

 aerometrex

ANNUAL REPORT 2022

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Our Values

ABSOLUTE QUALITY

We are driven by the pursuit of absolute quality in everything we do. Accuracy, professionalism and responsiveness are staples of our offering. With an enviable reputation for the calibre of our work both in Australia and overseas, we combine leading technologies and innovation with science and artistry to deliver world-leading aerial photography, 3D and mapping services to the world.

EXPERT KNOWLEDGE

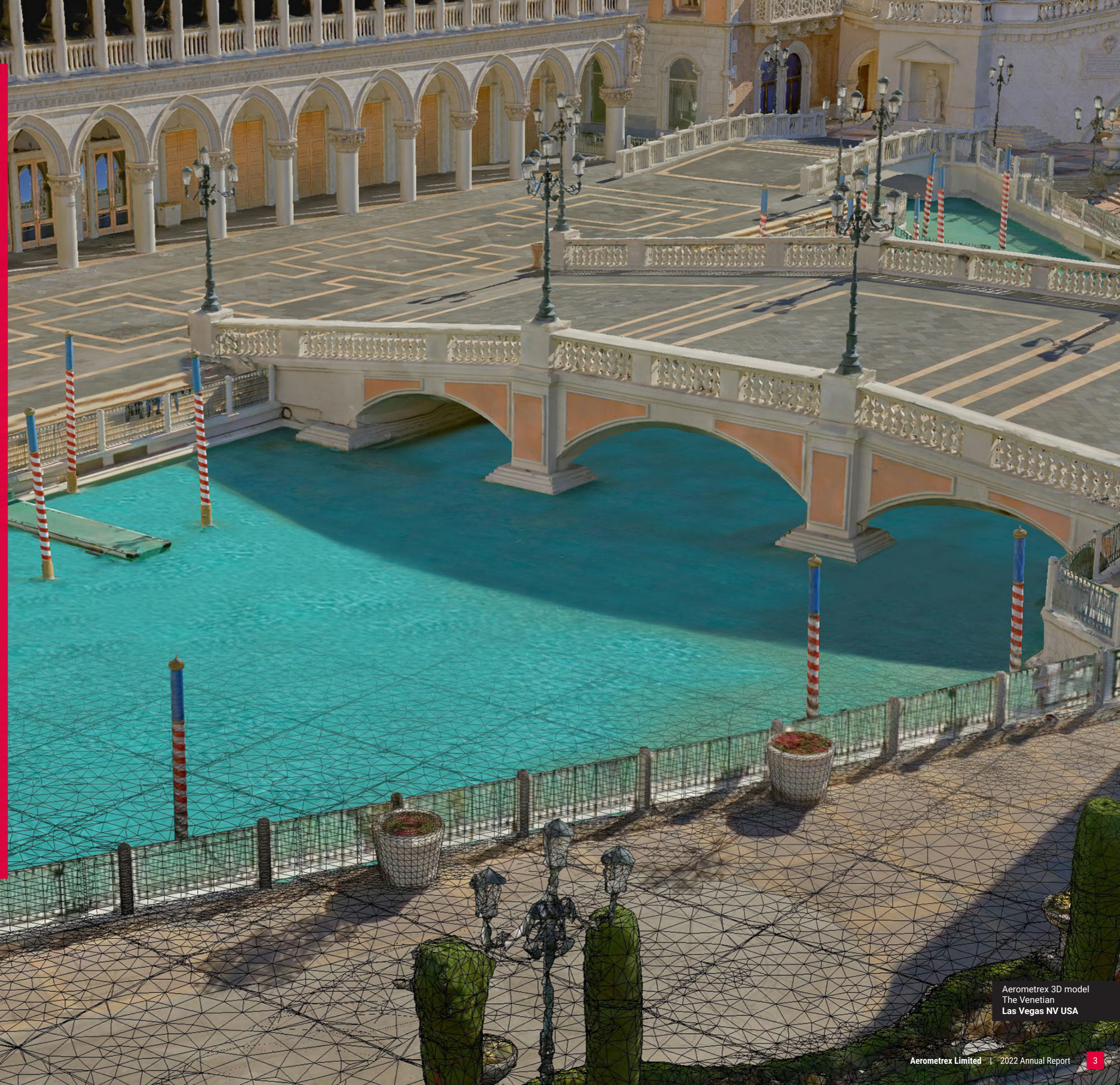
With extensive experience in aerial photography and mapping, we are famous for - and driven by - a culture of continuous improvement. We are recognised internationally for our high levels of skill, expertise and specialisation. But as with all great cultures, we walk a fine line between confidence and humility. This is reflected in our constant curiosity, always striving for ways to improve, always searching for new ways of thinking and new ways of doing.

TENACIOUS SPIRIT

We are proud of our determination, agility and ability to get the job done. These characteristics enable us to tackle new challenges and take advantage of new opportunities. Flexible, courageous and resilient, we are trusted by our clients to deliver every time. And this tenacity of spirit will be fundamental to our future prosperity.

100% PASSION

As globally recognised world-leaders, we are driven by an unwavering passion and enthusiasm for our craft. Our unique skills combining science, technology and artistry can have a profound impact on the way societies are built and decisions are made. We are passionate about helping business and government better understand their world.



Cover image:
Aerometrex 3D model
Paris Hotel & Casino
Las Vegas NV USA

Aerometrex 3D model
The Venetian
Las Vegas NV USA

Contents

FY22 Highlights.....	7
Letter from the Chair.....	9
Managing Director and Chief Executive Officer Report.....	10
Corporate Governance.....	30
The Board.....	32
The Executive Team.....	34
Directors' Report.....	36
Remuneration Report.....	46
Auditor's Independence Declaration.....	56
Financial Statements & Notes.....	59
Directors' Declaration.....	96
Independent Auditor's Report.....	98
Shareholder Information.....	102
Corporate Information.....	104

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Aerometrex 3D model
Salesforce Park
San Francisco CA USA

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FY22 HIGHLIGHTS

Operating Revenue

\$25.0m

▲ 19.5%
(2021: \$20.9m)

EBITDA

\$7.7m

▲ 168.9%
(2021: \$2.9m)

Subscription Revenue

\$5.9m

▲ 60.9%
(2021: \$3.6m)

Annual Recurring Revenue
(ARR)

\$6.8m

▲ 42.4%
(2021: \$4.8m)

Cash Balance

\$14.1m

(2021: \$16.6m)

Cash Flow
from Operations

\$5.0m

(2021: \$5.1m)



**Largest off-the-shelf
data sale of \$2.5m**



**First significant
contribution from
US 3D of \$0.9m**

MetroMap near infrared image
Bicentennial Conservatory
Adelaide SA Australia

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Letter from the Chair

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 December 2021 we saw the retirement of Mr Mark Deuter as Managing Director and CEO after sixteen years with the Company, the last ten years as CEO. On behalf of the Board, I would like to thank and acknowledge the significant contribution that Mark has made to Aerometrex over his tenure and wish him the best in his retirement.

In February 2022, we welcomed Mr Steve Masters into the role of Managing Director and CEO as Mark'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.

On behalf of the Board, I wish to thank Mark and Steve for their respective 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 ongoing support.

Mark Lindh
Chair of the Board



Managing Director and Chief Executive Officer Report

Dear Shareholders,

I am pleased to present Aerometrex's Annual Report for the 2022 financial year. Having joined in February 2022, I am appreciative of the warm welcome that I have received and excited by the growth potential that exists for our company. I have had the opportunity to meet with many shareholders who also hold great enthusiasm for Aerometrex's future. It is an honour and a privilege to lead Aerometrex, and I look forward to doing my absolute best to grow shareholder value in the future.

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

- 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;
- 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 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.

Total operating revenue increased by \$6.60m or 31.1% which included the gain made on the sale of the company's head office located in Glynde, South Australia. Excluding the gain on sale of the building, 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.

"As announced in June 2022, we achieved our largest ever off-the-shelf sale of existing datasets to an Australian Federal Government agency for \$2.59m. This sale validated the company's strategy over many years to own the intellectual property rights to the underlying datasets."

People and Safety

Fundamental to the success of the company is the commitment and quality of the people that are part of Aerometrex's team. Our people are the key ingredient that have built the company to its present state, and what it will become in the future. Their passion and drive in every aspect of our business is commendable.

I would like to especially acknowledge and thank all our employees for their contribution and effort over the year, in what has seen the ongoing challenges and disruptions associated with COVID-19. I am proud of the way that our company has focused on its people to always ensure their safety and wellbeing. This has been reflected in the company being able to navigate COVID-19 issues in a largely unaffected way, though the foreseeable future is likely to see ongoing challenges in this space.

I would also like to thank our customers, partners, and other key stakeholders for their support and understanding during a challenging year for all concerned.

MetroMap subscription growth

MetroMap continued to grow its subscription statutory revenue, increasing from \$3.64m to \$5.86m, an increase of \$2.22m or 60.9%. Annual Recurring Revenue (ARR), which is calculated as the statutory revenue recognised in the reporting month x 12, increased from \$4.81m to \$6.84m, an increase of \$2.03m or 42.4%.

Our partner program continued to grow and contributed \$1.15m to the overall ARR result. The partnership program adds value to each of our twenty-eight partners and as their business grows so does our underlying MetroMap subscription value.

MetroMap off-the-shelf sales

As announced in June 2022, we achieved our largest ever off-the-shelf sale of existing datasets to an Australian Federal Government agency for \$2.59m. This sale validated the company's strategy over many years to own the intellectual property rights to the underlying datasets.

LiDAR growth

LiDAR achieved a 26.8% growth in revenue following continued investment into an additional sensor in the prior year with a strong pipeline of work already committed to and on the books as of 30 June 2022 of \$3.73m (2021: \$2.10m).

The LiDAR business relocated to a contemporary new office space in Maroochydore on the Sunshine Coast in Queensland at the beginning of the year. This new office space has delivered several benefits including improved communication across the various delivery teams and efficiencies while providing additional space for continued expansion of the company.

US 3D contributes to revenue growth

The US made its first significant contribution towards revenue during the financial year, contributing \$0.90m (2021: \$32k). This revenue was driven by off-the-shelf sale of datasets where the company had captured and processed the data creating a company owned dataset which enables it to be sold multiple times. The US continues to present a significant opportunity for the company and will be a focus for the coming financial year.

Sale of Property

During the year, the decision was made to divest a non-core asset being the company headquarters located in Glynde, South Australia. The property was owned by AMX Capital Pty Ltd, a majority owned subsidiary of Aerometrex, with the sale being underpinned by the remaining term of an arm's length commercial lease with the company which is due to expire in May 2028.

Research and Development

The company continued to strategically invest in various R&D activities linked to either potential new product development or internal process efficiency gains through the opportunity that artificial intelligence (AI) and machine learning (ML) presents. The focus of these activities is to drive either revenue gains or process efficiency. This process efficiency is via improved scalability, reduction or manual QA time and improved throughput volume.

Industry recognition

Aerometrex is a globally recognised industry leader. In FY22, it was pleasing to see the company gain further recognition in various fields of activities, including three received at the Asia Pacific Spatial Excellence Awards in innovation, technical excellence and environment and sustainability.

Challenges and resilience

As also noted above, FY22 has also had its share of ongoing challenges, some of which will linger into the FY23 financial year. Global supply chain and border disruptions negatively impacted our operations. Key examples included disruptions to our sensor assets and aviation operations, where we were required to source short-term charter of aircraft to ensure continuity of services.

COVID and COVID-related restrictions did and will continue to impact our business as we adapt to a 'new normal.' These impacts primarily manifest themselves in the form of travel restrictions or delays, including increased costs. In the case of the US, remote working and restricted access to external visitors when visiting companies has impacted the ability to engage in a more personal approach to the market in educating the value proposition and selling of our 3D product line. However, this still presents a significant opportunity for the company and is a core focus for FY23.

FY23 and beyond

We continue to have a business with enormous potential. Moving forward, in addition to objectives such as growing revenue and enhancing our products, there will also be a focus on building a pathway to profitability. The journey will not be without its challenges given the unpredictability of the general external environment, the recent volatility in global financial markets, and the competition for talent.

I would like to thank the Board and the entire Aerometrex team for their contribution to the outcomes achieved in FY22. Again, I would also like to thank all our customers and shareholders for their ongoing support.

Finally, it would be remiss of me not to acknowledge Aerometrex's previous Managing Director and Chief Executive Officer, Mr. Mark Deuter. Mark's dedication and passion for many years has been instrumental in building a solid platform for the future. Now, that foundation provides the opportunity to pursue the next phase of growth, where we can further build on our world-class skills and product offerings to meet wide ranging customer needs.

I look forward to the year ahead and wish you and your families all the best.

Steve Masters
Managing Director and Chief Executive Officer





MetroMap

DELIVERING MORE THAN JUST MAPS

Highlights

ARR \$6.8m
(2021: \$4.8m)
growth of 42.4%

Subscription Revenue \$5.9m
(2021: \$3.6m)
growth of 60.9%

Continuing growth of partner program

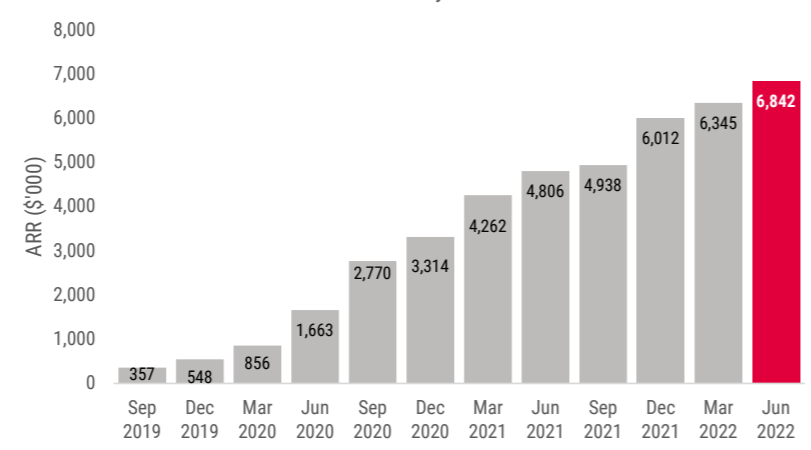
MetroMap is Aerometrex's subscription-based product offering that supplies Data as a Service (DaaS). Ranging from 2D imagery to 3D off-the-shelf city models and a range of LiDAR and imagery-derived datasets, MetroMap is the future of accurate geospatial data, accessible by everyone from large corporates, government departments, SMEs and individuals.

Overview

The Company continued to invest in the MetroMap product line during the financial year through the acquisition of datasets and investment into the customer platform interface. The business grew Annual Recurring Revenue (ARR), calculated as the statutory revenue in the reporting month multiplied by 12, from \$4.81m to \$6.84m, an increase of \$2.04m or 42.4%. This growth was achieved through the acquisition of new clients, strong retention of existing clients and growth in the MetroMap partner program.

Following the completion of project aerial photomapping work, as announced in June 2021, and with committed work completed during FY2022, the Company is focused on the growth of the recurring subscription revenue business of MetroMap.

Annual Recurring Revenue (ARR)
Calculation: Monthly Revenue x12



Customer use cases

Briometrix Effort-Based Mobility (Brio) Maps

Briometrix Effort-Based Mobility (Brio) Maps provide a guide as to how easy it is to travel along a path or trail. These maps are intended to help people plan an outing, visit destinations, and safely navigate to public transport connections such as trains, trams, and buses. The maps uniquely show all footpaths or trails in the mapped areas as colour-coded lines indicating the level of difficulty for a person with limited mobility to get from one place to another. Built on behalf of cities, towns, greenways, universities, national parks, and public transportation systems, MetroMap forms an important component of Brio Maps.

According to Natalie Verdon, Director at Briometrix, MetroMap imagery has helped their business across all phases of their work - in planning mapping projects, executing fieldwork, processing observations into maps, and for a better user experience in their public maps. MetroMap helps the company quickly estimate project costs and dramatically increase their speed and accuracy in the field when capturing data. With the latest MetroMap aerial imagery on their tablets, Briometrix wheelchair pilots now find it much easier and faster to accurately locate features. Once the fieldwork is completed, the latest aerial imagery aids in ground-truthing observations to minimise errors during their automated data processing. When it comes time for members of the public to access and use the colour-coded Brio maps, having the latest imagery in high resolution provides greater confidence when planning an outing and the richest possible context for wayfinding during an excursion to a new destination.

Future Generation JV (Snowy 2.0)

MetroMap is the chosen aerial imagery of one of Australia's largest utility providers, Future Generation JV, who are part of the delivery consortium of Snowy 2.0. Future Generation JV consumes MetroMap aerial imagery into their own WMS to combine it with their other datasets. MetroMap's high-resolution imagery and spatial accuracy make it an ideal visual context for the Snowy Hydro team to add in further data layers showing existing infrastructure and plans for future development.

David Ibbotson, Survey Manager, Future Generation JV explains the value that MetroMap brings to the project. MetroMap has provided a cost effective solution to managing our aerial imagery. Prior to using the product, communication was difficult and time-consuming as prints were distributed manually, over email. The ability to progressively combine our drone imagery, underground services surveys and aerial data in one place has been invaluable.

"The platform is stable and simple to use, detailed training to end users is not required as the viewer and mark-up tools are intuitive. This has meant we are able to roll it out quickly to end users that have little or no knowledge of spatial data. That's a big advantage to a remote project with several otherwise disconnected sites. "The flexible and unlimited data usage has enabled us to share the data over API keys to many third parties users, all can leverage the data for an overall advantage".

Alexander Symonds

One of Australia's longest operating surveying consultants, Alexander Symonds, trusts MetroMap as one of its key data sources, thanks to the imagery's visual quality, spatial accuracy, coverage, and capture frequency. With over 85 years of experience, Alexander Symonds is committed to excellence and using the best tools to deliver high-quality solutions to their customers.

The company's impressive service offerings cover the building, civil construction, engineering, architecture, and commercial and urban development. MetroMap provides the metropolitan and regional coverage to access their client's areas of interest. The data is an integrated part of their workflow, connecting with their spatial software packages via API. MetroMap imagery is ready to assist their diverse and challenging projects, from substantial expressways to CBD-based apartment towers and stadium redevelopment.

Alexander Symonds Director, Beau Thorley says: "MetroMap ticks all the boxes for our requirements - extensive metro and regional coverage, frequent capture, and easy integration with our spatial software packages. The support from the MetroMap team during implementation was especially appreciated."

only LiDAR

SINGLE CAPTURE - MULTIPLE USES

Highlights

Revenue
\$11.3m
(2021: \$8.9m)
growth of 26.8%

Relocated to
new office in
Maroochydore

Achieved
BARS
accreditation

Light Detection and Ranging (LiDAR) is an advanced aerial surveying technique which utilizes active laser pulses generated by the sensor to measure the distance of the aircraft to the ground. As the position of the aircraft is determined by GPS, the shape of the terrain including above ground features can be modelled. This survey technology and the information derived from it has become a critical asset for numerous planning & monitoring purposes, even more so when combined with imagery.

Overview

The Company delivered strong revenue of growth of 26.8% with revenue increasing from \$8.93m to \$11.32m over the year. This revenue growth was achieved from the investment into a fourth sensor and upgrading of the existing sensor fleet during FY2021. The LiDAR division continued to deliver strong consistent underlying revenue and cashflow driven by sensor utilisation. The company continued to deliver services across a diverse range of industries.

During the year, the company relocated the LiDAR office from Buderim on the Sunshine Coast, Queensland to Maroochydore, Queensland. This new office space has delivered a number of benefits including improved communication across the various delivery teams and efficiencies while providing additional space for continued expansion of the company.

The Company also achieved its BARS (Basic Aviation Risk Standard) accreditation during the year following an independent audit into the aviation operations. The receipt of the BARS accreditation enables the opportunity to work with some of Australia's largest mining companies who require BARS certification when undertaking work for them in either remote locations or when flying over particular mine sites. The BARS certification provides increased opportunities to deliver high value utilisation of company assets.

Customer use cases

Digital Twin Victoria (DTV) Program

The Digital Twin Victoria (DTV) Program is investing over \$4M in new LiDAR surveys across the State to support a range of land and infrastructure management activities. These activities include site investigations, flood mapping, vegetation mapping, surface modelling, cultural heritage mapping, and land surface change detection. The DTV Program is a four-year historic initiative running to 2024 that will harness digital innovation, emerging technologies, and geospatial data to unlock economy-wide savings through Victoria's Big Build and leverage the digital acceleration underway in response to COVID-19. The dataset will enable new and innovative uses of LiDAR including automated feature extraction of buildings and trees, 3D modelling and rooftop analyses for thermal and solar.

Aerometrex is one of the major contributors to the ongoing LiDAR capture for the DTV Program. This project under the DTV Program will also enable the Department of Environment, Land, Water and Planning (DELWP) to produce Victoria's first state-wide high resolution digital elevation model (DEM), which will cover 99% of the state's population and 95% of Victorian dwellings. Additionally, this LiDAR project will contribute detailed forest models, support ecological analysis, guide bushfire preparation and recovery and inform climate change responses over the coming decades. Vegetation models will extend to urban forests, contributing valuable information around street trees and providing information for urban greening projects.

City of Unley Urban Tree Canopy Management

City of Unley is one of only seven 'Tree Cities of the World' in Australia. Tree Cities of the World is an international programme aimed at recognising cities and towns that demonstrate a commitment to properly maintain, sustainably manage, and duly celebrate their urban forest.

As part of their ongoing program to monitor the state of the urban forest across the council, City of Unley commissioned Aerometrex to collect LiDAR data across the council. This LiDAR data would enable the council to build quantitative tree canopy change detection datasets. By utilising new data captured in 2021 and historical data captured in 2018, Aerometrex supplied a classified tree canopy change map which defines occurrences of tree removal, pruning reduction of existing canopy, tree planting and growth of existing tree canopy across the entire council. These datasets were incorporated into City of Unley's award winning My Canopy App, which is an innovative community engagement tool which shows the change in tree canopy cover across every residential property.

South Australian Flood Study

High accuracy Digital Terrain Models (DTMs) derived from Airborne LiDAR are a common foundation of detailed flood hazard mapping initiatives. These models provide an accurate measure of the potential floodplain elevation, even under areas of dense tree canopy. Detailed elevation maps can be combined with hydrological and hydraulic models to predict areas that are susceptible to inundation under simulated flood events.

In 2021, Aerometrex captured Airborne LiDAR data to provide The Department of Environment and Water with a high resolution DTM of the Adelaide Hills, enabling the state government to update their understanding of areas at risk of flooding. By combining the outputs of predictive flood models and LiDAR-derived building footprints, supplied by Aerometrex, the department was not only able to gain an explicit understanding of the areas susceptible to inundation, but also the infrastructure at risk from a range of predicted flooding events of varying magnitude.

Highlights

Revenue
\$2.1m
(2021: \$1.8m)
growth of 16.1%

First substantial
US revenue
\$0.9m
(2021: \$32k)

Expanding
global off-the-shelf
datasets covering
20 locations

Aerometrex provides its global client base a range of sophisticated 3D reality modelling products and services based on advanced photogrammetric and visualisation techniques.

Our award-winning 3D modelling service provides an end-to-end solution: the whole workflow from flight planning and image acquisition to 3D processing and geo-registration is all done in-house. We have executed numerous projects that combine aerial acquisition from multiple platforms (aircraft, helicopters and UAVs as well as street-level imagery) and use the data generated to build a seamless 3D mesh model or 'reality mesh'.

Our 3D data provides clients access to high resolution 3D city mesh models that gives context to projects, helps develop and visualise scenarios as well as offer a comprehensive 3D base dataset for change monitoring.

Overview

The Company saw growth in the 3D product line of 16.1% from \$1.85m to \$2.15m across the financial year driven by the Company's first substantial revenue from the US operations. The US business contributed \$0.90m towards 3D revenue, up from \$32k in 2021 and largely driven by off-the-shelf sales of datasets owned by the Company. The company achieved sales in emerging markets such as the metaverse in addition to the traditional markets of engineering, planning and construction.

The company continued to focus on building its portfolio of high-resolution 3D datasets in the US capturing Las Vegas, Manhattan and Brooklyn in New York, Tampa, and San Diego. The company now has an expanding catalogue of global 3D models available for resale.

In May and June 2022, the CEO, accompanied by a small team, visited North America to meet with key customers and other stakeholders. The visit confirmed high interest in Aerometrex's high-resolution 3D datasets. Continuing to build these important relationships, opportunity pipeline and the sale of existing datasets will be an ongoing focus.

Customer use cases

Digital Twin Port of Melbourne

Aerometrex signed a project with Port of Melbourne to capture and model in 3D, at 2cm resolution, their port infrastructure land holdings. The project includes annual updates to the 3D model over 3 years, and it sets up a framework for their port digital twin. Aerometrex has also been provisioned to provide Port of Melbourne with consulting services to help them setup their digital-twin framework. This shall include tasks such as - editing the model to enable a moving waterline (tide emulation to simulate vessel movement relative to the docks) and merging hydrographic data into the 3D Model for a full view of their operating area both on-land and sub-surface.

This project showcases Aerometrex's capability to execute similar work for ports across Australia and the US. Smart ports will add direct value to the community by adding efficiencies across the logistics and shipping of various goods and commodities.

Metaverse Terrestrial Software Development

Aerometrex supplied its new off-the-shelf Las Vegas 3D model to Terrestrial Software Development, a company operating within the metaverse space. This Las Vegas model covers the iconic Vegas strip in key locations spanning 7.5 sq km. Captured via helicopter, the 3D model offers extremely high-resolution data (2 to 5 cm) and integrates street-level capture around The Venetian Resort. This model showcases the level of detail that our US 3D work can offer clients in that market.

As our database of precise 3D city models grows, and our AI and machine learning capability expands, Aerometrex shall continue adding derivative products and insights. Our capture techniques are unique and the raw data from these captures shall enable higher fidelity models of historical landmarks through future generations of software and new processing workflows. Other benefits to multi-year captures include change detection, clash-analysis, visualisation, and documentation enabling applications across urban safety and awareness, planning, virtual tourism, and location intelligence.

Smart City Camden Council and Spatial Services NSW

Aerometrex is working with Camden Council and Spatial Services NSW to capture 3D data for their local government authority (LGA). While the entire council area shall be captured at 7.5 cm resolution, they have also requested a 2 cm high resolution model of 4 townships, and street-level capture of Camden's main streets.

This project showcases Aerometrex's capability in supplying 3D data across the range of 7.5 cm for large-scale, 2 cm for key developing areas, down to street-level modelling for focus locations. This model has been used by other LGAs in Australia for their smart-city initiatives and for building up foundations towards their digital twins and reality models. These models are key to community consultation applications and shall become openly-served data via Spatial Services for public access.

Aerometrex 3D City Models

For personal use only

USA

- Brooklyn
- Denver
- Las Vegas
- Los Angeles
- Manhattan
- Miami
- San Diego
- San Francisco
- Tampa

AUSTRALIA

- Adelaide
- Brisbane
- Canberra
- Gold Coast
- Melbourne
- Perth
- Sunshine Coast
- Sydney

NEW ZEALAND

- Auckland
- Christchurch
- Wellington



Manhattan, New York



Los Angeles, California



Melbourne, Australia



Auckland, New Zealand



HOW AEROMETREX 3D IS CHANGING ENGINEERING BUSINESS PROCESSES

QUALITY DIGITAL TWINS CONTRIBUTING TO RESILIENT INFRASTRUCTURE

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About WSP

WSP develop creative, comprehensive and sustainable engineering solutions for a future where society can thrive. Equipped with an intimate understanding of local intricacies, world-class talent and proactive leadership, WSP plan, design, manage and engineer long lasting and impactful solutions to uniquely complex problems. From local beginnings over 130 years ago to a vast international presence, WSP has enjoyed continuous growth and enrichment of its service offerings. Every milestone reached has enabled them to better fulfill their purpose of preparing communities and environment for the future.

Aerometrex has become a trusted 3D data provider for engineering and professional services giant WSP USA. WSP has purchased the Denver, San Francisco, Miami, and Los Angeles datasets and is currently commissioning 3D models for future projects across their broad range of work.

We spoke to WSP USA Vice President Tom Coleman (TC) and Technical Lead of the Visualization and Data Intelligence Group Mark Kaufman (MK) about how our data helps WSP operations and better understand the transition towards 3D as the default starting point for their projects.

CHOOSING AEROMETREX 3D DATA

WSP is a company of over 56,000 people globally with projects spanning the entire built environment of construction, infrastructure, power, energy, water, and environmental sectors in almost every highly populous American city. A company so ubiquitous can pick from any 3D data provider but chose Aerometrex. Mark and Tom explained why:

TC: *Because we couldn't get Aerometrex data from anyone else! The data is so tremendous that the people we show it to inside the business are left scratching their heads.*

MK: *To be perfectly honest, Aerometrex is the highest quality, highest resolution 3D data that we've seen so far available to us. Take the Denver model... when I first saw that Union Station, it just blew my mind. That quality is important for the USA market, where projects within the built environment are starting in 3D. These Aerometrex representative environments within a tolerance of two to five centimetres is pretty spectacular.*

PRODUCTS READY FOR THE SPATIAL EXPERTS

Starting with complete datasets reduces WSP's need to in-house their creation. Their 3D modelling and staging work now begins with ingesting Aerometrex 3D data into their preferred platform to begin the next phase of work. Mark and Tom described how their teams are responding to the new data:

MK: *We used to build everything from scratch with GIS data and aerial maps, starting with 2D data and building it up in 3D. That's a lot of work, and you can only get to a certain level of detail. Now you're able to integrate these city-size models directly into game engines and stage complex scenes in real-time. Our teams look at the results and go you pulled that off and how many days?! We can do what once took two or three weeks worth of back-and-forth in three hours. It quickly answers many questions, and you're moving the design forward from there.*

TC: *I think I shocked the group in Tampa out of their seat because they'd already spent so many hours building traditional models, then we saw you have a new streaming model of the whole city! They get so excited by seeing that new data. We show the data to people they say wow I didn't know you could do that with 3D models. We're not quite working at engineers or survey detail but three centimetre horizontal or vertical accuracy is amazing at the scale of the 3D models.*

"...Aerometrex is the highest quality, highest resolution 3D data that we've seen so far available to us.

We can do what once took two or three weeks worth of back-and-forth in three hours."

Mark Kaufman, Technical Lead of the Visualization and Data Intelligence Group WSP

HOW THE DATA CHANGES WSP'S WORKFLOW

High quality 3D data simplifies WSP USA's entire workflow; reducing the need to create data in-house and allowing their project teams to quickly advance through the concept, design, consultation, and bidding phases. Crucially, the Aerometrex 3D models bring a level of real-world context that strengthens their scenario-building, as Mark explains:

"Starting with more accurate information from a 3D model makes staging data much easier. I can slice and dice the data, add buildings, get rid of the ground surfaces, or do whatever I need. Then I quickly and interactively build models in front of my clients and get that real-time feedback. Also, the 3D reality mesh solves the data disconnect. Clients know there's a Starbucks here or Wells Fargo Bank building there, but in the past all they'd see is a big extruded shape. I think that's a crucial aspect of what Aerometrex is offering. This reality mesh allows us to get beyond this kind of "foam core" of shapes that are somewhat volumetrically representative of the real world to something that's actually there in the real world. I think it's crucial to note that Aerometrex can be the entire model, or it can be part of the broader data solution. I think, for a lot of what we're going to do, it will be a very key part of the solution."

3D DATA SIMPLIFYING VIRTUAL EVENT BIDDING

USING 3D MODELS TO SHOWCASE AND PROMOTE UNIQUE LOCATIONS



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About ACB

The Adelaide Convention Bureau is the peak member based, not-for-profit organisation responsible for developing and positioning Adelaide, South Australia as a leading convention, conference, incentive travel and business events destination.

As a private enterprise, the Bureau serves as a partnership between the private sector (including over 200 members such as venues, hotels and airlines), the Government of South Australia (South Australian Tourism Commission) and Adelaide City Council.

The Bureau actively targets conventions and other business events that align with the strategic focus and specialty strengths of South Australia, and that deliver significant benefits in terms of economic impact, business generation, knowledge exchange and professional/ social legacies.

www.adelaideconvention.com.au

In recent years, limited physical movement has restricted the events and tourism industries' ability to showcase and sell real-world locations to interstate and international prospects. The Adelaide Convention Bureau (ACB) has found a novel solution in high-resolution 3D data provided by Aerometrex as a staging platform to pitch the City of Adelaide and the Adelaide Convention Centre to any audience, anywhere in the world.

The ACB uses Aerometrex's 3D data assets and visualisations to bid for domestic and global conferences that potentially draw thousands of attendees and give substantial economic benefits to host cities. This use case stands as a proof-of-concept that 3D data overcomes distance to reach lucrative audiences with an adaptable asset for presentations.

TAILORED 3D DATA

3D data is the most flexible and cost-effective solution to creating multiple tailored bids over time, the base data giving the ACB a reusable asset and years of benefits.

Aerometrex captured, processed, and delivered a 2 cm resolution model of Adelaide's North Terrace precinct with areas of street-level enhanced detail for the ACB. The modelled area includes Adelaide's rapidly expanding health, technology, and education districts with the surrounding culture, hospitality, accommodation, and culinary points of interest for a broad spectrum of convention planners and attendees.

Initially, the ACB was not explicitly shopping for 3D data. Instead, they were trying to solve an ongoing challenge, as Nic Mercer, General Manager of Sales and Marketing at the Adelaide Convention Bureau, explains:

"This model has been something that's been in our heads for a long time. When we reached out to Aerometrex, we knew what the problem was, but we didn't know what the solution was. So we were starting with a blank piece of paper and going, this is the problem and this is where we want to get to. What Aerometrex provided us, was that partnership approach to be able to come up with a solution that was ideally suited for what we were looking for."

3D DATA – THE ULTIMATE PRODUCTION SANDBOX

For the ACB, Aerometrex's 3D data gives ultimate flexibility to stage presentations customised to any audience and showing many potential points of interest within the city of Adelaide. Nic Mercer explains why that creative freedom is so crucial to his team:

"We see ourselves as storytellers, and each bid that we put together is an individual story and we tailor it for each individual need. What Aerometrex has been able to provide to us is a model that we can use to create our own storytelling each and every single time for each and every single international opportunity."

"The story that we're telling this time is how the destination has grown in recent years, in a way that's directly targeted to conference planners. What's important as we tell this story is the ability to get up close to individual infrastructure pieces like Lot Fourteen and the National Space Agency, but then pull up more broadly and tell the story of hotel growth and the increase of supply and the increase of infrastructure."

CHANGING THE FUTURE OF BIDDING

3D data has streamlined and simplified the ACB's bidding process while giving greater consistency and flexibility. The initial investment gives ongoing benefits as the 3D model is repeatedly repurposed for different applications and audiences. There's much to be excited about for Nic Mercer and the ACB team, as he explains:

"This is a game changer for us. We've been wanting to do this for the five years that I've been working at the organisation. We've always had something in our heads that we wanted to use to showcase the Convention Centre and City of Adelaide and we've come up with limitations each time. We're walking on cloud nine because this is exactly what we've been looking for all that time."

"This is the first of many, many use cases. Nothing is stopping us from getting out there and securing as many international opportunities as our business development team can come up with. As a result, I think we've got a world class product that enables us to promote the destination like nobody else is doing right now."

"With Aerometrex, we have been able to tell the story the way we want, and we couldn't be more happy."

Nic Mercer, General Manager of Sales and Marketing at the Adelaide Convention Bureau



Nic Mercer, General Manager of Sales and Marketing at the Adelaide Convention Bureau, presenting the ACB bid to an international conference panel.

SPATIAL DATA MAKING MORE IMMERSIVE ENTERTAINMENT

CREATING NEW WAYS TO COMBINE TECHNOLOGY AND CREATIVITY

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About LIGHT

LIGHT is a not-for-profit organisation and registered charity designed to be a beacon for creativity while maintaining a focus on the wellbeing of its people.

It began with a significant injection of philanthropic capital from its founders and aims to be self-sustainable in perpetuity. Revenue generated from the bars, restaurant and private events are folded directly back into supporting artistic development and projects.

It is a space where creativity, technology, and hospitality blend to create breathtaking, innovative experiences. A working canvas - the range of experiences it will enable for artists and audiences are as broad as imagination itself.

Its purpose is to equip performers and artists with access to ever-evolving immersive technologies, facilitate unique collaborations and underwrite the risk inherent in trying something truly new.

METROMAP SPATIAL DATA DRIVING IMMERSIVE ENTERTAINMENT

MetroMap's 3D reality mesh and 2D high-resolution aerial imagery have crossed into the entertainment space, featuring heavily in Immerse; a mixed media experience that ran in Adelaide during November 2021.

Immerse's use of MetroMap's 2D and 3D products shows the versatility of high-quality geospatial data to enhance entertainment experiences and that 3D spatial data has great potential in emerging production techniques.

IMMERSE AND METROMAP DATA

Nathan Bazley, the mastermind behind the event, described Immerse as "an event that brings together the best of technology and performance, and shows the ways we can entertain audiences in the future."

"The quality of MetroMap's products made their inclusion in Immerse possible."

Immerse, the feature event at Immerse, utilised a 13-metre long elliptical screen that wraps around the audience in an elongated capsule shape to show a mixed media presentation that included MetroMap 3D data. Adelaide's Light Square, the real-world location of Immerse, was the staging environment for Immerse's final scenes that fully surrounded the audience with MetroMap's 3D cityscape.

MetroMap's high-resolution 2D aerial imagery featured in the show, "World From Above", displayed on LED screens wrapping around an entire room. The imagery was untouched, straight from the MetroMap platform, illustrating the beauty of Australia from above, and the quality of MetroMap data.



MetroMap 2D aerial imagery on show in "World From Above" during Immerse

3D REALITY MESH – SCALE AND QUALITY FOR REALTIME RENDERING

The quality, scale, and game engine compatibility of MetroMap's 3D reality mesh made Immerse's interactive finale possible.

MetroMap 3D data is fully streamable in real-time rendering platforms, such as gaming engines, allowing great interactivity. Audience members used motiontracking cameras to throw virtual paintballs on MetroMap's 3D reality mesh model of Adelaide with real-time effects.

Nathan explained how the Immerse team achieved this; *"Animation is done in real-time in-engine, and we really needed to do that for the interactive elements throughout the show. Within that scene we dropped the MetroMap 3D mesh into Unreal Engine and used atmospheric lighting effects and particle effects to bring it to life with dynamic lighting, and obviously, full spatial 3D surround sound as well."*

Aerometrex's 3D reality mesh made it possible to incorporate real-world environments into virtual productions. Using a 3D city model would be otherwise unviable, as Nathan explains:

"Aerometrex's large-scale and photo-real content is the most efficient way to recreate a scene quickly and effectively, whether for virtual production or for a show like Immerse. Building these environments from scratch would be absolutely impossible. Getting this level of realism and detail into a mesh so large is just impossible for a production team. So really, it enables real-world reflections on digital environments and that's an incredibly powerful tool for any creator to use."

3D DATA AND VIRTUAL PRODUCTION

Aerometrex's ability to recreate the physical world at high quality and scale through MetroMap 3D data makes it a suitable partner to virtual production projects. The team at LIGHT built the ellipse hardware used for Immerse as a virtual backdrop and stage for streaming 3D content with a set, actors, and film crew working inside it. Large-scale Hollywood productions already use such filming methods and techniques and will only grow in popularity in coming years.

There are substantial creative, logistical, and economic benefits in virtual production, as Nathan describes: *"Virtual production has a huge future because it allows otherwise impossible shoots to happen. It allows people to create content from real-world locations without actually being there and imagined locations like sci-fi environments or different planets. It also reduces the cost and the impact of shooting that content, meaning fewer people on set, and shooting more coverage across any given day. It opens up massive creative possibilities quickly and efficiently."*

High-resolution 3D data is critical to virtual production's feasibility because seamless backgrounds make for more immersive content. Photogrammetry-derived 3D models accurately recreate real-world locations at scale for virtual productions, allowing creators to simulate anywhere in the world.

VERSATILE 2D AND 3D DATA

Aerometrex has the resources and ability to recreate the real-world locations that make virtual production and high resolution visualisation possible. The MetroMap 3D models made by Aerometrex are made at city scale with the option of sub-centimetre resolution for applications such as entertainment. MetroMap 2D aerial imagery offers extremely high resolution detail for accurate and clear visual displays.

MANAGING GREAT BARRIER REEF CATCHMENTS

USING LIDAR TO MAP THE GREAT BARRIER REEF CATCHMENTS

Project Brief

This project was conducted by Aerometrex as a part of the Australian Government's Reef Trust investment program. The Reef Trust is an initiative designed to improve Reef health and resilience by utilizing the best available science to deliver the Reef 2050 Long-Term Sustainability Plan – the Australian and Queensland Government's framework for protecting and managing the Great Barrier Reef.

Project Background

The condition of the Great Barrier Reef is deteriorating and while climate change is considered the most serious risk to coral reefs, agricultural pollution has also had a major impact on their health. Fine sediment and associated particulate nutrients reduce water clarity, slow down coral growth and increase their vulnerability. Locating the major sources of sediment (and nutrients) and understanding how to remediate these landscapes is crucial for the coral reefs long term health. The area draining into the Great Barrier Reef is vast and hence managing its condition requires prioritisation of funds.

Project Outline

As part of a project funded by the Australian Government's Reef Trust, there was a requirement to acquire LiDAR and Orthophotography to improve the government's investment prioritisation in the management of erosion and fine sediment losses to the reef. This was to be done through the establishment of a new baseline of extent of gully and streambank erosion and this 2019 acquisition was the second of a planned multi-year acquisition project.

Aerometrex was brought on board for this project to provide aerial LiDAR data, orthophotography and a ground checkpoint survey of gullied and eroded areas within nominated catchment areas in the following two Great Barrier Reef Natural Resource Management Regions of Queensland:

- Normanby River catchment west of Cooktown (~900 sq. km)
- Lower Burdekin River, including Bowen-Bogie and Don catchments (~300 sq. km)

Aerometrex Approach

The nature of the gully features being captured required higher than usual point density and accuracy to delineate near-vertical gully edges and allow calculation of gully volumes. The gully features commonly have near-vertical walls (1-3 m high), low relief near drainage lines, and trees and low vegetation are common, making LiDAR the ideal approach.

Eight outbound pulses per square metre and a swath overlap of at least 50% (producing an effective sixteen pulses per square metre) would ensure all areas were illuminated in two different directions and increase the likelihood of capturing gully sidewall positions and heights. Additionally, a vertical accuracy of +/- 20cm for 95% of points was planned.

Our VQ-780i LiDAR sensor from RIEGL was ideal to achieve the point density and accuracy requirements of this project. The VQ-780i can capture 8 points per square metre in a single swath from an altitude of 1000 metres. Using 55% side overlap we could achieve the required 16 points per square metre. This high-density point capture minimised the number of runs needed to complete the work and provided an efficient, accurate and cost-effective solution. LiDAR and imagery were captured simultaneously using the digital camera built into the LiDAR sensor.

Project Deliverables:

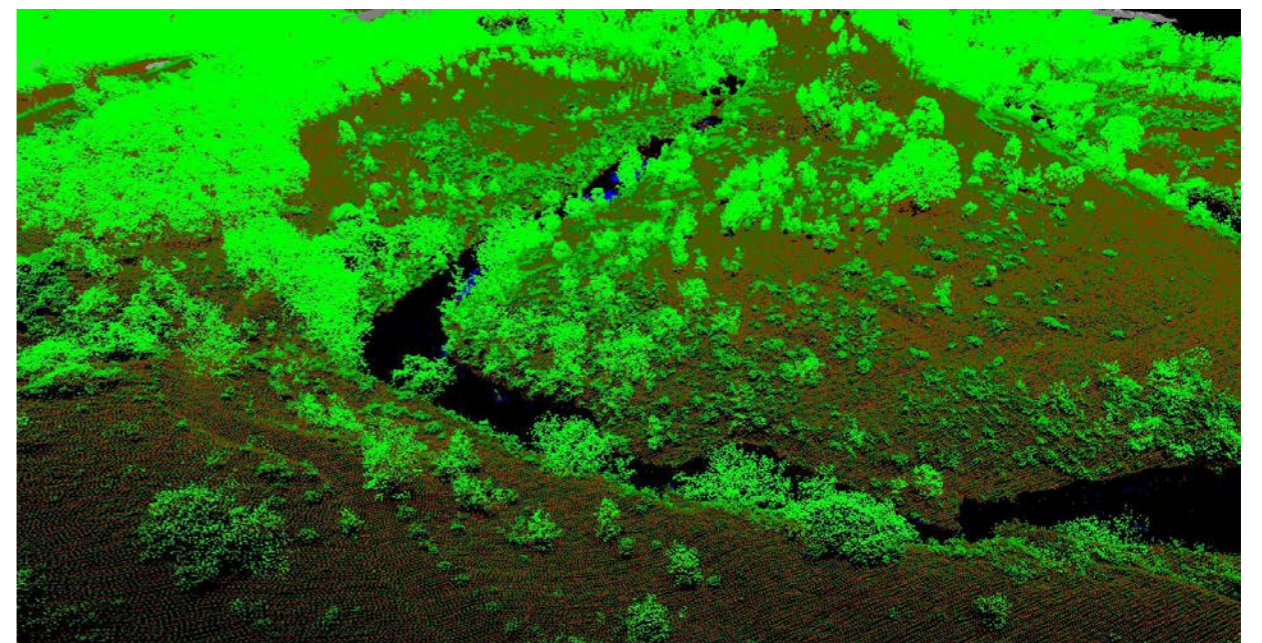
- Unclassified Point Cloud – Fully compliant LAS with all returns, all collected points, fully calibrated, and adjusted to specified vertical datum
- Classified Point Cloud – Classified based on a modified ASPRS classification scheme and to Level 3 Standard (with Ground Correction)
- Orthophotography with ground resolution of 20 cm or better
- Orthometric DSM and bare earth DEM from the LiDAR mass point data, with hydro-flattening undertaken for water bodies

About the Reef Trust

The Reef Trust is the Australian Government's flagship investment program to support the delivery of the Reef 2050 Long-Term Sustainability Plan – the Australian and Queensland Government's long-term framework for protecting and managing the Great Barrier Reef. The Reef Trust provides cost effective and strategic investment to address key threats to the Great Barrier Reef and conserve the outstanding universal value of this World Heritage-listed icon. The Reef Trust has a strong focus on adaptive management and is committed to provide innovative, targeted investment in improving water quality, restoring coastal ecosystem health, controlling crown-of-thorns starfish, and protecting threatened and migratory species in the Great Barrier Reef region.



Australian Government



Visualisation of the Type 2 classified LiDAR data used in this study to isolate the bare grounded surface (brown) from above ground features (in this case vegetation shown in green) in order to map small gullies that may contribute fine sediments to major tributaries.

Quick Facts

The Great Barrier Reef is a unique ecosystem; home to thousands of species of marine life, including fish, whales, dolphins, and six of the world's seven species of marine turtle.

1 of 7
Natural wonders of the world.

Largest

Living structure on the planet, so big it's visible from space.

348,000 sq. km
Of World Heritage Listed area, which is slightly more than the 344,400 sq. km Great Barrier Reef Marine Park area including some 980 islands, internal waters, intertidal areas and other state waters.

1975

The Great Barrier Reef Marine Park was created.

3000

Individual reefs.

150

Inshore mangrove islands.

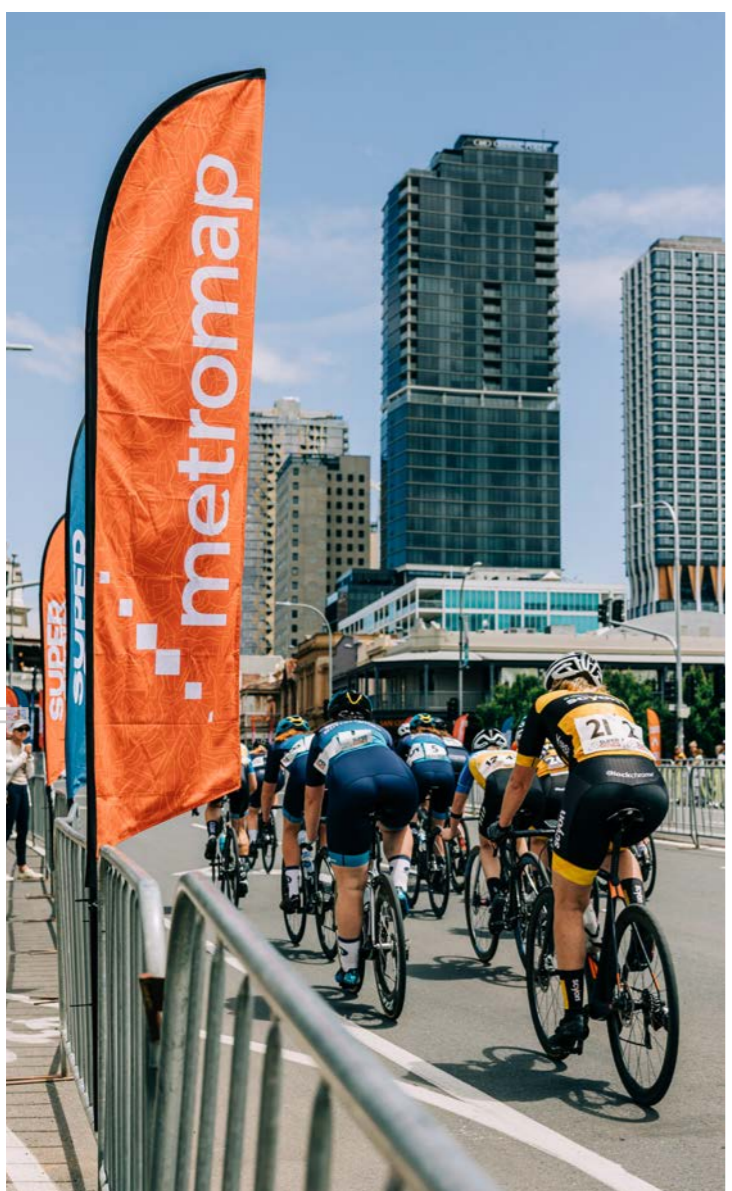


HOW AERIAL IMAGERY SOLVES PROBLEMS FOR OUTDOOR EVENTS

BIGGER, BETTER AND EASIER

nly

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MetroMap's high-resolution aerial imagery and measuring tools are a game-changer for outdoor event managers.

South Australia's biggest domestic cycling race, the Super Series, uses MetroMap's aerial imagery to overcome many logistical and time challenges in putting on its nine events. MetroMap allowed Jake Thomas, Super Series Race Director and Event Coordinator for AusCycling in SA, to manage the months-long planning processes better, communicate more effectively with stakeholders, and grow the event through improved time management.

REMOTE INSPECTIONS

The Super Series has a significant footprint across seven different race locations, five different local government areas, and four events situated more than 50 km from the Adelaide CBD. Courses range from a couple of kilometres in length to over 100 km. MetroMap's broad capture program ensured Jake and his team could remotely examine and take ground-level measurements of every road and host location without leaving their office.

Jake elaborates on how MetroMap helps before an event:

"MetroMap has been really useful for the Super Series this year, especially with planning, because it's meant that we can do things like venue inspections, road inspections, and all other the things that normally take a trip out to the site. Being based in Gepps Cross makes it difficult to get to every location while we're trying to organise nine events at once."

In particular, MetroMap's remote inspection and measurement capabilities simplified the planning for a completely new Super Series course in a complex Adelaide CBD location. Jake explained how MetroMap helped streamline that parts of that intricate event:

"One of the races that we developed for this year's Super Series was the East End street race. MetroMap allowed us to map the exact distance of the barriers needed for that venue, meaning we didn't need to pay for a stack of barriers sitting unused. We were able to do that without taking a walking wheel and measuring open roads in the middle of the city. We would have done a lot measuring on foot without MetroMap."

STAKEHOLDER COMMUNICATION

Aus Cycling SA made MetroMap imagery a crucial part of the participant and other essential stakeholder communications. MetroMap imagery in event manuals showed participants the course layout and site plan so the event would run smoothly.

Assets built on quality imagery communicate more than location and infrastructure information. Jake saw benefits to how the event and AusCycling was perceived:

"Having a better image than anybody has ever seen legitimises what you're doing. Turning up with a super detailed map to meetings with council, residents, or traders groups and it tells them we know what we're doing and has given us an air of authority."

BETTER TIME MANAGEMENT MEANS BETTER EVENTS

MetroMap better uses the event managers' finite time, optimising the planning process to allow better planning with allotted resources. All recovered time supports event improvements and accelerates their growth, as Jake articulates:

"Super Series being an annual race means we get an opportunity to take what we've done year-on-year and constantly make it better. We want more people to come out. We want the event experience to get better. It's tricky when to find more time before the event day, but recovering 15 minutes back here, two hours back there, and half a day back there, frees up time to take on those extra projects that might have been on the backburner for a couple of years. You don't save time necessarily, you just use your time better do things that you otherwise wouldn't be able to."

EVERYDAY TOOLS FOR EVENT MANAGERS

The Super Series has crowned its winners for 2021, but MetroMap has become an ongoing part of Jake's and the AusCycling SA office's workflow:

"We're using MetroMap at least 10 times a week. It's become my first stop when I've got a question about what something looks like, or where I'm going to put something at an event. It's become second nature that I'm curious about something and I go to MetroMap and look it up."

Corporate Governance

The Board believes that a high level of governance and transparency is critical for fostering a productive corporate culture and business practices.

Roles and Responsibilities

The Aerometrex Board of Directors is responsible for the corporate governance of Aerometrex with the intention of working in ways that add the most value to the business. The Board oversees the business and the affairs of Aerometrex, establishes the strategies and financial objectives to be implemented by management and monitors performance. The principal activities of the Board are to:

- Set the Group's purpose, values and strategy, and ensuring that the Group's culture is aligned to these targets;
- Review systems to monitor risk management and internal control, codes of conduct and legal compliance;
- Appoint and remove the Managing Director/CEO, including approving remuneration for the position and succession plans for the role;
- Ratifying or approving the appointment and, where appropriate, the removal of the CFO or Company Secretary;
- Monitor senior management's performance and implementation of approved strategy, and ensuring appropriate resources are available;
- Approving and monitoring financial and other reporting to the market.

Board Composition

The composition of the Board is reviewed annually to ensure that there is an appropriate mix of skills, experience and knowledge to contribute to the objectives of the Board.

Two standing Board committees have been established to assist the Board in fulfilling its responsibilities.

Independence

A director is independent when they are:

- A non-executive director and
- Free from any real or perceived relationship that could be judged to materially interfere with the ability to make informed and objective decisions.

Risk Management

The Aerometrex Board is ultimately responsible for the risk management of the business and the Directors must satisfy themselves that any risks to the business are being managed appropriately. This includes ensuring that appropriate internal controls and reporting mechanisms are in place to support a robust risk management framework.

Remuneration & Nomination Committee

Develops remuneration policies, reviews and provides recommendations to the Board in relation to key management personnel remuneration packages and performance reviews.

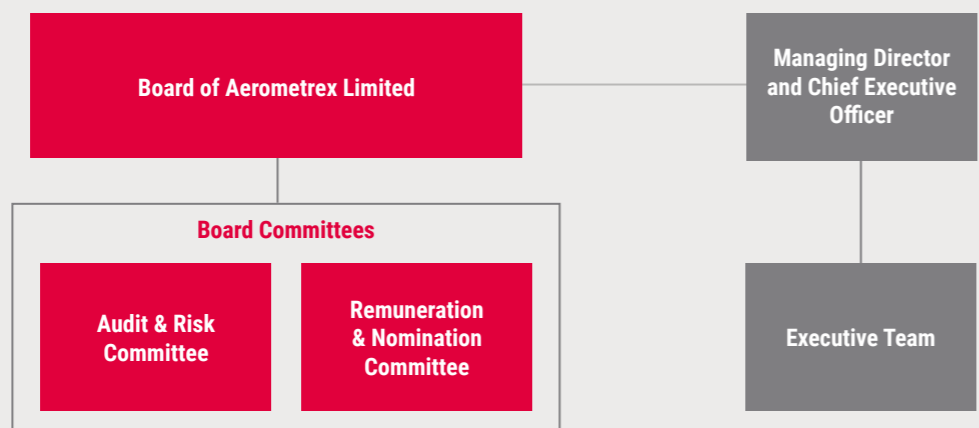
Oversees the Board and Director reviews, provides recommendations in relation to the appointment of new Directors, reviews the skills and expertise of the Board and establishes succession planning arrangements.

Audit & Risk Committee

Oversees the adequacy and effectiveness of the company's reporting processes, compliance with legal and regulatory requirements, financial reporting, and internal controls.

Board Skills Matrix

Capabilities	Number of Directors with the capability
Corporate Leadership Successful experience in MD and/or other corporate leadership roles	██████████
Industry Experience Relevant industry (Engineering) experience	██████████
Other Board level experience Membership of other listed entities (last 3 years)	██████████
Strategy	██████████
Governance	██████████
Capital Raising	██████████
Risk and Compliance	██████████
Mergers and Acquisitions	██████████
Tertiary Qualifications	██████████
Economics, Law, Commerce and/or Business	██████████
Public Accounting	██
Technology and Innovation	██████████
Global Perspective	██████████
International Experience	██████████



The Board



Mark Lindh Independent Non-Executive Director, Chair

Experience:

Mark is a founder and co-principal of Adelaide Equity Partners, an investment house established in 2006. Prior to that, he was Executive Director of Rundle Capital Partners which was a division of Washington H Soul Pattinson. Mark is a corporate advisor with significant experience in advising predominantly listed companies encompassing a range of industries including technology, energy, resources, infrastructure and utilities. He has acted as the principal corporate and financial advisor to a number of Australian corporate success stories and has extensive experience in Australian equity and debt markets and advising clients on capital raisings, mergers and acquisitions and investor relations.

Other ASX Directorships in the last 3 years:

Bass Oil Ltd (BAS.ASX) appointed Dec 2014 (current)
Advanced Braking Technology Ltd (ABV.ASX) appointed June 2017 (current)

Appointed: May 2019
(Chair: October 2019)

Special responsibilities:

- Chair of the Board
- Chair of the Remuneration & Nomination Committee
- Member of the Audit & Risk Committee



Peter Foster Independent Non-Executive Director PhD Physics

Experience:

Peter has extensive business experience across a variety of industries. He is a creative entrepreneur with wide-ranging experience in developing innovative technologies for global markets. Peter has founded and grown numerous technology and commercial ventures and holds over 40 international patents in optics and precision electronics. He has also held senior scientific positions with a local medical laser manufacturer and with the Department of Metallic Materials, University of Bayreuth, Germany, and has delivered intensive courses on startups and technology commercialisation for the University of Adelaide. Peter holds several private company directorships across a diverse range of industries and recently stepped down from the board of VivoSense, a San Diego based pharmaceutical services company, after guiding its recent capital raise. Peter remains a board observer, mentor to the CEO and leads its commercial advisory board whose members are located across the US.

Other ASX Directorships in the last 3 years:

Nil

Appointed: October 2019

Special responsibilities:

- Chair of the Audit & Risk Committee
- Member of the Remuneration & Nomination Committee



Matthew White Non-Executive Director B.Acc, CA

Experience:

Matthew was appointed as Financial Controller of Aerometrex in 2008 and subsequently Finance Director 2011. He has been instrumental in all financial strategies and decisions of the company during the current successful growth period. Matthew has over 30 year's experience as an accountant, business and taxation advisor, mortgage broker and financial planner. Matthew is the founder and sole director of Business Initiatives Pty Ltd, an Adelaide based Chartered Accountancy firm. Matthew works in a client advisory role for small to medium sized enterprises.

Other ASX Directorships in the last 3 years:

Whitebark Energy (WBE.ASX) appointed March 2021 (current)

Appointed: September 2011

Special responsibilities:

- Member of the Remuneration & Nomination Committee
- Member of the Audit & Risk Committee



Donald McGurk Independent Non-Executive Director HNC (Mech Eng), MBA, FAICD, Harvard AMP

Experience:

Donald was appointed as a non-executive Director of Aerometrex on 3 March 2022. He is the former Managing Director and CEO of Codan Ltd (ASX: CDA), a position he held since 2010 before retiring in Feb 2022. During this time, he oversaw significant growth in the company including the expansion of its global operations and entry into the ASX200. Donald's extensive experience provides him with a detailed understanding of the broad range of stakeholder issues relevant to Aerometrex's activities. He brings his proven experience in leading and growing a global ASX listed business to the benefit of the Board and the support of the management team.

Other ASX Directorships in the last 3 years:

Codan Ltd (CDA.ASX)

Appointed: March 2022

Special responsibilities:

- Member of the Remuneration & Nomination Committee



Steve Masters Managing Director and Chief Executive Officer B. Science (Hons.), GAICD, F FIN

Please refer to page 34 for full profile including qualifications and experience.

Other ASX Directorships in the last 3 years:

Nil

Appointed: February 2022

Special responsibilities:

- Nil



David Byrne Executive Director, Chief Operating Officer B.Surveying (Hons.)

Please refer to page 34 for full profile including qualifications and experience.

Other ASX Directorships in the last 3 years:

Nil

Appointed: October 2011

Special responsibilities:

- Nil



Kaitlin Smith Company Secretary B.Com (Acc), CA, FGIA

Experience:

Ms Kaitlin Smith CA, FGIA, B.Com (Acc), was appointed to the position of Company Secretary on 25 November 2019. Kaitlin provides company secretarial and accounting services to various public and proprietary companies. She is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the effective functioning of the Board. All directors have direct access to the Company Secretary.

Appointed: November 2019

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The Executive Team



Appointed: February 2022

Steve Masters
Managing Director and Chief Executive Officer
B. Science (Hons.), GAICD, F FIN

Experience:
Steve Masters is Aerometrex's Chief Executive Officer and Managing Director, assuming the role in February 2022. He has over 25 years of significant and wide-ranging experience in the infrastructure, energy, and resources industry. This includes extensive senior executive-level experience in large Australian companies. Prior to joining Aerometrex, Steve was the Chief Executive at ElectraNet for seven years. In previous roles, he is recognized for his achievements in reshaping corporate strategies and developing and capturing a strong project pipeline of new material growth opportunities. At ElectraNet, Steve successfully led a high-profile critical infrastructure business with an asset base of more than \$3.5 billion, oversaw the development and implementation of industry-first innovations, and maintained excellent relationships across a diverse range of stakeholder groups from customers to regulators. Steve brings Aerometrex impressive people leadership skills and a strong strategic, commercial, and business development skillset. This includes corporate strategy, M&A, domestic and international corporate development, and building successful relationships with key stakeholder groups.



Appointed: October 2011

David Byrne
Executive Director, Chief Operating Officer
B.Surveying (Hons.)

Experience:
David joined Aerometrex in 2000 as Aerometrex's Chief Photogrammetrist. He has been largely responsible for Aerometrex's successful technical programme, he has managed and overseen its IT infrastructure, research and development and led much of the product development including Aerometrex's 3D product line and its sensor technology. David has published several technical papers and has represented Aerometrex at major Australian Spatial Science conferences on many occasions. David is currently in the role of Chief Operating Officer.



Appointed: October 2019

Chris Mahar
Chief Financial Officer
B.Acc., CA

Experience:
Chris has more than 30 years of experience across commerce and professional practice in advisory services and brings this commercial experience to the role. Chris is a member of Chartered Accountants, Australia and New Zealand.

Priorities:
Chris is responsible for the Group's finance, tax, investor relations and property functions. His priorities are ensuring the provision of accurate, independent and objective analysis in a data led environment to drive sound decision making. A key focus is also partnering with the Chief Executive Officer to drive commercial outcomes and efficient allocation of capital to drive business value.



Appointed: June 2021

Alex Sinclair
Chief Revenue Officer
MBA, DBMK

Experience:
Alex has over 20 years leadership experience across the commercial, industrial and enterprise markets in Australia, Europe, and Asia. Prior to joining Aerometrex, Alex was CEO of LATSA, a boutique management consulting business offering Training and Consulting in the areas of Strategy Design and Execution, Business Development, Business Transformation, Project, and Process Management.

Priorities:
Alex is responsible for Sales, Marketing, Strategic Partnerships, and MetroMap Product and Platform functions. His priority is to enable the Business Development Community's people, systems, and processes to drive market and strategy aligned sales and brand development success.



Appointed: August 2021

Tisham Dhar
Chief Information Officer
B.Eng(Hons)

Experience:
Tisham has more than 15 years of experience building software at scale in private enterprise, startups and federal government entities. He brings both his enterprise architecture and specialist knowledge in remote sensing and photogrammetry to this role. He is a member of the IEEE and project steering committees for OpenDataCube handling remote sensing big data and OSGEO Oceania which looks after Geospatial software community in the region.

Priorities:
Tisham is responsible for the Groups Information Technology capabilities spanning internal systems on premise and the cloud. He also leads software development teams responsible for automation of data processing using proprietary software from the numerous sensors the group operates and delivery of data to subscribers via the MetroMap SaaS platform.

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Directors' Report

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Aerometrex 3D model
Transamerica Pyramid
San Francisco CA USA

Directors' Report

The Directors present their report, together with the consolidated financial statements of Aerometrex Limited (referred to hereafter as 'Aerometrex' or 'Company'), comprising of the company and its controlled entities ('the Group'), for the year ended 30 June 2022.

Directors

The following were Directors of Aerometrex Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

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 (Appointed 3 March 2022)
Mr Mark John Deuter	Managing Director and Chief Executive Officer	Not Independent (Retired 10 December 2021)
Mr Steven Bruce Masters	Managing Director and Chief Executive Officer	Not Independent (Appointed 14 February 2022)
Mr David Michael Byrne	Executive Director and Chief Operating Officer	Not Independent

During the year, the Company underwent a change in leadership with the retirement of Mr Mark Deuter in December 2021 and the appointment of Mr Steven Masters to the role of Managing Director and Chief Executive Officer in February 2022. Mr Masters was appointed following a global search undertaken by a specialist recruitment company. Mr Masters joined the Company from ElectraNet where he was Chief Executive Officer and oversaw significant growth in assets and shareholder value during his tenure.

The Company also appointed Mr Donald McGurk as an independent non-executive director in March 2022. Mr McGurk brings significant experience to the Board in leading and growing a global ASX listed business. Mr McGurk was previously the Managing Director and CEO of Codan Limited (ASX: CDA).

Company secretary

Name
Ms Kaitlin Louise Smith

Company overview – principal activities

Established in 1980, Aerometrex is a professional aerial mapping business specialising in aerial photography, photogrammetry, LiDAR and 3D modelling. These services are provided to customers and clients through either a subscription service to MetroMap, the Company's online aerial photomaps platform, or through client project work. The Company undertakes activities in Australia and USA.

As announced in June 2021, the company ceased to offer project aerial photomapping services however honoured client work that had been accepted and committed to prior to the announcement. This has resulted in the company still recognizing some project aerial photomapping revenue during FY22.

There were no other significant changes in the nature of activities of the Group during the year.

Changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group during the financial period other than the ceasing of project aerial photomapping work as noted above.

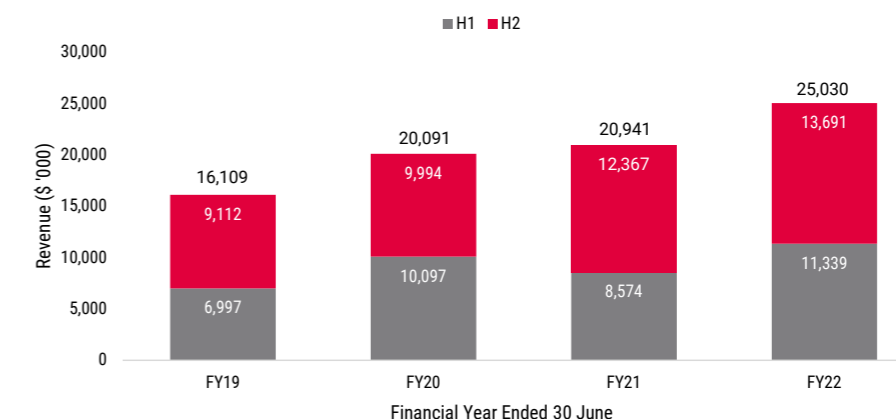
Review of Operations

During the year the Company focused on strengthening its three core product lines of MetroMap (DaaS), 3D and LiDAR while completing project aerial photomapping work following the decision to cease this product line in June 2021. While the impacts of COVID-19 still lingered in the economy and the community, the business was able to deliver strong results which included:

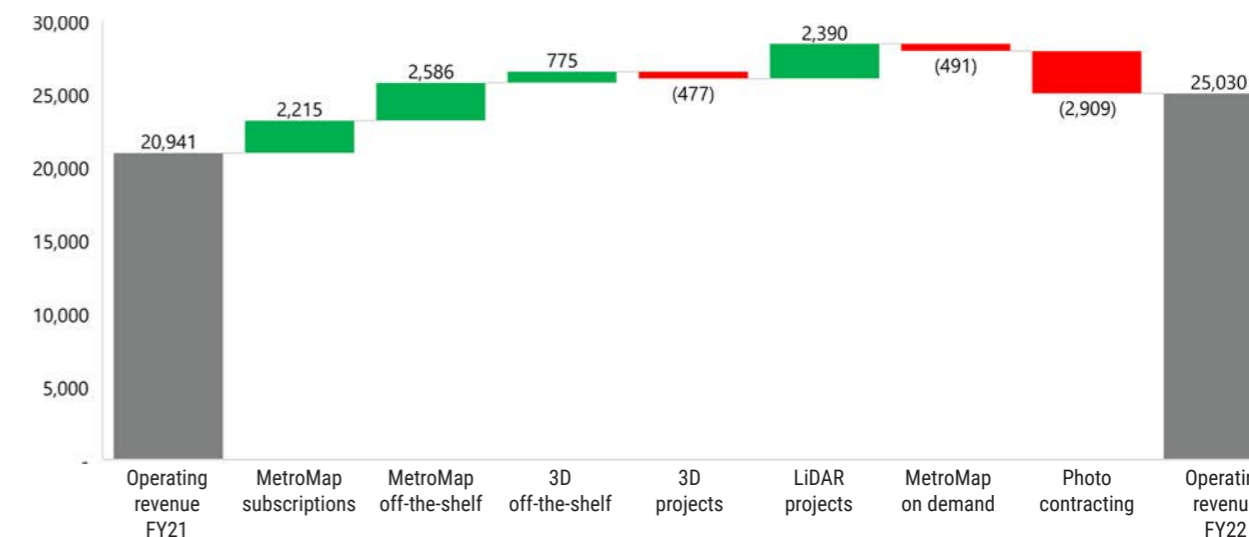
- 19.5% growth in operating revenue from \$20.94m to \$25.03m driven by strong growth across MetroMap (subscriptions) and LiDAR and the first significant contribution from the US Operations in relation to 3D revenue
- Growth of 60.9% in MetroMap subscription revenue from \$3.64m to \$5.86m
- Growth in Annual Recurring Revenue (ARR) for MetroMap of 42.4% from \$4.81m to \$6.84m at June 2022
- First significant revenue contribution from the US 3D business of \$0.90m in the financial year
- Single largest off-the-shelf dataset sale in the Company's history
- Realisation of non-core assets through the sale of the Company headquarters
- EBITDA increased 168.9% from \$2.86m to \$7.70m

Operating Revenue Growth

Total operating revenue grew from \$20.94m to \$25.03m or 19.5% across the financial year.

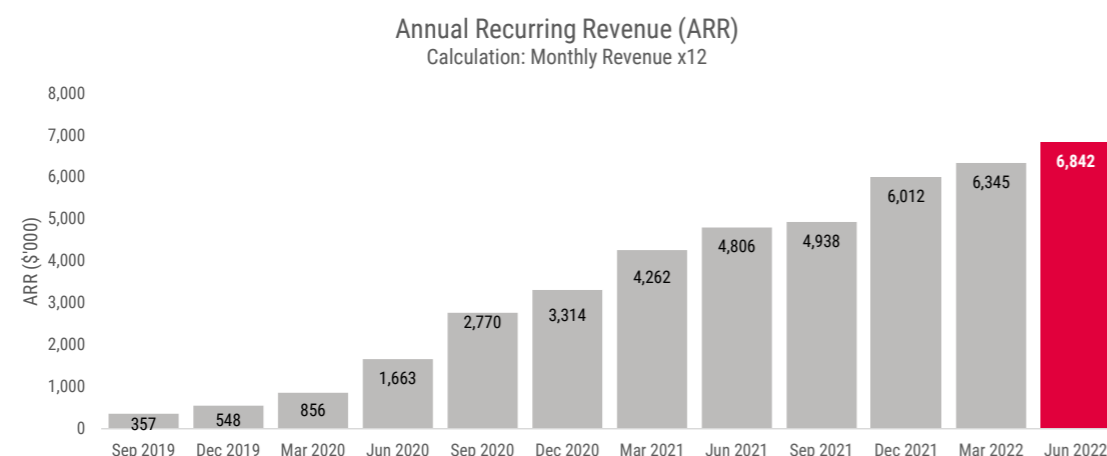


A review of the operating revenue by product line saw:



- MetroMap**, the company's Data as a Service (DaaS) model continued to experience growth, increasing total subscription revenue from \$3.64m to \$5.86m equating to year-on-year growth of 60.9% or \$2.22m. This growth was achieved through the continued acquisition of new clients to the MetroMap platform, growth and expansion of the partner program, and strong retention of existing clients. A number of product offerings are available to customers ranging from custom enterprise accounts through to no lock in contracts at the SME level enabling customers to consume the product according to their needs.

The growth in the MetroMap subscription statutory revenue was also reflected in the growth of Annual Recurring Revenue (ARR) which achieved year-on-year growth of 42.4% from \$4.81m at June 2021 to \$6.84m at June 2022. ARR is calculated as the statutory revenue in the reporting month x 12.



- LiDAR** revenue grew \$2.39m or 26.8% following the investment into an additional sensor in July 2020 and upgrading of the existing sensor assets in the first half of FY2021. The LiDAR business continues to service a large cross selection of industries and clients, many of whom are repeat customers. Significant projects throughout the year included work on the Victorian digital twin for the Victorian Department of Environment, Land, Water and Planning.
- Aerial photomapping** revenue declined \$2.91m which reflects the strategic decision announced to the market in June 2021 to exit project aerial photomapping work and to focus on the core product line of the MetroMap subscription service. The revenue recognized of \$2.77m largely reflects the work on the Company's books at the time of the cessation announcement to the market with the Company honouring any work that already been accepted by clients.
- MetroMap on Demand** revenue declined \$0.49m from \$0.84m to \$0.35m. This revenue is derived from project aerial photomapping work delivered via the MetroMap platform. Consistent with Aerial Photomapping revenue, this type of project work is being discontinued in line with the strategic decision to focus on the core MetroMap subscription offering.
- MetroMap Off-the-shelf** revenue of \$2.59m was from the sale of datasets to an Australian Federal Government agency as announced in June 2022. This single sale represented the largest off-the-shelf dataset sale in the Company's history and validates the Company's strategy of owning high quality datasets.
- 3D** revenue grew 16.1% or \$0.30m from \$1.85m in 2021 to \$2.15m in 2022. While the revenue growth may appear modest, the importance of the revenue growth is reflected in the geographical segment note where US revenue grew from \$32k in 2021 to \$0.90m in 2022. The US business is solely focused on taking the Company's world leading 3D modelling capabilities to the US market. The US 3D revenue was a combination of project related work and off-the-shelf dataset sales for cities that the Company had captured and owns the intellectual property rights. The largest contribution to these sales were of the existing datasets to metaverse tech companies that wanted to use the models as the base for their virtual worlds. The Company also delivered the San Francisco model to Google Inc as announced in May 2021. With the relaxing of border restrictions and improved capability to travel between Australia and the US, Steve Masters, Managing Director and Chief Executive Officer, was able to travel to North America and meet with existing and potential clients while also engaging with our US based staff.

Other Income

During the year, the Company through its majority owned subsidiary, AMX Capital Pty Ltd, sold the property located at 51-53 Glynburn Road, Glynde, South Australia. This property is the corporate head offices of the Company and was sold with an existing lease in place that expires May 2028 with a further right of renewal. On settlement of the property the remaining lease term was recognized in the financial statements as a right-of-use asset and lease liability. The accounting treatment of the new lease is disclosed in the financial statements. The total gain on sale of the property was \$2.81m with 64.4% owned by Aerometrex Limited.

Operating costs

Total operating costs (excluding interest, depreciation and amortisation) increased by \$1.76m from \$18.38m in 2021 to \$20.14m or 9.6% driven by the scaling of the business in prior years to create the operating structure that supports the MetroMap subscription business, impacts of COVID-19 on operating efficiencies and supply chain costs, and continued investment into the scaling of the business for future growth. This investment included:

- Aircraft and project processing costs increased during the year from \$6.54m to \$8.74m reflecting the growth in revenue over the year. Some loss of efficiency was experienced during the year driven by supply chain delays and the need to charter aircraft to deal with the border restrictions experienced in the first half of the year.
- Consulting and professional service costs increased from \$0.62m to \$1.19m, an increase of \$0.57m. This increase in additional costs was driven by one-off transactions (non-recurring in nature) and outsourcing requirements due to tight labour conditions in certain functions. Some of these transactions include:
 - External recruitment costs to undertake a global recruitment search and recruitment program for the appointment of the role of Managing Director and Chief Executive Office following the retirement of Mr Mark Deuter in December 2019. From this global search, Mr Steve Masters was appointed and commenced with the Company in February 2022. This is a one-off cost in the current financial year of \$0.21m.
 - IT consulting to assist in the development of the MetroMap platform.
 - Joint work with the Australian Institute of Machine Learning (AIML) in research and development initiatives during the year.
- Travel and accommodation costs increased from \$0.10m in 2021 to \$0.44m in 2022 following a relaxing of border restrictions. Travel expenditure in prior years was depressed due to COVID lockdowns. The relaxation of the international borders provided the opportunity for the Company to send some key staff over to the US to meet with clients, suppliers and to engage in the broader market.
- Share based payment costs decreased in the current year and reflects the accounting recognition of options granted to staff in May 2020 under an employee share option scheme. These options were issued to employees in May 2020 to align the interests of employees with those of long-term share ownership. These options vested over a two-year period, 50% on the first anniversary of allotment and 50% on the second anniversary. The options were not tied to performance rather they were tied to continued employment with the company with an exercise price of \$1.25 per option. The cost of these options in the current financial year was \$0.21m (2021: \$1.33m).

EBITDA

EBITDA (Earnings before interest, tax, depreciation and amortisation) is a non-IFRS term but is used by the Group to measure performance.

The Company achieved EBITDA of \$7.70m for 2022 up from \$2.86m in 2021, up \$4.84m or 168.9%. This increase in EBITDA was driven by the largest off-the-shelf dataset sale in the company's history as announced in June 2022 and the sale of the property. On a normalised basis, adjusting for the sale of the property and the allotment of staff options which related to the listing of the Company rather than performance and is not of a recurring nature, the normalised EBITDA result was \$5.10m for 2022 compared to \$4.20m for 2021, up \$0.91m or 21.6%.

Proforma Profit Statement (Unaudited)	2022 \$'000	2021 \$'000	Change \$'000	Change %
Revenue and other income	27,843	21,245	6,598	31.1%
Aircraft and project processing costs	(8,739)	(6,544)	(2,195)	33.5%
Operating costs	(11,402)	(11,837)	435	(3.7%)
EBITDA	7,702	2,864	4,838	168.9%
Items not in the ordinary course of operations				
Operating gains and losses - one-off				
Gain on disposal of non-current assets	(2,813)	-	(2,813)	-
Operating costs - one-off				
Employee and Director share options	214	1,333	(1,119)	(83.9%)
Normalised EBITDA	5,103	4,197	906	21.6%
Amortisation	(5,615)	(4,296)	(1,319)	30.7%
Depreciation	(2,831)	(2,731)	(100)	3.7%
Finance costs	(100)	(87)	(13)	14.9%
Finance income	31	75	(44)	(58.7%)
Statutory (loss) before income tax	(813)	(4,175)	3,362	(80.5%)
Income tax (expense) / benefit	214	94	120	127.7%
Statutory (loss) after income tax	(599)	(4,081)	3,482	(85.3%)

Depreciation

Depreciation expense increased \$0.10m from \$2.73m to \$2.83m and reflects the ongoing investment into sensors and IT infrastructure.

Amortisation

Amortisation increased \$1.31m from \$4.30m to \$5.62m reflecting the ongoing requirements of the capture program for MetroMap and Company owned 3D datasets in the US.

In 2022, \$5.26m (2021: \$5.10m) was invested into datasets for MetroMap incorporating 2D and 3D images along with some LiDAR derived products which is all part of the strategic intent to grow the MetroMap subscription business.

In addition, the Company invested \$0.74m in US 3D datasets (2021: \$0.29m) where the Company owns the intellectual property rights to that dataset. By owning the IP rights, the Company has the opportunity to potentially sell the dataset multiple times.

Datasets are amortised on a straight line basis over an effective life of two years.

Dividends

No dividends have been paid or proposed in respect of the current year (2021: \$nil).

Matters subsequent to the end of the financial year

The impact of COVID-19 continues and the economic uncertainties makes it difficult to estimate the potential impact, positive or negative. As the economy continues to find its new 'normal' in a post pandemic world, the Company continues to remain flexible and agile to the impacts. The potential impacts remain to supply chain delays, increasing volumes of commercial air traffic impacting air traffic control resourcing demands which can have a knock on impact on availability to schedule non commercial air traffic flying volumes, broader impacts to employees and their impact families due to quarantine requirements. Aerometrex follows government directives and continues to work with government authorities to minimize the impact as much as possible. The safety and wellbeing of our staff remains our key priority throughout these times.

Following the sale of the property owned by AMX Capital Pty Ltd during the current financial year, it is anticipated that the trust and company will be wound up following lodgement of the final income tax return. Distribution of sale proceeds, return of capital and repayment of debt was completed during the FY22 financial year.

Mr David Byrne, Executive Director and Chief Operating Officer, has announced his intention to resign as a director following the release of the FY22 results. Mr Byrne will remain as an executive in the business.

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 financial year that have significantly affected or may significantly affect either:

- The operations of the Group;
- The results of those operations; or
- The state of affairs of the Group in future financial years.

Future developments

The Group will continue to review and implement its business strategies to meet the Group's long-term growth and development objectives including the scaling of the business to:

- Develop a pathway to profitability,
- Develop a pathway to generation of positive free cashflow,
- Grow its subscription customer base of MetroMap through increased sales and marketing initiatives, capture programs, and product offering,
- Seek new opportunities to grow its world leading 3D products across the globe and in particular the US, and
- Continue to build scale in its LiDAR operations.

Further information about future developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely result in unreasonable prejudice to the Group under section 299 of the Corporations Act 2001.

Environmental obligations

The current activities of Aerometrex are not subject to significant environmental regulation under Australian Commonwealth or State law. The Board believes that the Group has adequate systems in place to manage its environmental obligations and is not aware of any breach during the period. Any significant environmental incidents are reported to the Board.

Indemnities and insurance

During the year, the Group paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 24 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Directors' meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year, and the number of meetings attended by each Director, were as follows:

Name	Board Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	Held while Director	Attended	Held while committee member	Attended	Held while committee member	Attended
Mark Lindh	12	12	4	4	3	3
Matthew White	12	12	4	4	3	3
Dr. Peter Foster	12	12	4	4	3	3
Mark Deuter	6	6	-	-	-	-
David Byrne	12	12	-	-	-	-
Steve Masters	4	4	-	-	-	-
Donald McGurk	4	3	-	-	1	1

Held while Director or Held while committee member represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Committee membership

Throughout the year and as at the date of this report, the Company had an Audit and Risk Committee and a Remuneration and Nomination Committee. Members acting on the committees of the Board during the year were:

Audit & Risk	Remuneration & Nomination
Peter Foster (Chair)	Mark Lindh (Chair)
Mark Lindh	Matthew White
Matthew White	Peter Foster
	Donald McGurk

Remuneration report (audited)

The remuneration report details the key management remuneration arrangements for the Group, in accordance with the requirements of the Corporate Act 2001 and its Regulations. The remuneration report is set out on pages 46-55 and forms part of the Directors' Report.

Share options

As at 30 June 2022 there were 2,694,000 (2021: 4,214,000) unissued ordinary shares under option. No shares were issued during or since the end of the financial year as a result of exercise of options (2021: nil). 520,000 options were forfeited by employees who did not complete the required service period (2021: 285,000). 1,000,000 options were forfeited by directors where the options were not exercised by the expiry date (2021: nil).

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, 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, or in certain cases, the nearest dollar.

Forward-looking statements

Aerometrex advises that this document contains forward-looking statements which may be subject to significant uncertainties outside of Aerometrex's control. No representation is made as to the accuracy or reliability of forward-looking statements or the assumptions on which they are based. Actual future events may vary from these forward-looking statements and it is cautioned that undue reliance not be placed on any forward-looking statements.

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 after this Directors' Report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Mark Lindh
Chair of the Board



Steve Masters
Managing Director and Chief Executive Officer

30 August 2022

Remuneration Report

The remuneration report details the key management personnel (KMP) remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A. Key management personnel
- B. Remuneration policy
- C. Details of remuneration
- D. Employment contracts
- E. Share-based compensation
- F. Additional information
- G. Shareholdings of key management personnel
- H. Additional disclosures relating to key management personnel

A. Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including all directors.

Non-Executive Directors	Position	Period position was held during the year
Mark Lindh	Independent Non-Executive Director, Chair	Full year
Peter Foster	Independent Non-Executive Director	Full year
Matthew White	Non-Executive Director	Full year
Donald McGurk	Independent Non-Executive Director	Appointed 3 March 2022
Executive Directors		
Steve Masters	Managing Director and Chief Executive Officer	Appointed 14 February 2022
Mark Deuter	Managing Director and Chief Executive Officer	Retired 10 December 2021
David Byrne	Executive Director, Chief Operating Officer, Acting Chief Executive Officer	Executive Director and Chief Operating Officer full year, Acting Chief Executive Officer 11 December 2021 to 13 February 2022
Executives		
Chris Mahar	Chief Financial Officer	Full year
Alex Sinclair	Chief Revenue Officer	Full year
Tisham Dhar	Chief Information Officer	Appointed 2 August 2021
Ralph Lante	General Manager - LiDAR	Ceased as KMP on 31 January 2022
ToI Mofflin	Head of Aviation	Resigned 23 September 2021
Rick Cassidy	President - US Operations	Resigned 22 July 2021

B. Remuneration policy

The objectives of the Group's executive reward framework is:

- to align rewards with business outcomes that deliver value to shareholders,
- to ensure remuneration is competitive in the employment market to attract and retain executive talent,
- to drive a high-performance culture by rewarding high performing individuals based on achieving outcomes,
- transparent and easily understood, and
- acceptable to shareholders.

The Board has established a Remuneration and Nomination Committee which operates in accordance with its charter as approved by the Board. This committee is responsible for determining and reviewing the compensation arrangements for the directors and the executive team (collectively the key management personnel).

The Group has structured a remuneration framework that is commensurate with the current operational requirements.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary, and
- short-term and long-term incentives being employee share or option schemes and bonuses.

The committee reviews and assesses the appropriateness of the remuneration on a periodic basis by reference to employment market conditions with the overall objective to ensure shareholder value and benefit from the recruitment and retention of a high-quality board and executive team.

The payment of any bonuses or other incentives are reviewed by the Remuneration and Nomination Committee with appropriate recommendations put to the Board for approval.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. No remuneration consultant was engaged during the current financial year. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Aerometrex's constitution provides that all non-executive directors may be paid remuneration for their services. The total amount of the remuneration for non-executive directors may not exceed the higher of \$300,000 and the amount fixed in general meeting for that purpose.

Any increase in the aggregate amount needs to be approved by shareholders. Directors will seek approval of the shareholders from time to time as appropriate.

The current Non-Executive Director fees per annum, excluding statutory superannuation are:

Board / Committee	Chair fee	Member fee
Board base fee	\$70,000	\$60,000
Audit & Risk	Nil	Nil
Remuneration & Nomination	Nil	Nil

C. Details of remuneration

		Short-term benefits				Post-employment	Long term benefits	Equity-settled Share based payments	Total Remuneration	Performance related Options	
		Salary & Fees	Cash bonus	Non-monetary	Employee entitlements ¹	Superannuation & Other Pension Contributions	Employee entitlements ²	Options and Rights ³		\$	%
		\$	\$	\$	\$	\$	\$	\$	\$	%	%
Non-executive directors											
Mark Lindh	2022	70,000	-	-	-	7,000	-	-	77,000	0%	0%
	2021	70,000	-	-	-	6,650	-	-	76,650	0%	0%
Matthew White	2022	60,000	-	-	-	6,000	-	-	66,000	0%	0%
	2021	60,000	-	-	-	5,700	-	-	65,700	0%	0%
Peter Foster	2022	60,000	-	-	-	6,000	-	9,462	75,462	0%	13%
	2021	60,000	-	-	-	5,700	-	12,520	78,220	0%	16%
Donald McGurk ⁴	2022	21,667	-	-	-	2,167	-	-	23,834	0%	0%
	2021	-	-	-	-	-	-	-	-	0%	0%
Executive directors											
Steve Masters ⁵	2022	179,952	-	-	16,140	10,048	252	-	206,392	0%	0%
	2021	-	-	-	-	-	-	-	-	0%	0%
Mark Deuter ⁶	2022	235,812	-	-	(19,589)	15,000	(75,470)	(7,288)	148,465	0%	-5%
	2021	268,407	-	-	(2,198)	25,430	18,873	12,520	323,032	0%	4%
David Byrne	2022	261,236	-	-	4,433	25,962	2,914	9,462	304,007	0%	3%
	2021	239,713	-	-	6,446	22,625	10,769	12,520	292,073	0%	4%
Executives											
Chris Mahar	2022	208,440	-	-	16,372	20,769	2,933	21,186	269,700	0%	8%
	2021	177,642	-	-	12,447	16,808	1,139	67,396	275,432	0%	24%
Alex Sinclair ⁷	2022	192,671	-	-	12,902	19,192	845	-	225,610	0%	0%
	2021	-	-	-	-	-	-	-	-	0%	0%
Tisham Dhar ⁸	2022	181,434	-	-	13,523	18,077	250	-	213,284	0%	0%
	2021	-	-	-	-	-	-	-	-	0%	0%
Ralph Lante ⁹	2022	98,831	-	-	(1,217)	9,846	13,187	14,676	135,323	0%	11%
	2021	162,955	-	-	1,081	15,424	2,708	67,396	249,564	0%	27%
Tol Mofflin ¹⁰	2022	77,756	-	-	(8,284)	4,540	(676)	(28,864)	44,472	0%	-65%
	2021	159,034	-	-	18,202	14,999	511	67,396	260,142	0%	26%
Rick Cassidy ¹¹	2022	75,785	-	-	1,011	657	-	(14,433)	63,020	0%	-23%
	2021	226,402	-	5,914	(976)	7,536	-	33,698	272,574	0%	12%
Todd Dunow ¹²	2022	-	-	-	-	-	-	-	-	0%	0%
	2021	176,913	-	-	(14,506)	16,739	3,983	67,396	250,525	0%	27%
Beata Serafin ¹³	2022	-	-	-	-	-	-	-	-	0%	0%
	2021	144,824	-	-	(16,474)	9,650	(39,668)	-	98,332	0%	0%
Total	2022	1,723,584	-	-	35,291	145,258	(55,765)	4,201	1,852,569	0%	0%
	2021	1,745,890	-	5,914	4,022	147,260	(1,685)	340,842	2,242,244	0%	15%

¹ Net movement in annual leave provision for the year

² Net movement in long service leave provision for the year

³ Value of options and rights recognised in profit or loss. Refer financial statement note 19 Share Based Payments.

⁴ Appointed 03 March 2022

⁵ Appointed 14 February 2022

⁶ Retired 10 December 2021

⁷ Appointed 21 June 2021

⁸ Appointed 2 August 2021

⁹ Ceased as KMP on 31 January 2022

¹⁰ Resigned 23 September 2021

¹¹ Resigned 22 July 2021

¹² Ceased as KMP on 21 June 2021

¹³ Resigned 29 January 2021

No key management personnel appointed during the period received a payment as part of their consideration for agreeing to hold the position.

Bonuses included in remuneration

No short-term incentive cash bonuses were awarded to any KMP as remuneration during the financial year ended 30 June 2022 (2021: \$nil).

D. Employment contracts

There are no formal contracts between the Company and non-executive directors other than the initial letter of appointment that identifies the remuneration as at the initial appointment date.

All executive employees and KMP are employed under ongoing employment agreements and as such only have a commencement date with no fixed expiry date. Details of KMP contracts as at 30 June 2022 were as follows:

Executive Officers	Position	Notice period for termination	
		By Company	By Executive
Steve Masters ¹	Managing Director and Chief Executive Officer	6 months	6 months
David Byrne	Executive Director, Chief Operating Officer	6 months	6 months
Chris Mahar	Chief Financial Officer	3 weeks	2 weeks
Alex Sinclair	Chief Revenue Officer	3 months	3 months
Tisham Dhar ²	Chief Information Officer	3 months	3 months

¹ Commenced on 14 February 2022

² Commenced 2 August 2021

The Company may terminate employment by providing appropriate written notice or provide payment in lieu of notice, in accordance with the employment agreement as outlined above. On termination, any unvested options expire and lapse. Where options have vested or will vest during the notice period, they are required to be exercised within 90 days, after which time the options will expire and lapse.

The Company may terminate employment without notice, or payment in lieu of notice, in cases of serious misconduct. A non-exhaustive list of circumstances that may amount to serious misconduct is outlined in the KMP employment agreement. Where termination with cause has occurred, the employee is entitled to remuneration up to and including the date of termination. The remuneration is based on the fixed component only. Under these circumstances any options will expire and lapse immediately on termination.

Managing Director and Chief Executive Officer – Executive service agreement

Steve Masters was appointed as the Managing Director and Chief Executive Officer of Aerometrex effective 14 February 2022. Mr Masters' remuneration package is summarised as follows:

Fixed remuneration	Fixed annual remuneration of \$520,000 inclusive of superannuation contributions effective from 14 February 2022. Fixed remuneration is reviewed annually. Increases are not guaranteed.
Notice period	Under the Executive's Service Agreement there is no fixed term and Mr Masters' employment can be terminated by: <ul style="list-style-type: none"> the Company giving him six months' notice of termination; or Mr Masters giving six months' notice of resignation
Short Term Incentives (STI)	There is no minimum entitlement to STI payment and the maximum STI opportunity is 45% of fixed annual remuneration. Any STI benefit will be paid: <ul style="list-style-type: none"> i) 50% in the form of performance rights to fully paid ordinary shares ii) 50% in cash For FY22, any STI benefit is to be paid in the form of performance rights to fully paid ordinary shares.
Long Term Incentives (LTI)	There is no minimum entitlement to a LTI payment and the maximum LTI opportunity is 105% of the total fixed remuneration. Any LTI benefit will be paid in the form of performance rights to fully paid ordinary shares. Any LTI benefit determined in respect of the first, second and third financial years of employment will vest on the third anniversary of the employment date (14 February 2022) provided the employee remains employed at that date.
Performance Metrics	The performance metrics for each financial year will be determined by the Board.
Change of contract	In the event that Mr Masters' employment is terminated by the employer within two years of the commencement date (14 February 2022) or within 6 months of a Change of Contract of the Employer, Mr Masters shall be entitled to a gross termination payment equal to 6 months of the total fixed remuneration, in addition to any notice period requirement.

E. Share based compensation

Employee Share Option Plan

An Employee Share Option Plan was implemented in 2020, following approval at the 2020 AGM, such that Directors and employees may be issued with options to acquire ordinary shares in the company. Options may be issued based on the terms and conditions as determined by the Board in accordance with the plan rules.

Options vest based on the provision of service over the vesting period whereby the participant becomes beneficially entitled to the option on the vesting date provided certain conditions are met, generally that they are employed or engaged at the time of vesting, or that specified performance hurdles have been met to determine vesting. Options are exercisable by the holder from the vesting date.

There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Fair value of options

The Company has applied the Black-Scholes Valuation Model to determine the fair value of the options granted which takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, expected dividend yield, and the risk-free interest rate for the term of the option. The fair value of such grants is being amortised and disclosed as part of remuneration on a straight line basis over the vesting period.

Options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as at the end of the reporting period:

	Balance at 1 July 2021 #	Lapsed or forfeited during the period #	Balance at 30 June 2022 #	Vested during the period #	Unvested at balance date #	Grant date	Value per option / share at grant date \$	Exercise price per share (option) \$	Vesting date	Expiry date
Directors										
Mark Lindh										
Options ¹	500,000	(500,000)	-	-	-	Dec 2019	0.069	1.250	Dec 2019	Dec 2021
Matthew White										
Options ¹	500,000	(500,000)	-	-	-	Dec 2019	0.069	1.250	Dec 2019	Dec 2021
Peter Foster										
Options ²	50,000	-	50,000	-	-	Nov 2020	0.335	1.250	May 2021	May 2023
Options ²	50,000	-	50,000	50,000	-	Nov 2020	0.335	1.250	May 2022	May 2023
Donald McGurk										
Options	-	-	-	-	-	-	-	-	-	-
Steve Masters										
Options	-	-	-	-	-	-	-	-	-	-
Mark Deuter³										
Options ²	50,000	(50,000)	-	-	-	Nov 2020	0.335	1.250	May 2021	May 2023
Options ²	50,000	(50,000)	-	-	-	Nov 2020	0.335	1.250	May 2022	May 2023
David Byrne										
Options ²	50,000	-	50,000	-	-	Nov 2020	0.335	1.250	May 2021	May 2023
Options ²	50,000	-	50,000	50,000	-	Nov 2020	0.335	1.250	May 2022	May 2023

¹ Granted for the successful listing of the company on the ASX. Lapsed 10 December 2021.

² Approved by shareholders at the 2020 AGM.

³ Retired 10 December 2021. Did not reach May 2022 vesting date for tranche 2. Vested tranche 1 options lapsed 90 days after resignation.

The options are not quoted on the ASX and carry no dividend or voting rights. Options cannot be transferred without approval from the Board.

No options were exercised during the reporting period (2021: nil).

No options were granted during the period (2021: nil).

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	Balance at 1 July 2021 #	Lapsed or forfeited during the period #	Balance at 30 June 2022 #	Vested during the period #	Unvested at balance date #	Grant date	Value per option / share at grant date \$	Exercise price per share (option) \$	Vesting date	Expiry date
Executives										
Chris Mahar										
Options	50,000	-	50,000	-	-	May 2020	1.001	1.250	May 2021	May 2023
Options	50,000	-	50,000	50,000	-	May 2020	1.001	1.250	May 2022	May 2023
Alex Sinclair										
Options	-	-	-	-	-	-	-	-	-	-
Tisham Dhar										
Options	-	-	-	-	-	-	-	-	-	-
Ralph Lante ¹										
Options	50,000	(50,000)	-	-	-	May 2020	1.001	1.250	May 2021	May 2023
Options	50,000	(50,000)	-	-	-	May 2020	1.001	1.250	May 2022	May 2023
Tol Mofflin ²										
Options	50,000	(50,000)	-	-	-	May 2020	1.001	1.250	May 2021	May 2023
Options	50,000	(50,000)	-	-	-	May 2020	1.001	1.250	May 2022	May 2023
Rick Cassidy ³										
Options	25,000	(25,000)	-	-	-	May 2020	1.001	1.250	May 2021	May 2023
Options	25,000	(25,000)	-	-	-	May 2020	1.001	1.250	May 2022	May 2023

¹ Ceased as KMP on 31 January 2022. Options held on ceasing to be KMP treated as a disposal.

² Resigned 23 September 2021. Did not reach May 2022 vesting date for tranche 2. Vested tranche 1 options lapsed 90 days after resignation.

³ Resigned 22 July 2021. Did not reach May 2022 vesting date for tranche 2. Vested tranche 1 options lapsed 90 days after resignation.

The options are not quoted on the ASX and carry no dividend or voting rights. Options cannot be transferred without approval from the Board.

F. Additional information

4-year performance table

The earnings of the consolidated entity for the four years to 30 June 2022 are summarised below:

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Annual Recurring Revenue (ARR)	6,842	4,806	1,663	-
Operating revenue	25,030	20,941	20,091	16,109
EBITDA	7,702	2,864	3,901	5,035
EBITDA (normalised) ¹	5,103	4,197	4,961	5,035
EBIT	(744)	(4,163)	113	3,054
Profit / (loss) after income tax	(599)	(4,081)	(266)	2,570
Free cash flow	1,352	(5,365)	(3,400)	916

¹ EBITDA has been normalised to remove the effects of one-off expenses and share based payments relating to the IPO, and one-off gain on sale of property held by AMX Capital Trust at 51-53 Glynburn Road, Glynde, South Australia.

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2022	2021	2020	2019
Share price at financial year end (\$)	\$0.30	\$0.67	\$1.50	n/a
Total dividends declared (cents per share)	-	-	-	38.1
Basic earnings per share (cents per share)	(1.7)	(4.4)	(0.4)	4.3

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G. Shareholdings of key management personnel

		Balance as at 1 July Ordinary Shares	Additions ¹	Disposals ²	Balance as at 30 June
Directors					
Mark Lindh	2022	166,750	207,208	-	373,958
	2021	146,750	20,000	-	166,750
Matthew White	2022	12,335,376	64,103	-	12,399,479
	2021	12,335,376	-	-	12,335,376
Peter Foster	2022	50,000	-	-	50,000
	2021	50,000	-	-	50,000
Donald McGurk ³	2022	-	-	-	-
	2021	-	-	-	-
Steve Masters ⁴	2022	-	-	-	-
	2021	-	-	-	-
Mark Deuter ⁵	2022	11,420,865	25,700	(11,446,565)	-
	2021	11,420,865	-	-	11,420,865
David Byrne	2022	8,583,850	-	-	8,583,850
	2021	8,583,850	-	-	8,583,850
Total	2022	32,556,841	297,011	(11,446,565)	21,407,287
	2021	32,536,841	20,000	-	32,556,841
Executives					
Chris Mahar	2022	65,000	32,051	-	97,051
	2021	25,000	40,000	-	65,000
Alex Sinclair ⁶	2022	-	-	-	-
	2021	-	-	-	-
Tisham Dhar ⁷	2022	-	124,028	-	124,028
	2021	-	-	-	-
Ralph Lante ⁸	2022	153,828	-	(153,828)	-
	2021	153,828	-	-	153,828
Tol Mofflin ⁹	2022	-	-	-	-
	2021	-	-	-	-
Rick Cassidy ¹⁰	2022	-	-	-	-
	2021	-	-	-	-
Todd Dunow ¹¹	2022	-	-	-	-
	2021	3,425,181	-	(3,425,181)	-
Beata Serafin ¹²	2022	-	-	-	-
	2021	6,660,999	-	(6,660,999)	-
Total	2022	218,828	156,079	(153,828)	221,079
	2021	10,265,008	40,000	(10,086,180)	218,828

¹ None of these shares were granted as compensation or issued on exercise of options.

Shares held on appointment or becoming KMP are treated as an acquisition.

² Shares held on termination or ceasing to be KMP are treated as a disposal

³ Appointed 03 March 2022

⁴ Appointed 14 February 2022

⁵ Retired 10 December 2021

⁶ Appointed 21 June 2021

⁷ Appointed 2 August 2021

⁸ Ceased as KMP on 31 January 2022

⁹ Resigned 23 September 2021

¹⁰ Resigned 22 July 2021

¹¹ Ceased as KMP on 21 June 2021

¹² Resigned 29 January 2021

H. Additional disclosures relating to key management personnel

Related party transactions

Matthew White

During the reporting period, the company used the 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 totaled \$22,393 (2021: \$29,843) and were based on normal market rates. The amount outstanding at the end of the year was \$2,145 (2021: \$1,132).

Matthew White is also a member of a self-managed superannuation fund which had unit holdings in AMX Capital Trust, the former owner of the property at 51-53 Glynburn Road, Glynde, South Australia. Aerometrex Limited was the majority owner of AMX Capital Trust. On the sale of the property, all unitholders were paid their entitlement to profit and the return of capital on winding up of the unit trust. In the case of related parties associated with Matthew White, the related party unitholder was entitled to a share in the profit on sale of the property \$297,447 and a return of capital of \$110,000.

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 totaled \$180,000 (2021: \$110,000) and were based on normal market rates. The amount outstanding at the end of the year was \$33,000 (2021: \$16,500).

Mark Lindh is a director of AE Administrative Services Pty Ltd which provided company secretarial services during the reporting period. Total amounts billed during the year were \$38,657 (2021: \$36,560). The amount outstanding at the end of the year was \$6,160 (2021: \$nil).

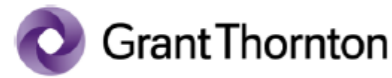
Alex Sinclair

Alex Sinclair is a director of LATSA Learning Services and a beneficiary of a trust for which shares in LATSA are held. The company used the services of LATSA during the year to provide services and training that were unrelated to the areas of responsibility managed by Alex Sinclair. The amounts billed related to the provision of services during the period and totaled \$11,500 (2021: \$nil) which were based on normal market rates. Amounts were fully paid at the end of the year.

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

End of audited remuneration report.

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 audit of Aerometrex Limited for the year ended 30 June 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

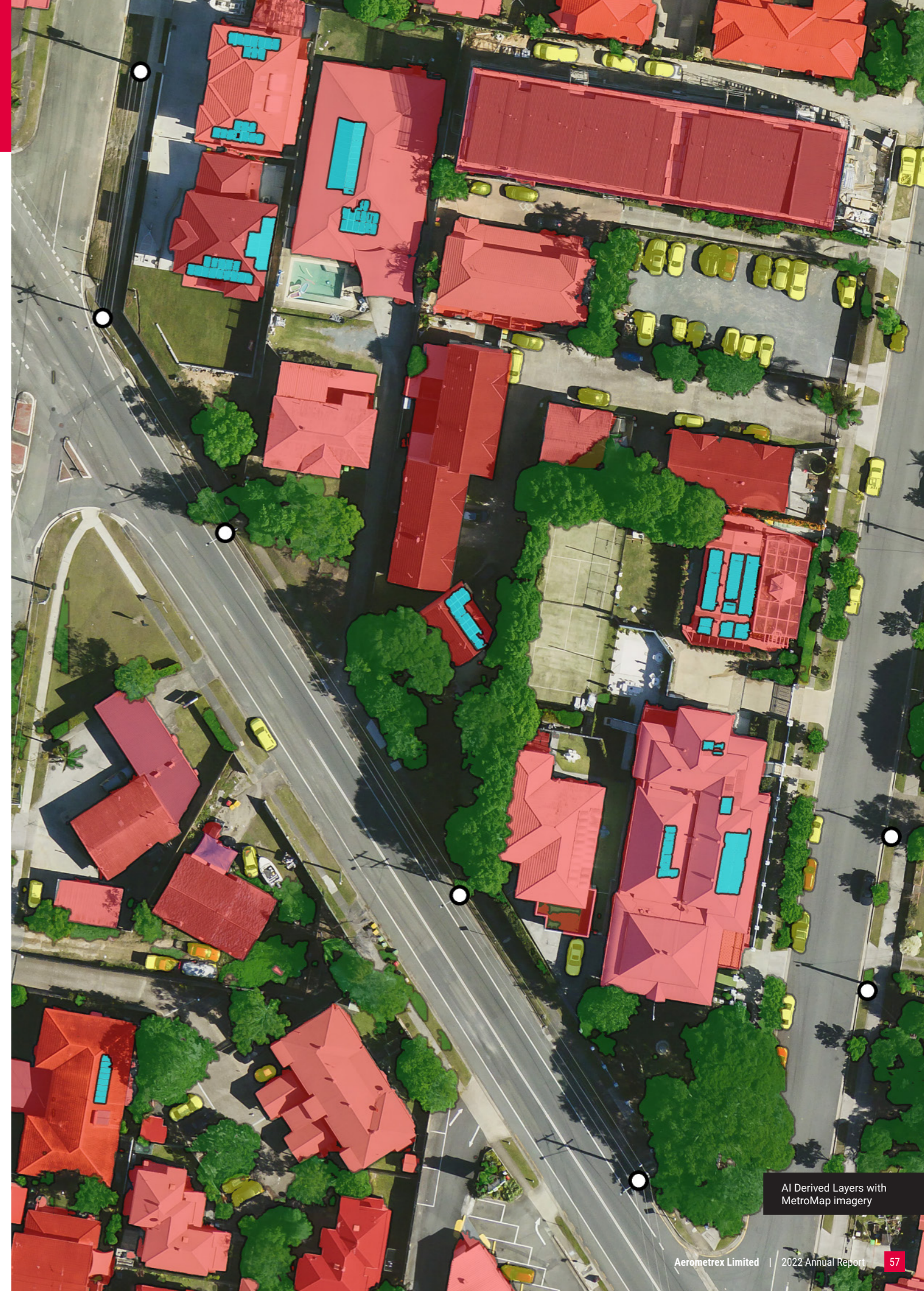
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 August 2022

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Financial Statements & Notes

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	60
Consolidated Statement of Financial Position.....	61
Consolidated Statement of Changes in Equity.....	62
Consolidated Statement of Cash Flows.....	63
1. Reporting entity and general information.....	64
2. Summary of significant accounting policies.....	64
3. Segment information.....	66
4. Revenue and other income.....	68
5. Income tax.....	70
6. Cash and cash equivalents.....	72
7. Trade and other receivables.....	72
8. Contract assets.....	73
9. Other assets.....	73
10. Property, plant and equipment.....	74
11. Intangible assets.....	76
12. Trade and other payables.....	79
13. Contract liabilities.....	79
14. Other financial liabilities.....	80
15. Employee benefits.....	81
16. Other liabilities.....	82
17. Leases.....	82
18. Share capital.....	83
19. Share based payments.....	84
20. Finance costs and finance income.....	86
21. Earnings per share.....	86
22. Related party transactions.....	87
23. Dividends and distributions.....	88
24. Auditor's remuneration.....	88
25. Commitments.....	89
26. Financial instrument risk.....	89
27. Capital management.....	92
28. Reconciliation of profit after income tax to net cash flow from operating activities.....	92
29. Non-cash investing and financing activities.....	92
30. Changes in liabilities arising from financing activities.....	93
31. Contingent liabilities.....	93
32. Subsequent events.....	93
33. Parent entity information.....	94
34. Subsidiary information.....	95

CONSOLIDATED STATEMENT OF Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Revenue	4	25,030	20,941
Other income	4	2,813	304
Total revenue and other income		27,843	21,245
Aircraft and project processing costs		(8,739)	(6,544)
Employee benefits expense		(6,835)	(7,159)
Share based payments	19	(214)	(1,333)
Depreciation of property, plant and equipment	10	(2,831)	(2,731)
Amortisation of intangible assets	11	(5,615)	(4,296)
Advertising and marketing		(626)	(593)
Consulting and professional services		(1,188)	(620)
IT and telecommunications		(76)	(291)
Occupancy		(174)	(307)
Travel and accommodation		(438)	(98)
Other expenses		(1,851)	(1,436)
Finance costs	20.1	(100)	(87)
Finance income	20.2	31	75
(Loss) before income tax		(813)	(4,175)
Income tax benefit	5	214	94
(Loss) for the year after income tax		(599)	(4,081)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		82	(92)
Other comprehensive income for the year, net of tax		82	(92)
Total comprehensive income for the year		(517)	(4,173)
(Loss) / profit attributable to:			
Equity holders of the parent		(1,622)	(4,122)
Non-controlling interests		1,023	41
(Loss) for the year after income tax		(599)	(4,081)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(1,540)	(4,214)
Non-controlling interests		1,023	41
Total comprehensive income for the year		(517)	(4,173)
Earnings per share attributable to ordinary equity holders of the parent:			
	Notes	2022 cents	2021 cents
Basic loss per share	21	(1.7)	(4.4)
Diluted loss per share	21	(1.7)	(4.4)

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF Financial Position

As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Assets			
Current			
Cash and cash equivalents	6	14,144	16,553
Trade and other receivables	7	5,907	2,965
Contract assets	8	311	719
Current tax assets		-	262
Other assets	9	477	878
Total current assets		20,839	21,377
Non-current			
Property, plant and equipment	10	14,791	16,729
Intangibles	11	9,040	8,125
Total non-current assets		23,831	24,854
Total assets		44,670	46,231
Liabilities			
Current			
Trade and other payables	12	2,724	2,655
Contract liabilities	13	3,476	2,794
Current tax liabilities		159	-
Other financial liabilities	14	266	631
Lease liabilities	17	345	54
Employee benefits	15	1,890	1,601
Other liabilities	16	-	629
Total current liabilities		8,860	8,364
Non-current			
Other financial liabilities	14	622	2,437
Lease liabilities	17	1,684	518
Employee benefits	15	137	133
Deferred tax liabilities	5	366	82
Total non-current liabilities		2,809	3,170
Total liabilities		11,669	11,534
Net assets		33,001	34,697
Equity			
Equity attributable to owners of the parent:			
Share capital	18	32,892	32,892
Share based payment reserve	19	1,743	1,820
Other reserves		(10)	(92)
Retained earnings		(1,624)	(293)
Total attributable to owners of the parent		33,001	34,327
Non-controlling interest		-	370
Total equity		33,001	34,697

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF Changes in Equity

For the year ended 30 June 2022

	Notes	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
Balance as at 1 July 2021		32,892	1,820	(92)	(293)	34,327	370	34,697
Profit/(loss) after income tax for the year		-	-	-	(1,622)	(1,622)	1,023	(599)
Other comprehensive income for the year, net of tax		-	-	82	-	82	-	82
Total comprehensive income for the year		-	-	82	(1,622)	(1,540)	1,023	(517)
Transactions with owners in their capacity as owners								
Dividends and distributions, paid and declared ¹	23	-	-	-	-	-	(1,023)	(1,023)
Return of capital to non-controlling interest ²		-	-	-	-	-	(370)	(370)
Fair value of options recognised during the year	19	-	214	-	-	214	-	214
Transfers to retained earnings for options lapsed after vesting		-	(291)	-	291	-	-	-
Balance as at 30 June 2022		32,892	1,743	(10)	(1,624)	33,001	-	33,001

¹ Distribution of profit from AMX Capital Trust (Unit Trust)

² Return of capital to unit holders of AMX Capital Trust (Unit Trust)

	Notes	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
Balance as at 1 July 2020		32,892	487	-	3,829	37,208	397	37,605
Profit/(loss) after income tax for the year		-	-	-	(4,122)	(4,122)	41	(4,081)
Other comprehensive income for the year, net of tax		-	-	(92)	-	(92)	-	(92)
Total comprehensive income for the year		-	-	(92)	(4,122)	(4,214)	41	(4,173)
Transactions with owners in their capacity as owners								
Dividends and distributions, paid and declared ¹	23	-	-	-	-	-	(68)	(68)
Fair value of options recognised during the year	19	-	1,333	-	-	1,333	-	1,333
Balance as at 30 June 2021		32,892	1,820	(92)	(293)	34,327	370	34,697

¹ Distribution of profit from AMX Capital Trust (Unit Trust)

CONSOLIDATED STATEMENT OF Cash Flows

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Operating activities			
Receipts from customers		25,629	23,887
Payments to suppliers and employees		(21,492)	(18,707)
Income taxes received / (paid)		919	(256)
Other revenue received		-	169
Interest received		31	75
Interest paid		(100)	(87)
Net cash generated from operating activities		4,987	5,081
Investing activities			
Payments for property, plant and equipment		(2,263)	(4,597)
Proceeds from disposal of property, plant and equipment		5,787	-
Payments for intangible assets		(6,530)	(5,849)
Payments for acquisitions ¹		(629)	-
Net cash used in investing activities		(3,635)	(10,446)
Financing activities			
Repayment of borrowings		(2,180)	(286)
Repayment of lease liabilities		(147)	(8)
Return of capital	23	(370)	-
Dividends and distributions paid	23	(1,064)	(27)
Net cash used in financing activities		(3,761)	(321)
Net decrease in cash and cash equivalents		(2,409)	(5,686)
Cash and cash equivalents at the beginning of the period		16,553	22,239
Cash and cash equivalents at the end of the period		14,144	16,553

¹ Final payment for Spookfish acquisition.

Notes to the Consolidated Financial Statements

For the year ended 30 June 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 accounting policies that are critical to understanding the financial statements are set out in this section. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

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 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 current reporting period)

The consolidated financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 30 August 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are prepared in accordance with Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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.

2.2 Basis of consolidation

The Group's financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2022. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

2.3 Changes in accounting policies and disclosures

The principal accounting policies adopted are consistent with those of the previous financial year.

Certain comparative information has also been reclassified to conform with the current period's presentation.

2.4 Standards or interpretations issued but not yet effective or relevant to the Group

There are no standards or amendments that have been issued but are not yet effective that are expected to have a significant impact on the Group.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates.

2.5 Goods and Services Tax (GST)/Value Added Tax (VAT)/Sales Tax

Revenues, expenses and assets are recognised net of the amount of GST/VAT/Sales Tax, except where the amount of GST/VAT/Sales Tax incurred is not recoverable from the Tax Office. In these circumstances the GST/VAT/Sales Tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT/Sales Tax.

Cash flows are presented in the statement of cash flows on a gross basis, except for the recoverable GST/VAT components of investing and financing activities, which are disclosed as operating cash flows.

2.6 Notes to the financial statements

The notes include additional information required to understand the financial statements that is material and relevant to the operations, financial position, performance and cash flows of the Group. Information is considered material and relevant if the amount in question is significant because of its size, nature or incidence or it helps to explain the impact of significant changes in the business, for example, acquisitions and asset write downs. Accounting policies and critical judgements are included with the notes relevant to each financial statement area with the detailed notes below.

Line items labelled 'other' on the face of the consolidated statements comprise miscellaneous income, expenses, assets, liabilities or cash flows which individually or in aggregate are not considered material to warrant additional disclosures.

2.7 Critical accounting estimates

In preparing the financial statements, the Group is required to make estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses as reported in the financial statements. These estimates, judgements and assumptions are based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates, and assumptions made are believed to be reasonable based on the most current set of circumstances available to the Group. Actual results may differ from judgements, estimates, and assumptions.

Where the Group has made significant judgements, estimates, and assumptions in the preparation of these financial statements, these are outlined with the financial statement notes to which they specifically relate.

3. 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 derived revenue across four product lines in FY22, 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	USA	Total
		2022	2022	2022
	Notes	\$'000	\$'000	\$'000
Revenue	4	24,133	897	25,030
Other income	4	2,813	-	2,813
Total revenue and other income		26,946	897	27,843
Aircraft and project processing costs		(8,618)	(121)	(8,739)
Employee benefits expense		(6,414)	(421)	(6,835)
Share based payments	19	(214)	-	(214)
Depreciation of property, plant and equipment	10	(2,799)	(32)	(2,831)
Amortisation of intangible assets	11	(5,287)	(328)	(5,615)
Advertising and marketing		(552)	(74)	(626)
Consulting and professional services		(1,066)	(122)	(1,188)
IT and telecommunications		(72)	(4)	(76)
Occupancy		(167)	(7)	(174)
Travel and accommodation		(262)	(176)	(438)
Other expenses		(1,667)	(184)	(1,851)
Finance costs	20.1	(100)	-	(100)
Finance income	20.2	31	-	31
(Loss) before income tax		(241)	(572)	(813)
Income tax benefit	5	214	-	214
(Loss) for the year after income tax		(27)	(572)	(599)

		Australia	USA	Total
		2021	2021	2021
	Notes	\$'000	\$'000	\$'000
Revenue	4	20,909	32	20,941
Other income	4	304	-	304
Total revenue and other income		21,213	32	21,245
Aircraft and project processing costs		(6,521)	(23)	(6,544)
Employee benefits expense		(6,429)	(730)	(7,159)
Share based payments	19	(1,333)	-	(1,333)
Depreciation of property, plant and equipment	10	(2,713)	(18)	(2,731)
Amortisation of intangible assets	11	(4,296)	-	(4,296)
Advertising and marketing		(419)	(174)	(593)
Consulting and professional services		(489)	(131)	(620)
IT and telecommunications		(287)	(4)	(291)
Occupancy		(270)	(37)	(307)
Travel and accommodation		(49)	(49)	(98)
Other expenses		(1,273)	(163)	(1,436)
Finance costs	20.1	(87)	-	(87)
Finance income	20.2	75	-	75
(Loss) before income tax		(2,878)	(1,297)	(4,175)
Income tax benefit	5	148	(54)	94
(Loss) for the year after income tax		(2,730)	(1,351)	(4,081)

4. Revenue and other income

Aerometrex recognises revenue in three ways:

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)

Accounting policy

Operating revenue arises from the sale of goods and the rendering of services, and is measured with reference to the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. The Group often enters into sales transactions involving a range of the Group's products and services (separate performance obligations). Revenue recognition criteria, including the timing of transfer of goods and services to the customer, are set out below for each major type of revenue.

Subscription revenue: Revenue from subscription services is recognised over time, over the contract term beginning on the date the services are made available to the customer. The contract terms may vary in accordance with the individual terms of the subscription agreement. Revenue from the subscription service represents a single promise to provide continuous access to the company's digital aerial imagery. As each day of providing access to the data is substantially the same and the customer simultaneously receives and consumes the benefit as access is provided, the Group has determined that its subscription service arrangement include a single performance obligation comprised of a series of distinct services. Payment is generally received at the start of the contract period.

Off-the-shelf dataset sales: Revenue from the sale of off-the-shelf datasets is recognised at the point in time when the customer obtains control of the dataset, which is generally at the time of delivery. Payment is generally received after delivery to the customer.

Project based revenue (on demand): Revenue from projects is recognised over time as the project is being completed in accordance with the percentage of completion method. Costs incurred to date are compared with expected total costs for each performance obligation to determine a percentage of completion (an input method, sometimes referred to as the cost-to-cost method).

Generally, for project work, the Group invoices a component up front as a deposit to mobilise the air crew, a further component upon acquisition and the balance upon delivery of the data set.

Contract assets: Contract assets are recognised when the Group has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities: Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Disaggregation of revenue from contracts with customers

Timing of revenue recognition	2022 \$'000	2021 \$'000
Subscriptions		
MetroMap	5,855	3,640
Transferred over time (subscription revenue)	5,855	3,640
Off-the-shelf dataset sales		
3D	775	-
MetroMap	2,586	-
Transferred at a point in time (off-the-shelf)	3,361	-
Projects		
3D	1,372	1,849
LiDAR	11,319	8,929
MetroMap - on demand	351	842
Photo contracting	2,772	5,681
Transferred over time (on demand revenue)	15,814	17,301
Total revenue from contracts with customers	25,030	20,941

Geographical regions	2022 \$'000	2021 \$'000
Australia	24,133	20,909
USA	897	32
Total revenue from contracts with customers	25,030	20,941

Other Income	2022 \$'000	2021 \$'000
COVID-19 related grants and credits	-	50
Gain on disposal of non-current assets	2,813	-
Export grants	-	36
Change in fair value of liabilities	-	121
Other income	-	97
Total other income	2,813	304

Accounting policy

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

COVID-19 related grants and credits

Coronavirus (COVID-19) related grants received in 2021 consist of the temporary Cash Flow Boost scheme that was introduced to support business during the economic downturn associated with COVID-19. Under the Cash Flow Boost payment scheme, eligible businesses who employ staff will receive a cash flow boost in the form of a credit when lodging their business activity statement. The activity statement must be lodged to receive the entitlement to the Cash Flow Boost. The Company recognises the entitlement of the Cash Flow Boost in the profit or loss when the business activity statement is lodged.

Change in fair value of liabilities

In May 2021, the final payment to EagleView Technologies Inc for Spookfish Australia Pty Ltd acquisition was determined, and the related liability was adjusted to the amount payable under the acquisition agreement. The liability was settled during the year ended 30 June 2022, refer Note 16 Other Liabilities for further information.

5. Income tax

	2022 \$'000	2021 \$'000
Income tax expense		
Deferred tax - origination and reversal of temporary differences	350	(59)
Deferred tax - changes in tax rates	(26)	(12)
Research and development tax offset	(40)	(18)
Adjustment recognised for current tax of prior periods ¹	(498)	(5)
Total income tax expense / (benefit)	(214)	(94)

¹ Adjustment includes current year losses claimed against prior year taxable profits under temporary modification to loss claim back rules as a COVID-19 stimulus measure.

The reconciliation of income tax expense at the Australian tax rate to total income tax expense is as follows:

	2022 \$'000	2021 \$'000
Profit / (Loss) from continuing operations before income tax expense	(813)	(4,175)
Tax expense / (benefit) at the Australian tax rate of 25.0% (2021: 26.0%)	(203)	(1,085)
Income tax expense adjustments		
Effect of different tax rates in foreign jurisdictions	(11)	15
Effect on non-assessable income and non-deductible expenses	(111)	289
Shared based payments	(53)	347
Adjustments for current and deferred tax	50	36
Tax losses not recognised	154	322
Research and development tax offsets	(40)	(18)
Income tax expense / (benefit)	(214)	(94)

Accounting policy

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Aerometrex Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

	1 July 2021 \$'000	Recognised in profit and loss \$'000	30 June 2022 \$'000
Deferred tax assets / (liabilities)			
Current assets			
Other assets	(187)	123	(64)
Unused income tax losses and credits	700	352	1,052
Non-current assets			
Property, plant and equipment	(1,055)	(1,079)	(2,134)
Intangible assets	(1,376)	(17)	(1,393)
Current liabilities			
Trade and other payables	214	(103)	111
Contract liabilities	727	142	869
Employee obligations	414	56	470
Lease Liabilities	14	72	86
Non-current liabilities			
Employee obligations	35	(1)	34
Lease Liabilities	134	287	421
Equity			
Capital raising costs	298	(116)	182
Net deferred tax	(82)	(284)	(366)
Total deferred tax assets	2,536	689	3,225
Total deferred tax liabilities	(2,618)	(973)	(3,591)

	1 July 2020 \$'000	Recognised in profit and loss \$'000	30 June 2021 \$'000
Deferred tax assets / (liabilities)			
Current assets			
Other assets	(155)	(32)	(187)
Unused income tax losses and credits	66	634	700
Non-current assets			
Property, plant and equipment	(508)	(547)	(1,055)
Intangible assets	(925)	(451)	(1,376)
Current liabilities			
Trade and other payables	-	214	214
Contract liabilities	514	213	727
Employee obligations	366	48	414
Lease Liabilities	-	14	14
Non-current liabilities			
Employee obligations	43	(8)	35
Lease Liabilities	-	134	134
Equity			
Capital raising costs	429	(131)	298
Net deferred tax	(170)	88	(82)
Total deferred tax assets	1,418	1,118	2,536
Total deferred tax liabilities	(1,588)	(1,030)	(2,618)

The company has recognised deferred tax assets on current period losses for the Australian operation, as it is probable that there will be future taxable profits for the utilisation of these losses. No deferred tax balances have been recognised for the US operation for the current period, as the availability of taxable profits is not expected in the immediate future, given the startup phase of the operation.

Deferred tax balances in relation to the US operation were not recognised in the statement of financial position for unused tax losses of \$3,230,715 (2021: \$3,176,231) and deductible temporary differences of \$239,751 (2021: taxable temporary differences of \$62,529). Tax effect of these amounts at year-end tax rates was \$494,833 (2021: \$391,595) and \$63,814 (2021: \$15,418) respectively. There are no restrictions on utilising these balances to offset future taxable income in the jurisdictions where the tax losses were assessed. Some US taxing jurisdictions have expiry periods of 20 years from the time the losses were incurred.

Critical accounting estimate – Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Judgement is also required to determine the probability of future taxable profits against which to offset unused tax losses and credits.

6. Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank and in hand		
Cash at bank and on hand	3,421	3,830
Short term deposits at call	10,723	12,723
Cash and cash equivalents total	14,144	16,553

Short term deposits at call represent deposits with a maturity date of less than three months.

7. Trade and other receivables

	2022 \$'000	2021 \$'000
Trade receivables (gross)	5,966	2,978
Less: allowance for credit losses	(59)	(13)
Trade receivables (net)	5,907	2,965
Trade and other receivables	5,907	2,965

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-90 days depending on the nature of the transaction and are non-interest bearing and unsecured.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Critical accounting estimate

Trade receivables are reviewed on a regular basis to assess whether there is any impairment risk of a balance not being recoverable that would give rise to an expected credit loss. The assessment assumptions include recent sales experience and historical collection rates.

2022	Current	30-60 Days	61-90 Days	90+ Days	Total
Expected loss rate	0.0%	0.0%	0.0%	64.1%	1.0%
Gross carrying amount	5,267	472	135	92	5,966
Expected credit loss	-	-	-	59	59

2021	Current	30-60 Days	61-90 Days	90+ Days	Total
Expected loss rate	0.0%	0.0%	0.0%	41.9%	0.4%
Gross carrying amount	2,574	352	21	31	2,978
Expected credit loss	-	-	-	13	13

8. Contract assets

	2022 \$'000	2021 \$'000
Projects	241	673
Subscriptions	70	32
Accrued Income	-	14
Contract assets	311	719

This should be read in conjunction with Note 4 Revenue and other income.

Contract assets relate to work that has been undertaken in relation to:

- ongoing projects where the revenue is recognised over time but had not been billed as at the reporting date,
- subscriptions billed in arrears for partner accounts, and
- income for grants not yet received.

9. Other assets

	2022 \$'000	2021 \$'000
Prepayments	477	863
Deposits and bonds	-	15
Total other assets	477	878

Prepayments relate to expenses that have either been paid or incurred (and therefore recognised in trade and other payables) but the goods or services will be provided in a future period.

10. 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
As at 30 June 2022							
Cost	-	-	2,185	176	21,967	1,092	25,420
Less accumulated depreciation	-	-	(216)	(30)	(10,383)	-	(10,629)
Carrying amount at the end of the year	-	-	1,969	146	11,584	1,092	14,791
Reconciled as:							
Cost as at 1 July 2021	794	2,395	580	27	21,155	970	25,921
Additions	14	-	1,605	-	583	1,659	3,861
Transfers between asset classes	-	-	-	149	1,387	(1,536)	-
Disposals	(808)	(2,395)	-	-	(1,169)	-	(4,372)
Change in foreign exchange rates	-	-	-	-	10	-	10
Cost as at 30 June 2022	-	-	2,185	176	21,966	1,093	25,420
Accumulated depreciation as at 1 July 2021	-	(297)	(16)	(5)	(8,874)	-	(9,192)
Depreciation	-	(39)	(200)	(25)	(2,559)	-	(2,823)
Disposals	-	336	-	-	1,054	-	1,390
Change in foreign exchange rates	-	-	-	-	(4)	-	(4)
Accumulated depreciation as at 30 June 2022	-	-	(216)	(30)	(10,383)	-	(10,629)
Net carrying value as at 30 June 2022	-	-	1,969	146	11,583	1,093	14,791
Reconciliation of carrying amount at 30 June 2022							
Carrying amount at the beginning of the year	794	2,098	564	22	12,281	970	16,729
Additions	14	-	1,605	-	583	1,659	3,861
Transfers between asset classes	-	-	-	149	1,387	(1,536)	-
Depreciation	-	(39)	(200)	(25)	(2,559)	-	(2,823)
Disposals	(808)	(2,059)	-	-	(115)	-	(2,982)
Change in foreign exchange rates	-	-	-	-	6	-	6
Carrying amount at the end of the year	-	-	1,969	146	11,583	1,093	14,791

Accounting policy - leased assets

Right-of-use assets

The company recognises right-of-use assets at the commencement date of a lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Non-cash movements in right-of-use assets are included in Note 29 Non-cash investing and financing activities.

	Land \$'000	Buildings \$'000	Land and buildings - right-of-use	Leasehold improvements	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
As at 30 June 2021							
Cost	794	2,395	580	27	21,155	970	25,921
Less accumulated depreciation	-	(297)	(16)	(5)	(8,874)	-	(9,192)
Carrying amount at the end of the year	794	2,098	564	22	12,281	970	16,729
Reconciled as:							
Cost as at 1 July 2020	794	2,395	-	27	16,094	3,876	23,186
Additions	-	-	580	-	1,387	1,174	3,141
Transfers between asset classes	-	-	-	-	4,080	(4,080)	-
Disposals	-	-	-	-	(409)	-	(409)
Change in foreign exchange rates	-	-	-	-	3	-	3
Cost as at 30 June 2021	794	2,395	580	27	21,155	970	25,921
Accumulated depreciation as at 1 July 2020	-	(214)	-	(2)	(6,606)	-	(6,822)
Depreciation	-	(83)	(16)	(3)	(2,629)	-	(2,731)
Disposals	-	-	-	-	361	-	361
Change in foreign exchange rates	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2021	-	(297)	(16)	(5)	(8,874)	-	(9,192)
Net carrying value as at 30 June 2021	794	2,098	564	22	12,281	970	16,729
Reconciliation of carrying amount at 30 June 2021							
Carrying amount at the beginning of the year	794	2,181	-	25	9,488	3,876	16,364
Additions	-	-	580	-	1,387	1,174	3,141
Transfers between asset classes	-	-	-	-	4,080	(4,080)	-
Depreciation	-	(83)	(16)	(3)	(2,629)	-	(2,731)
Disposals	-	-	-	-	(48)	-	(48)
Change in foreign exchange rates	-	-	-	-	3	-	3
Carrying amount at the end of the year	794	2,098	564	22	12,281	970	16,729

Accounting policy - owned assets

Each class of property, plant and equipment is carried at historical cost or fair value, less, where applicable, any accumulated depreciation and impairment losses. The historical cost includes any expenditure that is directly attributable to the acquisition of the item.

Capital work in progress represents deposits or progress payments on the acquisition of plant and equipment. These assets are transferred from capital work in progress to the appropriate asset class once the asset has been deployed or available to be deployed into operational activities.

Depreciation is recognised on a straight-line basis to write-off the cost off the item less any estimated residual value over its expected useful life. The following useful lives are applied:

- Land: As land does not have a finite life, related carrying amounts are not depreciated
- Buildings: 40 years
- IT equipment: 3-5 years
- Leasehold improvements: 3-7 years (shorter of useful life or remaining lease term)
- Plant and equipment: 3-12 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Any impairment charges are separately identified in the financial statements.

Critical accounting estimate - Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected use of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the effective life of technology related equipment, such as IT equipment and sensors.

11. Intangible assets

	Datasets \$'000	Computer software \$'000	Other \$'000	Goodwill \$'000	Contractual rights \$'000	Capital work in progress \$'000	Total \$'000
As at 30 June 2022							
Cost	18,789	42	70	1,785	364	862	21,912
Less accumulated amortisation	(12,486)	(22)	-	-	(364)	-	(12,872)
Carrying amount at the end of the year	6,303	20	70	1,785	-	862	9,040
Reconciled as:							
Cost as at 1 July 2021	12,729	42	40	1,785	364	409	15,369
Additions	5,593	-	30	-	-	862	6,485
Transfers between asset classes	409	-	-	-	-	(409)	-
Change in foreign exchange rates	58	-	-	-	-	-	58
Cost as at 30 June 2022	18,789	42	70	1,785	364	862	21,912
Accumulated amortisation as at 1 July 2021	(6,911)	(8)	-	-	(325)	-	(7,244)
Amortisation	(5,562)	(14)	-	-	(39)	-	(5,615)
Change in foreign exchange rates	(13)	-	-	-	-	-	(13)
Accumulated amortisation as at 30 June 2022	(12,486)	(22)	-	-	(364)	-	(12,872)
Net carrying amount as at 30 June 2022	6,303	20	70	1,785	-	862	9,040
Reconciliation of carrying amount at 30 June 2022							
Carrying amount at the beginning of the year	5,818	34	40	1,785	39	409	8,125
Additions	5,593	-	30	-	-	862	6,485
Transfers between asset classes	409	-	-	-	-	(409)	-
Amortisation	(5,562)	(14)	-	-	(39)	-	(5,615)
Change in foreign exchange rates	45	-	-	-	-	-	45
Carrying amount at the end of the year	6,303	20	70	1,785	-	862	9,040

	Datasets \$'000	Computer software \$'000	Other \$'000	Goodwill \$'000	Contractual rights \$'000	Capital work in progress \$'000	Total \$'000
As at 30 June 2021							
Cost	12,729	42	40	1,785	364	409	15,369
Less accumulated amortisation	(6,911)	(8)	-	-	(325)	-	(7,244)
Carrying amount at the end of the year	5,818	34	40	1,785	39	409	8,125
Reconciled as:							
Cost as at 1 July 2020	7,339	-	32	1,785	364	-	9,520
Additions	5,390	42	8	-	-	409	5,849
Cost as at 30 June 2021	12,729	42	40	1,785	364	409	15,369
Accumulated amortisation as at 1 July 2020	(2,915)	-	-	-	(33)	-	(2,948)
Amortisation	(3,996)	(8)	-	-	(292)	-	(4,296)
Accumulated amortisation as at 30 June 2021	(6,911)	(8)	-	-	(325)	-	(7,244)
Net carrying amount as at 30 June 2021	5,818	34	40	1,785	39	409	8,125
Reconciliation of carrying amount at 30 June 2021							
Carrying amount at the beginning of the year	4,424	-	32	1,785	331	-	6,572
Additions	5,390	42	8	-	-	409	5,849
Amortisation	(3,996)	(8)	-	-	(292)	-	(4,296)
Carrying amount at the end of the year	5,818	34	40	1,785	39	409	8,125

Accounting policy

Each class of intangible assets is carried at historical cost, less, where applicable, any accumulated amortisation and impairment losses. The historical cost includes any expenditure that is directly attributable to the acquisition of the item.

Amortisation is recognised on a straight-line basis to write off the cost of the item less any estimated residual value over its expected useful life. The following useful lives are applied:

- Datasets: 2 years
- Software: 1-3 years
- Contractual rights: 1-3 years (remainder of subscription term)

An intangible item is derecognised upon disposal or when there is no future economic benefit to the Group. Gains or losses arising on the disposal of intangibles are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Any impairment charges are separately identified in the financial statements.

Datasets

MetroMap and 3D datasets are capitalised to the statement of financial position and amortised on a straight line basis over an effective life of two years. The capitalisation and amortisation commences from the date that the dataset is made available to customers. The capitalised cost for the dataset includes the cost of capture being the aerial survey, an allocation of overhead costs and employment costs directly attributable to the transformation of the data into its final form.

MetroMap and 3D datasets that are in the process of being completed but are not yet published are treated as capital work in progress until such time that they are made available to customers. The calculation of capital work in progress figure is consistent with the methodology used in the capitalisation of datasets. Capital work in progress is tested for impairment on the same time frames as the capitalised datasets.

Critical accounting estimate – Datasets

Management reviews its estimate of the useful lives of capitalised datasets at each reporting date. Uncertainties in these estimates relate to technical obsolescence that may change the use of datasets in future periods.

Research and development

Expenditure on research and development activities is expensed and recognised in the statement of profit or loss and other comprehensive income as incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the consolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources and intent to complete the development, and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of fair value less costs of disposal or value-in-use.

Goodwill

Goodwill represents the excess of purchase consideration over the fair value of net assets acquired in a business combination and is measured at cost less, where applicable, any accumulated impairment losses.

Goodwill and other indefinite life intangible assets are not subject to amortisation but are tested for impairment annually, or more frequently if events or changes in circumstances indicate impairment. An impairment loss is recognised when the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs or value in use. For the purposes of goodwill impairment testing, the cash generating unit (CGU) to which goodwill has been allocated, generally the CGU(s) that is expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill, is compared against the recoverable amount of the CGU to determine any impairment loss.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a discount rate rate in order to calculate the present value of those cash flows.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Critical accounting estimate – Impairment of goodwill

The Group performed its annual impairment test at 30 June 2022. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2022, the market capitalisation of the Group was below the book value of its equity. Growth within MetroMap and capture of datasets continued throughout the 2022 financial year.

Australia CGU

The Group has assessed that the smallest group of assets that generate independent cash flows corresponds to the Australian business unit, which comprises the entities incorporated in Australia. These entities control the property, aviation and IT assets used in the generation of cashflows from project, off-the-shelf, and subscription customers. The goodwill arising from business combinations within the Australian CGU are allocated to the carrying value of the CGU.

The Australia CGU includes the value of goodwill, datasets, and other intangible assets at 30 June 2022 totalling \$8.1m (2021: \$7.7m), property, plant and equipment of \$14.7m (2021: \$16.6m), and working capital of \$12.3m (2021: \$14.1m) giving rise to a total CGU value of \$35.3m (2021: \$38.4m).

The recoverable amount of the Australia CGU is determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections on a post-tax Weighted Average Cost of Capital (WACC) is 13.7% (2021: 10.5%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 3% (2021: 3%).

These projections are based on company experience and external information sources of the available target market. The industry segments in the Group's customer portfolio have not been significantly impacted COVID-19. However, in preparing financial projections, the Group has considered the macroeconomic uncertainty arising from COVID-19 and the likely impact on cash flows.

As a result of the analysis, there is adequate headroom and management did not identify an impairment for this CGU.

12. Trade and other payables

	2022 \$'000	2021 \$'000
Current		
Trade payables	1,325	1,094
Distributions payable - AMX Capital Trust	-	41
Other payables	1,399	1,520
Total trade and other payables	2,724	2,655

Due to their short term nature these liabilities are measured at amortised cost and not discounted. The amounts are unsecured and normally settled within 30 days of recognition.

These amounts represent liabilities owing by the Group at the end of the reporting period where:

- The goods or services had been provided to the Group prior to the end of the reporting period and had not been paid.
- Goods or services that had not been provided to the Group by the end of the reporting period, but an obligation to pay an amount had been incurred, are recognised within prepayments (other current assets).

13. Contract liabilities

	2022 \$'000	2021 \$'000
Current		
Projects billed in advance	631	603
Subscriptions billed in advance	2,845	2,191
Total contract liabilities	3,476	2,794

This should be read in conjunction with Note 4 Revenue and other income.

Contract liabilities relate to:

- projects - billed in advance of completion of the performance obligations identified in the contract.
- subscriptions - representing monies paid by subscribers to the MetroMap data service in advance of the service being provided. These amounts are subsequently recognised in revenue over the subscription term, generally 1-3 years.

14. Other financial liabilities

	Current		Non-current	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Carrying amount at amortised cost				
Other bank borrowings:				
Credit card facilities	96	69	-	-
Premium finance liabilities	-	280	-	-
Chattel mortgage liabilities	170	162	622	792
Business loans	-	120	-	1,645
Total	266	631	622	2,437

Chattel mortgages and commercial hire purchases

Under the terms of the current debt facility with Westpac, equipment that is financed is held under a commercial hire purchase agreement.

The arrangements are classified as follows:

	2022 \$'000	2021 \$'000
Commercial hire purchase		
Minimum payments	869	1,069
Less future charges	(77)	(115)
Present value of minimum payments	792	954
Current liability	170	162
Non-current liability	622	792
Total	792	954

Finance arrangements

Aerometrex has the following debt facilities available with Westpac. These debt facilities are:

1. A business loan with a facility limit of \$4.81m (2021: \$2.59m) available for drawdown as required. This facility has a reducing credit limit in line with a principal and interest loan. At the end of the reporting period the outstanding liability was \$nil (2021: \$nil).
2. A pre-approved equipment line credit of \$2.0m which is intended to assist with new capital purchases of plant and equipment. At the end of the reporting period the available funds to draw were \$1.13m (2021: \$0.93m).
3. Corporate credit card facility of \$300k. Balance as at the end of the reporting period was \$78k (2021: \$69k). This balance is cleared in full on a monthly basis.
4. A \$100k bank guarantee facility.

The security for the debt facilities includes a general security agreement from Aerometrex over fixed and floating assets and a guarantee and general security agreement from Atlask-Aerometrex Pty Ltd. There are no director guarantees associated with the facilities.

The facilities have the following financial covenants:

- At all times the equity ratio must not be less than 40%; and
- At all times the financial debt to EBITDA ratio must be less than 2.5 times.

These covenants were met for the year ended 30 June 2022.

In addition, AMX Capital Pty Ltd as trustee for the AMX Capital Trust, a controlled entity of Aerometrex and the former owner of Aerometrex's head office premises had a bank bill loan secured by a general security agreement from AMX Capital Pty Ltd as trustee for AMX Capital Trust, a first mortgage over 51-53 Glynburn Road, Glynde SA 5070 and guarantees from Aerometrex and Atlask-Aerometrex Pty Ltd. This loan and the associated guarantees were extinguished on settlement of the property sale during the year (2021: \$1.77m).

Aerometrex Ltd (USA) has a credit card facility with First Interstate Bank of \$58k (2021: \$53k). Balance at the end of the reporting period was \$17k (2021: \$nil). This facility is secured against a restricted cash balance of \$58k (2021: \$53k).

15. Employee benefits**Employee benefits**

The liabilities recognised for employee benefits consist of the following amounts:

	2022 \$'000	2021 \$'000
Current		
Leave provisions	1,651	1,521
Provisions for bonuses and incentives	195	-
Post-employment benefit obligations	44	80
Total current provisions and obligations	1,890	1,601
Non-current		
Leave provisions	137	133
Total non-current provisions and obligations	137	133
Total employee provisions and obligations	2,027	1,734

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, bonuses and incentives, non-monetary benefits and accumulating annual leave / vacation pay and long service leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Bonuses and incentives provision is the amount expected to be paid out in relation to the sales team incentive program, based on sales during the year against sales targets. No Key Management Personnel (KMP) were entitled to bonuses or incentives under this program.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long-term benefits where they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

16. Other liabilities

	2022 \$'000	2021 \$'000
Deferred consideration	-	629
Total	-	629

Deferred consideration represents the second instalment that was paid / payable to EagleView Technologies Inc for the acquisition of Spookfish Australia Pty Ltd. This was the amount payable for the final settlement payment in relation to the acquisition of key contracts, and is based on the number of customers retained on the first anniversary of the original acquisition date.

The final completion payment was made in August 2021.

17. Leases

	2022 \$'000	2021 \$'000
Expense relating to short-term leases	698	766
Expense relating to variable lease payments	5	-
Total cash outflow for leases ¹	948	766

Future cash outflows not included in the measurement of lease liabilities:

Future cash outflows relating to extension options	1,738	337
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¹ This includes the gross repayments on capitalised lease liabilities, as well as other payments not included in the measurement of lease liabilities (e.g. short-term lease payments, low-value lease payments, and variable lease payments).

	2022 \$'000	2021 \$'000
Balance of lease liabilities		
Current	345	54
Non-current	1,684	518
Total	2,029	572

Leasing Activities

The Group enters into leases for real property and equipment. Typically, equipment leases are short-term or low-value, and are not included in the measurement of right-of-use assets and lease liabilities.

In January 2022, the Aerometrex head office property held by AMX Capital Trust at 51-53 Glynburn Road, Glynde, South Australia was sold. On settlement, gain on sale was recognised of \$2.81m. Aerometrex continued to lease the property, and \$1.50m was recognised in Land and buildings – right-of-use (refer note 10 Property plant and equipment) and Lease liabilities.

Accounting Policy**Right-of-use assets**

Details on right-of-use assets are included in Note 10 Property, plant and equipment - this includes accounting policy, additions, depreciation charges, and carrying amount at the end of the reporting period.

Non-cash movements in right-of-use assets are included in Note 29 Non-cash investing and financing activities.

Lease liabilities

At the commencement date of a lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating a lease, if the lease term reflects the company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Interest expense on lease liabilities is included in Note 20 Finance costs and finance Income.

Reconciliation of cash and non-cash movements in lease liabilities is included in Note 30 Changes in liabilities arising from financing activities.

Note 26 Financial instrument risk splits out lease liabilities from other financial liabilities, to demonstrate the relevant information for each risk as it relates to lease liabilities.

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. Leases held by the Company satisfy the relevant criteria of a short-term lease or low value asset.

18. Share capital

	2022 Shares	2021 Shares	2022 \$'000	2021 \$'000
Shares issued and fully paid:				
Opening balance 1 July	94,400,000	94,400,000	32,892	32,892
Closing balance	94,400,000	94,400,000	32,892	32,892

Share capital represents the fair value of shares that have been issued. The share capital of the Company consists only of fully paid ordinary shares. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

19. Share based payments

Options on issue as at the reporting date:

Options granted	Beneficiary		Number #	Grant date	Vesting date	Expiry date	Exercise price \$	Fair value at grant date \$
10 Dec 2019	Non-executive directors	2022	-	10 Dec 19	10 Dec 19	10 Dec 21	1.25	0.069
		2021	1,000,000					
10 Dec 2019	Lead manager and underwriter	2022	944,000	10 Dec 19	10 Dec 21	10 Dec 23	1.25	0.132
		2020	944,000					
05 May 2020	Employees via ESOP	2022	780,000	05 May 20	05 May 21	05 May 23	1.25	1.001
		2021	985,000					
05 May 2020	Employees via ESOP	2022	770,000	05 May 20	05 May 22	05 May 23	1.25	1.001
		2021	985,000					
04 Nov 2020	Directors via ESOP	2022	100,000	04 Nov 20	05 May 21	05 May 23	1.25	0.335
		2021	150,000					
04 Nov 2020	Directors via ESOP	2022	100,000	04 Nov 20	05 May 22	05 May 23	1.25	0.335
		2021	150,000					
		Total 2022	2,694,000					
		Total 2021	4,214,000					

Movements in the share based payments reserve are as follows:

	2022 \$'000	2021 \$'000
Opening balance	1,820	487
Current period expense (net)	214	1,333
Options lapsed transferred to retained earnings	(291)	-
Balance at the end of period	1,743	1,820

Fair value of share options granted during the period

No options were granted during the current reporting period.

Options granted in the prior reporting period relate to options granted to Directors and approved at the Company's Annual General Meeting in November 2020.

Movement in share options during the reporting period was as follows:

	2022 Options #	2022 Weighted average exercise price \$	2021 Options #	2021 Weighted average exercise price \$
Options				
Number of options outstanding at 1 July	4,214,000	1.25	4,499,000	1.25
Options granted during the period ¹	-	-	300,000	1.25
Options exercised during the period	-	-	-	-
Options lapsed during the period	(1,000,000)	1.25	-	-
Options forfeited during the period	(520,000)	1.25	(285,000)	1.25
Options reclassified during the period ¹	-	-	(300,000)	1.25
Total options at 30 June	2,694,000	1.25	4,214,000	1.25
Weighted average remaining contractual life (years)	1.1		1.6	
Vested and exercisable at 30 June	2,694,000	1.25	3,079,000	1.25

¹ The granting of 100,000 options (each) to three directors (Mark Deuter, David Byrne, and Peter Foster) was approved at the company's 2020 AGM on 4 November 2020. The initial accounting treatment for these options was included in the calculations of options to employees under the ESOP granted 5 May 2020 as the director options have the same terms and conditions. These options were reclassified in the 2021 financial year to reflect the valuation at the time of the approval date, being the company's 2020 AGM.

Accounting policy

The Group implemented an employee share option plan in 2020 to enable share based compensation benefits (equity-settled) to be provided to employees. The fair value of the options granted is recognised as an employee benefits expense with a corresponding increase in equity (share based payments reserve). The fair value is measured at the grant date and is recognised over the period in which employees become unconditionally entitled to the shares (vesting conditions are met). Where options are exercised, forfeited or lapsed, the grant date fair value is transferred from the share based payments reserve into retained earnings.

The Company adopts a Black-Scholes valuation methodology to determine the fair value of the shares at the grant date. The valuation methodology considers the current share price at grant date, risk free rate, volatility, expected dividend yield, the risk free interest rate for the term and any restrictions that may apply. The fair valuation of the shares granted excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. At each reporting date, the Company reviews and revises, if necessary, its estimate of the number of shares that are expected to vest. The employee benefit expense recognised in each period takes into account management's latest estimate. The impact of a revision of the original estimate is recognised in the profit or loss statement with a corresponding adjustment to equity (share based payments reserve).

Critical accounting estimate – non-market vesting conditions

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. At each reporting date, the Company reviews and revises, if necessary, its estimate of the number of shares that are expected to vest. The employee benefit expense recognised in each period takes into account management's latest estimate.

20. Finance costs and finance income

20.1 Finance costs

	2022 \$'000	2021 \$'000
Interest expenses on chattel mortgage arrangements	38	45
Interest expenses on lease liabilities	30	2
Interest expenses on other facilities	32	40
Total finance costs	100	87

20.2 Finance income

	2022 \$'000	2021 \$'000
Interest income from cash and cash equivalents	31	75
Total finance income	31	75

Finance income comprises interest income on cash and cash equivalents and short term deposits. Interest income is reported on an accrual basis using the effective interest method.

21. 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.

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

	2022 \$'000	2021 \$'000
(Loss) attributable to equity holders of the parent	(1,622)	(4,122)

	2022 #	2021 #
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

	2022 cents	2021 cents
Basic earnings per share	(1.7)	(4.4)
Diluted earnings per share ¹	(1.7)	(4.4)

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.

22. Related party transactions

The Group's related parties include key management, post-employment benefit plans for the Group's employees and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash, with the exception of share-based remuneration, which is typically equity-settled.

Transactions with key management personnel

Key management personnel (KMP) of the Group are the executive members of Aerometrex's Board of Directors and members of the executive team. Key management personnel remuneration includes the following expenses (refer audited remuneration report for detailed disclosures):

	2022 \$	2021 \$
Short term employee benefits:		
Salaries including bonuses	1,723,584	1,745,890
Non-monetary benefits	-	5,914
Employee entitlements	35,291	4,022
Total short-term employee benefits	1,758,875	1,755,826
Long service leave	(55,765)	(1,685)
Total other long-term benefits	(55,765)	(1,685)
Superannuation and other pension contributions	145,258	147,260
Total post employment benefits	145,258	147,260
Share based payments	4,201	340,843
Total remuneration	1,852,569	2,242,244

Transactions with related entities

Matthew White

During the reporting period, the company used the 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 totaled \$22,393 (2021: \$29,843) and were based on normal market rates. The amount outstanding at the end of the year was \$2,145 (2021: \$1,132).

Matthew White is also a member of a self-managed superannuation fund which had unit holdings in AMX Capital Trust, the former owner of the property at 51-53 Glynburn Road, Glynde, South Australia. Aerometrex Limited was the majority owner of AMX Capital Trust. On the sale of the property, all unitholders were paid their entitlement to profit and return of capital in anticipation of winding up of the unit trust on lodgment of the final income tax return. In the case of related parties associated with Matthew White, the related party unitholder was entitled to a share in the profit on sale of the property \$297,447 and a return of capital of \$110,000.

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 totaled \$180,000 (2021: \$110,000) and were based on normal market rates. The amount outstanding at the end of the year was \$33,000 (2021: \$16,500).

Mark Lindh is a director of AE Administrative Services Pty Ltd which provided company secretarial services during the reporting period. Total amounts billed during the year were \$38,657 (2021: \$36,560). The amount outstanding at the end of the year was \$6,160 (2021: \$nil).

Alex Sinclair

Alex Sinclair is a director of LATSA Learning Services and a beneficiary of a trust for which shares in LATSA are held. The company used the services of LATSA during the year to provide services and training that were unrelated to the areas of responsibility managed by Alex Sinclair. The amounts billed related to the provision of services during the period and totaled \$11,500 (2021: \$nil) which were based on normal market rates. Amounts were fully paid at the end of the year.

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

23. Dividends and distributions

No dividends were paid or declared with respect to shareholders of the Group for the year ended 30 June 2022 (2021: \$nil).

Distributions of profit attributable to non-controlling interests in the subsidiary entity AMX Capital Trust during the year were \$1.02m (2021: \$41k). AMX Capital Trust owned the Aerometrex head office at 51-53 Glynburn Road, Glynde, South Australia, which was sold in January 2022. Capital of \$370k (2021: \$nil) was returned to non-controlling interests in April 2022, and the trust will be wound up after the end of the reporting period.

Dividend franking account

	2022 \$'000	2021 \$'000
Franking credits available for future financial periods (tax paid basis, 25.0% tax rate)	228	727

The above amount represents the balance of the franking account at the end of the reporting period, adjusted for:

- Franking credits that will arise from the payment of any income tax payable at the end of the period;
- Franking debits that are expected to arise from any refundable income tax amount where the initial payment had given rise to a franking credit; and
- Franking debits that will arise from the payment of any provided at the end of the period.

Accounting policy

Dividends represent a distribution of profits that holders of ordinary shares receive from time to time. Where a dividend has been determined by the Board it is recognised with a corresponding reduction to the retained earnings when the dividend is paid or declared.

24. Auditor's remuneration

	2022 \$	2021 \$
Audit or review of financial statements - Grant Thornton		
Financial year 2020	-	61,631
Financial year 2021	-	70,562
Financial year 2022	90,203	-
Total audit or review remuneration	90,203	132,193
Other services - Grant Thornton		
Tax compliance advice	2,500	5,000
Total other services remuneration	2,500	5,000
Total auditor's remuneration	92,703	137,193

25. Commitments

	2022 \$'000	2021 \$'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payables:		
Property, plant and equipment	1,948	201
Total commitments	1,948	201

The progress payments made as at the reporting date have been included as 'capital work in progress' as outlined in Note 10 Property, plant and equipment.

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

Capital commitments to property, plant and equipment for the prior reporting year were in relation to the fit-out of the office premises in Maroochydore, Queensland.

26. Financial instrument risk

26.1 Financial risk management objectives

The Group's activities expose it to various financial risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Group's Board of Directors monitor these risks on an on-going basis with the primary focus on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group's financial assets include cash and cash equivalents, trade and other receivables.

The Group's financial liabilities include trade and other payables, deferred consideration, lease liabilities, and other interest-bearing liabilities.

The Group does not actively engage in the trading of financial assets for speculative purposes.

26.2 Market risk

Market risk comprises foreign currency risk, price risk and interest rate risk.

26.2.1 Foreign currency risk

The Group undertakes certain transactions in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
USD	341	193	81	152
EUR	-	-	67	-
Total foreign currency	341	193	148	152

The Group has exposure to foreign currency risk upon consolidation of its foreign currency denominated entities (USD). The currency impacted is US dollar. The impact on the Group's total comprehensive income is due to changes in the fair value of assets and liabilities. Movements in foreign currency exchange rates will result in gains or losses being recognised because of the revaluation of balances. The Group's exposure of foreign currency is immaterial for the current reporting year.

26.2.2 Price risk

The consolidated entity is not exposed to any significant price risk.

26.2.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from cash and cash equivalent assets and interest-bearing liabilities.

2022	Notes	Variable interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	6	14,144	-	-	14,144
Trade and other receivables	7	-	-	5,907	5,907
Total financial assets		14,144	-	5,907	20,051
Financial liabilities					
Trade and other payables	12	-	-	2,724	2,724
Other financial liabilities	14	96	792	-	888
Lease liabilities	17	-	2,029	-	2,029
Total financial liabilities		96	2,821	2,724	5,641

2021	Notes	Variable interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	6	16,553	-	-	16,553
Trade and other receivables	7	-	-	2,965	2,965
Total financial assets		16,553	-	2,965	19,518
Financial liabilities					
Trade and other payables	12	-	-	2,655	2,655
Other liabilities - deferred consideration	16	-	-	629	629
Other financial liabilities	14	1,834	1,234	-	3,068
Lease liabilities	17	-	572	-	572
Total financial liabilities		1,834	1,806	3,284	6,924

The Group's profit before tax is affected through the sensitivity to a reasonably possible change in interest rates on cash and equivalents and that portion of interest-bearing liabilities affected.

26.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities primarily through trade receivables and deposits with banks. Cash and cash equivalents are all maintained by banks with high credit ratings. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Trade receivables are reviewed on a regular basis to assess whether there is any impairment risk of a balance not being recoverable that would give rise to an expected credit loss. The assessment assumptions include recent sales experience and historical collection rates.

2022	Current	30-60 Days	61-90 Days	90+ Days	Total
Expected loss rate	0.0%	0.0%	0.0%	64.1%	1.0%
Gross carrying amount	5,267	472	135	92	5,966
Expected credit loss	-	-	-	59	59

2021	Current	30-60 Days	61-90 Days	90+ Days	Total
Expected loss rate	0.0%	0.0%	0.0%	41.9%	0.4%
Gross carrying amount	2,574	352	21	31	2,978
Expected credit loss	-	-	-	13	13

26.4 Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following outlines the estimated and undiscounted contractual obligations of the respective financial liabilities at the reporting date, which may differ from the carrying values of the liabilities.

2022	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
Financial liabilities						
Trade and other payables	2,724	-	-	-	-	2,724
Other financial liabilities	95	52	153	664	-	964
Lease liabilities	-	99	297	1,567	226	2,189
Total financial liabilities	2,819	151	450	2,231	226	5,877

2021	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
Financial liabilities						
Trade and other payables	2,655	-	-	-	-	2,655
Other payables - deferred consideration	-	629	-	-	-	629
Other financial liabilities	69	223	385	1,296	1,214	3,187
Lease liabilities	-	14	52	450	94	610
Total financial liabilities	2,724	852	385	1,296	1,214	6,471

Unused borrowing facilities

Note 14 Other financial liabilities includes details of unused borrowing facilities available at the reporting date.

Fair value measurement of financial instruments

The Group has assessed the carrying amounts of financial instruments and that they approximate their fair value.

27. Capital management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can maximise shareholder value. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The Group manages its capital structure and makes adjustments as required in light of changes in economic and market conditions.

28. Reconciliation of profit after income tax to net cash flow from operating activities

	Notes	2022 \$'000	2021 \$'000
(Loss) for the year after income tax		(599)	(4,081)
Depreciation		2,831	2,731
Amortisation		5,615	4,296
Gain on sale of property, plant and equipment		(2,813)	-
Non-cash share based payments		214	1,333
Other non-cash items		82	(31)
Change in assets and liabilities attributable to investing and financing activities			
(Increase) / decrease in other payables - purchase of property, plant and equipment		-	2,081
(Increase) / decrease in other payables - distributions payable		41	-
Change in operating assets and liabilities			
(Increase) / decrease in trade and other receivables		(2,942)	(453)
(Increase) / decrease in contract assets		408	(156)
(Increase) / decrease in current tax assets		262	(262)
(Increase) / decrease in prepayments and other current assets		401	(419)
(Increase) / decrease in deferred tax assets		-	1,418
Increase / (decrease) in trade and other payables		69	(1,612)
Increase / (decrease) in contract liabilities		682	1,460
Increase / (decrease) in employee entitlements		293	282
Increase / (decrease) in current tax liabilities		159	-
Increase / (decrease) in deferred tax liabilities		284	(1,506)
Net cash flows from operating activities		4,987	5,081

29. Non-cash investing and financing activities

	2022 \$'000	2021 \$'000
Additions to right-of-use assets - financed through lease liabilities	1,604	580
Changes in fair value of liabilities	-	(121)
Distributions declared but not paid	-	41
Total for the year	1,604	500

30. Changes in liabilities arising from financing activities

	Borrowings \$'000	Lease liabilities \$'000	Total \$'000
2022			
Balance at 1 July 2021	2,999	572	3,571
Net cash used in financing activities	(2,180)	(147)	(2,327)
Additions to leases	-	1,604	1,604
Other changes	(26)	-	(26)
Balance at 30 June 2022	793	2,029	2,822

	Borrowings \$'000	Lease liabilities \$'000	Total \$'000
2021			
Balance at 1 July 2020	3,008	-	3,008
Net cash used in financing activities	(286)	(8)	(294)
Additions to leases	-	580	580
New finance contracts	277	-	277
Balance at 30 June 2021	2,999	572	3,571

31. Contingent liabilities

The Group has bank guarantees totalling \$10,467 held with Westpac as at 30 June 2022 (2021: \$10,467). There are no other contingent liabilities recorded as at reporting date.

32. Subsequent events

The impact of COVID-19 continues and the economic uncertainties makes it difficult to estimate the potential impact, positive or negative. As the economy continues to find its new 'normal' in a post pandemic world, the Company continues to remain flexible and agile to the impacts. The potential impacts remain to supply chain delays, increasing volumes of commercial air traffic impacting air traffic control resourcing demands which can have a knock on impact on availability to schedule non commercial air traffic flying volumes, broader impacts to employees and their impact families due to quarantine requirements. Aerometrex follows government directives and continues to work with government authorities to minimize the impact as much as possible. The safety and wellbeing of our staff remains our key priority throughout these times.

Following the sale of the property owned by AMX Capital Pty Ltd during the current financial year, it is anticipated that the trust and company will be wound up following lodgement of the final income tax return. Distribution of sale proceeds, return of capital and repayment of debt was completed during the FY22 financial year.

Mr David Byrne, Executive Director and Chief Operating Officer, has announced his intention to resign as a director following the release of the FY22 results. Mr Byrne will remain as an executive in the business.

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 financial year that have significantly affected or may significantly affect either:

- The operations of the Group;
- The results of those operations; or
- The state of affairs of the Group in future financial years.

33. Parent entity information

Information relating to Aerometrex Limited (the Parent Entity):

	2022 \$'000	2021 \$'000
Statement of financial position		
Current assets	20,426	20,900
Total assets	45,582	44,194
Current liabilities	8,463	7,724
Total liabilities	11,515	9,345
Net assets	34,067	34,849
Issued capital	32,892	32,892
Share based payments reserve	1,743	1,820
Retained earnings	(568)	137
Total equity	34,067	34,849
Statement of profit or loss and other comprehensive income		
Profit / (loss) for the year after tax	(996)	(3,031)
Total comprehensive income	(996)	(3,031)

Guarantees entered into by the parent entity in relation to debts of its subsidiaries

As at 30 June 2022, Aerometrex Limited did not have any guarantees in relation to the debts of subsidiaries (2021: nil).

Contingent liabilities of the parent entity

Contingent liabilities detailed in Note 31 relate to the parent entity.

Contractual commitments for the acquisition of property, plant and equipment

Contractual commitments detailed in Note 25 relate to the parent entity.

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries are recognised in the profit or loss when a right to receive the dividend is established, provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be reliably measured.

Tax consolidation legislation

Aerometrex Limited and its wholly owned Australian controlled entities are members of a tax-consolidated group under Australian tax law. The company is the head entity within the consolidated tax group. In addition to its own current and deferred tax amounts, the company also recognises the current tax liabilities and assets and deferred tax assets and liabilities or tax credits of members of the consolidated tax group.

The head entity, Aerometrex Limited, and the controlled entities in the consolidated Group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidated group continued to be a stand-alone taxpayer in its own right.

The entities have entered into a tax funding agreement under which the wholly owned entities fully compensate Aerometrex Limited for any current tax payable assumed and are compensated by Aerometrex Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Aerometrex Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidation entities.

34. Subsidiary information

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group	
		2022	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	64.4%	64.4%
Spookfish Australia Pty Ltd	Australia	100%	100%

¹ Capital returned April 2022. Trust will be wound up after end of financial year.

Directors' Declaration

In accordance with a resolution of the Directors of Aerometrex Limited, we declare that:

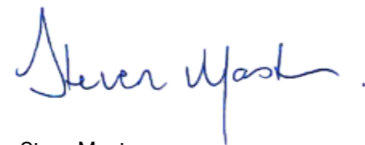
1. In the opinion of the Directors:
 - (a) the financial statements and notes of Aerometrex Limited for the financial year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022. This declaration is signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Mark Lindh
Chair of the Board

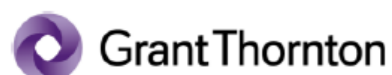
30 August 2022



Steve Masters
Managing Director and Chief Executive Officer



Independent Auditor's Report



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Independent Auditor's Report

To the Members of Aerometrex Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Aerometrex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of project work Note 4 A substantial amount of the Group's revenue relates to revenue from rendering services for projects. As projects are delivered over time, the Group's policy specifies that costs incurred to date are compared with expected total costs for each performance obligation to determine the percentage of completion at reporting date. We have determined this is a key audit matter due to the judgements and estimates required in estimating total costs to complete.	Our procedures included, amongst others: <ul style="list-style-type: none"> evaluating the group's revenue recognition policy across all revenue streams to ensure it is in line with AASB 15 Revenue from Contracts with Customers; assessing the relevant processes and key controls relating to revenue initiation, processing and recording in the ledger; testing a sample of project revenue contracts based on several quantitative and qualitative factors and: <ul style="list-style-type: none"> reading the contract terms and conditions to evaluate how the individual characteristics of each contract were reflected in the contract profitability estimate; tracing key inputs into the revenue recognition calculation to underlying support and assessing the reasonableness of these inputs, including discussion of the project status with project managers and evaluating the accuracy of costs incurred to date; and assessing the adequacy of the Group's disclosures within the financial statements.
Capitalised datasets Note 11 The Group capitalises costs in relation to the development and update of MetroMap and 3D datasets. The determination of the useful lives of these datasets is based on critical estimates and judgements made by management. The potential impact on the Group's profit resulting from management judgements and estimates relating to useful lives increases the estimation uncertainty. The assessment of the useful life of datasets was a key audit matter due to the significant level of judgement and estimates involved.	Our procedures included, amongst others: <ul style="list-style-type: none"> obtaining an understanding of management's processes and key internal controls to record the value of datasets developing an understanding of the accounting policies and useful lives used by the Group to determine the amortisation rate of capture costs; assessing the appropriateness of capitalisation of costs in accordance with AASB 138 Intangible Assets; agreeing a sample of costs capitalised for the datasets to supporting documentation; evaluating the Group's historical dataset requests by testing a sample of requests to actual usage dates; recalculating the amortisation expense for datasets for consistency with the Group's accounting policy and stated amortisation rates; and assessing the adequacy of the Group's disclosures within the financial statements relating to the estimates and judgements made.

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Key audit matter**How our audit addressed the key audit matter****Impairment of assets****Note 11**

As at 30 June 2022, the Group's intangible assets of \$9,040,000 comprise primarily of goodwill and capitalised datasets.

The Group is required to perform an annual impairment test of intangible assets with an indefinite useful life and where there are indicators of impairment, in accordance with AASB 136 *Impairment of Assets*.

Management has tested the intangibles and other non-monetary assets for impairment by comparing the carrying amount with the recoverable amount. The recoverable amount was determined on a value-in-use basis.

The Group's computations require a number of estimates and assumptions. Therefore, there is an inherent risk in determining the value of these material assets.

We have determined this is a key audit matter due to the judgements and estimates required in calculating the recoverable amount on a value-in-use basis.

Our procedures included, amongst others:

- enquiring with management to obtain and document an understanding of management's process and key controls related to the assessment of impairment, including management's calculation of the recoverable amount;
- assessing management's identification of the appropriate cash-generating unit;
- evaluating management's value-in-use calculations to assess for reasonableness of:
 - the mathematical accuracy of the calculations;
 - management's ability to forecast accurately;
 - the forecasted cash inflows and outflows to be derived by the intangible assets;
 - other inputs applied to the value-in-use calculations, including discount rates, expected terminal value, and cash flow adjustments;
 - the sensitivity of the significant inputs and assumptions made by management in preparing its calculation;
- evaluating the model against the requirements of AASB 136 using the assistance of our internal auditor's expert; and
- assessing the adequacy of the Group's disclosures within the financial statements regarding the judgements and estimates used by management to assess the recoverable value of the intangible assets.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report**Opinion on the remuneration report**

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2022.


In our opinion, the Remuneration Report of Aerometrex Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 30 August 2022

Shareholder Information

Ordinary share capital

94,400,000 fully paid ordinary shares are held by 2,467 individual shareholders. All ordinary shares carry one vote per share.

Range of Units as at 8 August 2022

Range	Total holders	Units	% Units
1 - 1,000	537	345,243	0.37
1,001 - 5,000	1,022	2,862,679	3.03
5,001 - 10,000	425	3,378,840	3.58
10,001 - 100,000	437	12,385,357	13.12
100,001 over	46	75,427,881	79.9
Rounding			0.00
Total	2,467	94,400,000	100

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.4000 per unit	1,250	605	422,821

Shares under escrow

There are no shares under escrow at the reporting date.

Options

	2022 Holders	2021 Holders	2022 Options	2021 Options
Non-executive directors	-	2	-	1,000,000
Lead manager and underwriter	1	1	944,000	944,000
Directors via ESOP	2	3	200,000	300,000
Employees via ESOP	68	111	1,550,000	1,970,000
Total options issued at 30 June	71	117	2,694,000	4,214,000

Options do not carry a right to vote.

Top 20 Shareholders as at 8 August 2022

Rank	Name	Balance as at 8 August 2022	% Units
1	199 INVESTMENT PTY LTD <199 INVESTMENT A/C>	12,177,927	12.90
2	MARK JOHN DEUTER + LYNETTE GWYNEDD DEUTER <DEUTER FAMILY A/C>	11,400,865	12.08
3	NATIONAL NOMINEES LIMITED	11,099,585	11.76
4	DAIJ PTY LTD <BYRNE FAMILY A/C>	8,583,850	9.09
5	MR SCOTT TOMLINSON <THE TOMLINSON FAMILY A/C>	7,300,000	7.73
6	MRS BEATA MARIA SERAFIN + MR WOJCIECH MISIARA <SERAFIN MISIARA FAMILY A/C>	6,000,000	6.36
7	MRS MARGARET CAROLYN DARLEY <W&M PROPERTY A/C>	4,935,566	5.23
8	MR TODD ANTHONY DUNOW + MRS JANE REBECCA SWINTON DUNOW <THE DUNOW FAMILY A/C>	2,600,000	2.75
9	MR WARREN DARLEY + MARGARET DARLEY <DARLEY SUPER FUND A/C>	1,083,427	1.15
10	TOMO'S SUPER PTY LTD <TOMO'S SUPER FUND A/C>	857,321	0.91
11	SUPERDUNOW PTY LTD <SUPERDUNOW SUPERFUND A/C>	800,000	0.85
12	NATHAN WILLIAM MICHAEL	649,388	0.69
13	KATALIN GARAMI + PETER PAP	568,088	0.60
14	MR JASON RALPH LANTE	560,047	0.59
15	ALBERTO ZANILOLO + JOANNA STEFANIA DZIOLAK	473,407	0.50
16	ATATURK INVESTMENTS PTY LTD	468,817	0.50
17	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	426,084	0.45
18	JEREMY POLLARD	421,330	0.45
19	MR LYNDEN WAYNE SMITH + MRS JANET GWENDOLEEN SMITH	300,000	0.32
20	JINLAND PTY LTD <JINLAND FAMILY A/C>	273,846	0.29
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		70,979,548	75.19
Total Remaining Holders Balance		23,420,452	24.81

Substantial shareholders

The following table shows holdings of five percent or more of voting rights in Aerometrex Limited's shares as notified to Aerometrex Limited under the Australian Corporations Act 2001, Section 671B as at 8 August 2022.

Name	Number Held	% of Issued Capital
MATTHEW WHITE	12,177,927	12.90%
MARK DEUTER	11,400,865	12.08%
PERENNIAL VALUE MANAGEMENT LIMITED	10,566,358	11.19%
DAVID BYRNE	8,583,850	9.09%
SCOTT TOMLINSON	7,300,000	7.73%
MARGARET DARLEY	6,018,993	6.38%
BEATA MARIA SERAFIN + WOJCIECH MISIARA	6,000,000	6.36%

Corporate Information

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Company	Aerometrex Limited
Registered Office	51-53 Glynburn Road GLYNDE SA 5070 +61 8362 9911
ABN	94 153 103 925
ACN	153 103 925
Internet Address	www.aerometrex.com.au
ASX Code	AMX
Directors	Mark Lindh Independent Non-Executive Director, Chair Steve Masters Managing Director and Chief Executive Officer Matthew White Non-Executive Director Peter Foster Independent Non-Executive Director Donald McGurk Independent Non-Executive Director David Byrne Executive Director and Chief Operating Officer
Company Secretary	Kaitlin Smith
Auditor	Grant Thornton Audit Pty Ltd
Share Registrar	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street Adelaide SA 5000 GPO Box 2975 Melbourne VIC 3001 Telephone: 1300 556 161



MetroMap Aerial Image
Southern Expressway
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