



APR 2022 | NIAGARA FALLS, ON CA

FY22 ANALYST PACK

FINANCIAL YEAR ENDED 30 JUNE 2022

CONTENTS

| | |
|--|----|
| Nearmap overview | 3 |
| Group performance indicators | 4 |
| North America segment..... | 11 |
| Australia & New Zealand segment..... | 18 |
| Segment performance..... | 25 |
| Technology and Product | 27 |
| Consolidated statutory profit or loss..... | 28 |
| Consolidated balance sheet | 30 |
| Consolidated operating cash flows..... | 32 |
| Appendices..... | 34 |
| Glossary of terms..... | 35 |

The Nearmap Analyst Pack summarises the financial and operational metrics for the six months ended 30 June 2022, with comparatives for the twelve months ended 30 June 2021 respectively.

The Analyst Pack is to be read in conjunction with the “Appendix 4E Full Year Financial Report for the year ended 30 June 2022” and the “Investor Presentation FY22 Results” released to the ASX on 17 August 2022.

Important Note

Information presented in the FY22 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 Annual 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 FY22 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 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 12,000 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 450 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
80% population coverage



Canada
66% population coverage



Australia
91% population coverage



New Zealand
74% population coverage

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



Commercial



Roofing



Insurance



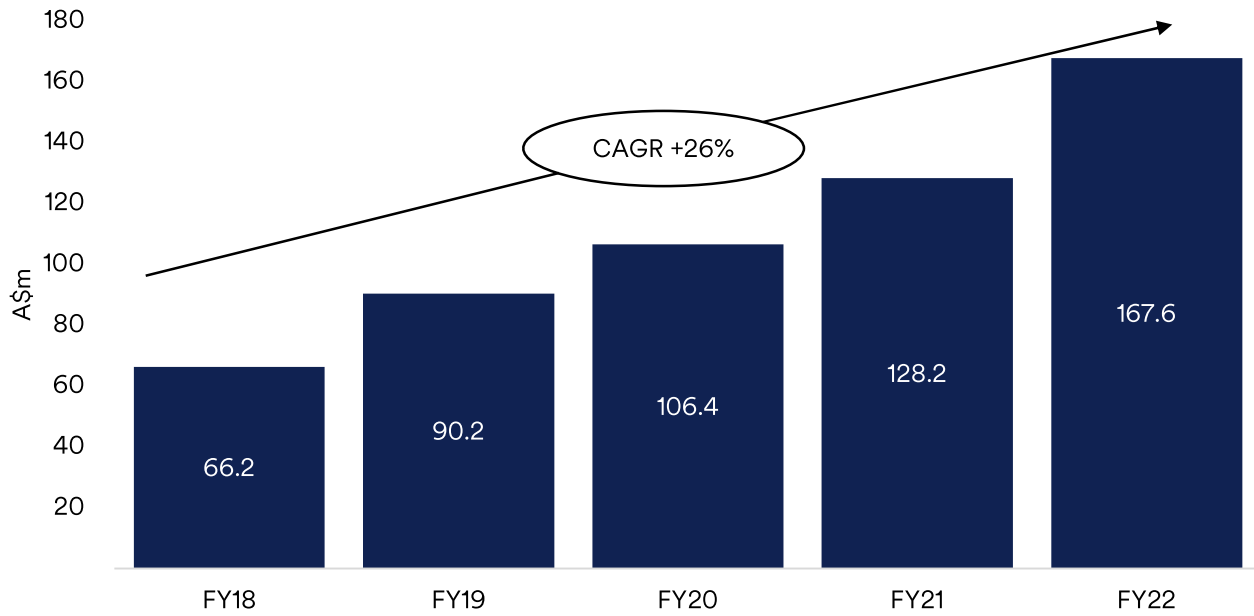
Government

GROUP PERFORMANCE INDICATORS

| A\$'000 | 1H21 Reported | 2H21 Reported | FY21 Reported | 1H22 Reported | 2H22 Reported | FY22 Reported | YoY % Reported | FY22 at CC ¹ | YoY % at CC |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|----------------------------|----------------|
| Group ACV portfolio | | | | | | | | | |
| Opening ACV | 106,437 | 112,191 | 106,437 | 128,210 | 147,683 | 128,210 | 20% | 128,210 | 20% |
| New business | 4,902 | 11,242 | 16,144 | 8,623 | 12,995 | 21,618 | 34% | 20,601 | 28% |
| Net upsell | 9,245 | 7,204 | 16,449 | 12,053 | 8,589 | 20,642 | 25% | 19,745 | 20% |
| Churn | (3,838) | (3,548) | (7,386) | (3,333) | (5,649) | (8,982) | (22%) | (8,694) | (18%) |
| Net incremental ACV | 10,309 | 14,898 | 25,207 | 17,343 | 15,935 | 33,278 | 32% | 31,652 | 26% |
| FX impact | (4,555) | 1,121 | (3,434) | 2,131 | 4,008 | 6,138 | | - | |
| Closing ACV | 112,191 | 128,210 | 128,210 | 147,684 | 167,626 | 167,626 | 31% | 159,862 | 25% |
| Retention (%) | 93.9% | 93.1% | 93.1% | 93.9% | 93.0% | 93.0% | | 93.2% | |
| Opening subscriptions | 10,458 | 10,785 | 10,458 | 11,255 | 11,701 | 11,255 | 8% | 11,255 | 8% |
| New business | 900 | 1,107 | 2,007 | 949 | 1,013 | 1,962 | (2%) | 1,962 | (2%) |
| Churn | (573) | (637) | (1,210) | (503) | (572) | (1,075) | 11% | (1,075) | 11% |
| Closing subscriptions | 10,785 | 11,255 | 11,255 | 11,701 | 12,142 | 12,142 | 8% | 12,142 | 8% |
| Closing ARPS (\$) | 10,402 | 11,391 | 11,391 | 12,621 | 13,805 | 13,805 | 21% | 13,166 | 16% |
| Group revenue | 54,718 | 58,713 | 113,431 | 67,550 | 78,400 | 145,950 | 29% | 143,645 | 27% |
| Cash costs to capture | (8,175) | (11,806) | (19,981) | (12,928) | (15,559) | (28,487) | (43%) | (27,826) | (39%) |
| Storage, administration & other | (4,253) | (4,576) | (8,829) | (5,334) | (6,783) | (12,117) | (37%) | (11,925) | (35%) |
| Cost of revenue - pre-capitalisation | (12,428) | (16,382) | (28,810) | (18,262) | (22,342) | (40,604) | (41%) | (39,751) | (38%) |
| Gross margin - pre-capitalisation | 42,290 | 42,331 | 84,621 | 49,288 | 56,058 | 105,346 | 24% | 103,894 | 23% |
| Gross margin (%) - pre-capitalisation | 77% | 72% | 75% | 73% | 72% | 72% | | 72% | |
| Direct sales and marketing costs | (11,944) | (16,306) | (28,250) | (17,817) | (21,451) | (39,268) | (39%) | (38,434) | (36%) |
| Indirect sales and marketing costs | (9,061) | (9,626) | (18,687) | (7,147) | (4,673) | (11,820) | 37% | (11,722) | 37% |
| Total sales and marketing costs - pre-capitalisation | (21,005) | (25,932) | (46,937) | (24,964) | (26,124) | (51,088) | (9%) | (50,157) | (7%) |
| Sales Team Contribution Ratio (%) - pre-capitalisation | 86% | 91% | 89% | 97% | 74% | 85% | | 82% | |
| Other metrics | | | | | | | | | |
| Group EBITDA | 13,537 | 10,772 | 24,309 | 10,690 | 5,937 | 16,626 | (32%) | 17,428 | (28%) |
| Group EBIT | (9,418) | (11,385) | (20,803) | (13,347) | (20,155) | (33,502) | (61%) | (32,017) | (54%) |
| Statutory NPAT | (9,386) | (9,434) | (18,820) | (11,934) | (18,862) | (30,796) | (64%) | (29,457) | (57%) |
| Portfolio LTV (A\$m) | 1,416 | 1,338 | 1,394 | 1,767 | 1,724 | 1,724 | 24% | 1,693 | 21% |
| Cash and cash equivalents | 129,323 | 123,431 | 123,431 | 109,762 | 93,699 | 93,699 | (24%) | 91,965 | (25%) |
| Cash and cash equivalents movement | 93,183 | (5,892) | 87,291 | (13,669) | (16,063) | (29,732) | 134% | (31,466) | (136%) |

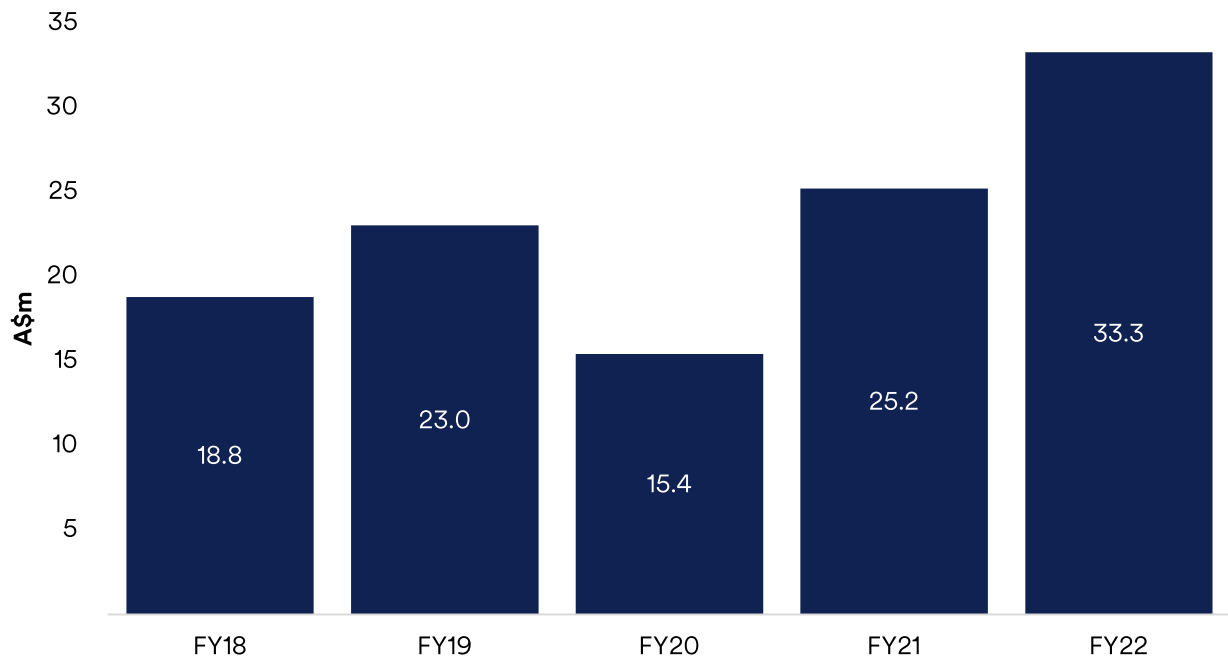
Annual Contract Value

Group Annual Contract Value (ACV) as reported grew by 31% to \$167.6m (30 June 2021: \$128.2m). On a constant currency (CC) basis, Group ACV grew 25% vs pcp to \$159.9m.

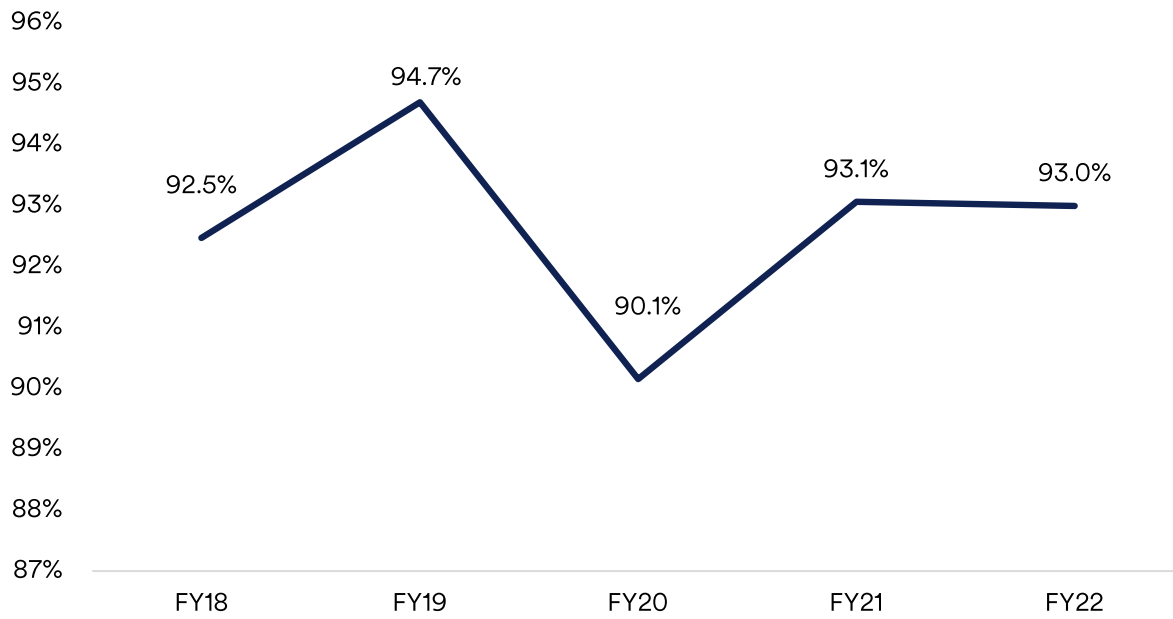


Net incremental ACV

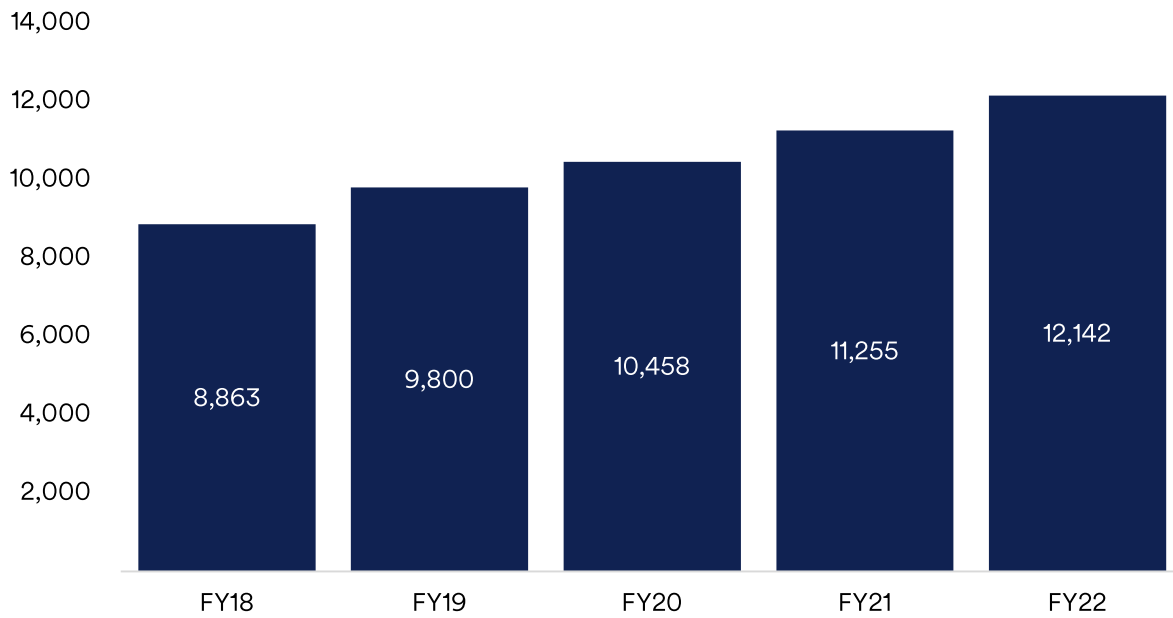
Incremental ACV growth as reported of \$33.3m (30 June 2021: \$25.2m). On a CC basis, incremental ACV grew to \$31.7m, driven by record growth in North America.



Retention

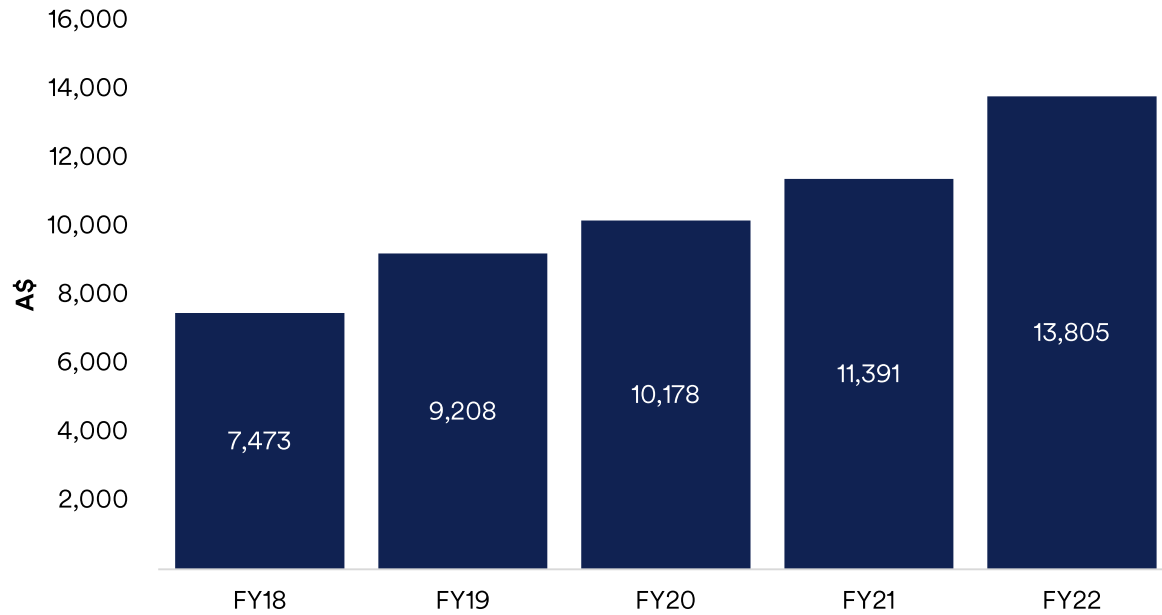


Subscriptions



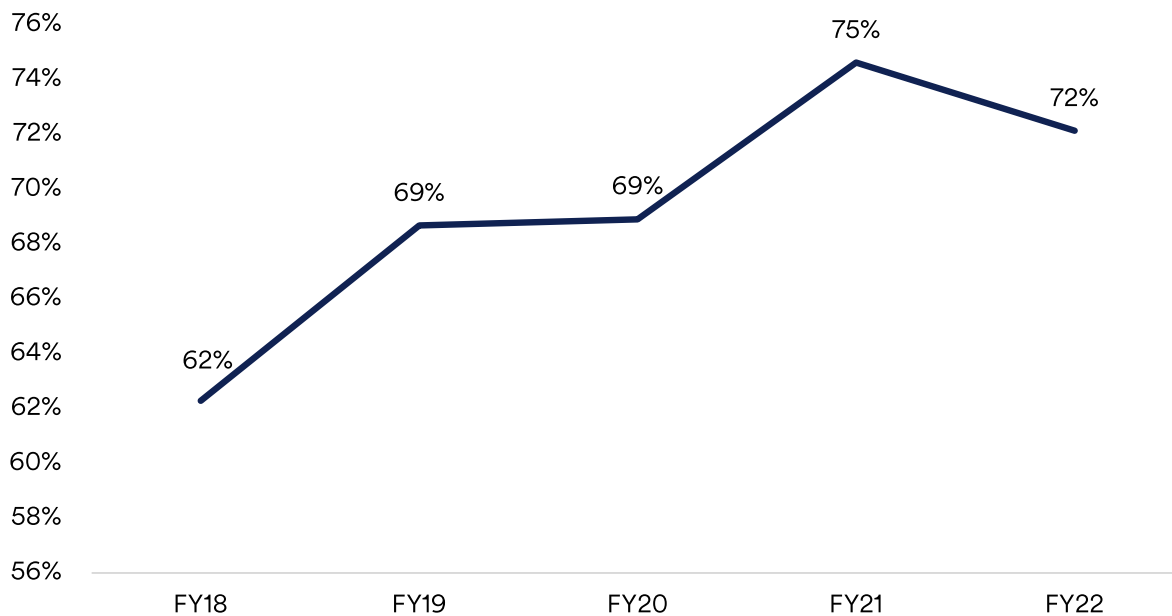
Average Revenue Per Subscription

Group Average Revenue Per Subscription (ARPS) increased to \$13,805 (30 June 2021: \$11,391). The continued upward trend highlights the increasing utility customers experience from the expanding set of higher-value products and content types provided by Nearmap.



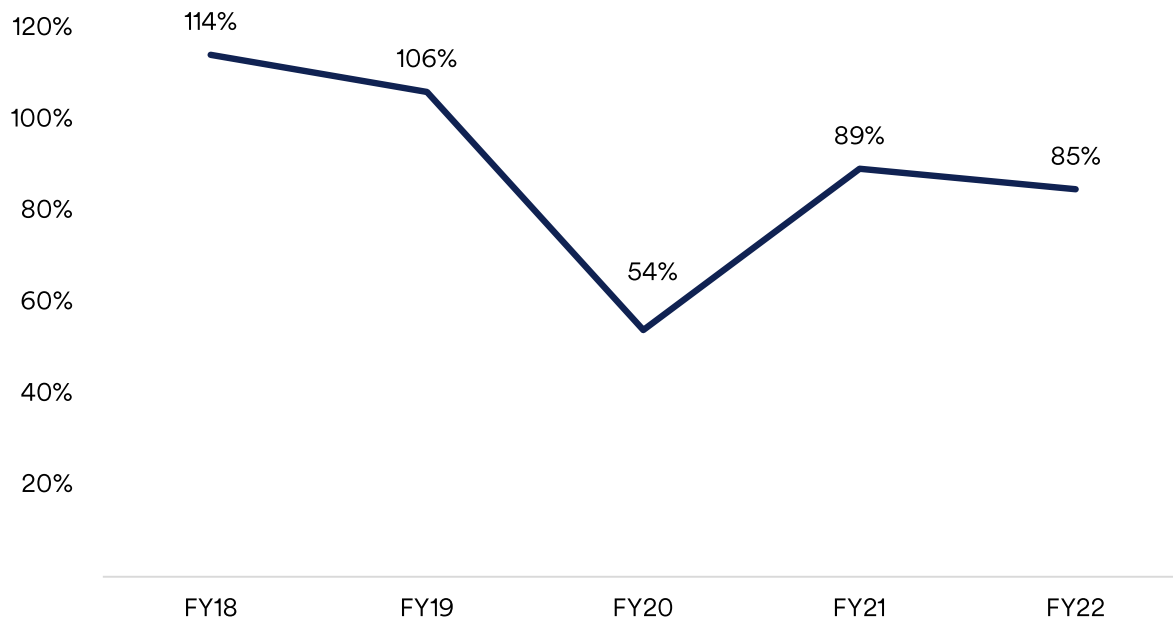
Gross Margin (pre-capitalisation)

Gross Margin (pre-capitalisation) decreased to 72%, reflecting the increased contribution of the North American portfolio.

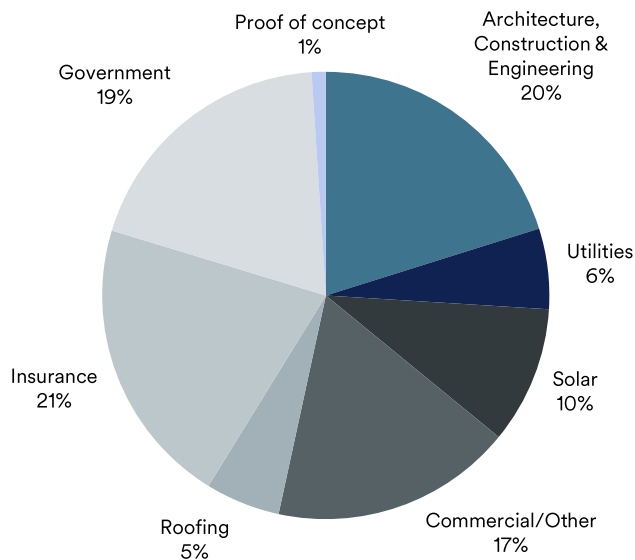


Sales Team Contribution Ratio (pre-capitalisation)

Group Sales Team Contribution Ratio (STCR) decreased to 85% in FY22 (FY21: 89%), still representing a strong return on increasing investments into direct Sales & Marketing in the period.

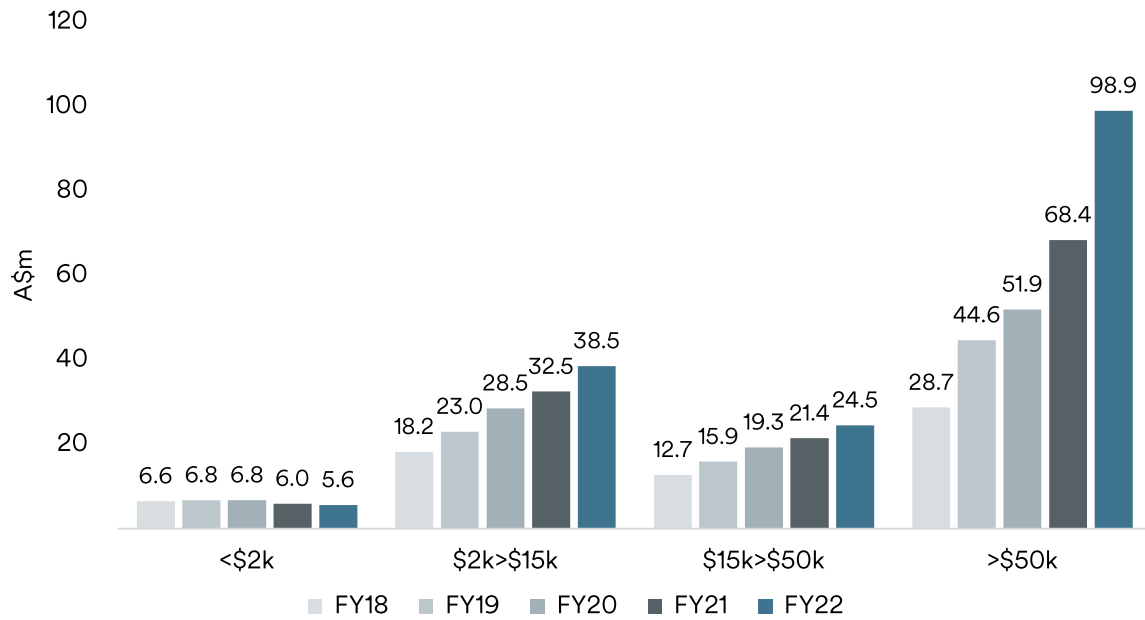


Group ACV portfolio at 30 June 2022 by industry segment (%)

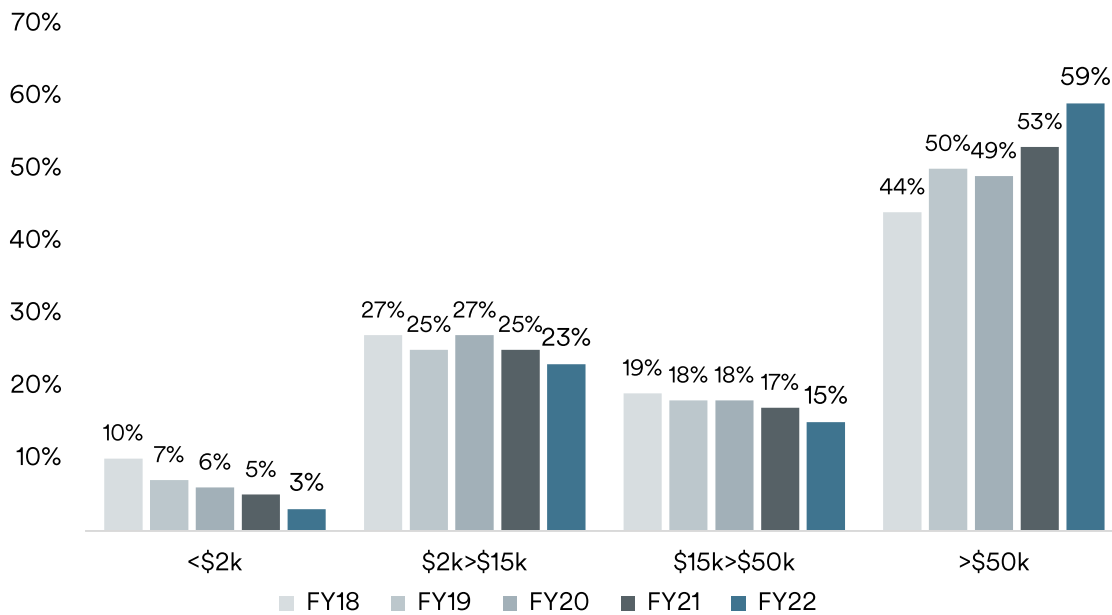


The Group ACV portfolio is diversified across key focus industries with Insurance, Roofing and Government comprising 45% of the total portfolio (30 June 2021: 42%).

Group ACV portfolio by subscription size



Group ACV portfolio by % of total portfolio



Other metrics (as a % of the overall portfolio)

| | FY21 | FY22 |
|------------------|------|------|
| Top 10 customers | 20% | 22% |
| Multi year deals | 42% | 43% |
| Premium content | 66% | 73% |

FTE Breakdown

As at 30 June 2022

| Region | Sales & Marketing | Technology & Product | Business Operations | Group |
|--------------|-------------------|----------------------|---------------------|------------|
| ANZ | 64 | 154 | 85 | 303 |
| NA | 101 | 11 | 47 | 159 |
| Total | 165 | 165 | 132 | 462 |

As at 30 June 2021

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

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 | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 | YoY % |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Opening ACV | 28,788 | 35,129 | 28,788 | 44,451 | 55,003 | 44,451 | 54% |
| New business | 1,991 | 5,913 | 7,904 | 3,922 | 6,819 | 10,741 | 36% |
| Net upsell | 5,469 | 4,135 | 9,604 | 7,605 | 4,441 | 12,046 | 25% |
| Churn | (1,128) | (734) | (1,862) | (967) | (1,994) | (2,961) | (59%) |
| Net incremental | 6,332 | 9,314 | 15,646 | 10,560 | 9,266 | 19,826 | 27% |
| FX impact | 9 | 8 | 17 | (8) | (4) | (12) | |
| Closing ACV | 35,129 | 44,451 | 44,451 | 55,003 | 64,265 | 64,265 | 45% |
| Retention (%) | 93.5% | 93.5% | 93.5% | 95.2% | 93.3% | 93.3% | |
| Opening subscriptions | 1,856 | 2,029 | 1,856 | 2,240 | 2,461 | 2,240 | 21% |
| New business | 278 | 355 | 633 | 306 | 342 | 648 | 2% |
| Churn | (105) | (144) | (249) | (85) | (87) | (172) | 31% |
| Closing subscriptions | 2,029 | 2,240 | 2,240 | 2,461 | 2,716 | 2,716 | 21% |
| Closing ARPS (\$) | 17,313 | 19,844 | 19,844 | 22,350 | 23,662 | 23,662 | 19% |
| Revenue | 15,693 | 19,911 | 35,604 | 23,848 | 30,302 | 54,150 | 52% |
| Cash costs to capture | (4,665) | (7,497) | (12,162) | (7,895) | (9,436) | (17,331) | (43%) |
| Storage, administration & other | (2,641) | (3,075) | (5,716) | (3,387) | (4,314) | (7,701) | (35%) |
| Cost of revenue - pre-capitalisation | (7,306) | (10,572) | (17,878) | (11,282) | (13,751) | (25,033) | (40%) |
| Gross margin - pre-capitalisation | 8,387 | 9,339 | 17,726 | 12,566 | 16,552 | 29,117 | 64% |
| Gross margin (%) - pre-capitalisation | 53% | 47% | 50% | 53% | 55% | 54% | |
| Direct sales and marketing costs | (5,741) | (8,444) | (14,185) | (9,265) | (10,794) | (20,059) | (41%) |
| Indirect sales and marketing costs | (3,426) | (3,679) | (7,105) | (2,306) | (1,371) | (3,677) | 48% |
| Total sales and marketing costs - pre-capitalisation | (9,167) | (12,123) | (21,290) | (11,571) | (12,165) | (23,736) | (11%) |
| Sales Team Contribution Ratio (%) - pre-capitalisation | 110% | 110% | 110% | 114% | 86% | 99% | |
| Segment contribution ¹ | (3,391) | 1,115 | (2,276) | 4,630 | 8,219 | 12,849 | 665% |
| Segment contribution % | (22%) | 6% | (6%) | 19% | 27% | 24% | |

¹ For a reconciliation on the segment contribution, refer to the Segment Performance on page 25.

NA ACV portfolio

During FY22, the NA ACV portfolio increased US\$19.8m from US\$44.5m to US\$64.3m, +45%. 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:

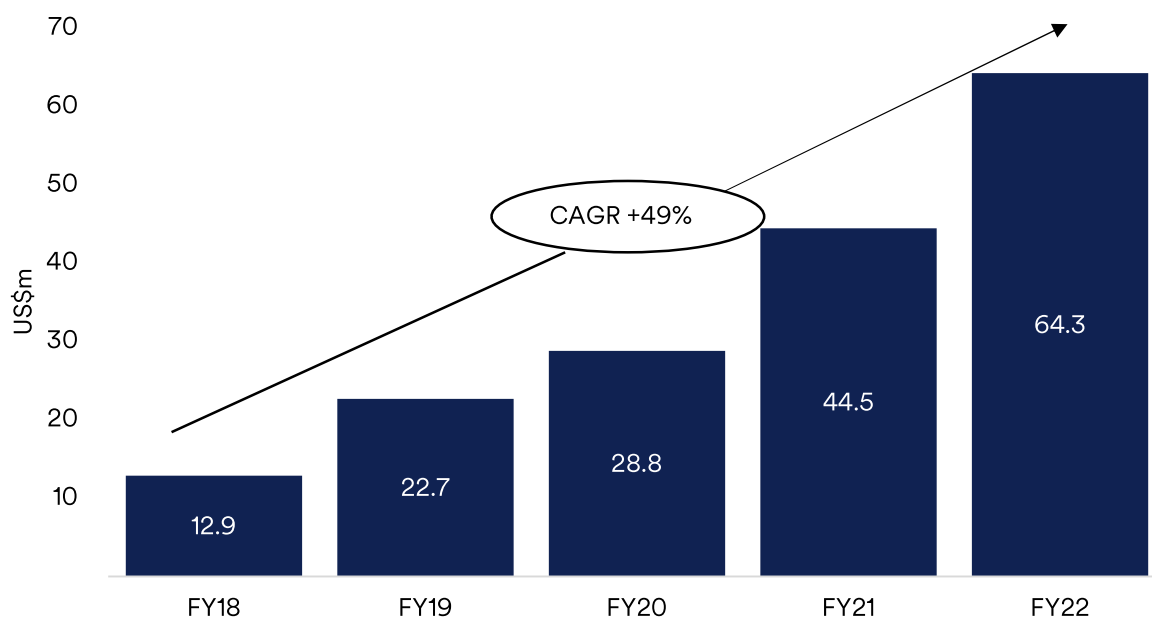
New business of US\$10.7m represents a 36% increase on pcp, including an enterprise deal with another top insurer in North America, with four of the top six insurance companies in North America now Nearmap customers. New acquisitions into the key Government and Commercial verticals also performed well, highlighting the increasing momentum of Nearmap's disruptive subscription business model in the NA market.

Net upsell of US\$12.0m shows a 25% increase on pcp, with over 43 enterprise transactions in the period (\$50k+). All key verticals showed success in expanding the existing customer base and delivering enhanced value to customers through continued product innovation. Upsell ADS exceeded \$32k in FY22.

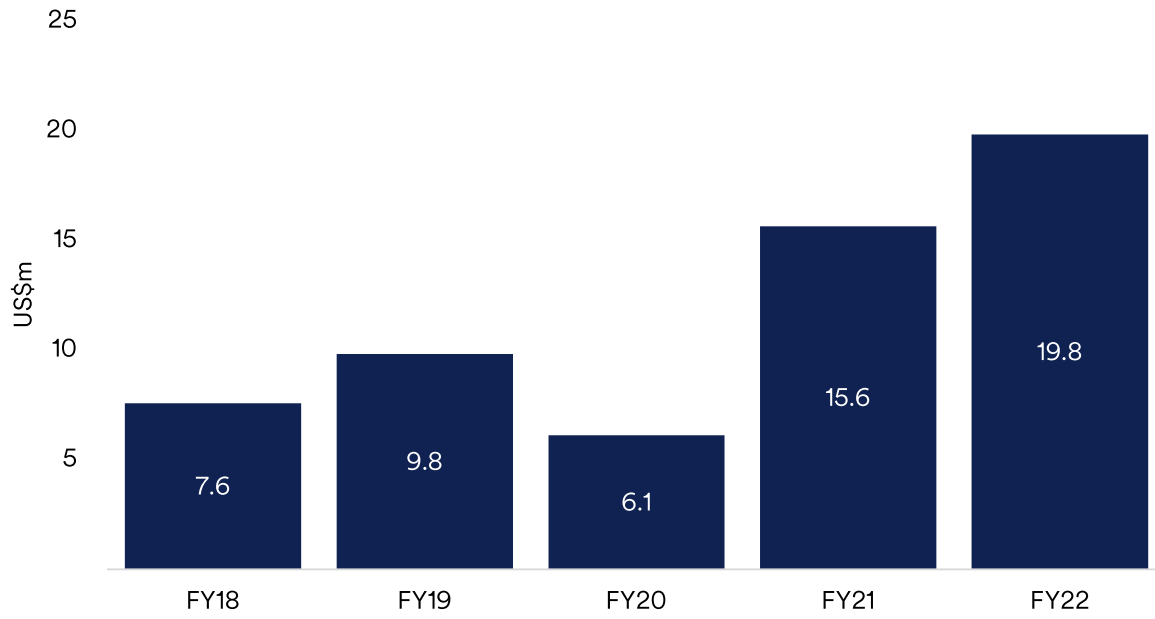
Customer portfolio retention for the 12 months to 30 June 2022 was 93.3% (FY21: 93.5%). The retention metric remains within target range. It should be noted, 56% of the FY22 churned ACV occurred in one account, a partner that Nearmap decided not to renew due to mis-aligned longer term strategic priorities. Excluding this, retention for the NA region was at 97.1%

Annual Contract Value

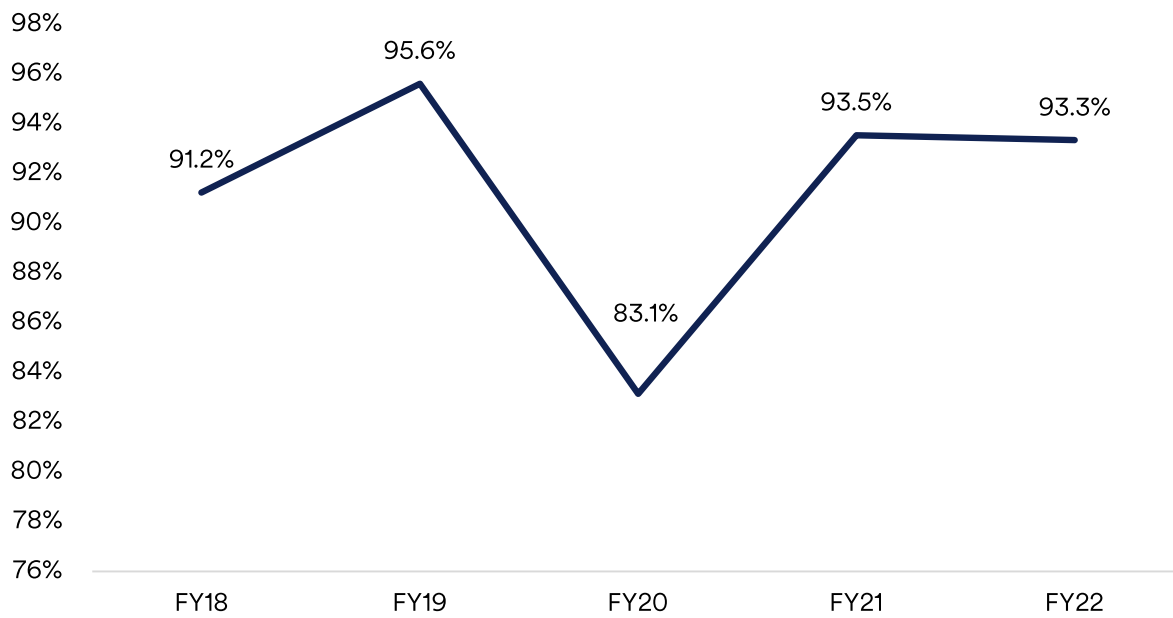
ACV grew by 45% to US\$64.3m (30 June 2021: US\$44.5m), representing strong 49% compound annual growth over 4 years.



Net incremental ACV

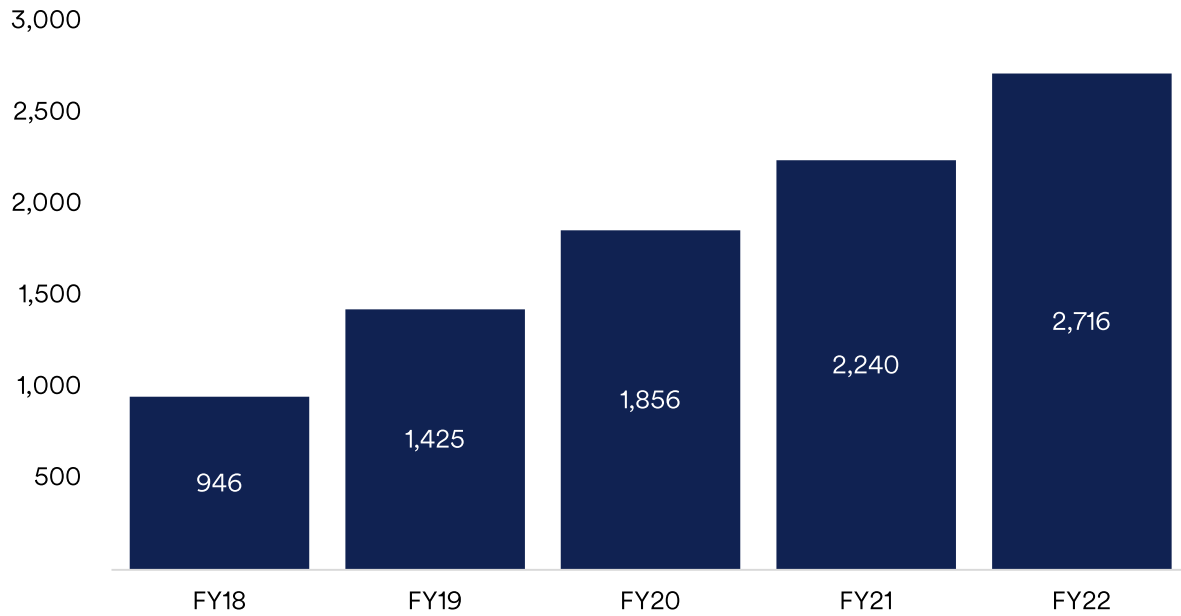


Retention



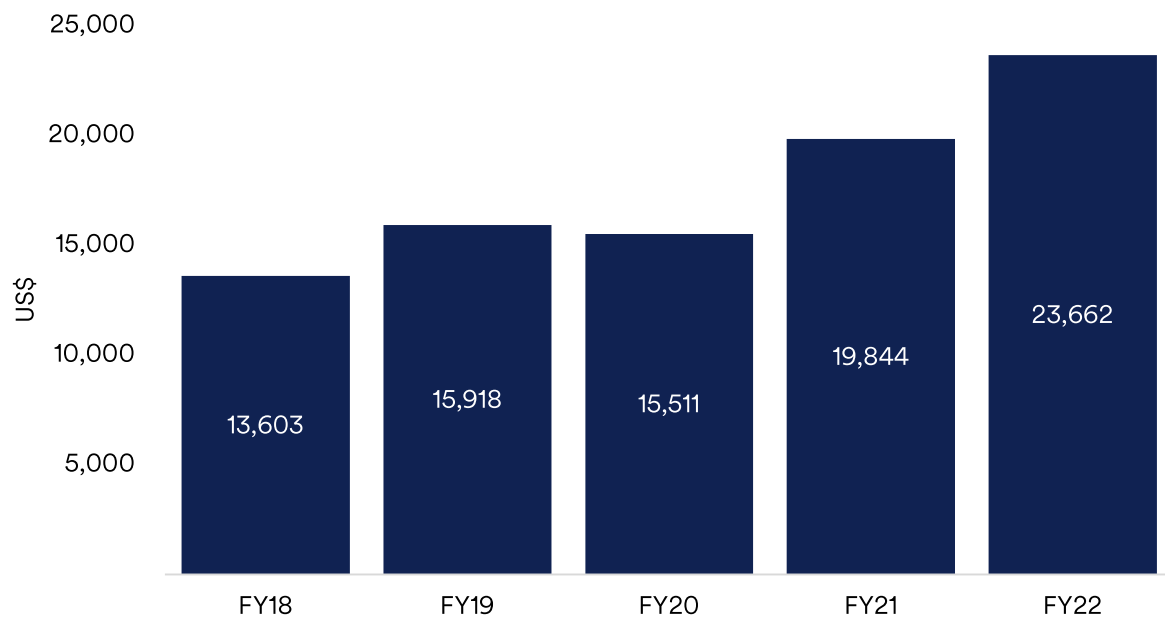
Subscriptions

Subscriptions grew to 2,716 (30 June 2021: 2,240), demonstrating effective customer acquisition strategies and industry leading retention, with Nearmap establishing itself as the industry leader in content provision served via a subscription business model.



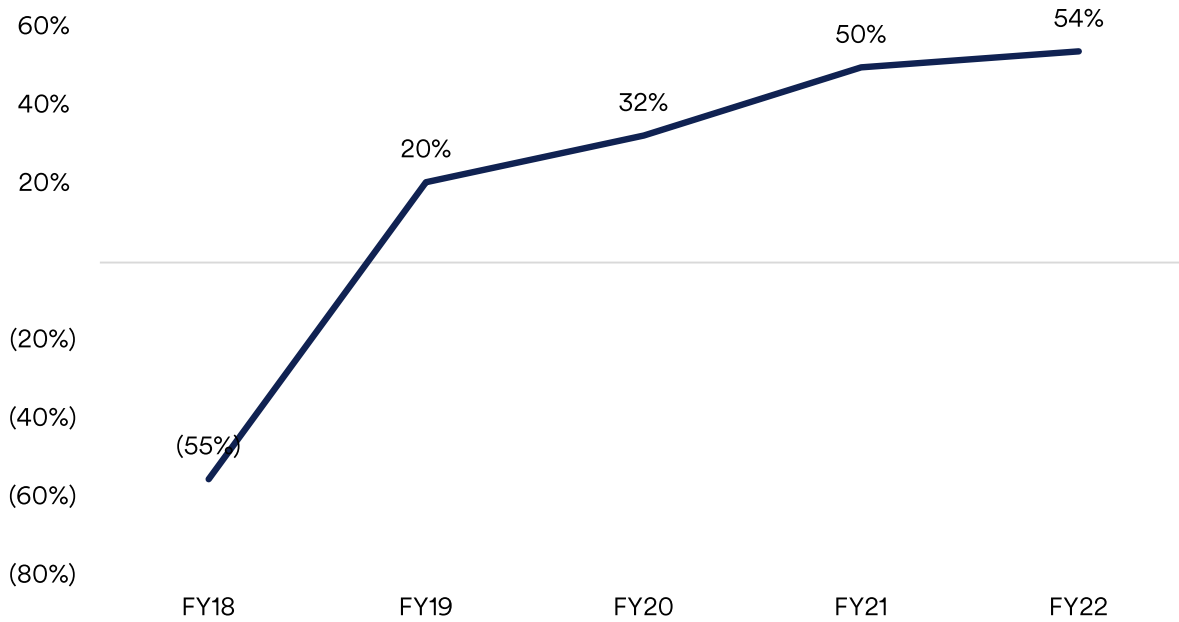
Average Revenue Per Subscription

ARPS increased to US\$23,662 (30 June 2021: US\$19,844). The strong upward trend highlights the increasing utility customers experience from the expanding set of content types provided by Nearmap.



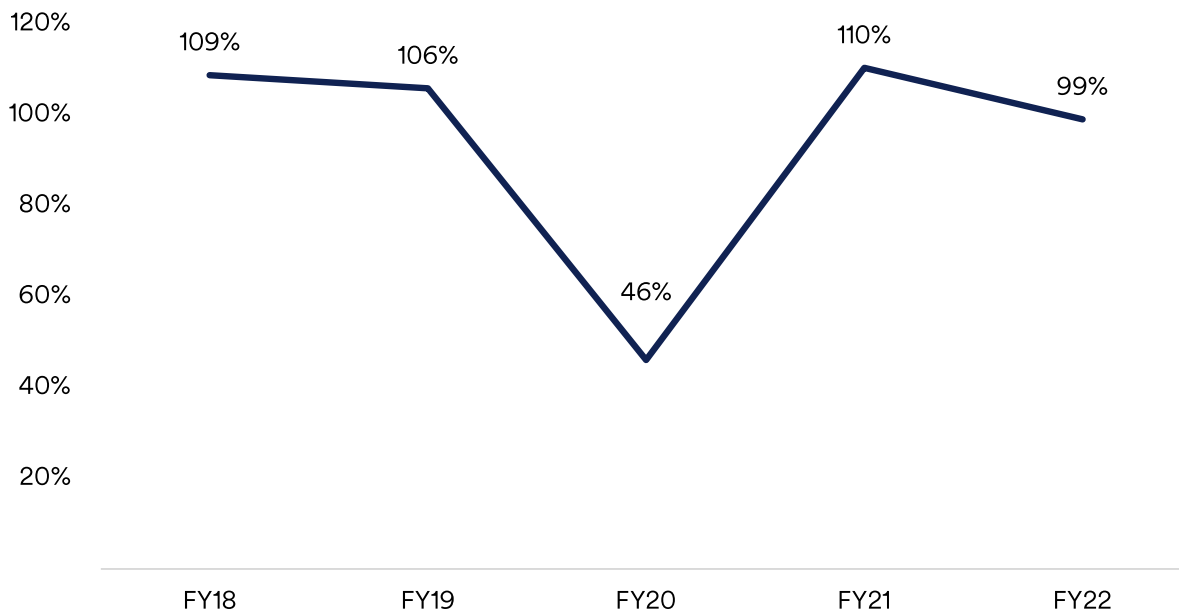
Gross Margin (pre-capitalisation)

Gross Margin (pre-capitalisation) increased to 54%. The operating leverage of the NA business is demonstrated by the growing ACV portfolio, served by a well-defined and growing capture program.

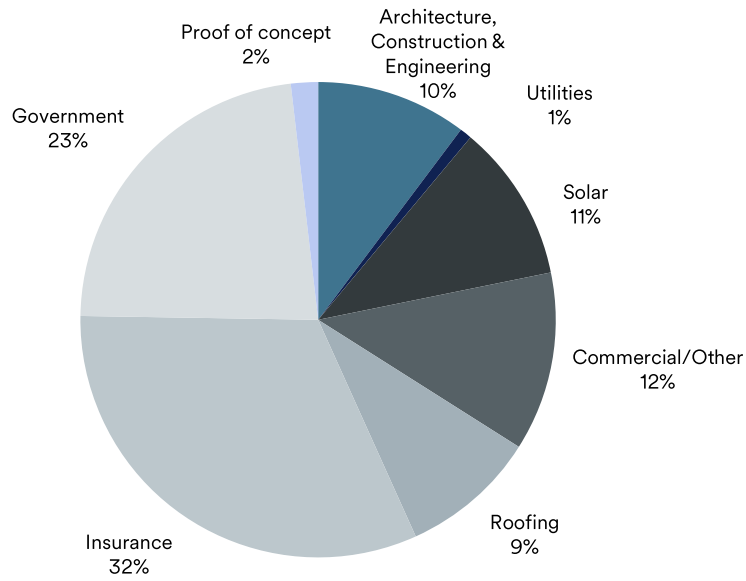


Sales Team Contribution Ratio (pre-capitalisation)

STCR closed FY22 at 99% (FY21: 110%), validating the continued effectiveness of go-to-market investments into the NA region.

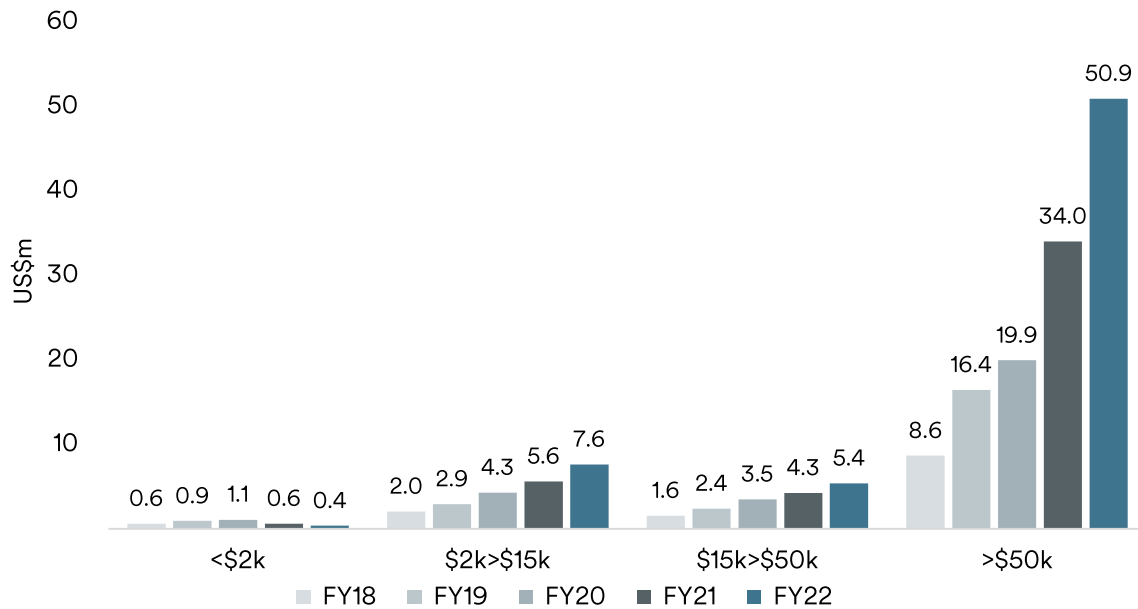


ACV portfolio at 30 June 2022 by industry segment



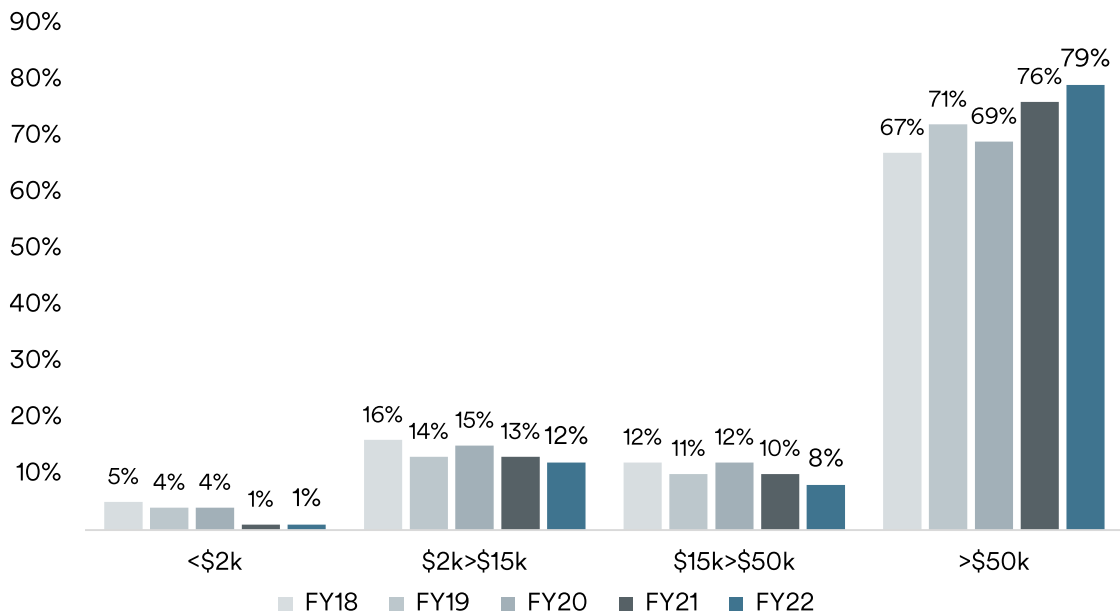
The Group's three core industry verticals – Insurance, Roofing and Government – all contributed to the strong FY22 performance and now comprise 64% of the NA portfolio. Proof of Concept ACV represents an on-going project with two separate enterprise customers. The customers continue to evaluate the opportunity with their own customer base, which will determine whether this becomes a longer-term opportunity.

ACV portfolio by subscription size



The chart shows another clear step-change in the Enterprise customer segment during 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 | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 | YoY % |
|---|----------------|-----------------|-----------------|----------------|----------------|-----------------|--------------|
| Opening ACV | 64,490 | 66,580 | 64,490 | 69,085 | 71,878 | 69,085 | 7% |
| New business | 2,317 | 3,377 | 5,694 | 3,218 | 3,096 | 6,314 | 11% |
| Net upsell | 2,145 | 1,703 | 3,848 | 1,572 | 2,142 | 3,714 | (3%) |
| Churn | (2,373) | (2,573) | (4,946) | (2,000) | (2,754) | (4,755) | 4% |
| Net incremental | 2,089 | 2,507 | 4,596 | 2,790 | 2,484 | 5,273 | 15% |
| FX Impact | 1 | (2) | (1) | 4 | (24) | (20) | |
| Closing ACV | 66,580 | 69,085 | 69,085 | 71,879 | 74,338 | 74,338 | 8% |
| Retention (%) | 94.0% | 92.3% | 92.3% | 93.1% | 93.1% | 93.1% | |
| Opening subscriptions | 8,602 | 8,756 | 8,602 | 9,015 | 9,240 | 9,015 | 5% |
| New business | 622 | 752 | 1,374 | 643 | 671 | 1,314 | (4%) |
| Churn | (468) | (493) | (961) | (418) | (485) | (903) | 6% |
| Closing subscriptions | 8,756 | 9,015 | 9,015 | 9,240 | 9,426 | 9,426 | 5% |
| Closing ARPS (\$) | 7,604 | 7,663 | 7,663 | 7,779 | 7,886 | 7,886 | 3% |
| Revenue | 33,004 | 32,879 | 65,883 | 34,880 | 36,266 | 71,146 | 8% |
| Cash costs to capture | (1,702) | (2,089) | (3,791) | (2,154) | (2,450) | (4,604) | (21%) |
| Storage, administration & other | (598) | (590) | (1,188) | (706) | (778) | (1,484) | (25%) |
| Cost of revenue - pre-capitalisation | (2,300) | (2,679) | (4,979) | (2,860) | (3,228) | (6,088) | (22%) |
| Gross margin - pre-capitalisation | 30,704 | 30,200 | 60,904 | 32,020 | 33,038 | 65,058 | 7% |
| Gross margin (%) - pre-capitalisation | 93% | 92% | 92% | 92% | 91% | 91% | |
| Direct sales and marketing costs | (4,049) | (5,350) | (9,399) | (5,116) | (6,441) | (11,557) | (23%) |
| Indirect sales and marketing costs | (4,345) | (4,852) | (9,197) | (4,032) | (2,763) | (6,796) | 26% |
| Total sales and marketing costs - pre-capitalisation | (8,394) | (10,202) | (18,596) | (9,148) | (9,205) | (18,353) | 1% |
| Sales Team Contribution Ratio (%) - pre-capitalisation | 52% | 47% | 49% | 55% | 39% | 46% | |
| Segment contribution ¹ | 21,636 | 21,502 | 43,138 | 23,655 | 24,868 | 48,523 | 12% |
| Segment contribution % | 66% | 65% | 65% | 68% | 69% | 68% | |

¹ For a reconciliation on the segment contribution, refer to the Segment Performance on page 25.

ANZ ACV portfolio

During FY22, the ANZ ACV portfolio increased \$5.3m from \$69.1m to \$74.3m, +8%. This represents a return to growth for the region, surpassing the \$4.6m IACV delivered in FY21.

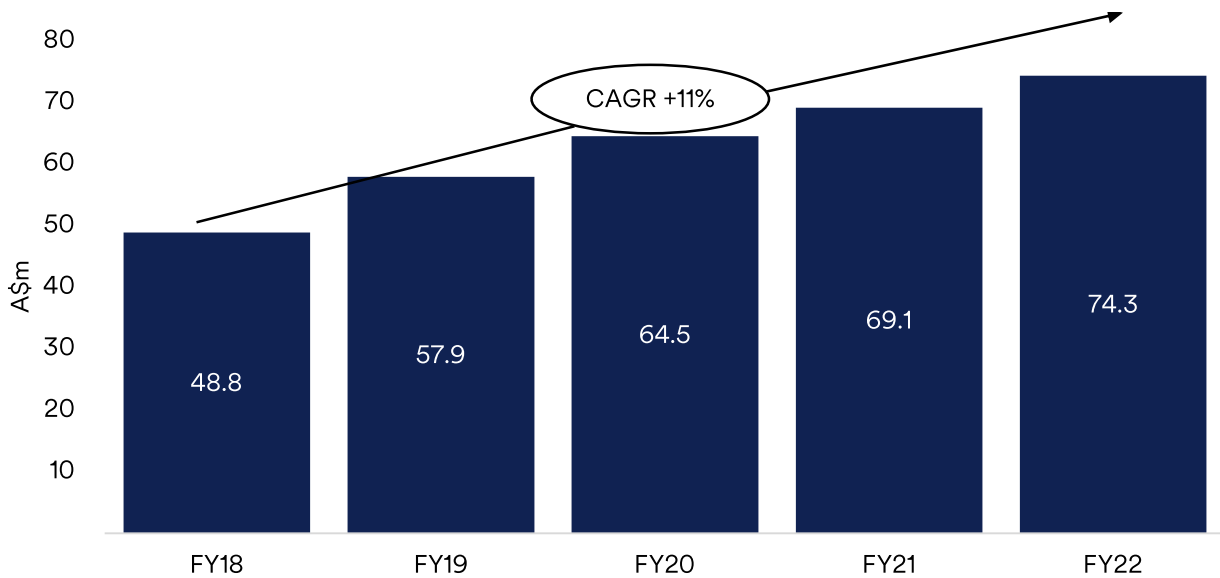
The key components of FY22 growth were:

New business of \$6.3m represents an 11% increase on pcp, showing the continued penetration of the addressable market in Australia and New Zealand. Growth through the reliable SME segment remained strong, with Commercial Enterprise, Government and the Alliances channel also performing well.

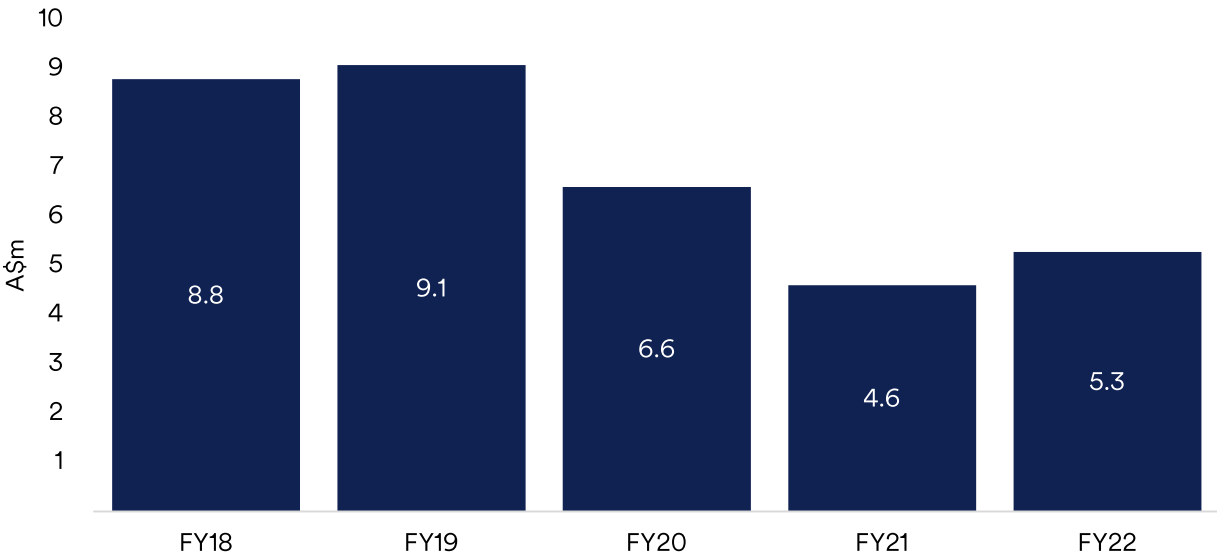
Net upsell of \$3.7m represents the continued expansion of the existing customer base. Splitting net upsell into its constituent parts, upgrades to existing customer subscriptions remained strong. However, as was also seen in FY21, performance was impacted by a small number of downgrades to Enterprise accounts, reflecting business restructuring and adverse economic conditions. To address the changing landscape, and learning from the catalyst for North American record growth, the ANZ business will similarly implement a revised GTM strategy and operating model during FY23, focussed on solving customer problems with our extensive range of premium content, which is expected to accelerate growth, particularly in the enterprise segment.

Customer portfolio retention for the 12 months to 30 June 2022 was 93.1% (FY21: 92.3%). 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. Retention targets remain within range.

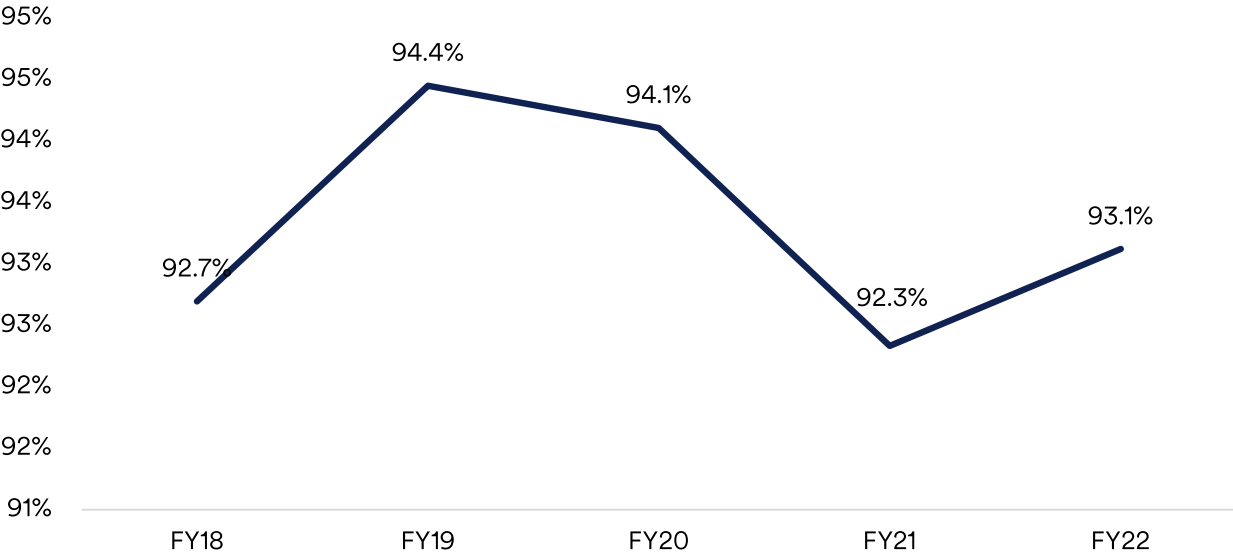
Annual Contract Value



Net incremental ACV

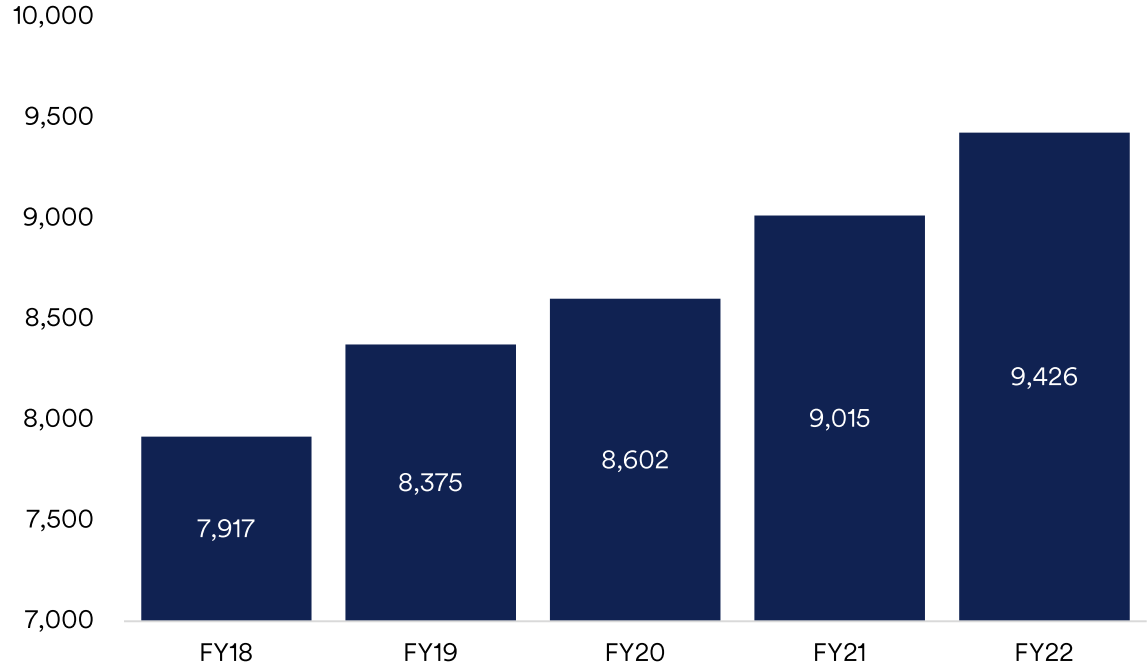


Retention



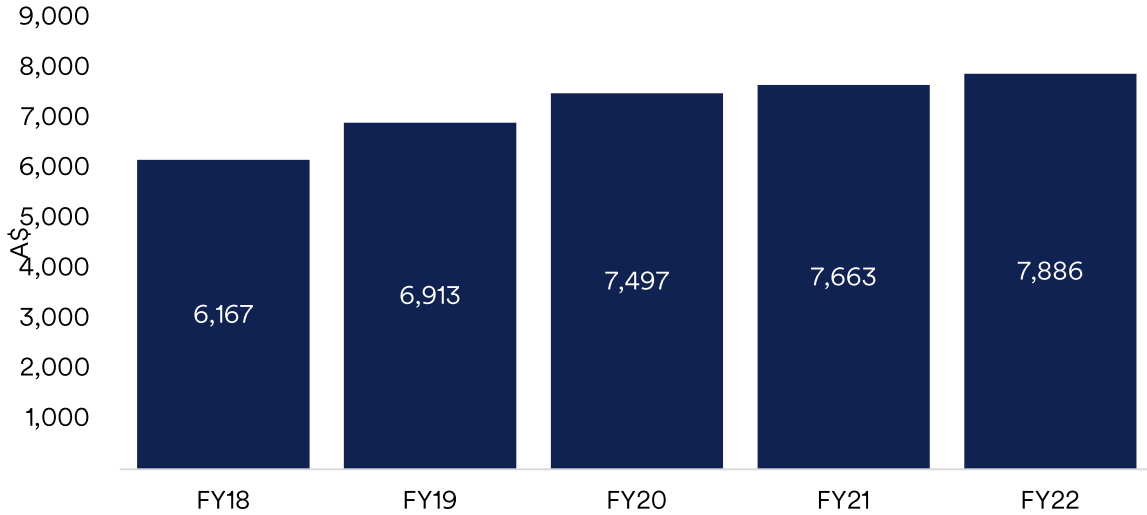
Subscriptions

Subscriptions increased to 9,426 (30 June 2021: 9,015), highlighting the continued effectiveness of customer acquisition strategies across Sales and Marketing over the period.



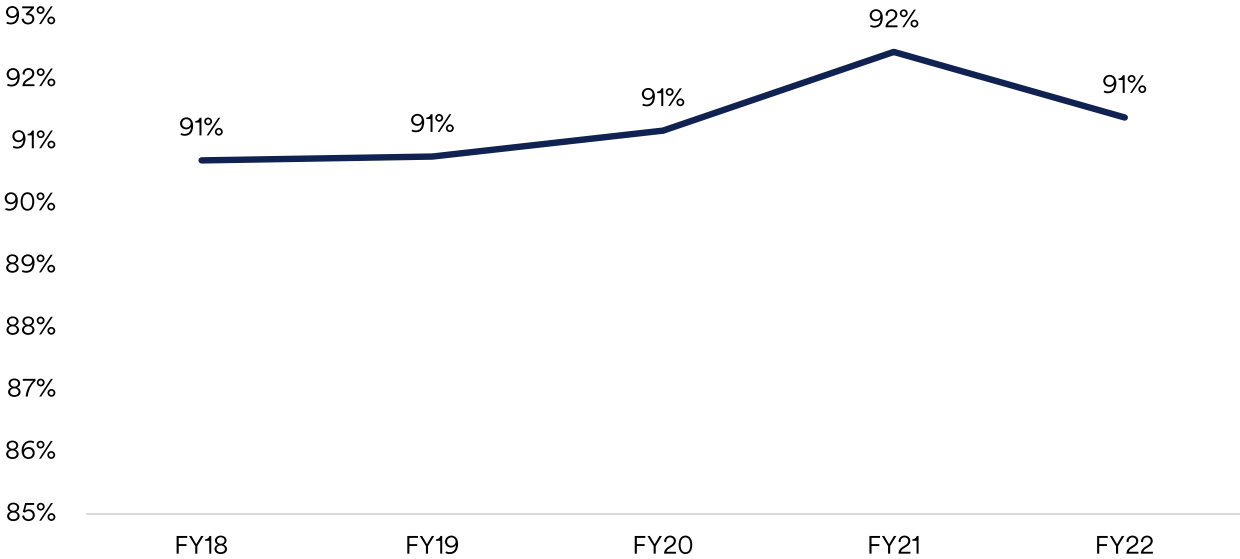
Average Revenue Per Subscription

ARPS increased to \$7,886 (30 June 2021: \$7,663). This metric continues to demonstrate a pleasing upward trend, again showing the value customers continue to receive as Nearmap customers.



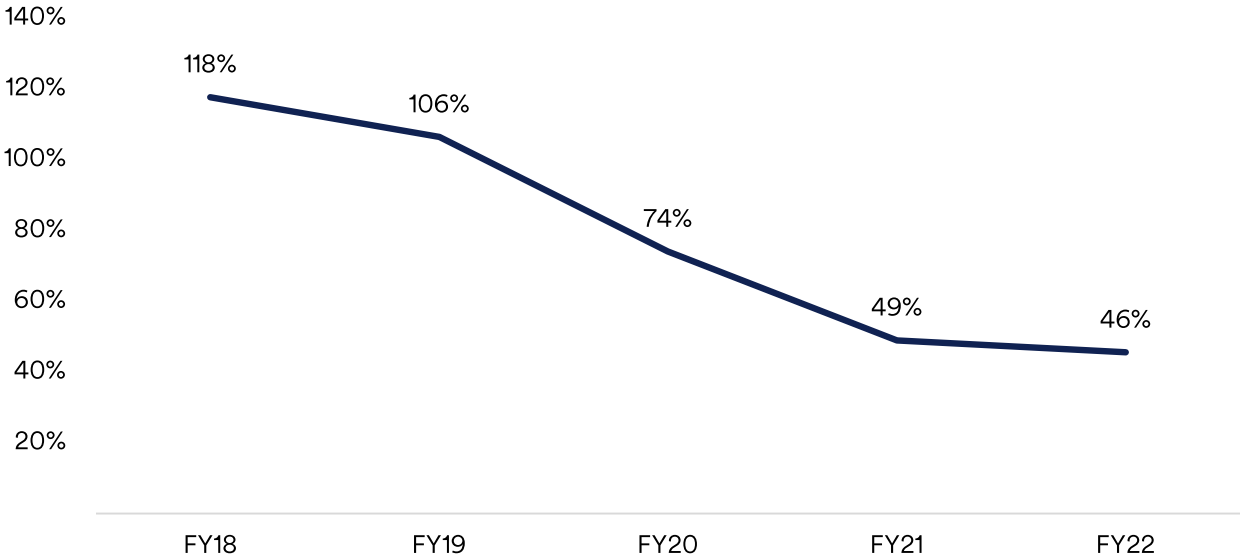
Gross Margin (pre-capitalisation)

Gross Margin (pre-capitalisation) remains above 90%, reflecting the operating leverage of a growing revenue base against a consistent capture program.

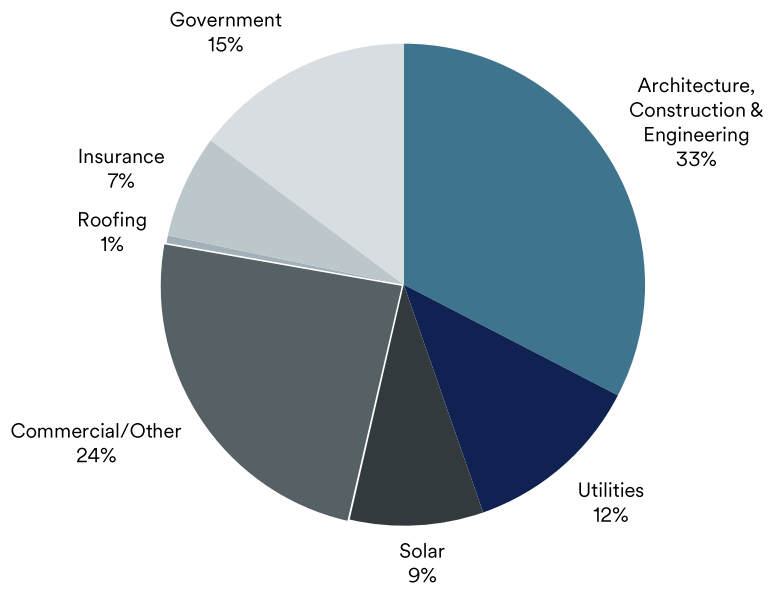


Sales Team Contribution Ratio (pre-capitalisation)

STCR decreased to 46% in FY22 (FY21: 49%). The roll out of the refined operating model in ANZ will see this metric trend back towards target range.

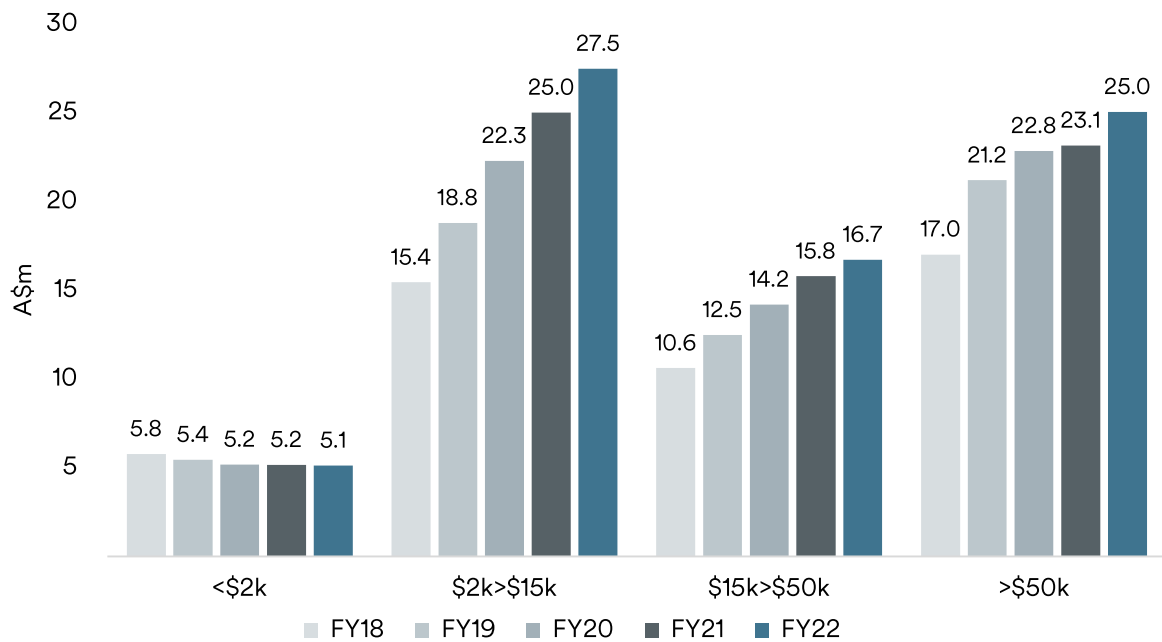


ACV portfolio at 30 June 2022 by industry segment

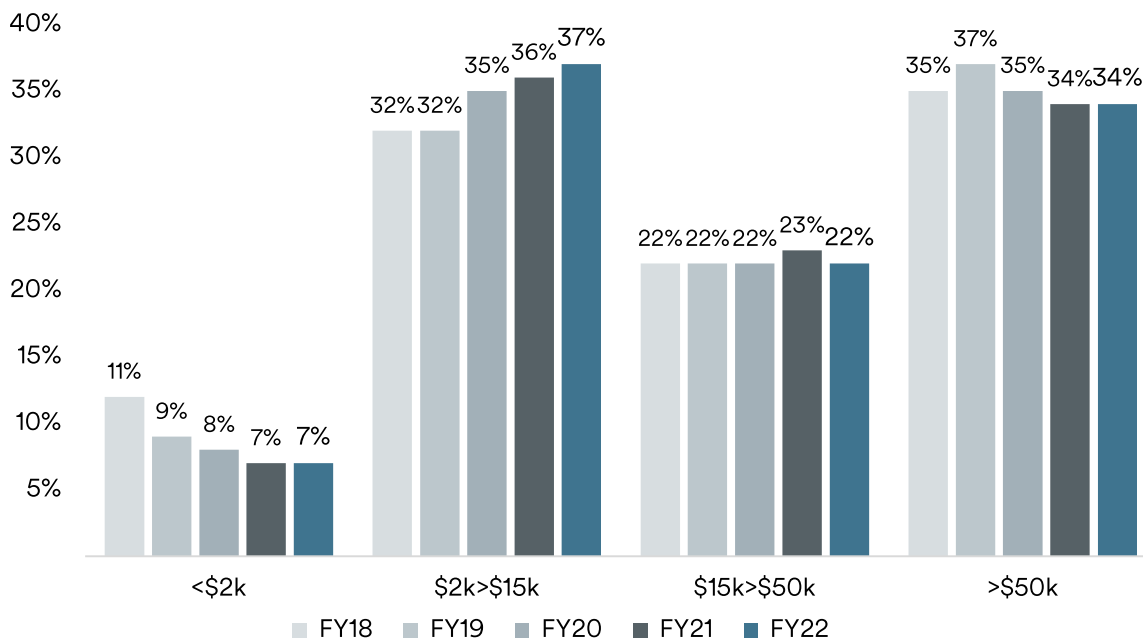


Portfolio diversification is consistent with prior periods across the Group's core industry verticals.

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 44% of the portfolio at 30 June 2022, and those to Enterprise customers (subscriptions greater than \$15,000 p.a.) totalling 56%.

SEGMENT PERFORMANCE

The segment results for the business for FY22 (with FY21 as a comparative) as reported in the Appendix 4E Full Year Financial Report for the year ended 30 June 2022 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 | FY22 NA | Total | US\$'000 NA |
|--|-----------------|-----------------|-----------------|-----------------|
| Revenue | 71,146 | 74,804 | 145,950 | 54,150 |
| Total Revenue | 71,146 | 74,804 | 145,950 | 54,150 |
| Capture Cost Amortisation | (4,024) | (18,481) | (22,504) | (13,410) |
| Storage, Administration & Other | (1,484) | (10,633) | (12,117) | (7,701) |
| Total Cost of Revenue | (5,508) | (29,113) | (34,621) | (21,111) |
| Gross Margin | 65,638 | 45,690 | 111,329 | 33,038 |
| Gross Margin % | 92% | 61% | 76% | 61% |
| Direct Sales & Marketing | (9,809) | (20,538) | (30,347) | (14,875) |
| Indirect Sales & Marketing | (6,416) | (4,268) | (10,683) | (3,123) |
| Contract Acquisition Costs Amortisation | (891) | (3,036) | (3,927) | (2,196) |
| Total Sales & Marketing Cost | (17,116) | (27,841) | (44,957) | (20,193) |
| Total Sales & Marketing % of revenue | 24% | 37% | 31% | 37% |
| Segment Contribution | 48,523 | 17,849 | 66,371 | 12,845 |
| Segment Contribution % | 68% | 24% | 45% | 24% |
| Global Costs | | | | |
| General & Administration | | | (33,988) | |
| Product, Engineering & Technology | | | (32,215) | |
| Global Depreciation and Amortisation (ex. Intangibles) | | | (6,125) | |
| Other Income | | | 804 | |
| Interest Expense | | | (328) | |
| Foreign Exchange | | | 69 | |
| Total Global Operations Cost | | | (71,783) | |
| Total Global Operations Cost % of Revenue | | | 49% | |
| Core PBT | | | (5,412) | |
| Core PBT % of Revenue | | | 4% | |
| Litigation | | | (10,417) | |
| D&A - Intangibles | | | (17,574) | |
| Income Tax Benefit | | | 2,607 | |
| Loss after Tax | | | (30,796) | |

| A\$'000 | ANZ | FY21 NA | 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) | (18,809) | (23,223) | (14,012) |
| Storage, Administration & Other | (1,188) | (7,641) | (8,828) | (5,716) |
| Total Cost of Revenue | (5,602) | (26,450) | (32,052) | (19,728) |
| Gross Margin | 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) | (18,584) | (7,075) |
| Contract Acquisition Costs Amortisation | (138) | (362) | (500) | (277) |
| Total Sales & Marketing Cost | (17,142) | (24,235) | (41,378) | (18,152) |
| Total Sales & Marketing % of revenue | 26% | 51% | 36% | 51% |
| Segment Contribution | 43,138 | (3,137) | 40,001 | (2,276) |
| Segment Contribution % | 65% | (7%) | 35% | (7%) |
| Global Costs | | | | |
| General & Administration | | | (20,343) | |
| Product, Engineering & Technology | | | (17,609) | |
| Global Depreciation and Amortisation (ex. Intangibles) | | | (5,956) | |
| Other Income | | | 1,051 | |
| Interest Expense | | | (535) | |
| Foreign Exchange | | | (1,654) | |
| Total Global Operations Cost | | | (45,046) | |
| Total Global Operations Cost % of Revenue | | | 40% | |
| Core PBT | | | (5,045) | |
| Core PBT % of Revenue | | | 4% | |
| Litigation | | | (1,977) | |
| D&A - Intangibles | | | (15,433) | |
| Income Tax Benefit | | | 3,635 | |
| Loss after Tax | | | (18,820) | |

TECHNOLOGY AND PRODUCT

| A\$'000 | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 | YoY % |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|
| Technology & product | | | | | | | |
| Development capex | (6,132) | (6,257) | (12,389) | (9,746) | (13,237) | (22,982) | 86% |
| Maintenance opex | (8,082) | (9,529) | (17,611) | (14,306) | (17,909) | (32,215) | 83% |
| Total | (14,214) | (15,786) | (30,000) | (24,052) | (31,145) | (55,197) | 84% |
| Development technology & product spend as % of revenue | 11.2% | 10.7% | 10.9% | 14.4% | 16.9% | 15.7% | |
| Net investing activities | | | | | | | |
| Development capex | (6,132) | (6,257) | (12,389) | (9,746) | (13,237) | (22,982) | 86% |
| Corporate capex | (222) | (894) | (1,116) | (624) | (890) | (1,514) | 36% |
| Total | (6,354) | (7,151) | (13,505) | (10,370) | (14,127) | (24,496) | 81% |

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 \$10.7m in FY22 compared to FY21 reflecting the increase in development work to support the launch of key products during FY22 as well as the purchasing of parts required to assemble HC3 cameras. Technology and Product spend as a proportion of revenue increased to 16% in FY22.

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

CONSOLIDATED STATUTORY PROFIT OR LOSS

| A\$'000 | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 | YoY % |
|-----------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|--------------|
| Revenue | 54,718 | 58,713 | 113,431 | 67,550 | 78,400 | 145,950 | 29% |
| Interest income | 187 | 350 | 537 | 236 | 123 | 359 | (33%) |
| Other income | 507 | 7 | 514 | 32 | 413 | 445 | (13%) |
| Total revenue | 55,412 | 59,070 | 114,482 | 67,818 | 78,936 | 146,754 | 28% |
| Expenses | | | | | | | |
| Employee benefits expense | (29,051) | (29,578) | (58,629) | (35,896) | (44,425) | (80,434) | (37%) |
| Amortisation and depreciation | (22,955) | (22,157) | (45,112) | (24,037) | (26,092) | (50,130) | (11%) |
| Other operational expenses | (12,637) | (18,370) | (31,007) | (20,996) | (28,452) | (49,333) | (59%) |
| Total expenses | (64,643) | (70,105) | (134,748) | (80,929) | (98,969) | (179,898) | (34%) |
| Net finance (costs)/income | (1,574) | (615) | (2,189) | (101) | (158) | (259) | 88% |
| (Loss)/profit before tax | (10,805) | (11,650) | (22,455) | (13,212) | (20,191) | (33,402) | (49%) |
| Income tax (expense)/benefit | 1,419 | 2,216 | 3,635 | 1,278 | 1,329 | 2,607 | (28%) |
| Loss after tax | (9,386) | (9,434) | (18,820) | (11,934) | (18,862) | (30,796) | (64%) |

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

Revenue – Revenue increased 29% pcp to \$146.0m (FY21: \$113.4m), 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 the final release of proceeds on the disposal of a fully amortised investment in an unlisted business and the proceed from an insurance claim.

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 FY22 were \$80.4m (FY21: \$58.6m), reflecting the increase in headcount to support the continued growth of the business.
- 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, litigation fees and other corporate expenses.

Tax – Tax benefit for the period was \$2.6m. The tax benefits for FY22 is largely driven by the deferred tax benefit of \$3.5m recognized on temporary differences between accounting and tax bases. \$4.9m of deferred tax benefit was recognised in the US, mainly relating to temporary difference on unearned revenue, which was offset by \$0.3m deferred tax expense on to temporary difference mainly relating to intangible assets in AU. The Group has an unrecognised deferred tax asset of \$7.2m in respect of US tax losses, \$2.0m in respect of Australian tax losses, and \$16.9m in respect of unused Australian R&D tax credits as at 30 June 2022.

| A\$'000 | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total profit/(loss) before tax | (10,805) | (11,650) | (22,455) | (13,212) | (20,191) | (33,402) |
| Prima facie tax benefit at 30% | 3,242 | 3,494 | 6,736 | 3,964 | 6,057 | 10,021 |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income: | | | | | | |
| R&D grant | | | | | 3,896 | 3,896 |
| Effect of lower tax rate in the US | (853) | 1,081 | 228 | 36 | 261 | 297 |
| Share based payments expense | (1,502) | (521) | (2,023) | (894) | (1,388) | (2,282) |
| Non-Deductible expenses | 9 | (31) | (22) | (96) | 55 | (41) |
| Recognition of previously unrecognised deductible temporary differences | - | (81) | (81) | - | 399 | 399 |
| Current year losses and unused R&D tax credits for which no deferred tax asset is recognised | (809) | (3,802) | (4,611) | (3,886) | (10,365) | (14,251) |
| Over provision in the prior year | 1,332 | (37) | 1,295 | - | 1,277 | 1,277 |
| Utilisation of tax losses not previously recognised | - | 2,113 | 2,113 | 2,154 | 1,138 | 3,292 |
| Current year tax benefit/(expense) | 1,419 | 2,216 | 3,635 | 1,278 | 1,330 | 2,607 |

Reconciliation of statutory net loss after tax to EBIT & EBITDA

| A\$m | FY21 | FY22 |
|-----------------------------|---------------|---------------|
| Loss after tax | (18.8) | (30.8) |
| Income tax | (3.6) | (2.6) |
| Interest income | (0.5) | (0.4) |
| Interest expense | 0.5 | 0.3 |
| Foreign exchange | 1.7 | (0.1) |
| EBIT | (20.8) | (33.5) |
| Amortisation & Depreciation | 45.1 | 50.1 |
| EBITDA | 24.3 | 16.6 |

CONSOLIDATED BALANCE SHEET

| A\$'000 | 31 Dec 20 | 30 Jun 21 | 31 Dec 21 | 30 Jun 22 |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Current assets | | | | |
| Cash and cash equivalents | 129,323 | 123,431 | 109,762 | 93,699 |
| Trade receivables | 22,697 | 23,855 | 35,076 | 37,761 |
| Other current receivables | 4,728 | 5,485 | 4,885 | 3,454 |
| Prepayments and other current assets | 5,484 | 6,260 | 5,352 | 7,372 |
| Current tax receivable | - | 147 | 277 | - |
| Total current assets | 162,232 | 159,178 | 155,352 | 142,285 |
| Non-current assets | | | | |
| Property, plant and equipment | 28,641 | 25,095 | 23,012 | 23,010 |
| Intangible assets | 42,613 | 49,269 | 57,196 | 66,380 |
| Deferred tax assets | 5,761 | 5,767 | 8,096 | 10,253 |
| Other non-current receivables | 427 | 370 | 443 | 390 |
| Total non-current assets | 77,442 | 80,501 | 88,747 | 100,033 |
| Total assets | 239,674 | 239,679 | 244,099 | 242,318 |
| Current liabilities | | | | |
| Trade and other payables | 6,823 | 7,612 | 8,193 | 10,714 |
| Unearned revenue | 50,076 | 55,837 | 68,389 | 74,122 |
| Employee benefits | 10,083 | 11,775 | 10,581 | 15,647 |
| Lease liabilities | 4,339 | 4,681 | 4,836 | 4,072 |
| Other current liabilities | 1,004 | 38 | 98 | 0 |
| Current tax liabilities | 1,804 | - | - | 157 |
| Total current liabilities | 74,129 | 79,943 | 92,097 | 104,712 |
| Non-current liabilities | | | | |
| Unearned revenue | 901 | 945 | 962 | 1,338 |
| Deferred tax liabilities | 7,739 | 8,240 | 8,870 | 8,565 |
| Employee benefits | 489 | 602 | 632 | 619 |
| Lease liabilities | 7,519 | 5,145 | 3,265 | 1,861 |
| Other non-current liabilities | 2,123 | 2,150 | 2,188 | 2,245 |
| Total non-current liabilities | 18,771 | 17,082 | 15,917 | 14,628 |
| Total liabilities | 92,900 | 97,025 | 108,014 | 119,341 |
| Net assets | 146,774 | 142,654 | 136,085 | 122,977 |
| Equity | | | | |
| Contributed equity | 221,343 | 224,192 | 226,279 | 226,136 |
| Reserves | 23,641 | 26,106 | 29,384 | 35,280 |
| Profits reserve | 7,078 | 7,078 | 7,078 | 7,078 |
| Accumulated losses | (105,288) | (114,722) | (126,656) | (145,518) |
| Total equity | 146,774 | 142,654 | 136,085 | 122,977 |

Key balance sheet items represent:

Cash – The Group’s cash balance decreased to \$93.7m (30 June 2021: \$123.4m). \$20.2m of cash consumed through normal business operations reflecting the continued investment to support the growth of the business. An additional \$9.5m was paid in relation to the patent litigation fees and filing of Inter Partes Review petitions.

Trade receivables – Amounts outstanding from customers were \$37.8m (30 June 2021: \$23.9m). The increase reflects the continued growth in ACV during FY22, as well as the timing of contract wins/renewals and invoice collections. 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 \$1.1m vs 30 June 2021 represent 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 \$3.9m vs 30 June 2021 primarily due to an increase in bonus provision resulting from an increase in headcount compared to 30 June 2021.

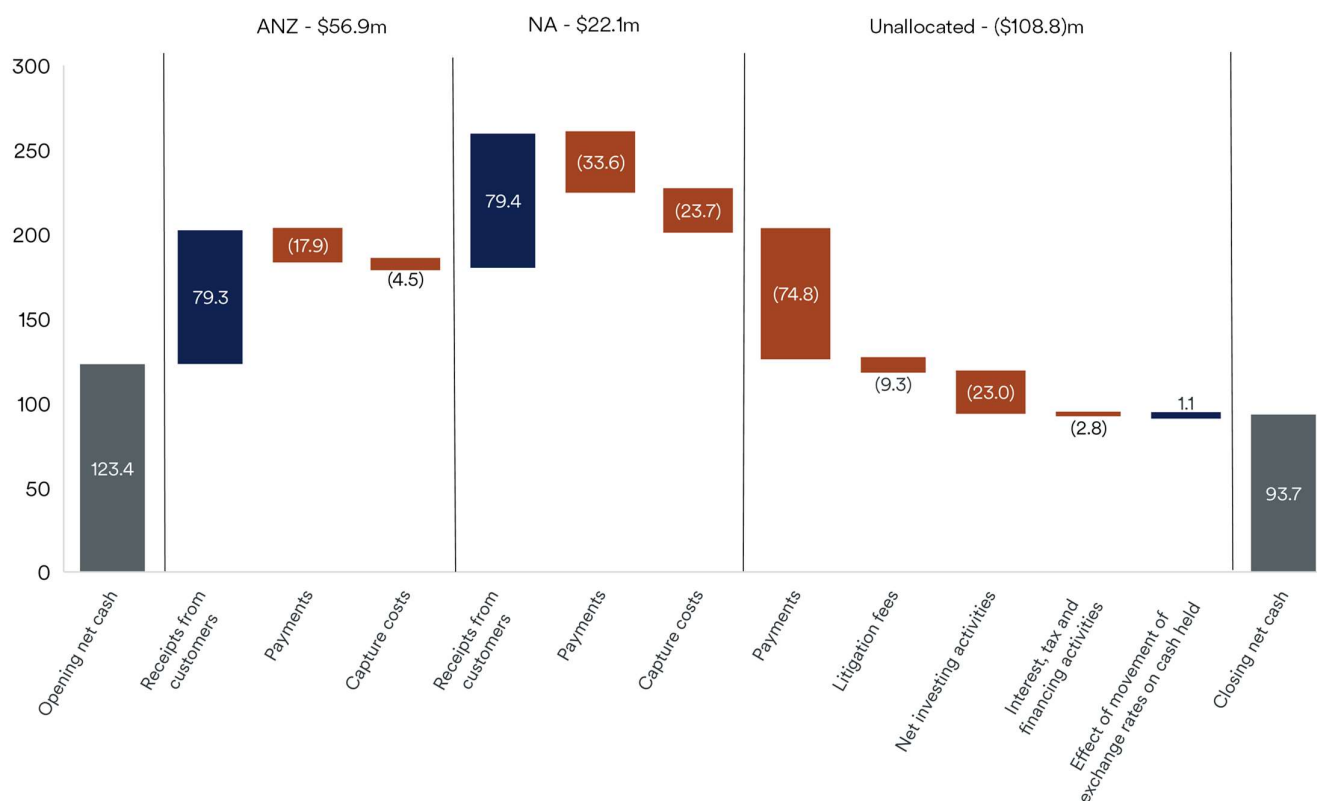
Financing

At 30 June 2022, 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 FLOWS

| A\$'000 | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 | YoY % |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Receipts from customers | 58,119 | 65,645 | 123,764 | 73,564 | 85,106 | 158,670 | 27% |
| Payments to suppliers and employees | (37,173) | (55,163) | (92,336) | (65,129) | (70,415) | (135,544) | (75%) |
| Interest received | 56 | 131 | 187 | 579 | 125 | 705 | >100% |
| Income taxes received/(paid) | (1,363) | 792 | (571) | (366) | (246) | (612) | 73% |
| Net cash used in operating activities | 19,639 | 11,405 | 31,044 | 8,648 | 14,571 | 23,219 | (56%) |
| Net cash used in investing activities | (17,458) | (18,180) | (35,638) | (22,296) | (28,860) | (51,156) | (28%) |
| Net cash flows from financing activities | 91,546 | 510 | 92,056 | (347) | (2,596) | (2,943) | <100% |
| Effect of movement of exchange rates on cash held | (544) | 373 | (171) | 326 | 822 | 1,148 | >100% |
| Total movement | 93,183 | (5,892) | 87,291 | (13,669) | (16,063) | (29,732) | <100% |

Cash flow waterfall



Key components of the FY22 cash flows represent:

ANZ – The ANZ segment generated free cash flows of \$56.9m (FY21: \$43.3m), with cash receipts of \$79.3m offset by payments of \$22.4m for sales and marketing expenses, capture costs and related net GST payments.

NA – The NA segment generated free cash flows of \$22.1m (FY21: consumed cash flows \$4.6m), with cash receipts of \$79.4m offset by payments of \$57.3m on sales and marketing expenses, capture costs and related sales tax remittances.

Unallocated – The Unallocated segment consumed cash flows of \$108.8m, reflecting:
Payments for general and administrative costs of \$74.8m, relating to the product & technology and corporate functions.
Litigation fees of \$9.3m.

Net investing activities consist of the following:

Payments for development costs \$ 16.3m

Purchase of plant and equipment \$ 6.8m

Proceeds from sale of unlisted investments \$ 0.1m

Net outflows of \$2.9m in interest, tax, lease payments and options exercised.

Favourable effect of movement of exchange rates on cash held \$1.1m

APPENDICES

Foreign exchange rates

The following exchange rates were applied during each period.

| | Currency | 1H21 | 2H21 | FY21 | 1H22 | 2H22 | FY22 |
|----------------------|----------|--------|--------|---------------|--------|--------|---------------|
| Average rate | USD | 0.7230 | 0.7717 | 0.7473 | 0.7319 | 0.7198 | 0.7258 |
| Period end spot rate | USD | 0.7702 | 0.7518 | 0.7518 | 0.7256 | 0.6889 | 0.6889 |
| Average rate | NZD | 1.0174 | 1.0756 | 1.0742 | 1.0487 | 1.0850 | 1.0668 |
| Period end spot rate | NZD | 1.0665 | 1.0745 | 1.0745 | 1.0628 | 1.1088 | 1.1088 |
| Average rate | CAD | 0.9540 | 0.9627 | 0.9583 | 0.9219 | 0.9147 | 0.9183 |
| Period end spot rate | CAD | 0.9818 | 0.9318 | 0.9318 | 0.9245 | 0.8885 | 0.8885 |

Pre-capitalisation segment note

| A\$'000 | FY21 | | | FY22 | | | YoY % |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | ANZ | NA | Group | ANZ | NA | Group | |
| Revenue | 65,883 | 47,548 | 113,431 | 71,146 | 74,804 | 145,950 | 29% |
| Total revenue | 65,883 | 47,548 | 113,431 | 71,146 | 74,804 | 145,950 | 29% |
| Cost of sales (pre-capitalisation) | | | | | | | |
| Cash costs to capture | (3,791) | (16,190) | (19,981) | (4,604) | (23,883) | (28,487) | (43%) |
| Storage, administration & other | (1,188) | (7,641) | (8,828) | (1,484) | (10,633) | (12,117) | (37%) |
| Total cost of sales | (4,978) | (23,831) | (28,809) | (6,088) | (34,516) | (40,604) | (41%) |
| Gross profit (pre-capitalisation) | 60,904 | 23,717 | 84,621 | 65,058 | 40,288 | 105,346 | 24% |
| Gross margin % (pre-capitalisation) | 92% | 50% | 75% | 91% | 54% | 72% | |
| Sales & marketing (pre-capitalisation) | | | | | | | |
| Direct sales & marketing | (9,399) | (18,851) | (28,250) | (11,557) | (27,711) | (39,268) | (39%) |
| Indirect sales & marketing | (9,197) | (9,490) | (18,687) | (6,796) | (5,025) | (11,820) | 37% |
| Total sales & marketing costs | (18,596) | (28,341) | (46,937) | (18,353) | (32,736) | (51,088) | (9%) |
| Segment contribution (pre-capitalisation) | 42,308 | (4,624) | 37,684 | 46,705 | 7,552 | 54,257 | 44% |
| Technology & product expensed | | | (17,611) | | | (32,215) | (83%) |
| Technology & product development costs ¹ | | | (12,109) | | | (17,783) | (47%) |
| Total technology & product costs ² | | | (29,720) | | | (49,998) | (68%) |
| Corporate expensed | | | (22,318) | | | (44,405) | (99%) |
| Corporate development costs | | | - | | | - | |
| Total corporate costs | | | (22,318) | | | (44,405) | (99%) |
| Camera units ¹ | | | (280) | | | (5,199) | <100% |
| Corporate capex | | | (1,116) | | | (1,514) | (36%) |
| Total capex costs | | | (1,396) | | | (6,713) | <100% |
| Other income | | | 1,051 | | | 804 | (24%) |
| Cash receipts from unearned income | | | 9,328 | | | 18,678 | >100% |
| Capital raise net proceeds | | | 92,728 | | | - | |
| Other items | | | (66) | | | (2,355) | <100% |
| Net increase/(decrease) in cash | | | 87,291 | | | (29,732) | <100% |

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 |