



FY21 ANALYST PACK

FINANCIAL YEAR ENDED 30 JUNE 2021

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The Nearmap Analyst Pack summarises the financial and operational metrics for the 12 months ended 30 June 2021, with comparatives for the 12 months ended 30 June 2020.

The Analyst Pack is to be read in conjunction with the “Appendix 4E Full Year Financial Report for the year ended 30 June 2021” and the “Investor Presentation FY21 Results” released to the ASX on 18 August 2021.

Important Note

Information presented in the FY21 Analyst Pack is presented on an operational basis (rather than statutory) to reflect a management view of the business. Nearmap Ltd (ACN 083 702 907) also provides statutory reporting as prescribed under the Corporations Act 2001 (Cth). The Nearmap Ltd FY21 Financial Report is also available from the Nearmap 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 28) has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001 (Cth). The results for FY21 are extracted from the reviewed 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 a leading provider of cloud-based geospatial information services and an innovative location intelligence company.

Nearmap captures a rich data set about the real world, providing high-value insights to a diverse range of more than 11,000 businesses and government organisations.

Using its own patented camera systems and processing software, Nearmap conducts aerial surveys capturing wide-scale urban areas in Australia, New Zealand, the United States of America and Canada multiple times each year, making fresh content instantly available in the cloud via web app or API integration.

Every day, Nearmap helps tens of thousands of users conduct virtual site visits for deep, data-driven insights – enabling businesses and government organisations to make informed decisions, streamline operations and bolster bottom lines.

Founded in Australia in 2007, Nearmap is one of the ten largest aerial survey companies in the world by annual data collection volume, employs over 350 people and was named as one of Fast Company’s 10 Most Innovative Enterprise Companies in 2020.

NEARMAP CAPTURES IMAGERY IN 4 COUNTRIES...



United States
72% population coverage



Canada
64% population coverage



Australia
90% population coverage



New Zealand
73% population coverage

...DELIVERED TO A DIVERSE CUSTOMER BASE...



Commercial



Roofing



Insurance



Government

GROUP PERFORMANCE INDICATORS

A\$'000	1H20 Reported	2H20 Reported	FY20 Reported	1H21 Reported	2H21 Reported	FY21 Reported	YoY % Reported	FY21 at CC ¹	YoY % at CC
Group ACV portfolio									
Opening ACV	90,240	96,576	90,240	106,437	112,191	106,437	18%	106,437	18%
New business	8,584	7,444	16,028	4,902	11,242	16,144	1%	17,209	7%
Net upsell	4,599	3,689	8,288	9,245	7,204	16,449	98%	17,828	115%
Churn	(6,880)	(2,009)	(8,889)	(3,838)	(3,548)	(7,386)	17%	(7,658)	14%
Net incremental ACV	6,303	9,124	15,427	10,309	14,898	25,207	63%	27,379	77%
FX impact	33	737	770	(4,555)	1,121	(3,434)		-	
Closing ACV	96,576	106,437	106,437	112,191	128,210	128,210	20%	133,816	26%
Retention (%)	88.5%	90.1%	90.1%	93.9%	93.1%	93.1%		92.8%	
Opening subscriptions	9,800	10,081	9,800	10,458	10,785	10,458	7%	10,458	7%
New business	850	923	1,773	900	1,107	2,007	13%	2,007	13%
Churn	(569)	(546)	(1,115)	(573)	(637)	(1,210)	(9%)	(1,210)	(9%)
Closing subscriptions	10,081	10,458	10,458	10,785	11,255	11,255	8%	11,255	8%
Closing ARPS (\$)	9,580	10,178	10,178	10,402	11,391	11,391	12%	11,889	17%
Group revenue	46,347	50,367	96,714	54,718	58,713	113,431	17%	118,973	23%
Cash costs to capture	(12,028)	(11,488)	(23,516)	(8,175)	(11,806)	(19,981)	15%	(21,933)	7%
Storage, administration & other	(2,710)	(3,852)	(6,562)	(4,253)	(4,576)	(8,829)	(35%)	(9,266)	(41%)
Cost of revenue - pre-capitalisation	(14,738)	(15,340)	(30,078)	(12,428)	(16,382)	(28,810)	4%	(31,199)	(4%)
Gross margin - pre-capitalisation	31,609	35,027	66,636	42,290	42,331	84,621	27%	87,774	32%
Gross margin (%) - pre-capitalisation	68%	69%	69%	77%	72%	75%		74%	
Direct sales and marketing costs	(14,220)	(14,550)	(28,770)	(11,944)	(16,306)	(28,250)	2%	(30,559)	(6%)
Indirect sales and marketing costs ²	(8,191)	(8,667)	(16,858)	(9,061)	(9,626)	(18,687)	(11%)	(19,796)	(17%)
Total sales and marketing costs - pre-capitalisation ³	(22,411)	(23,217)	(45,628)	(21,005)	(25,932)	(46,937)	(3%)	(50,355)	(10%)
Sales Team Contribution Ratio (%) - pre-capitalisation	44%	63%	54%	86%	91%	89%		90%	
Overheads	(20,503)	(20,443)	(40,946)	(19,448)	(26,437)	(45,885)	(12%)	(47,197)	(15%)
Other metrics									
Group EBITDA	3,219	5,852	9,071	13,537	10,772	24,309	168%	26,260	189%
Group EBIT	(18,907)	(18,720)	(37,627)	(9,418)	(11,385)	(20,803)	45%	(21,310)	43%
Statutory NPAT	(18,607)	(18,110)	(36,717)	(9,386)	(9,434)	(18,820)	49%	(18,906)	49%
Portfolio LTV (A\$m)	571	742	742	1,416	1,338	1,394	88%	1,375	85%
Cash and cash equivalents	49,621	36,140	36,140	129,323	123,431	123,431	242%	124,239	244%
Cash and cash equivalents movement	(26,293)	(13,481)	(13,481)	93,183	(5,892)	87,291	748%	88,099	754%

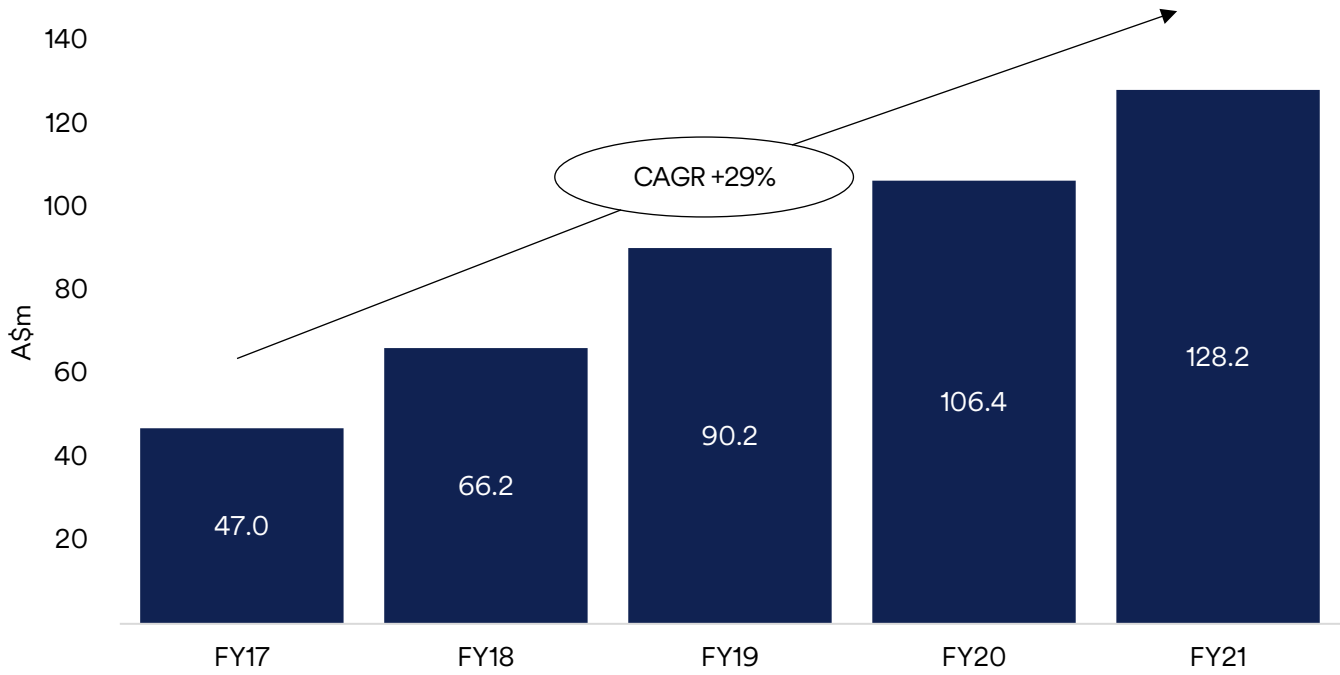
¹ Constant Currency (CC) revalues FY21 results at FY20 FX rates.

² To ensure consistency between reporting periods, a portion of FY20 overhead costs have been reclassified to indirect sales and marketing to reflect a change to internal reporting.

³ The Group amended its sales incentive program during the year ended 30 June 2021 to bring greater alignment to sales and customer success activities. Effective 1 January 2021 and in accordance with AASB 15 Revenue from Contracts with Customers, the Group now capitalises incremental costs of obtaining customer contracts - see Appendix for further details.

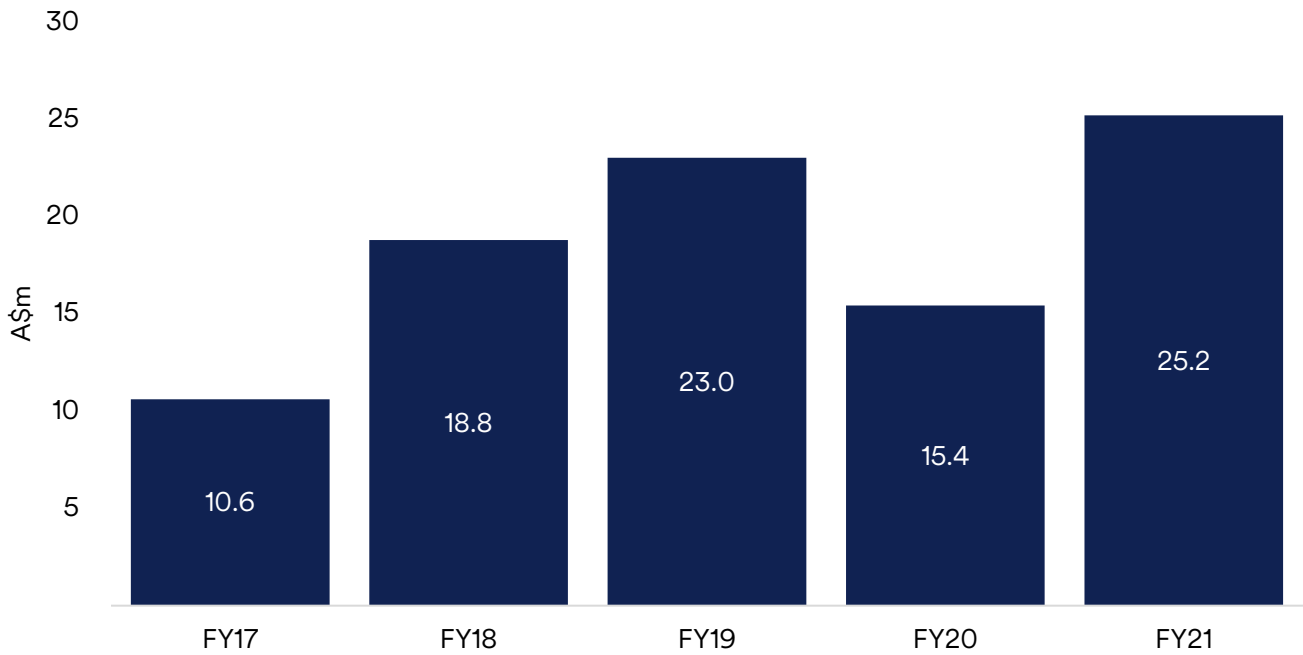
Annual Contract Value

Group Annual Contract Value (ACV) as reported grew by 20% to \$128.2m (30 June 2020: \$106.4m). On a constant currency (CC) basis, Group ACV grew 26% vs pcp to \$133.8m.

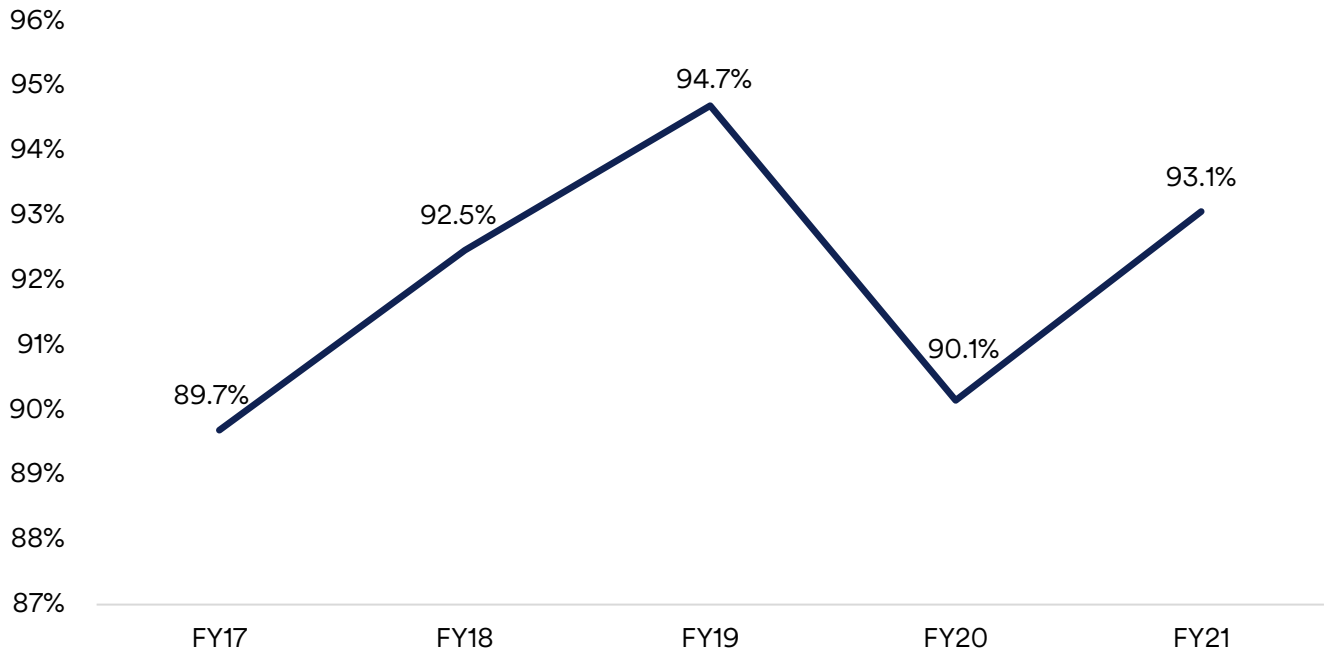


Net incremental ACV

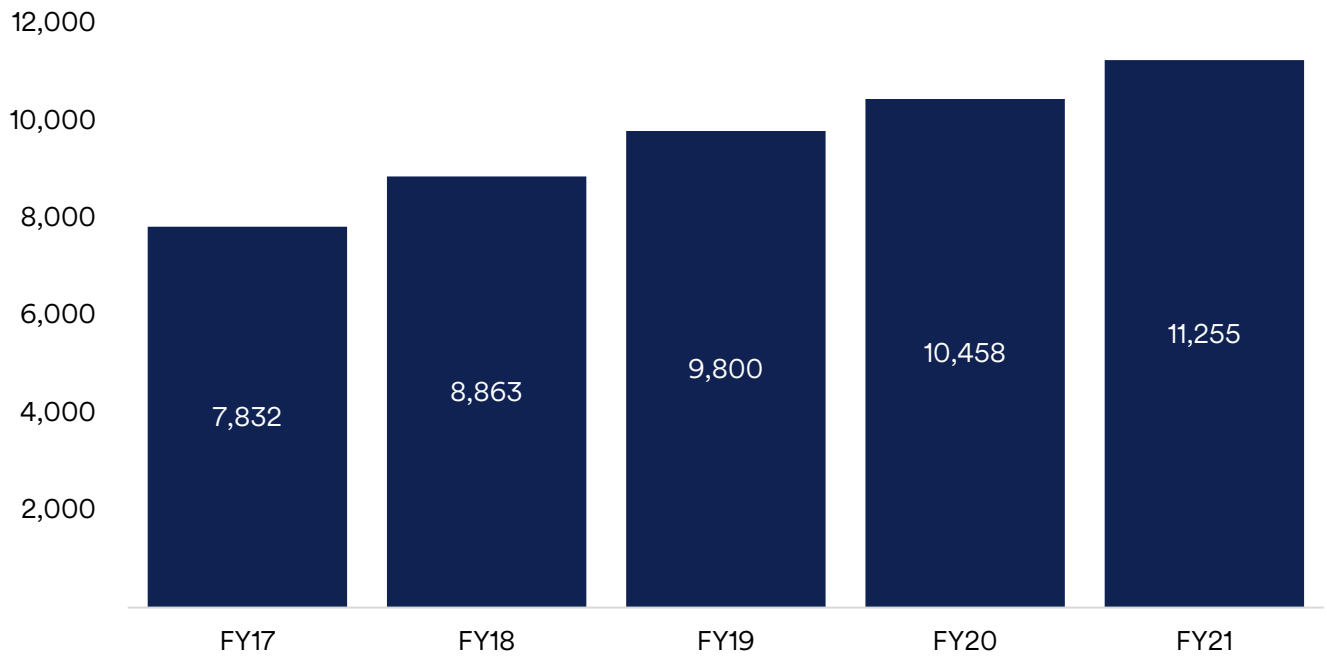
Incremental ACV growth as reported of \$25.2m (30 June 2020: \$15.4m). On a CC basis, incremental ACV grew by \$27.4m, driven by record growth in North America.



Retention

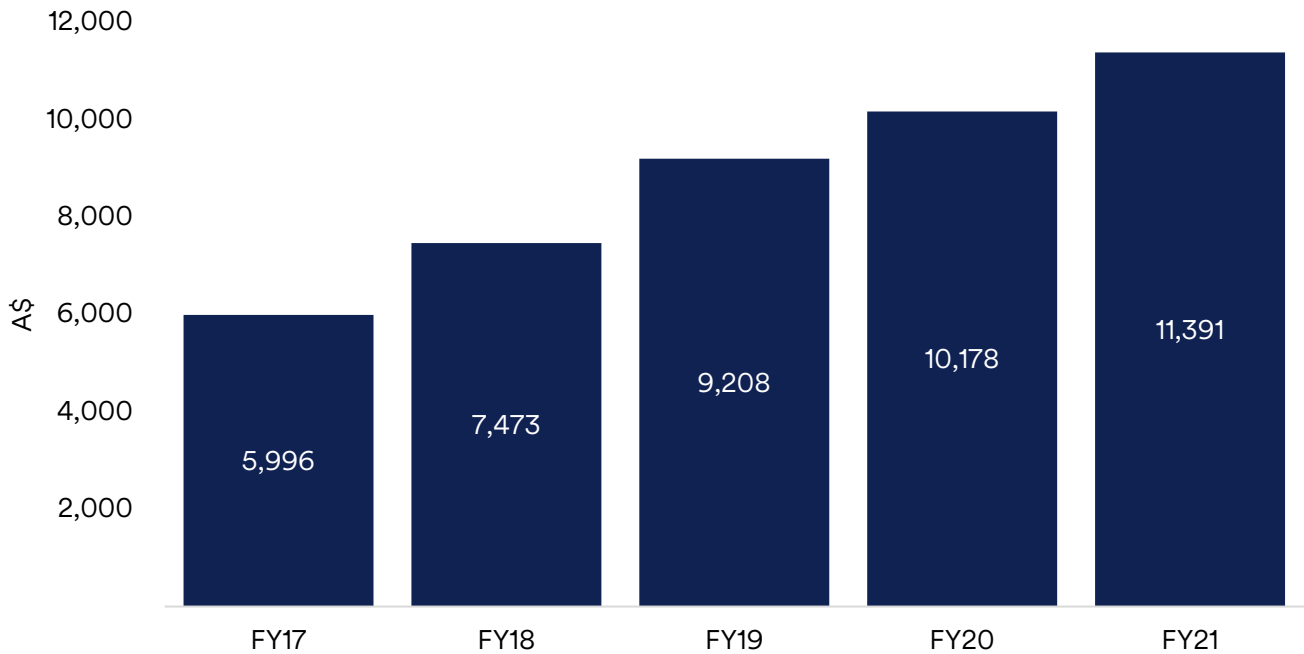


Subscriptions



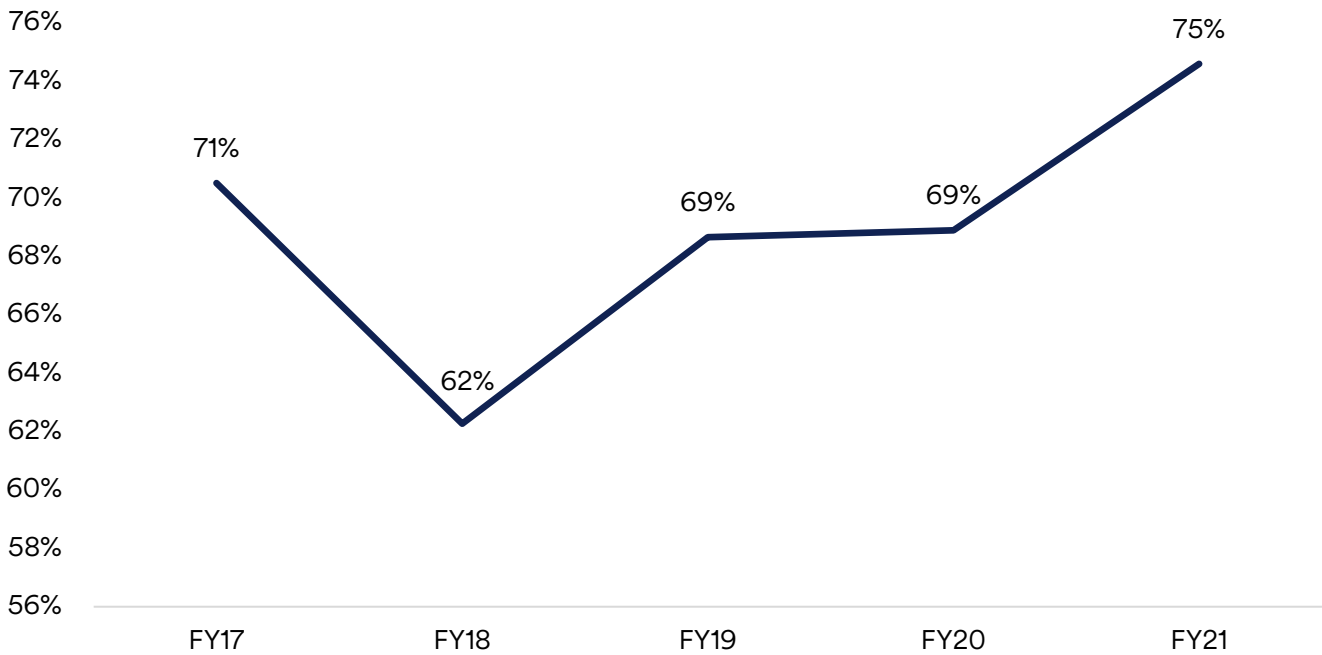
Average Revenue Per Subscription

Group Average Revenue Per Subscription (ARPS) increased to \$11,391 (30 June 2020: \$10,178). The continued upward trend in this metric highlights the increasing utility customers experience from the expanding set of higher-value products and content types provided by Nearmap.



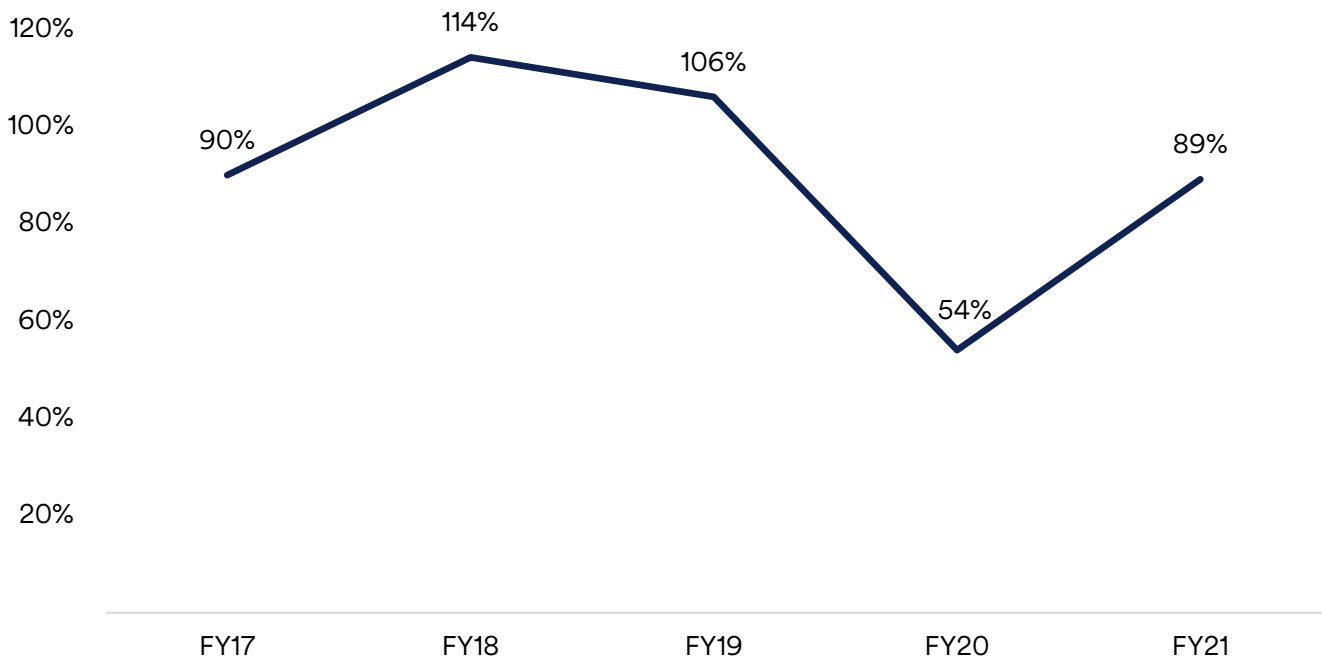
Gross Margin (pre-capitalisation)

Gross Margin (pre-capitalisation) has increased to 75%, reflecting the efficiency of the capture program as it supports a growing ACV portfolio.

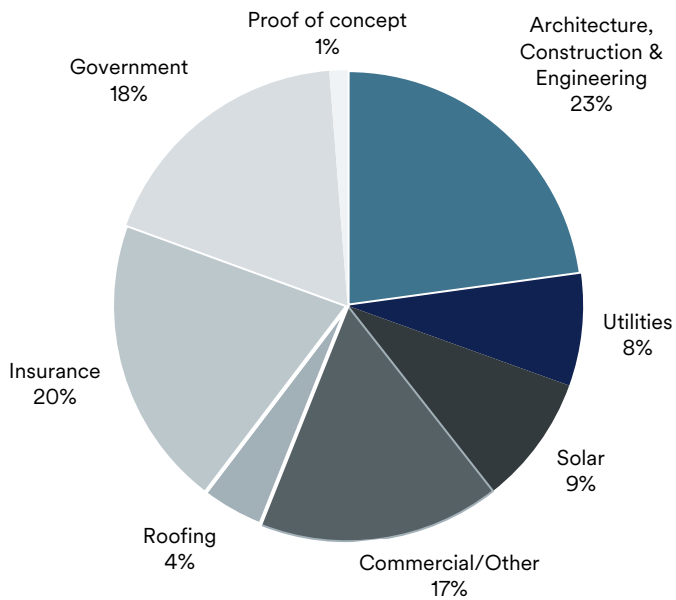


Sales Team Contribution Ratio (pre-capitalisation)

Group Sales Team Contribution Ratio (STCR) increased to 89% in FY21 (FY20: 54%), demonstrating a return to benchmark efficiency levels, with strong returns on investments.

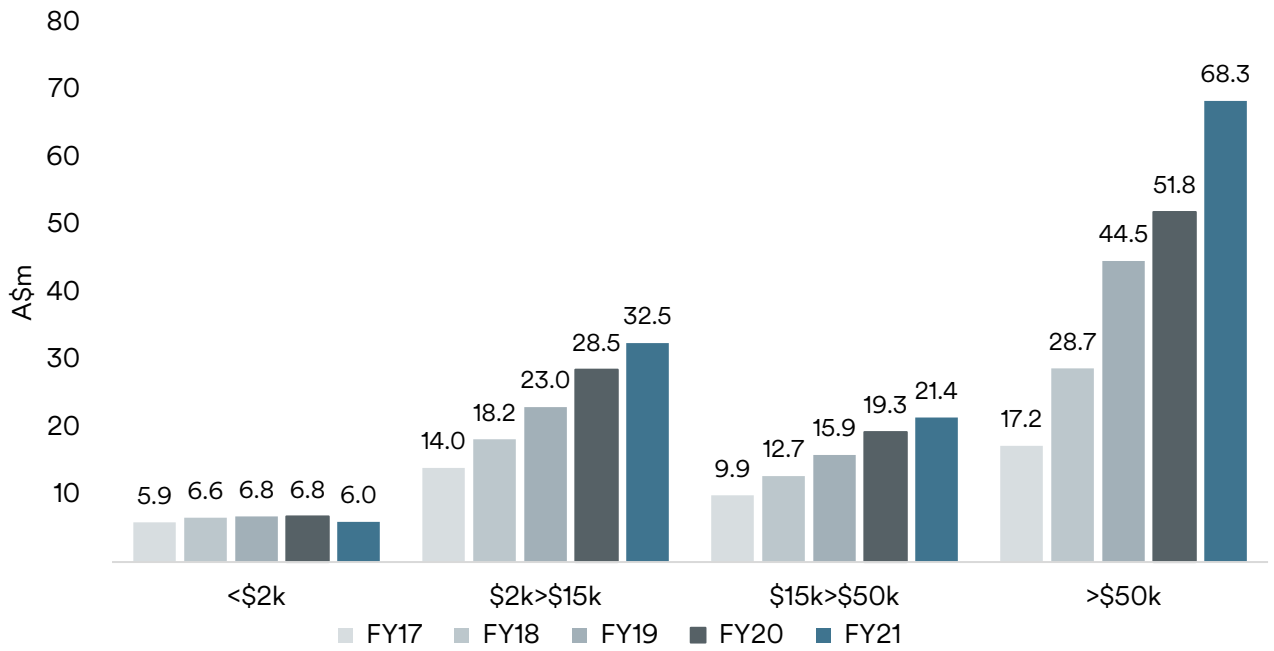


Group ACV portfolio at 30 June 2021 by industry segment (%)

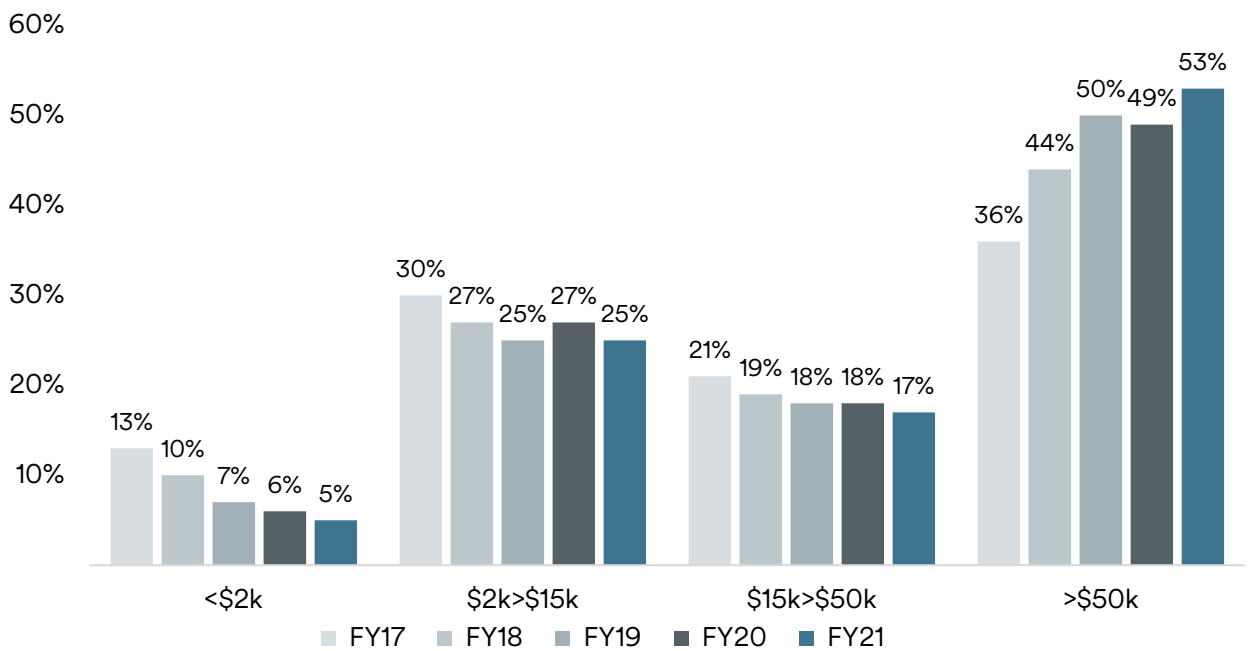


The Group ACV portfolio is diversified across key focus industries with Insurance, Roofing and Government comprising 42% of the total portfolio (30 June 2020: 40%). See comments in the NA section for more detail on Proof of Concept ACV.

Group ACV portfolio by subscription size



Group ACV portfolio by % of total portfolio



Other metrics (as a % of the overall portfolio)

	FY20	FY21
Top 10 customers	19%	20%
Multi year deals	43%	42%
Premium content	54%	66%

FTE Breakdown

As at 30 June 2021

Region	Sales and Marketing	Technology and Product	Business Operations	Group
ANZ	65	111	72	248
NA	87	5	21	113
Total	152	116	93	361

As at 30 June 2020

Region	Sales and Marketing	Technology and Product	Business Operations	Group
ANZ	52	92	58	202
NA	61	2	19	82
Total	113	94	77	284

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	1H20	2H20	FY20	1H21	2H21	FY21	YoY %
Opening ACV	22,683	24,949	22,683	28,788	35,129	28,788	27%
New business	4,016	3,070	7,086	1,991	5,913	7,904	12%
Net upsell	1,583	1,261	2,844	5,469	4,135	9,604	238%
Churn	(3,333)	(492)	(3,825)	(1,128)	(734)	(1,862)	51%
Net incremental	2,266	3,839	6,105	6,332	9,314	15,646	156%
FX impact	-	-	-	9	8	17	
Closing ACV	24,949	28,788	28,788	35,129	44,451	44,451	54%
Retention (%)	79.4%	83.1%	83.1%	93.5%	93.5%	93.5%	
Opening subscriptions	1,425	1,635	1,425	1,856	2,029	1,856	30%
New business	306	313	619	278	355	633	2%
Churn	(96)	(92)	(188)	(105)	(144)	(249)	(32%)
Closing subscriptions	1,635	1,856	1,856	2,029	2,240	2,240	21%
Closing ARPS (\$)	15,260	15,511	15,511	17,313	19,844	19,844	28%
Revenue	11,444	12,997	24,441	15,693	19,911	35,604	46%
Cash costs to capture	(6,579)	(6,252)	(12,831)	(4,665)	(7,497)	(12,162)	5%
Storage, administration & other	(1,546)	(2,157)	(3,703)	(2,641)	(3,075)	(5,716)	(54%)
Cost of revenue - pre-capitalisation	(8,125)	(8,409)	(16,534)	(7,306)	(10,572)	(17,878)	(8%)
Gross margin - pre-capitalisation	3,319	4,588	7,907	8,387	9,339	17,726	124%
Gross margin (%) - pre-capitalisation	29%	35%	32%	53%	47%	50%	
Direct sales and marketing costs	(6,676)	(6,647)	(13,323)	(5,741)	(8,444)	(14,185)	(6%)
Indirect sales and marketing costs ¹	(2,838)	(2,979)	(5,817)	(3,426)	(3,679)	(7,105)	(22%)
Total sales and marketing costs - pre-capitalisation²	(9,514)	(9,626)	(19,140)	(9,167)	(12,123)	(21,290)	(11%)
Sales Team Contribution Ratio (%) - pre-capitalisation	34%	58%	46%	110%	110%	110%	
Overheads	(3,448)	(3,431)	(6,879)	(3,291)	(4,859)	(8,150)	(18%)
Segment contribution ³	(10,978)	(10,086)	(21,064)	(6,682)	(3,744)	(10,426)	51%
Segment contribution %	(96%)	(78%)	(86%)	(43%)	(19%)	(29%)	

¹ To ensure consistency between reporting periods, a portion of FY20 overhead costs have been reclassified to indirect sales and marketing to reflect a change to internal reporting.

² The Group amended its sales incentive program during the year ended 30 June 2021 to bring greater alignment to sales and customer success activities. Effective 1 January 2021 and in accordance with AASB 15 Revenue from Contracts with Customers, the Group now capitalises incremental costs of obtaining customer contracts - see Appendix for further details.

³ For a reconciliation on the segment contribution, refer to the Segment Performance on page 25.

NA ACV portfolio

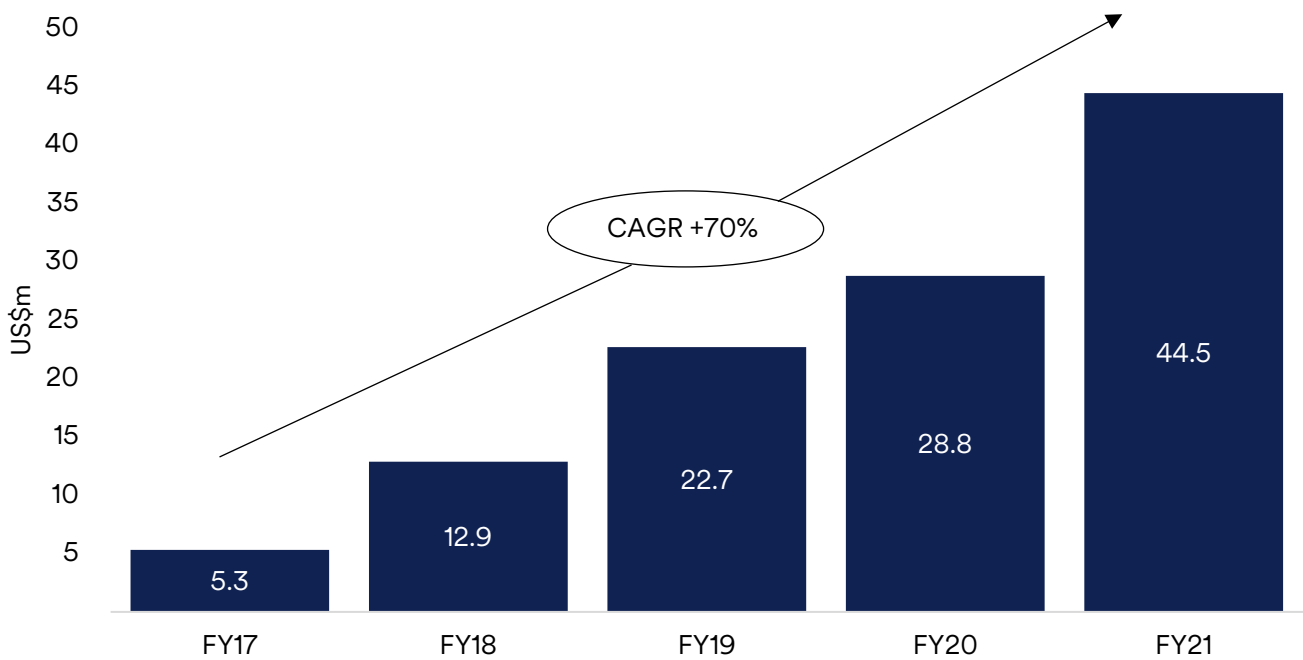
During FY21, the NA ACV portfolio increased US\$15.6m from US\$28.8m to US\$44.5m, representing 54% growth on pcp. This represents a record year for the NA business, underpinned by the revised vertical GTM strategy implemented in FY21.

The key components of this growth were:

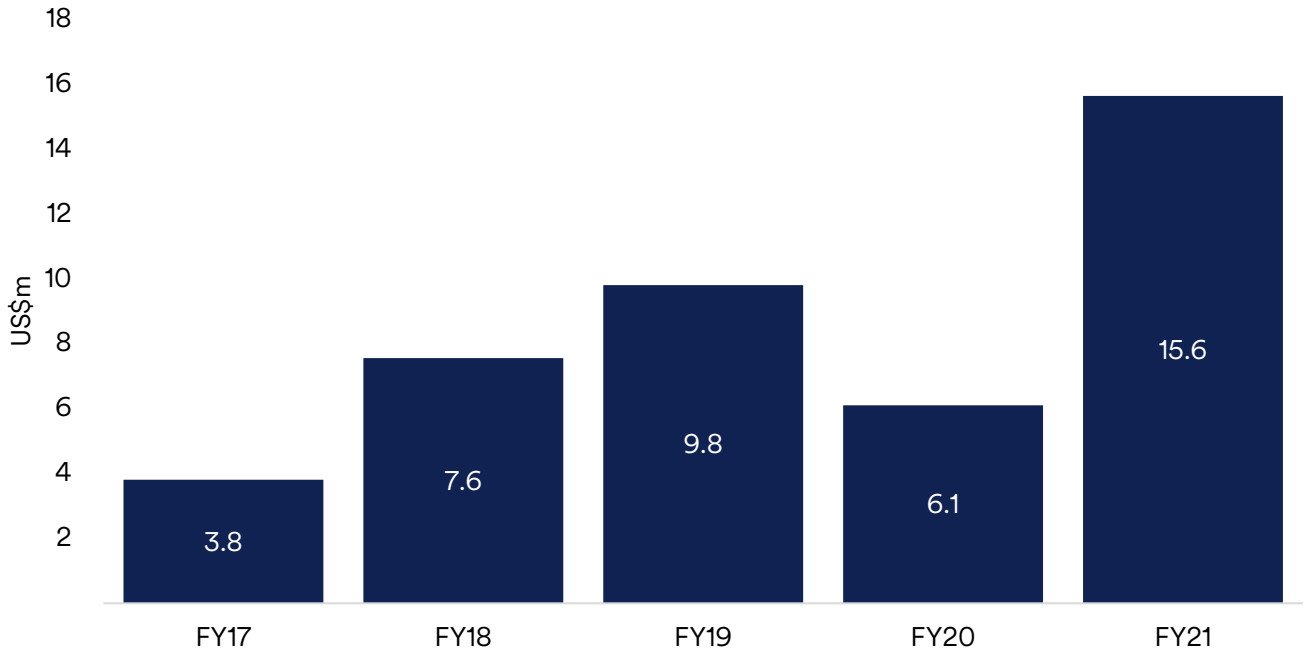
- **New business** of US\$7.9m represents a 12% increase on pcp, including enterprise deals with two of the top six insurance companies in North America and continued penetration into the Government vertical. The continuing growth in new customer acquisition, particularly into strategic market segments, highlights the effectiveness of Nearmap's disruptive subscription business model.
- **Net upsell** of US\$9.6m shows a 238% increase on pcp, with all key verticals showing success in expanding the existing customer base and delivering enhanced value to customers through continued product innovation.
- **Customer portfolio retention** for the 12 months to 30 June 2021 was 93.5% (FY20: 83.1%). This positive trend reflects the continued focus on customer satisfaction as well as the continuing relevance of Nearmap content to the growing customer base.

Annual Contract Value

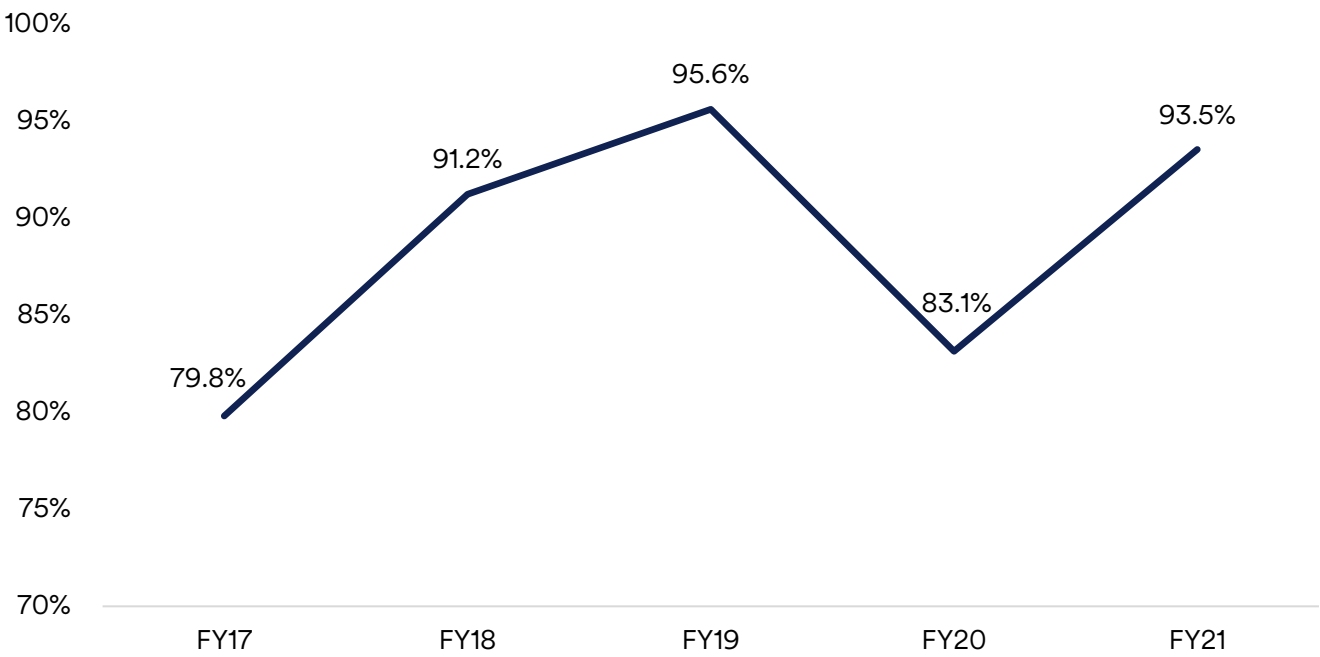
ACV grew by 54% to US\$44.5m (30 June 2020: US\$28.8m), representing a strong 70% compound annual growth rate.



Net incremental ACV

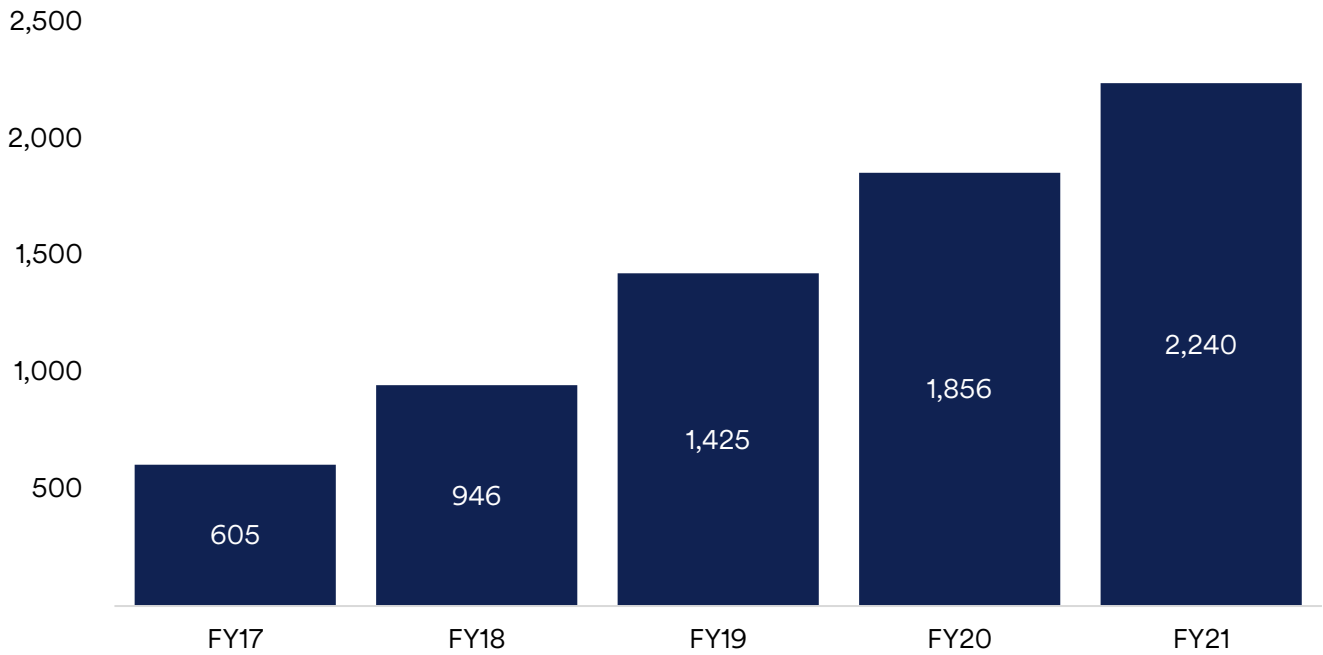


Retention



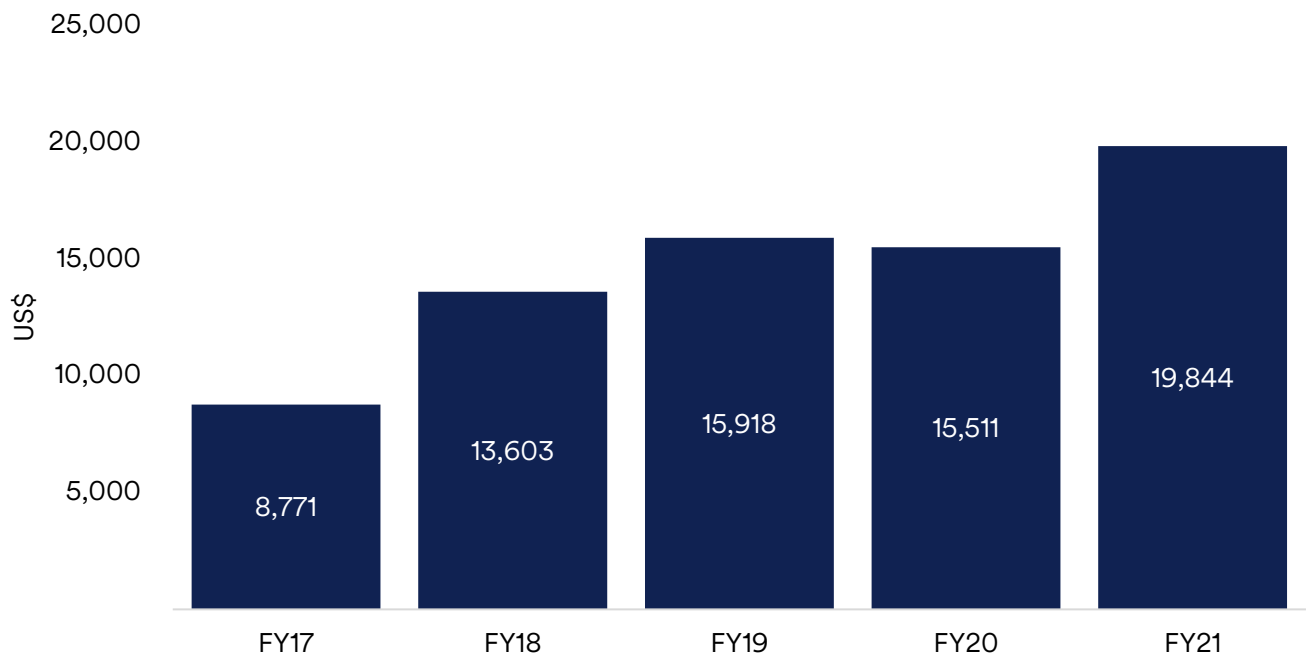
Subscriptions

Subscriptions grew to 2,240 (30 June 2020: 1,856), a significant milestone as the North American business further establishes itself as the industry leader in content provision served via a subscription business model.



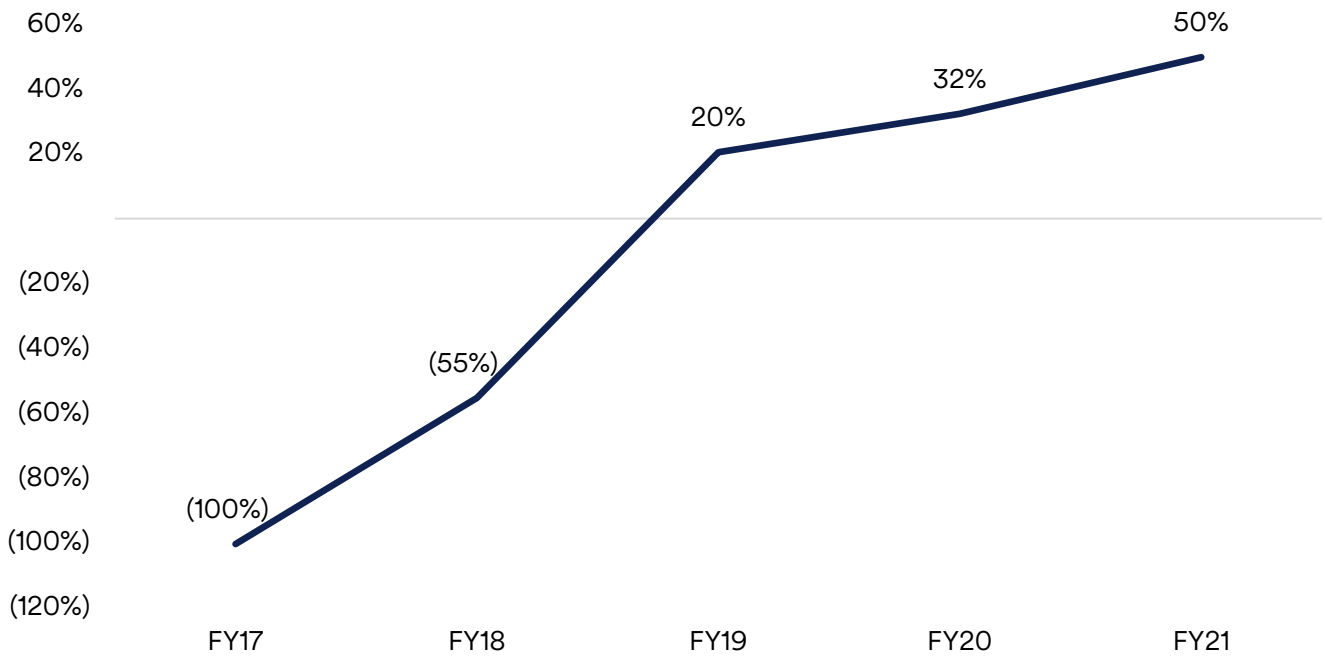
Average Revenue Per Subscription

ARPS increased to US\$19,844 (30 June 2020: US\$15,511). The strong upward trend highlights the increasing utility customers experience from the expanding set of content types provided by Nearmap.



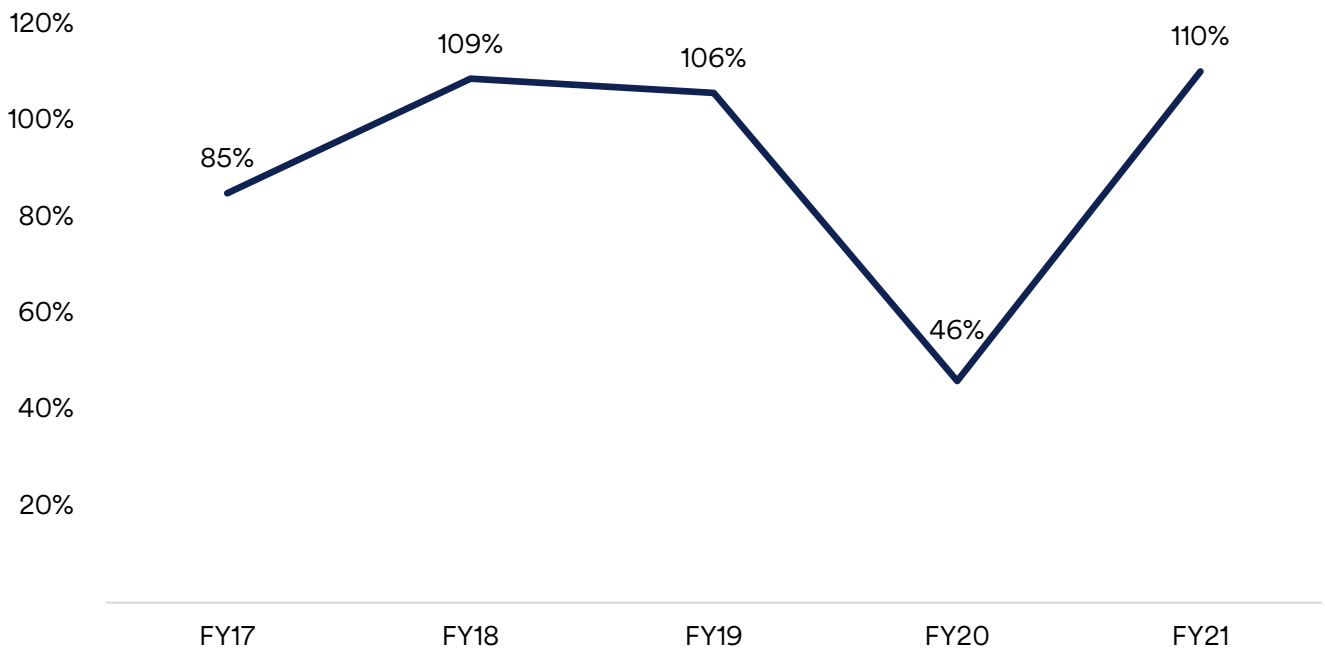
Gross Margin (pre-capitalisation)

Gross Margin (pre-capitalisation) has increased to 50%. The operating leverage of the NA business is demonstrated by the growing ACV portfolio, served by a well-defined and growing capture program.

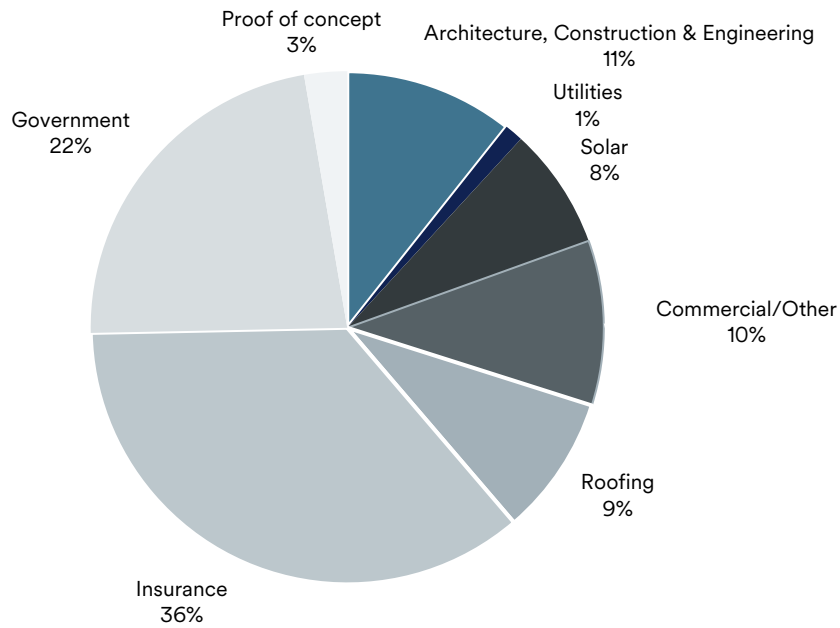


Sales Team Contribution Ratio (pre-capitalisation)

STCR increased to 110% in FY21 (FY20: 46%), demonstrating a return to benchmark efficiency levels, validating the focus on accelerating the growth opportunity in key industry verticals.

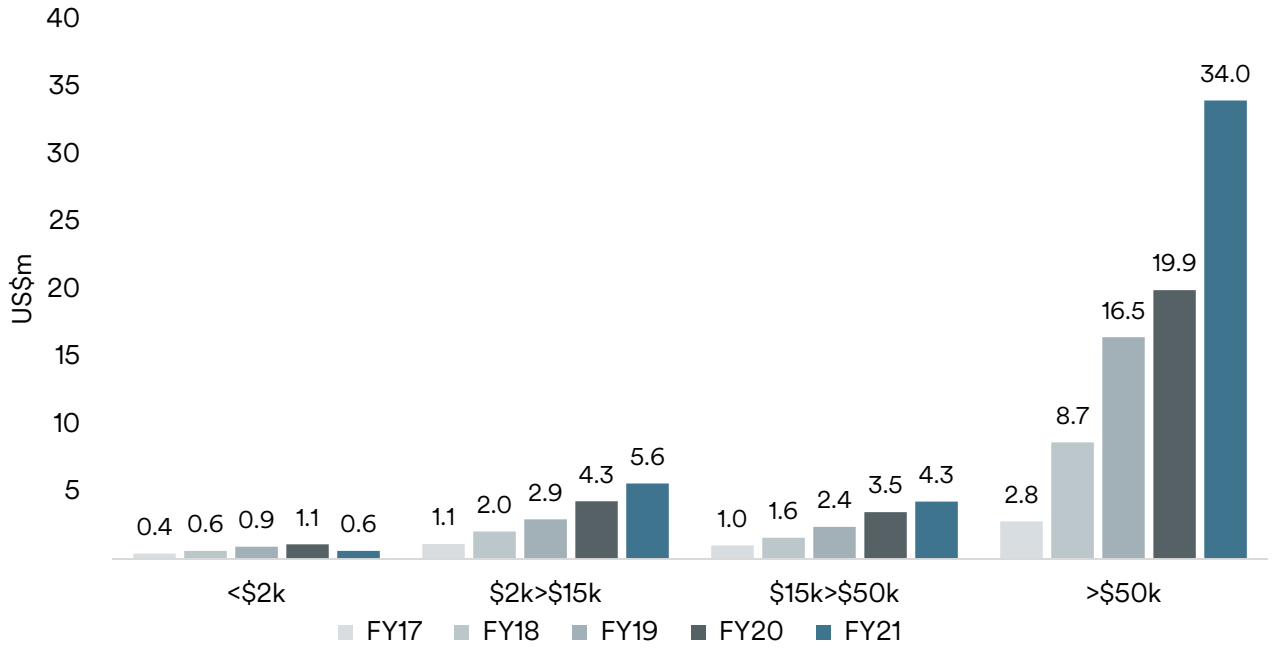


ACV portfolio at 30 June 2021 by industry segment



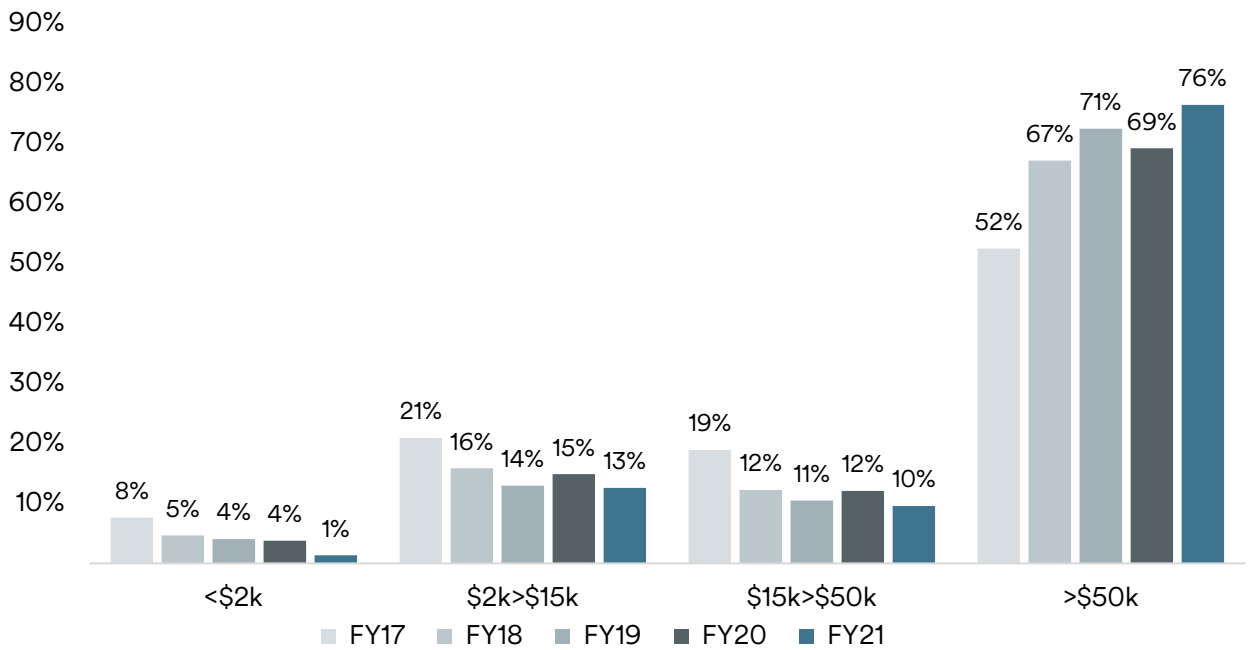
The Group's three core industry verticals – Insurance, Roofing, Government – all contributed to the strong FY21 performance and now comprise 67% of the NA portfolio. Proof of Concept ACV represents a one-year deal with an Enterprise customer that is of a project nature. The outcome of the proof of concept phase will determine whether this becomes a longer-term opportunity.

ACV portfolio by subscription size



The chart shows a clear step-change in the Enterprise segment over the period, highlighting the inherent value and strategic significance of the Nearmap product suite in the identified core verticals. The focus will remain on growing Enterprise customers whilst also continuing to address the significant opportunity that exists with small to medium businesses.

ACV portfolio by % of total portfolio



AUSTRALIA & NEW ZEALAND SEGMENT

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

A\$'000	1H20	2H20	FY20	1H21	2H21	FY21	YoY %
Opening ACV	57,896	60,965	57,896	64,490	66,580	64,490	11%
New business	2,851	2,971	5,822	2,317	3,377	5,694	(2%)
Net upsell	2,339	1,852	4,191	2,145	1,703	3,848	(8%)
Churn	(2,122)	(1,292)	(3,414)	(2,373)	(2,573)	(4,946)	(45%)
Net incremental	3,068	3,531	6,599	2,089	2,507	4,596	(30%)
FX Impact	1	(6)	(5)	1	(2)	(1)	
Closing ACV	60,965	64,490	64,490	66,580	69,085	69,085	7%
Retention (%)	92.8%	94.1%	94.1%	94.0%	92.3%	92.3%	
Opening subscriptions	8,375	8,446	8,375	8,602	8,756	8,602	3%
New business	544	610	1,154	622	752	1,374	19%
Churn	(473)	(454)	(927)	(468)	(493)	(961)	(4%)
Closing subscriptions	8,446	8,602	8,602	8,756	9,015	9,015	5%
Closing ARPS (\$)	7,218	7,497	7,497	7,604	7,663	7,663	2%
Revenue	29,623	30,600	60,223	33,004	32,879	65,883	9%
Cash costs to capture	(2,409)	(1,881)	(4,290)	(1,702)	(2,089)	(3,791)	12%
Storage, administration & other	(453)	(572)	(1,025)	(598)	(590)	(1,188)	(16%)
Cost of revenue - pre-capitalisation	(2,862)	(2,453)	(5,315)	(2,300)	(2,679)	(4,979)	6%
Gross margin - pre-capitalisation	26,761	28,147	54,908	30,704	30,200	60,904	11%
Gross margin (%) - pre-capitalisation	90%	92%	91%	93%	92%	92%	
Direct sales and marketing costs	(4,461)	(4,445)	(8,906)	(4,049)	(5,350)	(9,399)	(6%)
Indirect sales and marketing costs ¹	(4,044)	(4,154)	(8,198)	(4,345)	(4,852)	(9,197)	(12%)
Total sales and marketing costs - pre-capitalisation²	(8,505)	(8,599)	(17,104)	(8,394)	(10,202)	(18,596)	(9%)
Sales Team Contribution Ratio (%) - pre-capitalisation	69%	79%	74%	52%	47%	49%	
Overheads	(4,992)	(5,575)	(10,567)	(5,383)	(7,934)	(13,317)	(26%)
Segment contribution ³	12,623	12,904	25,527	16,253	13,568	29,821	17%
Segment contribution %	43%	42%	42%	49%	41%	45%	

¹ To ensure consistency between reporting periods, a portion of FY20 overhead costs have been reclassified to indirect sales and marketing to reflect a change to internal reporting.

² The Group amended its sales incentive program during the year ended 30 June 2021 to bring greater alignment to sales and customer success activities. Effective 1 January 2021 and in accordance with AASB 15 Revenue from Contracts with Customers, the Group now capitalises incremental costs of obtaining customer contracts - see Appendix for further details.

³ For a reconciliation on the segment contribution, refer to the Segment Performance on page 25.

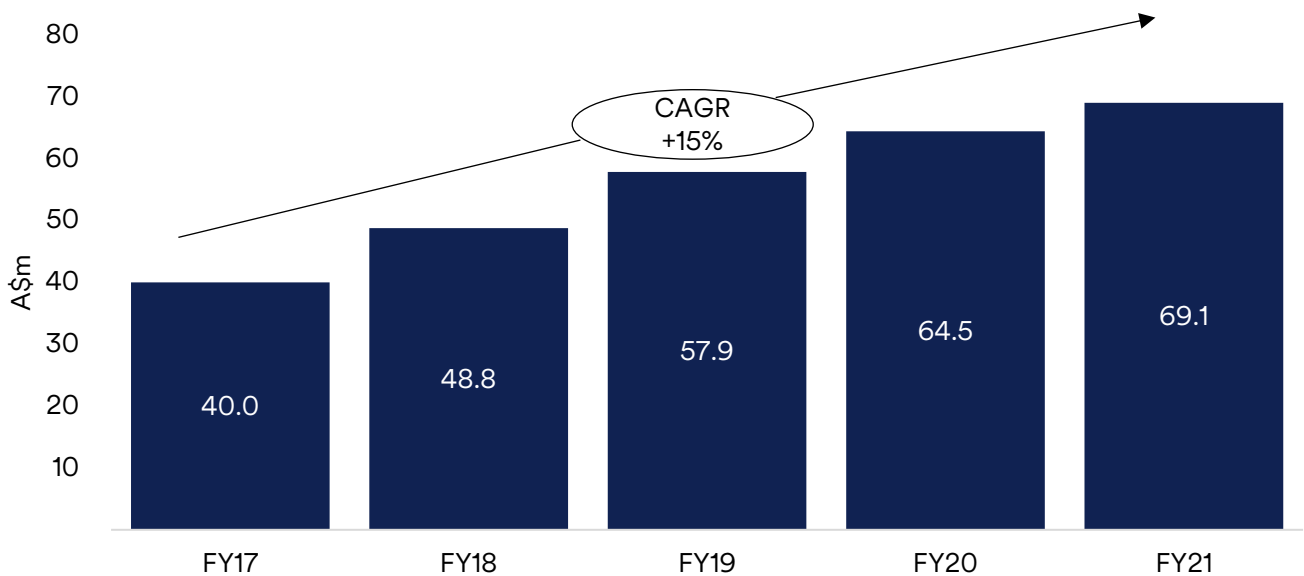
ANZ ACV portfolio

During FY21, the ANZ ACV portfolio increased from \$64.5m to \$69.1m. Incremental ACV growth of \$4.6m represents 7% portfolio growth in the period.

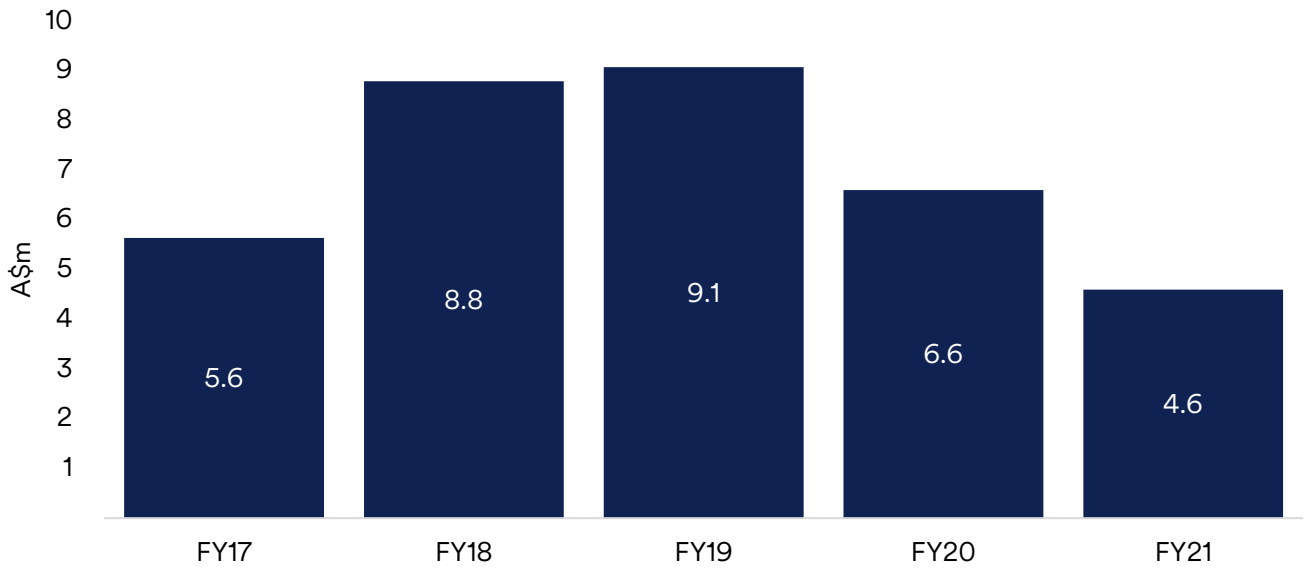
The key components of FY21 growth were:

- **New business** of \$5.7m shows the continued penetration of the addressable market in Australia and New Zealand, with the upward trend in 2H21 evidence of a more refined GTM approach and gradually improving Enterprise sales. 413 incremental subscriptions were added through the year (FY20: 227), with particular strength demonstrated through the mid-market segment.
- **Net upsell** of \$3.8m represents the continued expansion of the existing customer base. Splitting net upsell into its parts, upgrades to existing customer subscriptions remained strong. However, FY21 performance was impacted by a small number of downgrades to Enterprise accounts, reflecting business restructuring and adverse economic conditions. In these situations, Nearmap's primary focus is to ensure the impact to customers is minimised by enabling continued access to Nearmap content, with a view to the long-term relationship.
- **Customer portfolio retention** for the 12 months to 30 June 2021 was 92.3% (FY20: 94.1%). This metric remains strong for the ANZ business, highlighting the deeply embedded nature of Nearmap in customer workflows and the growing relevance to customers of the expanded Nearmap product and content suite.

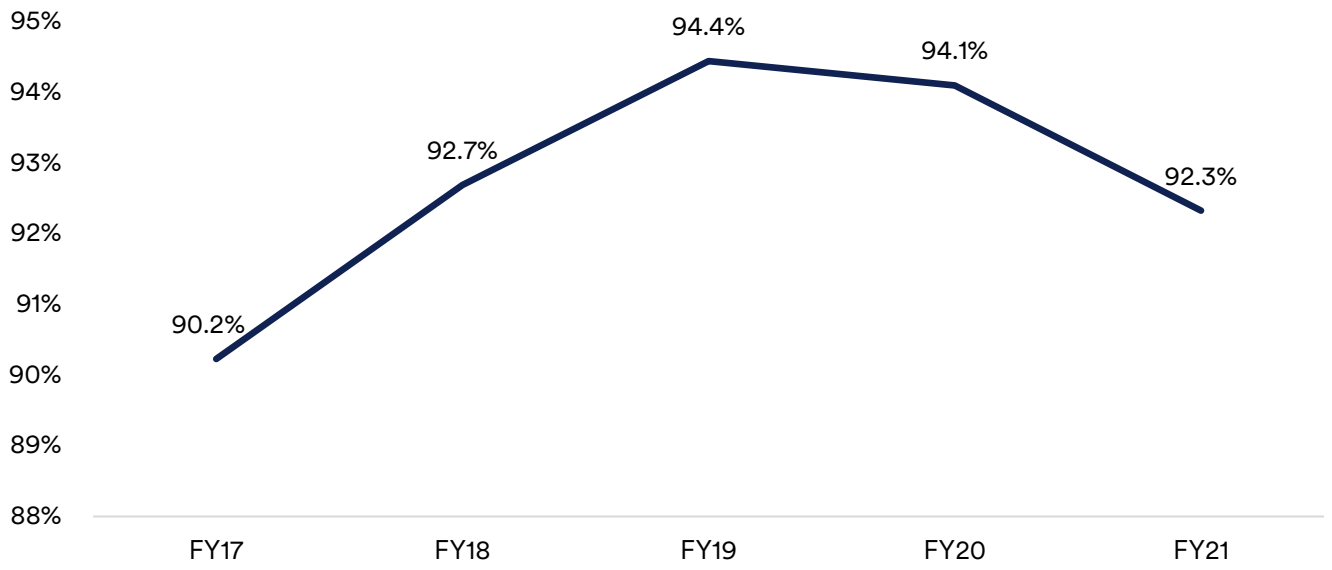
Annual Contract Value



Net incremental ACV

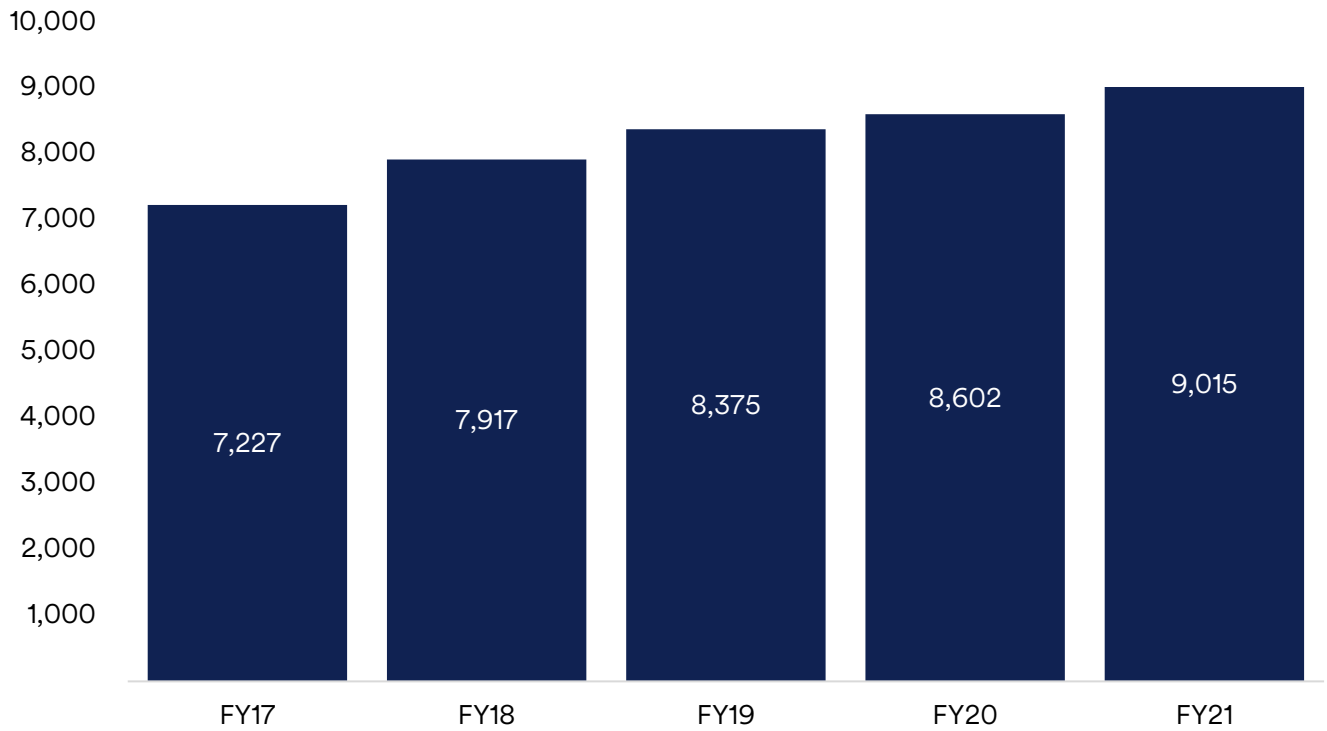


Retention



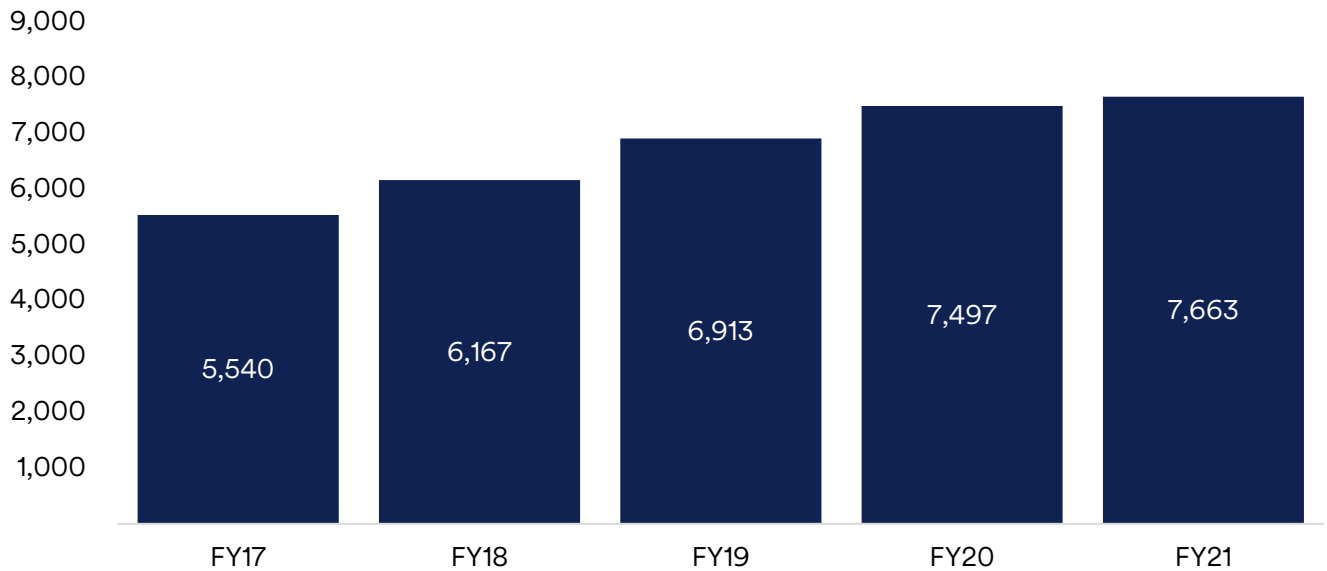
Subscriptions

Subscriptions increased to 9,015 (30 June 2020: 8,602), highlighting the continued effectiveness of customer acquisition strategies across Sales & Marketing over the period.



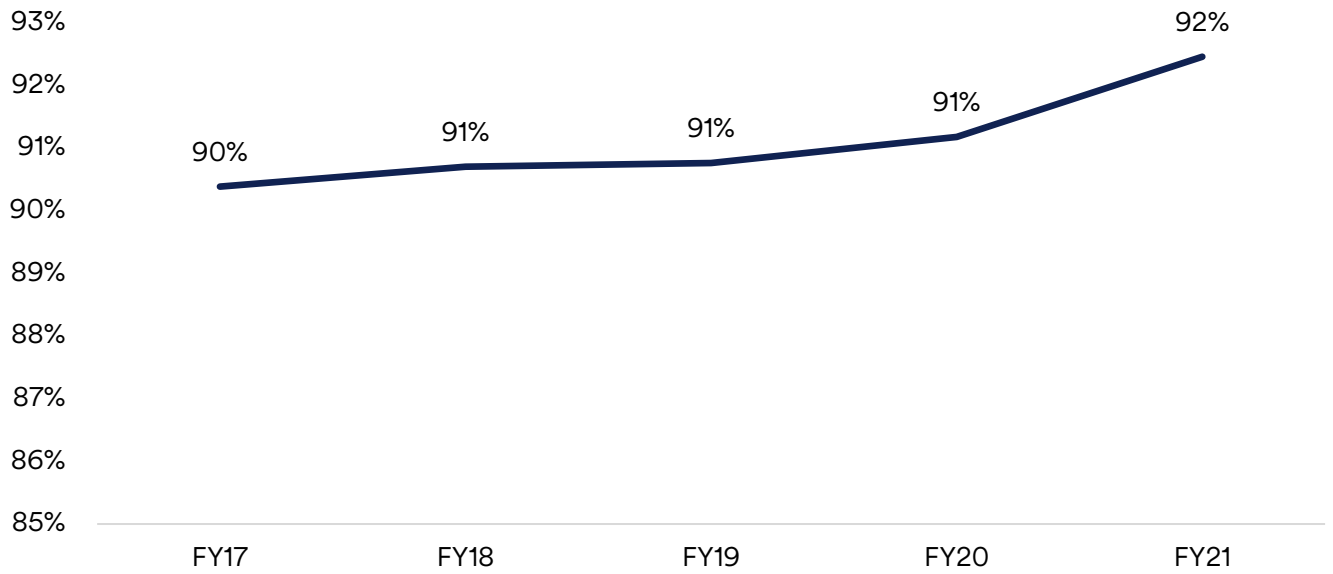
Average Revenue Per Subscription

ARPS increased to \$7,663 (30 June 2020: \$7,497). The upward trend in this metric highlights the increased utility and economic value that the expanded content types bring to both new and existing customers.



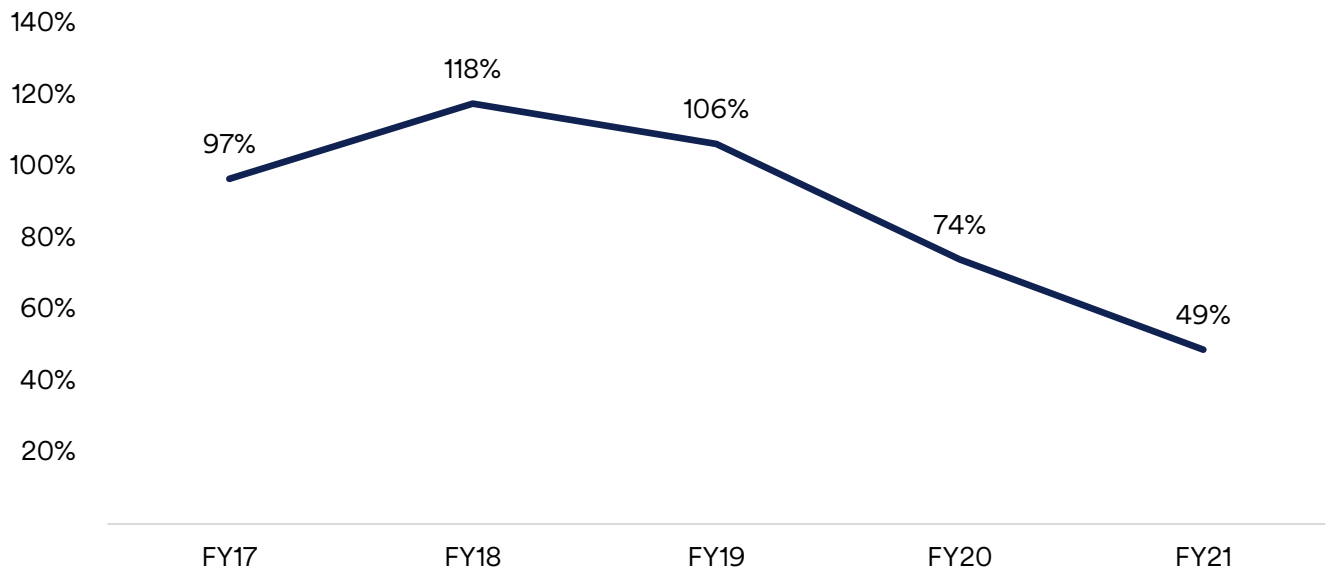
Gross Margin (pre-capitalisation)

Gross Margin (pre-capitalisation) increased to 92%, reflecting the operating leverage of a growing revenue base against a consistent capture program.

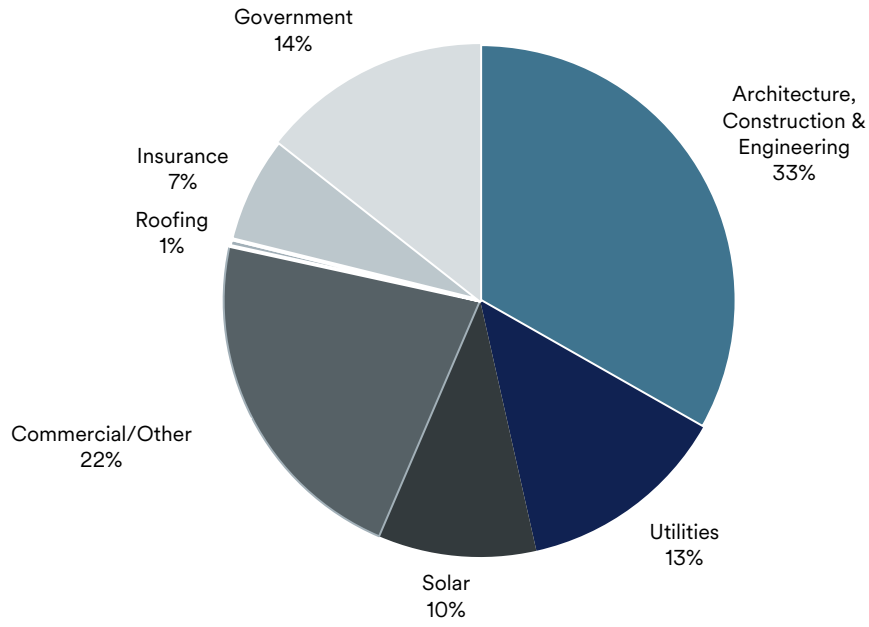


Sales Team Contribution Ratio (pre-capitalisation)

STCR decreased to 49% in FY21 (FY20: 74%), reflecting challenges experienced in Enterprise sales and retention.

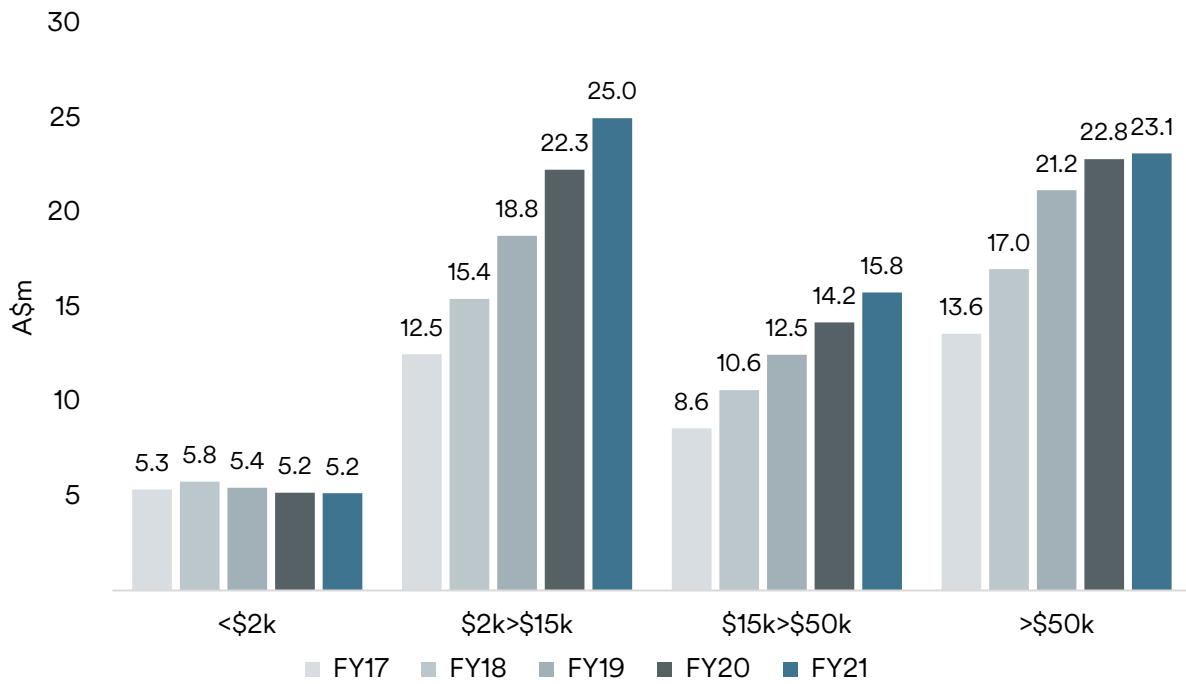


ACV portfolio at 30 June 2021 by industry segment

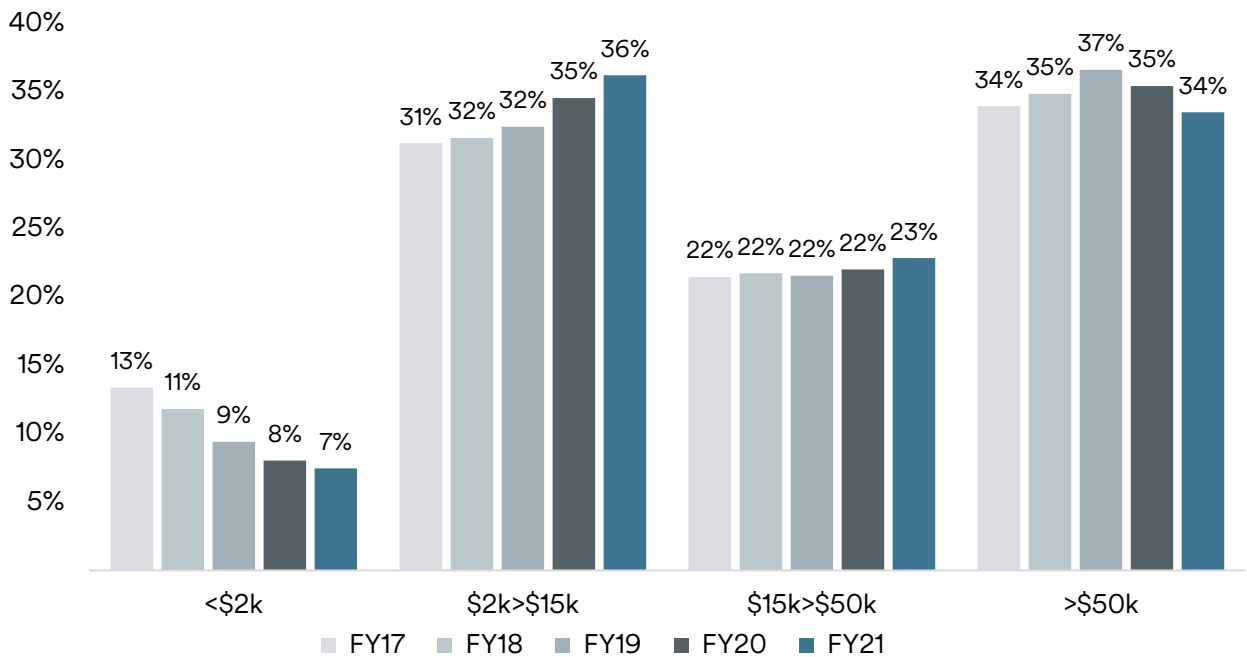


Portfolio diversification is consistent with prior periods across the Group's core industry verticals.

ACV portfolio by subscription size



ACV portfolio by % of total portfolio



The ACV portfolio is diversified across a range of businesses in size, with subscriptions to small and medium businesses (subscriptions below \$15,000 p.a.) representing 43% of the portfolio at 30 June 2021, and those to Enterprise customers (subscriptions greater than \$15,000 p.a.) totalling 57%.

SEGMENT PERFORMANCE

The segment results for the business for FY21 (with FY20 as a comparative) as reported in the Appendix 4E Full Year Financial Report for the year ended 30 June 2021 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	FY21 Unallocated	Total	US\$'000 NA
Revenue	65,883	47,548	-	113,431	35,604
Total revenue	65,883	47,548	-	113,431	35,604
Capture cost amortisation	(4,415)	(18,808)	-	(23,223)	(14,012)
Storage, administration & other	(1,188)	(7,641)	-	(8,829)	(5,716)
Total cost of revenue	(5,603)	(26,449)	-	(32,052)	(19,728)
Gross profit	60,280	21,099	-	81,379	15,876
Gross margin (%)	91%	44%	-	72%	45%
Direct sales & marketing	(7,869)	(14,424)	-	(22,293)	(10,800)
Indirect sales & marketing	(9,135)	(9,450)	-	(18,585)	(7,075)
Contract acquisition costs amortisation	(138)	(362)	-	(500)	(277)
Total sales & marketing costs	(17,142)	(24,236)	-	(41,378)	(18,152)
General & administration	(10,925)	(9,039)	(19,965)	(39,929)	(6,801)
Overhead depreciation	(2,392)	(1,806)	(1,758)	(5,956)	(1,349)
Other income	-	-	1,051	1,051	-
Interest expense	-	-	(535)	(535)	-
Total general & administration costs	(13,317)	(10,845)	(21,207)	(45,369)	(8,150)
Segment contribution	29,821	(13,982)	(21,207)	(5,368)	(10,426)
Amortisation & depreciation				(15,433)	
Foreign exchange loss				(1,654)	
Loss before tax				(22,455)	
Income tax benefit				3,635	
Loss after tax				(18,820)	

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)	(38,427)	(6,139)
Overhead depreciation	(2,162)	(1,638)	(1,570)	(5,370)	(1,098)
Other income	-	-	799	799	-
Interest expense	-	-	(681)	(681)	-
Total general & administration costs	(12,887)	(10,871)	(19,921)	(43,679)	(7,237)
Segment contribution	25,527	(31,439)	(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)	

TECHNOLOGY AND PRODUCT

A\$'000	1H20	2H20	FY20	1H21	2H21	FY21	YoY %
Technology & product							
Development capex	(10,824)	(7,383)	(18,207)	(6,132)	(6,257)	(12,389)	32%
Maintenance opex	(8,681)	(8,452)	(17,133)	(8,082)	(9,529)	(17,611)	(3%)
Total	(19,505)	(15,835)	(35,340)	(14,214)	(15,786)	(30,000)	15%
Development technology & product spend as % of revenue	23.4%	14.7%	18.8%	11.2%	10.7%	10.9%	
Net investing activities							
Development capex	(10,824)	(7,383)	(18,207)	(6,132)	(6,257)	(12,389)	32%
Corporate capex	(2,965)	(1,463)	(4,428)	(222)	(894)	(1,116)	75%
Total	(13,789)	(8,846)	(22,635)	(6,354)	(7,151)	(13,505)	40%

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 decreased by \$3.6m in FY21 compared to FY20 reflecting the decrease in development work following the launch of AI and other key products during FY20. On the back of growing revenues, total Technology and Product spend as a proportion of revenue decreased to 11% in FY21.

Maintenance expenditure represents the cash cost of servicing existing software and camera systems.

CONSOLIDATED STATUTORY PROFIT OR LOSS

A\$'000	1H20	2H20	FY20	1H21	2H21	FY21	YoY %
Revenue	46,347	50,367	96,714	54,718	58,713	113,431	17%
Interest income	502	174	676	187	350	537	(21%)
Other income	113	10	123	507	7	514	>100%
Total revenue	46,962	50,551	97,513	55,412	59,070	114,482	17%
Expenses							
Employee benefits expense	(27,760)	(28,782)	(56,542)	(29,051)	(29,578)	(58,629)	(4%)
Amortisation and depreciation	(22,126)	(24,572)	(46,698)	(22,955)	(22,157)	(45,112)	3%
Other operational expenses	(15,481)	(15,743)	(31,224)	(12,637)	(18,370)	(31,007)	1%
Total expenses	(65,367)	(69,097)	(134,464)	(64,643)	(70,105)	(134,748)	(0%)
Net finance (costs)/income	(806)	654	(152)	(1,574)	(615)	(2,189)	(<100%)
(Loss)/profit before tax	(19,211)	(17,892)	(37,103)	(10,805)	(11,650)	(22,455)	39%
Income tax (expense)/benefit	604	(218)	386	1,419	2,216	3,635	>100%
Loss after tax	(18,607)	(18,110)	(36,717)	(9,386)	(9,434)	(18,820)	49%

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

Revenue – Revenue increased 17% pcp to \$113.4m (FY20: \$96.7m), 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 the sale of an unlisted investment.

Expenses – Key expense categories represent:

- Employee benefits expense represents the direct and indirect costs of employing Nearmap employees and Directors, including non-cash share-based payments expense. These costs in FY21 were \$58.6m (FY20: \$56.5m), reflecting the increase in headcount in the second half of the year. Salaries and associated costs were reduced by \$2.3m as a result of the 20% salary reduction to employees (25% to the Board) for the four months to 31 October 2020. This was offset by an increase to share based payments as salary foregone was offset in the form of restricted stock units (RSUs). \$6.1m of commissions have been capitalised starting from 1 January 2021.
- Amortisation and depreciation reflect the expense applied to the Group's tangible and intangible assets.
- 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, administrative costs and other corporate expenses.

Tax – Tax benefit for the period was \$3.6m. The tax benefits for FY21 are largely driven by the deferred tax benefit recognised on temporary differences between accounting and tax bases. \$2.3m was recognised on temporary differences relating to unearned income in the US, and \$1.4m was recognised on temporary differences relating to accruals and provisions (mainly in AU). The Group also recognised a current tax benefit that is primarily the result of the R&D credit refund received during FY21. As at 30 June 2021, The Group has unrecognised deferred tax asset of \$11,908 thousand in respect of US tax losses, \$4,259 thousand in respect of Australian tax losses, and \$352 thousand in respect of unused Australian R&D tax credits.

A\$'000	1H20	2H20	FY20	1H21	2H21	FY21
Total profit/(loss) before tax	(19,211)	(17,892)	(37,103)	(10,805)	(11,650)	(22,455)
Prima facie tax benefit at 30%	5,763	5,368	11,131	3,242	3,494	6,736
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:						
Effect of lower tax rate in the US	(947)	(1,467)	(2,414)	(853)	1,081	228
Share based payments expense	(400)	(1,209)	(1,609)	(1,502)	(521)	(2,023)
Entertainment expenses	(196)	81	(115)	9	(31)	(22)
Recognition of previously unrecognised deductible temporary differences	-	-	-	-	(81)	(81)
Current year losses and unused R&D tax credits for which no deferred tax asset is recognised	(4,360)	(2,842)	(7,202)	(809)	(3,802)	(4,611)
Over provision in the prior year	744	(149)	595	1,332	(37)	1,295
Utilisation of tax losses not previously recognised	-	-	-	-	2,113	2,113
Current year tax benefit/(expense)	604	(218)	386	1,419	2,216	3,635

Reconciliation of statutory net loss after tax to EBIT & EBITDA

A\$'000	1H20	2H20	FY20	1H21	2H21	FY21	YoY %
Loss after tax	(18,607)	(18,110)	(36,717)	(9,386)	(9,434)	(18,820)	49%
Income tax	(604)	218	(386)	(1,419)	(2,216)	(3,635)	(<100%)
Interest income	(502)	(174)	(676)	(187)	(350)	(537)	21%
Interest expense	317	364	681	301	234	535	(21%)
Foreign exchange	489	(1,018)	(529)	1,273	381	1,654	>100%
EBIT	(18,907)	(18,720)	(37,627)	(9,418)	(11,385)	(20,803)	45%
Amortisation & depreciation	22,126	24,572	46,698	22,955	22,157	45,112	(3%)
EBITDA	3,219	5,852	9,071	13,537	10,772	24,309	>100%

CONSOLIDATED BALANCE SHEET

A\$'000	31 Dec 19	30 Jun 20	31 Dec 20	30 Jun 21
Current assets				
Cash and cash equivalents	49,621	36,140	129,323	123,431
Trade receivables ¹	21,485	19,779	22,697	23,855
Other current receivables ¹	4,378	2,417	4,728	5,485
Prepayments and other current assets	3,761	3,180	5,484	6,260
Current tax receivable	-	-	-	147
Total current assets	79,245	61,516	162,232	159,178
Non-current assets				
Property, plant and equipment	36,300	33,408	28,641	25,095
Intangible assets	48,443	47,415	42,613	49,269
Deferred tax assets	4,481	4,313	5,761	5,767
Other non-current receivables	-	-	427	370
Total non-current assets	89,224	85,136	77,442	80,501
Total assets	168,469	146,652	239,674	239,679
Current liabilities				
Trade and other payables	4,758	5,574	6,823	7,612
Unearned revenue ¹	47,958	47,454	50,076	55,837
Employee benefits	5,518	6,534	10,083	11,775
Lease liabilities	4,434	4,500	4,339	4,681
Other current liabilities	9,370	2,398	1,004	38
Current tax liabilities	834	1,220	1,804	-
Total current liabilities	72,872	67,680	74,129	79,943
Non-current liabilities				
Unearned revenue	-	-	901	945
Deferred tax liabilities	10,490	9,716	7,739	8,240
Employee benefits	433	379	489	602
Lease liabilities	11,751	9,896	7,519	5,145
Other non-current liabilities	1,348	2,233	2,123	2,150
Total non-current liabilities	24,022	22,224	18,771	17,082
Total liabilities	96,894	89,904	92,900	97,025
Net assets	71,575	56,748	146,774	142,654
Equity				
Contributed equity	125,870	126,577	221,343	224,192
Reserves	16,461	19,055	23,641	26,106
Profits reserve	7,078	7,078	7,078	7,078
Accumulated losses	(77,834)	(95,962)	(105,288)	(114,722)
Total equity	71,575	56,748	146,774	142,654

¹ In the prior year, contract assets of \$3,927 thousand were presented within trade receivables. In the current year, contract assets are presented either within other current receivables (when the contract is in a net asset position), or within unearned revenue (when the contract is in a net liability position) to better reflect their nature. Comparative figures have been adjusted accordingly and have had no impact on the Group's consolidated net working capital, consolidated net assets, or consolidated net loss.

Key balance sheet items represent:

Cash – The Group’s cash balance increased to \$123.4m (30 June 2020: \$33.8m¹). The increase is mainly driven by the net proceeds from the capital raise in September 2020 and the Share Purchase Plan in October 2020.

Trade receivables – Amounts outstanding from customers were \$23.9m (30 June 2020: \$19.8m). The increase reflects the strong end to the financial year and the significant number of subscriptions billed in the last quarter of FY21. There were improvements to both the cash collection cycle and debtor ageing profile during the period.

Prepayments and other current assets – The increase in this balance of \$3.1m vs 30 June 2020 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, contract acquisition costs, right-of-use assets and intellectual property.

Unearned revenue – Unearned revenue is recognised when the value of billings to date exceeds the transaction price allocated to the satisfied performance obligations. The Group primarily bills and collects payments from customers for services in advance on an annual basis, however, some customers are invoiced quarterly or bi-annually. The Group initially records subscriptions fees as unearned revenue and then recognises revenue as performance obligations are satisfied over the subscription period.

Employee benefits – Employee benefits increased by \$5.5m vs 30 June 2020 primarily due to the year-end commission and bonus accrual and an increase to the annual leave provision.

Financing

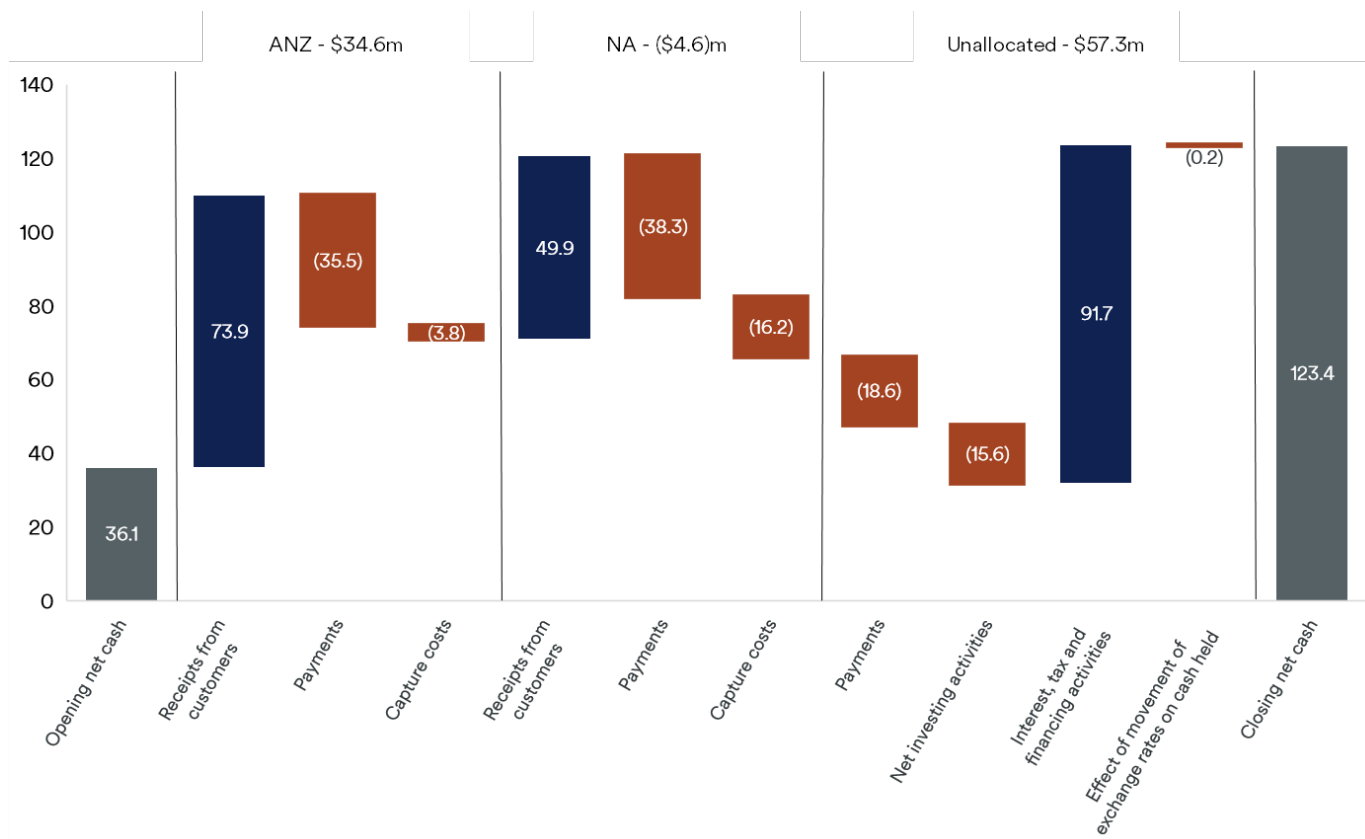
At 30 June 2021, Nearmap did not have any debt facilities in a place other than corporate credit card facilities. Funding for the Group’s operations is provided by the cash inflows from the group’s sales operations, interest on the Group’s cash holdings and the Group’s internal cash resources.

¹Excludes bank guarantees of \$2.3m which were classified as cash on the Balance Sheet.

CONSOLIDATED OPERATING CASH FLOWS

A\$'000	1H20	2H20	FY20	1H21	2H21	FY21	YoY %
Receipts from customers	46,647	53,542	100,189	58,119	65,645	123,764	24%
Payments to suppliers and employees	(46,501)	(40,789)	(87,290)	(37,173)	(55,163)	(92,336)	(6%)
Interest received	618	231	849	56	131	187	(78%)
Other receipts	-	10	10	-	-	-	
Income taxes received/(paid)	(1,551)	(119)	(1,670)	(1,363)	792	(571)	66%
Net cash used in operating activities	(787)	12,875	12,088	19,639	11,405	31,044	>100%
Net cash used in investing activities	(24,838)	(24,685)	(49,523)	(17,458)	(18,180)	(35,638)	28%
Net cash flows from financing activities	(655)	(1,674)	(2,329)	91,546	510	92,056	>100%
Effect of movement of exchange rates on cash held	(13)	3	(10)	(544)	373	(171)	(<100%)
Total movement	(26,293)	(13,481)	(39,774)	93,183	(5,892)	87,291	>100%

Cash flow waterfall



Key components of the FY21 cash flows represent:

ANZ – The ANZ segment generated free cash flows of \$34.6m (FY20: \$27.7m), with cash receipts of \$73.9m offset by payments of \$39.3m 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 \$4.6m (FY20: \$20.0m), with cash receipts of \$49.9m offset by payments of \$54.5m on sales and marketing expenses, allocations of corporate expense payments, capture costs and related sales tax remittances.

Unallocated – The Unallocated segment generated cash flows of \$57.3m, reflecting:

- Payments for general and administrative costs of \$18.6m;
- Net investing activities consist of the following:
 - o Investment in fixed-term deposits \$ 2.4m
 - o Payments for development costs \$ 11.8m
 - o Purchase of plant and equipment \$ 1.9m
 - o Proceeds from sale of unlisted investment \$ 0.5m
- Net inflows of \$91.7m in interest, tax, lease payments, options exercised and the proceeds from the capital raise.

APPENDICES

Foreign exchange rates

The following exchange rates were applied during each period.

	Currency	1H20	2H20	FY20	1H21	2H21	FY21
Average rate	USD	0.6845	0.6579	0.6712	0.7230	0.7717	0.7473
Period end spot rate	USD	0.7006	0.6863	0.6863	0.7702	0.7518	0.7518
Average rate	NZD	1.0592	1.0499	1.0545	1.0174	1.0756	1.0742
Period end spot rate	NZD	1.0412	1.0703	1.0703	1.0665	1.0745	1.0745
Average rate	CAD	0.9037	0.8963	0.8999	0.9540	0.9627	0.9583
Period end spot rate	CAD	0.9144	0.9387	0.9387	0.9818	0.9318	0.9318

Pre-capitalisation segment note

A\$'000	FY20				FY21				YoY %
	ANZ	NA	Unallocated	Group	ANZ	NA	Unallocated	Group	
Revenue	60,223	36,491	-	96,714	65,883	47,548	-	113,431	17%
Total revenue	60,223	36,491	-	96,714	65,883	47,548	-	113,431	17%
Cost of sales (pre-capitalisation)									
Cash costs to capture	(4,212)	(19,873)	-	(24,085)	(3,791)	(16,190)	-	(19,981)	17%
Storage, administration & other	(1,025)	(5,537)	-	(6,562)	(1,188)	(7,641)	-	(8,829)	(35%)
Total cost of sales	(5,237)	(25,410)	-	(30,647)	(4,979)	(23,831)	-	(28,810)	6%
Gross profit (pre-capitalisation)	54,986	11,081	-	66,067	60,904	23,717	-	84,621	28%
Gross margin % (pre-capitalisation)	91%	30%		68%	92%	50%		75%	
Sales & marketing (pre-capitalisation)									
Direct sales & marketing	(8,906)	(19,864)	-	(28,770)	(9,399)	(18,851)	-	(28,250)	2%
Indirect sales & marketing ¹	(8,198)	(8,660)	-	(16,858)	(9,197)	(9,490)	-	(18,687)	(11%)
Total sales & marketing costs	(17,104)	(28,524)	-	(45,628)	(18,596)	(28,341)	-	(46,937)	(3%)
Technology & product expensed	(1,921)	(2,275)	(12,937)	(17,133)	(1,951)	(2,425)	(13,235)	(17,611)	(3%)
Technology & product development costs ²	-	-	(15,723)	(15,723)	-	-	(12,109)	(12,109)	23%
Total technology & product costs³	(1,921)	(2,275)	(28,660)	(32,856)	(1,951)	(2,425)	(25,344)	(29,720)	10%
Corporate expensed ¹	(6,484)	(6,427)	(5,532)	(18,443)	(8,974)	(6,614)	(6,730)	(22,318)	(21%)
Corporate development costs	-	-	(27)	(27)	-	-	-	-	
Total corporate costs	(6,484)	(6,427)	(5,559)	(18,470)	(8,974)	(6,614)	(6,730)	(22,318)	(21%)
Segment contribution (pre-capitalisation)	29,477	(26,145)	(34,219)	(30,887)	31,383	(13,663)	(32,074)	(14,354)	54%
Camera units ²				(2,457)				(280)	89%
Corporate capex				(4,428)				(1,116)	75%
Total capex costs				(6,885)				(1,396)	80%
Other income				799				1,051	32%
Cash receipts from unearned income				7,542				9,328	24%
Capital raise net proceeds				-				92,728	
Other items				(12,707)				(66)	99%
Net increase/(decrease) in cash				(42,138)				87,291	>100%

¹ For comparative purposes, FY20 has been restated due to a department moving from overheads to indirect sales and marketing.

² \$0.3m of employment costs in FY21 are capitalised to camera systems on the balance sheet (FY20: \$0.8m).

³ Technology & product costs exclude the costs of camera units.

Impact of change to sales incentive program

The Group amended its sales incentive program during the year ended 30 June 2021 to bring greater alignment to sales and customer success activities. Effective 1 January 2021 and in accordance with AASB 15 Revenue from Contracts with Customers, the Group now capitalises incremental costs of obtaining customer contracts.

Capitalised costs comprise sales commissions and associated oncosts that are directly attributable to new revenue contracts obtained. These costs are amortised over 3 years, representing the expected duration of an average contract with a customer.

The effect of this change for the financial year ended 30 June 2021 was a reduction in employee benefits expense of \$6.1m and an increase in amortisation expense of \$0.5m. The change has no impact to cash.

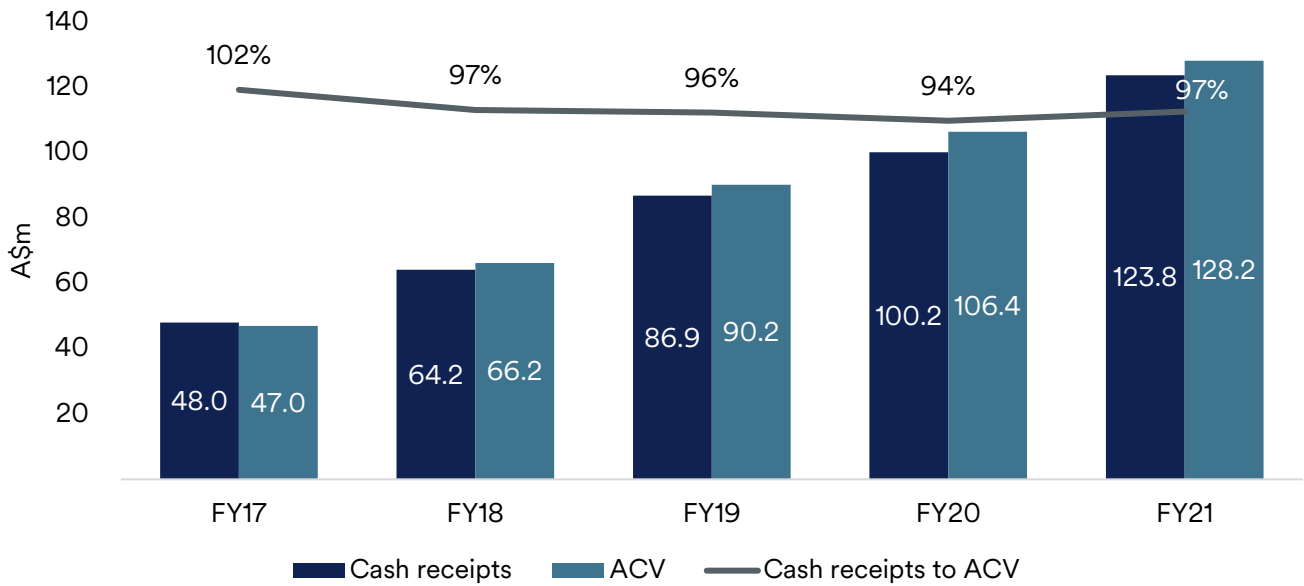
The segment performance note from page 25 has been restated below to show the impact of the change:

A\$'000	As Reported FY21				Restated FY21				Variance FY21			
	ANZ	NA	Unallocated	Total	ANZ	NA	Unallocated	Total	ANZ	NA	Unallocated	Total
Revenue	65,883	47,548	-	113,431	65,883	47,548	-	113,431	-	-	-	-
Total revenue	65,883	47,548	-	113,431	65,883	47,548	-	113,431	-	-	-	-
Capture cost amortisation	(4,415)	(18,808)	-	(23,223)	(4,415)	(18,808)	-	(23,223)	-	-	-	-
Storage, administration & other	(1,188)	(7,641)	-	(8,829)	(1,188)	(7,641)	-	(8,829)	-	-	-	-
Total cost of revenue	(5,603)	(26,449)	-	(32,052)	(5,603)	(26,449)	-	(32,052)	-	-	-	-
Gross profit	60,280	21,099	-	81,379	60,280	21,099	-	81,379	-	-	-	-
Gross margin (%)	91%	44%	-	72%	91%	44%	-	72%	-	-	-	-
Direct sales & marketing	(7,869)	(14,424)	-	(22,293)	(9,399)	(18,851)	-	(28,250)	1,530	4,427	-	5,957
Indirect sales & marketing	(9,135)	(9,450)	-	(18,585)	(9,197)	(9,490)	-	(18,687)	62	40	-	102
Contract acquisition costs amortisation	(138)	(362)	-	(500)	-	-	-	-	(138)	(362)	-	(500)
Total sales & marketing costs	(17,142)	(24,236)	-	(41,378)	(18,596)	(28,341)	-	(46,937)	1,454	4,105	-	5,559
General & administration	(10,925)	(9,039)	(19,965)	(39,929)	(10,925)	(9,039)	(19,965)	(39,929)	-	-	-	-
Overhead depreciation	(2,392)	(1,806)	(1,758)	(5,956)	(2,392)	(1,806)	(1,758)	(5,956)	-	-	-	-
Other income	-	-	1,051	1,051	-	-	1,051	1,051	-	-	-	-
Interest expense	-	-	(535)	(535)	-	-	(535)	(535)	-	-	-	-
Total general & administration costs	(13,317)	(10,845)	(21,207)	(45,369)	(13,317)	(10,845)	(21,207)	(45,369)	-	-	-	-
Segment contribution	29,821	(13,982)	(21,207)	(5,368)	28,367	(18,087)	(21,207)	(10,927)	1,454	4,105	-	5,559
EBIT				(20,803)				(26,362)				5,559
D&A				45,112				44,612				500
EBITDA				24,309				18,250				6,059
Cash and cash equivalents				123,431				123,431				-

Relationship between ACV, Cash and Revenue

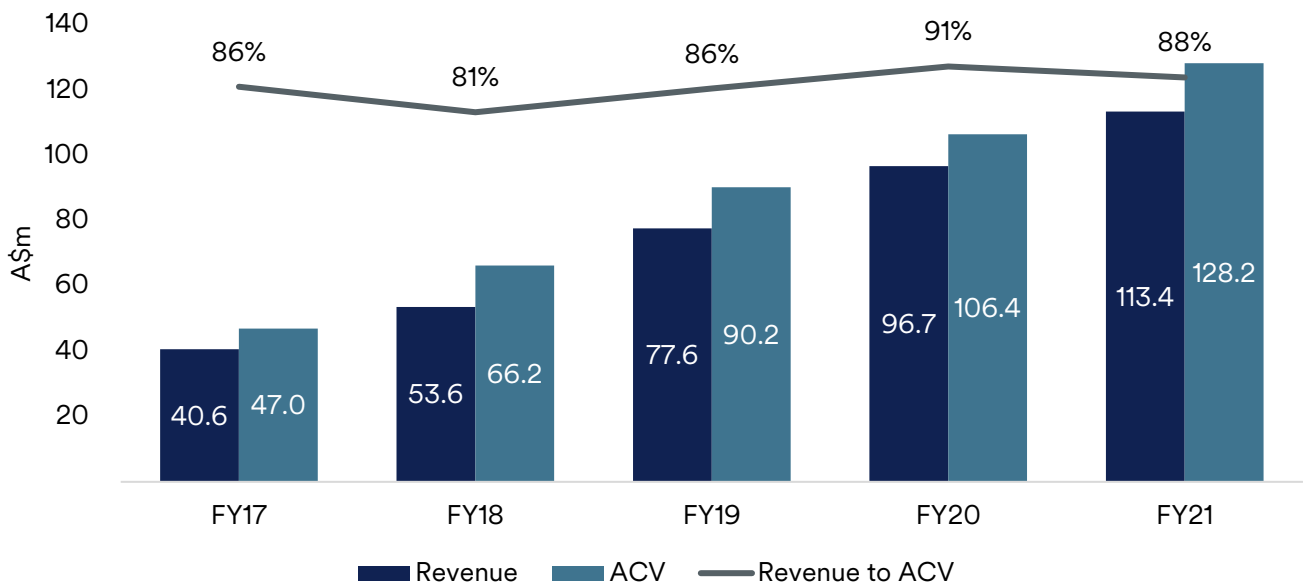
The following charts help to explain the relationship between ACV, Revenue and Cash, and how this has trended over time.

Cash receipts to ACV analysis



The Group has had a relatively stable Cash receipts/ACV ratio over the past four years. The slight downward trend from FY17-19 is the result of an increased number of multi-year staggered billing arrangements over that period, particularly in NA, which had the effect of increasing ACV more quickly than cash was collected. COVID had a small impact on the timing of collections in FY20, but the trend has reverted to normal in FY21. The FY21 ratio also improved as early-stage multi-year staggered billing arrangements entered the later stages of the contract term. FX rates used to translate ACV and cash receipts can have a small impact on the ratio.

Revenue to ACV analysis



Revenue recognition more closely aligns with ACV following the adoption of AASB 15 *Revenue from contracts with customers* as of 1 July 2018 (FY19). Revenue is now recognised based on total contract value over the term, instead of invoices issued as was the case previously.

As expected, the ratio has been relatively stable since the adoption of the new standard with minor movements due to fluctuations to the FX rate used to translate ACV and Revenue as well as the timing of new business, net upsell and churn events which determine the amount of revenue recognised in a year. A good example of this is the slight increase to the ratio in FY20, which reflected the one-off churn/downgrade events at the end of 1H20 - revenue was recognised for part of the year on ACV that was removed from the closing portfolio balance.

GLOSSARY OF TERMS

Term	Definition
ACV	Annual Contract Value – annual 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 value of subscriptions which are not renewed by a customer at the end of a subscription period, offset by the value of recovered subscriptions previously churned
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
Gross Margin (pre-capitalisation)	This represents the gross margin of revenue after deducting the cost of capture, processing, and storage of the imagery before any such costs have been capitalised
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
PCP	Prior Comparative Period
Retention	ACV value of subscriptions renewed at the end of a customer's subscription period
STCR (pre-capitalisation)	Sales Team Contribution Ratio - The ratio of incremental ACV generated by a sales team in a period, compared to the pre-capitalised direct costs of obtaining that incremental ACV
Subscriptions	Subscriptions reflect the number of individual subscription contracts entered into by Nearmap customers