ASX Code: AMX
ACN: 153 103 925

Appendix 4D & Financial Statements

for the half year ended 31 December 2022

Reporting Period

Reporting period (Current Period):	For the half year ended 31 December 2022
Previous corresponding period (PCP):	For the half year ended 31 December 2021
Release date:	28 February 2023

Results for announcement to the market

Key Information	Dec 2022 $'000	Dec 2021 $'000	Change $'000	Change %
Revenues from ordinary activities	10,009	11,339	(1,330)	(11.7%)
(Loss) / Profit from ordinary activities after tax attributable to members	(3,084)	(2,833)	(251)	(8.9%)
(Loss) / Profit for the reporting period attributable to members	(3,084)	(2,833)	(251)	(8.9%)

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 2022	Dec 2021
Net tangible asset backing per ordinary security	$0.20	$0.25
Total number of shares on issue at period end	94,592,166	94,400,000

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

AMX Capital Trust (64.4% owned by shareholders of the group) was formally wound up during the current half-year period. The entity previously disposed of assets, settled liabilities, and returned capital to unitholders in April 2022. There are no other 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 2022 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 2022.

Directors

The Directors of Aerometrex Limited during the half year ended 31 December 2022 and up to the date of this report are set out below:

Name	Role	Status
Mr Mark Llewellyn Lindh	Non-Executive Director, Chair	Independent
Dr Peter Graham Foster	Non-Executive Director	Independent
Mr Matthew Duval White	Non-Executive Director	Not Independent
Mr Donald Shields McGurk	Non-Executive Director	Independent
Mr Steven Bruce Masters	Managing Director and Chief Executive Officer	Not Independent
Mr David Michael Byrne	Executive Director	Not Independent (resigned as director 1 September 2022)

Company Secretary

Name
Ms Kaitlin Louise Smith

Review of operations

The first six months of FY23 was a period of ongoing transition for the company but one that the Directors believe will provide the foundation for long-term sustainable growth. Key highlights and outcomes during the reporting period included:

- Underlying growth in operating revenue from $9.09m after adjusting for project photo contracting work to $10.01m, an increase of 10%.
- Growth in MetroMap subscription statutory revenue of 32% to $3.58m continuing the transition from project photomapping work to a subscription basis.
- Year on Year growth in MetroMap Annual Recurring Revenue (ARR) of 22% to $7.34m and 7% growth since June 2022.
- Significant contracts awarded in LiDAR with Rio Tinto ($0.85m) and the largest ever off-the-shelf sale of US datasets to Google Inc.
- Continued investment into the business foundations to support scalability, deliver revenue growth and a pathway to profitability for the benefit of all stakeholders.
- EBITDA reduced slightly by $0.15m to $0.37m.

The business continued to face operational challenges around aviation related factors impacting aerial capture. In September 2022, the business undertook an organisational restructure, including appointment of key executives aligned to products lines.

Subsequent to the reporting period, on 13 January 2023, the company announced the award of its largest ever LiDAR contract with an Australian Federal Government Agency to the value of $1.88m.

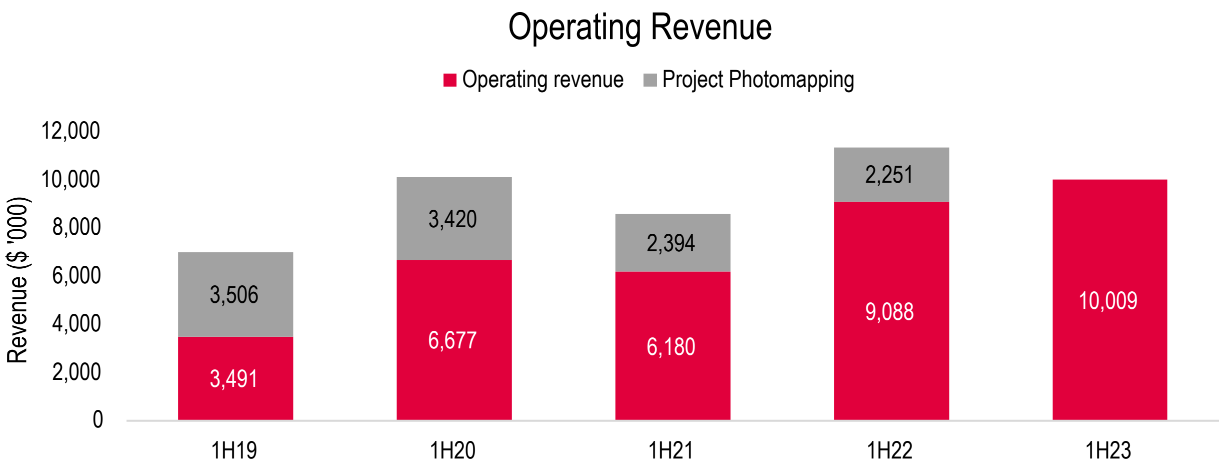
The company remains focused and committed to executing the growth strategy to deliver value creation for all stakeholders.

US Operations

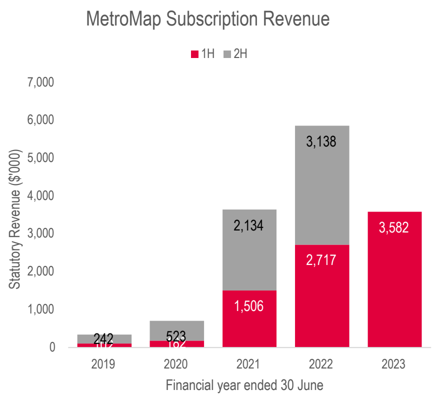
The company continued to invest into the start-up of the US 3D business increasing revenue by 28% to $0.8m on the same period last year which included the sale of additional US datasets to Google Inc. Due to the opening of international borders, the company was able to send a secondment team from Australia to the US for the first time to build the opportunity pipeline, increase product awareness, and sell off-the-shelf datasets.

Revenue Growth

Total operating revenue at face value declined $1.33m to $10.01m, however, the prior year included the cessation of project photomapping work which contributed $2.25m. The core underlying activities of the business achieved growth of 10% to $10.01m from $9.09m.



- **MetroMap -** the company continued to focus on the transition towards a subscription business via its MetroMap platform achieving year on year growth in statutory revenue of 32% to $3.58m. Annual recurring revenue (ARR), the key metric for MetroMap achieved Year on Year growth of 22% to $7.34m.



- **MetroMap Derived Data and Analytics** contributed $0.13m to revenue and represents the initial product launch of a number of defined attributes that can be derived from the MetroMap imagery.
- **3D** revenue declined by 3% across the Group, however, revenue from the US operations increased by 28% to $0.79m. The company remains committed to the potential opportunities that exist in relation to our world leading 3D modelling product.
- **LiDAR** revenue declined 4% to $4.78m in the half due to operational challenges encountered around aviation related factors impacting capture opportunities. The company integrated an additional Riegl sensor during the reporting period which is expected to contribute to capacity during the second half of FY23 and beyond.
- **Photomapping and MetroMap on Demand** revenue was derived from project aerial photomapping commitments and contributed $0.32m to revenue. This wind down in revenue reflects the company's decision in June 2021 to focus on the MetroMap subscription platform ahead of project aerial capture.

Operating Costs

Total operating costs (excluding interest, tax, depreciation, and amortisation) decreased by 11% or $1.18m from $10.82m to $9.64m. The reduction in expenditure has been driven by:

- Reduction in aircraft and processing costs of 17% or $0.55m which is largely driven by the cessation of project photomapping work and focussing those resources towards the MetroMap subscription business.
- Consulting and professional services cost declined 53% or $0.34m largely driven by the use of external recruitment consultants during the prior year relating to the appointment of Mr Steve Masters (commenced February 2022) as Chief Executive Officer replacing Mr Mark Deuter.
- These reductions in expenditure were offset by a slight increase in employment costs and higher travel costs largely associated to sending a secondment team from Australia to the US in support of the high resolution 3D modelling business.

The company continues to focus its efforts on activities that will assist the business to scale into the future, contribute to delivering on the pathway to profitability roadmap and drive wealth creation for all stakeholders.

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 $0.37m in 1H23, a slight reduction on the prior year result of $0.52m. The result was largely driven by the decline in revenue for the reporting period reflecting the transition from a project-based business towards a subscription-based revenue model and operational challenges impacting aerial capture.

Depreciation

Depreciation expenses increased by $0.12m or 9% to $1.5m reflecting the continued investment into aircraft, sensors and IT infrastructure.

Amortisation

Amortisation expenses increased by $0.27m or 10% to $3.01m and reflects the continued investment into MetroMap datasets and US 3D model datasets. Datasets are amortised on a straight-line basis over an effective life of two years.

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 second and final instalment for the acquisition of a new IGI Urban Mapper 2 sensor for deployment into the MetroMap business was made in January 2023. The acquisition of this sensor will provide additional functionality allowing the company to expand its product offering over time with the intention of growing the subscription revenue base. This sensor arrived in Australia during February 2023 and is expected to be deployed into operations during February / March 2023.

In addition, the company also entered into a contract in January 2023 to acquire an additional IGI DigiCam sensor. This sensor is expected to arrive in Australia in June 2023 in preparation of deployment early in FY24.

Existing finance facilities with Westpac were utilised for the financing of a Riegl sensor which was deployed into operation in FY23Q2. The available facility was drawn down to the extent of $1.2 million which is repayable over a 5-year term to align cash outflow with cash generation from use of the asset in the business.

On 13 January 2023, the company announced that it had been awarded a LiDAR contract with an Australian Federal Government Agency to the value of $1.88 million (GST exclusive). This is the largest LiDAR contract award for the company and builds on the relationship with the Federal Government following the sale of datasets in June 2022. The deliverables for the LiDAR contract are expected to be completed by 30 June 2023.

To the best of the Directors' knowledge, other than the above, there are no other matters or circumstances that have arisen since the end of the reporting period that have significantly affected either:

- The operations of the Group;
- The results of those operations; or
- The state of affairs of the Group 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

Mark Lindh
Chair of the Board
Adelaide
27 February 2023

Steve Masters
Managing Director and Chief Executive Officer

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

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 2022, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2023

Consolidated Statement of
Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2022

	Notes	Dec 2022 $'000	Dec 2021 $'000
Revenue and other income	**5**	**10,009**	**11,339**
Aircraft and project processing costs		(2,624)	(3,172)
Employee benefits expense		(5,044)	(4,833)
Share based payments	11	(113)	(128)
Depreciation of property, plant and equipment	6	(1,501)	(1,381)
Amortisation of intangible assets	7	(3,012)	(2,739)
Advertising and marketing		(260)	(408)
Consulting and professional services		(303)	(643)
IT and telecommunications		(154)	(481)
Occupancy		(85)	(65)
Travel and accommodation		(360)	(182)
Other expenses		(696)	(903)
Finance costs		(43)	(49)
Finance income		151	15
(Loss) before income tax		**(4,035)**	**(3,630)**
Income tax benefit		951	816
(Loss) for the year after income tax		**(3,084)**	**(2,814)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		8	24
Other comprehensive income for the year, net of tax		**8**	**24**
Total comprehensive income for the year		**(3,076)**	**(2,790)**
(Loss) / profit attributable to:			
Equity holders of the parent		(3,084)	(2,833)
Non-controlling interests		-	19
(Loss) for the year after income tax		**(3,084)**	**(2,814)**
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(3,076)	(2,809)
Non-controlling interests		-	19
Total comprehensive income for the year		**(3,076)**	**(2,790)**

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

	Notes	Dec 2022 cents	Dec 2021 cents
Basic loss per share	9	(3.3)	(3.0)
Diluted loss per share	9	(3.3)	(3.0)

Consolidated Statement of
Financial Position

As at 31 December 2022

	Notes	Dec 2022 $'000	Jun 2022 $'000
Assets			
Current			
Cash and cash equivalents		11,634	14,144
Trade and other receivables		2,704	5,907
Contract assets		241	311
Other assets		890	477
Total current assets		**15,469**	**20,839**
Non-current			
Property, plant and equipment	6	15,043	14,791
Intangibles	7	9,146	9,040
Deferred tax assets		585	-
Total non-current assets		**24,774**	**23,831**
Total assets		**40,243**	**44,670**
Liabilities			
Current			
Trade and other payables		2,058	2,724
Contract liabilities		3,146	3,476
Current tax liabilities		159	159
Other financial liabilities		279	266
Lease liabilities		350	345
Employee benefits		2,054	1,890
Total current liabilities		**8,046**	**8,860**
Non-current			
Other financial liabilities		535	622
Lease liabilities		1,508	1,684
Employee benefits		166	137
Deferred tax liabilities		-	366
Total non-current liabilities		**2,209**	**2,809**
Total liabilities		**10,255**	**11,669**
Net assets		**29,988**	**33,001**
Equity			
Equity attributable to owners of the parent:			
Issued capital, net of treasury shares	10	32,930	32,892
Share based payment reserve	11	1,669	1,743
Other reserves		(2)	(10)
Retained earnings		(4,609)	(1,624)
Total attributable to owners of the parent		**29,988**	**33,001**
Total equity		**29,988**	**33,001**

Consolidated Statement of
Changes in Equity

for the half year ended 31 December 2022

	Notes	Share capital $'000	Treasury shares $'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
Balance as at 1 July 2022		**32,892**	**-**	**1,743**	**(10)**	**(1,624)**	**33,001**	**-**	**33,001**
Profit/(loss) after income tax for the period		-	-	-	-	(3,084)	(3,084)	-	**(3,084)**
Other comprehensive income for the period, net of tax		-	-	-	8	-	8	-	**8**
Total comprehensive income for the period		**-**	**-**	**-**	**8**	**(3,084)**	**(3,076)**	**-**	**(3,076)**
Transactions with owners in their capacity as owners									
Fair value of options and rights recognised during the period	11	-	-	113	-	-	113	-	**113**
Transfers to retained earnings for options lapsed after vesting		-	-	(99)	-	99	-	-	**-**
Transfers to share capital on conversion of performance rights to ordinary shares	10	88	-	(88)			-	-	**-**
Acquisition of treasury shares	10	-	(50)				(50)	-	**(50)**
Balance as at 31 December 2022		**32,980**	**(50)**	**1,669**	**(2)**	**(4,609)**	**29,988**	**-**	**29,988**

	Notes	Share capital $'000	Treasury shares $'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
Balance as at 1 July 2021		**32,892**	**-**	**1,820**	**(92)**	**(293)**	**34,327**	**370**	**34,697**
(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**
Total comprehensive income for the period		**-**	**-**	**-**	**24**	**(2,833)**	**(2,809)**	**19**	**(2,790)**
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	-	-	**-**
Balance as at 31 December 2021		**32,892**	**-**	**1,760**	**(68)**	**(2,938)**	**31,646**	**389**	**32,035**

Consolidated Statement of
Cash Flows

for the half year ended 31 December 2022

	Dec 2022 $'000	Dec 2021 $'000
Operating activities		
Receipts from customers	13,890	13,109
Payments to suppliers and employees	(11,342)	(11,936)
Income taxes received / (paid)	-	(63)
Interest received	151	15
Interest paid	(43)	(49)
Net cash generated from operating activities	**2,656**	**1,076**
Investing activities		
Payments for property, plant and equipment	(1,753)	(1,491)
Payments for intangible assets	(3,118)	(2,839)
Payments for acquisitions [1]	-	(629)
Net cash used in investing activities	**(4,871)**	**(4,959)**
Financing activities		
Repayment of other financial liabilities	(74)	(378)
Repayment of lease liabilities	(171)	(22)
Acquisition of treasury shares	(50)	-
Net cash used in financing activities	**(295)**	**(400)**
Net decrease in cash and cash equivalents	(2,510)	(4,283)
Cash and cash equivalents at the beginning of the period	14,144	16,553
Cash and cash equivalents at the end of the period	**11,634**	**12,270**

[1] Final payment for Spookfish acquisition.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2022

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 leading 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 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 either a project basis or via off-the-shelf dataset sales
- **MetroMap:** online aerial imagery delivery service (DaaS subscription service)
- **Aerial photography and mapping:** flying, processing and delivering two dimensional digital maps on a project basis (ceased main operations during the prior reporting year)

The consolidated interim financial statements for the period ended 31 December 2022 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 2022 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 2022 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.

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 2022.

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 three predominant product lines, being 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.

	Notes	Australia Dec 2022 $'000	USA Dec 2022 $'000	Total Dec 2022 $'000	Australia Dec 2021 $'000	US Dec 2021 $'000	Total Dec 2021 $'000
Revenue and other income	**5**	**9,216**	**793**	**10,009**	**10,719**	**620**	**11,339**
Aircraft and project processing costs		(2,597)	(27)	(2,624)	(3,074)	(98)	(3,172)
Employee benefits expense		(4,862)	(182)	(5,044)	(4,566)	(267)	(4,833)
Share based payments	11	(113)	-	(113)	(128)	-	(128)
Depreciation of property, plant and equipment	6	(1,484)	(17)	(1,501)	(1,364)	(17)	(1,381)
Amortisation of intangible assets	7	(2,706)	(306)	(3,012)	(2,627)	(112)	(2,739)
Advertising and marketing		(190)	(70)	(260)	(354)	(54)	(408)
Consulting and professional services		(267)	(36)	(303)	(530)	(113)	(643)
IT and telecommunications		(151)	(3)	(154)	(479)	(2)	(481)
Occupancy		(85)	-	(85)	(63)	(2)	(65)
Travel and accommodation		(131)	(229)	(360)	(41)	(141)	(182)
Other expenses		(609)	(87)	(696)	(832)	(71)	(903)
Finance costs		(43)	-	(43)	(49)	-	(49)
Finance income		151	-	151	15	-	15
(Loss) before income tax		**(3,871)**	**(164)**	**(4,035)**	**(3,373)**	**(257)**	**(3,630)**
Income tax benefit		951	-	951	816	-	816
(Loss) for the year after income tax		**(2,920)**	**(164)**	**(3,084)**	**(2,557)**	**(257)**	**(2,814)**

5. Revenue

Aerometrex generates revenue from three principle sources:

1. Subscription revenue from MetroMap aerial imagery subscription service or “Data as a Service” (DaaS);
2. Off-the-shelf dataset sales of existing LiDAR surveys, 3D models, and aerial imagery and mapping datasets (off-the-shelf); and
3. Project based contracts to undertake LiDAR surveys, 3D modelling, and aerial imagery and mapping (on demand).

	Aerial photography and mapping	Aerial LiDAR surveys	3D	MetroMap
Services	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.
Revenue Recognition	Project revenue on demand (transferred over time)	Project revenue on demand (transferred over time)	Project revenue on demand (transferred over time) Off-the-shelf revenue (transferred at a point in time)	Subscription revenue from “Data as a Service” (DaaS) (transferred over time) Project revenue on demand (transferred over time) Off-the-shelf revenue (transferred at a point in time)

Disaggregation of revenue from contracts with customers

Timing of revenue recognition	Dec 2022 $'000	Dec 2021 $'000
Subscriptions		
MetroMap	3,582	2,717
Transferred over time (subscription revenue)	**3,582**	**2,717**
Off-the-shelf dataset sales		
3D	705	625
MetroMap	10	-
MetroMap Derived Data and Analytics	125	-
Transferred at a point in time (off-the-shelf)	**840**	**625**
Projects		
3D	502	614
LiDAR	4,776	4,953
MetroMap - on demand	309	179
Photo contracting	-	2,251
Transferred over time (on demand revenue)	**5,587**	**7,997**
Total revenue from contracts with customers	**10,009**	**11,339**

Geographical regions	Dec 2022 $'000	Dec 2021 $'000
Australia	9,216	10,719
USA	793	620
Total revenue from contracts with customers	**10,009**	**11,339**

6. Property, plant and equipment

	Land and buildings - right-of-use $'000	Leasehold improvements $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
As at 31 December 2022					
Cost	2,185	176	23,589	1,223	**27,173**
Less accumulated depreciation	(394)	(45)	(11,691)	-	**(12,130)**
Carrying amount at the end of the period	**1,791**	**131**	**11,898**	**1,223**	**15,043**
Reconciled as:					
Cost as at 1 July 2022	2,185	176	21,966	1,093	**25,420**
Additions	-	-	201	1,550	**1,751**
Transfers between asset classes	-	-	1,420	(1,420)	**-**
Change in foreign exchange rates	-	-	2	-	**2**
Cost as at 31 December 2022	**2,185**	**176**	**23,589**	**1,223**	**27,173**
Accumulated depreciation as at 1 July 2022	(216)	(30)	(10,383)	-	**(10,629)**
Depreciation	(178)	(15)	(1,308)	-	**(1,501)**
Accumulated depreciation as at 31 December 2022	**(394)**	**(45)**	**(11,691)**	**-**	**(12,130)**
Net carrying value as at 31 December 2022	**1,791**	**131**	**11,898**	**1,223**	**15,043**
Reconciliation of carrying amount at 31 December 2022					
Carrying amount at the beginning of the period	**1,969**	**146**	**11,583**	**1,093**	**14,791**
Additions	-	-	201	1,550	**1,751**
Transfers between asset classes	-	-	1,420	(1,420)	**-**
Depreciation	(178)	(15)	(1,308)	-	**(1,501)**
Change in foreign exchange rates	-	-	2	-	**2**
Carrying amount at the end of the period	**1,791**	**131**	**11,898**	**1,223**	**15,043**

7. Intangible assets

	Datasets $'000	Computer software $'000	Other $'000	Goodwill $'000	Contractual rights $'000	Capital work in progress $'000	Total $'000
As at 31 December 2022							
Cost	21,694	44	77	1,785	364	1,066	**25,030**
Less accumulated amortisation	(15,491)	(29)	-	-	(364)	-	**(15,884)**
Carrying amount at the end of the period	**6,203**	**15**	**77**	**1,785**	**-**	**1,066**	**9,146**
Reconciled as:							
Cost as at 1 July 2022	18,789	42	70	1,785	364	862	**21,912**
Additions	2,035	2	7	-	-	1,066	**3,110**
Transfers between asset classes	862	-	-	-	-	(862)	**-**
Change in foreign exchange rates	8	-	-	-	-	-	**8**
Cost as at 31 December 2022	**21,694**	**44**	**77**	**1,785**	**364**	**1,066**	**25,030**
Accumulated amortisation as at 1 July 2022	(12,486)	(22)	-	-	(364)	-	**(12,872)**
Amortisation	(3,005)	(7)	-	-	-	-	**(3,012)**
Accumulated amortisation as at 31 December 2022	**(15,491)**	**(29)**	**-**	**-**	**(364)**	**-**	**(15,884)**
Net carrying amount as at 31 December 2022	**6,203**	**15**	**77**	**1,785**	**-**	**1,066**	**9,146**
Reconciliation of carrying amount at 31 December 2022							
Carrying amount at the beginning of the period	**6,303**	**20**	**70**	**1,785**	**-**	862	**9,040**
Additions	2,035	2	7	-	-	1,066	**3,110**
Transfers between asset classes	862	-	-	-	-	(862)	**-**
Amortisation	(3,005)	(7)	-	-	-	-	**(3,012)**
Change in foreign exchange rates	8	-	-	-	-	-	**8**
Carrying amount at the end of the period	**6,203**	**15**	**77**	**1,785**	**-**	**1,066**	**9,146**

8. Related party transactions

Equity instruments issued to directors

Steven Masters – performance rights

On approval by shareholders at the 2022 Annual General Meeting, an aggregate of 640,556 performance rights were issued to Steven Masters on 22 December 2022. 192,166 vested immediately and converted to the same number of ordinary shares. Refer note 11 Share based payments for further information.

Loans receivable from directors

Steven Masters – shares loan

Pursuant to the terms of his employment agreement with Aerometrex, a limited-recourse interest bearing loan of $50,000 was advanced to Steven Masters on 29 September 2022 for the purpose of facilitating on-market purchases of ordinary shares in Aerometrex.

The loan is secured against 119,048 ordinary shares held by Steven Masters, and is repayable on the 3rd anniversary of the draw date, being 29 September 2025. Because the Group holds security over these shares, they are treated as treasury shares (refer note 10 Issued capital).

The option for Steven Masters to take up the shares by repaying the loan at the end of the term is treated as a share-based payment (refer note 11 Share-based payments).

Transactions with director-related entities

Matthew White

During the reporting period, the company used the accounting and taxation services (December 2021: accounting and 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 $7,450 (December 2021: $6,417) and were based on normal market rates. The amount outstanding at the end of the period was $2,514 (June 2022: $2,145).

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 $27,165 (December 2021: $90,000) and were based on normal market rates. The amount outstanding at the end of the period was $nil (June 2022: $33,000).

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 $11,520 (December 2021: $19,040). The amount outstanding at the end of the period was $6,512 (June 2022: $6,160).

Transactions with other key management personnel

Other than employment benefits, there were no transactions with other key management personnel during the reporting period.

9. 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 (not including treasury shares).

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 (not including treasury shares) 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 2022 $'000	Dec 2021 $'000
(Loss) attributable to equity holders of the parent	(3,084)	(2,833)

	Dec 2022 #	Dec 2021 #
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	94,349,228	94,400,000

	Dec 2022 cents	Dec 2021 cents
Basic earnings per share	(3.3)	(3.0)
Diluted earnings per share[1]	(3.3)	(3.0)

[1] The effect of potential ordinary shares is not included in the calculation of diluted earnings per share, as the effect would be anti-dilutive.

10. Issued capital

	Dec 2022 Shares	Dec 2021 Shares	Dec 2022 $'000	Dec 2021 $'000
Shares issued and fully paid:				
Opening balance 1 July	94,400,000	94,400,000	32,892	32,892
Equity settled share based remuneration	192,166	-	88	-
Closing balance of share capital	**94,592,166**	**94,400,000**	**32,980**	**32,892**

	Dec 2022 Shares	Dec 2021 Shares	Dec 2022 $'000	Dec 2021 $'000
Treasury shares:	-	-	-	-
Beginning of the year	-	-	-	-
Acquisition of treasury shares	119,048	-	(50)	-
Closing balance of treasury shares	**119,048**	**-**	**(50)**	**-**

Treasury shares are a separate category of issued capital representing holdings of the Group's own shares in connection with share-based payment arrangements. Treasury shares are not considered to be outstanding issued capital, so the value is deducted from equity.

Treasury shares acquired in September 2022 relate to the treatment of limited-recourse loans to related parties (refer note 8 Related-party transactions) as an option to take up the shares at the end of the loan term (refer note 11 Share-based payments), and an acquisition of the Group's own shares.

11. Share based payments

Performance Rights

On 22 December 2022, 640,556 performance rights valued at $292,734 were issued to Steven Masters, Managing Director and Chief Executive Officer, as a component of equity-settled share-based remuneration pursuant to his employment agreement. These were approved by shareholders at the 2022 Annual General Meeting, held on 29 November 2022.

192,166 short term incentive (STI) performance rights vested immediately, resulting in a share-based payment expense of $87,820. These same performance rights immediately converted to ordinary shares, and the value was transferred from the share-based payment reserve to issued capital.

The remaining 448,390, being long term incentive (LTI) performance rights, will be expensed over the vesting period to 15 February 2025. The current period expense resulting from this grant was $2,607.

The performance rights were valued directly using the volume weighted average share price for the 62 days after the end of the financial year to which the remuneration grant relates. Key details of the performance rights issued in the current period are as follows:

	Managing Director and CEO FY22 STI Performance Rights	**Managing Director and CEO FY22 LTI Performance Rights**
Issue Date	22 Dec 22	22 Dec 22
Expiry / Vesting Date	22 Dec 22	15 Feb 25
Share price at issue date	$0.405	$0.405
Time to expiration (years)	-	2.2
Number of units	192,166	448,390
Valuation (per right) - VWAP 62 days from end of financial year to which grant relates	$0.457	$0.457
Total valuation	$87,820	$204,914

Limited-recourse loans

On 29 September 2022, a limited-recourse loan of $50,000 was advanced to Steven Masters, Managing Director and Chief Executive Officer, pursuant to terms of his employment agreement and associated loan agreement, to facilitate on-market purchases of shares in the Group. The loan is interest bearing, secured over the shares acquired, and repayable on the 3rd anniversary of the loan draw date. Refer also note 8 Related-party transactions.

Due to the limited-recourse nature of the loan, and the option for Steven Masters to take up the shares on repayment of the loan at the end of the term, the arrangement is treated as a share-based payment. As there are no vesting conditions, the share-based payment expense is recognised immediately.

The option to acquire 119,048 ordinary shares was recognised in the current period, resulting in a share-based payment expense $22,262. On expiry or exercise of the option, the grant date fair value of the option is transferred out of the share-based payment reserve.

Key details of limited-recourse loans treated as share options granted in the current period are as follows:

Valuation input - Black Scholes	**Managing Director and CEO Shares Loan**
Grant Date	29 Sep 22
Strike price (nominal value)	$0.42
Price at time of valuation	$0.42
Time to expiration (years)	3
Risk free rate	3.65%
Dividend yield	0.00%
Volatility (expected)	62.7%[1]
Number of units	119,048
Black-Scholes valuation (per option)	$0.187
Total valuation	$22,262

[1]Expected volatility was determined with reference to the historical volatility of the share price for the 2 years before the grant date.

12. Commitments

	Dec 2022 $'000	**Jun 2022 $'000**
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payables:		
Property, plant and equipment	890	1,948
Total commitments	**890**	**1,948**

Progress payments made as at the reporting date have been included as 'capital work in progress' as outlined in Note 6 Property, plant and equipment.

Capital commitments to acquire property, plant and equipment relate to the remaining payments due on the acquisition of aerial capture sensors which have been ordered but not yet delivered.

13. Subsidiary information

Composition of the consolidated entity at the end of the reporting period is as follows:

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group	
		Dec 2022	Dec 2021
Atlass- Aerometrex Pty Ltd	Australia	100%	100%
Aerometrex Ltd	USA	100%	100%
MetroMap Pty Ltd	Australia	100%	100%
AMX LAMS Pty Ltd	Australia	100%	100%
AMX Capital Pty Ltd <AMX Capital Trust> [1]	Australia	0%	64.4%
Spookfish Australia Pty Ltd	Australia	100%	100%

[1] AMX Capital Trust was formally wound up during the current half-year period. The entity previously disposed of assets, settled liabilities, and returned capital to unitholders in April 2022.

14. Subsequent events

The second and final instalment for the acquisition of a new IGI Urban Mapper 2 sensor for deployment into the MetroMap business was made in January 2023. The acquisition of this sensor will provide additional functionality allowing the company to expand its product offering over time with the intention of growing the subscription revenue base. This sensor arrived in Australia during February 2023 and is expected to be deployed into operations during February / March 2023.

In addition, the company also entered into a contract in January 2023 to acquire an additional IGI DigiCam sensor. This sensor is expected to arrive in Australia in June 2023 in preparation of deployment early in FY24.

Existing finance facilities with Westpac were utilised for the financing of a Riegl sensor which was deployed into operation in FY23Q2. The available facility was drawn down to the extent of $1.2 million which is repayable over a 5-year term to align cash outflow with cash generation from use of the asset in the business.

On 13 January 2023, the company announced that it had been awarded a LiDAR contract with an Australian Federal Government Agency to the value of $1.88 million (GST exclusive). This is the largest LiDAR contract award for the company and builds on the relationship with the Federal Government following the sale of datasets in June 2022. The deliverables for the LiDAR contract are expected to be completed by 30 June 2023.

To the best of the Directors' knowledge, other than the above, there are no other matters or circumstances that have arisen since the end of the reporting period that have significantly affected either:

- The operations of the Group;
- The results of those operations; or
- The state of affairs of the Group 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 25 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 2022 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.

Mark Lindh
Chair of the Board
Adelaide
27 February 2023

Steve Masters
Managing Director and Chief Executive Officer

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Independent Auditor's Review Report

To the Members of Aerometrex Limited

Report on 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 2022, 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 financial position as at 31 December 2022 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.

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 2022 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2023