



# ASX RELEASE

12 November 2020

## CHAIRMAN'S ADDRESS TO 2020 ANNUAL GENERAL MEETING

The 2020 financial year (FY20) was a milestone year for Nearmap. Our Company exceeded \$100 million in Annual Contract Value (ACV), surpassed 10,000 subscriptions, saw the average revenue of each subscription rise above \$10,000 all while navigating the challenges a global pandemic presented to our Company, our customers and our shareholders. In FY20 Nearmap demonstrated the resilience of its subscription business model and we are in a strong position to continue to deliver sustainable long-term growth for all our stakeholders.

After the successful introduction of wide-scale 3D content in FY19, our product offering expanded yet again with the release of Artificial Intelligence (AI) content in FY20, available as a premium subscription to all our customers. Additionally, we made our first acquisition, acquiring analytics technology in North America which enabled us to extract roof geometry data and insights. This technology is market leading and utilises our existing wide-scale 3D content. I have been pleased by the initial success we have had commercialising both AI and roof geometry content and I look forward to increased success as we continue to scale these new content types.

In North America, we delivered 27% growth in our ACV, with the North American business continuing to be an increasingly larger part of the Company's total ACV portfolio. We completed our first full year of capturing Canadian content and we're now selling that content directly to Canadian customers. Due to several unforeseen churn and downgrade events in December we revised our guidance in January and our ACV growth was less than we anticipated. While disappointing, none of these events were due to customers choosing to consume a competitor's content but did serve to highlight that at our current scale we can be impacted by a small number of larger customers. As we scale our North American business, the potential for this to happen again will reduce over time.

The Australian & New Zealand business continued to demonstrate market leadership domestically, delivering ACV growth of 11% in FY20. In the first half we experienced a softening of our existing portfolio as our sales leaders supported our expansion in North America. However with re-organised sales leadership and an expanded customer experience and retention team we delivered an improved performance in the second half of FY20. Our Australian & New Zealand business continues to grow and generate cash, underpinned by our market leadership and reputation among our customers.

Nearmap content enables businesses to conduct work remotely. Upon the outbreak of COVID-19, Nearmap enacted business continuity measures, enabling employees to seamlessly and productively transition to



remote working with no discernible impact on business operations. Nearmap provided its services as per usual and supported our customers by providing them with instant access to our content. We also offered customers complimentary access to enhanced 3D content for a period of time and facilitated flexible payment terms for a handful of small businesses who found themselves in financial duress.

In the early stages of COVID-19 businesses were faced with significant uncertainty. Accordingly, we announced several cash management initiatives. We made a small number of headcount reductions and asked all other existing employees to accept a 20% reduction to their salaries and a 25% reduction for the Board and Executive, for a fixed six-month period. All employees other than the Board and Executive were compensated via a one-off equity scheme to the value of their foregone salaries. I was pleased with the response of employees and I want to sincerely thank them for their support.

As Nearmap moved through the remainder of FY20 and into FY21, we could see that momentum within the business remained strong and that tailwinds were emerging in our industry. We decided to act on this momentum and undertake a capital raising to accelerate growth opportunities. We completed a fully underwritten institutional placement, raising \$72.1 million at a 4.2% discount to the closing price the previous day. This is one of the tightest discounts in 2020 and meant potential dilution to existing shareholders was reduced. Concurrent to the placement we launched a Share Purchase Plan which raised an additional \$23.1 million, giving all Nearmap shareholders the opportunity to participate in the capital raising. The raising received strong support from new and existing shareholders and has validated our decision to accelerate our growth opportunities, which Rob will talk to in a moment.

In summary, despite the challenges we faced in FY20, our Company is even stronger than when we went into the financial year. Continued growth over the course of FY20 is testament to the value that businesses and government organisations derive from our unique subscription model and industry leading content. In FY21 we will continue to grow our business and expect Group ACV to be between \$120 million to \$128 million on a constant currency basis and in line with consensus forecasts. Uncertainty exists relating to potential ongoing impacts of COVID-19 and this guidance is provided on the basis that market conditions do not materially change.

I would like to thank the Board, Executive and all our dedicated employees for their extremely hard work and effort in FY20. Many of our employees are shareholders and watching virtually today and we appreciate the invaluable contribution they make to our Company. I would also like to thank the tremendous support of our growing customer base, and of course our shareholders; it has been a challenging, but overall rewarding year for all of us and on behalf of everyone at Nearmap, thank you for standing with us in truly unprecedented times.

Authorised by: Board of Nearmap Ltd  
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VIEW THE WORLD, SO THEY CAN  
PROFOUNDLY CHANGE THE WAY THEY  
WORK

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