

ASX release

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2015 CHAIRMAN AND MANAGING DIRECTOR/CEO'S ADDRESS TO ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Good morning, ladies and gentlemen. My name is Ross Norgard. I am the Chairman of nearmap limited and I will Chair today's meeting. It is my pleasure to welcome you to the 2015 Annual General Meeting of nearmap limited.

I am pleased to present to you today my review of 2015 and an overview of nearmap's exciting prospects.

Let me start with some highlights of 2015. It was another pivotal year for nearmap, underpinned by continued growth in the Australian business and significant progress with our international expansion into the United States. 2015 could also be summarised as a year of investment, validation and change.

First, I am pleased to report our FY15 results. Encouragingly, our Australian business continued to grow in FY15 with revenue up 32% and gross profit up 36% from the prior year. These are strong results. They validate the strength of our customer value proposition: current, clear, change and the attractive features of our financial model: superior growth, recurring revenues, scalability, high gross margins, strong free cash flow and low capital intensity.

Given the scale and timeliness of our opportunities in the domestic market we decided to invest in further growth. We introduced our first ever marketing function. We established a local Australian management team and we extended our sales capacity. All of these investments are now generating positive returns.

In October we asked Dr Rob Newman to become Managing Director and CEO of nearmap. We are fortunate that Rob, with his significant expertise in building and commercialising accelerated high growth technology companies and deep experience of operating successfully and making money for shareholders in the US for over ten years, was able to take the lead at nearmap.

For those of you that have not met Rob's executive team, let me introduce to you to Gerhard Beukes our COO / CFO, Paul Lapstun, who oversees all of our technology and product, John Biviano who joined us this year to head up sales and marketing in Australia and Nancy Koshiyama, our Chief People Officer, based in the US. We congratulate them on their appointments and we appreciate their significant contributions to nearmap.

Importantly, the results also show the progress we are making in executing our long term strategy of building a significant and

About nearmap

Built around proprietary PhotoMaps™ aerial imagery technology, nearmap is a visual analytics company with a focus on empowering businesses with timely and reliable information on which to make decisions quickly and with confidence.

Our breakthrough technology enables imagery to be updated much more frequently than other providers. With populations of multiple countries covered regularly, nearmap is changing the way governments, companies and communities see their world.

Further Information

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sustainable business in the United States with similar positive characteristics to our Australian business. We have been able to build a new operation from the ground up and establish the foundations for strong growth. I am proud of what are our team is achieving.

nearmap announced its expansion into the US in October 2014. While we are not a start-up over there, we are only just over a year old. In that time, we launched our nationwide US urban capture program. This was an exciting time for the company. The successful launch of the HyperCamera system, which was approved by the Federal Aviation Administration (FAA) allowed us to accelerate our offshore growth plans. The initial capture program aimed to capture 33% of the US population in FY15, more than 100m people. This target was subsequently increased to 150M people as the expansion tracked ahead of expectations due to efficiencies achieved by using the HyperCamera technology.

We have opened three offices across the US and have hired local sales, marketing and flight operations teams. We have an ever growing number of registered users. In the latter half of 2015 and ahead of company guidance we had our first commercial sales in the US; a promising start. These sales prove our attractive customer value proposition and our ability to compete effectively in the market.

As we have gained traction in the United States, and our competitive strengths started to translate into commercial successes, the Board recognised the opportunity to accelerate growth and build a larger and more successful business over there. I am pleased to say we have now generated over half a million dollars' worth of contracted sales since we started. Rob will talk more of this later.

Given these ambitions to accelerate and upscale, we also recognised that we needed strengthened leadership skills and more management experience of operating on the ground in the US to deliver on this potential.

We are excited for this next chapter in our growth and development. I would like to formally thank our previous CEO Simon Crowther for his contribution to the company. Under Simon we made some real progress. We thank him and we wish him well in his future endeavours.

With these growth opportunities here and offshore, and as we put in place the infrastructure and resources to accelerate and deliver this growth, what can we expect for 2016?

First we will continue to invest in market leading new technologies and product development to further enhance our imagery and our offerings to customers. In Australia we expect to continue to increase market penetration in high value verticals, such as the recently launched Construction and Solar products. We are well on track to deliver on the revenue run rate guidance of \$28m – \$32m by December this year and see significant further growth beyond this.

In FY16 we plan to launch the HyperCamera2 aerial camera system which will add high quality oblique and 3D capability. This breakthrough technology is exciting and will further solidify our foothold in the market as a leader in high-resolution aerial imagery.

In the United States we are developing and executing a detailed, structured sales and marketing plan to not only capture larger enterprise and government customers, but also targeting smaller Small Medium Size enterprise customers through inside sales and e-commerce capabilities.

With our strong balance sheet, disciplined capital management and strong domestic cash flow generation we are well placed to fund our US expansion internally.

I am quietly confident of continued improvements in the Group's financial results as we remain focused on the execution of our strategy to build a stronger, accelerated and larger international imagery and analytics business with our attractive financial features. We enter 2016 with a confident outlook. While execution is critical, the year should be exciting and prosperous for nearmap.

I am very proud of the achievements of the Group to date. I would sincerely like to thank the hard work and effort of our Board of Directors, our CEO Dr Rob Newman and his executive team. We appreciate the invaluable contribution of our loyal and dedicated employees, my fellow shareholders, and of course the tremendous support of our growing customer base. Thank you.

I will now hand over to Rob to present the Managing Director/CEO's Report.

MANAGING DIRECTOR/CEO REPORT

Thank you Ross and welcome to all our shareholders here today.

I would like to start by saying how much I have been looking forward to be presenting to you today. As you know I moved into the Chief Executive role six weeks ago. It is an exciting transition for me and the start of the next stage of growth for nearmap.

You may not be aware, but I first uncovered nearmap seven years ago when it was still a development project in a lounge room in Western Australia and I have been part of this company ever since. I am a true believer in nearmap and its potential.

In taking on the CEO role at nearmap I am driving three major programs that will see our company grow significantly over the next few years. These three key programs are (1) bringing a focus and stability to our efforts in the US supported by a continued investment in the market, (2) a continued investment in scaling the Australian business, to build on our current rate of growth and (3) an investment in technology and product that will add richness and value to what we deliver to our customers.

But before I speak about the future for nearmap let me start with my assessment of where nearmap is today. There are some real strengths in our company. We have a compelling product offering that is of high value to a large range of customers. We have a significant market position, minimal competition and a clear first mover advantage in the Australian market. As a result, we are seeing continued strong growth here in Australia. We continue month on month to add significant new business to our subscriber base while maintaining a very high retention rate of existing customers. We do not see that growth in Australia slowing.

A further key strength in our company is our team. We have a highly capable team that is motivated and driven to deliver nearmap's growth potential. That capability has been led by a strong executive team that has the experience and maturity to grow nearmap significantly.

On the basis of this, a little over twelve months ago nearmap announced it is entering the US market. This required an investment to capture imagery for a large part of the US population on a regular basis and to put in place the sales, marketing and support teams. Our capture program has been very successful with over 50% of the US population captured multiple times to date.

We have also made an investment in building the sales, marketing and support teams in the US that can deliver the high growth we expect in that market. Also, we have built the systems and plans to address the massive opportunity in the US. We are now in the process of rolling out these out in the US.

It is with this groundwork that we have already achieved signed contracts to date of US\$500,000 (AUD700,000).

I know you are all keen to hear about our plans in the US, so let me talk about that program first. The US market represents a massive opportunity for nearmap and we have the skills and expertise to succeed in that market. My observations are that the customer needs and the value of our product closely match what we have seen in Australia. Our initial customer traction also matches what we saw in the early days in Australia. We are selling to government and enterprise who are traditional purchasers of aerial imagery. But we also selling to customers who have never purchased aerial imagery, and these new customers see the value in using our up-to-date captures to save site visits and to make better decisions. Whilst we have seen some established competition in the traditional aerial imagery market, our offering is compelling both in currency and in pricing relative to these players. And these competitors have not slowed our entry in the US market.

As with any new market it takes time to establish a presence and tune the Go-To-Market strategy to that environment. We have put in place a marketing and sales structure that replicates the successful structure working today in Australia. The key here is focus. We have a strategic account team that is targeting a small number of high value accounts. And we have an inside sales team that is organised by industry that addresses the small to medium enterprise

and local government segment. We also have a lead generation team that supports both of these channels. We will soon add a purely digital channel to address the demand for individual licenses.

We have also delivered to our US sales and marketing teams the tools they need to be successful and we are already seeing results. And one of the more important tools will be that by the end of this week we will have implemented a more nurtured version of the “paywall”, which delivered a step change in results in Australia three years ago. This nurtured paywall will allow us to accelerate the conversion of customer awareness to revenue generation in the US.

But we won’t stop there. In the new year we plan to kick off some marketing programs that will deliver a deeper, more focused penetration into selected industry verticals. One of the keys to gaining traction in a market as large as the US is to focus our marketing and sales resources so that we get high awareness within an industry, and then from there expand to adjacent segments. Also, from our experience in Australia, early sales are typically to smaller customers or departments within our larger accounts. It is from this base we will expand with both enterprise wide deals and delivering greater value to the customer.

In parallel with this I am hiring the leadership in the US support the growth. It is critical to our success in the US that we have leadership that is trusted in that market and can galvanise the team. It will be a structure that replicates the successful structure we have in Australia.

As with any new market entry, it takes patience, focus and stability to succeed. This has been, and will continue to be, my mantra. It is too early for me to state how big the US market will be, but we have put the structure in place to enable accelerated revenue growth. As we better understand this market, I will provide my considered view on the scope of the opportunity.

Now, let’s look at Australia. Our investment in Australian sales and marketing has become more focused with the hire of John Biviano earlier this year. John has brought a process and structure to how we will grow revenue in Australia that we have not had before. In the three years since the paywall was put up in Australia we have grown our revenue run rate from \$5M to what will be between \$28M and \$32M by the end of this quarter. Based on the investments we are making today we expect that rate of growth to continue, and this is without the addition of new products and services. Given the very high retention rates of our customers, those investments today should deliver a consistent revenue stream for many years into the future.

Our third key program is in our product and technology. Our customers today use our imagery because it delivers currency, clarity and change. But our product can provide much more. We have already delivered tools that add value to our offering, including our highly successful solar tool, and we will continue to invest strategically in building such market leading capabilities. And beyond this, we are developing our next generation of product, based on our

HyperCamera2 technology, which will add more richness and value to the data we deliver to our customers. We have already demonstrated the capabilities of this system to some of our lead customers in the US and will roll out these product capabilities in Australia and the US over time.

So how will we support three programs? We have the resources we require already today. Our development team and our sales and marketing teams are in place and these teams are executing very effectively. Given these investments have been made and our revenue growth should continue, we expect to see the operational gearing benefits of our model become evident for investors. Our strong balance sheet, continued growth in new business and free cash flow generated in Australia will deliver the capital we need to support our campaign in the US. To be clear, we will not need to raise equity capital to fund our US campaign nor the other programs in our business.

I would like to conclude with my outlook on where nearmap is headed over the next few years. We have work to do as a team to build our shared vision, but I can say that we all agree that nearmap has significant growth potential and is at a very early stage in monetizing that potential. Already today nearmap is one of the ten largest Aerial Imagery companies globally, and that is just based on our revenue from Australia. Over the next few years, we look to repeat our Australian success in the US, a much larger market. And once we have succeeded in the United States and proven we can build a successful business offshore, we can consider our expansion into other geographies.

But more important than this, we can see that we are much more than an aerial imagery company. Based on the capabilities we are developing and soon to deliver, we will provide tools and analytics that can add value across a broad range of industries.

So, now it comes to execution. I have spent most of my career building high growth companies based on Australian innovation, and I have succeeded in the US market. I know what it takes. We have set the strategy, we have the products and we have team; here and increasingly in the US. We look forward to accelerating our growth in Australia and in rapidly growing our presence and results in the US.

Thank you for supporting nearmap, and we look forward to building this company with your support.

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