



ASX RELEASE

11 November 2021

2021 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

The 2021 financial year (FY21) was a year of strong operating performance for Nearmap. We delivered 26% constant currency growth in our Annual Contract Value, our ACV, significantly exceeding our initial guidance. We surpassed \$100 million in annual revenue, and grew our team by almost 30% over the course of the year – all in the midst of the ongoing COVID-19 pandemic. FY21 saw a validation of several years of investment into our product and content types as well as our North American business.

Our ACV performance in FY21 was driven by strong growth from our North American business. To achieve 54% ACV portfolio growth, with a balanced contribution across our portfolio, demonstrates the increasing traction we are seeing as our business increases in scale in North America. It also represents a refinement of our strategy to increase our focus on a small number of core industries, where we see the strongest opportunities for growth and where our unique product and content types serve into a variety of different use cases. We are now just over 12 months into this strategy in North America and these results demonstrate our approach is working well.

In Australia & New Zealand (ANZ) we continue to enhance our market leadership position and our business here continues to be a growing and reliable cash generative business. Our performance in this region was driven by the strength of our Small and Medium Enterprise portfolio, demonstrating the value of a scalable and repeatable business model in ANZ. This also demonstrates why we are working to replicate this scale in our North American business. We are putting in place the building blocks to further strengthen our ANZ business in FY22 with an enhanced sales team enabling us to further extend our market leadership position.

FY21 represented the first year of general availability of our Company's industry leading Artificial Intelligence (AI) content, Nearmap AI. In only one year, Nearmap AI is now in its fourth generation of AI systems. This revolutionary content now features new tools to help industries including government, insurance, construction, property, and engineering gain greater insights from our leading aerial imagery and to change the way they work. Nearmap AI has expanded to more than two hundred facts per individual property including building heights, story's, roof pitch and even different types of vegetation. In its first year Nearmap AI has been a commercial success, with a number of our largest customers subscribing to this new and already industry leading content type.

Nearmap is a deep technology company. Our proprietary and patented portfolio of world leading aerial camera systems enables the creation of all the different content types we sell, whether it be 2D or oblique imagery, 3D, Nearmap AI or roof geometry technology. In FY21 we announced the completion of the design of our next generation proprietary camera system, HyperCamera3. A prototype of the system was tested in flight and we anticipate commercial roll-out of these new systems in FY22. There were significant technological challenges to overcome in designing a camera system of this complexity, but our world class team delivered. Their work means that Nearmap has further extended our already significant technology leadership position.



In FY21 we also secured our balance sheet by raising \$95 million by way of an institutional capital raise and associated Share Purchase Plan, which meant our Company ended FY21 with more than \$120 million of cash in the bank. With no debt, this has positioned our Company extremely well to take advantage of the strong momentum in our business and tailwinds in our industry. As we've previously announced, we will consume net cash of approximately \$30 million this year in order to accelerate the investment in our business which we believe can enable us to expand our market leadership position and scale our Company for growth¹. Rob will talk more to this strategy shortly.

To scale our Company for growth, it's important we have the right people leading our team forward. In this respect, at the end of FY21 it gave me great pleasure to oversee the appointment of Mr Andy Watt to the newly created position of Chief Growth & Operations Officer, and Mr Tony Agresta as General Manager of our North American business. Over the last five years I have had the pleasure of getting to know Andy and Tony extremely well and I am confident that they possess the necessary leadership qualities and capabilities to drive our Company forward.

Nearmap has a passionate and committed workforce with top quartile employee engagement and historically low employee turnover. A global shortage of skilled technology talent exacerbated by pandemic-related border closures has put significant pressure on remuneration within the technology sector, highlighting the importance of retaining valued employees. In the context of outstanding business results in FY21 and the constrained market for technology talent, the Board will continue to ensure we are best positioned to retain our key talent in the current market environment.

As you know, in May this year we became subject to legal action from a competitor in the United States who alleged intellectual property infringement related to their roof estimation technology. The allegations did not affect our core proprietary technology, the surveying of imagery or the delivery of premium content. Our operating performance continues to be unaffected by these claims. We maintain that we believe the allegations are without merit and engaged globally recognised patent litigators to represent our Company and lead our defense. I appreciate your interest in these proceedings but as a process is in train, we are unable to comment further on any specific details related to the litigation.

In summary, Nearmap delivered a strong operating performance in FY21, validating the strength of our business model, our strategy and the increasing value that our customers derive from our unique and expanding content types. FY21 was not without its challenges and to deliver an acceleration of incremental ACV growth has positioned us extremely well as we hopefully leave the worst of the COVID-19 pandemic behind us. In FY22 I look forward to seeing this growth continue, further executing on our go-to-market strategy. We expect our Group ACV portfolio to end FY22 between \$150 million and \$160 million on a constant currency basis².

Finally, I would like to thank the Board, Executive and all our hard working and passionate employees for their dedication and commitment this year. I would also like to thank our customers for the support they have given us during a period of significant uncertainty for many businesses across Australia, New Zealand and North America. The majority of our employees and a great many of our customers are also shareholders and have been on a journey with

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our Company in more ways than one. To that end I would like to thank you, our shareholders, for your support this year and I look forward to continuing the journey with you in the months and years ahead.

Authorised by: Board of Nearmap Ltd

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¹ Excludes fees related to litigation in the United States District Court (District of Utah, Northern Division)

² Constant currency guidance is based on the FY21 year-end USD exchange rate of A\$1 = US\$0.7518

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