



FY20 ANALYST PACK

FINANCIAL YEAR ENDED 30 JUNE 2020

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The Nearmap Analyst Pack is prepared for shareholders and investors, and summarises the financial and operational metrics for the 12 months ended 30 June 2020, with comparatives for the 12 months ended 30 June 2019.

This pack is to be read in conjunction with the "Appendix 4E Full Year Financial Report for the year ended 30 June 2020" and the "Investor Presentation FY20 Results" released to the ASX on 19 August 2020.

Important Note

Information presented in the FY20 Analyst Pack is presented on an operational basis (rather than statutory) to reflect a management view of the business. Nearmap Limited (ACN 083 702 907) also provides statutory reporting as prescribed under the Corporations Act 2001 (Cth). The Nearmap Limited FY20 Financial Report is also available from Nearmap's website at www.nearmap.com/investors.

The analyst pack is not audited. The statutory net loss after tax as disclosed in the consolidated profit or loss (page 15) has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001 (Cth). The results for FY20 are extracted from the audited consolidated statement of comprehensive income.

Tables may not add due to rounding of amounts.

Any forward-looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Nearmap, such that actual results or events may vary from those forward-looking statements and the assumptions on which they are based.

Past performance is not an indicator of future performance and no guarantee of future returns is implied or given. While Nearmap has sought to ensure that information is accurate by undertaking a review process, it makes no representation, guarantee or warranty as to the accuracy or completeness of any information or statement contained in this document. In particular, information and statements in this document do not constitute investment advice or a recommendation on any matter and should not be relied upon.



Nearmap overview

Nearmap is one of the few global companies possessing a rich, continually expanding data set about the real world – data providing high-value insights to a diverse range of businesses and government organisations.

With Nearmap, organisations unlock opportunities that consistently inform decision making and transform the way they work. Delivered within days of capture using a SaaS (Subscription as a Service) model, our imagery is significantly higher resolution than satellite imagery and detects changes over time.

Aerial imagery is a key component of the location intelligence market – a large and growing market impacting all parts of business life. The companies that win will create and own deep location data and invest in the insights that can be derived from that data.

Nearmap has unique technology and a business model that no other aerial imaging company globally has been able to replicate at scale. This gives Nearmap a multi-year advantage over our closest competitors, with a strong balance sheet that supports our organic growth.

NEARMAP CAPTURES IMAGERY IN 4 COUNTRIES...



United States –
71% population
coverage



Canada - 64%
population
coverage



Australia - 90%
population
coverage



New Zealand –
73% population
coverage

...DELIVERED AS A RANGE OF PRODUCT FEATURES...



Orthogonal (2D)
imagery



Oblique cardinal
direction imagery



3D and AI
content

...BRINGING THE TRUTH ON THE GROUND TO OUR CUSTOMERS TO ENHANCE THEIR PRODUCTIVITY



- Diverse customer base:
- Roofing
 - Insurance
 - Government
 - Architecture, Construction & Engineering (ACE)
 - Solar
 - Utilities
 - Commercial



- Reducing the need for costly, time consuming site visits to:
- Plan & inspect
 - Monitor & validate
 - Assess risk
 - Communicate & visualize
 - Estimate & quote
 - Generate leads

Group performance indicators

| | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|---------------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|--------------|
| Group ACV portfolio (A\$'000) | | | | | | | |
| Opening ACV | 66,234 | 78,316 | 66,234 | 90,240 | 96,576 | 90,240 | 36% |
| New business | 7,820 | 9,566 | 17,386 | 8,584 | 7,444 | 16,028 | (8%) |
| Net upsell | 4,791 | 4,361 | 9,152 | 4,599 | 3,689 | 8,288 | (9%) |
| Churn | (1,351) | (2,163) | (3,514) | (6,880) | (2,009) | (8,889) | (153%) |
| Net incremental ACV | 11,260 | 11,764 | 23,024 | 6,303 | 9,124 | 15,427 | (33%) |
| FX impact | 822 | 160 | 982 | 33 | 737 | 770 | |
| Closing ACV | 78,316 | 90,240 | 90,240 | 96,576 | 106,437 | 106,437 | 18% |
| Group revenue | 35,486 | 42,156 | 77,642 | 46,347 | 50,367 | 96,714 | 25% |
| Gross margin (%) - pre-capitalisation | 69% | 69% | 69% | 68% | 69% | 69% | |
| 12 month churn (%) | 5.5% | 5.3% | 5.3% | 11.5% | 9.9% | 9.9% | |
| Closing ARPS (\$) | 8,410 | 9,208 | 9,208 | 9,580 | 10,178 | 10,178 | 11% |
| Portfolio LTV (A\$m) | 983 | 1,175 | 1,175 | 571 | 742 | 742 | (37%) |
| Opening subscriptions | 8,863 | 9,312 | 8,863 | 9,800 | 10,081 | 9,800 | 11% |
| New business | 952 | 1,049 | 2,001 | 850 | 923 | 1,773 | (11%) |
| Churn | (503) | (561) | (1,064) | (569) | (546) | (1,115) | (5%) |
| Closing subscriptions | 9,312 | 9,800 | 9,800 | 10,081 | 10,458 | 10,458 | 7% |
| Group Sales Team Contribution Ratio | 117% | 99% | 106% | 44% | 63% | 54% | |
| Earnings | | | | | | | |
| Group EBITDA | 8,056 | 7,428 | 15,484 | 3,219 | 5,852 | 9,071 | (41%) |
| Group EBIT | (514) | (10,661) | (11,175) | (18,907) | (18,720) | (37,627) | (237%) |
| Statutory NPAT | (1,974) | (12,960) | (14,934) | (18,607) | (18,110) | (36,717) | (146%) |
| Operating cash flow | 10,744 | 14,155 | 24,899 | (787) | 12,875 | 12,088 | (51%) |

The key metrics which Nearmap manages represent the following:

Annualised Contract Value (ACV) – ACV represents the annualised value of all active subscription contracts in effect at a particular date. Subscriptions in Australia, New Zealand, the United States and Canada are typically for 12-month periods or longer with customers paying the subscription in full upfront on an annual basis. The revenue is recognised evenly over the subscription period. ACV is a key metric for the company, with the nature of the subscription model determining that incremental ACV will drive revenue growth in the subsequent financial period.

Group ACV grew by 18% to \$106.4m (30 June 2019: \$90.2m) with growth in both Australia/New Zealand (ANZ) and North America (NA). ACV performance in each region is discussed in the segment results below.

Sales Team Contribution Ratio (STCR) – STCR represents the ratio of incremental ACV generated by a sales team in a period, compared to the direct costs of obtaining that incremental ACV. This measures how quickly the cost of acquiring a subscription is recovered from the subscription itself, with a ratio of greater than 33% generally seen as effective in a SaaS business (i.e. recovery of customer acquisition costs from customer revenues within three years).

Group STCR decreased to 54% in FY20 (FY19: 106%), this reflects the impact of outlier churn events reported in 1H20, and the slower sales velocity in 2H20 as a result of COVID-19.

Churn – Churn represents the ACV value of subscriptions which were not renewed by a customer at the end of a subscription period, offset by the value of recovered subscriptions previously churned. The churn percentage is calculated as a proportion of the opening ACV value in a 12-month period.

Group 12-month churn increased to 9.9% (FY19: 5.3%), impacted by the outlier churn events in 1H20, but showing a return to normal trends in 2H20, a positive result in the context of the global economy over the period.

Subscriptions – Subscriptions reflect the number of individual subscription contracts entered into by Nearmap customers, who range from small and medium businesses to large enterprises.

Group subscriptions increased to 10,458 (30 June 2019: 9,800) with growth in subscription numbers coming from both ANZ and NA.

Average Revenue Per Subscription (ARPS) – ARPS represents the closing ACV portfolio value divided by the number of subscriptions.

Group ARPS increased to \$10,178 (30 June 2019: \$9,208). This continued the upward trend in this metric, highlighting the increasing utility customers experience from the expanding set of content types provided by Nearmap.

Gross Margin (pre-capitalisation) – Gross profit is calculated after deducting the costs of capturing, processing and storing the imagery. Capture and processing costs are capitalised and amortised on a straight-line basis. Until 31 December 2018, these costs were amortised over 5 years. From this date, the period has been adjusted to 2 years.

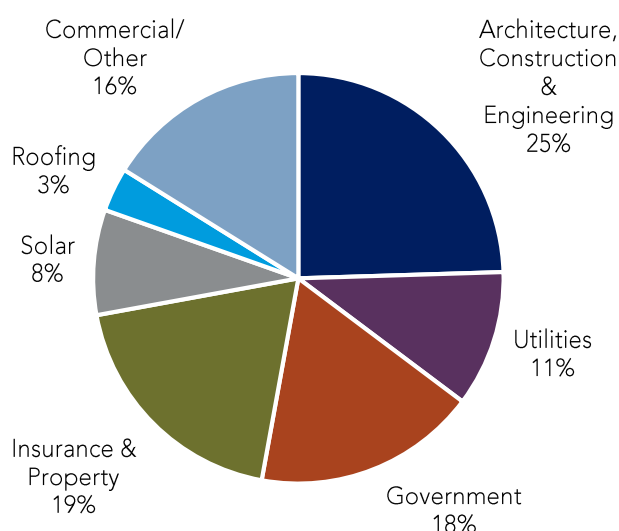
Gross Margin (pre-capitalisation) has remained constant at 69%. Cost of revenue has increased from \$24.3m in FY19 to \$30.1m in FY20 as coverage and frequency improvements are made to the capture program.

Portfolio Lifetime Value (LTV) – Portfolio LTV is calculated as:

$$\frac{\text{ACV portfolio value} \times \text{Gross Margin \% (pre-capitalisation)}}{\text{Churn \%}}$$

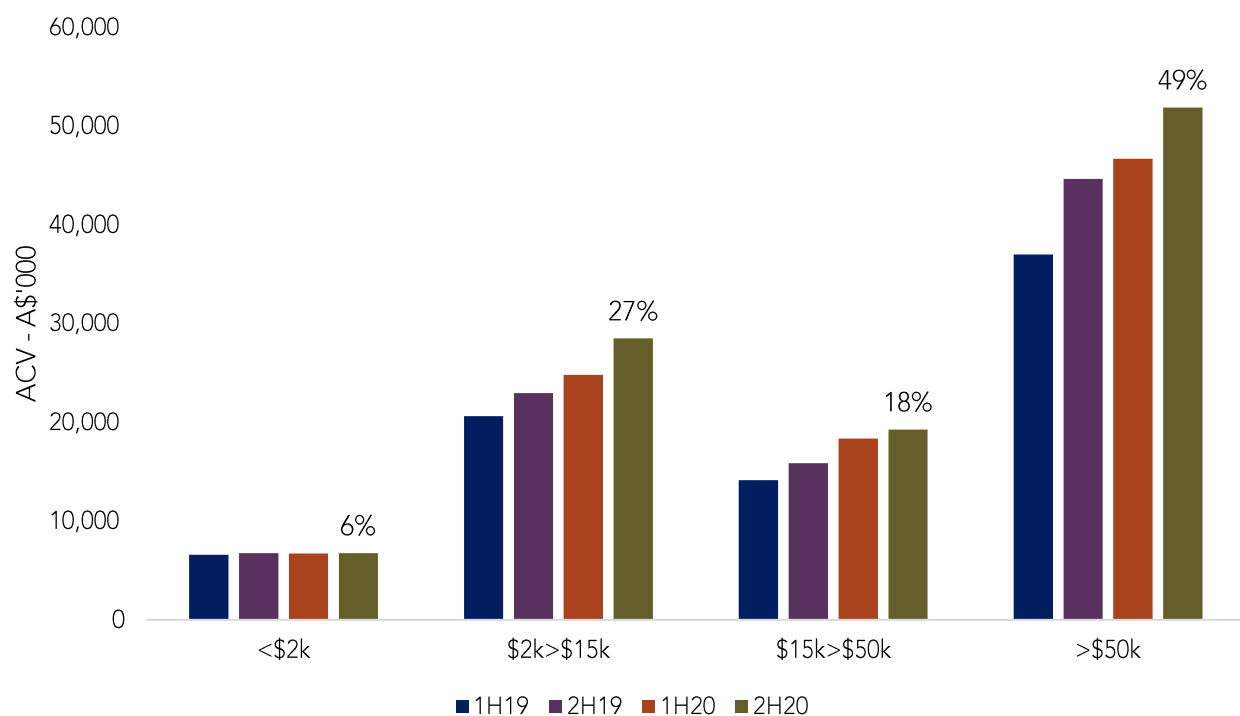
Group portfolio LTV decreased to \$742m (FY19: \$1,175m). The decrease in Group LTV was significantly impacted by the three-enterprise churn/downgrade events in NA in 1H20.

Group ACV portfolio by industry (%)



The Group ACV portfolio is diversified across key focus industries. The sector represented as Commercial/Other demonstrates the broad range of applications of Nearmap's content for commercial purposes. Roofing has been split out separately, reflecting the acquisition of roof geometry technology and intellectual property from Primitive LLC (Pushpin) during FY20.

Group ACV by subscription size



Growth in the Group ACV portfolio continued to be generated across the range of subscription sizes. There was strong growth across the Mid-Market and Enterprise subscriptions as these accounts continue to experience an increasing return on investment with Nearmap.

Other metrics (as a % of the overall portfolio)

| | FY19 | FY20 |
|------------------|------|------|
| Top 10 customers | 19% | 19% |
| Multi year deals | 40% | 43% |
| Premium content | 29% | 54% |

FTE Breakdown

As at 30 June 2020

| As at 30 June 2020 | Sales and Marketing | Product / Technology / Capture | Corporate | Group |
|--------------------|---------------------|--------------------------------|-----------|------------|
| ANZ | 52 | 103 | 47 | 202 |
| NA | 61 | 12 | 9 | 82 |
| Total | 113 | 115 | 56 | 284 |

As at 30 June 2019

| As at 30 June 2019 | Sales and Marketing | Product / Technology / Capture | Corporate | Group |
|--------------------|---------------------|--------------------------------|-----------|------------|
| ANZ | 43 | 101 | 48 | 192 |
| NA | 55 | 13 | 12 | 80 |
| Total | 98 | 114 | 60 | 272 |

North America segment

The NA segment is responsible for all sales and marketing efforts in the United States and Canada.

All figures in this section are stated in United States dollars.

| US\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|---------------------------------------|---------|---------|----------|----------|----------|----------|--------|
| Opening ACV | 12,868 | 17,641 | 12,868 | 22,683 | 24,949 | 22,683 | 76% |
| New business | 3,678 | 4,191 | 7,869 | 4,016 | 3,070 | 7,086 | (10%) |
| Net upsell | 1,366 | 1,145 | 2,511 | 1,583 | 1,261 | 2,844 | 13% |
| Churn | (271) | (294) | (565) | (3,333) | (492) | (3,825) | (577%) |
| Net incremental Closing ACV | 4,773 | 5,042 | 9,815 | 2,266 | 3,839 | 6,105 | (38%) |
| Opening subscriptions | 946 | 1,178 | 946 | 1,425 | 1,635 | 1,425 | 51% |
| New business | 293 | 351 | 644 | 306 | 313 | 619 | (4%) |
| Churn | (61) | (104) | (165) | (96) | (92) | (188) | (14%) |
| Closing subscriptions | 1,178 | 1,425 | 1,425 | 1,635 | 1,856 | 1,856 | 30% |
| ACV 12 month churn (%) | 6.1% | 4.4% | 4.4% | 20.6% | 16.9% | 16.9% | |
| Closing ARPS (\$) | 14,975 | 15,918 | 15,918 | 15,260 | 15,511 | 15,511 | (3%) |
| Capture cost amortisation | (2,506) | (7,467) | (9,973) | (7,914) | (7,869) | (15,783) | (58%) |
| Revenue | 7,069 | 10,368 | 17,437 | 11,444 | 12,997 | 24,441 | 40% |
| Cash costs to capture | (5,493) | (6,118) | (11,611) | (6,579) | (6,252) | (12,831) | (11%) |
| Storage, administration & other | (1,000) | (1,255) | (2,255) | (1,546) | (2,157) | (3,703) | (64%) |
| Cost of revenue - pre-capitalisation | (6,493) | (7,373) | (13,866) | (8,125) | (8,409) | (16,534) | (19%) |
| Gross margin - pre-capitalisation | 576 | 2,995 | 3,571 | 3,319 | 4,588 | 7,907 | 121% |
| Gross margin (%) - pre-capitalisation | 8% | 29% | 20% | 29% | 35% | 32% | |
| Direct sales cost | (4,205) | (5,072) | (9,277) | (6,676) | (6,647) | (13,323) | (44%) |
| Sales Team Contribution Ratio (%) | 113% | 99% | 106% | 34% | 58% | 46% | |
| Indirect sales cost | (1,150) | (1,677) | (2,827) | (2,613) | (2,846) | (5,459) | (93%) |
| Total sales & marketing cost | (5,355) | (6,749) | (12,104) | (9,289) | (9,493) | (18,782) | (55%) |
| Overheads | (3,086) | (3,359) | (6,445) | (3,673) | (3,564) | (7,237) | (12%) |
| Segment EBIT | (4,878) | (8,462) | (13,340) | (10,978) | (10,086) | (21,064) | (58%) |
| Segment EBIT % | (69%) | (82%) | (77%) | (96%) | (78%) | (86%) | |

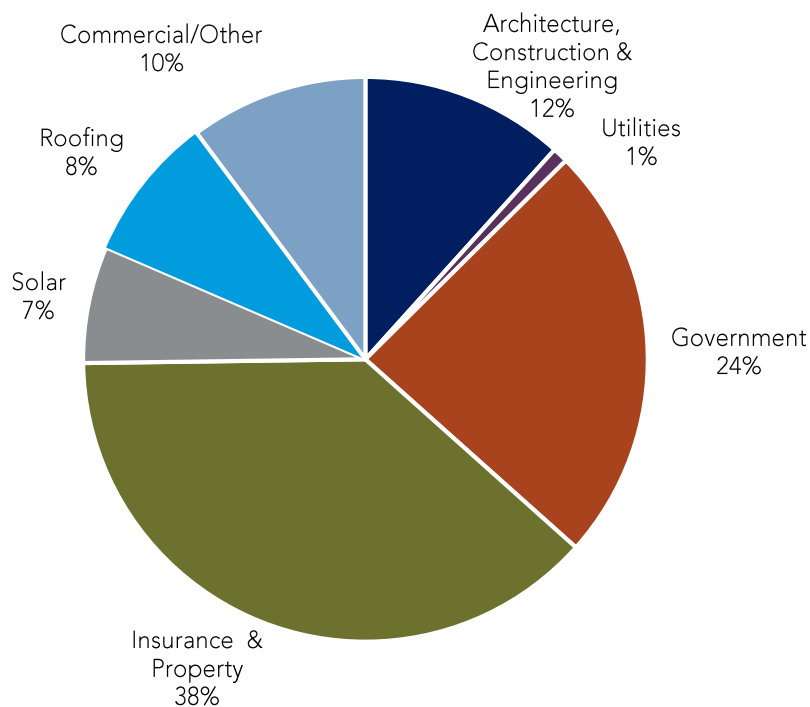
NA ACV portfolio

During FY20, the NA ACV portfolio increased from \$22.7m to \$28.8m. The components of this growth represent:

- **New business** of \$7.1m (FY19: \$7.9m) with a growing number of medium-sized enterprises coming to Nearmap.
- **Net upsell** of \$2.8m shows a 13% increase on pcp which was achieved despite the material downgrade to an enterprise customer in 1H20. Net upsell growth highlights the increasing value that existing customers are experiencing from the continuing roll-out of new products and features.
- **Customer portfolio churn** for the 12 months to 30 June 2020 was 16.9% (FY19: 4.4%). There were two significant churn/cancellation events in 1H20, the first relating to the slowdown in mapping for the autonomous vehicle industry and the second relating to the cancellation of a large contract by a partner which was subject to a permanent court injunction. 12-month rolling churn excluding these two events was on par with previously reported numbers, and importantly, is trending downward following the 1H20 events.

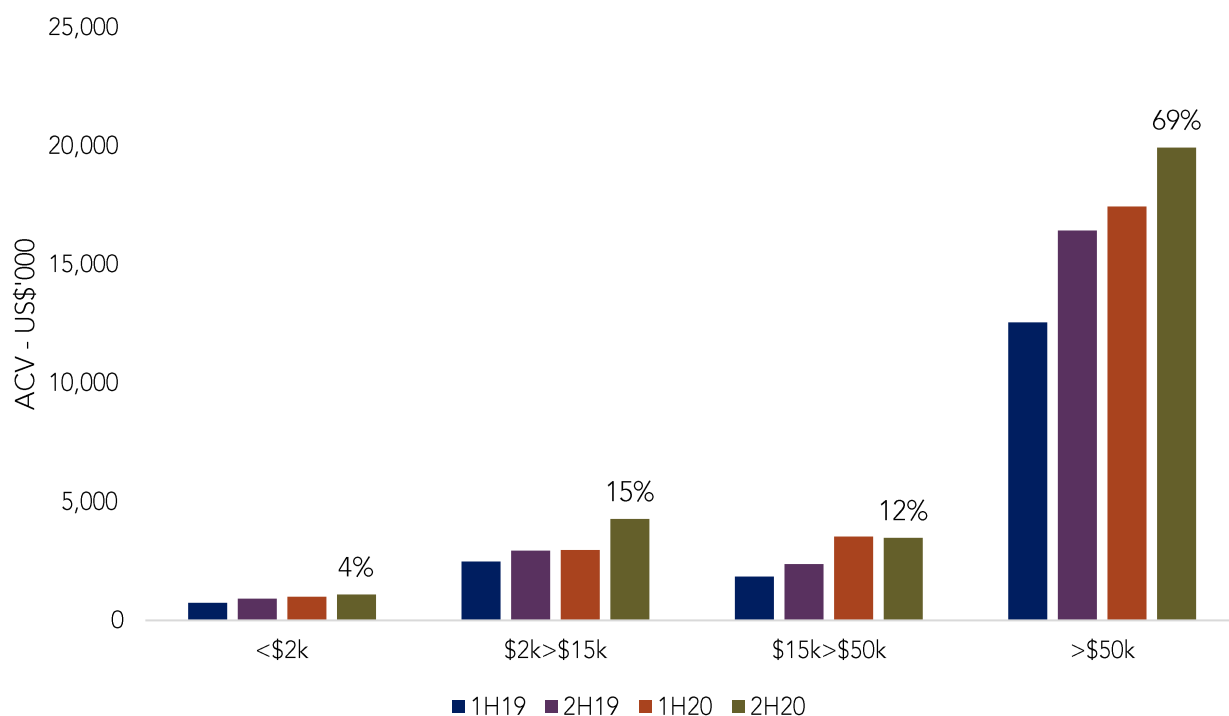
The **number of subscriptions** grew by 30% to 1,856 (30 June 2019: 1,425), while ARPS decreased to \$15,511 (30 June 2019: \$15,918). The growth in the volume of subscriptions combined with the minor reduction in ARPS is a reflection of Nearmap intentionally broadening the acquisition strategy to focus on SME and Mid-Market businesses in NA, a key driver for the continued scaling of the business.

Customer portfolio at 30 June 2020 by industry segment



Along with the success in both the Enterprise and Mid-Market segments, the growing relevance of the product offering is exhibited by a diversified portfolio across key industry segments.

ACV portfolio by subscription size



Growth in the NA ACV portfolio continued to be generated across the majority of subscription sizes. This shows the inherent value and strategic significance of the Nearmap product suite for organisations of all sizes in key industry segments. The focus will remain on growing both the enterprise level customers whilst also addressing the significant opportunity that exists at the transactional end of the market, growing subscription numbers with small to medium enterprises (representing subscriptions below \$15,000 p.a.).

Financial performance

NA revenue for the year was \$24.4m (FY19: \$17.4m) reflecting growth in the ACV portfolio.

Cash costs of capture were \$12.8m, up from \$11.6m in FY19 reflecting the expanded capture footprint, including two full captures of Canada.

Gross margin – pre-capitalisation grew to 32% in FY20 (FY19: 20%).

Direct sales costs were \$13.3m reflecting the continued priority of investing for future growth across the full spectrum of the commercial operating model. The performance of the NA sales team as measured by the STCR was 46% (FY19: 106%). Again, this shows the impact of the churn/downgrade events at the end of 1H20. Excluding these events, STCR would have been 82%.

Indirect sales & marketing costs (primarily reflecting sales management and administration functions) were \$5.5m (FY19: \$2.8m), in line with building capacity and scaling for growth.

Overheads primarily represent the allocation of Corporate costs based on usage and activity. These were \$7.2m (FY19: \$6.4m).

NA Segment Contribution was (\$21.1m) (FY19: (\$13.3m)).

Australia/New Zealand segment

The ANZ segment is responsible for all sales and marketing efforts in Australia and New Zealand.

| A\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|---------------------------------------|---------|---------|----------|---------|---------|----------|--------|
| Opening ACV | 48,824 | 53,322 | 48,824 | 57,896 | 60,965 | 57,896 | 19% |
| New business | 2,609 | 3,590 | 6,199 | 2,851 | 2,971 | 5,822 | (6%) |
| Net upsell | 2,856 | 2,728 | 5,584 | 2,339 | 1,852 | 4,191 | (25%) |
| Churn | (967) | (1,744) | (2,711) | (2,122) | (1,292) | (3,414) | (26%) |
| Net incremental | 4,498 | 4,574 | 9,072 | 3,068 | 3,531 | 6,599 | (27%) |
| FX Impact | - | - | - | 1 | (6) | (5) | |
| Closing ACV | 53,322 | 57,896 | 57,896 | 60,965 | 64,490 | 64,490 | 11% |
| Opening subscriptions | 7,917 | 8,134 | 7,917 | 8,375 | 8,446 | 8,375 | 6% |
| New business | 659 | 698 | 1,357 | 544 | 610 | 1,154 | (15%) |
| Churn | (442) | (457) | (899) | (473) | (454) | (927) | (3%) |
| Closing subscriptions | 8,134 | 8,375 | 8,375 | 8,446 | 8,602 | 8,602 | 3% |
| Churn (%) | 5.3% | 5.6% | 5.6% | 7.2% | 5.9% | 5.9% | |
| Closing ARPS (\$) | 6,555 | 6,913 | 6,913 | 7,218 | 7,497 | 7,497 | 8% |
| Capture cost amortisation | (1,065) | (2,795) | (3,860) | (3,050) | (2,950) | (6,000) | (55%) |
| Revenue | 25,719 | 27,454 | 53,173 | 29,623 | 30,600 | 60,223 | 13% |
| Cash costs to capture | (1,764) | (2,113) | (3,877) | (2,409) | (1,881) | (4,290) | (11%) |
| Storage, administration & other | (340) | (699) | (1,039) | (453) | (572) | (1,025) | 1% |
| Cost of revenue - pre-capitalisation | (2,104) | (2,812) | (4,916) | (2,862) | (2,453) | (5,315) | (8%) |
| Gross margin - pre-capitalisation | 23,615 | 24,642 | 48,257 | 26,761 | 28,147 | 54,908 | 14% |
| Gross margin (%) - pre-capitalisation | 92% | 90% | 91% | 90% | 92% | 91% | |
| Direct sales cost | (3,850) | (4,681) | (8,531) | (4,461) | (4,445) | (8,906) | (4%) |
| Sales Team Contribution Ratio (%) | 117% | 98% | 106% | 69% | 79% | 74% | |
| Indirect sales cost | (1,429) | (1,435) | (2,864) | (2,456) | (3,422) | (5,878) | (105%) |
| Total sales & marketing cost | (5,279) | (6,116) | (11,395) | (6,917) | (7,867) | (14,784) | (30%) |
| Overheads | (4,196) | (4,814) | (9,010) | (6,580) | (6,307) | (12,887) | (43%) |
| Segment EBIT | 14,839 | 13,030 | 27,869 | 12,623 | 12,904 | 25,527 | (8%) |
| Segment EBIT % | 58% | 47% | 52% | 43% | 42% | 42% | |

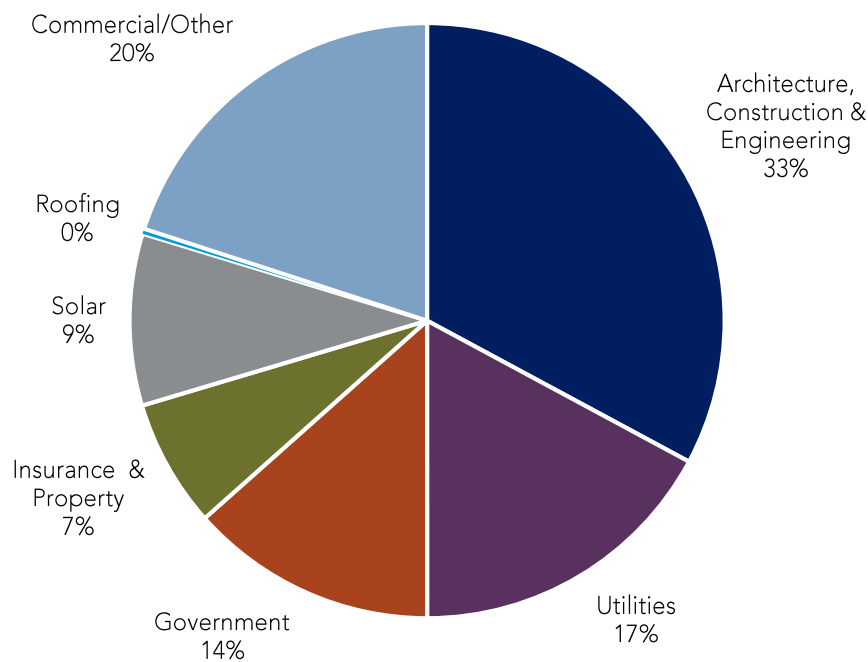
ANZ ACV portfolio

During FY20, the ANZ ACV portfolio increased from \$57.9m to \$64.5m. The components of this growth were:

- **New business** of \$5.8m (FY19: \$6.2m) showed the continued penetration of the total addressable market in Australia, translating the value of industry-leading technology to new user groups across key industry segments in ANZ. New business ACV in 2H20 was greater than 1H20 showing the increasing relevance of Nearmap content through the period of macroeconomic uncertainty.
- **Net upsell** of \$4.2m represents a 25% reduction on pcp. The existing portfolio (net upsell + churn) grew in 2H20 vs 1H20 reflecting the increased focus on customer retention initiatives. In support of the large number of SME businesses in the ANZ portfolio, a number of promotions were run during the COVID-19 period to enable effective remote working for customers and their businesses, providing a strong pipeline of future upsell opportunities.
- **Customer portfolio churn** for the 12 months to 30 June 2020 was 5.9% (FY19: 5.6%). The positive churn trend through the COVID-19 pandemic illustrates the power of one of Nearmap's core value propositions, enabling customers to continue operating successfully from remote locations.

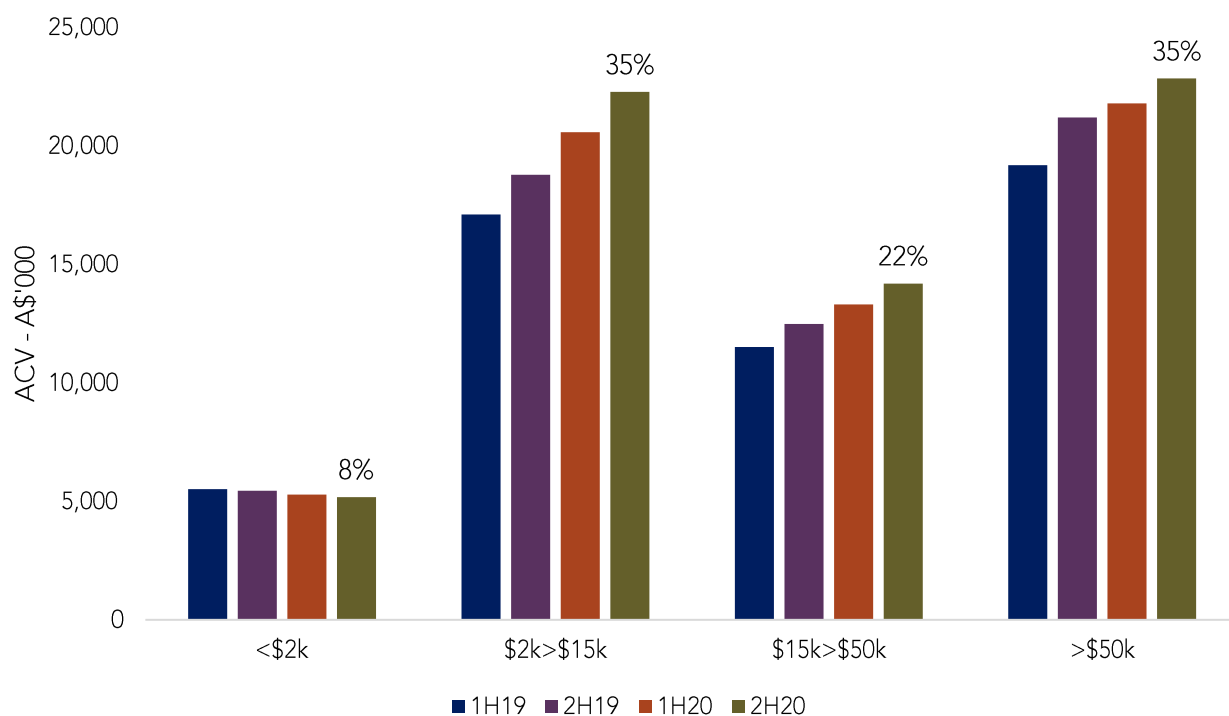
The **number of subscriptions** grew by 3% to 8,602 (30 June 2019: 8,375), while the ARPS grew 8% to \$7,497 (30 June 2019: \$6,913) demonstrating continued success in both new customer acquisition and expansion of the existing customer base through deeper penetration of premium content.

Customer portfolio at 30 June 2020 by industry segment



Portfolio diversification is broadly consistent with prior periods across Nearmap's key industry verticals.

ACV portfolio by subscription size



The ACV portfolio is diversified across a range of businesses in size, with subscriptions to small and medium enterprises (subscriptions below \$15,000 p.a.) representing 43% of the portfolio at 30 June 2020, and those to enterprise customers (subscriptions greater than \$15,000 p.a.) being 57%. The weighting of subscriptions below \$2,000 reduced as a percentage of the overall portfolio composition, with a number of these growing into the next tier, further strengthening the portfolio. In addition, this customer segment typically has the highest sensitivity to economic conditions, which were significantly impacted in 2H20.

Financial performance

ANZ revenue was \$60.2m (FY19: \$53.2m) reflecting growth in the ACV portfolio.

Cash costs of capture were \$4.3m in FY20 (FY19: \$3.9m), incorporating an increased capture footprint.

Gross margin – pre-capitalisation has remained consistent at 91%.

Direct sales costs were \$8.9m, which is a 4% increase on pcp. The performance of the ANZ sales and marketing team as measured by the STCR was 74% (FY19: 106%). Execution issues impacting Net Upsell and Churn performance in 1H20, followed by the impact of COVID-19 in 2H20, reduced the STCR over the period.

Indirect sales & marketing costs (primarily reflecting sales management and administration functions) were \$5.9m (FY19: \$2.9m), in line with building capacity and scaling for growth.

Overheads represent the allocation of Corporate costs based on usage and activity. These were \$12.9m (FY19: \$9.0m).

ANZ segment contribution was \$25.5m, 42% of revenue (FY19: \$27.9m, 52% of revenue).

Segment performance

The segment results for the business for FY20 (with FY19 as a comparative) are set out in the tables below, with individual segment operational performance set out further in the pages following.

The NA segment discussion is presented in USD, and these USD results have been converted to AUD at the applicable exchange rates for each period.

Segment Performance

| A\$'000 | ANZ | NA | FY20 Unallocated | | Total | US\$'000 NA |
|---|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|
| Revenue | 60,223 | 36,491 | - | - | 96,714 | 24,441 |
| Total revenue | 60,223 | 36,491 | - | - | 96,714 | 24,441 |
| Capture cost amortisation | (6,000) | (23,529) | - | - | (29,529) | (15,783) |
| Storage, administration & other | (1,025) | (5,537) | - | - | (6,562) | (3,703) |
| Total cost of revenue | (7,025) | (29,066) | - | - | (36,091) | (19,486) |
| Gross profit | 53,198 | 7,425 | - | - | 60,623 | 4,955 |
| Gross margin % | 88% | 20% | - | - | 63% | |
| Direct sales & marketing | (8,906) | (19,864) | - | - | (28,770) | (13,323) |
| Indirect sales & marketing | (5,878) | (8,129) | - | - | (14,007) | (5,459) |
| Total sales & marketing costs | (14,784) | (27,993) | - | - | (42,777) | (18,782) |
| General & administration | (10,725) | (9,233) | (18,469) | (18,469) | (38,427) | (6,139) |
| Overhead depreciation | (2,162) | (1,638) | (1,570) | (1,570) | (5,370) | (1,098) |
| Other income | - | - | 799 | 799 | 799 | - |
| Interest expense | - | - | (681) | (681) | (681) | - |
| Total general & administration costs | (12,887) | (10,871) | (19,921) | (19,921) | (43,679) | (7,237) |
| Segment contribution | 25,527 | (31,439) | (19,921) | (19,921) | (25,833) | (21,064) |
| Amortisation & depreciation | | | | | (11,799) | |
| Foreign exchange gain | | | | | 529 | |
| Loss before tax | | | | | (37,103) | |
| Income tax benefit | | | | | 386 | |
| Loss after tax | | | | | (36,717) | |

| A\$'000 | FY19 | | | Total | US\$'000 NA |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | ANZ | NA | Unallocated | | |
| Revenue | 53,173 | 24,469 | - | 77,642 | 17,437 |
| Total revenue | 53,173 | 24,469 | - | 77,642 | 17,437 |
| Capture cost amortisation | (3,860) | (14,146) | - | (18,006) | (9,973) |
| Storage, administration & other | (1,039) | (3,158) | - | (4,197) | (2,255) |
| Total cost of revenue | (4,899) | (17,304) | - | (22,203) | (12,228) |
| Gross profit | 48,274 | 7,165 | - | 55,439 | 5,209 |
| Gross margin % | 91% | 29% | | 71% | |
| Direct sales & marketing | (8,531) | (13,009) | - | (21,540) | (9,277) |
| Indirect sales & marketing | (2,864) | (3,970) | - | (6,834) | (2,827) |
| Total sales & marketing costs | (11,395) | (16,979) | - | (28,374) | (12,104) |
| General & administration | (8,786) | (8,552) | (12,429) | (29,767) | (6,112) |
| Overhead depreciation | (224) | (468) | (98) | (790) | (333) |
| Other income | - | - | 1,733 | 1,733 | - |
| Interest expense | - | - | (24) | (24) | - |
| Total general & administration costs | (9,010) | (9,020) | (10,818) | (28,848) | (6,445) |
| Segment contribution | 27,869 | (18,834) | (10,818) | (1,783) | (13,340) |
| Amortisation & depreciation | | | | (7,863) | |
| Foreign exchange loss | | | | (191) | |
| Loss before tax | | | | (9,837) | |
| Income tax expense | | | | (5,097) | |
| Loss after tax | | | | (14,934) | |

Unallocated costs

| A\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Interest income | 647 | 906 | 1,553 | 502 | 174 | 676 | (56%) |
| Other income | 179 | 1 | 180 | 113 | 10 | 123 | (32%) |
| Total revenue | 826 | 907 | 1,733 | 615 | 184 | 799 | (54%) |
| Allocation ANZ | (4,196) | (4,814) | (9,010) | (6,580) | (6,307) | (12,887) | (43%) |
| Allocation NA | (4,259) | (4,761) | (9,020) | (5,429) | (5,442) | (10,871) | (21%) |
| Corporate general & administration costs | (5,119) | (7,408) | (12,527) | (10,411) | (9,628) | (20,039) | (60%) |
| Interest expense | (2) | (22) | (24) | (317) | (364) | (681) | (2,738%) |
| Total general & administrative costs | (13,576) | (17,005) | (30,581) | (22,737) | (21,741) | (44,478) | (45%) |
| Segment contribution | (4,295) | (6,523) | (10,818) | (10,113) | (9,808) | (19,921) | (84%) |
| Technology & product | | | | | | | |
| Development capex | (6,358) | (8,759) | (15,117) | (10,824) | (7,383) | (18,207) | (20%) |
| Maintenance opex | (3,990) | (6,174) | (10,164) | (8,681) | (8,452) | (17,133) | (69%) |
| Total | (10,348) | (14,933) | (25,281) | (19,505) | (15,835) | (35,340) | (40%) |
| Development technology & product spend as % of revenue | 17.9% | 20.8% | 19.5% | 23.4% | 14.7% | 18.8% | |
| Net investing activities | | | | | | | |
| Development capex | (6,358) | (8,759) | (15,117) | (10,824) | (7,383) | (18,207) | (20%) |
| Corporate capex | (579) | (1,468) | (2,047) | (2,965) | (1,463) | (4,428) | (116%) |
| Total | (6,937) | (10,227) | (17,164) | (13,789) | (8,846) | (22,635) | (32%) |

General & administration costs

G&A costs represent the administrative cost of running the Technology and Product functions, as well as running the business (including Finance, People & Culture, Corporate functions and the Nearmap Board). These costs are largely expensed as incurred and allocated to the three operating segments based on activity and usage. In FY20, the costs remaining after allocation to the NA and ANZ were \$20.0m (FY19: \$12.5m), reflecting an increase in non-capitalised Technology and Product headcount and related general & administrative expense (discussed further below).

Technology and product

Development expenditure represents cash costs incurred in the construction of new camera systems and capitalised development costs of software and systems. These amounts are capitalised to the respective balance sheet assets and amortised over the applicable useful lives of those assets (3-5 years). These amounts have increased by \$3.1m in FY20 compared to FY19. This reflects a \$2.7m decrease in the manufacture of Hypercamera2 systems (compared to FY19), offset by a \$5.8m increase in development work on systems and software such as 3D enhancements and the launch of AI/ML. Total Technology and Product spend as a proportion of revenue has stayed constant at 19% in FY20.

Maintenance expenditure represents the cash cost of servicing existing software and camera systems. These costs are expensed to the segments as follows:

- Maintenance of camera systems expensed to cost of revenue in the respective distribution segments
- Maintenance of software and systems expensed to general and administrative expenses, allocated to the operating segments based on activity and usage.

The costs of \$17.1m reflect the servicing required for the fleet of camera systems and related software applications.

Consolidated statutory profit or loss

| A\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|
| Revenue | 35,486 | 42,156 | 77,642 | 46,347 | 50,367 | 96,714 | 25% |
| Interest income | 647 | 906 | 1,553 | 502 | 174 | 676 | (56%) |
| Other income | 179 | 1 | 180 | 113 | 10 | 123 | (32%) |
| Total revenue | 36,312 | 43,063 | 79,375 | 46,962 | 50,551 | 97,513 | 23% |
| Expenses | | | | | | | |
| Employee benefits expense | (16,221) | (20,622) | (36,843) | (27,760) | (28,782) | (56,542) | (53%) |
| Amortisation and depreciation | (8,570) | (18,089) | (26,659) | (22,126) | (24,572) | (46,698) | (75%) |
| Other operational expenses | (11,388) | (14,107) | (25,495) | (15,481) | (15,743) | (31,224) | (22%) |
| Total expenses | (36,179) | (52,818) | (88,997) | (65,367) | (69,097) | (134,464) | (51%) |
| Net finance (costs)/income | 179 | (394) | (215) | (806) | 654 | (152) | 29% |
| (Loss)/profit before tax | 312 | (10,149) | (9,837) | (19,211) | (17,892) | (37,103) | (277%) |
| Income tax (expense)/benefit | (2,286) | (2,811) | (5,097) | 604 | (218) | 386 | 108% |
| Loss after tax | (1,974) | (12,960) | (14,934) | (18,607) | (18,110) | (36,717) | (146%) |

The results are extracted from the reviewed consolidated statement of comprehensive income.

Revenue – Revenue primarily represents subscription revenue recognised over the life of the underlying subscription contract with the customer in each respective financial period. Revenue increased 25% pcp to \$96.7m (FY19: \$77.6m) reflecting the growth of the subscription ACV portfolio in both ANZ and NA.

Interest income – Interest income represents interest earned by the company on its cash deposit holdings.

Other income – Other income represents a gain on disposal of assets and grant income.

Expenses – Key expense categories represent:

- Employee benefits expense represents the direct and indirect costs of employing Nearmap staff and directors, including non-cash share-based payments expense. These costs in FY20 were \$56.5m (FY19: \$36.8m), driven by an increase in headcount in 1H20.
- Amortisation and depreciation reflect the expense applied to the Group's tangible and intangible assets. The variance reflects:
 - o The acceleration of capture cost amortisation as a result of the 1 January 2019 change in amortisation period from 5 years to 2 years
 - o The adoption of AASB16 with rent expenses now replaced by the depreciation of right-of-use assets
 - o Increased capture/development/PP&E costs, in line with business expansion
- Other operational expenses represent other costs incurred by the Group in the scaling of its operations, including flight capture costs, cloud-based processing and storage costs, travel, administrative costs and other corporate expenses.

Tax – Tax benefit for the period was \$0.4m. Per the following table, the main component of this is current year losses for which no deferred tax asset is recognised. As at 30 June 2020, the Group has an unrecognised deferred tax asset of \$25.9m in respect of US tax losses (30 June 2019: \$18.3m). The Group has not recognised any further deferred tax assets in relation to the US tax losses in the current reporting period. The Group also had a significant overprovision of current tax liability (\$0.6m) in FY19 mainly due to the underestimation of the R&D tax credit in Nearmap Australia, which was estimated based on the FY18 return. For this reason, the 30 June 2020 R&D grant provision was not booked as a permanent difference based on 38.5% of the FY19 return, but instead, the immediate deduction of development costs was treated as an income tax deduction at 30%.

| A\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 |
|---|----------------|----------------|----------------|------------|--------------|------------|
| Total profit/(loss) before tax | 312 | (10,149) | (9,837) | (19,211) | (17,892) | (37,103) |
| Prima facie tax benefit at 30% | (94) | 3,045 | 2,951 | 5,763 | 5,368 | 11,131 |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income: | | | | | | |
| R&D grant | 91 | 90 | 181 | - | - | - |
| Effect of US tax rates | (877) | (1,539) | (2,416) | (947) | (1,467) | (2,414) |
| Share based payments expense | (155) | (350) | (505) | (400) | (1,209) | (1,609) |
| Entertainment expenses | (52) | (36) | (88) | (196) | 81 | (115) |
| Recognition of previously unrecognised deductible temporary differences | 612 | 131 | 743 | - | - | - |
| Current year losses for which no deferred tax asset is recognised | (1,814) | (4,005) | (5,819) | (4,360) | (2,842) | (7,202) |
| Over provision in the prior year | 3 | (147) | (144) | 744 | (149) | 595 |
| Current year tax benefit/(expense) | (2,286) | (2,811) | (5,097) | 604 | (218) | 386 |

Reconciliation of statutory net loss after tax to EBIT & EBITDA

| A\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|-----------------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Loss after tax | (1,974) | (12,960) | (14,934) | (18,607) | (18,110) | (36,717) | (146%) |
| Income tax | 2,286 | 2,811 | 5,097 | (604) | 218 | (386) | 108% |
| Interest income | (647) | (906) | (1,553) | (502) | (174) | (676) | (56%) |
| Interest expense | 2 | 22 | 24 | 317 | 364 | 681 | (2,738%) |
| Foreign exchange | (181) | 372 | 191 | 489 | (1,018) | (529) | 377% |
| EBIT | (514) | (10,661) | (11,175) | (18,907) | (18,720) | (37,627) | (237%) |
| Amortisation & depreciation | 8,570 | 18,089 | 26,659 | 22,126 | 24,572 | 46,698 | (75%) |
| EBITDA | 8,056 | 7,428 | 15,484 | 3,219 | 5,852 | 9,071 | (41%) |

Consolidated balance sheet

| A\$'000 | 31 Dec 18 | 30 Jun 19 | 31 Dec 19 | 30 Jun 20 |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Current assets | | | | |
| Cash and cash equivalents | 81,333 | 75,914 | 49,621 | 36,140 |
| Trade receivables | 16,248 | 14,535 | 23,868 | 23,706 |
| Other current receivables | 1,861 | 3,078 | 3,195 | 612 |
| Other current assets | 1,180 | 2,663 | 3,761 | 3,180 |
| Current tax receivable | 144 | - | - | - |
| Total current assets | 100,766 | 96,190 | 80,445 | 63,638 |
| Non-current assets | | | | |
| Plant and equipment | 13,387 | 16,782 | 36,300 | 33,408 |
| Intangible assets | 42,606 | 42,132 | 48,443 | 47,415 |
| Deferred tax assets | 3,794 | 3,086 | 4,481 | 4,313 |
| Total non-current assets | 59,787 | 62,000 | 89,224 | 85,136 |
| Total assets | 160,553 | 158,190 | 169,669 | 148,774 |
| Current liabilities | | | | |
| Trade and other payables | 3,288 | 3,777 | 4,758 | 5,574 |
| Unearned income | 39,242 | 42,034 | 49,158 | 49,576 |
| Employee benefits | 4,142 | 5,701 | 5,518 | 6,534 |
| Lease liabilities | - | - | 4,434 | 4,500 |
| Other current liabilities | 4,255 | 5,446 | 9,370 | 2,398 |
| Current tax liabilities | - | 2,107 | 834 | 1,220 |
| Total current liabilities | 50,927 | 59,065 | 74,072 | 69,802 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 10,786 | 10,190 | 10,490 | 9,716 |
| Employee benefits | 227 | 280 | 433 | 379 |
| Lease liabilities | - | - | 11,751 | 9,896 |
| Other non-current liabilities | 1,104 | 1,002 | 1,348 | 2,233 |
| Total non-current liabilities | 12,117 | 11,472 | 24,022 | 22,224 |
| Total liabilities | 63,044 | 70,537 | 98,094 | 92,026 |
| Net assets | 97,509 | 87,653 | 71,575 | 56,748 |
| Equity | | | | |
| Contributed equity | 122,998 | 124,617 | 125,870 | 126,577 |
| Reserves | 13,358 | 14,843 | 16,461 | 19,055 |
| Profits reserve | 7,078 | 7,078 | 7,078 | 7,078 |
| Accumulated losses | (45,925) | (58,885) | (77,834) | (95,962) |
| Total equity | 97,509 | 87,653 | 71,575 | 56,748 |

Key balance sheet items represent:

Cash – The Group's cash holdings decreased to \$36.1m (30 June 2019: \$75.9m), this amount includes \$2.3m of term deposits that have been classified as cash on the Balance Sheet (shown in Other current receivables previously). True cash at hand is \$33.8m as shown in the cash flow waterfall. A breakdown of the movement in the cash balance is shown in the following section.

Trade receivables – Amounts outstanding from customers were \$23.7m (30 June 2019: \$14.5m). The increase reflects the continued growth in ACV for the half, and a significant number of subscriptions billed in the last month of June.

Other current assets – The increase in this balance of \$0.5m vs 30 June 2019 represents an increase in general prepayments.

Plant and equipment and intangible assets – These balances represent fixed assets, camera assets, capitalised development costs, capitalised capture costs, right-of-use assets and intellectual property. The majority of the PP&E variance comprises the adoption of AASB16 and the inclusion of right-of-use assets and lease liabilities on the balance sheet. The growth in intangibles reflects the continuing investment in the expanded capture program, the development of new content and products, and the acquisition of technology assets from Pushpin.

Unearned revenue – Customer subscriptions are invoiced in full upfront on an annual basis at the commencement of a subscription, with the balance initially recorded to unearned income and subsequently amortised to the income statement over the period of the subscription.

Employee benefits – Employee benefits have increased by \$0.8m vs 30 June 2019 primarily due to the year-end commission accrual and an increase in provision for annual leave.

Other current and non-current liabilities – General accruals have been reclassified to trade and other payables. However, this is offset by the balance payable resulting from the acquisition of Pushpin and the adoption of AASB 16.

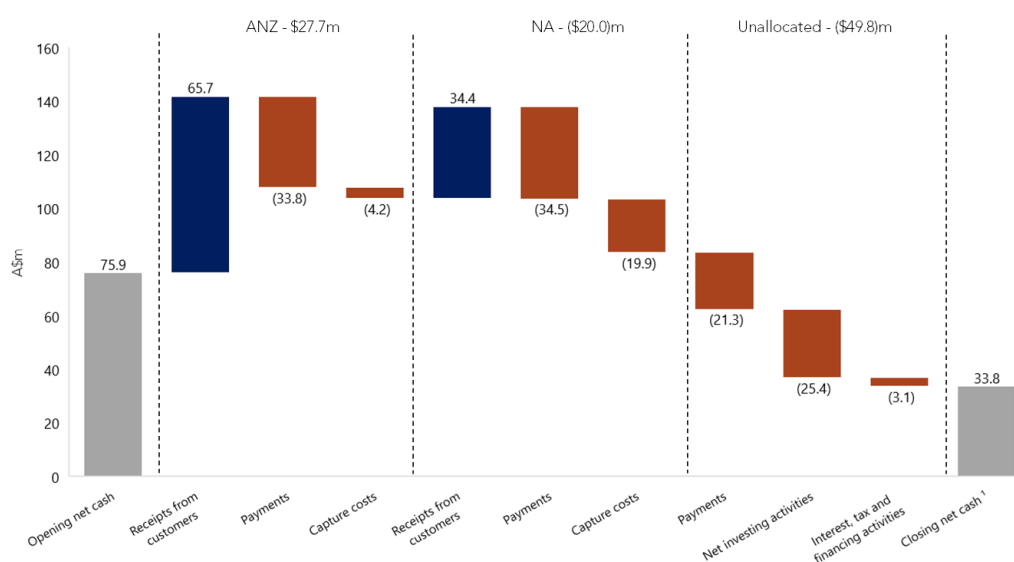
Financing

At 30 June 2020, Nearmap did not have any debt facilities in a place other than corporate credit card facilities. Funding for the Group's operations is provided by the cash inflows from the group's sales operations, interest on the Group's cash holdings and the Group's internal cash resources.

Consolidated operating cash flow

| A\$'000 | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Receipts from customers | 37,022 | 49,844 | 86,866 | 46,647 | 53,542 | 100,189 | 15% |
| Payments to suppliers and employees | (25,859) | (36,658) | (62,517) | (46,501) | (40,789) | (87,290) | (40%) |
| Interest received | 189 | 1,215 | 1,404 | 618 | 231 | 849 | (40%) |
| Other receipts | 21 | - | 21 | - | 10 | 10 | (52%) |
| Income taxes paid | (629) | (246) | (875) | (1,551) | (119) | (1,670) | (91%) |
| Net cash used in operating activities | 10,744 | 14,155 | 24,899 | (787) | 12,875 | 12,088 | (51%) |
| Net cash used in investing activities | (16,123) | (21,010) | (37,133) | (24,838) | (24,685) | (49,523) | (33%) |
| Net cash flows from financing activities | 69,147 | 1,393 | 70,540 | (655) | (1,674) | (2,329) | (103%) |
| Effect of movement of exchange rates on cash held | 35 | 43 | 78 | (13) | 3 | (10) | (113%) |
| Total movement | 63,803 | (5,419) | 58,384 | (26,293) | (13,481) | (39,774) | (168%) |

Cash flow waterfall



¹ The closing net cash of \$33.8m does not include the \$2.3m of term deposits that have been classified as cash on the balance sheet

Key components of the FY20 cash flows represent:

ANZ – The ANZ segment generated free cash flows of \$27.7m (FY19: \$32.5m), with cash receipts of \$65.7m offset by payments of \$38.0m for sales and marketing expenses, allocation of corporate expense payments, capture costs and related net GST payments.

NA – The NA segment consumed free cash flows of \$20.0m (FY19: \$16.9m), with cash receipts of \$34.4m offset by payments of \$54.4m on sales and marketing expenses, allocations of corporate expense payments, capture costs and related sales tax remittances.

Unallocated – The Unallocated segment consumed cash flows of \$49.8m, reflecting:

- Payments for general and administrative costs of \$21.3m;
- Payments for product and technology capital investment split out as follows:
 - o Payments for development costs \$17.4m
 - o Purchase of plant and equipment \$ 8.3m
 - o Proceeds from sale of PP&E \$ 0.3m; and
- Net payments of \$3.1m in interest, tax and financing.

Appendices

Constant currency

FY20 Profit or Loss numbers have been revalued using the average FY20 foreign exchange rate of AUD/USD 0.6712. ACV has been revalued using the 30 June 2020 spot rate of AUD/USD 0.6863.

| | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 | YoY % |
|---|---------------|---------------|---------------|---------------|----------------|----------------|--------------|
| Group ACV portfolio (A\$'000) | | | | | | | |
| Opening ACV | 67,574 | 79,025 | 67,574 | 90,944 | 97,313 | 90,944 | 35% |
| New business | 7,965 | 9,692 | 17,657 | 8,701 | 7,444 | 16,145 | (9%) |
| Net upsell | 4,847 | 4,398 | 9,245 | 4,646 | 3,689 | 8,335 | (10%) |
| Churn | (1,361) | (2,171) | (3,532) | (6,978) | (2,009) | (8,987) | (154%) |
| Net incremental ACV | 11,451 | 11,919 | 23,370 | 6,369 | 9,124 | 15,493 | (34%) |
| FX impact | - | - | - | - | - | - | |
| Closing ACV | 79,025 | 90,944 | 90,944 | 97,313 | 106,437 | 106,437 | 17% |
| | | | | | | | |
| Group revenue | 36,265 | 42,918 | 79,183 | 46,693 | 49,987 | 96,680 | 22% |
| Group gross margin (%) - pre-capitalisation | 68% | 68% | 68% | 68% | 69% | 69% | |
| 12 month churn (%) | 5.5% | 5.2% | 5.2% | 11.6% | 9.9% | 9.9% | |
| Closing ARPS (\$) | 8,486 | 9,280 | 9,280 | 9,653 | 10,178 | 10,178 | 10% |
| Portfolio LTV (A\$m) | 977 | 1,189 | 1,189 | 570 | 742 | 742 | (38%) |
| | | | | | | | |
| Opening subscriptions | 8,863 | 9,312 | 8,863 | 9,800 | 10,081 | 9,800 | 11% |
| New business | 952 | 1,049 | 2,001 | 850 | 923 | 1,773 | (11%) |
| Churn | (503) | (561) | (1,064) | (569) | (546) | (1,115) | (5%) |
| Closing subscriptions | 9,312 | 9,800 | 9,800 | 10,081 | 10,458 | 10,458 | 7% |
| | | | | | | | |
| Group Sales Team Contribution Ratio | 109% | 93% | 100% | 44% | 64% | 54% | |
| | | | | | | | |
| Earnings | | | | | | | |
| Group EBITDA | 7,284 | 6,686 | 13,970 | 2,730 | 5,767 | 8,497 | (39%) |
| Group EBIT | (1,293) | (11,412) | (12,705) | (19,412) | (18,773) | (38,185) | (201%) |
| Statutory NPAT | (2,698) | (13,750) | (16,448) | (19,095) | (18,163) | (37,258) | (127%) |

Foreign exchange rates

The following AUD:USD exchange rates were applied during each period.

| | 1H19 | 2H19 | FY19 | 1H20 | 2H20 | FY20 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Average rate | 0.7245 | 0.7063 | 0.7154 | 0.6845 | 0.6579 | 0.6712 |
| Year end spot rate | 0.7058 | 0.7013 | 0.7013 | 0.7006 | 0.6863 | 0.6863 |

Pre-capitalisation segment note

| A\$'000 | FY19 | | | | FY20 | | | | YoY % |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| | ANZ | NA | Unallocated | Group | ANZ | NA | Unallocated | Group | |
| Revenue | 53,173 | 24,469 | - | 77,642 | 60,223 | 36,491 | - | 96,714 | 25% |
| Total revenue | 53,173 | 24,469 | - | 77,642 | 60,223 | 36,491 | - | 96,714 | 25% |
| Cost of sales (pre-capitalisation) | | | | | | | | | |
| Cash costs to capture | (3,877) | (16,256) | - | (20,133) | (4,212) | (19,873) | - | (24,085) | (20%) |
| Storage, administration & other | (1,039) | (3,158) | - | (4,197) | (1,025) | (5,537) | - | (6,562) | (56%) |
| Total cost of sales | (4,916) | (19,414) | - | (24,330) | (5,237) | (25,410) | - | (30,647) | (26%) |
| Gross profit (pre-capitalisation) | 48,257 | 5,055 | - | 53,312 | 54,986 | 11,081 | - | 66,067 | 24% |
| Gross margin % (pre-capitalisation) | 91% | 21% | | 69% | 91% | 30% | | 68% | |
| Sales & marketing | | | | | | | | | |
| Direct sales & marketing | (8,531) | (13,009) | - | (21,540) | (8,906) | (19,864) | - | (28,770) | (34%) |
| Indirect sales & marketing | (2,864) | (3,970) | - | (6,834) | (5,878) | (8,129) | - | (14,007) | (105%) |
| Total sales & marketing costs | (11,395) | (16,979) | - | (28,374) | (14,784) | (27,993) | - | (42,777) | (51%) |
| Technology & product expensed | (890) | (329) | (8,945) | (10,164) | (1,921) | (2,275) | (12,937) | (17,133) | (69%) |
| Technology & product development costs ¹ | - | - | (9,889) | (9,889) | - | - | (15,723) | (15,723) | (59%) |
| Total technology & product costs ² | (890) | (329) | (18,834) | (20,053) | (1,921) | (2,275) | (28,660) | (32,856) | (64%) |
| Corporate expensed | (7,896) | (8,223) | (3,484) | (19,603) | (8,804) | (6,958) | (5,532) | (21,294) | (9%) |
| Corporate development costs | - | - | (41) | (41) | - | - | (27) | (27) | 34% |
| Total corporate costs | (7,896) | (8,223) | (3,525) | (19,644) | (8,804) | (6,958) | (5,559) | (21,321) | (9%) |
| Segment contribution (pre-capitalisation) | 28,076 | (20,476) | (22,359) | (14,759) | 29,477 | (26,145) | (34,219) | (30,887) | (109%) |
| Camera units ¹ | | | | (5,187) | | | | (2,457) | 53% |
| Corporate capex | | | | (2,047) | | | | (4,428) | (116%) |
| Total capex costs | | | | (7,234) | | | | (6,885) | 5% |
| Other income | | | | 1,733 | | | | 799 | (54%) |
| Cash receipts from unearned income | | | | 8,234 | | | | 7,542 | (8%) |
| Capital raise net proceeds | | | | 67,146 | | | | - | |
| Other items | | | | 3,264 | | | | (12,707) | (489%) |
| Net increase/(decrease) in cash ³ | | | | 58,384 | | | | (42,138) | (172%) |
| Other items: | | | | | | | | | |
| Interest expense | | | | (24) | | | | - | |
| Foreign exchange | | | | (191) | | | | 529 | |
| Income tax | | | | (5,097) | | | | 386 | |
| Payments for lease liabilities | | | | - | | | | (3,921) | |
| Capex disposal | | | | 6 | | | | 138 | |
| Purchase of intellectual property | | | | - | | | | (3,643) | |
| Payments for treasury shares | | | | - | | | | (400) | |
| Working capital | | | | 2,234 | | | | (11,642) | |
| Prior year retained earnings ⁴ | | | | - | | | | (358) | |
| Share based payments | | | | 1,684 | | | | 5,364 | |
| Other movements in reserves | | | | 176 | | | | (1,152) | |
| Proceeds from exercise of share options | | | | 3,210 | | | | 1,992 | |
| Other movements in contributed equity | | | | 1,266 | | | | - | |
| | | | | 3,264 | | | | (12,707) | |

¹ \$0.8m of employment costs in FY20 are capitalised to camera units on the balance sheet (FY19: \$1.3m)

² Technology & product costs exclude the costs of camera units

³ FY20 net decrease in cash does not include the \$2.3m of term deposits that have been classified as cash on the balance sheet

⁴ Adjustment on initial application of AASB 16 (net of tax)

Glossary of terms

| Term | Definition |
|-----------------------------------|--|
| ACV | Annualised Contract Value – annualised value of all active subscription contracts in effect at a particular date |
| ARPS | Average Revenue Per Subscription – Portfolio ACV divided by the total number of subscriptions |
| Churn ACV | ACV value of subscriptions which are not renewed by a customer at the end of a subscription period, offset by the value of recovered subscriptions churned in the previous 12 months |
| Cost of Revenue | <p>These represent the costs of capturing, processing and storing the aerial imagery.</p> <p>The two key components are as follows:</p> <ul style="list-style-type: none"> - Capture flights, processing and related staff costs are capitalised to the balance sheet and amortised to the income statement over a 2-year useful life. Depreciation of existing camera systems are also capitalised to the balance sheet and amortised to the income statement. - Administration, storage, data layers, maintenance and technical support are expensed as incurred |
| EBITDA | Earnings before interest, tax, depreciation, amortisation, realised and unrealised foreign exchange gains/losses |
| FTE | Full-time employee equivalent |
| Incremental ACV | New Business ACV + Net Upsell ACV – Churn ACV |
| LTV | Lifetime Value= ACV portfolio value x Gross Margin: (pre-capitalisation %) / Churn % |
| Net Upsell ACV | ACV value of the net upsell and downsell on subscriptions renewed during or at the end of an existing subscription |
| New Business ACV | ACV value of subscriptions entered into during a period with a customer who has not previously been a Nearmap customer, or not a customer in the last 12 months |
| Gross Margin (pre-capitalisation) | This represents the gross margin of Nearmap's revenue after deducting the cost of capture, processing and storage of the imagery before any such costs have been capitalised |
| 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 |
| Subscriptions | Subscriptions reflect the number of individual subscription contracts entered into by Nearmap customers |

