# ipernica limited
# FY12 results

30 August 2012

- **Executing realigned strategy**
- Financial performance during transition
- A more focused business with sustainable and exciting growth opportunities
- Moving to positive cashflows

# Executing on nearmap growth

**Invigorated team with excellent pedigree**

- Simon Crowther (substantial online media experience) appointed MD
- Cliff Rosenberg (CEO Linkedin Australia, NZ and Asia) appointed NED
- Paul Peterson (global software products and platforms) appointed VP of Engineering
- Further senior appointments in pipeline

**Re-aligned growth strategy**

- nearmap.com  firmly the growth engine
- No further investment in new IP Licensing/Assertion programmes
- Planned name change to nearmap limited

**nearmap.com**

- Launched first e-commerce site – for education sector
- Signed reseller agreement with Digital Mapping Solutions to extend our distribution network
- Progressing digital strategy and platform build

**Expanding nearmap customer base**

- New subscription customers across local and state government and commercial sectors
- Very high renewal rates
- Focus on increasing penetration into utilities, Solar, Law Enforcement, Government, Engineering, Construction and resources sectors

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# Statutory results reflect transition

| $m | FY12 | FY11 |
|---|---|---|
| Revenue | 6.1 | 17.1 |
| Profit/(loss) before tax | (10.4) | 1.7 |
| Net profit/(loss) after tax | (10.4) | 1.6 |
| Earning/(loss) per share (cents) | (3.2)c | 0.5c |
| Net tangible assets per share (cents) | 1.0c | 3.7c |
| Net equity | 11.7 | 22.1 |
| Cash at bank | 5.4 | 11.1 |

- FY12 statutory results reflect Company's transition on executing realigned growth strategy
  - no IP outcomes in second half FY12 (FY11: $12.7m revenue from IP outcomes)
  - one-off non-cash write downs of $1.2m as Company moves from reliance on uncertain lumpy IP licensing revenues to nearmap's more stable growing revenues
  - one-off expense of $0.9m for clearing up of SAR Germany IP Assertion liabilities
- Building nearmap.com revenue base

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# Strong underlying performance

**nearmap.com's growing earnings base**

- Revenue  up 50% largely driven by annual subscription revenues
- Exceeded $14.5m in cumulative sales since launch
- Revenue from Enterprise customers across both Government and Commercial sectors has grown strongly
- Retention rates from existing customers remains high

**Cashflow**

- Strengthening operating cashflows as lumpy IP licensing revenues decrease – cash outflows mainly generated by IP Licensing
- nearmap.com on track to be cash flow positive in 2012 should a key enterprise-wide agreement be completed given increased investment to accelerate business roll-out

**Strong balance sheet**

- Strong balance sheet with no debt and $5.4m cash

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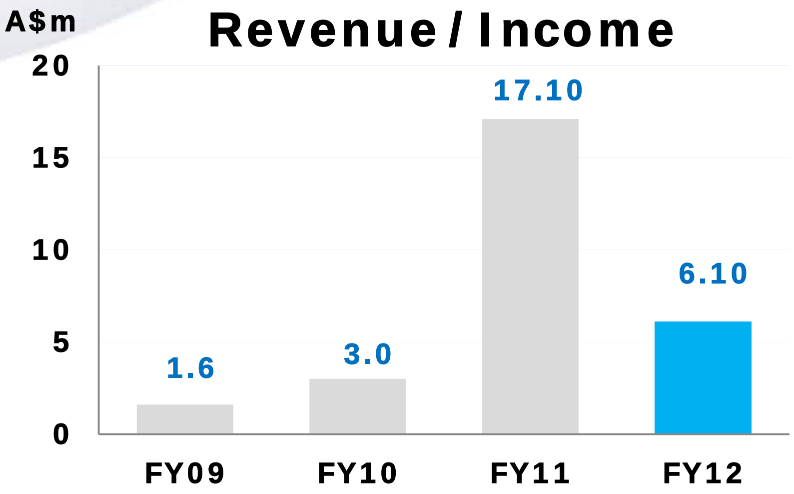
# Revenues reflect transition




- nearmap.com driving revenue growth
  - 99% of FY12 revenue generated by nearmap
  - customer receipts from nearmap business up 65% to $6.8m
  - c90% customer renewal rate
  - increased revenue from commercial sector

- No IP outcomes in second half FY12 (FY11: $12.7m)

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# Strong balance sheet

**The company continues to maintain a strong balance sheet with no debt and $5.4m cash**

| $m | FY12 | FY11 |
|---|---|---|
| Cash | 5.4 | 11.1 |
| Property, plant & equipment | 1.8 | 2.5 |
| Goodwill & intangibles | 6.8 | 8.6 |
| Licensing program costs | 1.6 | 1.7 |
| Total assets | 20.1 | 33.7 |
| Borrowings | - | 0.1 |
| Total equity | 11.7 | 22.1 |

# Cash flows reflect transition

| $m | FY12 | FY11 |
|---|---|---|
| Operating cashflows | (3.1) | 2.1 |
| Investing cashflows | (2. 6) | (1.2) |
| Financing cashflows | (0.1) | (0.2) |
| Net increase (decrease) in cash | (5.8) | 0.7 |
| Cash at end of period | 5.4 | 11.1 |

- Operating cash outflow of $3.1m
  - bulk relates to lumpy nature of IP licensing business
  - improved cash flows in Q4 FY12 reflecting increased cash receipts and lower expenditure
  - nearmap.com moving closer to cash flow breakeven
- Restructuring costs within operating cash outflows
  - IP Licensing business
  - relocating business to Sydney
- Investing outflows of $2.6m
  - $1.7m payment to administrator of QPSX Europe to finalise SAR liabilities

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# nearmap.com – the growth engine

**Revenue up 50% to $5.6m**

| $m | FY12 | FY11 |
|---|---|---|
| Revenue | 5.6 | 3.7 |
| % of total Group revenue | 99% | 35% |

- Enterprise customers across both Government and Commercial sectors have grown strongly
- Retention rates from existing customers remain high at c90%
- Multiple income streams and diverse customer base
- Creating a scalable structure
  - strengthening sector reach across govt and commercial sectors
  - launch of initial e-commerce site
  - established contracts
  - geographic coverage

# Doing what we said we would do

- Confirmed that no further investment will be made in any new IP licensing/assertion programmes
- Further strengthened nearmap.com's product proposition and clearly defined business model
  - launched first e-commerce site – for education sector
  - signed reseller agreement with Digital Mapping Solutions to extend distribution network
  - progressed digital strategy – revamped website scheduled for release in Q2
    - → include e-commerce functionality
    - → enabling new SME customer base to subscribe to nearmap.com
- Announced Board's intention to seek shareholder approval to change company name to nearmap limited

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# Monetising content

- Direct sales – building leading team to drive government and corporate business growth
- Reseller agreements with Omnilink & DMS
- Initial e-shop functionality introduced
- Enhanced and fully integrated e-commerce platform under development for launch in Q2
- Development of mobile applications
- Upgraded web site with complete UX overhaul designed to drive transactions
- Managing content more effectively – local, regional and national purchase options

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# Outlook

**Realigned strategic direction**

- Transitioned away from IP licensing business
- nearmap.com now growth engine
  - growing subscription based revenue stream
  - content monetisation
  - government and commercial sector focus

**Market positioning**

- Opportunity to capture market given better transparency of business
- Differentiated from Google and other mapping services / consultancies
- Potential international expansion

**Expect nearmap.com to become cashflow positive in 2012 should a key enterprise-wide agreement be completed given increased investment to accelerate business roll-out**

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# Summary

**Growing underlying revenues underpinned by realigned strategic focus**

- Expanding customer base, increased sector reach, regional expansion and strong renewal rates driving revenue growth
- Strengthening underlying operating cash flows
- Strong balance sheet with no debt and $5.4m cash

**nearmap.com the growth engine**

- Transformational year – focus on laying foundation for sustainable growth
- Invigorated team with excellent pedigree
- More simplified business model

**Moving to sustainable growing profitability**

- Clearly defined business model
- E-commerce platform solution to be launched in Q2
- Monetising content – deeper penetration of existing customer sectors + new market segments

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# Q&A

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