



ASX RELEASE

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H1 FY18 – RECORD GROWTH WITH INVESTMENTS TO GENERATE SCALE IN PLACE

Nearmap Ltd (ASX:NEA) is pleased to announce its financial results for the six months ended 31 December 2017 (H1 FY18). The Company's annualised contract value (ACV) grew 31% in the half year to \$54.2M, a record in the history of Nearmap's operations. Global customer numbers have increased to over 8,200, with group average revenue per subscription (ARPS) increasing to \$6,600. Total revenue of \$24.7M was up 27% on corresponding prior period total revenue of \$19.4M.

CEO and Managing Director, Dr Rob Newman said that this record growth was achieved as the investments to generate further scalable growth were put in place.

"I am pleased to confirm that Nearmap's record growth in its portfolio in H1 FY2018 continues to validate the importance of our content to our customers. During this half, we have now established the investment in our capture program, our expanded product suite and our sales and marketing capabilities, at the levels consistent with the capital raise in November 2016. We are now positioned to capitalise on the next stage in our growth."

H1 FY2018 Financial and Operational Overview

United States

- Largest half-yearly incremental ACV in the history of Nearmap's US operations
- ACV portfolio of USD\$8.5M (30 June 2017: USD\$5.3M)
- Subscriptions of 742 (30 June 2017: 605)
- Effective sales & marketing – Sales Team Contribution Ratio of 95% (H1 FY2017: 81%)

Australia

- ACV portfolio of \$43.3M (30 June 2017: \$40.0M)
- Subscriptions of 7,477 (30 June 2017: 7,227)
- Sales Team Contribution Ratio of 101% (H1 FY2017: 96%)

Group

- EBITDA of \$1.2M (H1 FY2017: \$2.4M)
- Cash balance of \$20.6M (30 June 2017: \$28.3M)
- Net operating cash flows of \$(3.3)M (H1 FY2017: \$4.0M) reflecting the investments in the capture program, product suite and sales and marketing capability
- Strong balance sheet, with no debt.



Commenting on the H1 FY2018 result, Mr Andy Watt, Chief Financial Officer, said that with the investments now in place, Nearmap was positioned to drive further scalable growth.

"H1 FY2018 has seen us put in place the investments in:

- Our capture program, with both expanded footprint and oblique imagery;
- Our product suite, with oblique products and 3D content; and
- Our sales and marketing resource base.

"Our expense growth will now slow, allowing us to demonstrate the operational leverage of our business model. Nearmap has the resources and funding to generate scalable top-line growth."

Outlook

In commenting on the outlook for the business, Dr Newman said that Nearmap is now in a strong position to leverage its investments for the next stage of growth.

"H1 FY2018 has been a record half for Nearmap and we look to continue our growth in H2. Our oblique products have now been launched to customers in both the United States and Australia, and we will formally launch our first 3D products in this half. With our H1 performance and growing momentum, we have upgraded our FY18 ACV guidance with incremental ACV and sales team contribution ratios in both territories expected to be broadly consistent with H1.

"With our intensive investment phase now complete, Nearmap is well positioned to execute on our vision to become the world's leading provider of subscription based location content."

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VIEW THE WORLD, SO THEY CAN
PROFOUNDLY CHANGE THE WAY
THEY WORK.**

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