

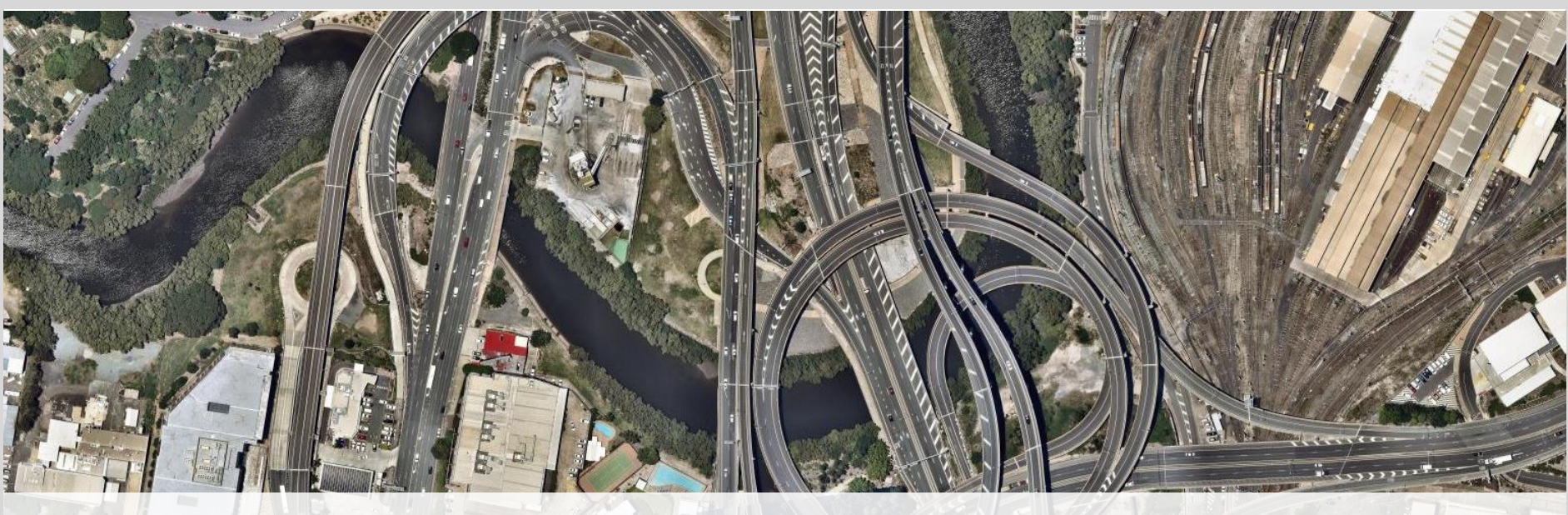


Nearmap Ltd

Growing the location content market

Investor briefing – Half year results to 31 December 2016

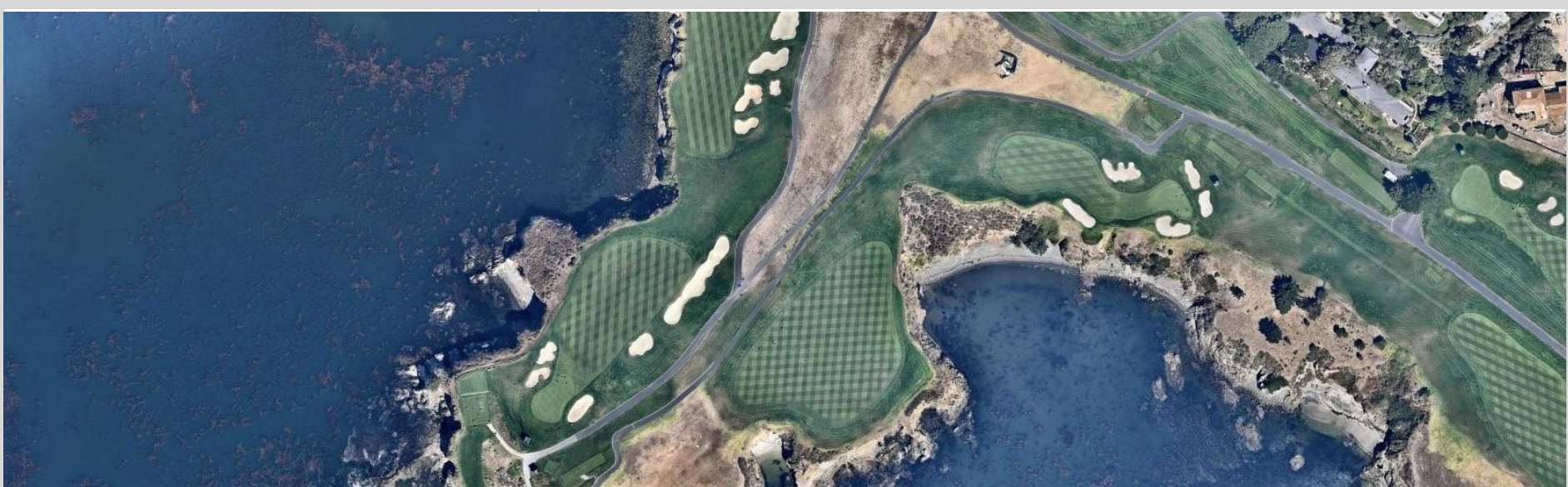
15 February 2017



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All currency amounts in this presentation are in AU dollars unless otherwise noted



Results overview

Dr Rob Newman, CEO and Managing Director



Nearmap is continuing to deliver strong growth

Nearmap positioned for continued growth across both of its key markets



\$41.2M

Group Annualised
Contract Value (ACV)^{1,2}
35% growth on pcp¹

Strong ACV growth in our portfolio driving increased cash receipts and revenue



7,500

Customers globally

16% growth on pcp¹

Momentum in our customer base – both new and retained



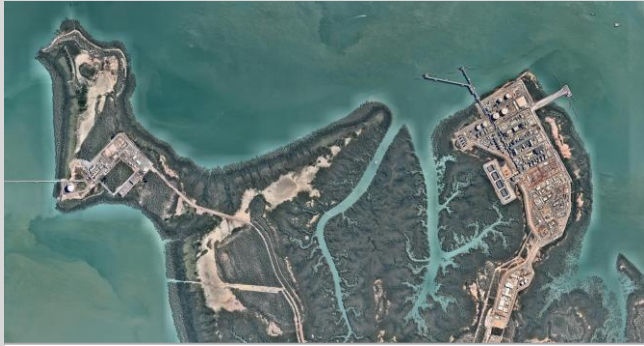
\$5,500

Group Average Revenue
per Customer (ARPC)^{1,2}
16% growth on pcp¹

ARPC highlights the value our customers place on our unique offering which includes more regular capture

1. Refer Appendix

2. Constant currency using 31 December 2016 exchange rates of AUD\$1.00 = USD\$0.72



Case studies – Transforming how our customers work

Customers use Nearmap’s location content to address a broad range of needs in their businesses

Explore your environment...
...with ease, clarity, and minimum impact.

Unlock opportunities...
...that consistently help you make informed decisions.

Transform the way you work...
...into a productive, strategic advantage.

Mike Stone Associates, Inc. – Houston, TX

Nearmap’s high resolution images reducing on-site visits by

5X

“Nearmap saves time and money on site visits and crew despatch for tasks such as site survey and measurement – which can be performed accurately from the office.”

Hydromax USA

Dramatically **improved accuracy** of data collection and analysis

“Nearmap has unlocked new opportunities by increasing the accuracy of data collection, reduced time spent in the field, and improved client satisfaction with higher quality reports.”

Yarra Valley Water

Achieves **substantial annual cost savings** each year

“Nearmap content enables rapid resolution of billing disputes and damage claims, improves asset management and cuts site visits by 20%.”



Successful progress against key priorities

Nearmap continues to execute consistently on its three key business priorities

Nearmap FY17 key priorities



Continued growth in Australia

Investment in sales and marketing delivers continued growth in customers and ACV



Drive strong growth in the US

Accelerated growth through improved performance and increased investment in sales and marketing



Technology investment to create new markets

Expand investment in 3D product to drive further expansion of the addressable market

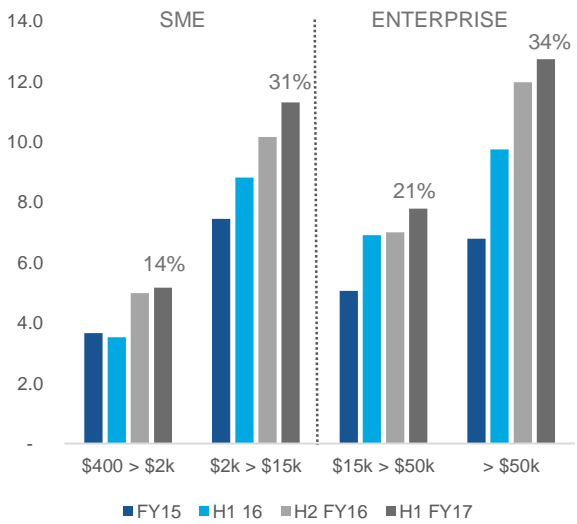


Australia – Sales and marketing investment delivers continued growth in customers and ACV

Growth across all categories

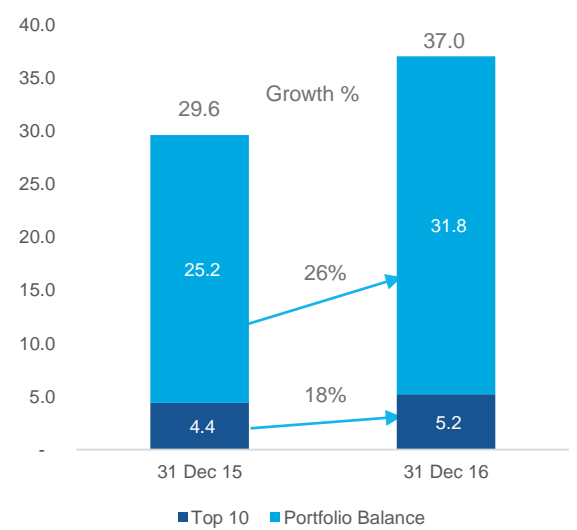
- Customers grew 11% to c.7,000 in the 12 months to 31 December 2016
- The concentration of top 10 customers remains low at c.15% of the total ACV portfolio, reflecting a broad and diverse customer base
- ARPC grew 12% to \$5,277 at 31 December 2016 (compared to \$4,691 pcp), demonstrating increased penetration into existing customers

AU ACV by subscription size (\$M)

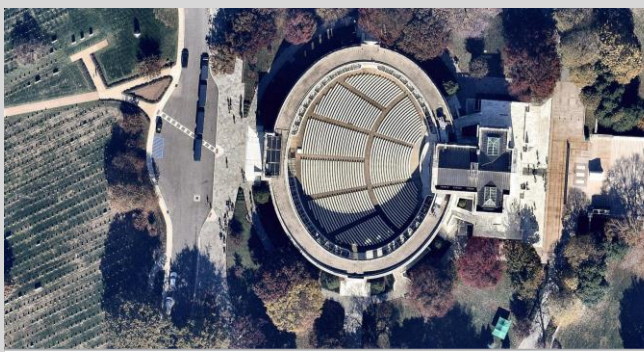


Percentages represent H1 FY17 proportion of total ACV

AU ACV portfolio composition H1 FY16 to H1 FY17



25% growth on pcp

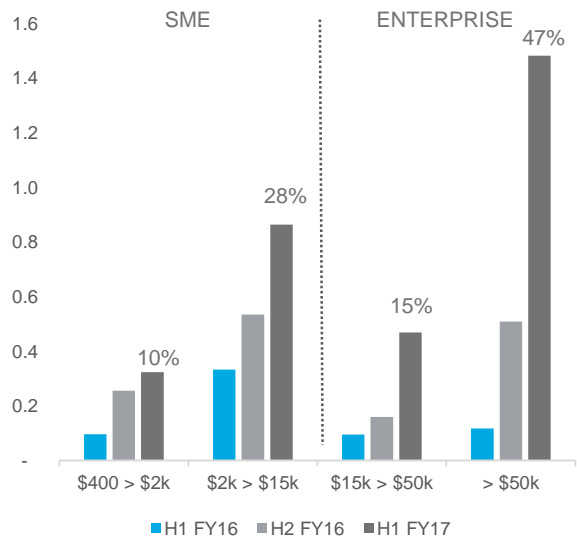


US – Accelerated growth through improved performance and investment in sales and marketing

The US ACV portfolio more than doubled during the half from USD\$1.5M to USD\$3.1M

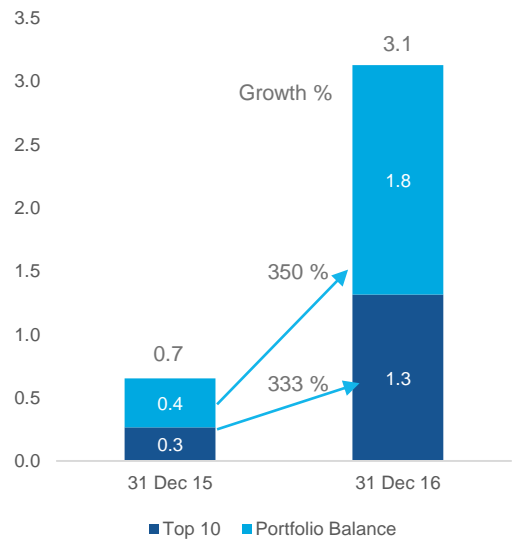
- Customers grew to 485 (from 156 pcp), with ARPC of USD\$6,334 at 31 December 2016 (up 37% from USD\$4,634 pcp), demonstrating our ability to close larger deals
- The US ACV portfolio is distributed across our focus sectors of local government, energy (solar) and architecture, construction and engineering (ACE), as well as insurance/finance and other commercial businesses
- Concentration of customers in the top 10 is greater than in Australia reflecting the younger maturity of the portfolio

US ACV by subscription size (\$M)

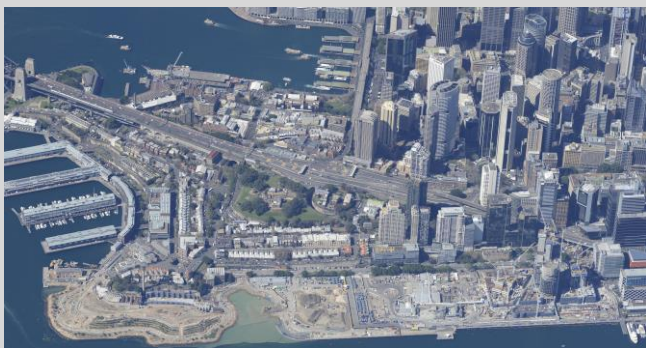


Percentages represent H1 FY17 proportion of total ACV

US ACV portfolio composition H1 FY16 to H1 FY17



325% growth on pcp



Technology investment to create new markets

H1 investment in 3D product capability enables Nearnmap to further expand the addressable market



US HyperCamera2 capture has grown to cover several major US cities



First US commercial sales of 3D data



Signed two additional partnerships for delivering content to the insurance segment



Currently manufacturing multiple HyperCamera2 systems to accelerate 3D investment program



Nearmap vision – Leadership of the global location content market

Expanding the addressable market through disruption of the traditional aerial imagery business model

- The global market opportunity in traditional aerial imagery is significant – growing at a CAGR of 13.5% to USD\$3.3B by 2023¹
- Nearmap’s unique subscription platform has expanded the customer applications and industries for which location content is used – expanding the addressable market
- Our content capture and delivery platform, subscription model and ability to integrate with third party applications has seen our business grow to a leadership position in Australia and a disruptor in the US

	AU	US
Market positioning	Leader	Disruptor
ACV	AUD \$37.0M	USD \$3.1M
NEA ACV as a % of total addressable market	c. 15%	< 1%
Customers	c.7,000	c.500
Sales team contribution ratio ²	c.100%	c.90%
Channel opportunities	Direct	Direct + 5 key partnerships established to date



Successful capital raise in November 2016

Accelerates and supports delivery of Nearmap’s key strategic objectives

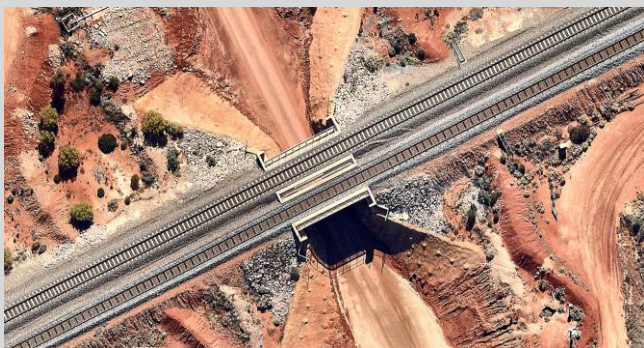
1. Transparency Market Research “Aerial Imaging Market: Global Industry Analysis, Size, Share, Growth, Trends and Forecast 2015-2023”

2. See Appendix



Financial results

Andy Watt, CFO



Execution of key business priorities drives revenue and margin growth

H1 results demonstrate scalability and operational gearing



\$19.4M

Group Revenues
38% growth on pcp

The nature of the subscription model determines that H1 incremental ACV will drive H2 revenue growth



82.0%

Group Gross Margin
1.9pp growth on pcp

Subscription business model and consistently high gross margins drive free cash flow for investment



>90%

Group Sales Team
Contribution Ratio¹

Incremental ACV compared to sales and marketing investment – high contribution ratios in both territories demonstrate the effectiveness and scalability of sales and marketing

1. Refer Appendix



Financial performance

Successive periods of positive EBITDA together with positive trends in key operational metrics demonstrate the readiness of the business to invest in targeted growth opportunities

- 38% growth in H1 revenue compared to pcp, and gross margin remains above 80%
- 41% growth on pcp gross profit delivered with only a 6% increase in expenses
- Disciplined cost management remained a focus – H2 FY16 expenses reduced by temporary restructuring of US operations
- Positive EBITDA in H1 – FY17 EBITDA guidance affirmed (\$4.5M – 6.5M)

Summary P&L (\$M)

Group P & L ¹	H1 FY16	H2 FY16	H1 FY17	Change on pcp
Revenue	13.9	17.0	19.2	38%
Interest	0.2	0.2	0.2	-
Total revenue	14.1	17.2	19.4	38%
Gross Profit	11.3	14.1	15.9	41%
Gross margin (%)	80.1%	82.0%	82.0%	1.9pp
Expenses	15.9	14.1	16.8	6%
EBITDA	(2.1)	2.7	2.4	\$4.5M
EBITDA margin (%)	(15.1)%	15.9%	12.5%	27.6pp
EBIT	(4.8)	(0.2)	(1.1)	\$3.7M
EBIT (%)	(34.5)%	(1.2)%	(5.7)%	28.8pp
(Loss) after tax	(3.3)	(3.8)	(3.0)	0.3M

¹ Excludes impact of realised and unrealised FX gains / losses

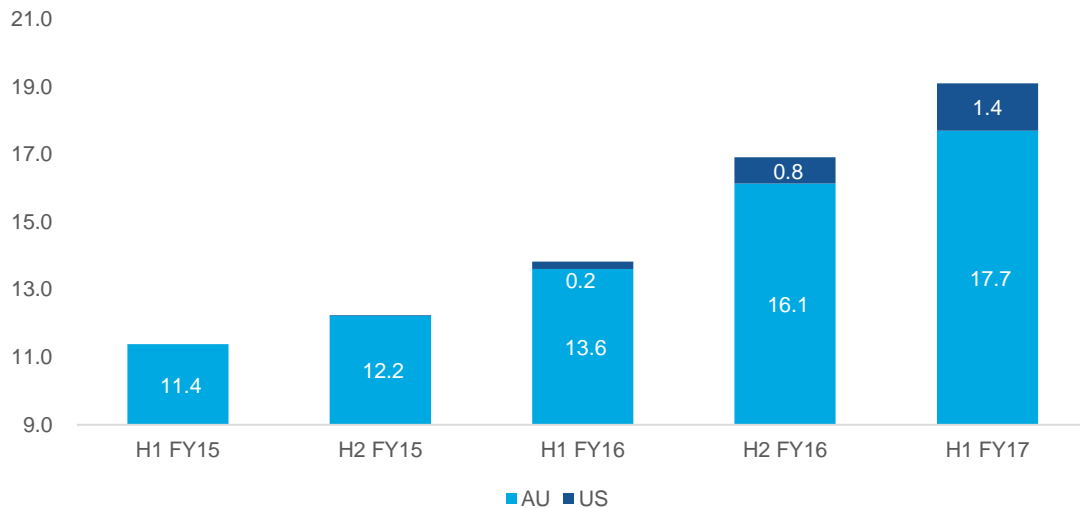


Revenue continues to grow, building on progress in recent periods

US accounts for 23% of H1 FY17 revenue growth on pcp

- 38% growth in group revenue vs H1 FY16
- 30% increase in AU revenue vs pcp driven by both new customer wins and upsell to existing customers
- US revenues gaining momentum as the ACV portfolio expands
- US business now accounts for 7% of group revenues and is responsible for 23% of group revenue growth when compared to pcp

Group half yearly revenue* (\$M)



* Subscription, on demand and royalty revenue



Continued revenue and EBIT growth in Australia

Demonstrates the operational leverage of the AU business

- Increased ACV translates to revenue, with H1 revenue of \$17.7M growing 30% on pcp
- Consistency and predictability of gross margin, with stability of cost of sales (capture cost amortisation)
- Sales and marketing expenses continue to drop as a % of revenue (from 27% in H1 FY16 to 24% in H1 FY17) demonstrating ongoing productivity improvements in sales and marketing
- EBIT growth of 46% compared to H1 FY16

AUD\$M ¹	H1 FY16	H2 FY16	H1 FY17	Change on pcp
Revenue ²	13.6	16.1	17.7	30%
Gross profit	12.3	14.7	16.2	32%
Gross margin (%)	90.4%	91.3%	91.5%	1.1pp
Sales and marketing expenses	3.7	4.1	4.2	14%
Other operating expenses	1.5	1.2	1.8	20%
EBIT	7.0	9.5	10.2	46%

¹ Excludes impact of realised and unrealised FX gains / losses

² Subscription, on demand and royalty revenue



Increasing momentum in the US

Strong base established – investment underway to accelerate growth

- Revenue growth driving gross margin improvements
- Sales Team Contribution Ratio c. 90% - restructure of US operations in FY16 and subsequent investment in sales and marketing capabilities are delivering efficient and scalable growth
- H2 FY16 sales and marketing expenses are lower than they were in H1 FY16 due to temporary restructuring of US operations

Information in this table presented in US dollars

USD\$M ¹	USD\$M H1 FY16	USD\$M H2 FY16	USD\$M H1 FY17	Change on pcp
Revenue ²	0.2	0.6	1.0	400%
Gross profit	(0.9)	(0.6)	(0.4)	56%
Gross margin (%)	(550)%	(100)%	(40)%	+510pp
Sales and marketing expenses	3.2	1.7	2.8	(13)%
Other operational expenses	0.9	1.4	1.4	56%
EBIT	(5.0)	(3.6)	(4.5)	10%

¹ Excludes impact of realised and unrealised FX gains / losses

² Subscription, on demand and royalty revenue

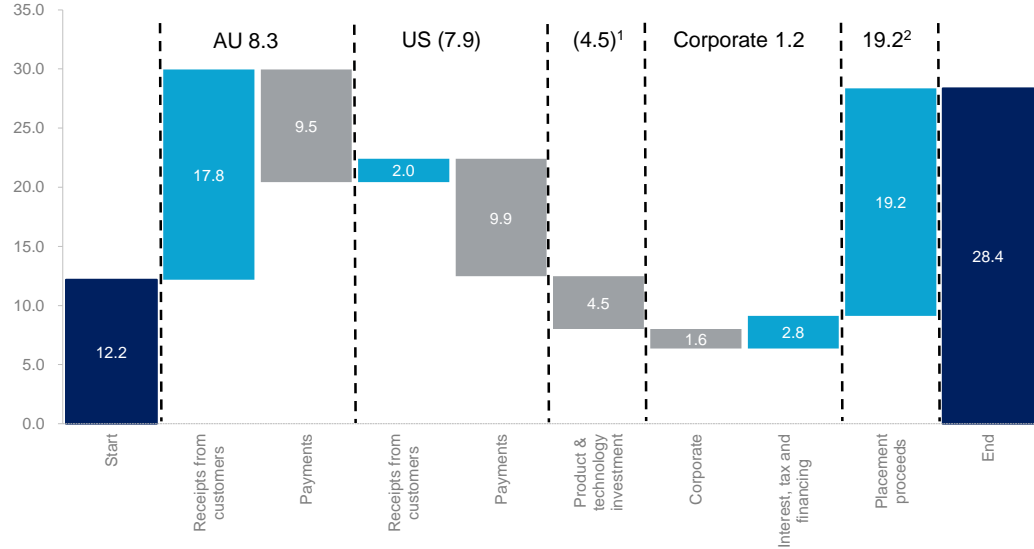


Cash flow waterfall

Strong Australian cash flows and capital raise fund growth investments

- Positive cash flows from Australian operations continue to fund investment in the US
- November 2016 capital raising provides funds to further invest in product development and growth opportunities
- Cash at bank at 31 December 2016 was \$28.4M

Nearmap's cash flow H1 FY17 (\$M)



¹ \$4.5M relates to investments in product and technology

² Proceeds of share placement – SPP proceeds received January 2017



H1 FY17 Summary

Strategically positioned for future growth



Continued positive trends in key operational metrics

- Continued revenue and EBIT growth in AU
- Growing momentum in the US



Disciplined cost management

- Second successive period of positive EBITDA



Scalability and operational gearing

- Group gross margin > 80%
- Group sales team contribution ratio > 90%



Business positioned for growth

- Strong balance sheet enhanced by the proceeds of the November capital raise
- Clear strategy and established business model



Investing for accelerated growth

Capital raise proceeds to fund growth

- H1 FY17 results provide positive momentum for investment in the growth strategy
- The investment initiatives will have an impact on short term margins before delivering positive returns on capital employed and long term cash flows



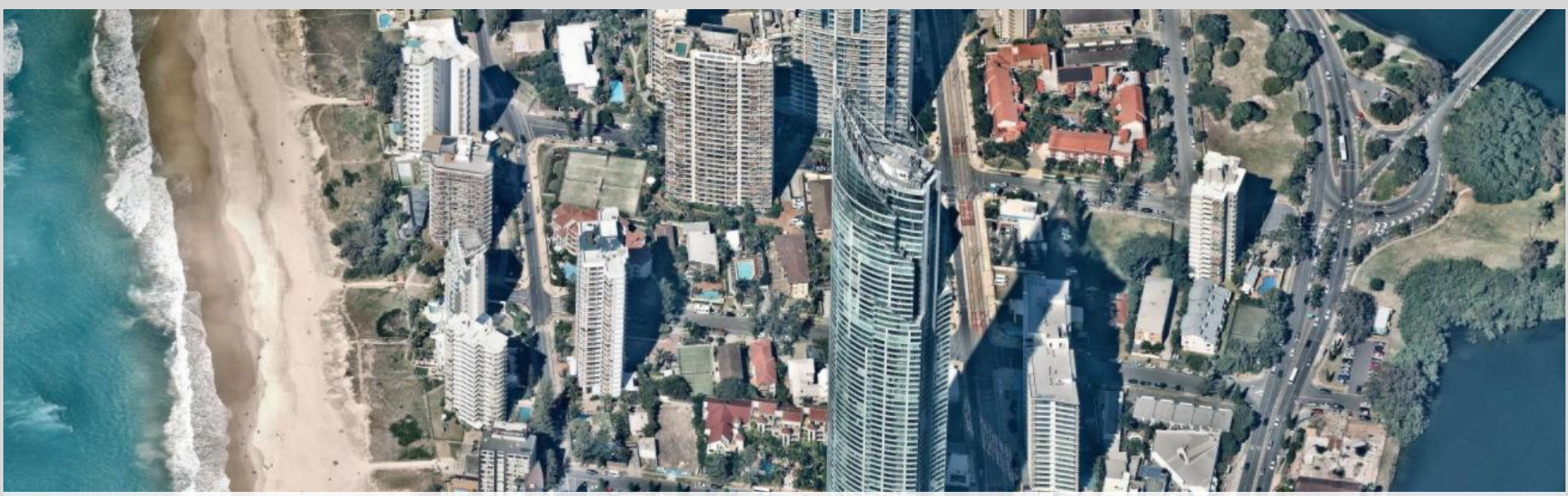
Expanded sales and marketing capability predominantly in the US



Expanded capture program in both the US and AU

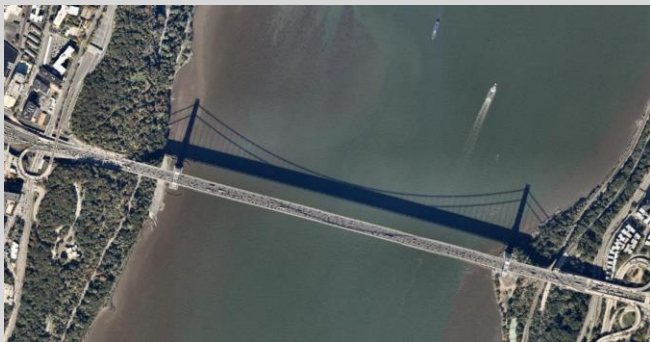


Investment in HyperCamera2 technology



Nearmap update

Dr Rob Newman, CEO and Managing Director



Nearmap has a clear long term strategy and a continued focus on FY17 priorities

Nearmap Strategy

We believe if we change the way people view the world, we can profoundly change the way they work

So we've created effortless access to the most useful, engaging and current location content in the world

Making it possible for anyone to unlock the limitless capacity of truth on the ground

Nearmap FY17 priorities



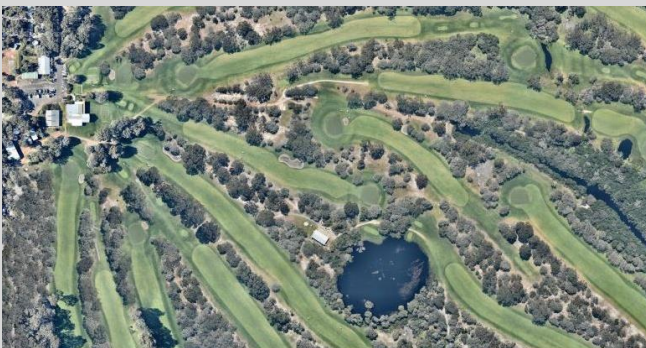
Continued growth in Australia



Drive strong growth in the US



Technology investment to create new markets



Continued growth in Australia

- Focussed AU sales and marketing investment will be supplemented by expanded capture footprint and product enhancements to strengthen our market leadership



AU capture program investment

Multiple coverage per annum in developing areas – capture program investment where the customer interest, growth and economic value is



Refreshed marketing campaigns

Designed to broaden awareness and retain our existing customer base



Market leading product enhancements

First HyperCamera2 captures of Australia to be rolled out in H2 FY17



Drive strong growth in the US

- Targeted US sales and marketing investment will be focussed on driving the growth of new business as well as our growing renewal portfolio



Expanded US sales and marketing capability

As the efficiency of the US team grows, expanded investment in this capability will drive further ACV growth



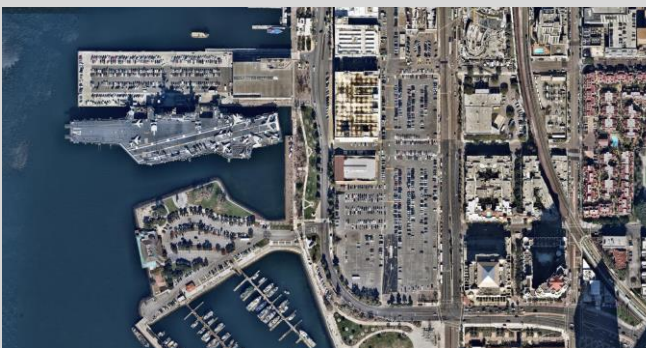
Dedicated focus to our growing renewal portfolio

As our US renewal portfolio builds, a US Account Management team will be established to focus on renewal and upsell



Market leading product enhancements

HyperCamera2 captures of a significant portion of our US capture area will be conducted in CY17



Technology investment to create new markets

- Our unique position in the global location content market will be enhanced by products and technologies which expand the addressable market for oblique and 3D imagery



Investment in technology hardware

H2 FY17 will see the build of additional HyperCamera2 systems for oblique imagery capture in the US and Australia



Oblique imagery product capability

The existing market for oblique imagery will be served through product capability such as export and streaming



3D market expansion

Creating a new market for 3D by subscription, including roof modelling and shadow map APIs



Summary – A focus on growth

Nearmap is a growth business

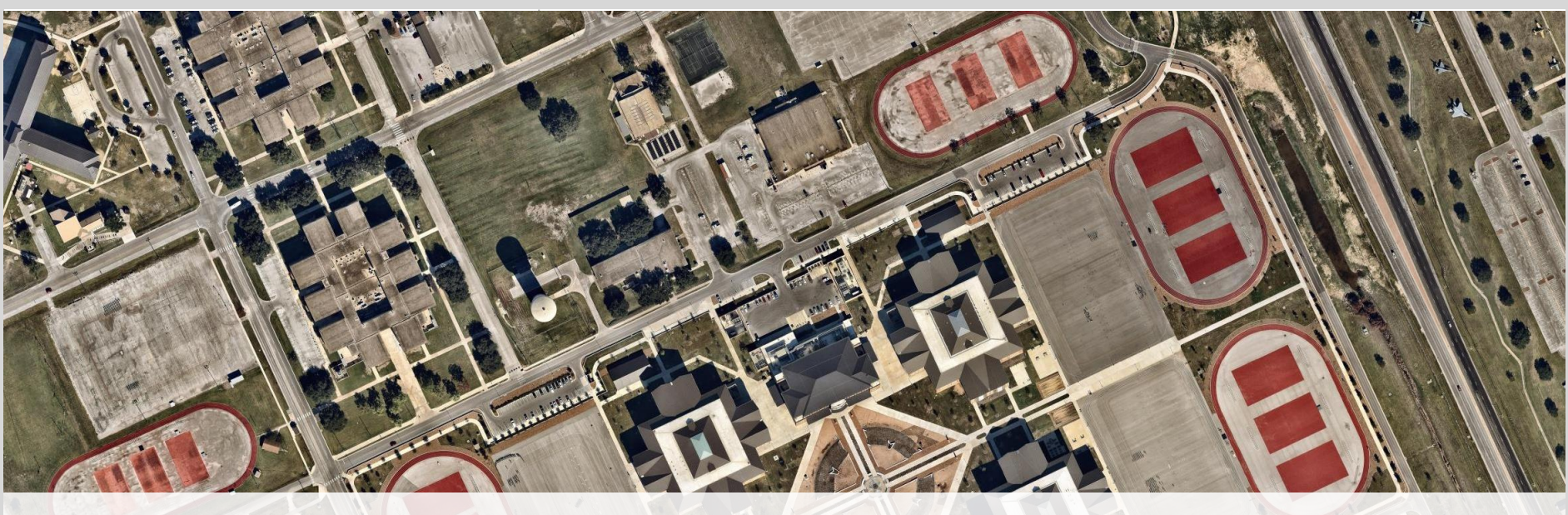
Our market leadership in Australia continues, the performance of our US business is significantly improving and the global market opportunity remains significant

Nearmap has the resources to drive growth

Nearmap has the resources in place to drive continued growth in our markets and expand the addressable market through our technology leadership

Nearmap will remain focussed and disciplined in execution

Management is focussed on disciplined execution of Nearmap's vision of becoming the world's leading provider of location content



Q&A



Appendix

Income Statement

\$'M	H1 FY16	H1 FY17
Revenue	13.9	19.2
Other income	0.2	0.2
Total revenue	14.1	19.4
Employee benefits expense	(11.0)	(11.2)
Amortisation and depreciation	(2.7)	(3.5)
Net foreign exchange differences	0.6	(0.2)
Other operational expenses	(5.0)	(5.6)
Total expenses	(18.1)	(20.6)
Loss before tax	(3.9)	(1.1)
Income tax (expense)/benefit	0.6	(1.8)
Loss for the half year	(3.3)	(3.0)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	(0.3)	-
Unrealised gain/(loss) on cash flow hedges	(0.4)	0.5
Income tax associated with these items	0.1	(0.2)
Total comprehensive income for the half year	(3.8)	(2.6)
Earnings per share		
Basic earnings per share for the half year (cents per share)	(0.93)	(0.81)
Diluted earnings per share for the half year (cents per share)	(0.93)	(0.81)

Tables may not add due to rounding of amounts



Appendix

Balance Sheet

\$'M	H1 FY16	H1 FY17
Assets		
Current assets		
Cash and cash equivalents	12.2	28.4
Trade receivables	4.3	7.7
Other current receivables	1.8	1.9
Total current assets	18.3	38.0
Non-current assets		
Plant and equipment	6.2	8.1
Intangible assets	17.2	20.0
Deferred tax assets	2.6	2.7
Total non-current assets	26.0	30.9
Total assets	44.3	68.9
Liabilities		
Current liabilities		
Trade and other payables	1.3	1.0
Unearned income	18.9	21.0
Other current liabilities	2.9	3.8
Total current liabilities	23.1	25.8
Total non-current liabilities	2.7	4.6
Total liabilities	25.8	30.4
Net assets	18.5	38.4
Equity		
Contributed equity	28.8	50.4
Reserves	10.4	11.6
Profits reserve	7.1	7.1
Accumulated losses	(27.7)	(30.7)
Total equity	18.5	38.4

Tables may not add due to rounding of amounts

Appendix

Cash Flow Statement

\$'M	H1 FY16	H1 FY17
Cash flows from operating activities		
Receipts from customers	15.5	19.7
Payments to suppliers and employees	(17.8)	(21.1)
Interest received	0.3	0.2
Grant income	-	-
R&D refund received	1.8	-
Income tax refund	0.4	-
Net cash (outflow)/inflow from operating activities	0.3	(1.1)
Cash flows from investing activities		
Purchase of plant and equipment	(1.6)	(2.7)
Payments for development costs	(2.2)	(1.7)
Proceeds from sale of plant and equipment	0.1	-
Net cash flows used in investing activities	(3.8)	(4.4)
Cash flows from financing activities		
Proceeds from issue of shares (net of transaction costs)	-	19.2
Proceeds from exercise of share options	-	0.3
Proceeds from exercise of share option loans	0.8	2.3
Transfers to non cash trust deposits	(0.1)	-
Net cash inflows from financing activities	0.6	21.7
Net increase/(decrease) in cash and cash equivalents	(2.9)	16.1
Effect of movement of exchange rates on cash held	0.1	0.1
Cash and cash equivalents at the beginning of the half year	17.2	12.2
Cash and cash equivalents at the end of the half year	14.4	28.4

Tables may not add due to rounding of amounts



Appendix

Definitions

ACV

Annualised Contract Value = annualised value of all active subscription contracts in effect at a particular date

**Sales Team
Contribution Ratio**

The ratio of incremental ACV generated by a sales team in a period, compared to the direct costs of obtaining that incremental ACV

ARPC

Total ACV divided by total number of customers

pcp

Prior comparative period



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Why

We believe if we change the way people view the world, we can profoundly change the way they work

How

So we've created effortless access to the most useful, engaging and current location content in the world

What

Making it possible for anyone to unlock the limitless capacity of truth on the ground

