

29 November 2022

ASX Announcement (AMX)

2022 Annual General Meeting Chair and Managing Director Addresses

Attached is a copy of the addresses to be given by the Chair and Managing Director at Aerometrex Limited's Annual General Meeting today.

This announcement has been authorised by the Board.

ADDITIONAL INFORMATION

For further information, contact as below:

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ABOUT AEROMETREX

Aerometrex Limited is a professional geospatial technology business specialising in aerial imagery subscription services, photogrammetry, LiDAR, 3D modelling and data analytics.

The company listed on the ASX in December 2019 to raise capital to fund its growth. The company has a clear strategy to provide value to its shareholders by providing high-quality, accurate aerial imagery and LiDAR products to a growing client base.

AMX has strong Board and Executive teams, with a combined staff experience in the industry of 930 years total.



2022 Annual General Meeting Chairman's Address

Dear Fellow Shareholder,

I am pleased to report that your Company, Aerometrex, delivered strong growth in operating revenue of 19.5% from \$20.9m to \$25.0m with growth achieved in all of the ongoing product lines of MetroMap, LiDAR and our world leading 3D service. Our team should be congratulated for their outstanding contribution during the year.

Our subscription business of MetroMap continued to grow during the reporting period and reflects the strategic imperative of the business model embarked over the last few years. Statutory revenue increased 60% from \$3.6m to \$5.8m and Annual Recurring Revenue (ARR) grew 42% from \$4.8m to \$6.8m at June 2022. The transition towards the subscription-based service offering continued in the reporting year following the decision in June 2021 to cease project aerial photomapping work. The Board and management is committed to driving long term revenue growth and profitability through the MetroMap subscription platform.

Our LiDAR business continued to deliver strong revenue growth following the investment into an additional sensor in the first half of the financial year with strong margins and continued growth in market share in Australia. This segment of our business again provided solid operating cashflows for deployment into the high growth areas of our business.

I have made mention before that the 3D modelling capabilities of Aerometrex is world leading and I am pleased to report we were able to achieve some significant milestones in the US during the reporting period. The current year saw the first significant revenue contribution to the business which included the delivery of the San Francisco dataset to Google and off-the-shelf dataset sales to various Metaverse companies. With the opening of international borders, we are excited by the potential opportunities that will deliver enhanced Company returns via increased in person engagement with the broader North American market.

In February 2022, we welcomed Mr Steve Masters into the role of Managing Director and CEO as Mark Deuter's successor. The Board is extremely pleased with the appointment following a global recruitment search through a leading executive recruitment agency. Steve brings significant experience in leading and managing large organisations and commercial acumen that we believe will deliver shareholder growth into the future.

We also strengthened the Board during the year with the appointment of Mr Donald McGurk as a non-executive director. Donald brings extensive experience in growing a global ASX business. He has a





detailed understanding of the broad range of shareholder issues relevant to our business having recently retired from Codan Ltd as Managing Director and CEO.

I would like to acknowledge Aerometrex's previous Managing Director and Chief Executive Officer, Mr. Mark Deuter on his contribution to our company and the geospatial industry.

On behalf of the Board, I wish to thank Steve for his leadership during the year and to thank and acknowledge the contribution of the whole Aerometrex team in delivering the current year results.

To my fellow shareholders, thank you for your continued support.

Mark Lindh
Chairman





2022 Annual General Meeting Managing Director's Address

Fellow Shareholders,

My name is Steve Masters and I too would also like to acknowledge that today we meet on the land of the Kurna People, and pay my respects to Kurna elders, past, present and emerging.

I am pleased to present an overview of Aerometrex's achievements for the 2022 financial year and provide an outlook to the future.

[Slide - Disclaimer]

Our disclaimer is set out on this slide. I will leave it to you to review in due course, but would like to highlight the commentary related to forward looking statements.

As I have previously noted, I am appreciative of the warm welcome that I have received since joining the company in February 2022 from Shareholders, Employees, Customers and other stakeholders.

I am excited by the growth potential that exists for our company.

I can say from the outset that I am very mindful of the company's share price performance over the past few years in what has been a very challenging and volatile time in global markets, and general economic conditions. It is not where we want the share price to be, and I believe does not factor in the underlying foundation and growth potential of our company.

I look forward to doing my absolute best to position our company and grow shareholder value in the future. I know this intent is shared by our Executive team and all our employees.

Before I provide a high-level review of FY22 and comments about the future, I would like to talk briefly about Aerometrex's employees and our customers. They are both critical to the success of our company and will drive our future outcomes.

I would like to thank the Aerometrex team for their significant efforts this year, and for going about their work in a safe, professional and dedicated manner. It is important to acknowledge the extra yards they have traversed to meet our customers' requirements and manage the operational challenges encountered during COVID-19.

A sincere thanks to our loyal customers who like us, have had to navigate their way through challenging environments during the COVID-19 era. We are focused on delivering our customer's requirements. I thank them for their ongoing support and feedback which we incorporate into how we can build better products and improve our service in the future.





[Slide – FY 22 Highlights]

I won't repeat in depth the key financial outcomes that the Chairman has already mentioned, but I would say that the growth in key metrics was very pleasing in what is a competitive landscape.

During FY22 we continued to focus on growing our core business areas by delivering important outcomes, including:

- Record operating revenue;
- Continuing the transition away from project aerial photomapping to the subscription business of MetroMap;
- Achieving our single largest off-the-shelf sale of data for \$2.59m to the Australian Department of Defense - This sale validated the company's strategy over many years to own the intellectual property rights to the underlying datasets;
- Achieving growth in MetroMap Annual Recurring Revenue (ARR) of 42.4% from \$4.81m to \$6.84m in June 2022;
- Continuing to invest in our LiDAR business;
- Receiving Basic Aviation Risk Standard (BARS) accreditation for aviation in our LiDAR business;
- Divesting non-core assets (property) while maximising value in a heated property market;
- Continuing investment into R&D activities around environmental analysis and internal processes to drive future scalability and efficiency gains; and
- Achieving our first significant revenue contribution from our US business which is focused on our world leading high-resolution 3D product.

[Slide – FY22 Snapshot]

Excluding the gain on the corporate head office sale, operating revenue on a normalised basis increased by \$3.79m or 17.8% to \$25.03m.

Normalised EBITDA rose \$0.91m or 21.6% to \$5.1m.

The company generated positive cashflow from operations of \$4.99m and ended FY22 with \$14.14m of cash, minimal debt, and funding facilities available to support future growth.

[Slide – Research & Community Initiatives]

In FY22, our company was active in supporting various research and community initiatives. These activities enable Aerometrex to keep at the leading edge of innovation and collaborate with various institutions and thought leaders.

Aerometrex also received three Asia Pacific Spatial Excellence Awards. These were:

APSEA-VIC Innovation Award - Medium to Large Business

Greening Melbourne.





APSEA-SA Award for Technical Excellence

LiDAR and Deep Learning-derived Permeable and Impermeable Ground Surface Classification.

APSEA-SA Award for Environment & Sustainability

LiDAR-derived tree canopy change detection to explore financial measures to improve tree canopy cover on private land.

These awards also highlight the talent within our business and the wide-ranging ways in which we also contribute to solving customer and wider community problems.

[Slide - Uniting Corporate Purpose]

As announced as part of our FY22 Annual Results presentation in August 2022, we have commenced transitioning the organizational structure to better align with our key products and enabling functions.

We believe this change will enhance employee alignment and focus activities within the business, with the objective of building profitable and sustainable value for our shareholders across all product lines.

[Slide - Building Profitable & Sustainable Value Cross Product Lines]

As already noted, FY22 has also had its share of ongoing challenges, some of which will linger well into FY23, and possibly beyond.

Nonetheless, we continue to have a business with enormous potential. As mentioned in the release of our annual results in August 2022, in addition to the important objectives of growing revenue and enhancing our products, there will also be a focus on building a pathway to profitability.

Each of our key business units, namely Global 3D, MetroMap, and LiDAR, have growth potential in key markets where we believe wide-ranging customer needs for high quality imagery, geospatial datasets and analytical insights will increase into the future.

We are undertaking key initiatives across all product lines with the objective of improving efficiencies, performance and financial outcomes.

In FY23, we have made progress on key initiatives that support our corporate objectives. I would like to touch on a couple of examples today.

[Slide - Product Line Updates – Global 3D]

We continue to be encouraged by the growing interest in our high- resolution 3D products, and we continue to collaborate with leading game engine and 3D software businesses globally.

In FY22, we achieved approximately \$900k of sales of our high-resolution United States 3D models to a variety of customers. These sales highlight the potential of the United States market and the appetite for such products.





With respect to our United States 3D business, we sent a seconded team to the United States in September 2022 to enhance and build a pipeline of future opportunities.

They are currently in the process of returning back to Australia where we will fully review the insights and outcomes from their visit in order to map out our plans for calendar year 2023 and beyond. What I can say is that we have been especially happy with the deep and wide range of existing and new potential customers we have met, and their enthusiasm for our high-resolution 3D offering.

The seconded team sent to the United States has been very active. As an example, the number of new potential leads has more than doubled in the short-period of time of their visit. I believe the growth in potential customer leads and other intelligence obtained from the team's efforts will assist us in refining our future strategies and optimising our tactical plans.

One area we are currently reviewing is the potential for various channel arrangements in the United States that could enable our datasets to be accessed by many more customers.

Given the COVID-related circumstances that occurred immediately following the company's entry into the United States market, it is taking longer to build out the portfolio pipeline. However, the feedback received from existing and potential customers provides great encouragement to pursue this market opportunity.

[Slide - Product Line Updates – MetroMap]

Our MetroMap business continued a growth trajectory in FY22.

As at September 2022, Annual Recurring Revenue was approximately \$7 million, up 41% year-on-year. Moving forward, we intend to build on the foundation created by enhancing platform functionality and continuing to bring our customers innovative and useful tools.

We are currently investing in building new capabilities that will expand our offerings to customers. This will also include continuous improvements to both the front-end and back-end of our MetroMap platform. Our capture program is being reviewed to ensure that we deliver customers the products they need whilst providing good value for money.

Whilst our operational efficiencies have been impacted by the return of pre-COVID aviation traffic and more challenging weather-related conditions, we are continuing to investigate different ways to improve our imagery capture plans, whilst balancing other factors that are important to customers.





[Slide - Product Line Updates – LiDAR]

Our LiDAR business continues to see a strong pipeline of opportunities across key market segments. Achieving Basic Aviation Risk Standard (or BARS) certification earlier in FY22 has contributed to building future market opportunities.

With the deployment of our fifth sensor which is now in country, this will assist us in enhancing operational efficiencies and contribute to revenue growth in our LiDAR business. The new sensor will help satisfy customer demand and position the company to meet requirements in the important market segment.

We continue to assess opportunities for further growth potential in our LiDAR business, whilst seeking continuous improvement in our processing and productions capabilities.

[Slide - Aviation and sensor strategy]

At our full year results presentation in August 2022, mention was made of future optimization of our aviation and sensor strategies. Both these components are essential to acquire the imagery and data for our MetroMap and LiDAR business units.

Imagery and data acquisition activities are subject to various factors, including but not limited to weather conditions and patterns, access to airspace via air traffic control direction, mobilization requirements, and maintenance plans for both our fleet of aircraft and sensors to name a few.

Studies are currently underway to review the way in which we gather and process our imagery and data to meet customer requirements, and importantly, enhance shareholder value.

These studies and considerations will inform our future options and strategies in these areas, and I look forward to sharing more information as this work progresses into calendar year 2023.

[Slide - Pathways to profitability]

Not long after my arrival in February 2022, I commenced working closely with our Board, Executive team and senior leaders across our business to map out future strategic options and tactical plans for our company.

These plans were developed and reviewed with the Board during 2022, and changes to our overarching business objectives and organizational structure were announced as part of our FY22 Annual Results presentation in August this year.

I am pleased that we have a clear and united plan moving forward that is fully supported by our Board. Management and all our employees are working hard to implement the plan, whilst also looking for continuous improvement opportunities.





We are adopting a plan, perform and profit approach across the business with the aim at improving all aspects of what we do that will assist in driving whole of business enhancements. I believe that our new organizational structure will greatly assist in delivering 'best for business' outcomes by building greater alignment and focus across our company. We will also carefully manage our balance sheet whilst also positioning the company to realise opportunities.

We are well on the way to implementing our plans, and I look forward to presenting more information on our business when our FY23 half year accounts are released in February 2023.

In closing, I would like to thank the Chairman, Board, our senior management, and the entire Aerometrex team for their contribution to the outcomes achieved in FY22.

Again, I would also like to thank all our loyal Customers, Shareholders and key Stakeholders for their ongoing support.

I look forward to the year ahead and wish you and your families all the very best, and importantly, a safe lead-up to the end of year festive season.

Thank you.

Steve Masters

Managing Director and Chief Executive Officer

