



ASX RELEASE

21 April 2020

NEARMAP COVID-19 BUSINESS UPDATE

Nearmap Ltd (NEA:ASX) wishes to provide a further update on current trading conditions and how the Company is responding to the impact of COVID-19.

- Nearmap has not seen a material impact on current trading conditions.
- However, cost management initiatives are being prudently deployed to preserve cash, maintain a strong balance sheet, and maximise flexibility for the future without the need for additional capital.
- Focus remains on ensuring the health and well-being of employees, and supporting customers.
- The Company will continue to invest in growth initiatives such as the commercialisation of Artificial Intelligence (AI) and roof geometry content which remain unaffected.
- Nearmap's business model facilitates flexible working arrangements, is well suited to remote working and the Company remains well prepared to navigate the uncertain times ahead.
- Management to host an analyst and investor call at 11:00 AEST today.

Cost Management Initiatives

Nearmap is taking steps to manage the near-term cost base without materially impacting investment in the Company's growth initiatives during this time. These proposed measures equate to an approximate 30% saving in operating and capital costs, and the intention for Nearmap to be cash flow break even by the end of FY20. Importantly, short term sales performance remains largely unaffected, nor will there be a discernible impact on the ongoing commercialisation strategies for 3D, AI or roof geometry content, and investment in a next generation camera system will continue. The proposed measures will enable Nearmap to preserve cash, maintain a strong balance sheet, and maximise flexibility without the need for additional capital. The proposed measures include:

- Effective 1 May 2020, for a period of 6 months and subject to review:
 - Reduction of Board and Chief Executive Officer compensation of 25%.
 - Reduction of all other employee remuneration of 20%.
 - Deferral of FY20 short term incentive (STI) bonus schemes.
- Reductions in permanent headcount equivalent to 10% of the Company's cost base, focused on roles less critical to near term growth and/or longer-term strategic goals.
- Sales & Marketing activities focused on industry verticals with strong growth opportunities.
- Optimisation of capture program based on known and expected customer demand.
- Increased investment in customer experience and retention initiatives.
- Capital expenditure focused on maintenance and upgrade of existing camera systems.



To align employee, Company and shareholder goals, a retention scheme is being contemplated to maximise retention of the Company's talent. Any such scheme would be subject to Board approval and further details will be made available in due course, if appropriate.

People & Safety

Nearmap continues to follow advice from the Australian and US Governments, in conjunction with the World Health Organisation and US Centre for Disease Control and Prevention. To date, there has not been an incidence of COVID-19 within the Company. As a cloud-based subscription business, Nearmap has facilitated and encouraged remote working through flexible working policies. As part of its business continuity measures, the majority of Australian and US based employees successfully transitioned to remote working several weeks ago, with no discernible impact on business operations.

Customers

Nearmap has always facilitated flexible working by reducing the need for costly, time consuming site visits. While the impact of COVID-19 remains uncertain for customers, Nearmap's content helps businesses adapt to a need for conducting more work remotely. To support many of our customers, the Company is providing enhanced content for a limited period to help customers maintain productivity while staying safe and working flexibly.

Business Continuity

In partnership with its aerial operators, Nearmap has been deemed to provide an essential service in the jurisdictions within which it operates, as the Company supports a number of government organisations and companies responsible for maintaining critical infrastructure. Nearmap continues to provide its business services as usual and remains committed to supporting its customers by continuing to provide them with instant access to current and historical aerial derived imagery and content. Nearmap web-application MapBrowser and access to content and tools via APIs remain unaffected, and survey flights are scheduled to continue as per normal in order to provide constantly updated and reliable content to Nearmap's diverse customer base. The Company is on track to deliver new content types and additional customer utility during H2 FY20.

Outlook & Guidance

Nearmap continues to monitor trading conditions closely and should conditions materially change, will update the market accordingly.

Commentary

Chief Executive Officer and Managing Director, Dr Rob Newman, said "First and foremost, our focus remains on the health and wellbeing of our team, and in supporting our customers during this very challenging time. For the Nearmap business, the unprecedented circumstances have meant we have had to make some difficult decisions to provide a clear path forward for our team, customers, suppliers and shareholders. These decisions will see us well-positioned to navigate the road ahead and will allow us to continue to fully invest in



our growth initiatives including the commercialisation of AI and roof geometry content and investment in the development of a next generation camera system.”

Chief Financial Officer, Mr Andy Watt, said “Although we’ve not seen a material impact to trading conditions, the cost management initiatives outlined allow us to maintain capital flexibility, give strength to our balance sheet, and to continue delivering for our customers and shareholders without the need for additional capital. The business has been through a period of significant growth which means that there are areas that we can scale back to former levels for a period of time while we navigate our way through the current environment. We retain the core of our business, continue to invest in areas that offer the potential for strong returns and remain confident in the long-term growth aspirations of the business.”

Conference Call

Dr. Newman and Mr. Watt will host a call for analysts and investors at 11:00 AEST today. Participants will need to pre-register for the call at <https://s1.c-conf.com/diamondpass/10005937-invite.html>. Participants will then receive a calendar invitation and a unique code which is to be entered when dialing into the call. The call will also be webcast at <http://www.openbriefing.com/OB/3773.aspx>.

Authorised by:
Board of Nearmap Ltd

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

NEARMAP.COM

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