

28 February 2023

ASX Announcement (AMX)

Aerometrex continues transition towards subscription revenue business achieving revenue growth in the MetroMap business of 32%

Aerometrex Limited (ASX: AMX, “the Company”), a trusted and leading aerial mapping business, specializing in an aerial imagery subscription service (MetroMap), LiDAR and 3D, today announces its results for the six months ended 31 December 2022 (1H23).

1H23 KEY HIGHLIGHTS AND OUTCOMES (vs 1H22)

Revenue

- Statutory revenue of \$10.0 million (1H22: \$11.3 million) with the reduction largely driven by the cessation of project aerial photomapping (1H22: \$2.25 million) as announced in June 2021.
- Underlying statutory revenue increased from \$9.1 million to \$10.0 million when adjusted for historical project photomapping work in 1H22.
- MetroMap subscription revenue up 32% to \$3.6 million with the Company continuing the transition towards a DaaS subscription business.
- US 3D revenue up 28% contributing \$0.8 million to group revenue, including the largest single sale to date from our USA ‘off-the-shelf’ high-resolution 3D model catalogue.
- LiDAR revenue of \$4.8 million, down slightly on 1H22.

Annual Recurring Revenue

- MetroMap Annual Recurring Revenue (ARR) up 22% YoY to \$7.3 million, and up 7% since June 2022.

EBITDA

- EBITDA down from \$0.5 million to \$0.4 million.

Cash Position

- Balance sheet remains strong with \$11.6 million in cash and debt facilities available.

Commenting on the 1H23 results, Aerometrex CEO Mr Steve Masters said:

"Aerometrex achieved good progress across key business initiatives following the announcement of changes in business focus areas and the organisational structure in August 2022.

The company delivered solid growth across most key business metrics, including the largest single sale to date from our USA 'off-the-shelf' high-resolution 3D model catalogue to Google Inc. in December 2022.

Continued growth of MetroMap was reflected in the increase in statutory revenue which increased 32% on the same time last year to \$3.6 million. MetroMap continued its growth in annual recurring revenue which was up 22% year-on-year to \$7.3 million. The company also delivered its first MetroMap revenue streams from property analytics, and product development activities are ongoing to meet customer's needs.

LiDAR revenue was slightly down to \$4.8 million, primarily associated with some aviation operational challenges that resulted in lower than expected on-task flying hours. Whilst disappointing, it is expected that operational outcomes will improve throughout 2H23.

The combination of financial outcomes resulted in statutory revenue being 12% lower at \$10.0 million, primarily due to the cessation of revenue contribution from project photomapping activities in the previous corresponding period, and slightly lower LiDAR revenue. However, adjusting for the project photomapping activities, underlying statutory revenue increased from \$9.1 million, or by 10%.

The company concluded the half year with \$11.6 million in cash and available debt facilities."

OPERATIONAL PERFORMANCE**MetroMap**

Aerometrex continued to focus on scaling the MetroMap subscription business during 1H23. The company continued its investment in people and systems to support future growth ambitions and product development ahead of the revenue curve. Statutory subscription revenue increased 32% to \$3.6 million.

Subscription revenue increased its contribution to the overall company revenue mix, providing 36% of total statutory revenue compared to 24% in the prior year. However, this increase was primarily due to the cessation of project photomapping work which contributed to the revenue of the prior corresponding period.

During the period, MetroMap also generated its first revenue contribution from property analytics of \$0.1 million, following product development activities during CY2022.

LiDAR

LiDAR revenue declined slightly by 3.6% to \$4.8 million due to aviation related operational challenges that resulted in lower than expected on-task flying hours. This operational landscape is expected to improve in 2H23. A new LiDAR sensor was successfully integrated into the LiDAR fleet during the reporting period. With healthy work on books of approximately

\$6 million at the reporting date and with strong ongoing customer demand means Aerometrex is well positioned for 2H23 and into FY24.

Global 3D

Aerometrex's Global 3D activities gained momentum during the reporting period. A seconded team was sent to the USA during the period to build the opportunity pipeline, increase product awareness and to target the sale of 'off-the-shelf' datasets. It was very encouraging to achieve the single largest sale to date of USA 'off-the-shelf' high-resolution models to Google Inc. US revenues increased from \$0.62 million to \$0.74 million year-on year. The Company was also awarded a high-profile street level capture project in Australia for the transformative City of Melbourne Greenline Project. Whilst this project is immaterial from a group revenue perspective, it is a high-profile use case and will be the single largest street level capture undertaken by the Company in Australia. The capture is expected to be undertaken in 2H23.

Aviation

A key initiative commenced during the period was a long-term aviation and sensor review, which applies to both the MetroMap and LiDAR businesses. This work will continue during 2H23 and focus on opportunities to improve operational performance and efficiencies. It is anticipated that this review will be completed during FY23.

Aviation related activities during 1H23 for both MetroMap and LiDAR experienced some disruption because of unscheduled asset downtime impacted by continuing supply chain issues, compounded by eastern Australian weather events and airspace restrictions.

Research & Development

Aerometrex continued to invest into Research & Development (R&D) activities focused in areas of Artificial Intelligence (AI) and Machine Learning (ML). These initiatives span both internal process efficiency and scalability. New product development was focused on property analytics for the MetroMap business, with ongoing R&D activities also associated with scaling and providing efficiencies within the 3D and LiDAR businesses.

Organisational changes

In August 2022, the company announced that it would commence transitioning the organisation structure to align with key product lines to drive performance. These changes were progressively implemented during the period with a 'best for business' approach. The company will continue to evolve as appropriate to drive outcomes aligned with shareholder interests.

STRATEGIC FOCUS

Building a pathway to profitability

In August 2022, Aerometrex announced as part of its strategic planning to develop 'pathways to profitability'. This journey has commenced with a variety of initiatives being implemented across the company under the key umbrellas of:

- Safely undertake our work;
- Employee clarity and alignment;
- Enhance the way we work;

- Understand our customers;
- Service our customers well;
- Be focussed and disciplined; and
- Invest wisely.

Across these umbrellas, several individual initiatives were completed, with others in progress or planned for 2H23 and into FY24. The underlying focus is to build profitable and sustainable value for our shareholders across all product lines, driven by a talented, efficient and aligned workforce.

Commenting on the company's outlook, Mr Masters said:

"Whilst various external environment challenges and business uncertainties remain, we are optimistic about the year ahead. Various operational challenges have impacted 1H23 results, and our employees are working diligently to address these issues and find innovative solutions.

The announcement made after the reporting period (13 January 2023) of the award of Aerometrex's largest ever LiDAR contract with an Australian Federal Government agency valued at \$1.88 million, and the company's commitment to new camera sensors for MetroMap are positive outcomes that will position our business for an exciting year ahead."

This release is approved by the Board of Directors of Aerometrex Limited.

- ENDS -

ADDITIONAL INFORMATION

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About Aerometrex Limited

Aerometrex Limited is a trusted and leading aerial mapping business, specializing in an aerial imagery subscription service (MetroMap), LiDAR and 3D. The company operates the full range of services throughout Australia and extends its 3D services on a global scale. The company has staff based in the US delivering its 3D product.

The company, established in 1980, has a strong Board and executive team with significant industry experience.

For further information, please visit www.aerometrex.com.au.