



ASX RELEASE

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ACV EXCEEDS \$102M, COMMERCIAL LAUNCH OF NEARMAP AI

Nearmap Ltd (NEA:ASX) is pleased to provide a further update on current trading conditions, the launch of commercially available Artificial Intelligence (AI) content and an update on previously announced cost management initiatives.

- Annualised Contract Value (ACV) continues to grow, now exceeding \$102m (using an AUD/USD constant currency FX rate of \$0.70), and guidance has been narrowed to \$103m-\$107m
- Nearmap AI will be launched and commercially available via self-service export and offline channels in Australia and the United States on 1 June 2020
- Cash management initiatives have been implemented and the Company is on track to be cash flow breakeven by 30 June 2020
- Closing FY20 Group cash balance expected to be between \$32m-\$35m
- Productivity levels maintain unchanged as employees continue working remotely, and Nearmap will consider a phased return to the workplace in line with government guidelines

Resilient business with strong growth trajectory

Nearmap reports that its ACV portfolio is above \$102m (using an AUD/USD constant currency FX rate of \$0.70) and based on current trading the Company expects its closing ACV portfolio to be between \$103m-\$107m (on a constant currency basis). At prevailing FX rates (AUD/USD of 0.66), the existing portfolio is above \$104m. While trading conditions in the global economy have become more challenging since the outbreak of COVID-19, Nearmap has performed well and continued to grow its portfolio month-on-month across its key industry segments.

Nearmap provides a solution to business continuity by enabling businesses to work remotely. Customers can access work sites without leaving their (home) office by using Nearmap high-resolution, detail-rich aerial imagery. Continued strong usage metrics during this period demonstrate the depth of engagement that customers have with Nearmap's differentiated content types and further serves to emphasise the compelling advantages of Nearmap's unique business model from competitive offerings. Twelve month rolling churn is now below 10%, down from 11.5% as last reported at December 2019, and sales activity levels have remained strong in the period following the onset of COVID-19. There has been some impact on the velocity of the sales cycle as a small number of customers delay their decisions to acquire or upsell but with a strong and growing sales pipeline the fundamentals of the business remain intact. As economic conditions return to more normal levels, the Company remains confident in its long-term growth aspirations.



Innovation milestone - launch of Nearmap AI

Nearmap is also pleased to announce the commercial release of its new product, Nearmap AI. A freshly processed set of AI dataset packages will be available to all subscribers in Australia and the United States beginning next week. Initial focus will be on insurance, utility and local government who have been early adopters while in beta and where demand is strongest. To access Nearmap AI subscribers purchase online or offline export credits, valid for an annual contract period, to export AI derived location intelligence content.

Based on customer demand and ACV opportunity, Nearmap has invested significantly in its core technology and customer proposition, bringing highly differentiated and high value content types to its expanding customer base. Following the commercial roll-out of 3D and roof geometry, Nearmap AI represents another significant milestone for Nearmap as it continues to enhance its market-leading technology position in order to penetrate more deeply into the large and expanding location intelligence market.

On track to become cash flow break-even by the end of FY20

Nearmap announced in April that it was implementing a number of cash management initiatives to preserve cash, strengthen its balance sheet and maximise flexibility without the need for additional capital. These measures equate to an approximate 30% saving in operating and capital costs and are designed to make Nearmap cash flow breakeven by the end of FY20. The implementation of these initiatives is now largely complete, including a 10% reduction in permanent headcount, a 25% reduction to the Board and Chief Executive Officer's compensation for a 6-month period, and a 20% reduction to salaries for all other employees for the same period.

The changes have been made with minimal impact to business operations and have been targeted to ensure that Nearmap's strategic growth initiatives continue. The Company is on track to deliver to its cash flow breakeven target by the end of the June 2020 and expects to close FY20 with a Group cash balance between \$32-\$35m.

Wellbeing of our employees is paramount to Nearmap

Nearmap continues to follow advice regarding COVID-19 from the Australian and United States Governments, in conjunction with the World Health Organisation and United States Centre for Disease Control and Prevention. To date, there has not been an incidence of COVID-19 amongst the Company's employees. Productivity levels remain unchanged as all employees work remotely and Nearmap will consider a phased approach in getting employees back to the office safely and in line with government guidelines.

Commentary

Chief Executive Officer and Managing Director, Dr Rob Newman, said "Continuing growth of our ACV portfolio through new customer acquisition and deeper penetration into existing customer workflows during the period of global uncertainty demonstrates the value that new and existing customers derive from our industry-leading content. The launch of Nearmap AI is yet another milestone in our Company's history and



re-affirms our position as a global leader in location intelligence technology. As we approach FY21 we look forward to bringing new and innovative products to our growing customer base, which will further enhance our market leadership position in our key markets.”

Authorised by:
Board of Nearmap Ltd

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

NEARMAP.COM

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