

# Appendix 4D & Financial Statements

## for the half year ended 31 December 2021

### Reporting Period

Reporting period (Current Period):	For the half year ended 31 December 2021
Previous corresponding period (PCP):	For the half year ended 31 December 2020
Release date:	14 February 2022

### Results for announcement to the market

Key Information	Dec 2021 \$'000	Dec 2020 \$'000	Change \$'000	Change %
Revenues from ordinary activities	11,339	8,574	2,765	32.2%
(Loss) from ordinary activities after tax attributable to members	(2,833)	(2,910)	77	2.6%
(Loss) for the reporting period attributable to members	(2,833)	(2,910)	77	2.6%

### Overview of operating results

Refer to the review of operations within the Directors' Report for a commentary on the results of Aerometrex.

### Dividends and distributions

No dividends or distributions have been paid during the period and it is not proposed that any dividends be paid.

No dividends or distributions were paid during the previous corresponding period.

### NTA Backing

	Dec 2021 \$'000	Dec 2020 \$'000
Net tangible asset backing per ordinary security	\$0.25	\$0.30
Total number of shares on issue at period end	94,400,000	94,400,000

### Entities over which control has been gained or lost during the period

There are no entities over which control has been gained or lost during the reporting period.

### Associates and joint venture entities

There are no associates or joint venture entities.

## **Independent Auditor's Review**

The financial statements were subject to an independent auditor's review by Grant Thornton Audit Pty Ltd. The independent auditor's review report is attached as part of the Interim Report.

This half year report should be read in conjunction with any public announcements made by Aerometrex Limited and its controlled entities during the half year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 [Cth] and ASX listing rules.

# Directors' Report

The directors present their report, together with the consolidated interim financial statements of Aerometrex Limited (referred to hereafter as 'Aerometrex'), comprising of the company and its controlled entities ('the Group'), for the half year ended 31 December 2021.

## Directors

The Directors of Aerometrex Limited during the half year ended 31 December 2021 and up to the date of this report are set out below:

Name	Role	Status	Resigned
Mr Mark Llewellyn Lindh	Non-Executive Director and Chair	Independent	
Dr Peter Graham Foster	Non-Executive Director	Independent	
Mr Matthew Duval White	Non-Executive Director	Not Independent	
Mr Mark John Deuter	Managing Director	Not Independent	10 December 2021
Mr David Michael Byrne	Executive Director	Not Independent	

## Company Secretary

Name
Ms Kaitlin Louise Smith

## Review of operations

The first six months of FY22 was again marked with the disruption of COVID-19, and its variants, through the impact of lockdowns, the restriction of travel across borders and certain supply change logistical issues that added complexity into the management of an aerial capture business. Despite the challenges that COVID-19 presented, the company delivered strong revenue growth on the previous corresponding period.

Key highlights for the reporting period included:

- 32.2% growth in total operating revenue from \$8.57m to \$11.34m.
- 80.4% growth in MetroMap subscription revenue from \$1.51m to \$2.72m with subscription revenue now contributing 24.0% of the group revenue, up from 17.6% in the previous corresponding period.
- Year on year growth in MetroMap Annual Recurring Revenue (ARR) of 81.4% from \$3.31m to \$6.01m and 25.1% growth since June 2021.
- Key milestones achieved in the US Operations with the recognition of \$0.62m in revenue compared to \$0 in the previous corresponding period.
- 35.9% growth in LiDAR revenue from \$3.65m to \$4.95m.
- The company has continued to invest during the reporting period in datasets for MetroMap and the US, its people, processes and systems, to enable the business to scale to drive recurring revenue for future growth.
- EBITDA improved from a loss of \$0.14m for the 6 months to 31 December 2020 to a profit of \$0.52m at 31 December 2021.
- Available cash at 31 December 2021 was \$12.27m with debt facilities available.
- Appointment of Mr Steve Masters to the role of Managing Director and Chief Executive Officer.

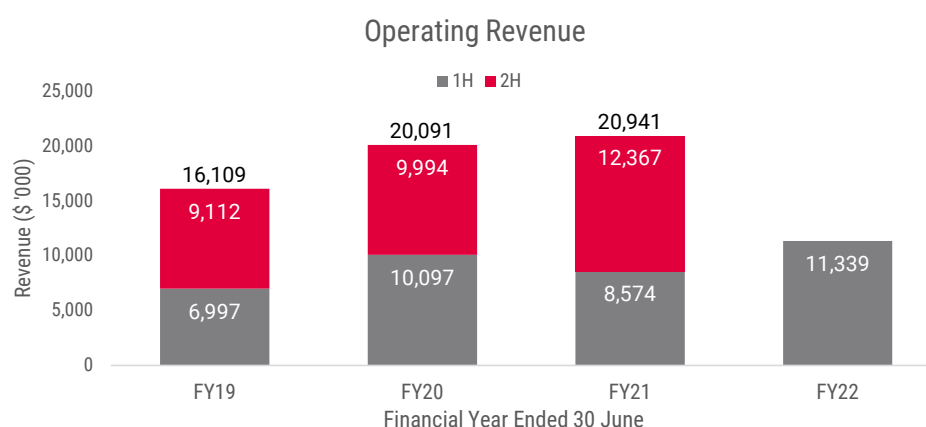
The company remains focused and committed to executing the growth strategy to deliver value creation for all stakeholders.

## US Operations

The US operations delivered its first substantial contribution to revenue during the reporting period, contributing \$0.62m to the 3D product line. This revenue was generated from the sale of data models to companies such as Google and metaverse companies including Transmira Inc for use in their Omniscene and Terrestrial Software Development for use in their Lunaverse. Revenue was also generated from 3D project work undertaken for WSP, a global tier 1 engineering firm, for inclusion in some of their infrastructure projects. In October, the company launched the 3D store for the US data models which includes models for Denver, Los Angeles, Miami and San Francisco. Additional data models will be added as completed and be available for sale as off-the-shelf datasets.

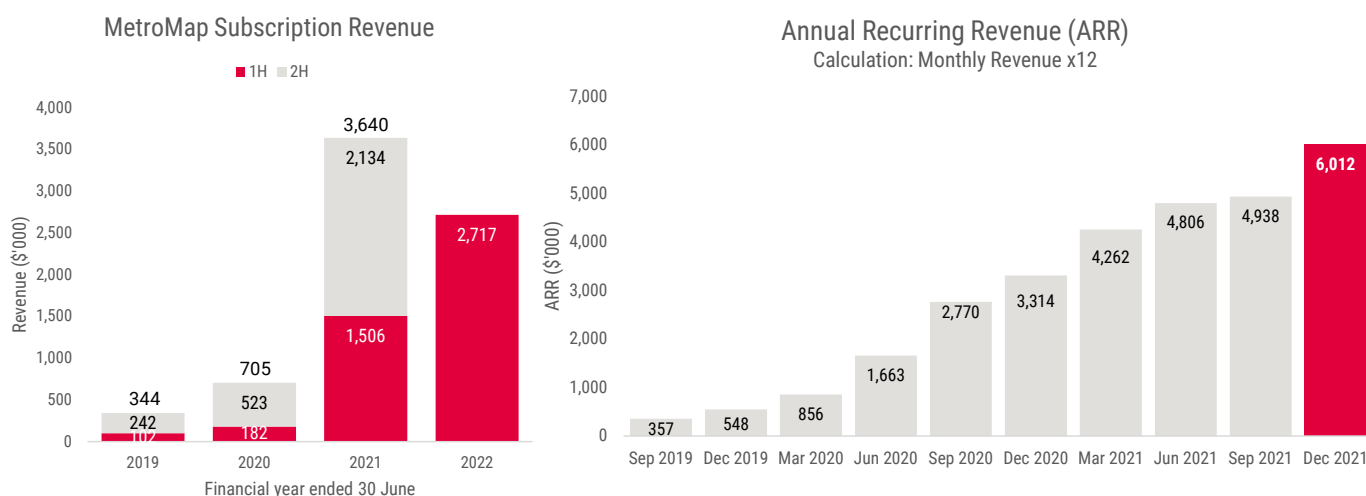
## Revenue Growth

Total operating revenue grew \$2.77m in the half from \$8.57m to \$11.34m at 31 December 2021 representing growth of 32.2% on the previous corresponding period. This represented a record first half revenue for the company.



Revenue	Dec 2021 \$'000	Dec 2021 % of Revenue	Dec 2020 \$'000	Dec 2020 % of Revenue	Change \$'000	Change %
MetroMap subscriptions	2,717	24.0%	1,506	17.6%	1,211	80.4%
<b>Total subscription revenue</b>	<b>2,717</b>	<b>24.0%</b>	<b>1,506</b>	<b>17.6%</b>	<b>1,211</b>	<b>80.4%</b>
3D	1,239	10.9%	711	8.3%	528	74.3%
LiDAR	4,953	43.7%	3,645	42.5%	1,308	35.9%
Photomapping	2,251	19.9%	2,394	27.9%	(143)	(6.0%)
MetroMap on demand	179	1.5%	318	3.7%	(139)	(43.7%)
<b>Total project revenue</b>	<b>8,622</b>	<b>76.0%</b>	<b>7,068</b>	<b>82.4%</b>	<b>1,554</b>	<b>22.0%</b>
<b>Total revenue from customers</b>	<b>11,339</b>	<b>100.0%</b>	<b>8,574</b>	<b>100.0%</b>	<b>2,765</b>	<b>32.2%</b>

- **MetroMap**, the company's Data as a Service (DaaS) subscription model continued to experience growth, increasing total subscription revenue from \$1.51m in 1H21 to \$2.72m in 1H22. This was a growth in revenue of 80.4%. The subscription revenue contribution to total operating revenue grew from 17.6% in 1H21 to 24.0% of total operating revenue in 1H22. MetroMap Annual Recurring Revenue (ARR) grew 81.4% Year on Year from \$3.31m to \$6.01m at 31 December 2021 and 25.1% growth since 30 June 2021.



- **3D** revenue grew 74.3% from \$0.71m in 1H21 to \$1.24m in 1H22. The significance of this revenue is that half of this revenue or \$0.62m was generated from the US operations and represents revenue traction. The company remains committed to and excited by the opportunity of our world leading 3D modelling service as it gains traction in the US.
- **LiDAR** revenue posted strong revenue growth of 35.9% from \$3.65m to \$4.95m. This was a strong result given continued border restrictions and lockdowns impacted the ability to capture data.
- **Photomapping** revenue declined 6.0% or \$0.14m from \$2.39m to \$2.25m however this is consistent with the transition away from project photomapping work to the MetroMap subscription model as announced to the market in June 2021. Most of the project photomapping work has now been completed with the balance to be completed in 2H22.
- **MetroMap on Demand** declined from \$0.32m to \$0.18m which again is consistent with the intention of focusing on the MetroMap subscription model business to drive multiples of revenue rather than more bespoke projects.

## Operating Costs

Total operating costs (excluding interest, depreciation and amortisation) increased by 21.0% or \$1.87m from \$8.90m to \$10.76m. The increase in expenditure has been driven by:

- Investment into senior appointments of staff being Chief Revenue Officer (commenced June 2021) and Chief Information Officer (commenced August 2021) compared to the same period contributed to the increase in employment costs. These senior appointments were made to assist the company in scaling for future growth.
- Aircraft and project processing costs accounted for the bulk of the increase at \$1.36m which is driven by a combination of increased project revenue driving cost growth and ongoing impacts of COVID-19 restrictions. The impact of the COVID-19 restrictions has driven costs through an increase in charter costs to complete capture as well as travel and accommodation costs with crews remaining in the field longer to manage border restrictions. Paramount to this remains our commitment to the safety and welfare of our teams as we navigate the ongoing impact of COVID-19 on the business and our personal lives.
- Increase in consulting and professional services was predominantly driven by the appointment of external recruitment consultants to undertake a global search for a new Chief Executive Officer. Mr Steve Masters has been appointed to the position of Managing Director and Chief Executive Officer following the retirement of Mr Mark Deuter in December 2021.
- The Queensland office relocated from Buderim to Maroochydore in May 2021. This resulted in a change to the treatment of the lease under the accounting standards as disclosed in the annual report.

## EBITDA

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) is a non-IFRS term but it is used by the Group to measure performance.

The company achieved an EBITDA result of \$0.52m in 1H22, an improvement of \$0.67m on 1H21. This result was largely driven by the reduction in the shared based payments expense. EBITDA on a normalised basis, adjusting for the allotment of the staff options which was associated to the listing of the company rather than ongoing performance measures, declined \$0.04m from \$0.70m in 1H21 to \$0.66m in 1H22.

## Depreciation

Depreciation expenses increased from \$1.29m in 1H21 to \$1.38m in 1H22, an increase of 7.1% or \$0.09m. This increase reflects the investments made over the last two financial years into aircraft, sensors and IT infrastructure.

## Amortisation

Amortisation expenses increased from \$2.01m in 1H21 to \$2.74m in 1H22, an increase of \$0.73m or 36.1% and reflects the continued investment into the MetroMap datasets and US 3D model datasets. \$2.85m was invested into datasets in 1H22 compared to \$2.16m in 1H21. Datasets are amortised over an effective life of two years.

## Appointment of Managing Director and Chief Executive Officer

Mr Steve Masters was appointed to the role as Managing Director and Chief Executive Officer on 14 December 2021 following an extensive global recruitment search and will commence in the role on 14 February 2022. Steve's appointment was following the retirement of Mr Mark Deuter on 10 December 2021.

The Board was extremely pleased with the calibre of the candidates and delighted to be able to appoint someone of Steve's experience to lead the company through its next growth phase. Prior to his appointment to Aerometrex, Steve was the Chief Executive Officer for ElectraNet, one of South Australia's largest companies and comes to the company with over 25 years of significant experience across senior roles in infrastructure, energy and resources.

## Changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial period.

## Events subsequent to the statement of financial position date

The company announced on 14 January 2022 that Mr Steve Masters will commence in the role of Chief Executive Officer and Managing Director following an extensive recruitment process on 14 February 2022.

The company also announced on 10 January 2022 that its majority owned subsidiary AMX Capital Pty Ltd had entered into an unconditional contract for the sale of the property located at 51-53 Glynburn Road, Glynde, South Australia. The property transaction settled on 31 January 2022 in accordance with the contract. This property is the corporate head office, and the company will remain in the property following the sale under an existing lease that expires in May 2028 with a further right of renewal. The sale of the property is consistent with the company's strategy of releasing capital from non-core assets and followed a robust sales process.

As part of ongoing succession planning, Mr Ralph Lante who was General Manager for LiDAR has stepped back, passing the reins to Mr Matthew Simmons. Ralph will remain with the business and moves into a strategic sales and account management role while also providing knowledge and support to Matt as he transitions into the role of General Manager for our LiDAR operations.

The ongoing impact of COVID-19 and the economic uncertainties continue to make it difficult to estimate the potential impact, positive or negative. The company remains committed to always ensuring the safety and wellbeing of our staff. The company continues to follow all government advice in relation to the pandemic. The ongoing impact of the COVID-19 pandemic can be seen via lockdowns, the restriction of travel across borders and certain supply chain logistical issues that added complexity into the management of an aerial capture business.

There were no other matters or circumstances that have arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Rounding off

The company is of a kind referred to in Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports), issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars unless specifically stated otherwise.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors



Mr Mark Lindh  
Chair of the Board  
Adelaide  
14 February 2022



Mr David Byrne  
Acting Chief Executive Officer

# Auditor's Independence Declaration



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## Auditor's Independence Declaration

To the Directors of Aerometrex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Aerometrex Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A stylized blue ink signature of "Grant Thornton" in a cursive script.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A blue ink signature of "J L Humphrey" in a cursive script.

J L Humphrey  
Partner – Audit & Assurance

Adelaide, 14 February 2022

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2021

	Notes	Dec 2021 \$'000	Dec 2020 \$'000
Revenue	5	11,339	8,574
Other income	5	-	179
<b>Total revenue and other income</b>		<b>11,339</b>	<b>8,753</b>
Aircraft and project processing costs		(3,172)	(1,814)
Employee benefits expense		(4,833)	(4,377)
Share based payments		(128)	(840)
Depreciation of property, plant and equipment	7	(1,381)	(1,290)
Amortisation of intangible assets	8	(2,739)	(2,013)
Advertising and marketing		(408)	(323)
Consulting and professional services		(643)	(337)
IT and telecommunications		(481)	(379)
Occupancy		(65)	(164)
Travel and accommodation		(182)	(4)
Other expenses		(903)	(659)
Finance costs		(49)	(43)
Finance income		15	56
<b>(Loss) before income tax</b>		<b>(3,630)</b>	<b>(3,434)</b>
Income tax benefit		816	544
<b>(Loss) for the period after income tax</b>		<b>(2,814)</b>	<b>(2,890)</b>

## Other comprehensive income

Items that may be reclassified subsequently to profit or loss:

Foreign currency translation	24	(73)
<b>Other comprehensive income for the period, net of tax</b>	<b>24</b>	<b>(73)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>(2,790)</b>	<b>(2,963)</b>

## (Loss) attributable to:

Equity holders of the parent	(2,833)	(2,910)
Non-controlling interests	19	20
<b>(Loss) for the period after income tax</b>	<b>(2,814)</b>	<b>(2,890)</b>

## Total comprehensive income (loss) for the period attributable to:

Equity holders of the parent	(2,809)	(2,983)
Non-controlling interests	19	20
<b>Total comprehensive income (loss) for the period</b>	<b>(2,790)</b>	<b>(2,963)</b>

## Earnings per share attributable to ordinary equity holders of the parent:

	Notes	Dec 2021 cents	Dec 2020 cents
Basic loss per share	10	(3.0)	(3.1)
Diluted loss per share	10	(3.0)	(3.1)

To be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	Dec 2021 \$'000	June 2021 \$'000
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		12,270	16,553
Trade and other receivables		1,674	2,965
Contract assets		1,181	719
Current tax assets		980	262
Other assets		718	878
Non-current assets held for sale	6	2,897	-
<b>Total current assets</b>		<b>19,720</b>	<b>21,377</b>
<b>Non-current</b>			
Property, plant and equipment	7	13,942	16,729
Intangibles	8	8,225	8,125
Deferred tax assets		3,250	2,536
<b>Total non-current assets</b>		<b>25,417</b>	<b>27,390</b>
<b>Total assets</b>		<b>45,137</b>	<b>48,767</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		2,197	2,655
Contract liabilities		2,657	2,794
Other financial liabilities		294	631
Lease liabilities		83	54
Employee benefits		1,711	1,601
Other liabilities		-	629
Liabilities directly associated with assets classified as held for sale	6	1,689	-
<b>Total current liabilities</b>		<b>8,631</b>	<b>8,364</b>
<b>Non-current</b>			
Other financial liabilities		707	2,437
Lease liabilities		467	518
Employee benefits		126	133
Deferred tax liabilities		3,171	2,618
<b>Total non-current liabilities</b>		<b>4,471</b>	<b>5,706</b>
<b>Total liabilities</b>		<b>13,102</b>	<b>14,070</b>
<b>Net assets</b>		<b>32,035</b>	<b>34,697</b>
<b>Equity</b>			
Equity attributable to owners of the parent:			
Share capital		32,892	32,892
Share based payment reserve		1,760	1,820
Other reserves		(68)	(92)
Retained earnings		(2,938)	(293)
<b>Total attributable to owners of the parent</b>		<b>31,646</b>	<b>34,327</b>
Non-controlling interest		389	370
<b>Total equity</b>		<b>32,035</b>	<b>34,697</b>

To be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

For the half year ended 31 December 2021

	Share capital \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of parent \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Balance as at 1 July 2021</b>	<b>32,892</b>	<b>1,820</b>	<b>(92)</b>	<b>(293)</b>	<b>34,327</b>	<b>370</b>	<b>34,697</b>
(Loss) after income tax for the period	-	-	-	(2,833)	(2,833)	19	(2,814)
Other comprehensive income (loss) for the period, net of tax	-	-	24	-	24	-	24
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>(2,833)</b>	<b>(2,809)</b>	<b>19</b>	<b>(2,790)</b>

## Transactions with owners in their capacity as owners

Fair value of options recognised during the period	-	128	-	-	128	-	128
Transfers to retained earnings for options lapsed after vesting	-	(188)	-	188	-	-	-

<b>Balance as at 31 December 2021</b>	<b>32,892</b>	<b>1,760</b>	<b>(68)</b>	<b>(2,938)</b>	<b>31,646</b>	<b>389</b>	<b>32,035</b>
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	Share capital \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of parent \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Balance as at 1 July 2020</b>	<b>32,892</b>	<b>487</b>	<b>-</b>	<b>3,829</b>	<b>37,208</b>	<b>397</b>	<b>37,605</b>
(Loss) after income tax for the period	-	-	-	(2,910)	(2,910)	20	(2,890)
Other comprehensive income for the period, net of tax	-	-	(73)	-	(73)	-	(73)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(73)</b>	<b>(2,910)</b>	<b>(2,983)</b>	<b>20</b>	<b>(2,963)</b>

## Transactions with owners in their capacity as owners

Fair value of options recognised during the period	-	840	-	-	840	-	840
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<b>Balance as at 31 December 2020</b>	<b>32,892</b>	<b>1,327</b>	<b>(73)</b>	<b>919</b>	<b>35,065</b>	<b>417</b>	<b>35,482</b>
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To be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the half year ended 31 December 2021

	Dec 2021 \$'000	Dec 2020 \$'000 (Restated) <sup>1</sup>
<b>Operating activities</b>		
Receipts from customers	13,109	10,012
Payments to suppliers and employees	(11,936)	(9,471)
Income taxes paid	(63)	(121)
Interest received	15	56
Interest paid	(49)	(43)
<b>Net cash generated from operating activities</b>	<b>1,076</b>	<b>433</b>
<b>Investing activities</b>		
Payments for property, plant and equipment	(1,491)	(3,886)
Payments for intangible assets	(2,839)	(2,305)
Payments for acquisitions <sup>2</sup>	(629)	-
<b>Net cash used in investing activities</b>	<b>(4,959)</b>	<b>(6,191)</b>
<b>Financing activities</b>		
Repayment of borrowings	(378)	(201)
Repayment of lease liabilities	(22)	-
<b>Net cash used in financing activities</b>	<b>(400)</b>	<b>(201)</b>
Net decrease in cash and cash equivalents	(4,283)	(5,959)
Cash and cash equivalents at the beginning of the period	16,553	22,239
<b>Cash and cash equivalents at the end of the period</b>	<b>12,270</b>	<b>16,280</b>

<sup>1</sup> December 2020 cash flows have been restated to reclassify the effect of movements in deposits on property plant and equipment and the related trade payables. There is no impact on net cashflow or closing cash balances.

<sup>2</sup> Final payment for Spookfish acquisition.

*To be read in conjunction with the accompanying notes.*

# Notes to the Consolidated Financial Statements

For the half year ended 31 December 2021

## 1. Reporting entity and general information

Aerometrex Limited (the Company) is a for profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange (ASX: AMX). The consolidated financial statements comprise the Company and its controlled entities (the Group).

The Company's registered office and principal place of business is 51-53 Glynburn Road, Glynde SA 5070.

The Company is a professional aerial mapping business specialising in aerial photography, photogrammetry, LiDAR, 3D modelling and aerial imagery subscription services. These activities are grouped into the following service lines:

- **Aerial photography and mapping:** flying, processing and delivering two dimensional digital maps on a project basis
- **Aerial LiDAR surveys:** flying, processing and delivering full waveform LiDAR products on a project basis
- **3D modelling:** flying, processing and delivering high resolution 3D models on a project basis
- **MetroMap:** online aerial imagery delivery service (DaaS subscription service)

The consolidated interim financial statements for the period ended 31 December 2021 were approved and authorised for issue by the Board of Directors.

## 2. Basis of preparation

These consolidated financial statements for the half year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in connection with the audited financial statements for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are presented in Australian dollars with all values rounded to the nearest thousand unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Other than where stated below, or in the notes, the consolidated financial statements have been prepared on a going concern basis using the historical cost convention.

The principal accounting policies adopted are consistent with those of the previous financial year, except for the policies stated below.

### New accounting standards and interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material change due to implementation of these mandatory standards in the current period.

## 3. Judgements and estimates

In preparing these consolidated interim financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2021.

The impact of the coronavirus (COVID-19) pandemic is ongoing which has resulted in delays or deferrals of some project work. The current economic uncertainty makes it difficult to estimate the potential impact, positive or negative, after the reporting date. The group considers that the demand for our quality products and services is likely to be strong once clients return to normal spending patterns following stabilising of economic conditions.

## 4. Segment Information

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'), being the Board of Directors. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Aerometrex operates in two geographical regions being Australia and the USA.

Aerometrex recognises revenue across four product lines, being aerial photography and mapping, aerial LiDAR surveys, 3D modelling, and MetroMap. The tracking of revenue into product lines is used for the internal assessment of revenue performance and future planning, however the expenditure is not recorded into the same product lines, as a significant portion of the costs are shared. That is, the aviation and production resources are available as a whole-of-business resource and allocated to undertake work as required, and to allow for flexibility around external factors such as weather. The gross margin is therefore an accumulative result based on the mixed revenue stream nature of the business (on demand project revenue and subscription revenue).

The gross margin determined from product line revenue and shared aviation and production costs is then combined with a whole-of-business operating expense analysis. EBITDA (earnings before interest, tax, depreciation and amortisation) is reviewed by the CODM at a whole-of-business level to assess performance and to determine the allocation of resources.

The assets and liabilities (Statement of Financial Position) of the company are reported and reviewed by the CODM at a whole-of-business level.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

		Australia	US	Total	Australia	US	Total
		Dec 2021	Dec 2021	Dec 2021	Dec 2020	Dec 2020	Dec 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5	10,719	620	11,339	8,574	-	8,574
Other income	5	-	-	-	171	8	179
<b>Total revenue and other income</b>		<b>10,719</b>	<b>620</b>	<b>11,339</b>	<b>8,745</b>	<b>8</b>	<b>8,753</b>
Aircraft and project processing costs		(3,074)	(98)	(3,172)	(1,809)	(5)	(1,814)
Employee benefits expense		(4,566)	(267)	(4,833)	(4,052)	(325)	(4,377)
Share based payments		(128)	-	(128)	(840)	-	(840)
Depreciation of property, plant and equipment	7	(1,364)	(17)	(1,381)	(1,283)	(7)	(1,290)
Amortisation of intangible assets	8	(2,627)	(112)	(2,739)	(2,013)	-	(2,013)
Advertising and marketing		(354)	(54)	(408)	(285)	(38)	(323)
Consulting and professional services		(530)	(113)	(643)	(217)	(120)	(337)
IT and telecommunications		(479)	(2)	(481)	(377)	(2)	(379)
Occupancy		(63)	(2)	(65)	(145)	(19)	(164)
Travel and accommodation		(41)	(141)	(182)	2	(6)	(4)
Other expenses		(832)	(71)	(903)	(591)	(68)	(659)
Finance costs		(49)	-	(49)	(43)	-	(43)
Finance income		15	-	15	56	-	56
<b>(Loss) before income tax</b>		<b>(3,373)</b>	<b>(257)</b>	<b>(3,630)</b>	<b>(2,852)</b>	<b>(582)</b>	<b>(3,434)</b>
Income tax benefit <sup>1</sup>		816	-	816	399	145	544
<b>(Loss) for the period after income tax</b>		<b>(2,557)</b>	<b>(257)</b>	<b>(2,814)</b>	<b>(2,453)</b>	<b>(437)</b>	<b>(2,890)</b>

<sup>1</sup> Income tax benefit for US tax losses has not been recognised for half year ended 31 December 2021. Tax benefit recognised for half year ended 31 December 2020 was subsequently reversed out at 30 June 2021.

## 5. Revenue

Aerometrex generates revenue from two principal sources:

1. Subscription revenue from MetroMap aerial imagery subscription service or “Data as a Service” (DaaS); and
2. Project based contracts to undertake LiDAR surveys, aerial photography and mapping and 3D modelling (on demand).

	Aerial photography and mapping	Aerial LiDAR surveys	3D modelling	MetroMap
<b>Services</b>	The key products from this activity are aerial photographs, orthophotography (scale corrected 2D aerial imagery maps), Digital Terrain Models (DTMs), Digital Surface Models (DSMs) and digitised 3D feature data for Geographic Information Systems.	Aerometrex provides an aerial LiDAR surveying service, an advanced aerial surveying technique which accurately maps the ground surface using airborne lasers.	Aerometrex has developed a sophisticated 3D modelling and mapping system derived from oblique aerial photographs. It offers 3D models of the highest resolution (1cm-2cm pixel) and absolute accuracy (5cm in the XY & Z dimensions) derived from aerial platforms.	Aerometrex provides an online imagery web-serving application, MetroMap, which offers Aerometrex's high-quality, accurate imagery to a subscriber base. MetroMap fulfils all the quality and accuracy requirements of sophisticated geospatial data users and provides easy to consume product for the corporate market, via a web browser interface.
<b>Revenue Model</b>	Project based revenue	Project based revenue	Project based revenue	Subscription revenue from “Data as a Service” (DaaS)
<b>Revenue Recognition</b>	On demand revenue (transferred over time)	On demand revenue (transferred over time)	On demand revenue (transferred over time)	Subscription revenue (transferred over time) Or On demand revenue (projects delivered via MetroMap) (transferred over time)

Timing of revenue recognition	Dec 2021 \$'000	Dec 2020 \$'000
<b>Subscriptions</b>		
MetroMap	2,717	1,506
<b>Transferred over time (subscription revenue)</b>	<b>2,717</b>	<b>1,506</b>
<b>Projects</b>		
3D	1,239	711
LiDAR	4,953	3,645
MetroMap - on demand	179	318
Photo contracting	2,251	2,394
<b>Transferred over time (on demand revenue)</b>	<b>8,622</b>	<b>7,068</b>
<b>Total revenue from contracts with customers</b>	<b>11,339</b>	<b>8,574</b>

Geographical regions	Dec 2021 \$'000	Dec 2020 \$'000
Australia	10,719	8,574
US	620	-
<b>Total revenue from contracts with customers</b>	<b>11,339</b>	<b>8,574</b>

Major product lines	Dec 2021 \$'000	Dec 2020 \$'000
3D	1,239	711
LiDAR	4,953	3,645
MetroMap	2,896	1,824
Photo contracting	2,251	2,394
<b>Total revenue from contracts with customers</b>	<b>11,339</b>	<b>8,574</b>

## 6. Non-current assets held for sale

Land and buildings comprising the Aerometrex Head Office in Glynde, South Australia were held for sale as at 31 December 2021. They are presented as current assets in the consolidated statement of financial position, as the sale is expected to be settled within 12 months of the reporting date (settlement is expected in the 3rd quarter of FY2022). Measurement of the assets remain at their existing carrying value of \$2,897,061 which is lower than the expected fair value less costs to sell.

Bank borrowings of \$1,689,973 will be extinguished upon sale of the property. These borrowings are separately classified on the statement of financial position as liabilities directly associated with assets classified as held for sale.



## 7. Property, plant and equipment

	Land \$'000	Buildings \$'000	Land and buildings - right-of-use	Leasehold improvements	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
<b>As at 31 Dec 2021</b>							
Cost	-	-	580	176	21,358	1,878	23,992
Less accumulated depreciation	-	-	(64)	(15)	(9,971)	-	(10,050)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>-</b>	<b>516</b>	<b>161</b>	<b>11,387</b>	<b>1,878</b>	<b>13,942</b>
<b>Reconciled as:</b>							
Cost as at 1 July 2021	794	2,395	580	27	21,155	970	25,921
Additions	-	12	-	-	277	1,202	1,491
Transfer to / (from) capital work in progress	-	-	-	149	145	(294)	-
Transfer to non-current assets held for sale	(794)	(2,407)	-	-	(35)	-	(3,236)
Disposals	-	-	-	-	(184)	-	(184)
<b>Cost as at 31 Dec 2021</b>	<b>-</b>	<b>-</b>	<b>580</b>	<b>176</b>	<b>21,358</b>	<b>1,878</b>	<b>23,992</b>
Accumulated depreciation as at 1 July 2021	-	(297)	(16)	(5)	(8,874)	-	(9,192)
Transfer to non-current assets held for sale	-	337	-	-	2	-	339
Disposals	-	-	-	-	184	-	184
Depreciation	-	(40)	(48)	(10)	(1,283)	-	(1,381)
<b>Accumulated depreciation as at 31 Dec 2021</b>	<b>-</b>	<b>-</b>	<b>(64)</b>	<b>(15)</b>	<b>(9,971)</b>	<b>-</b>	<b>(10,050)</b>
<b>Net carrying value as at 31 Dec 2021</b>	<b>-</b>	<b>-</b>	<b>516</b>	<b>161</b>	<b>11,387</b>	<b>1,878</b>	<b>13,942</b>
<b>Reconciliation of carrying amount at 31 Dec 2021</b>							
<b>Carrying amount at the beginning of the period</b>	<b>794</b>	<b>2,098</b>	<b>564</b>	<b>22</b>	<b>12,281</b>	<b>970</b>	<b>16,729</b>
Additions	-	12	-	-	277	1,202	1,491
Transfer to / (from) capital work in progress	-	-	-	149	145	(294)	-
Transfer to non-current assets held for sale	(794)	(2,070)	-	-	(33)	-	(2,897)
Depreciation	-	(40)	(48)	(10)	(1,283)	-	(1,381)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>-</b>	<b>516</b>	<b>161</b>	<b>11,387</b>	<b>1,878</b>	<b>13,942</b>

## 8. Intangible assets

	Datasets \$'000	Computer software \$'000	Other \$'000	Goodwill \$'000	Contractual rights \$'000	Capital work in progress \$'000	Total \$'000
<b>As at 31 Dec 2021</b>							
Cost	15,583	42	68	1,785	364	366	18,208
Less accumulated amortisation	(9,604)	(15)	-	-	(364)	-	(9,983)
<b>Carrying amount at the end of the period</b>	<b>5,979</b>	<b>27</b>	<b>68</b>	<b>1,785</b>	<b>-</b>	<b>366</b>	<b>8,225</b>
<b>Reconciled as:</b>							
Cost as at 1 July 2021	12,729	42	40	1,785	364	409	15,369
Additions	2,445	-	28	-	-	366	2,839
Transfers to/(from) capital WIP	409	-	-	-	-	(409)	-
<b>Cost as at 31 Dec 2021</b>	<b>15,583</b>	<b>42</b>	<b>68</b>	<b>1,785</b>	<b>364</b>	<b>366</b>	<b>18,208</b>
Accumulated amortisation as at 1 July 2021	(6,911)	(8)	-	-	(325)	-	(7,244)
Amortisation	(2,693)	(7)	-	-	(39)	-	(2,739)
<b>Accumulated amortisation as at 31 Dec 2021</b>	<b>(9,604)</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>(364)</b>	<b>-</b>	<b>(9,983)</b>
<b>Net carrying value as at 31 Dec 2021</b>	<b>5,979</b>	<b>27</b>	<b>68</b>	<b>1,785</b>	<b>-</b>	<b>366</b>	<b>8,225</b>
<b>Reconciliation of carrying amount at 31 Dec 2021</b>							
<b>Carrying amount at the beginning of the period</b>	<b>5,818</b>	<b>34</b>	<b>40</b>	<b>1,785</b>	<b>39</b>	<b>409</b>	<b>8,125</b>
Additions	2,445	-	28	-	-	366	2,839
Transfers to/(from) capital WIP	409	-	-	-	-	(409)	-
Amortisation	(2,693)	(7)	-	-	(39)	-	(2,739)
<b>Carrying amount at the end of the period</b>	<b>5,979</b>	<b>27</b>	<b>68</b>	<b>1,785</b>	<b>-</b>	<b>366</b>	<b>8,225</b>

## 9. Related party transactions

### *Equity instruments issued to directors*

The following equity instruments, which were issued to directors during the prior period have an impact on related party share-based payment expense in the current period.

Director	Position	Options #	Grant Date	Vesting Date	Expiry Date	Exercise price
Mr Mark Deuter <sup>1</sup>	Managing Director	50,000	04 Nov 2020	05 May 2022	05 May 2023	\$1.25
Mr David Byrne	Chief Operating Officer, Executive Director	50,000	04 Nov 2020	05 May 2022	05 May 2023	\$1.25
Dr Peter Foster	Non-Executive Director	50,000	04 Nov 2020	05 May 2022	05 May 2023	\$1.25

<sup>1</sup> These options did not meet the vesting criteria, as Mr Mark Deuter resigned 10 December 2021, ahead of the vesting date 5 May 2022. Consequently, the grant date fair value of these options is reversed out of profit or loss for the period.

### **Mark Deuter**

Options granted to Mark Deuter in November 2020 (100,000) vested in two tranches. The vesting period was split with 50% vesting on 5 May 2021 and the second 50% set to vest on 5 May 2022. In accordance with the Employee Share Option Plan rules the second tranche of options automatically expired and lapsed at the date of cessation of employment (retirement on 10 December 2021) as the options had not reached the vesting date (5 May 2022). The first tranche of options, which originally vested on 5 May 2021, will lapse and expire if they have not been exercised within 90 days of the date of cessation of employment in accordance with the Employee Share Option Plan rules.

### *Transactions with director-related entities*

#### **Matthew White**

During the reporting period, the company used the taxation services (2020: Accounting & taxation services) of Matthew White and the accounting firm over which he exercises significant influence. The amounts billed in relation to the provision of services during the period totalled \$6,417 (December 2020: \$19,246) and were based on normal market rates. The amount outstanding at the end of the period was \$4,589 (June 2021: \$1,132).

#### **Mark Lindh**

Mark Lindh is a director of Adelaide Equity Partners and a beneficiary of a trust for which shares in Adelaide Equity Partners are held. The company entered into an agreement with Adelaide Equity Partners on 24 March 2021 to provide corporate advisory services in relation to merger and acquisition (M&A) advice, assessment and support. The amounts billed in relation to the provision of services during the period totalled \$90,000 (December 2020: \$65,000) and were based on normal market rates. The amount outstanding at the end of the period was \$33,000 (June 2021: \$16,500).

Mark Lindh is a director of AE Administrative Services Pty Ltd which provided company secretarial services during the reporting period. The total amount billed during the period was \$19,040 (December 2020: \$14,240). The amount outstanding at the end of the period was \$7,040 (June 2021: \$nil).

There were no other transactions with key management personnel during the year.

## 10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after income tax attributable to equity holders of the parent entity divided by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted EPS is calculated by dividing the net profit or loss after income tax attributable to equity holders of the parent entity divided by the weighted average number of ordinary shares outstanding during the reporting period plus the weighted average number of ordinary shares that would be issued on conversion if all of the share options were exercised and converted into ordinary shares. Weighted average number of potential ordinary shares is not used in the calculation where the effect would be anti-dilutive.

The following table reflects the data used in the calculation of the EPS computations:

	Dec 2021 \$'000	Dec 2020 \$'000
(Loss) attributable to equity holders of the parent	(2,833)	(2,910)

	Dec 2021 #	Dec 2020 #
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	94,400,000	94,400,000

	Dec 2021 cents	Dec 2020 cents
Basic earnings per share	(3.0)	(3.1)
Diluted earnings per share <sup>1</sup>	(3.0)	(3.1)

<sup>1</sup> Diluted earnings per share is the same as basic earnings per share, as the effect of any potential ordinary shares would be anti-dilutive.

## 11. Contingent liabilities

The Group has bank guarantees totalling \$10,467 held with Westpac as at 31 December 2021 (June 2021: \$10,467). There are no other contingent liabilities recorded as at reporting date.

## 12. Subsequent events

The company announced on 14 January 2022 that Mr Steve Masters will commence in the role of Chief Executive Officer and Managing Director following an extensive recruitment process on 14 February 2022.

The company also announced on 10 January 2022 that its majority owned subsidiary AMX Capital Pty Ltd had entered into an unconditional contract for the sale of the property located at 51-53 Glynburn Road, Glynde, South Australia. The property transaction settled on 31 January 2022 in accordance with the contract. This property is the corporate head office, and the company will remain in the property following the sale under an existing lease that expires in May 2028 with a further right of renewal. The sale of the property is consistent with the company's strategy of releasing capital from non-core assets and followed a robust sales process.

As part of ongoing succession planning, Mr Ralph Lante who was General Manager for LiDAR has stepped back, passing the reins to Mr Matthew Simmons. Ralph will remain with the business and moves into a strategic sales and account management role while also providing knowledge and support to Matt as he transitions into the role of General Manager for our LiDAR operations.

The ongoing impact of COVID-19 and the economic uncertainties continue to make it difficult to estimate the potential impact, positive or negative. The company remains committed to always ensuring the safety and wellbeing of our staff. The company continues to follow all government advice in relation to the pandemic. The ongoing impact of the COVID-19 pandemic can be seen via lockdowns, the restriction of travel across borders and certain supply change logistical issues that added complexity into the management of an aerial capture business.

There were no other matters or circumstances that have arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# Directors' Declaration

In the opinion of the Directors of Aerometrex Limited:

- a) the consolidated financial statements and notes set out on pages 9 to 20 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half year ended on that date; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

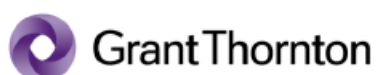


Mr Mark Lindh  
Chair of the Board  
Adelaide  
14 February 2022



Mr David Byrne  
Acting Chief Executive Officer

# Independent Auditor's Report



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## Independent Auditor's Review Report

To the Members of Aerometrex Limited

Report on the review of the half-year financial report

### Conclusion

We have reviewed the accompanying half-year financial report of Aerometrex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Aerometrex Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Aerometrex Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Grant Thornton Audit Pty Ltd ACN 130 913 594  
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#### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

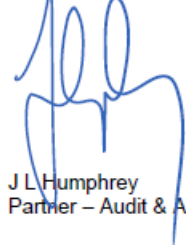
#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 14 February 2022