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ASX release

24 February 2013

nearmap generates maiden profit and continues to grow recurring cash flows

nearmap ltd (ASX: NEA) is pleased to announce its results for the six months ended 31 December 2013 (1H14), with the company generating a maiden profit after tax of $0.8 million, compared to a loss of $2.6 million in 1H13.

Managing Director Simon Crowther said that the combination of ongoing strong renewal rates and a growing base of new digital subscriptions to the nearmap.com website underpinned a near doubling of revenue over the half year.

“Last financial year, we transformed nearmap into a cash generating business with attractive growth opportunities. We now have strong foundations in place to allow us to execute multiple growth initiatives over the coming six months. The recent successful launch of nearmap Rail is the first of several new product initiatives that will enhance nearmap’s product offering for specific industry verticals.” added Mr. Crowther.

1H14 financial overview

- Revenue up 96% to $7.9 million (1H13: $4.0 million)
- Net profit after tax of $0.8 million, a significant turnaround on the prior corresponding period (1H13: loss of $2.6 million)
- Net operating cash flows of $4.1 million (1H13: $0.4 million)
- Strong balance sheet with no debt
- Cash balance of $17.5 million (30 June 2013: $13.4 million).

1H14 operational overview

- Received aerial mapping system patent from the US Patent Office – extending the company’s international patent portfolio
- Signed a licence agreement for Google Maps – allowing nearmap to offer its customers an enhanced map browser interface
- Post 1H14, successfully launched nearmap Rail – the first of nearmap’s key verticals.

About nearmap

nearmap is an innovative online PhotoMap™ content provider that creates and serves high quality, current and changing PhotoMaps™. The Company’s breakthrough technology enables PhotoMaps™ to be updated much more frequently than other providers. With more than 85% of Australia’s population covered regularly, nearmap is changing the way Australian governments, companies and communities see their world.

Further Information

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Commenting on the 1H14 result, Mr. Crowther said that the past six months represented a milestone period for the company:

"Over the first half of the 2014 financial year, nearmap generated its first positive profit after tax following the complete transformation of the business. This could not have been achieved without the tireless dedication and commitment of the entire nearmap team that has ensured the company has been able to achieve each of the strategic goals that have been set to date.

"While achieving positive profit after tax was an important milestone, even more importantly the scalability of nearmap's platform became clearly evident. While payments were relatively flat, the growth in customer receipts led to a substantial increase in operating cashflows.

"During the half year we implemented and continued to develop a number of operational initiatives aimed at growing nearmap's paid customer base and improving its value proposition. These initiatives have laid the foundations for strong sustainable growth in shareholder value going forward," said Mr Crowther.

Outlook

In commenting on the outlook for the business Mr Crowther said that he looked forward to continuing to leverage the growth opportunities that exist for nearmap.

"We remain focused on strategically and carefully monetising nearmap's visual analytics business given our highly developed scaleable technology platform, and unique intellectual property.

"We continue to develop a suite of new products that will broaden our customer base by making the site more accessible to the casual business user, as well as deepen our customer relationships via new industry verticals and richer data sets. The first of these product verticals, nearmap Rail, was successfully launched in February 2014, with launches of nearmap Solar, Construction and Real Estate verticals scheduled for the coming months.

"We have now proven the viability of our proprietary technology and unique business model in Australia. We continue to evaluate new market opportunities.

"The right foundations are in place and we are all very excited at the opportunities we see for nearmap, not only those we are currently working on but also those for the future. With growing revenues, earnings and cashflows, a strong balance sheet, growing cash balance and scalable business model, nearmap is well placed to generate growth in shareholder value," said Mr. Crowther.

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