further information, refer to note 5 to the consolidated financial statements.
2 The balance held by S Steel is as at 31 March 2020, her last day of employment by the Group.

There are no amounts unpaid on the shares as a result of the exercise of the options in the year ended 30 June 2020 outside of the LRLs granted to KMP, as outlined previously.

Modification of terms of share-based payment transactions

AASB 2 Share-based Payments requires that the grant of LRLs for the settlement of share options shall be considered as a modification to the valuation of the options. The standard also requires that any increase in the fair value of the modified option be recognised in the consolidated statement of profit or loss. During the year ended 30 June 2020, the following share-based payment transactions were modified as a result of an LRL:

<table>
<thead>
<tr>
<th>ORIGINAL VALUATION INPUTS</th>
<th>GRANT DATE</th>
<th>NUMBER OF OPTIONS GRANTED</th>
<th>EXERCISE PRICE AT GRANT DATE</th>
<th>VESTING DATE</th>
<th>EXPIRY DATE</th>
<th>ORIGINAL FAIR VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECTORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Newman</td>
<td>Nov 16</td>
<td>666,667</td>
<td>$1.06</td>
<td>Dec 19</td>
<td>Dec 20</td>
<td>1,201,000</td>
</tr>
<tr>
<td><strong>OTHER KEY MANAGEMENT PERSONNEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Watt</td>
<td>Dec 16</td>
<td>833,334</td>
<td>$0.95</td>
<td>Dec 19</td>
<td>Dec 20</td>
<td>1,608,325</td>
</tr>
<tr>
<td><strong>FORMER OTHER KEY MANAGEMENT PERSONNEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S Preston</td>
<td>May 17</td>
<td>258,345</td>
<td>$0.64</td>
<td>Mar 20</td>
<td>Mar 21</td>
<td>244,136</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MODIFIED VALUATION INPUTS</th>
<th>DATE OF MODIFICATION</th>
<th>VALUE PER SHARE/OPTION AT MODIFICATION DATE</th>
<th>EXPECTED貸款 LIFE (YEARS)</th>
<th>MODIFIED EXERCISE PRICE</th>
<th>MODIFIED INTEREST RATE</th>
<th>MODIFIED FAIR VALUE</th>
<th>INCREMENTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECTORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Newman</td>
<td>Dec 19</td>
<td>$1.85</td>
<td>2</td>
<td>$1.08</td>
<td>0.95%</td>
<td>53.02%</td>
<td>$1,231,041</td>
</tr>
<tr>
<td><strong>OTHER KEY MANAGEMENT PERSONNEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Watt</td>
<td>Dec 19</td>
<td>$1.96</td>
<td>2</td>
<td>$0.95</td>
<td>0.95%</td>
<td>53.02%</td>
<td>1,634,500</td>
</tr>
<tr>
<td><strong>FORMER OTHER KEY MANAGEMENT PERSONNEL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S Preston</td>
<td>May 20</td>
<td>$1.03</td>
<td>2</td>
<td>$0.65</td>
<td>0.45%</td>
<td>60.92%</td>
<td>264,097</td>
</tr>
</tbody>
</table>

G. ADDITIONAL INFORMATION

The Group has applied the fair value measurement provisions of AASB 2 Share-based Payment for all options 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. The fair value of executive option plans at grant date is determined using a Black-Scholes or Monte Carlo option pricing model depending on the terms and conditions of each option, that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.
G. ADDITIONAL INFORMATION (CONT.)

All unissued ordinary shares of the Company under option (relating to KMP and other personnel) as at 30 June 2020 are listed below:

<table>
<thead>
<tr>
<th>DATE OPTIONS GRANTED</th>
<th>EXPIRY DATE</th>
<th>EXERCISE PRICE OF OPTIONS</th>
<th>NUMBER UNDER OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 15</td>
<td>Nov 20</td>
<td>$0.40</td>
<td>25,000</td>
</tr>
<tr>
<td>Feb 16</td>
<td>Jan 21</td>
<td>$0.39</td>
<td>325,000</td>
</tr>
<tr>
<td>Feb 16</td>
<td>Nov 21</td>
<td>$0.39</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Jul 16</td>
<td>Jun 21</td>
<td>$0.41</td>
<td>100,000</td>
</tr>
<tr>
<td>Mar 17</td>
<td>Mar 21</td>
<td>$0.64</td>
<td>232,511</td>
</tr>
<tr>
<td>Dec 17</td>
<td>Nov 21</td>
<td>$0.71</td>
<td>2,415,073</td>
</tr>
<tr>
<td>Feb 18</td>
<td>Nov 21</td>
<td>$0.71</td>
<td>106,196</td>
</tr>
<tr>
<td>Nov 17</td>
<td>Nov 21</td>
<td>$0.71</td>
<td>913,958</td>
</tr>
<tr>
<td>Feb 18</td>
<td>Feb 22</td>
<td>$0.82</td>
<td>667,000</td>
</tr>
<tr>
<td>Jul 18</td>
<td>Jul 22</td>
<td>$1.12</td>
<td>300,000</td>
</tr>
<tr>
<td>Oct 18</td>
<td>Oct 22</td>
<td>$1.65</td>
<td>360,000</td>
</tr>
<tr>
<td>Nov 18</td>
<td>Nov 22</td>
<td>$2.40</td>
<td>150,000</td>
</tr>
<tr>
<td>Nov 18</td>
<td>Nov 22</td>
<td>$1.60</td>
<td>2,714,744</td>
</tr>
<tr>
<td>Oct 19</td>
<td>Oct 23</td>
<td>$2.97</td>
<td>200,000</td>
</tr>
<tr>
<td>Oct 19</td>
<td>Oct 23</td>
<td>$2.58</td>
<td>727,217</td>
</tr>
<tr>
<td>Nov 19</td>
<td>Nov 23</td>
<td>$2.48</td>
<td>812,101</td>
</tr>
<tr>
<td>Nov 19</td>
<td>Nov 23</td>
<td>$2.48</td>
<td>3,445,786</td>
</tr>
<tr>
<td>Feb 20</td>
<td>Feb 24</td>
<td>$1.81</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

16,975,545

This is the end of the audited remuneration report.
Lead Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nearmap Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Nearmap Limited for the financial year ended 30 June 2020 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.

Caoimhe Toouli
Partner
Sydney
18 August 2020

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

NOTES 30 JUNE 2020 $’000 30 JUNE 2019* $’000

Revenue 96,714 77,642
Other income - 7,733
TOTAL REVENUE AND OTHER INCOME 96,714 85,375

Employee benefits expense 4 (56,542) (36,843)
Amortisation3 11 (38,200) (23,227)
Depreciation3 12 (4,500) (1,412)
Other operational expenses3 4 (31,224) (25,419)
TOTAL EXPENSES (134,464) (88,997)

OPERATING LOSS (36,951) (9,622)

Net finance costs4 6 (152) (211)
LOSS BEFORE TAX (37,103) (9,837)

Income tax benefit/(expense): 7 386 (5,097)

LOSS AFTER TAX FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF NEARMAP LTD (36,717) (14,934)

OTHER COMPREHENSIVE INCOME Items that may be reclassified to profit or loss:
Exchange differences on translation of foreign operations (44) 194
Fair value loss on cash flow hedges (957) (26)
Transfer of hedging gains to the consolidated statement of profit or loss (103) -
Income tax associated with these items 318 8

OTHER COMPREHENSIVE INCOME FOR THE YEAR (786) 176

TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF NEARMAP LTD (37,503) (14,758)

LOSS PER SHARE Basic loss per share for the year (cents per share) 14 (8.14) (3.43)
Diluted loss per share for the year (cents per share) 14 (8.14) (3.43)

*In the prior year, amortisation and depreciation were presented in the same line item. In the current year the expenses are presented separately to enable more comparability. Comparative figures have been adjusted accordingly.
3In the prior year, other finance costs of ($24) thousand were presented within other operational expenses, and net foreign exchange loss of ($191) thousand were disclosed on the face of the consolidated statement of profit or loss. In the current year, other finance costs and net foreign exchange loss are presented within net finance costs to enable more comparability. Comparative figures have been adjusted accordingly.
3The Group has initially applied AASB 16 Leases on 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 Leases is recognised in retained earnings at the date of initial application. See note 2(i) for further information regarding the transition to AASB 16 Leases on 1 July 2019.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the consolidated financial statements on pages 78 - 109.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

NOTES 30 JUNE 2020 $’000 30 JUNE 2019* $’000

CURRENT ASSETS
Cash and cash equivalents 13 36,140 75,914
Trade receivables 9 23,706 14,535
Other current receivables 612 3,078
Other current assets 3,180 2,663
TOTAL CURRENT ASSETS 63,638 96,190

NON-CURRENT ASSETS
Property, plant and equipment 12 33,408 16,782
Intangible assets 11 47,415 42,132
Deferred tax assets 7 4,313 3,086
TOTAL NON-CURRENT ASSETS 85,136 62,000

TOTAL ASSETS 148,774 158,190

CURRENT LIABILITIES
Trade and other payables 5,574 3,777
Unearned revenue 49,576 42,034
Employee benefits 6,534 5,701
Lease liabilities 2 4,500 -
Other current liabilities 2,398 5,446
Current tax liabilities 1,220 2,107
TOTAL CURRENT LIABILITIES 69,802 59,065

NON-CURRENT LIABILITIES
Deferred tax liabilities 7 9,716 10,190
Employee benefits 379 280
Lease liabilities 2 9,896 -
Other non-current liabilities 2,233 1,002
TOTAL NON-CURRENT LIABILITIES 22,224 11,472

TOTAL LIABILITIES 92,026 70,537

NET ASSETS 56,748 87,653

EQUITY
Contributed equity 8 126,577 124,617
Reserves 19,055 14,843
Profit reserve 7,076 7,076
Associated leases (30,962) (18,003)
TOTAL EQUITY 56,748 87,653

The Group has initially applied AASB 16 Leases on 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 Leases is recognised in retained earnings at the date of initial application. See note 2(i) for further information regarding the transition to AASB 16 Leases on 1 July 2019.

The above consolidated statement of financial position should be read in conjunction with the notes to the consolidated financial statements on pages 78 - 109.
The above consolidated statement of cash flows should be read in conjunction with the notes to the consolidated financial statements on pages 78 - 109.

The Group has initially applied AASB 16 Leases on 1 July 2019. The application of AASB 16 Leases has led to operating lease payments previously included in net cash from operating activities now being included as payments for lease liabilities within net cash flow from financing activities. The cumulative effect of initially applying AASB 16 Leases at 1 July 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 Leases is recognised in retained earnings at the date of initial application. See note 2 for further information regarding the transition to AASB 16 Leases on 1 July 2019.

The above consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements on pages 78 - 109.
The notes include information which is required to understand the consolidated financial statements and is material and relevant to the financial position and performance of the Group. The notes are organised into the following sections:

A. BASIS OF PREPARATION

1. Reporting entity
2. Summary of significant accounting policies
3. Segregated revenue, net finance costs and income tax
4. Expenses
5. Share-based payment plans
6. Net finance costs
7. Income tax
8. Segment results, revenue and other income
9. Share-based payment plans
10. Capital and reserves
11. Intangibles
12. Property, plant and equipment
13. Reclassification of cash flow from operating activities
14. Earnings per share
15. Expenditure commitments
16. Parent entity information
17. Group entities
18. Auditor’s remuneration
19. Related parties
20. Contingent liabilities
21. Subsequent events

IN THIS SECTION

We explain how these changes are expected to impact the financial position and performance of the Group.

1. REPORTING ENTITY

Nearmap Ltd (the “Company”) is a for-profit company domiciled in Australia. These consolidated financial statements for the year ended 30 June 2020 comprise the Company and its subsidiaries referred to as the "Group". The Company’s registered office is at Level 4, Tower One, International Towers 100 Barangaroo Avenue, Barangaroo NSW 2000.

The principal activity of the Group during the course of the financial year was the provision of online aerial photomaps to business customers via subscription through its 100%-owned subsidiaries, Nearmap Australia Pty Ltd and Nearmap US, Inc.

Going concern basis of accounting

The Group has recognised a net loss after tax of $36,717 thousand for the year ended 30 June 2020. As at that date, the Group has no external debt, but current liabilities exceed current assets by $6,164 thousand. However, the Group’s current liabilities include unearned income of $495,516 thousand. Unearned income includes income received in advance which has been deferred in the consolidated statement of financial position until the service is performed. These liabilities are expected to be settled without a corresponding cash outflow. The consolidated financial statements have been prepared on a going concern basis, which assumes the Group will continue its operations and be able to meet its obligations as and when they become due and payable. This assumption is based on the Group’s ability to meet its future cash flow requirements given the breakdown cash flow projection for the 30 June 2021 financial year, and existing cash reserves held as at 30 June 2020. These consolidated financial statements were authorised for issue by the Board of Directors on 18 August 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and share-based payment plans, which are respectively measured at fair value in accordance with AASB 9 Financial Instruments and AASB 2 Share-Based Payment.

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Nearmap Ltd’s functional and presentation currency.

Rounding of amounts

The Company is a listed entity referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and Directors’ Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Principles of consolidation

The consolidated financial statements incorporate all assets, liabilities and results of the Company and its subsidiaries. Subsidiaries are all those entities over which the Group has control. The Group 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 assets, liabilities and results of subsidiaries are included in the consolidated financial statements from the date that control commences, until the date that control ceases. Where the Company ceases to have control of a subsidiary, it derecognises the assets, liabilities and other components of equity of the subsidiary. Any resulting gain or loss is recognised in the consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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.

Foreign currencies

Foreign currency transactions

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 currency 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 the foreign operations are translated using the exchange rate as at the date of the initial transaction. Foreign currency differences are generally recognised in the consolidated statement of profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges (to the extent that the hedges are effective) and foreign currency differences arising from monetary items that in substance form part of the net investment in the foreign operations are recognised in other reserves via the consolidated statement of other comprehensive income (OCI).

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 presented in the foreign currency translation reserve (FCTR) included in other reserves in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal.

Significant accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The key judgements and estimates which are material to the financial report are found in the following notes:

<table>
<thead>
<tr>
<th>NOTE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease term</td>
<td>2</td>
</tr>
<tr>
<td>Share-based payment plans</td>
<td>5</td>
</tr>
<tr>
<td>Income tax</td>
<td>7</td>
</tr>
<tr>
<td>Trade receivables – expected credit loss</td>
<td>9</td>
</tr>
<tr>
<td>Intangible assets – recognition and recoverability</td>
<td>11</td>
</tr>
</tbody>
</table>
A. BASIS OF PREPARATION (CONT.)  

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)  

Changes in accounting policies  

(i) AASB 16 Leases  
The Group has initially adopted AASB 16 Leases (AASB 16) from 1 July 2019. The new effective standard introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee, has recognised rights-of-use assets representing right to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 Leases (AASB 117) and Interpretation 4 at the date of initial application.  
The Group also elected to use the practical expedient outlined in AASB 16 for leases with a term of less than 12 months and no purchase options, and leases of low-value assets. The cost related to these leases is recognised on a straight-line basis over the term of the lease.  
The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 30 June 2019 has not been restated — i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The Group previously classified leases as operating or finance leases based on an assessment of whether the lease transferred substantially all of the risks and rewards of ownership. On transition to AASB 16, all leases entered into by the Group were classified as operating leases under AASB 117 and related interpretations, and the payments recognised on a straight-line basis in the consolidated statement of profit or loss over the term of the lease. The details of the changes in accounting policies are disclosed below.  

Definition of a lease  
The Group leases many assets, namely properties and office equipment. Previously, the Group determined at contract inception whether an arrangement was or contained a lease under Interpretation 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract or contains a lease based on the new definition of a lease. Under AASB 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.  

Significant accounting policy  
The Group recognises a right-of-use asset and a lease liability at the lease commencement date, being the date that the underlying asset is available for use. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjustment for certain remeasurement of the lease liability. The cost of the right-of-use asset includes the amount of recognised lease liabilities, initial direct costs inherent to the lease, and the expected costs to make good the leased asset, less any incentive received. On transition to AASB 16, all leases entered into by the Group were classified as operating leases under AASB 117 and related interpretations, and the payments recognised on a straight-line basis in the consolidated statement of profit or loss over the term of the lease. The details of the changes in accounting policies are disclosed below.  

Impact on transition  
On transition to AASB 16, the Group recognised right-of-use assets, lease liabilities and deferred tax assets, and derecognised lease incentive liabilities, recognise the difference in accumulated losses. The impact on transition is summarised below:  

### Transition  

On transition, for leases classified as operating leases under AASB 117, lease liabilities were measured at the present value of the remaining lease payments discounted at the Group’s incremental borrowing rate as at 1 July 2019. The weighted average rate applied is 4.32%. Right-of-use assets are measured at their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the lease’s incremental borrowing rate at 1 July 2019.  

### Impact on transition  
On transition to AASB 16, the Group recognised right-of-use assets, lease liabilities and deferred tax assets, and derecognised lease incentive liabilities, recognising the difference in accumulated losses. The impact on transition is summarised below:  

<table>
<thead>
<tr>
<th></th>
<th>AS REPORTED 30 JUNE 2019 $’000</th>
<th>AASB 16 TRANSITION ADJUSTMENTS $’000</th>
<th>ADJUSTED OPENING BALANCE 1 JULY 2019 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>16,762</td>
<td>4,027</td>
<td>20,789</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>3,086</td>
<td>144</td>
<td>3,230</td>
</tr>
<tr>
<td>TOTAL ASSETS IMPACT</td>
<td>19,848</td>
<td>4,164</td>
<td>24,027</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>5,446</td>
<td>(237)</td>
<td>5,213</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>1,002</td>
<td>(1,002)</td>
<td>-</td>
</tr>
<tr>
<td>Current lease liabilities</td>
<td></td>
<td>2,267</td>
<td>2,267</td>
</tr>
<tr>
<td>Non-current lease liabilities</td>
<td></td>
<td>5,493</td>
<td>5,493</td>
</tr>
<tr>
<td>TOTAL LIABILITIES IMPACT</td>
<td>6,448</td>
<td>6,527</td>
<td>12,975</td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(58,885)</td>
<td>(358)</td>
<td>(59,243)</td>
</tr>
<tr>
<td>TOTAL EQUITY IMPACT</td>
<td>(58,885)</td>
<td>(358)</td>
<td>(59,243)</td>
</tr>
</tbody>
</table>

1 The AASB 16 transition adjustment of $6,027 thousand on the property, plant and equipment balance comprises the recognition of right-of-use assets of $5,934 thousand, including make good assets of $505 thousand, and an equivalent reduction in the office equipment & furniture balance of $505 thousand as a result of the reclassification of the make good asset carrying value within right-of-use assets. Note 12 provides a reconciliation of the opening balance adjustment by category of property, plant and equipment.  

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as follows:  

<table>
<thead>
<tr>
<th></th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease commitments as at 30 June 2019</td>
<td>8,306</td>
</tr>
<tr>
<td>Lease</td>
<td>(514)</td>
</tr>
<tr>
<td>Impact of discounting</td>
<td>(514)</td>
</tr>
<tr>
<td>Commitments relating to short-term and low value leases</td>
<td>(29)</td>
</tr>
<tr>
<td>LEASE LIABILITIES AS AT 1 JULY 2019</td>
<td>7,760</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

A. BASIS OF PREPARATION (CONT.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Impact for the period

The carrying value and movements of the Group's right-of-use assets and lease liabilities during the year ended 30 June 2020 are set out below:

<table>
<thead>
<tr>
<th>RIGHT-OF-USE ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PROPERTY $’000</td>
<td>OFFICE EQUIPMENT $’000</td>
</tr>
<tr>
<td>AS AT 1 JULY 2019</td>
<td>6,466</td>
<td>64</td>
</tr>
<tr>
<td>Additions (new lease arrangement)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(3,192)</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense on unwinding of lease liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange adjustments</td>
<td>146</td>
<td>-</td>
</tr>
<tr>
<td>AS AT 30 JUNE 2020</td>
<td>14,056</td>
<td>31</td>
</tr>
</tbody>
</table>

Included in the consolidated statement of financial position as:

- Current lease liabilities: 4,500
- Non-current lease liabilities: 9,896

TOTAL LEASE LIABILITIES: 14,396

*1 On 1 July 2019, Nearmap Australia Pty Ltd entered into a contract for the lease of office premises located at Level 5, Tower One, International Towers, 100 Barangaroo Avenue, Barangaroo. The lease was announced as a subsequent event in the 2019 Annual Report and was excluded from operating lease commitments as at 30 June 2019. Other new lease arrangements entered into by the Group during the year ended 30 June 2020 include two new contracts entered into by Nearmap US, Inc for office premises in New York City (20 West 36th Street, New York, New York) and Arlington, Virginia (Suite 1301, 1225 South Clark Street, Arlington, Virginia).

\[ \text{Maturity analysis = contractual undiscounted cash flows} \]

\[ \begin{align*}
\text{30 JUNE 2020} & \quad $’000 \\
\text{Less than one year} & \quad 4,765 \\
\text{One to five years} & \quad 10,647 \\
\text{TOTAL UNDISCOUNTED LEASE LIABILITY} & \quad 15,412 \\
\end{align*} \]

The Group has expenditure commitments of nil in relation to short-term leases as at 30 June 2020.

(i) AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

On October 22, 2018, the International Accounting Standards Board issued amendments to IFRS 3 Business Combinations. Consequently, AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business (AASB 2018-6) was issued in December 2018 by the Australian Accounting Standards Board.

The amendments seek to clarify whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test, which is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process.

The amendments apply for annual reporting periods beginning on or after January 1, 2020, however early adoption is permitted. The Group has early adopted AASB 2018-6 in the year ended 30 June 2020 on a prospective basis. Accordingly, there was no retrospective adjustment to the Group results.

(ii) AASB Interpretation 23 Uncertainty over Income Tax Treatments

The Group has initially adopted AASB Interpretation 23 Uncertainty over Income Tax Treatments (Interpretation 23) from 1 July 2019. Interpretation 23 clarifies how to apply the recognition and measurement requirements in AASB 112 Income Taxes, where there is uncertainty regarding income tax treatments. The Interpretation addresses whether an entity needs to consider uncertain tax treatments separately, the assumptions an entity should make about the examination of tax treatments by taxation authorities, how an entity should determine taxable profit and loss, tax bases, unused tax losses, unused tax credits, and tax rates, and how an entity considers changes in facts and circumstances in such determinations. The adoption of Interpretation 23 did not have an impact on the Group's consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

(i) Amendments to References to Conceptual Framework in IFRS Standards

(ii) Definition of Material (amendments to AASB 101 Presentation of Financial Statement and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

B. KEY FINANCIAL RESULTS

IN THIS SECTION
This section explains the results and performance of the Group and provides additional information about those individual line items in the consolidated financial statements that the Directors consider most relevant in the context of the operations of the Group, including:
- accounting policies that are relevant for understanding the items recognised in the consolidated financial statements; and
- 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, net finance costs and income tax.

3. SEGMENT RESULTS, REVENUE AND OTHER INCOME
This note provides results by operating segment for the year ended 30 June 2020. Operating segments are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the Nearmap Executive Team which ultimately makes strategic decisions. This note also provides additional information on revenue, including types of revenue and the respective recognition criteria.

Segment reporting
The CODM assesses the Group’s performance based on geographical areas of operation. Accordingly, the Group has identified two reportable segments, which are presented below:

<table>
<thead>
<tr>
<th>SEGMENT INFORMATION</th>
<th>ANZ ($’000)</th>
<th>NA ($’000)</th>
<th>UNALLOCATED ($’000)</th>
<th>TOTAL ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia &amp; New Zealand (ANZ)</td>
<td>60,223</td>
<td>36,491</td>
<td>-</td>
<td>96,714</td>
</tr>
<tr>
<td>North America (NA)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Cost of revenue are all the costs directly attributable to the ongoing delivery of the subscription product, including amortisation of capture costs. Sales and marketing costs include direct in-country costs. A portion of general and administration costs, representing general operating expenses, remain unallocated in determining the segment contribution presented to the CODM. These unallocated costs comprise the product and technology department costs, and the portion of the corporate department costs that are not allocated to specific segments. The assets and liabilities of the Group are reported and reviewed by the CODM in total and are not allocated by operating segment. Operating segment assets and liabilities are therefore not disclosed.

YEAR ENDED 30 JUNE 2020

<table>
<thead>
<tr>
<th></th>
<th>ANZ ($’000)</th>
<th>NA ($’000)</th>
<th>UNALLOCATED ($’000)</th>
<th>TOTAL ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>60,223</td>
<td>36,491</td>
<td>-</td>
<td>96,714</td>
</tr>
<tr>
<td>Capture cost amortisation1</td>
<td>(6,000)</td>
<td>(23,529)</td>
<td>-</td>
<td>(29,529)</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,025)</td>
<td>(5,537)</td>
<td>-</td>
<td>(6,562)</td>
</tr>
<tr>
<td>TOTAL COST OF REVENUE</td>
<td>(7,025)</td>
<td>(29,066)</td>
<td>-</td>
<td>(36,091)</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>53,198</td>
<td>7,425</td>
<td>-</td>
<td>60,623</td>
</tr>
<tr>
<td>GROSS MARGIN %</td>
<td>88%</td>
<td>20%</td>
<td>-</td>
<td>63%</td>
</tr>
<tr>
<td>Direct sales &amp; marketing</td>
<td>9,956</td>
<td>19,864</td>
<td>-</td>
<td>(28,810)</td>
</tr>
<tr>
<td>Indirect sales &amp; marketing</td>
<td>5,878</td>
<td>6,129</td>
<td>-</td>
<td>(14,007)</td>
</tr>
<tr>
<td>TOTAL SALES &amp; MARKETING COSTS</td>
<td>(14,754)</td>
<td>(27,993)</td>
<td>-</td>
<td>(42,777)</td>
</tr>
<tr>
<td>General &amp; administration</td>
<td>(10,729)</td>
<td>(15,414)</td>
<td>(16,469)</td>
<td>(38,602)</td>
</tr>
<tr>
<td>Overhead depreciation2</td>
<td>(2,162)</td>
<td>(1,638)</td>
<td>(1,570)</td>
<td>(5,370)</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>799</td>
<td>799</td>
</tr>
<tr>
<td>Finance costs3</td>
<td>-</td>
<td>-</td>
<td>(517)</td>
<td>(517)</td>
</tr>
<tr>
<td>TOTAL GENERAL &amp; ADMINISTRATION</td>
<td>(12,887)</td>
<td>(17,052)</td>
<td>(18,246)</td>
<td>(48,185)</td>
</tr>
<tr>
<td>SEGMENT CONTRIBUTION</td>
<td>25,327</td>
<td>31,459</td>
<td>(19,921)</td>
<td>(25,833)</td>
</tr>
<tr>
<td>Amortisation &amp; depreciation of unallocated assets</td>
<td>-</td>
<td>(799)</td>
<td>-</td>
<td>(799)</td>
</tr>
<tr>
<td>Foreign exchange gain</td>
<td>-</td>
<td>-</td>
<td>529</td>
<td>529</td>
</tr>
<tr>
<td>LOSS BEFORE TAX</td>
<td>(37,103)</td>
<td>-</td>
<td>(19,921)</td>
<td>(57,024)</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>386</td>
<td></td>
<td>-</td>
<td>386</td>
</tr>
<tr>
<td>LOSS AFTER TAX</td>
<td>(36,717)</td>
<td>-</td>
<td>-</td>
<td>(36,717)</td>
</tr>
</tbody>
</table>

1 During the year ended 30 June 2019, the Group reviewed the appropriateness of the amortisation period and methodology for capture costs and determined that the period be reduced from 5 years to 2 years, reflecting growing demand for more recent imagery. The change in estimate was applied prospectively from 1 January 2019. For the year ended 30 June 2020, a 2-year use life policy was applied consistently throughout the year.
2 Overhead depreciation includes right-of-use asset depreciation of $4,025 thousand for the year ended 30 June 2020. The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 30 June 2019 has not been restated.
3 Excluding foreign exchange gains, which are presented on a consolidated level below segment contribution.
### B. KEY FINANCIAL RESULTS (CONT.)

#### 3. SEGMENT RESULTS, REVENUE AND OTHER INCOME (CONT.)

<table>
<thead>
<tr>
<th>YEAR ENDED</th>
<th>JAN $’000</th>
<th>NA $’000</th>
<th>UNALLOCATED $’000</th>
<th>TOTAL $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 JUNE 2019</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>Capture cost amortisation</td>
<td>(3,864)</td>
<td>(14,146)</td>
<td>-</td>
<td>(18,006)</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,029)</td>
<td>(2,130)</td>
<td>-</td>
<td>(4,159)</td>
</tr>
<tr>
<td>TOTAL COST OF REVENUE</td>
<td>(4,893)</td>
<td>(17,276)</td>
<td>-</td>
<td>(22,203)</td>
</tr>
<tr>
<td>Revenue</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>Excluding foreign exchange loss, which are presented on a consolidated level below segment contribution.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>48,274</td>
<td>7,165</td>
<td>-</td>
<td>55,439</td>
</tr>
<tr>
<td>Overhead depreciation</td>
<td>(224)</td>
<td>(468)</td>
<td>(98)</td>
<td>(790)</td>
</tr>
<tr>
<td>INDIRECT SALES &amp; MARKETING</td>
<td>(2,864)</td>
<td>(3,970)</td>
<td>-</td>
<td>(6,834)</td>
</tr>
<tr>
<td>TOTAL SALES &amp; MARKETING COSTS</td>
<td>(11,395)</td>
<td>(16,979)</td>
<td>-</td>
<td>(28,374)</td>
</tr>
<tr>
<td>Direct sales &amp; marketing</td>
<td>(8,531)</td>
<td>(13,009)</td>
<td>-</td>
<td>(21,540)</td>
</tr>
<tr>
<td>General &amp; administration</td>
<td>(8,786)</td>
<td>(8,552)</td>
<td>(12,429)</td>
<td>(29,767)</td>
</tr>
<tr>
<td>GROSS MARGIN %</td>
<td>91%</td>
<td>29%</td>
<td>-</td>
<td>71%</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL COST OF REVENUE</td>
<td>(4,899)</td>
<td>(17,304)</td>
<td>-</td>
<td>(22,203)</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,039)</td>
<td>(3,158)</td>
<td>-</td>
<td>(4,197)</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>43,274</td>
<td>6,165</td>
<td>-</td>
<td>53,439</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(5,097)</td>
<td>-</td>
<td>-</td>
<td>(5,097)</td>
</tr>
<tr>
<td>LOSS BEFORE TAX</td>
<td>(9,010)</td>
<td>(9,020)</td>
<td>(10,818)</td>
<td>(28,848)</td>
</tr>
<tr>
<td>Unallocated</td>
<td>(799)</td>
<td>(1,733)</td>
<td>(799)</td>
<td>(2,332)</td>
</tr>
<tr>
<td>FINANCE COSTS</td>
<td>-</td>
<td>-</td>
<td>(24)</td>
<td>(24)</td>
</tr>
<tr>
<td>TOTAL GENERAL &amp; ADMINISTRATION</td>
<td>(9,015)</td>
<td>(9,020)</td>
<td>(10,818)</td>
<td>(28,848)</td>
</tr>
<tr>
<td>SEGMENT CONTRIBUTION</td>
<td>27,869</td>
<td>(10,834)</td>
<td>(10,818)</td>
<td>(17,838)</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,039)</td>
<td>(3,158)</td>
<td>-</td>
<td>(4,197)</td>
</tr>
<tr>
<td>Gain on sale of unlisted investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,029)</td>
<td>(2,130)</td>
<td>-</td>
<td>(4,159)</td>
</tr>
<tr>
<td>TOTAL REVENUE AND OTHER INCOME</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>Amortisation &amp; depreciation of unallocated assets</td>
<td>(7,863)</td>
<td>-</td>
<td>-</td>
<td>(7,863)</td>
</tr>
<tr>
<td>FOREIGN EXCHANGE LOSS</td>
<td>(191)</td>
<td>-</td>
<td>-</td>
<td>(191)</td>
</tr>
<tr>
<td>TOTAL REVENUE AND OTHER INCOME</td>
<td>79,513</td>
<td>79,375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,039)</td>
<td>(3,158)</td>
<td>-</td>
<td>(4,197)</td>
</tr>
<tr>
<td>Gain on sale of unlisted investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,029)</td>
<td>(2,130)</td>
<td>-</td>
<td>(4,159)</td>
</tr>
<tr>
<td>STORAGE, ADMINISTRATION &amp; OTHER</td>
<td>(1,039)</td>
<td>(3,158)</td>
<td>-</td>
<td>(4,197)</td>
</tr>
<tr>
<td>TOTAL REVENUE AND OTHER INCOME</td>
<td>79,513</td>
<td>79,375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated</td>
<td>(799)</td>
<td>(1,733)</td>
<td>(799)</td>
<td>(2,332)</td>
</tr>
<tr>
<td>Revenue</td>
<td>53,173</td>
<td>24,469</td>
<td>-</td>
<td>77,642</td>
</tr>
<tr>
<td>Excluding foreign exchange loss, which are presented on a consolidated level below segment contribution.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss after tax</td>
<td>(9,010)</td>
<td>(9,020)</td>
<td>(10,818)</td>
<td>(28,848)</td>
</tr>
<tr>
<td>Unallocated</td>
<td>(799)</td>
<td>(1,733)</td>
<td>(799)</td>
<td>(2,332)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-</td>
<td>-</td>
<td>(24)</td>
<td>(24)</td>
</tr>
<tr>
<td>TOTAL GENERAL &amp; ADMINISTRATION</td>
<td>(9,015)</td>
<td>(9,020)</td>
<td>(10,818)</td>
<td>(28,848)</td>
</tr>
<tr>
<td>SEGMENT CONTRIBUTION</td>
<td>27,869</td>
<td>(10,834)</td>
<td>(10,818)</td>
<td>(17,838)</td>
</tr>
<tr>
<td>Storage, administration &amp; other</td>
<td>(1,039)</td>
<td>(3,158)</td>
<td>-</td>
<td>(4,197)</td>
</tr>
<tr>
<td>Gain on sale of unlisted investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>STORAGE, ADMINISTRATION &amp; OTHER</td>
<td>(1,039)</td>
<td>(3,158)</td>
<td>-</td>
<td>(4,197)</td>
</tr>
<tr>
<td>TOTAL REVENUE AND OTHER INCOME</td>
<td>79,513</td>
<td>79,375</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives its revenue primarily from subscription fees for its online location intelligence services and, to a lesser extent royalty income. Revenue is recognised when control of these services is transferred to the Group’s customers, in an amount that reflects the consideration the Group expects to be entitled to in an exchange for those services, excluding GST.

#### Disaggregation of revenue

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND OTHER INCOME</strong></td>
<td>79,513</td>
</tr>
<tr>
<td><strong>PRIMARY GEOGRAPHICAL MARKETS</strong></td>
<td>79,513</td>
</tr>
<tr>
<td>Australia &amp; New Zealand</td>
<td>60,223</td>
</tr>
<tr>
<td>North America</td>
<td>36,491</td>
</tr>
<tr>
<td>Unallocated</td>
<td>799</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND OTHER INCOME</strong></td>
<td>79,513</td>
</tr>
<tr>
<td><strong>SUBSCRIPTION REVENUE BY INDUSTRY</strong></td>
<td>79,513</td>
</tr>
<tr>
<td>Architecture, Construction &amp; Engineering</td>
<td>26,539</td>
</tr>
<tr>
<td>Commercial &amp; Other</td>
<td>19,245</td>
</tr>
<tr>
<td>Government</td>
<td>15,856</td>
</tr>
<tr>
<td>Utilities</td>
<td>11,377</td>
</tr>
<tr>
<td>Insurance &amp; Property</td>
<td>15,525</td>
</tr>
<tr>
<td>Solar</td>
<td>7,934</td>
</tr>
<tr>
<td><strong>SUBSCRIPTION REVENUE</strong></td>
<td>79,513</td>
</tr>
</tbody>
</table>

1. The Group’s revenue by geography is based on customer billing address.
2. In the prior year, on-demand revenue of $134 thousand was presented separately from subscription revenue and was not included in the disaggregation of revenue by industry. In the current year, on-demand revenue and subscription revenue are presented within subscription revenue given their similar nature. Comparative figures have been adjusted accordingly.

### Financial Reporting

The following paragraphs provide information about the nature and timing of satisfaction of performance obligations in contracts with customers, including revenue recognition policies:

1. **Subscription revenue**: The Group’s subscription services represent a single promise to provide continuous access to its digital aerial imagery. As each day of providing access to the software is substantially the same and the customer simultaneously receives and consumes the benefit as access is provided, the Group has determined that its subscription services arrangement include a single performance obligation comprised of a series of distinct services. Revenue from subscription services is recognised over time on a straight-line basis over the contract term beginning on the date that the Group’s service is made available to the customer. Subscription periods are typically annual or multi-year in duration, see billed in advance annually and are non-refundable. Typically, subscriptions automatically renew at the end of the subscription period unless the customer specifically terminates it prior to the end of the period.

2. **Royalty Income**: The Group earns royalty revenue through third parties who sell Nearmap imagery on behalf of the Group. Revenue is recognised when the performance obligation to which the royalty relates has been satisfied.

3. **Grant Income**: Reflects the New South Wales payroll grant received from the Office of State Revenue when incremental headcounts is hired for new jobs created.

4. **Interest income** is recognised as interest accrues using the effective interest method.
B. KEY FINANCIAL RESULTS (CONT.)

3. SEGMENT RESULTS, REVENUE AND OTHER INCOME (CONT.)

Contract balances

Contract assets
Contract assets primarily relate to unbilled amounts typically resulting from sales contracts where revenue recognised exceeds the amount billed to the customer. The contract asset is transferred to trade receivable when the right becomes unconditional. The Group has $3,977 thousand contract assets as at 30 June 2020 ($3,069 thousand which are recognised within trade receivable.

Contract liabilities (unearned revenue)

Unearned revenue primarily consists of billings and payments received in advance of revenue recognition. The Group primarily bills and collects payments from customers for services in advance on an annual basis. The Group initially records subscriptions fees as unearned revenue and then recognises revenue as performance obligations are satisfied over the subscription period. The totality of the unearned revenue balance at 1 July 2019 has been recognised as revenue as at 30 June 2020.

Significant changes in contract liabilities are as follows:

| 4. EXPENSES |
|----------------------------------|----------------|
| 30 JUNE 2020 | 30 JUNE 2019 |
| $'000 | $'000 |
| **Sales and marketing costs** | | |
| 6,217 | 5,497 |
| **Office and other costs** | | |
| 1,942 | 1,217 |
| **Insurance costs** | | |
| 1,069 | 680 |
| **All other operating expenses** | | |
| 3,820 | 1,687 |
| **TOTAL OTHER OPERATIONAL EXPENSES** | | |
| 31,224 | 25,495 |

Employee benefits expense

| 5. SHARE-BASED PAYMENT PLANS |
|----------------------------------|----------------|
| 30 JUNE 2020 | 30 JUNE 2019 |
| $'000 | $'000 |
| **Salaries, wages, and other employee expense** | | |
| 49,789 | 33,286 |
| **Net share-based payment expense** | | |
| 4,062 | 1,684 |
| **Defined contribution plan expense** | | |
| 2,691 | 1,217 |
| **TOTAL EMPLOYEE BENEFITS EXPENSE** | | |
| 56,542 | 36,483 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

ACCOUNTING POLICY - RECOGNITION AND MEASUREMENT OF SHARE-BASED PAYMENTS

The Group operates various equity-settled share-based payment plans, providing share options and Restricted Stock Units (RSUs) to employees in exchange for services rendered, as outlined further in this note. The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards, ending on the date on which the relevant employees become fully entitled to the award. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions. For awards subject to a service condition only, no expense is recognised if they do not ultimately vest. The expense or income for the year represents the movement in cumulative expense recognised at the beginning and end of that year.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation. 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. The granting of limited recourse loans (LRL) is considered to be a modification to the existing options. Any increase in the fair value of the option is recognised as an expense immediately at the date the LRL is granted. The LRLs are not recognised in the consolidated financial statements. The dilutive effect, if any, of outstanding equity-settled share-based payment instruments is reflected as additional share dilution in the computation of earnings per share.
At 30 June 2020, the Group had the following share-based payment arrangements.

Employee Share Option Plan
An Employee Share Option Plan (ESOP) 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 consideration at an exercise price calculated with reference to prevailing market prices at the date of grant, are issued in accordance with terms established by the Directors of the Company. The options cannot be transferred without the approval of the Company's Board and are not quoted on the ASX. The grants are issued with a life of four years either:
(i) with Total Shareholder Return (TSR) growth performance vesting conditions, exercisable after three years; or
(ii) without any performance vesting conditions, exercisable on various dates (initially in two or three equal annual tranches when vested).

All options are settled by issuing ordinary shares. The Nearmap ESOP also includes an Employee Loan Scheme that permits the Company to grant financial assistance to employees by way of LRLs to enable them to exercise options and acquire shares. The employee does not have a beneficial interest in the shares until the loan is repaid with any such shares being held in escrow until that time. The Group recorded a net expense of $1,882 thousand in the year ended 30 June 2020 (30 June 2019: $1,598 thousand) in relation to the ESOP. In addition, $62 thousand has been capitalised in the cost of intangible assets and property, plant and equipment (30 June 2019: nil).

Employee Matching Share Rights Plan
Employees have the opportunity to purchase shares in Nearmap using up to 5% of their annual base salary. For every three acquired shares, the employee is granted a one-off cash loan by the Company. The group recorded a net expense of $60 thousand relating to KMPs and $25 thousand for other employees (30 June 2019: $285 thousand and $50 thousand).

The expected volatility is based on the historical volatility of the Company’s share price. The risk-free interest rate used is equal to the yield on Australian Government Bonds at the date of grant with a term equal to the expected life of options. The grant of LRLs for the settlement of share options is considered a modification to the valuation of the options. Any increase in the fair value of the modified option is recognised as expense in the consolidated statement of profit or loss.

The table presents the weighted average assumptions used to determine the fair values of options granted:

<table>
<thead>
<tr>
<th>Option Type</th>
<th>30 June 2020</th>
<th>30 June 2019</th>
<th>30 June 2020</th>
<th>30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield (%)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Risk-free interest rate (%)</td>
<td>0.95</td>
<td>0.57</td>
<td>0.67</td>
<td>0.39</td>
</tr>
<tr>
<td>Expected life (years)</td>
<td>4.00</td>
<td>2.97</td>
<td>3.00</td>
<td>2.97</td>
</tr>
</tbody>
</table>

The Group estimates the fair value of equity-settled share-based payments at the date at which they are granted. The fair values of options granted include assumptions in the following areas: risk-free rate, volatility, expected life and expected achievement of TSR performance hurdles, if applicable. The expected volatility reflects the assumption that the historical volatility is indicative of future trends and may not reflect the actual outcome. The expected life of the options is based on historical data, which may not necessarily reflect future exercise patterns.
7. INCOME TAX

ACCOUNTING POLICY - RECOGNITION AND MEASUREMENT OF INCOME TAX

Income tax

Income tax expense comprises current and deferred tax. It is recognised in the consolidated statement of profit or loss except to the extent that it related to items recognised directly in equity or OCI.

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

(i) temporary difference on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
(iii) taxable temporary differences arising on the initial recognition of goodwill.

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 they can be utilised. Future taxable profits are determined based on the recovery of relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise a deferred tax asset in full, future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of the future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

Research and Development tax incentive

The Group accounts for any non-refundable research and development tax credits as an income tax benefit, which are recognised when expected tax credits are utilised for income tax purposes.

Deferred tax is recognised in respect of temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Where it is probable that future taxable profit will be available against which carried forward tax losses can be utilised, a deferred tax asset is recognised for these amounts, subject to shareholder continuity and other requirements. No material deferred tax asset has been recognised for losses in the United States, given the uncertainty of the timing of future profitability.

KEY ESTIMATES AND JUDGEMENTS

Deferred tax

Where it is probable that future taxable profit will be available against which carried forward tax losses can be utilised, a deferred tax asset is recognised for these amounts, subject to shareholder continuity and other requirements. No material deferred tax asset has been recognised for losses in the United States, given the uncertainty of the timing of future profitability.

Income tax expense

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>(953)</td>
</tr>
<tr>
<td>Deferred tax benefit/(expense)</td>
<td>1,293</td>
</tr>
<tr>
<td>TOTAL INCOME TAX BENEFIT/(EXPENSE)</td>
<td>386</td>
</tr>
</tbody>
</table>

NUMERICAL RECONCILIATION OF INCOME TAX BENEFIT/(EXPENSE) TO PRIMA FACIE TAX PAYABLE

<table>
<thead>
<tr>
<th></th>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before income tax</td>
<td>(37,102)</td>
<td>(9,823)</td>
</tr>
<tr>
<td>Tax at the Australia tax rate of 30% (30 June 2019: 30%)</td>
<td>11,131</td>
<td>2,951</td>
</tr>
</tbody>
</table>

The Group has an unrecognised deferred tax asset of $25,921 thousand in respect of US tax losses as at 30 June 2020 (30 June 2019: $18,288 thousand). The unrecognised tax losses have expiry dates ranging from 2030 to 2040.

Deferred income tax

The movement in deferred tax balances and the Group's net deferred tax balance are outlined below. The net deferred tax asset balance relates to US entities and the net deferred tax liability balance relates to Australian entities.

YEAR ENDED 30 JUNE 2020

<table>
<thead>
<tr>
<th></th>
<th>BALANCE AT 1 JULY</th>
<th>RECOGNISED IN PROFIT OR LOSS</th>
<th>RECOGNISED DIRECTLY IN EQUITY</th>
<th>BALANCE AT 30 JUNE</th>
<th>NET DEFERRED TAX ASSETS</th>
<th>NET DEFERRED TAX LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>2,682</td>
<td>667</td>
<td>64</td>
<td>3,413</td>
<td>3,413</td>
<td>3,413</td>
</tr>
<tr>
<td>Provisions and other accruals</td>
<td>1,546</td>
<td>327</td>
<td>6</td>
<td>1,891</td>
<td>1,891</td>
<td>1,891</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>(515)</td>
<td>762</td>
<td>146</td>
<td>795</td>
<td>795</td>
<td>795</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(12,088)</td>
<td>(272)</td>
<td>-</td>
<td>(12,360)</td>
<td>(12,360)</td>
<td>(12,360)</td>
</tr>
<tr>
<td>Other</td>
<td>827</td>
<td>144</td>
<td>(172)</td>
<td>809</td>
<td>-</td>
<td>(809)</td>
</tr>
<tr>
<td>Derivative instruments</td>
<td>(31)</td>
<td>-</td>
<td>318</td>
<td>287</td>
<td>-</td>
<td>287</td>
</tr>
<tr>
<td>Unrealised foreign exchange loss</td>
<td>61</td>
<td>(199)</td>
<td>(128)</td>
<td>-</td>
<td>(128)</td>
<td></td>
</tr>
<tr>
<td>NET TAX ASSETS/LIABILITIES</td>
<td>(7,104)</td>
<td>1,339</td>
<td>362</td>
<td>(5,403)</td>
<td>4,313</td>
<td>(9,716)</td>
</tr>
</tbody>
</table>
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

B. KEY FINANCIAL RESULTS (CONT.)

7. INCOME TAX (CONT.)

YEAR ENDED 30 JUNE 2019

<table>
<thead>
<tr>
<th>Component</th>
<th>2020 $'000</th>
<th>2019 $'000</th>
<th>Change $'000</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned revenue</td>
<td>2,177</td>
<td>391</td>
<td>1,786</td>
<td>453</td>
</tr>
<tr>
<td>Provision and other accruals</td>
<td>1,253</td>
<td>267</td>
<td>987</td>
<td>379</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>45</td>
<td>(181)</td>
<td>(226)</td>
<td>(126)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(10,348)</td>
<td>(1,740)</td>
<td>(8,608)</td>
<td>(12,087)</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>2,177</td>
<td>391</td>
<td>1,786</td>
<td>453</td>
</tr>
<tr>
<td>Net tax assets</td>
<td>(1,234)</td>
<td>(1,234)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>1,234</td>
<td>1,234</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

FOR THE YEAR ENDED 30 JUNE 2020

| Component                     | 2020 $'000 | 2019 $'000 | Change $'000 | % Change |%
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned revenue</td>
<td>2,177</td>
<td>391</td>
<td>1,786</td>
<td>453</td>
</tr>
<tr>
<td>Provision and other accruals</td>
<td>1,253</td>
<td>267</td>
<td>987</td>
<td>379</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>45</td>
<td>(181)</td>
<td>(226)</td>
<td>(126)</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(10,348)</td>
<td>(1,740)</td>
<td>(8,608)</td>
<td>(12,087)</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>2,177</td>
<td>391</td>
<td>1,786</td>
<td>453</td>
</tr>
<tr>
<td>Net tax assets</td>
<td>(1,234)</td>
<td>(1,234)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>1,234</td>
<td>1,234</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C. CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT

IN THIS SECTION

This section outlines how the Group 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 its 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 Group may issue new shares, sell assets, consider joint ventures and may return capital in some form to shareholders.

8. CAPITAL AND RESERVES

ACCOUNTING POLICY - RECOGNITION AND MEASUREMENT OF CONTRIBUTED EQUITY AND RESERVES

Shares issued are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are deducted from the fair value of contributed equity issued, net of tax. Details in relation to share-based payment plans, including share options, are contained in note 5. When shares recognised as contributed equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from contributed equity. When treasury shares are reissued subsequently as part of the Employee Matching Share Rights Plan, the amount of the consideration paid upon repurchase is recognised as an increase in contributed equity. Any surplus of deficit between the consideration paid and the amount recognised in the share-based payments reserve upon vesting of the rights is presented in accumulated losses.

Reserves include:

(i) Share-based payments reserve: comprises the cumulative expense relating to the fair value of options, RSUs, and rights on issue to key management personnel, senior executives and employees of the Group.
(ii) Profit reserve: comprises profits appropriated by the parent company of the Group.
(iii) Other reserves: includes the foreign currency translation reserve representing foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into the Group presentation currency (as described in note 2), and the cash flow hedge reserve representing the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred that are recognised in other comprehensive income (as described in note 9).

Contributed equity

The contributed equity of the Company consists only of fully paid ordinary shares. Holders of these ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at general meetings of the Company, 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 paid-up shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Treasury shares

Treasury shares are shares in the Company that are held by the Employee Matching Share Rights Plan Trust (the Trust) for the purpose of issuing shares under the Employee Matching Share Rights Plan. All rights attached to the Company's shares held by the Trust are suspended until those shares are released.

As at 30 June 2020, the Trust held 135,222 of the Company's shares (30 June 2019: 43,998). The Company introduced an employee matching share rights plan during the year ended 30 June 2019. The balance of treasury shares acquired of $400 thousand as at 30 June 2020 relates to shares purchased under the plan that will be reissued to participants at the end of the vesting periods. The balance of treasury shares acquired of $381 thousand as at 30 June 2019 (30 June 2018: $197 thousand) relates to shares purchased under the plan that will be reissued to participants at the end of the vesting periods. The balance of treasury shares acquired of $368 thousand as at 30 June 2020 (30 June 2019: $381 thousand) relates to shares purchased under the plan that will be reissued to participants at the end of the vesting periods.

NUMBER OF SHARES

YEAR ENDED 30 JUNE 2020

<table>
<thead>
<tr>
<th>Component</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE AT THE BEGINNING OF THE YEAR</td>
<td>498,280,616</td>
<td>453,324,295</td>
</tr>
<tr>
<td>Issued from exercise of share options</td>
<td>3,085,333</td>
<td>1,596</td>
</tr>
<tr>
<td>Issued from exercise of share option loans</td>
<td>1,758,546</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of share option loans</td>
<td>399</td>
<td>-</td>
</tr>
<tr>
<td>Treasury shares acquired</td>
<td>-</td>
<td>(400)</td>
</tr>
<tr>
<td>Treasury shares vested and transferred to employees</td>
<td>-</td>
<td>368</td>
</tr>
<tr>
<td>BALANCE AT THE END OF THE YEAR</td>
<td>498,280,616</td>
<td>453,324,295</td>
</tr>
</tbody>
</table>

YEAR ENDED 30 JUNE 2019

<table>
<thead>
<tr>
<th>Component</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE AT THE BEGINNING OF THE YEAR</td>
<td>453,324,295</td>
<td>438,019,855</td>
</tr>
<tr>
<td>Issued from exercise of share options</td>
<td>5,894,894</td>
<td>3,210</td>
</tr>
<tr>
<td>Issued from exercise of share option loans</td>
<td>4,615,867</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of share option loans</td>
<td>387</td>
<td>-</td>
</tr>
<tr>
<td>Treasury shares acquired</td>
<td>-</td>
<td>(197)</td>
</tr>
<tr>
<td>Treasury shares vested and transferred to employees</td>
<td>-</td>
<td>368</td>
</tr>
<tr>
<td>BALANCE AT THE END OF THE YEAR</td>
<td>498,280,616</td>
<td>453,324,295</td>
</tr>
</tbody>
</table>

1 On 7 September 2018, the Company completed a $512,000 cash placing (before costs) through a fully underwritten institutional placement of 43,750,000 new fully paid ordinary shares at the offer price of $11.40. The Company incurred a total of $4,049 thousand in transaction costs, which included $556 thousand representing the deferred tax impact.
2 During the year, total sales of $391 thousand (30 June 2019: $372 thousand) and accruing interest of $5 thousand (30 June 2019: $9 thousand) were repaid to the Company, thereby releasing $381 thousand (30 June 2019: $922 thousand previously under holding lock).
3 The Company introduced an employee matching share rights plan during the year ended 30 June 2019. The balance of treasury shares acquired of $481 thousand at 30 June 2020 (30 June 2019: $197 thousand) relates to shares purchased under the plan that will be reissued to participants at the end of the vesting periods. The balance of treasury shares vested and transferred to employees of $368 thousand at 30 June 2020 (30 June 2019: $381 thousand) relates to shares that have been released to participants during the financial year.
ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Recognition and initial measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments are initially measured at fair value, adjusted for transaction costs, unless they are classified as fair value through profit or loss in which case transaction costs are expensed in the consolidated statement of profit or loss immediately.

Classification and subsequent measurement
On initial recognition, a financial instrument is classified and measured at:
(i) amortised cost;
(ii) fair value through other comprehensive income (FVOCI – Financial asset only); or
(iii) fair value through profit or loss (FVTPL).

The Groups financial assets and financial liabilities, which comprise cash and cash equivalent, trade receivables, other current receivables, other current assets, trade and other payables, other current liabilities, and derivative financial instruments, are all classified and measured at amortised cost on initial recognition, except the derivative financial instruments (derivatives) which are classified and measured at FVTPL.

Financial instruments classified and measured at amortised cost on initial recognition are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains, and losses and impairment are recognised in the consolidated statement of profit or loss.

Financial instruments classified and measured at FVTPL on initial recognition are subsequently measured at fair value. The derivatives entered into by the Group are used to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. The Group designates these derivatives as cash flow hedging instruments and applies hedge accounting. The effective portion of changes in fair value of the derivatives is recognised in OCI and accumulated in the hedge reserve. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the consolidated statement of profit or loss. The amount accumulated in the hedge reserve is reclassified to the consolidated statement of profit or loss in the same period or periods during which the hedged expected future cash flow affects the consolidated statement of profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Impairment of financial assets
Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Derecognition of financial instruments
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is discharged, cancelled or expires. On derecognition of financial liabilities, the difference between the carrying amount extinguished and the consideration paid is recognised in the consolidated statement of profit or loss.

OFFSETTING

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

ACCOUNTING POLICY – FAIR VALUE MEASUREMENT

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transaction for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair values of assets and liabilities is categorised into different levels of the fair value hierarchy based on the inputs used in the valuation techniques as follows:
(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
(ii) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices); and
(iii) 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.

KEY ESTIMATES AND JUDGEMENTS

Impairment of financial assets
The Group is exposed to credit risk. The credit risk is influenced mainly by the individual characteristics of each customer. The Group holds long-term receivables that make up a material percentage of the Group’s revenue. The Group also recognises specific allowances for known credit risk of some individual customer accounts. The allowance for expected credit losses assessment requires a degree of estimation and judgement and may not reflect actual write-offs in future periods.

Carrying amounts and fair values
The fair value and carrying value of derivatives as at 30 June 2020 is $957 thousand and is included in other current liabilities (30 June 2019: $103 thousand). The net change in the derivative loss of $957 thousand during the year ended 30 June 2020 has been recognised in OCI (30 June 2019: $26 thousand recognised in OCI). Derivatives are not quoted in active markets as they are not traded on a recognised exchange. Therefore, 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 years ended 30 June 2020 and 30 June 2019.

The carrying value less impairment provision of trade receivables, other current receivables, other current assets trade and other payables, and other current liabilities are assumed to approximate their fair values due to their short-term nature.

Financial risk management
Risk management framework
The Company’s board of directors have an overall responsibility for the establishment and oversight of the Group’s risk management framework. The board of directors has 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.
C. CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT (CONT.)

9. FINANCIAL INSTRUMENTS (CONT.)

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.

(a) Currency risk

Nature of risk

The Group’s functional currency is the Australian dollar (AUD) and it is exposed to currency risk on payments denominated in United States dollars (USD). The Group’s policy is to hedge 85% to 125% of its estimated foreign currency exposure in respect of forecast purchases over the following 12 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, with the forward exchange contracts maturing on the same dates that the forecast payments are expected to occur. All foreign exchange contracts at 30 June 2020 have a maturity of less than twelve months from the reporting date. 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 significant exposure to foreign currency risk is as follows:

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>1,499</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>6,909</td>
</tr>
<tr>
<td>Payables and other liabilities</td>
<td>2,052</td>
</tr>
<tr>
<td><strong>GROSS EXPOSURE</strong></td>
<td><strong>11,058</strong></td>
</tr>
</tbody>
</table>

The following significant exchange rates have been applied:

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Average rate</td>
<td>Year-end spot rate</td>
</tr>
<tr>
<td>0.6712</td>
<td>0.7153</td>
</tr>
</tbody>
</table>

Sensitivity analysis

A reasonably possible strengthening or weakening of the AUD against the USD would have affected the measurement of financial instruments denominated in USD and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases:

<table>
<thead>
<tr>
<th>20 JUNE 2020</th>
<th>20 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD (10% movement)</td>
<td>USD (10% movement)</td>
</tr>
<tr>
<td>Strengthening</td>
<td>Weakening</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>6</td>
<td>(6)</td>
</tr>
<tr>
<td>6</td>
<td>(6)</td>
</tr>
</tbody>
</table>

Cash flow hedges

All derivatives entered into by the Group are foreign exchange contracts. The settlement amounts and average contractual exchange rates of foreign exchange contracts were as follows:

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>BUY UNITED STATES DOLLARS</strong></td>
<td><strong>AVERAGE EXCHANGE RATES</strong></td>
</tr>
<tr>
<td><strong>DERIVATIVE ASSET/(LIABILITY)</strong></td>
<td></td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>MAURITIE</td>
<td></td>
</tr>
<tr>
<td>0.3 months</td>
<td>3,800</td>
</tr>
<tr>
<td>3-6 months</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>TOTAL DERIVATIVE</strong></td>
<td><strong>(957)</strong></td>
</tr>
</tbody>
</table>

(b) Interest rate risk

The Group is exposed to changes in interest rates as it relates to the Group’s short-term deposits. The Group 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. The average interest rate received on deposits during the year was 1.61%.

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 cash and cash equivalent, term deposits, trade receivables from customers, other current receivables and amounts receivable from foreign exchange contracts. The Group trades primarily with recognised, creditworthy third parties. The maximum exposure to credit risk at the reporting date in relation to recognised financial assets is the carrying amount net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

(a) Cash and cash equivalent, term deposits, amounts receivable from foreign exchange contracts

The Group manages credit risk by placing cash and cash equivalent, term deposits and foreign exchange contracts with high quality financial institutions. High quality financial institutions are those which are rated least BBB (as rated by Standard & Poor’s).

(b) Trade and other receivables

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward looking information that is available. Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. The ageing of trade receivables and movement in the allowance for expected credit loss are presented below.

| CARRYING AMOUNT | | | |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 30 JUNE 2020    | 30 JUNE 2019    | 30 JUNE 2020    | 30 JUNE 2019    |
| $'000           | $'000           | $'000           | $'000           |
| Current         | 15,149          | 12,738          |
| 31 to 60 days overdue | 998            | 230             |
| Over 61 days overdue | 410            | 173             |
| Over 60 days overdue | 1,584          | 135             |
| Impairment provision | (962)         | (249)           |
| **TRADE RECEIVABLES** | **19,779**     | **13,046**      |
| Contract Assets | 3,927           | 1,497           |
| **TOTAL TRADE RECEIVABLES** | **23,706**     | **14,543**      |

Contract assets primarily relate to unbilled amounts typically resulting from sales contracts when revenue recognised exceeds the amount billed to the customer and, right to payment is not just subject to the passage of time.

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>BALANCE AS AT 1 JULY</strong></td>
<td><strong>246</strong></td>
</tr>
<tr>
<td>Provision used during the year</td>
<td>(488)</td>
</tr>
<tr>
<td>Additional provision recognised</td>
<td>1,249</td>
</tr>
<tr>
<td>Foreign exchange adjustment</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>BALANCE AS AT 30 JUNE</strong></td>
<td><strong>192</strong></td>
</tr>
</tbody>
</table>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
C. CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT (CONT.)

9. FINANCIAL INSTRUMENTS (CONT.)

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 continually monitors forecast and actual cash flows and the maturity profiles of assets and liabilities. The Group manages liquidity risk by maintaining cash reserves and liquid assets in excess of expected cash outflows.

As at 30 June 2020, all financial liabilities have a remaining contractual maturity of less than 1 year. Contractual cash outflows relating to lease liabilities are presented in note 2 (i).

10. DIVIDENDS PAID ON ORDINARY SHARES
No dividends were paid or proposed for the year ending 30 June 2020 (30 June 2019: nil). Franking credits available for the year ending 30 June 2020 was $1,390 thousand (30 June 2019: nil).

D. INVESTING ACTIVITIES

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

11. INTANGIBLES

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT OF INTANGIBLES
Research and development costs
Expenditure on research activities is recognised in the consolidated statement of profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the consolidated statement of profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Capture costs
Capture costs comprise the cost of aerial surveys, third party processing costs, and employee benefit costs directly attributable and necessary to create and upload digital imagery online. Subsequent to initial recognition, capture costs are measured at cost less accumulated amortisation and any accumulated impairment loss.

Other intangibles
Other intangible assets include mainly intellectual property and patents that are acquired by the Group and have finite useful lives. These intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Amortisation
Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use. The estimated useful lives are as follows:

- Capitalised capture costs: 2 years
- Development costs: 3-5 years
- Intellectual property: 5 years
- Patent, domains and trademark costs: 5-20 years

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

Impairment
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 cost of disposal (FVLCD) and its value in use (ViU), 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. In such cases the asset is tested for impairment as part of the cash-generating unit (CGU) to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

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 amortisation, had no impairment loss been recognised in the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Intangible assets are tested for impairment where an indicator of impairment exists. Intangibles under development are tested at the cash-generating unit level for impairment annually or at each reporting period where an indicator of impairment exists.

Derecognition
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the disposal proceeds received and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

KEY ESTIMATES AND JUDGEMENTS

Capture costs
Pursuant to AASB 138 Intangible Assets, the Group 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. During the year ended 30 June 2020, the Group assessed the appropriateness of the amortisation period and methodology for capture costs and determined that straight-line amortisation and a 2-year useful life remain appropriate based on up to date customer map tile requests.

Development costs
Management has made judgements in assessing when internal projects enter the development phase, namely around determining the commercial feasibility and assessing the probability of future economic benefits relating to that project.

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. FVLCD calculations performed in assessing recoverable amounts incorporate a number of key estimates, including forecasting of profits, cash flows, and discount rates.
Reconciliation of carrying amount

<table>
<thead>
<tr>
<th></th>
<th>ANZ</th>
<th>NA</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 30 June 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>13,466</td>
<td>33,814</td>
<td>47,280</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>-11,940</td>
<td>-20,925</td>
<td>-32,865</td>
</tr>
<tr>
<td>Closing net book value</td>
<td>11,642</td>
<td>30,030</td>
<td>42,132</td>
</tr>
<tr>
<td>Year ended 30 June 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>9,229</td>
<td>27,904</td>
<td>37,133</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>-9,421</td>
<td>-20,133</td>
<td>-30,554</td>
</tr>
<tr>
<td>Closing net book value</td>
<td>9,808</td>
<td>27,771</td>
<td>37,582</td>
</tr>
<tr>
<td>Gain on disposal</td>
<td>25</td>
<td></td>
<td>-25</td>
</tr>
<tr>
<td>Realised gain on disposal</td>
<td>-25</td>
<td></td>
<td>-25</td>
</tr>
<tr>
<td>Recovered net book value</td>
<td>9,833</td>
<td>27,746</td>
<td>37,357</td>
</tr>
</tbody>
</table>

The key assumptions used in determining recoverable values for the ANZ and NA CGUs as at 30 June 2020 are presented below:

**CASH FLOW PROJECTIONS**

The projected cash flows are based on 2020 actual results, 2021 financial budget approved by management and the Board and 2022 to 2025 financial projections approved by the Board. These projections are based on company experience and external information sources of the available target market. The industry segments in the Group's customer portfolio have not been significantly impacted by COVID-19. However, in preparing financial projections, the Group has considered the macroeconomic uncertainty arising from COVID-19 and the likely impact on each CGUs' cash flows. For NA specifically, the projections have been adjusted to reflect the historical growth rates achieved by the ANZ segment during a similar expansion phase.

**DISCOUNT RATE**

The discount rate used in the discounted cash flow model reflect the Group's estimate of the time value of money and risks specific to each CGU. The discount rates have been determined based on each CGU's bottom-up post-tax weighted average cost of capital (WACC), adjusted for market risk and specific risk factors, if applicable. The post-tax discount rate is 11.5% (13.1% pre-tax) for ANZ and 12.5% (14.4% pre-tax) for NA.

**TERMINAL GROWTH RATE**

The terminal value growth rates have been determined based on expectations of long-term operating conditions. For both the ANZ and NA CGUs, the Group has applied a 2% terminal growth rate in the terminal value.

The recoverable amount for the ANZ CGU continues to significantly exceed its carrying amount. In order for the NA CGU's recoverable amount to equal its carrying amount, the following changes in assumptions would be required:

**INCREASE/DECREASE IN ASSUMPTIONS REQUIRED FOR RECOVERABLE AMOUNT TO EQUAL CARRYING AMOUNT**

<table>
<thead>
<tr>
<th></th>
<th>5-YEAR AVERAGE REVENUE GROWTH</th>
<th>TERMINAL GROWTH RATE</th>
<th>DISCOUNT RATE (BPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>(11.1%)</td>
<td>(18.9%)</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Management does not consider these changes in assumptions to be reasonably possible.
D. INVESTING ACTIVITIES (CONT.)

12. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured 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, the cost of dismantling and removing the items and restoring the site on which they are located, and the employee benefit costs directly attributable to the assembly process in the case of camera systems. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value over the estimated useful life of the assets. The assets’ residual values, useful lives and depreciation methods are reviewed at each financial year end and adjusted if appropriate.

The following useful lives are applied:

(i) Office equipment & furniture: 3 years
(ii) Camera systems: 5 years
(iii) Spare parts and stand-by equipment: 7-10 years
(iv) Right-of-use assets: 2-5 years

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to be obtained from its use. Gains or losses arising from the derecognition of an asset (calculated as the difference between the proceeds received and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

OFFICE EQUIPMENT & FURNITURE $’000 CAMERAS $’000 RIGHT-OF-USE ASSETS $’000 TOTAL $’000

YEAR ENDED 30 JUNE 2020

AT 30 JUNE 2019

2,164 14,618 - 16,782

Adjustment on initial application of AASB 16

(205) 6,530 6,025

AT 1 JULY 2019

1,959 14,618 6,530 22,107

Additions

4,522 2,326 11,436 18,284

Disposals

- (138) - (138)

Depreciation

(1,402) (3,071) (4,025) (8,498)

Foreign exchange adjustment

(15) - - (15)

CLOSING NET BOOK VALUE

6,664 14,657 14,087 33,408

AT 30 JUNE 2020

Cost

7,465 29,382 18,086 54,933

Accumulated depreciation

(2,801) (14,725) (3,999) (21,525)

CLOSING NET BOOK VALUE

6,664 14,657 14,087 33,408

YEAR ENDED 30 JUNE 2019

Opening net book value

1,143 10,840 - 11,983

Additions

1,762 6,496 - 8,238

Disposals

- - (9) - (9)

Depreciation

(720) (2,712) - (3,432)

Foreign exchange adjustment

(1) - - (1)

CLOSING NET BOOK VALUE

2,164 14,618 - 16,782

AT 30 JUNE 2019

Cost

4,718 26,397 - 31,115

Accumulated depreciation

(2,554) (11,779) - (14,333)

CLOSING NET BOOK VALUE

2,164 14,618 - 16,782

As at 30 June 2020, property, plant and equipment includes right-of-use assets of $14,087 thousand related to leased properties and office equipment. See note 2(9) for further information regarding the transition to AASB 16 on 1 July 2019.
13. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and on hand, deposits on call and short-term deposits with a maturity of three months or less. Cash at bank, deposits on call and short-term deposits earn interest at floating rates based on daily bank deposit rates that are recognised in other income in the consolidated statement of profit or loss. The Group had no financing facilities as at 30 June 2020 (30 June 2019: nil).

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and on hand, deposits on call and short-term deposits earn interest at floating rates based on daily bank deposit rates that are recognised in other income in the consolidated statement of profit or loss. The Group had no financing facilities as at 30 June 2020 (30 June 2019: nil).

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
</tr>
<tr>
<td>Cash at bank on hand</td>
<td>6,486</td>
</tr>
<tr>
<td>Deposit on call</td>
<td>2,762</td>
</tr>
<tr>
<td>Short-term deposits at call</td>
<td>27,712</td>
</tr>
<tr>
<td><strong>NET CASH FROM OPERATING ACTIVITIES</strong></td>
<td><strong>12,088</strong></td>
</tr>
</tbody>
</table>

14. EARNINGS PER SHARE

Basic earnings per share are calculated as net profit or 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:

(i) costs of servicing equity (other than dividends);
(ii) the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
(iii) 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.

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Loss after tax attributable to ordinary equity holders</td>
<td>(36,717)</td>
</tr>
<tr>
<td>Loss used in calculating diluted earnings per share</td>
<td>(36,717)</td>
</tr>
</tbody>
</table>

EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY SHAREHOLDERS OF THE COMPANY:

Basic loss per share (cents per share) | (8.14) | (3.43) |
Diluted loss per share (cents per share) | (8.14) | (3.43) |

E. OTHER

1. 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. For the year ended 30 June 2020, options have not been included in calculating diluted EPS because their effect is anti-dilutive.

2. 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.

14. EARNINGS PER SHARE

Basic earnings per share is calculated as net profit or 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:

(i) costs of servicing equity (other than dividends);
(ii) the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
(iii) 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.

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Loss after tax attributable to ordinary equity holders</td>
<td>(36,717)</td>
</tr>
<tr>
<td>Loss used in calculating diluted earnings per share</td>
<td>(36,717)</td>
</tr>
</tbody>
</table>

EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY SHAREHOLDERS OF THE COMPANY:

Basic loss per share (cents per share) | (8.14) | (3.43) |
Diluted loss per share (cents per share) | (8.14) | (3.43) |

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. For the year ended 30 June 2020, options have not been included in calculating diluted EPS because their effect is anti-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

Operating lease commitments

There are no capital expenditure commitments or hire purchase commitments contracted at 30 June 2020 (30 June 2019: nil).

AGGREGATE LEASE EXPENDITURE CONTRACT AT YEAR END

Minimum lease payments:

<table>
<thead>
<tr>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Not later than one year</td>
<td>-</td>
</tr>
<tr>
<td>Later than one year and no later than five years</td>
<td>-</td>
</tr>
<tr>
<td><strong>AGGREGATE LEASE EXPENDITURE CONTRACT AT YEAR END</strong></td>
<td><strong>8,306</strong></td>
</tr>
</tbody>
</table>

1. On 1 July 2019, the Group adopted AASB 16. The group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 30 June 2019 has not been restated. The newly effective standard introduced a single, on-balance sheet accounting model for lessors. As a result, the Group, as a lessee, has recognised lease liabilities representing its obligation to make lease payments in the post-1 July 2019 financial statements. The Group has recognised lease liabilities in respect of the lease commitments in the consolidated financial statements as of 30 June 2019. 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.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

E. OTHER (CONT.)

16. PARENT ENTITY INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>30 JUNE 2020 $'000</th>
<th>30 JUNE 2019 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>27,326</td>
<td>71,555</td>
</tr>
<tr>
<td>Total assets</td>
<td>125,867</td>
<td>124,555</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,056</td>
<td>(2,057)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(15,163)</td>
<td>(16,023)</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>110,704</td>
<td>108,532</td>
</tr>
</tbody>
</table>

Contributed equity 

Reserves          | 19,382             | 15,125             |
Accumulated losses| (25,499)           | (30,895)           |
TOTAL SHAREHOLDER EQUITY | 110,704            | 108,532            |
TOTAL COMPREHENSIVE LOSS/INCOME OF THE PARENT ENTITY | (4,587)            | 1,270               |

1 The Group's contributed equity in the consolidated statement of financial position is presented net of treasury shares held by Nearmap Australia Pty Ltd of $230 thousand (30 June 2019: $315 thousand).

The parent entity entered into a Deed of Cross Guarantee (the Deed) dated 31 May 2017 with its subsidiaries. Under the Deed each company guarantees the debts of the others. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors’ report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission. Refer to note 17 for listing of subsidiaries.

Details of the contingent liabilities of the Group are contained in note 20. 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.

17. GROUP ENTITIES

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

<table>
<thead>
<tr>
<th>NAME OF ENTITY</th>
<th>COUNTRY OF INCORPORATION</th>
<th>EQUITY HOLDING 2020</th>
<th>EQUITY HOLDING 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nearmap Australia Pty Ltd</td>
<td>Australia</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Ipernica Ventures Pty Ltd</td>
<td>Australia</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Nearmap Holdings Pty Ltd</td>
<td>Australia</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Nearmap USA Pty Ltd</td>
<td>Australia</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Nearmap Aerospace Inc.</td>
<td>United States</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Nearmap US Inc.</td>
<td>United States</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Nearmap Remote Sensing US Inc.</td>
<td>United States</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

18. AUDITOR’S REMUNERATION

The following fees were paid or are payable at 30 June 2020 for services provided by the auditor of the Group and its related parties during the financial year:

<table>
<thead>
<tr>
<th>Description</th>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUDIT SERVICES PAID TO KPMG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remuneration paid to KPMG for audit or review of the financial statements of the entity</td>
<td>190,000</td>
<td>150,000</td>
</tr>
<tr>
<td>NON-AUDIT SERVICES PAID TO KPMG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other advisory for the entity and any other entity in the Group</td>
<td>39,300</td>
<td>13,725</td>
</tr>
<tr>
<td>Total services other than statutory audit</td>
<td>39,300</td>
<td>13,725</td>
</tr>
<tr>
<td>TOTAL PAID/PAYABLE TO KPMG</td>
<td>229,300</td>
<td>163,725</td>
</tr>
</tbody>
</table>

19. RELATED PARTIES

(i) Compensation of key management personnel

<table>
<thead>
<tr>
<th>Description</th>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td>4,621,671</td>
<td>5,253,324</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>170,345</td>
<td>149,489</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>-</td>
<td>135,047</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>1,759,008</td>
<td>3,862,321</td>
</tr>
<tr>
<td>TOTAL COMPENSATION OF KEY MANAGEMENT PERSONNEL</td>
<td>6,410,190</td>
<td>6,927,807</td>
</tr>
</tbody>
</table>

(ii) Transactions with key management personnel

Financial assistance under the Employee Share Option Plan

The Nearmap ESCOP includes an Employee Loan Scheme that permits Nearmap to grant financial assistance to employees by way of loan to enable them to exercise options and acquire shares. These loans bear interest at rates that ranged from 0.45% to 1.45% during the year ended 30 June 2020 (30 June 2019: 1.50% to 1.70%) and are repayable four years after the issue date. The loans are not recognised in the consolidated statement of financial position.

<table>
<thead>
<tr>
<th>Description</th>
<th>30 JUNE 2020</th>
<th>30 JUNE 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHARE OPTION LOANS OUTSTANDING AT THE BEGINNING OF THE YEAR</td>
<td>6,556,950</td>
<td>3,513,597</td>
</tr>
<tr>
<td>Share option loans repaid during the period</td>
<td>(396,449)</td>
<td>(381,220)</td>
</tr>
<tr>
<td>Share option loans provided during the period</td>
<td>1,759,008</td>
<td>3,862,321</td>
</tr>
<tr>
<td>SHARE OPTION LOANS OUTSTANDING AT THE END OF THE YEAR</td>
<td>7,968,567</td>
<td>6,356,950</td>
</tr>
</tbody>
</table>

Other than the loans granted to KMP under the employee loan scheme, there have been no sales, purchases or other transactions with related parties during the year ended 30 June 2020 (30 June 2019: nil).

20. CONTINGENT LIABILITIES

As at 30 June 2020, except for bank guarantees of $2,356 thousand, the Directors are not aware of any contingent liabilities in relation to the Company or the Group (30 June 2019: $2,356 thousand).

21. SUBSEQUENT EVENTS

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.
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 2020 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 2020, 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 2020.

On behalf of the Board

Rob Newman
Chief Executive Officer & Managing Director
18 August 2020
Independent Auditor’s Report

To the shareholders of Nearmap Limited

Opinion

We have audited the Financial Report of Nearmap Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the Corporations Act 2001, including:

• giving a true and fair view of the Group’s financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
• complying with Australian Accounting Standards and the Corporations Regulations 2001.

The Financial Report comprises:

• Consolidated statement of financial position as at 30 June 2020
• Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
• Notes including a summary of significant accounting policies
• Directors’ Declaration.

The Group consists of Nearmap Limited (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the Financial Report section of our report.

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Carrying value of intangible assets of the US business

Refer to Note 11 to the Financial Report

<table>
<thead>
<tr>
<th>The key audit matter</th>
<th>How the matter was addressed in our audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>The group has $47,415,000 of intangible assets comprising primarily capture costs and development costs.</td>
<td>Our procedures included:</td>
</tr>
<tr>
<td>The intangible assets attributed to the US business total $33,614,000. These assets are assessed for impairment at the US business cash generating unit (CGU) level, using a Fair Value Loss Cost of Disposal model (“FVLCD” or “the model”).</td>
<td>• We evaluated the methodology applied by the Group in allocating corporate assets and costs across CGUs for consistency with our understanding of the business and the criteria in the accounting standards;</td>
</tr>
<tr>
<td>The assessment of impairment was a key audit matter because it involved significant judgement in evaluating the assumptions used by the Group in their FVLCD model.</td>
<td>• We assessed the methodology in the model for consistency with the basis required by Australian Accounting Standards;</td>
</tr>
<tr>
<td>The key judgements we focused on included:</td>
<td>• We challenged the forecasts, assumptions, and the objectivity of sources on which the assumptions are based. We compared the cash flow projections for FY2021 to 2025 in the model to those in the latest Board approved budgets and evaluated their consistency with the Group’s intentions as outlined in Directors’ minutes and strategy documents. We also used our knowledge of the business and considered external sources including analysts’ expectations and industry trends. The forecast growth was also assessed against the actual growth rate achieved in the establishment of the Australian business as well as market research reports;</td>
</tr>
<tr>
<td>• Complex modelling, particularly those containing judgemental allocations of corporate assets and costs to CGUs, using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</td>
<td>• We assessed the historical accuracy of forecasts by comparing to actual results, to use in our evaluation of projections included in the model.</td>
</tr>
<tr>
<td>• Future cash flow projections for FY2021 to 2025 - The US business is still in the early stage of maturity which increases the risk of inaccurate forecasts.</td>
<td></td>
</tr>
</tbody>
</table>
## Other Information

Other Information is financial and non-financial information in Nearmap Limited’s annual reporting which is provided in addition to the Financial Report and the Auditor’s Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor’s Report was the Remuneration Report. The Chairman’s letter, CEO’s Report, Sustainability Statement and Corporate Information are expected to be made available to us after the date of the Auditor’s Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error;
- assessing the Group and Company’s ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor’s responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor’s Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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### Report on the Remuneration Report

**Opinion**


**Directors’ responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 3004 of the Corporations Act 2001.

**Our responsibilities**

We have audited the Remuneration Report included in pages 02 to 88 of the Directors’ report for the year ended 30 June 2020. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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Caoimhe Toouli  
Partner  
Sydney  
18 August 2020
Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 1 September 2020.

(A) DISTRIBUTION OF ORDINARY SHARES

The number of shareholders, by size of holding, are:

<table>
<thead>
<tr>
<th>RANGE</th>
<th>NO OF HOLDERS</th>
<th>NO OF SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–1,000</td>
<td>12,895</td>
<td>7,033,629</td>
</tr>
<tr>
<td>1,001–5,000</td>
<td>12,676</td>
<td>33,418,005</td>
</tr>
<tr>
<td>5,001–10,000</td>
<td>3,964</td>
<td>30,456,510</td>
</tr>
<tr>
<td>10,001–100,000</td>
<td>3,708</td>
<td>97,558,475</td>
</tr>
<tr>
<td>100,001 and over</td>
<td>265</td>
<td>285,724,983</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33,508</td>
<td>454,191,602</td>
</tr>
</tbody>
</table>

The number of shareholders holding less than a marketable parcel of ordinary shares is: 580 (being 165 Shares as at 1 September 2020)

(B) DISTRIBUTION OF UNQUOTED OPTIONS

The Company has the following unquoted securities on issue:

• 15,694,187 Employee Share Plan options. The options expire on various dates between 28 June 2021 and 14 November 2023 and are exercisable at a range of prices between $0.39 and $2.97 each.
• 1,427,853 Long Term Incentive Plan options. The options expire 1 October 2023 and are exercisable at $2.575. The options are held by 13 employees.
• 1,450,190 Restricted Stock Units held by 92 employees.

(C) TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of quoted ordinary shares are:

<table>
<thead>
<tr>
<th>NO OF SHARES</th>
<th>% OF SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME</td>
<td></td>
</tr>
<tr>
<td>1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED</td>
<td>51,091,073</td>
</tr>
<tr>
<td>2. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED</td>
<td>29,166,554</td>
</tr>
<tr>
<td>3. NATIONAL NOMINEES LIMITED</td>
<td>20,163,192</td>
</tr>
<tr>
<td>4. CTCORP NOMINEES PTY LIMITED</td>
<td>19,226,401</td>
</tr>
<tr>
<td>5. LONGFELLOW NOMINEES PTY LTD «THE AEDULUS A/C»</td>
<td>19,020,875</td>
</tr>
<tr>
<td>6. MRS JENNIFER LEE NORGARD</td>
<td>10,809,292</td>
</tr>
<tr>
<td>7. BNP PARIBAS NOMINEES PTY LTD «AGENCY LENDING DRP A/C»</td>
<td>8,509,864</td>
</tr>
<tr>
<td>8. MUTUAL TRUST PTY LTD</td>
<td>7,298,344</td>
</tr>
<tr>
<td>9. NETWEALTH INVESTMENTS LIMITED «WMP SERVICES A/C»</td>
<td>6,663,189</td>
</tr>
<tr>
<td>10. VENTURE SKILLS PTY LTD «THE NEWMAN FAMILY A/C»</td>
<td>4,600,000</td>
</tr>
<tr>
<td>11. LONGFELLOW NOMINEES PTY LTD</td>
<td>4,218,046</td>
</tr>
<tr>
<td>12. MR JASON MAK</td>
<td>2,972,941</td>
</tr>
<tr>
<td>13. BNP PARIBAS NOMINEES PTY LTD «DRP»</td>
<td>2,366,436</td>
</tr>
<tr>
<td>14. VENTURE SKILLS PTY LTD «THE NEWMAN FAMILY A/C»</td>
<td>2,143,000</td>
</tr>
<tr>
<td>15. MR ANDREW DAVID WATT</td>
<td>2,048,454</td>
</tr>
<tr>
<td>16. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2</td>
<td>2,021,923</td>
</tr>
<tr>
<td>17. VENTURE SKILLS PTY LTD «THE NEWMAN FAMILY A/C»</td>
<td>1,762,856</td>
</tr>
<tr>
<td>18. MR ALISON FARRELLY</td>
<td>1,144,874</td>
</tr>
<tr>
<td>19. AUSTRALIAN EXECUTOR TRUSTEES LIMITED «NO 1 ACCOUNT»</td>
<td>1,056,246</td>
</tr>
<tr>
<td>20. MR ANDREW DAVID WATT</td>
<td>984,264</td>
</tr>
<tr>
<td>TOTAL</td>
<td>204,531,018</td>
</tr>
</tbody>
</table>

(D) SUBSTANTIAL SHAREHOLDERS

The substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

<table>
<thead>
<tr>
<th>NO OF SHARES</th>
<th>% OF SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME</td>
<td></td>
</tr>
<tr>
<td>1. Ross Norgard</td>
<td>27,423,537</td>
</tr>
</tbody>
</table>

(E) VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. No voting rights are attached to options.

(F) ON-MARKET PURCHASES

During the 2020 financial year, 193,535 ordinary shares at average price of $2.07 per share were purchased on market under the Company’s Matching Share Rights Plan.

(G) SECURITIES EXCHANGE QUOTATION


(H) ON-MARKET BUY BACK

There is no current on-market buy back.

(I) CORPORATE GOVERNANCE STATEMENT

NEARMAP LTD
ABN 37 083 702 907

DIRECTORS
Peter James (Non-executive Chairman)
Rob Newman (Chief Executive Officer & Managing Director)
Tracey Horton (Non-executive Director)
Sue Klose (Non-executive Director)
Ross Norgard (Non-executive Director)
Cliff Rosenberg (Non-executive Director)

COMPANY SECRETARY
Shannon Coates

REGISTERED OFFICE
Level 4, Tower One
International Towers
100 Barangaroo Avenue
Barangaroo NSW 2000

WEBSITE
www.nearmap.com

SOLICITORS
DLA Piper

BANKERS
Commonwealth Bank of Australia
Wells Fargo

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000

AUDITORS
KPMG Australia
Tower Three
International Towers Sydney
301 Barangaroo Avenue
Sydney NSW 2000