aerometrex

ANNUAL REPORT 2023

Cover Image
3D Model Render in Unreal Engine
Rockefeller Plaza, New York
New York, USA

AEROMETREX IS A TRUSTED & LEADING GEOSPATIAL TECH COMPANY

We specialise in providing geospatial solutions & insights for our customers.

Our key products - MetroMap, LiDAR & 3D visualisation models support wide-ranging industries & customer requirements.

Race Track Built With Aerometrex 3D
EA SPORTS™ F1® 23
Las Vegas, Nevada, USA

Contents

MetroMap Imagery
Adelaide Oval, Adelaide
South Australia

MetroMap Imagery
Marvel Stadium, Melbourne
Victoria

FY23 Highlights

Operating Revenue	EBITDA
$25.36m	$3.83m
▲ 1.3% (2022: $25.03m)	▼ 24.9% (2022 Normalised: $5.10m)
Subscription Revenue	**Annual Recurring Revenue (ARR)**
$7.19m	$7.61m
▲ 22.7% (2022: $5.86m)	▲ 11.3% (2022: $6.84m)
Cash Balance	**Cash Flow from Operations**
$9.83m	$4.02m
▼ 30.5% (2022: $14.14m)	▼ 19.4% (2022: $4.99m)

Largest Subscription Contract Signed in MetroMap

Client: Landchecker (Partner Program)

Single Largest Sale to date of USA off-the-shelf models

Client: Google LLC

Largest LiDAR Contract Awarded

Client: Australian Federal Government

MetroMap Imagery
Princes Highway, Eden
New South Wales

Letter From The Chair

Dear Fellow Shareholder,

The 2023 financial year was an important one for our Company. The second half performance of the financial year clearly demonstrated that much of the structural change and important investments our Company has made in prior periods, provides a clear pathway to profitability and material growth in revenue. On behalf of the Board, I would like to commend the management team, notably Chief Executive Officer and Managing Director, Steve Masters, who has executed a number of initiatives that place the Company in a very strong position for future growth across all of our product lines.

With an eye on growth, your Board continued to strategically deploy funds and invest in initiatives that we believe will create long-term shareholder value. The Company maintained a strong balance sheet throughout the year and held $9.83m in cash and available debt facilities at the end of the financial year.

Aerometrex delivered strong revenue growth in all key areas, achieving a full year revenue result of $25.36m across the ongoing product lines of MetroMap, LiDAR and our world leading 3D service. While the headline operating revenue shows an increase of $0.33m or 1.3%, the prior year included revenue from project photomapping work which contributed $2.77m, compared to zero in the current year and follows the strategic decision to focus resources to the scalable subscription business of MetroMap. Excluding project photomapping revenue, revenue grew by $3.10m from $22.26m to $25.36m or 13.9%.

Our subscription business of MetroMap continued to grow during the reporting period, adding new products through the introduction of data analytics via MetroMap Insights utilising AI and ML technology across our extensive image archive. The MetroMap subscription business is now delivering $7.61m of Annual Recurring Revenue (ARR). This is particularly important for two reasons:

- Firstly, this was the first financial year that saw no contribution from the traditional project photomapping work as the Company transitions to the full implementation of our DaaS model.
- Secondly, as this underlying revenue continues to grow, we are excited that the financial breakeven of the scalable subscription business is on the horizon.

As shareholders will know, our MetroMap business has a high portion of fixed costs associated with the regular and consistent capture of Australia's populous areas. As this business continues to scale and grow revenue past this fixed cost base, the business model demonstrates strong profitability and cash generation. As we are only one of two companies to operate a DaaS model in Australia using aerial imagery and data, we are very excited about our future prospects.

Our LiDAR business continued to deliver strong, double-digit revenue growth achieving 12.7% and increasing revenue from $11.32m to a record $12.76m. Our LiDAR business is a market leader in Australia and our continued growth in this segment demonstrates our strength in delivering solutions for clients around Australia from our operations based in Maroochydore, Queensland. Our LiDAR team should be congratulated for their stellar results, and we are well positioned to make sensible investments to take advantage of opportunities as the business continues to grow.

Our world leading 3D product continued to grow revenue achieving 15.3% from $2.15m to $2.48m. Whilst the overall revenue contribution to the group is modest, Directors maintain the view that this is a potential high growth area for the Company, demonstrated by several significant global customers that see the value of our 3D product. We have seen our high-resolution models being acquired by companies such as Google LLC and Codemasters (EA SPORTS™) for use in the F1® 23 videogame. We are focused on the prudent deployment of capital and continue our efforts on a partnering model that has the opportunity to materially leverage our capabilities on a global scale.

I finally wish to again acknowledge the efforts of Steve Masters, ably supported by his senior management and all our staff. As a Board, we see and support a culture in the business that is focused on embracing technology and the opportunities associated with that, a customer centric approach and alignment to building a great company. As we continuously work towards these goals, we are confident that this will deliver value to all of our shareholders. We are confident that we have the right team at Aerometrex that will prove instrumental in our growth as a business in the coming years.

We have an exciting future as we continue to develop as a global geospatial company and the Board is focused on building a profitable business that will deliver long-term value for our shareholders.

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

Mark Lindh
Chair of the Board

Managing Director and Chief Executive Officer Report

Dear Shareholder,

I am pleased to present Aerometrex's Annual Report for the 2023 financial year.

The services, products and insights provided by the Company support a wide range of customer bases and underpin fundamental information for many different industry sectors. As companies continue their transition into the digital and visual world, Aerometrex is well placed to leverage its capabilities to participate in growing and emerging sectors that require high quality and high-resolution imagery, data and insights.

FY23 was a year of significant change and consolidation for Aerometrex. Pleasingly, it was a year of record group annual revenue, record 2H23 revenue, and record product line revenue for both MetroMap and LiDAR. Having completed the transition away from project photomapping activities in FY22, we achieved double-digit percentage revenue growth across all key product lines.

Total operating revenue increased by $0.33m or 1.3% to a record of $25.36m. EBITDA fell from $7.70m to $3.83m, with the FY22 result including the gain made on the sale of the Company's head office located in Glynde, South Australia. On a normalised basis, EBITDA fell from $5.10m to $3.83m.

The Company generated positive cashflow from operations of $4.04m and ended FY23 with a robust balance sheet including $9.83m of cash, minimal debt, and funding facilities available to support future growth.

A number of key business improvement and growth orientated activities were undertaken to enhance performance and position the Company into the future.

People and Safety

A safety-first mindset is applied to all activities undertaken. The Aerometrex team continued to work in a safe, professional and diligent manner throughout the year, and enhancements to safety reporting and employee well-being were implemented in FY23. These initiatives will continue into FY24.

Our employees are fundamental to the success of the Company, and their commitment to driving the business forward in a year of change has been commendable. During the year, the Company introduced its Employee Value Proposition, including various meaningful ways to enhance employee offerings to attract and retain talent in a competitive market.

I would like to especially acknowledge and thank each and every employee for their contribution, effort and support.

Our Customers and Strategic Relationships

Our customers, program partners, and other key stakeholders are critical to the success of our business. I thank them for their support and look forward to how we can continue to support them and find new, innovative opportunities of mutual interest to pursue in the future.

A focus of FY23 was building stronger and deeper strategic relationships across our customer and key supply partners.

It was very pleasing to observe some of our key customers such as the Australian Government and Google LLC continued investing in valuable datasets with our Company. Significant effort has been placed on building enviable products and databases over many years that delivers customer solutions and differentiates Aerometrex from other companies.

During the year we expanded our relationship with Landchecker, becoming the largest contributor to the MetroMap partner program and strengthened various key supply chain relationships.

Aerometrex was part of the first collaboration of its kind with the Cooperative Research Centre for Developing Northern Australia, the Anindilyakwa Land Council from Groote Eylandt in the Northern Territory, Geoscience Australia and the Australian National University to support the collection of remote LiDAR data to transform how digital maps are designed and used on Country. We look forward to the results of this project in due course.

MetroMap subscription growth

MetroMap continued to grow its subscription statutory revenue, increasing from $5.86m to a record of $7.19m, an increase of $1.33m or 22.7%. Annual Recurring Revenue (ARR), which is calculated as the statutory revenue recognised in the reporting month x 12, increased from $6.84m to a record of $7.61m, an increase of $0.77m or 11.3%.

Our partner program grew from $1.15m in FY22 and contributed $1.70m to the overall ARR result.

MetroMap off-the-shelf sales

As announced in June 2023, we achieved a significant off-the-shelf sale of existing datasets to an Australian Federal Government agency for $1.69m. As was the case in FY22 with a similar sale of $2.59m, the Company's strategy over many years to own the intellectual property rights to the underlying datasets continues to deliver shareholder value.

LiDAR growth

LiDAR achieved a 12.8% growth in revenue to a record of $12.76m, which was especially pleasing given the operational factors encountered in the year. A strong pipeline of work already committed to and on the books as of 30 June 2023 was approximately $4.40m (2022: $3.73m).

Global 3D growth

Global 3D achieved a 15.3% growth in revenue to $2.48m. Sales of models in the US market achieved $0.82m, including the largest individual sale of off-the-shelf 3D models to Google LLC.

In Australia, the Company undertook projects including the Greenline Project in Melbourne for the Victorian Government - the largest 3D street level capture project ever undertaken by the Company.

A seconded team was despatched to the US following the relaxation of COVID-19 travel restrictions to obtain market intelligence and engage with key stakeholders, which is being used to frame the future strategy and imperatives for this region.

Innovation

Innovation continues to drive efficiencies and product development. The Company continued to strategically invest in targeted R&D activities linked to either potential new product development or internal process efficiency gains through artificial intelligence (AI) and machine learning (ML) opportunities.

A highlight was the launch of MetroMap Insights, a new product enabling customers to make informed decisions about the urban environment by leveraging the power of past and current aerial imagery. We believe this product, derived from existing MetroMap imagery, has wide ranging applications and will facilitate faster decisions and cost-effective outcomes for customers.

Operational resilience

A number of business-wide activities were conducted with the aim of building capability and enhancing future business performance. This included the completion of a strategic business review, the implementation of an organisational restructure and undertaking various business improvement initiatives aligned with developing ‘pathways to profitability’.

Whilst some outcomes were impacted by various factors, the Company continued to focus on improvements across all facets of its operations.

As mentioned last year, COVID related constraints were likely to continue impacting our business in FY23 as we adapted to a ‘new normal’. Whilst these factors have reduced over time, remnants still lingered.

FY24 and beyond

Building ‘pathways to profitability’ is a key strategic and operational focus for our Company.

Organisational changes made throughout FY23, including enhanced internal alignment to key product lines and the injection of new business leaders, positions the Company for the future. The work put into many business improvement initiatives in FY23 builds on the existing foundations for FY24 and beyond.

Nonetheless, the uncertainty of the general external environment, including global financial markets, high inflation and the competition for talent remain as factors that must be navigated. Our Company is committed to delivering for shareholders and we remain focused on executing our plan to deliver future growth. With a robust balance sheet, we will continue to make disciplined investments to support our strategic objectives.

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

Wishing you and your families all the very best.

Steve Masters
Managing Director and Chief Executive Officer

MetroMap

Highlights

Record revenue of $10.12m (2022: $8.79m) growth of 15.1%

Subscription ARR $7.61m (2022: $6.84m) growth of 11.3%

Largest contract signed in Company history with Landchecker (partner)

Launch of MetroMap Insights in May 2023

MetroMap is an aerial imagery data providing service, offering high-quality and accurate imagery. The MetroMap product offering includes 2D aerial imagery delivered via a DaaS subscription service, off-the-shelf data and Insights derived from aerial imagery using artificial intelligence (AI) and machine learning (ML) algorithms. The focus of MetroMap is to deliver multiple revenue streams from the capture program to maximise revenue opportunities. As MetroMap has a largely fixed cost base, the opportunity is to build appropriate customer scale to leverage and drive revenue multiples and profit.

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 and new product lines. Two new state of the art IGI sensors were purchased to enhance the MetroMap capture program in line with the Company's key objectives and overall strategy.

Statutory subscription revenue increased 22.7% from $5.86m to $7.19m during the year. In May 2023, the Company announced the largest MetroMap contract with the extension of the Landchecker agreement which will deliver a minimum $2.65m over a thirty-eight-month term with further upside potential. Work continued throughout the year on platform improvements to further enhance the customer experience and optimisations which will continue to strengthen the product into the future. Annual Recurring Revenue (ARR), calculated as the statutory revenue in the reporting month multiplied by 12, grew from $6.84m to $7.61m, an increase of 11.3%.

MetroMap Insights was launched during the year which leverages the accurate, high-resolution imagery of MetroMap and through the power of artificial intelligence (AI) and machine learning (ML) extract and derive valuable insights from the imagery. The introduction of this product contributed $0.39m towards revenue. The power of data analytics and insights to drive informed decision making is expected to be a key product and deliver value into the future.

MetroMap also derived revenue from sale of off-the-shelf datasets and included a significant sale of datasets to the Australian Federal Government in June 2023 of $1.69m. This follows a similar sale in the prior year of $2.50m and reinforces the Company's strategy to focus on the creation of high-quality datasets where the intellectual property ownership belongs to Aerometrex that can be re-sold to many customers.

Customer Use Cases

Land iQ

MetroMap was selected as the provider of choice to deliver high resolution imagery to Land IQ.

Land IQ was developed by the Department of Planning and Environment in conjunction with other partners to provide a single platform to provide advanced analytics and scenario planning capabilities. Land IQ is a spatially enabled whole of government strategic land use evaluation tool founded by the NSW Government.

The Land IQ solution was developed in partnership with, tier-one engineering firm WSP to provide analytics and data functionality, Giraffe as spatial platform host, and MetroMap as the high-resolution imagery provider. Land IQ integrates over 40 land use typologies and 180 datasets into a single platform that enables advanced analytics and scenario planning capabilities to consider the impact of change on land use.

Mr James Strutt, Director of Strategy at the Department of Planning and Environment, NSW, stated that "MetroMap imagery is a valuable element of the project helping users to identify suitable sites based on defined and configurable criteria such as lot size, land zone and government property registers giving greater context to the overall landscape."

Laing O'Rourke

Laing O'Rourke is an international engineering and construction company delivering state-of-the-art infrastructure and building projects for clients in the UK, Middle East and Australia.

By combining expertise with purposeful innovations, Laing O'Rourke is able to deploy cutting-edge technology to deliver certainty to their clients based on an operating model that harnesses new technologies to maximise the use of pioneering modern methods of construction.

According to the organisation, "MetroMap provides a clear and visual representation of our project areas making it easier for the team to communicate and collaborate effectively. It enhances decision-making and facilitates better coordination among project teams.

"The imagery is particularly valuable for inspecting assets and infrastructure in remote areas. The team can quickly access sites, monitor progress and make accurate measurements without having to send personnel to the field.

"MetroMap plays a crucial role in the Laing O`Rourke GIS system. The integration means the project team has access to the latest high resolution imagery and the ability to add historical imagery, allowing the team to view landscape change over time."

Building An Integrated Platform For Property Professionals

Landchecker

Landchecker is a prop tech company that specialises in providing the most accurate, up-to-date property data in Australia.

Founded in 2016 by a group of property professionals in Melbourne out of frustration with the time-consuming process of collecting and analysing property information from multiple sources.

Their platform aims to consolidate information into a single place, eliminating the need for users to navigate multiple government databases and private websites.

Landchecker's focus is to save their customers time, money, and resources by providing a central hub for property data across Australia.

Landchecker.com.au

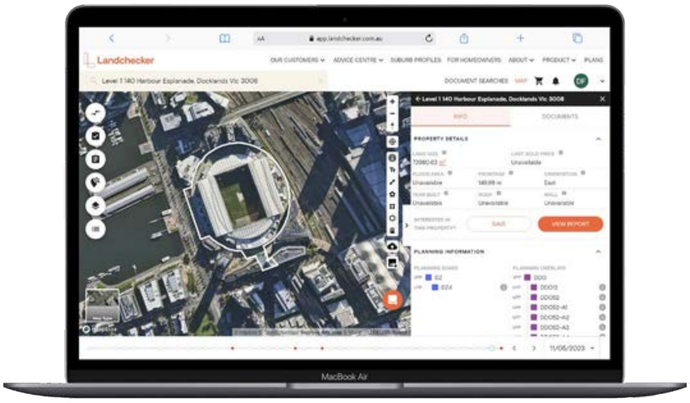
Aerometrex signs largest MetroMap partner agreement

Landchecker purchased a fixed number of tailored MetroMap licences that can be offered through their platform to customers. It also allows for purchase of additional licences above the fixed amount during the term of the agreement.

Minimum payments to Aerometrex of $2.65 million over the 38-month contract term with upside revenue opportunities through additional licence sales to Landchecker.

Introduction

Landchecker, a Melbourne-based property information platform, integrates MetroMap high-resolution imagery to enhance the way users access and analyse property data. By centralising and standardising information from various sources, Landchecker aims to simplify the process of gathering property details.
The integration of MetroMap imagery adds a visual dimension to the platform, enabling users to gain comprehensive insights into properties and make well-informed decisions.



MetroMap imagery as seen in Landchecker platform

User Base and Value Proposition

With a user base of over 100,000 including 5,000 advanced professionals, Landchecker caters to a wide range of individuals, including developers, builders, residential and commercial agents, architects, town planners, legal professionals, finance experts, investors, and other general consumers.

The platform offers accurate property data in one location, empowering users to access accurate and up-to-date data from various sources. Landchecker's value proposition centres around providing fast, accurate, and user-friendly access to complex and widespread property data.

Integration of MetroMap's High-Resolution Imagery

Acknowledging the importance of visualising property data, Landchecker partnered with Aerometrex to incorporate MetroMap's high-resolution aerial imagery. This strategic collaboration enables users to access current and historical maps of properties across Australia, empowering property professionals to conduct in-depth analyses at a parcel level.

By overlaying data sets encompassing zoning information, permits, and development approvals onto the imagery, users are equipped with a powerful toolset to make well-informed decisions.

The integration of high-resolution imagery not only enables property professionals to identify changes over time but also gives users the ability to evaluate the impact of various factors on a property's value and potential.

Benefits and Impact

The addition of MetroMap imagery changes the way Landchecker's users approach property assessment and decision-making, opening up new avenues for exploration and evaluation.

Melbourne CBD, visualised within the Landchecker platform showcasing various zoning and planning layers

The integration of MetroMap's high-resolution imagery brings several advantages for Landchecker and its users. The platform became more attractive to a broader demographic, including consumers who sought to understand property zoning, overlays, historical changes, and potential renovation possibilities. The ability to visualise properties in greater detail and overlay relevant data sets simplifies the decision-making process.

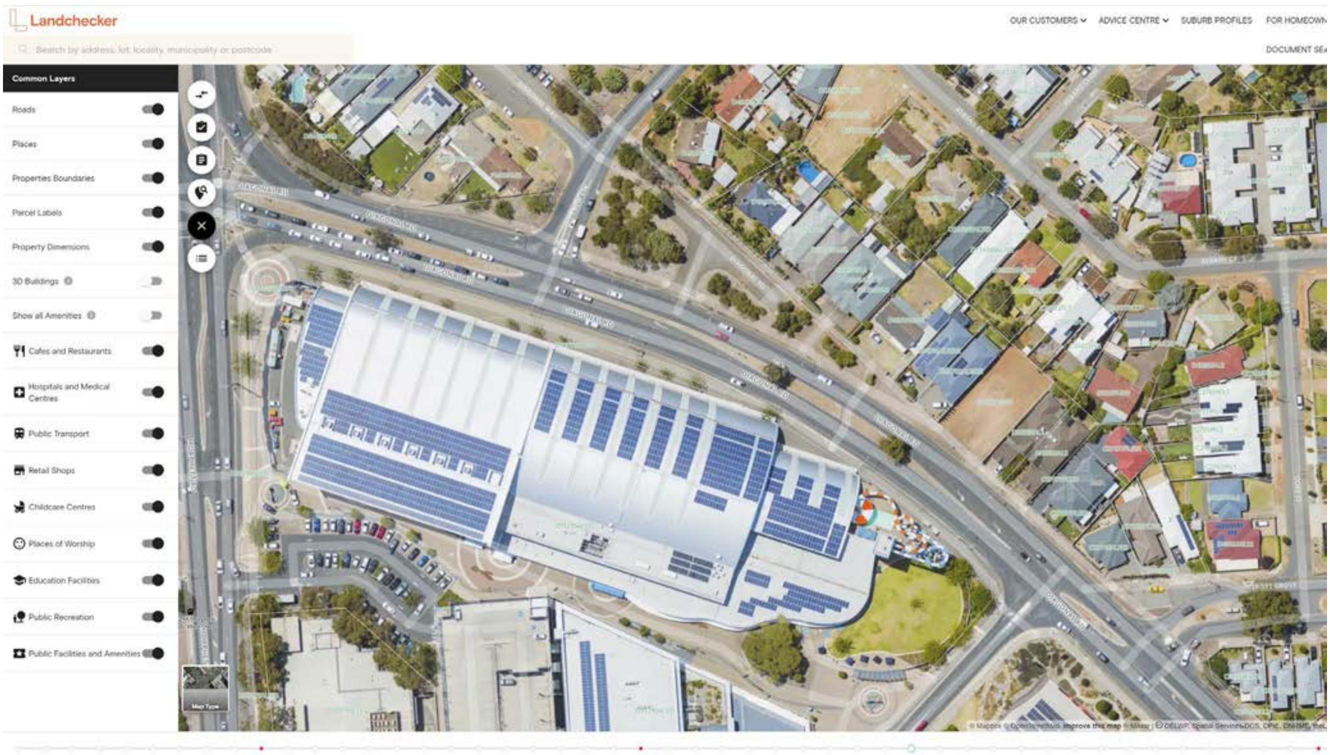
Legal professionals find immense value when assessing properties for issues such as adverse possession or unauthorized modifications by leveraging imagery alongside permit information. Landchecker's partnership with MetroMap has helped to expand its user base, attracting professionals and consumers who desired accurate and accessible property data.

Conclusion

The successful integration of MetroMap's high-resolution imagery into Landchecker's platform enhances its capabilities and user experience. By providing a comprehensive property information platform with visual insights, Landchecker empowers property professionals, legal experts, and consumers to make well-informed decisions efficiently.

The collaboration with MetroMap enables Landchecker to align with users' needs, improve data accuracy, and provide value to a diverse range of customers. As the platform continues to evolve and refine its offerings, the integration of advanced imagery data will play a pivotal role in driving Landchecker's growth and expanding its reach within the property industry.

The seamless integration of MetroMap's imagery has positioned Landchecker as a leading provider of streamlined property data, equipping users with the tools necessary to navigate the complex real estate landscape with confidence.



MetroMap imagery as seen in Landchecker platform


DRIVEWAYS
SWIMMING POOLS
TREES
GRASS
SOLAR PANELS
BUILDINGS

Unlocking Valuable Insights Using MetroMap Imagery

"MetroMap Insights" is an innovative solution that leverages artificial intelligence and cloud computing to extract valuable insights from accurate, high-resolution aerial imagery.

MetroMap Insights is designed to enable businesses and organisations to make more informed decisions and take actions based on data-driven insights derived from aerial imagery. From infrastructure development to changes in vegetation, if it has happened within our MetroMap capture footprint, users can access it.

From an individual property location to a city-wide area, the MetroMap Insights product suite can support, assist, and enhance business decision-making. It empowers businesses to make informed decisions about their urban environment by leveraging the power of past and current aerial imagery. By analysing data from different points in time, our insights can help them better understand changes and trends in an area of interest. With these valuable insights, they can plan, anticipate changes, and stay ahead of their competition. MetroMap Insights are useful across a range of applications such as GIS, asset management, infrastructure development, urban planning, or environmental management, helping users make data-driven decisions that lead to success.

Users can currently access insights linked to a range of features, including solar panels, swimming pools, trees, grass, buildings, and driveways - automatically extracted from MetroMap aerial imagery. These insights can be reported at a property level or an area-wide selection.

In an ever-changing urban environment, having the ability to monitor and measure changes across key features across the land, over time is essential for assessing environmental health, mitigating climate change, guiding urban planning, and informing policies to take appropriate actions. MetroMap Insights is designed to aid a range of public & private sector organisations to leverage the power of artificial intelligence and aerial imagery to drive future activities.

Feature Attributes

Buildings

Users can leverage accurate insights to track building approvals against recent construction or view trends in urban growth to derive intelligence and better understand their urban environment. This feature is extracted from high-resolution MetroMap aerial imagery, representing the area covered by a residential, commercial, or industrial building, and is available as a polygon layer for use in most common GIS software.

Swimming Pools

Users can access and accurately measure total area covered by swimming pools, even if they're covered, empty, or dirty. This allows for easy monitoring to stay on top of pool installations and gain valuable insights for efficient management. It also helps users conduct thorough safety audits and identify potential hazards. Pool-allied businesses can seize new possibilities for growth, from cleaning to maintenance and more.

Solar Panels

Businesses in the solar industry can unlock new growth possibilities by leveraging the power of MetroMap Insights' Solar Panels Layer, encompassing a wide range of opportunities from solar panel sales and installations to maintenance services, opening up endless avenues for success. This data is great for a more targeted approach to reach out to a potential market for users.

Driveways

MetroMap's Driveway Insights empower businesses to understand driveways at scale and unlock new opportunities allowing them to access, plan, quote and execute to save time and money. It helps them improve driveway management and achieve new possibilities. It can help identify the condition of the driveway and opportunities for maintenance and resurfacing businesses, among other use cases.

Trees

Users can analyse changes in tree canopy from multiple points in time by leveraging over a decade of imagery across Australia. Using data from MetroMap Insights, stakeholders can review growth/reduction in vegetation over time, drive policy decisions, meet greening targets, and help plan for maintenance activities linked to the ageing of trees.

Grass

This layer allows users to view, monitor and measure grass at the property level. It allows users to effortlessly identify properties with and without lawns and monitor change over time, gaining valuable insights into grass distribution and landscaping trends. It can be used to target specific areas for landscaping services, lawn care campaigns, or business expansion opportunities.

LiDAR

Highlights

- **Record revenue of $12.76m (2022: $11.32m) growth of 12.7%**
- **Signed largest LiDAR contract awarded for $1.88m (Aus Federal Govt.)**
- **LiDAR survey of Groote Eylandt for Anindilyakwa Land Council undertaken**
- **New Riegl VQ780ii-s sensor takes LiDAR capacity to 5**

Light Detection and Ranging (LiDAR) is an advanced aerial surveying technique which utilises 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 and monitoring purposes, even more so when combined with imagery.

Overview

The Company delivered record LiDAR revenue achieving growth of 12.7%, with revenue increasing from $11.32m to $12.76m.

During the year, the Company was also awarded its largest ever LiDAR contract with a value of $1.88m with the Australian Federal Government. The project consisted of numerous sites across Australia ranging in size from around 100km^2 to several thousands of square kilometres and demonstrates Aerometrex's ability to complete LiDAR projects of all sizes across Australia. This project was largely complete at the end of the financial year.

The Company continued to focus on maintaining strong relationships with its customers and this translates into many re-occurring revenue opportunities. This re-occurring work can take the form of a returning customer when they have a specific project requirement or can take the form of regular data capture for items such a mining stock volume calculations or forestry assessments. The Company delivers its services across a diverse range of customers across a number of different industries.

The Company invested into a fifth Reigl sensor which was deployed towards the end of the first half to build additional capacity to meet expected future market demand for LiDAR products. Despite the increase in total sensor capacity, on-task flying hours for the current year was largely in-line with the prior year due to various operational constraints.

The Company was awarded the contract to capture a LiDAR survey of Groote Eylandt for the Anindilyakwa Land Council. The LiDAR and imagery data captured as part of this project will be used within the GIS unit of the Anindilyakwa Land Council to empower and provide insights to First Nations People in the management of their land.

Customer Use Cases

HQPlantations

HQPlantations is Queensland's largest plantation grower, managing a 310,000 hectare estate of forest and lands. As one of the world's top ten forested countries, Australia relies on growers such as HQPlantations to manage productive, healthy forests in a sustainable way for generations to come.

Aerometrex has been a trusted provider of high-density aerial LiDAR and aerial imagery to HQPlantations. Their foresters have identified and embraced LiDAR as a remote sensing tool that is being used to monitor plantation performance, track forest health, understand terrain, identify natural drainage lines and map out where weed control might be required. The company utilises remote sensing applications to reduce costs and improve the accuracy, precision, and timeliness of plantation characterisation. This is helping them as well as their contract partners focus on continuous improvement and innovation towards sustainable plantation management.

"We have engaged Aerometrex to conduct a series of high density airborne LiDAR and imagery campaigns in recent years. This data has now become instrumental in the monitoring of changes to growing stock across our plantation estate. The data has also become increasingly important for the planning of forest operations as the business transitions to precision forestry.", says Mark Jones, General Manager Resources, HQPlantations.

Rio Tinto

Rio Tinto's Argyle Diamond Mine is located 110 km south of Kununurra in the East Kimberley region of Western Australia. Mining at the site ceased in November 2020, and Rio Tinto is undertaking mine closure activities, such as the demolition and removal of site buildings and other infrastructure, bulk earthworks and reprofiling of waste landforms and revegetation of disturbed land with native species. Following closure execution, the Company will continue to monitor environmental parameters during the monitoring and maintenance phase until closure outcomes and completion criteria are met and the site is relinquished.

Spatial data procured from Aerometrex includes high-resolution aerial imagery, LiDAR, and derived products such as a Digital Elevation Model (DEM) and even a 3D model which will be used for several purposes. Multi-spectral remote sensing data is used to evaluate revegetation success including vegetation cover and vegetation health in rehabilitated areas and can also be used to identify keystone species or monitor for weed species. It is also used to assess the development of erosion gullies in rehabilitated areas and determine the annual change in gully size and volume over time. Additionally, Argyle also use the data to determine the pit lake level to within a 5cm accuracy on the date of the flyover.

"Rio Tinto is utilising the data from Aerometrex to help monitor our closure progress and rehabilitation success at Argyle. Using high-resolution remote sensing data allows us to effectively monitor large areas with high accuracy, reducing the field time required for on-the-ground surveys and the safety risk to the personnel. The data is also extremely helpful in communicating how we are performing and is being used to create graphical representations and 3D models to inform stakeholders.", says Samantha Sturgess, Principal Advisor Environment, Rio Tinto.

Improving Land Management With The Support Of Aerial LiDAR

The Northern Territory Farmers Association (NT Farmers) represents and advocates for the plant-based industries of the NT.

As a peak industry body, NT Farmers promotes agricultural development in the Northern Territory and directly assists growers with a comprehensive range of support services. The association is at the forefront of driving agricultural policy and investment in northern Australia. Work undertaken by the association has been instrumental in growing the value of the plant-based agricultural sector in the NT.

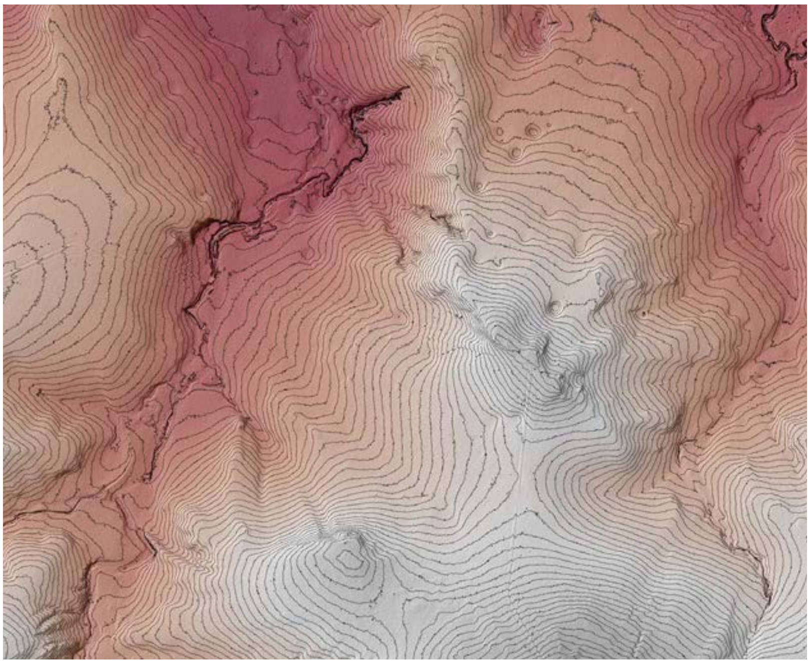
Direct support activities to the industry include biosecurity awareness, horticultural extension and advice, the promotion of the industry to job seekers, agricultural education activities in classrooms and industry field days. NT Farmers is a not-for-profit association that receives project funding from the public and private sectors.

ntfarmers.org.au

"Mapping of our landscape is the necessary foundational tool required to drive resilient landscape management. It is an essential component that will support responsible and efficient farming ecosystems across the Northern Territory" - Simone Cameron, LiDAR Champion

Project Background

In 2020-21, LiDAR was captured for a small area around Tipperary Station, as part of a Landcare Grant, to understand and address issues pertaining to erosion mitigation and control. Some of the land on this pastoral lease station had recently been approved for non-pastoral use to grow crops and LiDAR was seen as an opportunity to help improve land and water management and cropping outcomes. This pilot was pivotal in showcasing the potential of LiDAR and the amount of detail about the land that could be obtained – not just for agricultural purposes, but for appreciation of the landscape and the environment. A survey among NT Farmers' members conducted in Nov 2021 showed interest in the concept and eagerness to capture more LiDAR – that was the seed for this Aerometrex project with NT Farmers. Post discussions with numerous stakeholders and landowners across NT, by April-May 2022, there was a significant area of interest (220,000 hectares) earmarked for a larger LiDAR capture.

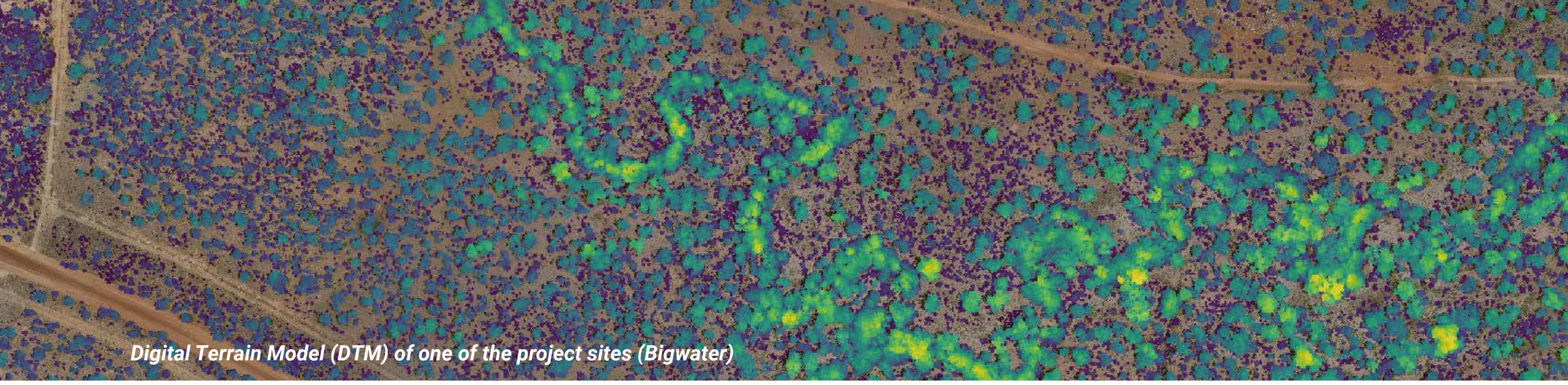


Digital Terrain Model (DTM) & Contours for one of the project sites (Salmon Gums)

The Diverse Stakeholder Group

The area of interest for this LiDAR survey was spread across 23 locations in Northern Territory and the project was funded by landowners directly - with in-kind support from not-for-profit organisation, NT Farmers. These land parcels were under the control of over 15 stakeholders, from individual/family landowners to large corporate entities. This meant that while some stakeholders had small areas of 500-600 hectares, some others were over 45,000. One of the objectives of this project was "inclusiveness" irrespective of property size, and catering to very diverse requirements.

The project has been a great example of coordination to navigate and negotiate requirements among all these varying entities and the Regional Director at NT Farmers, Simone Cameron, has been crucial to the process. Her involvement has helped tailor the survey to maximise benefits for all the landowners addressing their priorities.


Digital Terrain Model (DTM) of one of the project sites (Bigwater)

Stakeholder Engagement

Critical to this project has been the education of landowners, to ensure they can maximise the return from the data being captured. Engagement strategies such as webinars have helped members engage with Aerometrex directly and understand the value of the data captured and its multiple applications – not just land development or planning parcels of land for clearing. Additionally, NT Farmers is working with partners such as Graeme Owen from VPS Land Assessment and Planning, to build resource materials linked to data usage and software applications such as QGIS or helping landowners directly to integrate data into platforms such as Avenza Maps.

NT Farmers served as a trusted facilitator – one that landowners could reach out to and share requirements, as well as address queries, in complete confidence. They could also support engagement with other partners within the AgTech space to further the return from the LiDAR data – the likes of Agronomeye, and others. While corporates were easier to bring on board due to their prior experience with LiDAR, relationships and advocates among the family-owned landholders were key to bringing the other end of the spectrum on board for the project.

Stakeholder Challenges & Project Objectives

Aerometrex's LiDAR data is helping landowners understand how they can better manage their land, understanding and appreciating the nuances of the landscape. While the data sometimes validated their knowledge of the land, in other instances, it also highlighted where they may be wrong and need to adjust their land management strategies.

The key to this kind of LiDAR data is its ability to help them look at sizeable information across land properties, because various challenges, for example, gully erosion, have trigger points beyond the immediate visible line of sight if you're on the ground. LiDAR helps see the bigger picture and a refined understanding of the nuances in the landscape. Sharing their experience at a site in Melaleuca, a consultant was able to accurately pinpoint sinkholes using the LiDAR survey, saving a lot of time and effort, and avoiding the potential of missing some of them.

Another major component has been understanding vegetation, for which the project incorporated Aerometrex's Type 2 LiDAR classification. This generated data that could help understand existing native vegetation vs remnant, recovered, or cleared vegetation. This project has thus helped showcase due diligence on the landowners' part and highlight good stewardship and their willingness to do the right thing. Accurate data can also help compare information about native vegetation with government data.

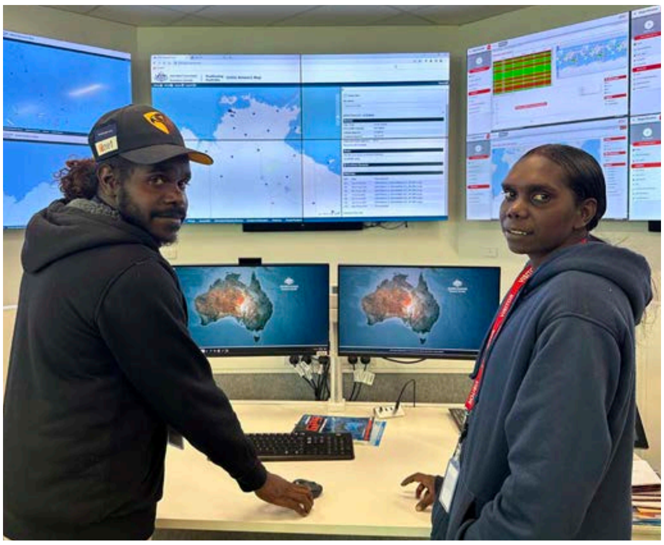
One of the other objectives of the survey was to understand the slope more accurately and understand the approval criteria for land development. This data can help evaluate the risks of clearing and showcase to regulatory authorities that landowners have done the necessary due diligence. It provides a dataset to add to the existing satellite-based slope calculations from the NT government and refine information - it helps create greater transparency.

The Next Steps

NT Farmers hopes to drive stories and case studies showcasing good land stewardship among the community. In an ideal world, they'd love to see the whole of NT being captured with LiDAR to support the various objectives listed above. Another key next step is to build awareness and comfort among the traditional owners because over 50% of land in the NT is owned by Schedule 1 Aboriginal Lands Trust. To build trust amongst that stakeholder group, there need to be concrete examples of success, of the data in action, on the ground. They want to build synergy and bring modern technology to work with the First Nations principles and blend the two. Having classified LiDAR data at the chosen specifications of Level 2 has also future-proofed it and made it useful for other advanced applications such as complex habitat mapping, natural capital assessment or carbon offsets.

Project area on the Groote archipelago

Project members with First Nations' community members on Groote Eylandt.



Josh Mamarika (Left) & Danelle Barra (Right) from ALC visiting Geoscience Australia office in Canberra.

From Left: Steve Masters CEO Aerometrex, Sheriden Morris Chair CRCNA, Matthew Simmons Aerometrex, Josh Mamarika ALC, Danelle Barra ALC, Jonah Lafferty ALC, Rod Kennet Geoscience Australia, Hon. Minister Madeleine King, Dr James Johnson CEO Geoscience Australia

Mapping New Economic Opportunities

Integrating Indigenous Priorities In Spatially Enabled Planning Of The Indigenous Estate

A research collaboration led by the Cooperative Research Centre for Developing Northern Australia (CRCNA) aims to transform how digital maps are designed and used on Country, as a key enabler for long-term economic development for Northern Australia's First Nations' communities. The Anindilyakwa Land Council (ALC) from Groote Eylandt in the Northern Territory are leading the data charge, undertaking an ambitious plan to map their entire island archipelago with support from Geoscience Australia, Australian National University (ANU) and Aerometrex.

As part of the project, titled, "Integrating Indigenous priorities in spatially enabled planning of the Indigenous Estate", Aerometrex are supporting the field data collection and ANU will assess how new ways of using Geographic Information System (GIS) technology can improve the end-user experience for the ALC. Importantly, a ground-up approach will ensure traditional knowledge and information are integrated into the GIS in culturally appropriate and inclusive ways. Geoscience Australia will also explore how their data products and data sets can be utilised by the project to enrich and improve the process of accessing and using the technology in remote locations.

The intention of the model is to support other remote First Nations communities to take up GIS mapping as a way of ensuring traditional information and knowledge is managed in a best-practice context. It is about using modern technology to help the community make informed decisions about their economic future. Data generated during this project will be stored in the ALC's geospatial database and can be utilised as a layer of 'baseline' cultural information for use by land and sea managers in the future.

The project has provided a great opportunity to work alongside Geoscience Australia and ALC to better understand how spatial products can be adapted to suit the needs of First Nations' people. The collaboration shall also help inform future programs, such as Geoscience Australia's "Exploring for the Future", on being inclusive and relevant to First Nations' Australians in their design.

This project has been funded by the CRCNA as part of its $5 million "Activating the Indigenous Estate" program, which called for projects as part of an open funding call in May 2022.

The research will overcome practical barriers faced by remote Northern Territory communities in relation to access, ownership, and utilisation of spatial data for Indigenous businesses. Namely, it will provide a method and publicly available model for the integration of data relating to cultural concerns and priorities into a spatially enabling land management system. The research will address the development of local indicators, data analytics and GIS capabilities. The research will do so by directly contributing to the strength of ALC's GIS program and by allowing for cultural data to be included in data analytics which contributes to the economic development agenda of Indigenous-controlled businesses on the archipelago.

To date, there has been limited exploration into how geospatial tools can be applied to First Nations' led cultural mapping practices and investment in this project will have ongoing and tangible benefits for the community of Groote Eylandt and other communities across Northern Australia who are keen to use GIS mapping technology to unlock their economic potential for many years to come. The ability to visualise data through spatial mapping and explore the environment to better understand the data in new ways and understand what that means for future development is incredible.

This project will provide the people of the Groote archipelago with sovereignty over their spatial information and provide them with an avenue to access and utilize this information for strategic planning and decision-making.

3D

Highlights

Revenue of $2.48m (2022: $2.15m) growth of 15.3%

Largest street level 3D project undertaken for Victorian Government through the Greenline Project

Single Largest Sale to date of USA off-the-shelf models (Google LLC)

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

Our world leading 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, drones and street-level imagery) and use the data generated to build a seamless 3D mesh model or 'reality mesh'.

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

Overview

The Company delivered revenue growth of 15.3% with revenue increasing from $2.15m to $2.48m. The growth in revenue was driven by the Australian operations which was up from $1.25m to $1.66m or 32.8%. The US operations declined slightly by $0.08m from $0.90m to $0.82m which included the largest off-the-shelf sale of datasets during the year to Google LLC. The Company also sold the Las Vegas dataset as an off-the-shelf model to Codemasters which is part of the EA SPORTS™ family which was used as a reference to build the Las Vegas Formula One track with unprecedented accuracy and shows the power of high resolution, high accuracy 3D data models. The latest F1® 23 game was released in June 2023 with the inclusion of the new F1® Las Vegas track.

The Company made the decision to slow activities in the US operations during the year opting to take a measured approach towards its strategic imperatives for future years. A seconded team was despatched to the US during the year to obtain market intelligence and engage with key stakeholders, which is being used to frame the future strategy and imperatives for this region

During the year, the Company was awarded its largest street level capture project for the Victorian Government for their transformative Greenline Project. This project has achieved a new standard for the quality of 3D data incorporating street level imagery to allow human scale interaction with the project largely completed by the end of the financial year.

The Company also investigated technical innovations, including identifying and testing ways to deliver production efficiencies. While this is an ongoing exercise, the Company continues to look for opportunities that will facilitate the ability to use enhanced technology of AI and ML to achieve scaling capability in the production process.

Customer Use Cases

Google

Aerometrex announced a contract with Google LLC to provide a data licence for a selection of high-resolution USA 3D models in December 2022.

The deal represents the largest single sale and is a significant milestone for the USA business and a sign that Aerometrex's data is capable of satisfying the needs of big tech firms. It also capped off a successful overseas secondment with multiple members of the Aerometrex team relocating to the USA to create opportunities for the business.

Google has been at the forefront of bringing geospatial data to the mass market, from their revolutionary Google Earth and Google Maps to the recent adoption of 3D mesh. Aerometrex has supplied data to Google in the past.

Greenline Project

Aerometrex captured and delivered the substantial Melbourne Greenline 3D dataset to the Victorian Government's Department of Transport and Planning (DTP). The multi-resolution 3D mesh model included the highest-resolution street-level imagery captured on foot, by boat and via drone for the ultimate human-scale viewing, including 2cm resolution imagery captured by helicopter for broader context.

Aerometrex capture specialists spent over three months imaging the iconic Melbourne Yarra River – Birrarung's north bank and the surrounding area. The processing team delivered the data, with DTP receiving the dataset as a source of truth to guide the massive urban renewal project.

According to City of Melbourne, "Delivering an uninterrupted, 4km journey from Birrarung Marr to the Bolte Bridge, the Greenline will become a premier destination for workers, tourists and residents - all while celebrating the rich Aboriginal culture and city heritage, while enhancing the river environment."

From Adelaide To The Gaming World

Codemasters has been making iconic games for over 30 years. Once the UK's largest independent games developer & publisher and now a world-leader in racing simulation, they have studios in Southam & Birmingham (United Kingdom) and Kuala Lumpur (Malaysia). In 2021 they became proud members of the EA SPORTS™ family.

The company was founded in the 80s by brothers David & Richard Darling. The duo's first games were sports titles including BMX Simulator for the Commodore 64.

Their success exploded in the 90s in the 16-bit era with Dizzy, Micro Machines and the Game Genie. The studio followed the latest gaming trends all the way to the present day, winning awards, breaking records and, most recently, specialising in making the world's best racing games.

From humble beginnings on the Commodore, to capitalising on the SEGA and Nintendo platforms of the 90s and PlayStation and Xbox in the 00's, Codemasters has innovated across multiple genres but racing has always been their main passion, and today the company is world-renowned for developing the best HD motorsport titles in the world.

ea.com/ea-studios/codemasters

Introduction

Aerometrex delivered a high resolution 3D reality mesh model and derived imagery of Las Vegas to videogame developer Codemasters. The Aerometrex data became a foundational reference for the Las Vegas track creation for the F1® 23 videogame.

This project involved Aerometrex delivering a product to a global giant in the entertainment industry and adding a core dataset to a product played by millions of people worldwide.

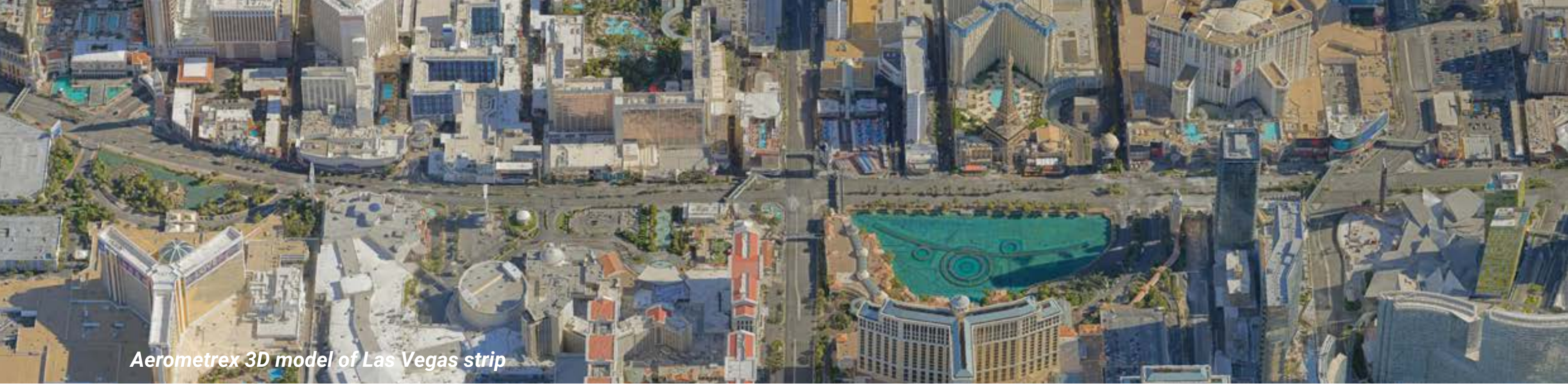
In-Game Screenshot from the F1® 23 game

Spatial Source Of Truth

The Las Vegas model is an ultra-high-quality 3D reality mesh mixed aerial 5cm, 2cm GSD resolutions, and street-level sub-cm. Precise spatial data underpins the model, ensuring the visual fidelity matched real-world accuracy.

Aerometrex foresaw the value of a high-resolution 3D mesh rendition of Las Vegas, a location synonymous with rapid and grandiose change and substantial investment in entertainment. Our high-res models are used by significant companies within the architecture, engineering, construction, advanced visualisation, and entertainment sectors; thus Las Vegas was an ideal location to model.

Aeometrex 3D Model of the Venetian Hotel in Las Vegas



Aerometrex 3D model of Las Vegas strip

The Aerometrex dataset gave Codemasters a spatially and visually precise data source of ultimate truth to build the track ready for publishing for the F1® 23 game five months before the first-ever Las Vegas Grand Prix.

According to Codemasters, "The Aerometrex model helped immeasurably in data accuracy by providing a method of visualising a large component of the areas in a three-dimensional textured form."

Our Las Vegas model helped Codemasters correlate building scale, terrain positioning, and asset placement. The F1® race uses the iconic Las Vegas strip, one of the planet's most visually complex built locations. Our mesh model is rich 3D data showing all the necessary detail from ground level to create the world surrounding the track.

Codemasters could get 2D mapping data of various quality and various accuracy but that doesn't help them when they need to look at the sides of buildings and determine what textures to use or placement of details like windows and ornaments. The Aerometrex model offered them rich 3D data that makes the experience come together.

Realism Is Everything

Codemasters' reputation, and the success of the F1® game franchise as a whole, hinges on realism. From driving mechanics, AI race opponents to the accuracy of light and weather, Codemasters fully commits to delivering the highest quality experience to the gaming market. EA SPORTS™ mentioned spatial data and photogrammetry, even naming Aerometrex, when discussing the realism of the Las Vegas circuit.

Codemasters emphasised, "Las Vegas was a highly complex area that could not be interpreted with images alone. After completing an in-depth analysis of additional vendors, Aerometrex data was deemed the highest quality overall."

Once delivered, the Aerometrex team assisted Codemasters when necessary. Codemasters is an organisation that constantly handles large and high-quality datasets, and the Aerometrex team ensured the delivered assets matched all of the requested specifications and formats.

One Dataset With Many Uses

Codemasters' use of the Las Vegas datasets reinforces the flexibility of spatially and visually precise 3D mesh for complex simulations and change modelling. Aerometrex's existing model coverage, and flexibility to capture new areas for clients, makes us an ideal partner for similar projects.

In-Game Screenshot from the F1® 23 game

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.

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

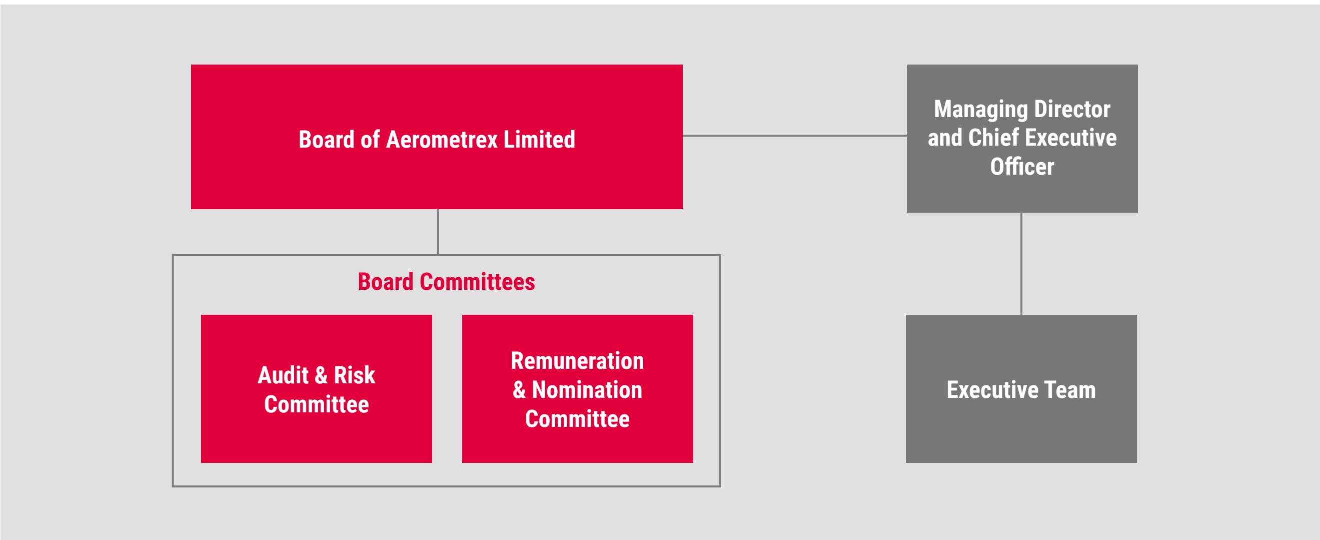
Develops remuneration policies, reviews and provides recommendations to the Board in relation to key management personnel remuneration packages and performance reviews.

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.

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



Board Skills Matrix

Capabilities	Number of Directors with the capability
Corporate Leadership	■ ■ ■ ■ ■
Industry Experience	■ ■ ■ ■ ■
Other ASX Board Directorships (last 3 years)	■ ■ ■
Strategy	■ ■ ■ ■ ■
Governance	■ ■ ■ ■ ■
Capital Raising	■ ■ ■ ■ ■
Risk and Compliance	■ ■ ■ ■ ■
Mergers and Acquisitions	■ ■ ■ ■ ■
Tertiary Qualifications	■ ■ ■ ■ ■
Economics, Law, Commerce and/or Business	■ ■ ■ ■ ■
Accounting	■
Technology and Innovation	■ ■ ■ ■ ■
Global Perspective	■ ■ ■ ■ ■
International Experience	■ ■ ■ ■ ■

The Board

Mark Lindh
Independent Non-Executive Director, Chair

Appointed: May 2019
(Chair: October 2019)

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

Experience:
Mark is a founder and principal of AE Advisors, 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 December 2014 (current)
Advanced Braking Technology Ltd (ABV.ASX) appointed June 2017 resigned November 2022

Peter Foster
Independent Non-Executive Director
PhD Physics

Appointed: October 2019

Special responsibilities:
- Chair of the Audit & Risk Committee
- Member of the Remuneration & Nomination Committee

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 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

Matthew White
Non-Executive Director
B.Acc, CA

Appointed: September 2011

Special responsibilities:
- Member of the Remuneration & Nomination Committee
- Member of the Audit & Risk Committee

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: March 2022

Special responsibilities:
- Chair of the Remuneration & Nomination 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 and the Chair of the Remuneration and Nomination Committee. He is the former Managing Director and CEO of Codan Ltd (ASX: CDA), a position he held since 2010 before retiring in February 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:
Adrad Holdings Limited (AHL.ASX) appointed March 2022 (current)
Codan Ltd (CDA.ASX) appointed May 2010 retired February 2022

Appointed: February 2022

Special responsibilities:
Nil

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 recognised 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.

Other ASX Directorships in the last 3 years:
Nil

Appointed: November 2019

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.

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 recognised 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 2019

Chris Mahar

Chief Financial Officer

B.Acc., CA

Experience:
Chris joined Aerometrex in October 2019 just prior to the company listing on the ASX in his current role as Chief Financial Officer. 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 leading the Group's corporate services functions of the business encompassing people, finance, tax, investor relations, insurance, risk, ICT and property. His priorities are to support the teams deliver strong commercial outcomes for the business by ensuring the provision of accurate, independent and objective analysis in a data led environment to drive sound decision making. A key focus is partnering with the Chief Executive Officer to support and drive commercial outcomes including the efficient allocation of capital to drive business value.

Appointed: October 2011

David Byrne

General Manager Global 3D

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 held various roles during his time with the company including Executive Director (October 2011 to September 2022) and Chief Operating Officer (June 2020 to September 2022) before being appointed as the General Manager Global 3D.

Priorities:
David is responsible for leading the Global 3D business. His priority is to drive the expansion of high-resolution 3D models, seek new markets and pursue technical innovation leveraging ML / AI & game engines to enhance product offerings or workflow efficiencies.

Appointed: September 2022

Stuart Wileman
General Manager MetroMap

Experience:
Stuart joined Aerometrex in October 2018 in the role of Production Manager having more than twenty years of experience within the aerial imaging industry and was subsequently appointed to the role of General Manager MetroMap in September 2022. Stuart has a broad skill set covering both commercial and technical operations in addition to a strong history of leadership roles.

Priorities:
Stuart leads the MetroMap business and is focused on meeting the key objectives of a subscription-based business model – scale of revenue and optimisation of the MetroMap capture program to deliver shareholder value. This includes leading key stakeholder relationships and delivering commercial outcomes, product development, cost and process efficiencies and driving ongoing technological advancements.

Appointed: September 2022

Matthew Simmons
General Manager LiDAR
B.Science (Physical Geography)

Experience:
Matthew joined Aerometrex in February 2020 as Assistant General Manager LiDAR having more than 15 years of experience on the geospatial industry across the Asia Pacific Region and was subsequently appointed to the role of General Manager LiDAR in September 2022. Matthew has spent more than ten years working in a variety of roles specialising in LiDAR & aerial surveying and brings this commercial & practical experience to the role.

Priorities:
Matthew is responsible for the LiDAR business unit. His priorities are driving sustainable growth within the LiDAR business unit, ensuring the continuous improvement of LiDAR operations and sustain industry leading levels of data quality and accuracy.

Appointed: January 2023

Kobus Swart
General Manager Aviation

Experience:
Kobus joined Aerometrex in January 2023 in his current role of General Manager Aviation. Kobus has more than 40 years of aviation experience as a pilot and senior executive across military, training, commercial and business & corporate jet experience. With his operational and executive management experience he has led operational flight units and corporate flight departments as the Accountable Manager for multiple Regulatory Authorities.

Priorities:
Kobus is responsible to safely and effectively lead the Aviation Business Unit to achieve the aerial capture requirements of the company. This includes ensuring that safety is a key priority and that all regulatory requirements are met. A key focus is to ensure that all of the capture requirements are being met in accordance with operational plans while managing the external factors of weather and air traffic control, both of which can impact capture opportunities. Kobus is also responsible for manging key stakeholder relationships including regulatory bodies and aircraft maintenance providers.

Directors' Report

Scenic imagery from helicopter
Manhattan, New York
New York, 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, for the year ended 30 June 2023.

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
Mr Steven Bruce Masters	Managing Director and Chief Executive Officer	Not Independent
Mr David Michael Byrne	Executive Director	Not Independent (resigned as director 1 September 2022)

Company secretary

Name
Ms Kaitlin Louise Smith

Company overview – principal activities

Aerometrex is a trusted and leading geospatial tech company specialising in providing geospatial solutions and insights for our customers. Our key products - MetroMap, LiDAR and 3D visualisation models support wide-ranging industries and customer requirements. The Company, established in 1980, has a strong Board and executive team with significant industry experience. The Company undertakes activities in Australia and USA.

There were no 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.

Review of Operations

During the year the Company continued to focus on strengthening its three core product lines of MetroMap (DaaS), LiDAR and 3D.

Total operating revenue increased from $25.03m to $25.36m or 1.3%, however, this the FY22 results included $2.77m from project photomapping, which ceased during the year in accordance with announcements made in 2021. If the project photomapping revenue is excluded, then revenue increased by 13.9% from $22.26m to $25.36m, with growth being achieved across all product lines.

EBITDA declined to $3.83m, due to the cessation of project photomapping revenue and following continued investment into the business operations.

A number of key outcomes and activities were undertaken and achieved, including:

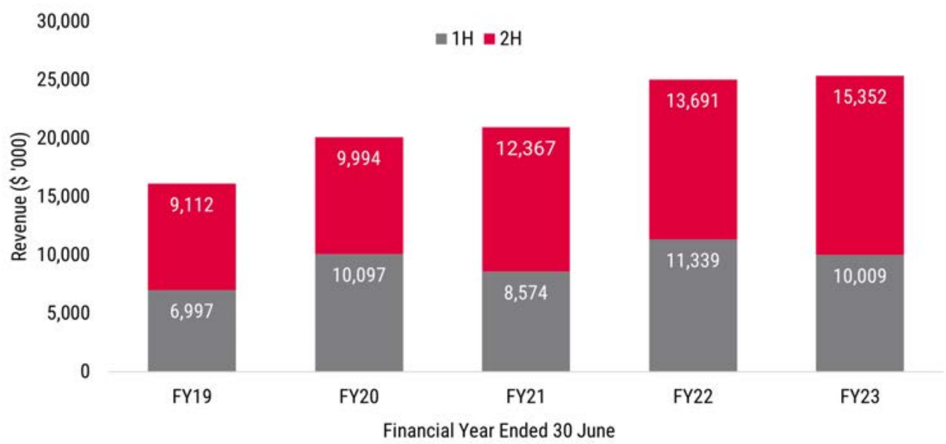
- Growth of 22.7% in MetroMap subscription revenue from $5.86m to $7.19m
- Growth in 11.3% Annual Recurring Revenue (ARR) for MetroMap, from $6.84m to $7.61m at June 2023
- Growth of 12.7% in LiDAR revenue from $11.32m to $12.76m
- Growth of 15.3% in 3D revenue from $2.15m to $2.48m
- Largest MetroMap contract signed in May 2023 with Landchecker as part of a multi-year deal, with minimum revenue of $2.65m over a thirty-eight-month period
- Largest LiDAR contract award of $1.88m with the Australian Federal Government announced in January 2023
- Repeat sale of off-the-shelf datasets to the Australian Federal Government of $1.69m in June 2023
- Largest single 3D dataset sale in the US made to Google LLC in December 2022

- Largest 3D street level project undertaken in the Victorian Greenline Project
- Sale of the Las Vegas 3D model to Codemasters as part of the EA SPORTS™ F123® game
- Successful introduction of IGI UrbanMapper2 sensor system into the MetroMap capture assets

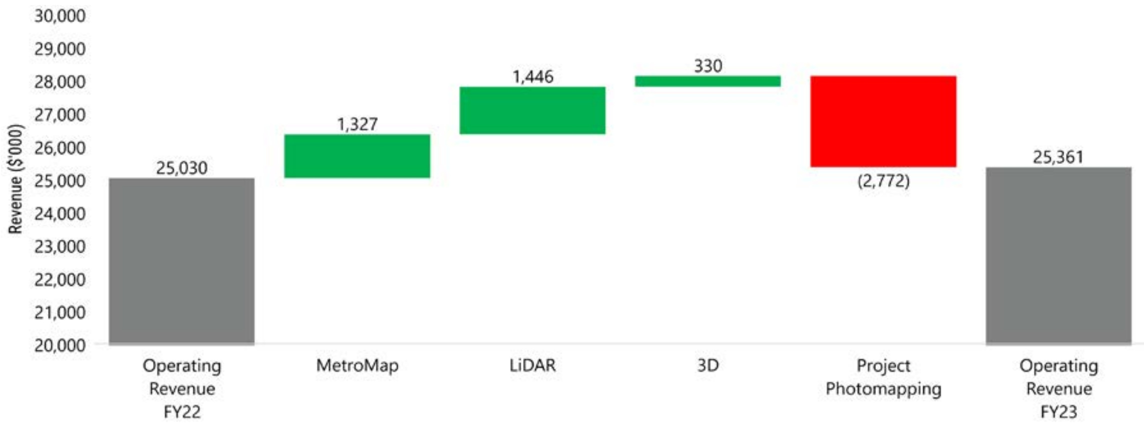
The Company also undertook a number of business-wide activities with the aim of building capability and enhancing future business performance. This included the completion of the Chief Executive Officer's strategic business review, the implementation of a significant organisational restructure and undertaking various business improvement initiatives aligned with developing 'pathways to profitability'.

Operating Revenue Growth

Total operating revenue grew from $25.03m to $25.36m, or 1.3%. While the operating revenue was flat, the prior year saw the completion of the project photomapping work which delivered $2.77m in revenue. The slower pace of transition of project photomapping revenue into MetroMap subscription revenue in FY23 was a key driver in the FY23 revenue outcome.



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 $5.86m to $7.19m, equating to year-on-year growth of 22.7% or $1.33m. This growth in revenue was driven by the acquisition of new clients, growth of the partner program evidenced by the Landchecker deal signed in May 2023 and growth in the SME market. Aggressive competitor pressures had some impact on new client acquisition, however, the Company remained focused on investing into the DaaS/SaaS model to drive revenue and deliver future value for Company.

- The Company's key MetroMap metric of Annual Recurring Revenue (ARR) achieved growth of 11.3% to an ARR value of $7.61m at June 2023. ARR is a non-IFRS term used by the Group to measure performance, and is calculated as the statutory subscription revenue in the reporting month x 12. The critical driver to this calculation is the timing of revenue recognition.

- **MetroMap on Demand** revenue increased from $0.35m to $0.73m. This revenue is derived from project work delivered via the MetroMap platform or derived from the MetroMap imagery.

- **MetroMap off-the-shelf** revenue declined from $2.59m to $1.81m, with the revenue being largely derived from a repeat sale of data to the Australian Federal Government as announced in June 2023. This sale follows a similar sale in FY22 which was largest off-the-shelf dataset sale in the Company's history. The repeat sale reinforces the decision of the Company to own the datasets for additional resale.

- **MetroMap Insights** was a new product launched during FY22 contributing $0.39m in revenue. The MetroMap Insights product is a data analytics product based on information derived from the aerial imagery.

- **LiDAR** revenue grew $1.44m or 12.7% to $12.76m. A key achievement was the Company being awarded its largest LiDAR contract to date of $1.88m with the Australian Federal Government. At 30 June 2023, the Company maintained a strong pipeline of committed projects to the value of ~$4.4m.

- **3D** revenue grew $0.33m or 15.3% to $2.48m. This growth in revenue was driven by the Australian operations and reflects a number of projects undertaken during the year, including the Company's largest project - the Greenline Project in Victoria. The US 3D operations achieved a number of milestones in the form of its largest off-the-shelf sale of datasets to Google Inc in December 2022. A seconded team was despatched to the US during the year to obtain market intelligence and engage with key stakeholders, which is being used to frame the future strategy and imperatives for this region.

Operating costs

Total operating costs (excluding interest, depreciation and amortisation) increased by $1.37m from $20.14m in 2022 to $21.51m, or 6.8%, driven by the continued scaling to support the ongoing operations of the business and maturing its capabilities. Some supply chain impacts continued to linger from the COVID-19 period, particularly around sourcing of certain aviation parts which had a detrimental impact on aviation flying and aerial capture. The increased expenditure can be categorised as follows:

- Aircraft and project processing costs increased during the year from $8.74m to $9.84m, driven by underlying cost increases and lower capitalisation of datasets during the year. Cost increases were driven via higher IT cloud storage and processing costs, employment costs driven by market pressures and higher general travel costs. These increases were mitigated by lower aerial capture costs due to flying hours and the investment into capture technology of prior years resulting in lower opex in relation to hire equipment.

- Employee benefits expense increased from $6.84m to $7.96m driven by an investment into people with recruitment of personnel in key roles to position the Company for growth. The Company also recruited some positions which had been filled via external advisory or consultants in the prior year to build capacity and capability within the Company, resulting in an increase in the headcount at the end of June 2023. The Company was not immune to market forces throughout the course of the year which also impacted personnel costs from a retention and recruitment perspective.

- Consulting and professional service costs decreased from $1.19m to $0.56m. This decrease in additional costs were driven by one-off transactions (non-recurring in nature) and outsourcing requirements due to tight labour conditions in certain functions in the prior year, noting that some of the external consulting cost has been converted into the employee benefits expense for the current year as noted above. Short-term consulting arrangements were also managed throughout the year to cover extended leave or recruitment gaps to ensure stability and continuity of internal services.

- Travel and accommodation costs increased from $0.44m in 2022 to $0.56m in 2023. This increase was largely attributable to supporting the US business, including sending a secondment team from Australia following the relaxation of COVID-19 travel restrictions.

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 $3.83m for FY23, down from $7.70m in FY22. However, this included the profit on the sale of the land & buildings (Company head office) which contributed $2.81m. On a normalised basis the EBITDA declined from $5.10m (adjusting for sale of the property and the allotment of staff options which related to the listing of the Company rather than performance and was not recurring in nature) to $3.83m.

	2023 $'000	2022 $'000	Change $'000	Change %
Revenue and other income	25,361	27,843	(2,482)	(8.9%)
Aircraft and project processing costs	(9,842)	(8,739)	(1,103)	12.6%
Operating costs	(11,692)	(11,402)	(290)	2.5%
EBITDA	**3,827**	**7,702**	**(3,875)**	**(50.3%)**
Items not in the ordinary course of operations				
Gain on disposal of non-current assets	-	(2,813)	2,813	(100.0%)
IPO related Employee and Director share options	-	214	(214)	(100.0%)
Normalised EBITDA	**3,827**	**5,103**	**(1,276)**	**(25.0%)**
Amortisation	(6,098)	(5,615)	(483)	8.6%
Depreciation	(3,083)	(2,831)	(252)	8.9%
Finance costs	(132)	(100)	(32)	32.0%
Finance income	326	31	295	951.6%
Statutory (loss) before income tax	**(5,160)**	**(813)**	**(4,347)**	**534.7%**
Income tax (expense) / benefit	918	214	704	329.0%
Statutory (loss) after income tax	**(4,242)**	**(599)**	**(3,643)**	**608.2%**

Depreciation

Depreciation expense increased $0.27m from $2.83m to $3.10m and reflects the investment into sensors and IT infrastructure.

Amortisation

Amortisation increased $0.48m from $5.62m to $6.10m reflecting the ongoing requirements of the capture program for MetroMap and Company owned 3D datasets in the US.

In 2023, $4.98m (2022: $6.53m) was invested into datasets across the Company in support of the various product lines. These datasets are utilised in to support the subscription business, off-the-shelf data sales and MetroMap Insights (data analytics). By owning the IP rights to the datasets, the Company has the opportunity to potentially maximise the value by deriving different revenue streams from the same captured product.

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 (2022: $nil).

Matters subsequent to the end of the financial year

The Company announced the awarding of a significant LiDAR contract for $1.45m with Agronomeye in August 2023. The LiDAR data will form the foundation layer for the creation of landscape models and be combined with other data sources such as livestock management data, yield maps, weather and on-farm sensor data to empower farmers to balance social, environmental, and financial goals.

The Company took delivery of its IGI DigiCam 450 camera in July 2023 for use in its MetroMap capture program. This aligns with the strategy to standardise equipment utilised in the business and follows the deployment of its IGI UrbanMapper2 camera during FY23.

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,
- Continue to build scale in its LiDAR operations; and
- Seek new opportunities to grow its world leading 3D products across the globe, and in particular, the US.

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 23 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 23 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:

	Board Meetings Number of meetings		Audit and Risk Committee Number of meetings		Remuneration and Nomination Committee Number of meetings	
Name	**Held while Director**	**Attended**	**Held while committee member**	**Attended**	**Held while committee member**	**Attended**
Mark Lindh	12	12	4	4	2	2
Matthew White	12	12	4	4	2	2
Dr. Peter Foster	12	12	4	4	2	2
David Byrne	2	2	-	-	-	-
Steve Masters	12	12	-	-	-	-
Donald McGurk	12	12	-	-	2	2

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)	Donald McGurk (Chair)
Mark Lindh	Mark Lindh
Matthew White	Matthew White
	Peter Foster

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 44-54 and forms part of the Directors' Report.

Share options and performance rights

As at the date of this report, there were 944,000 unissued ordinary shares under option, vested and exercisable at $1.25 per option, and expiring 10 December 2023. 448,390 performance rights were outstanding, vesting 15 February 2025. No shares were issued during or since the end of the financial year up to the date of this report as a result of exercise of options or conversion of rights.

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 ASIC Corporations (Rounding in Financial/Directors' Reports) 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	Steve Masters
Chair of the Board	Managing Director & Chief Executive Officer

30 August 2023

3D Model Render in Unreal Engine
Flinders Street Station, Melbourne
Victoria

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.

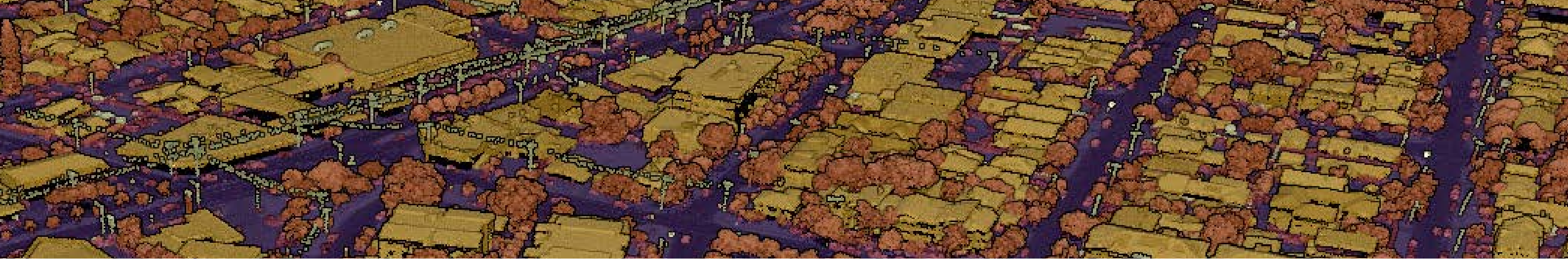
The remuneration report is set out under the following main headings:

A. Key management personnel
B. Remuneration policy
C. Details of remuneration
D. Employment contracts
E. Share-based compensation
F. Additional information
G. Equity instruments held by 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 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
Donald McGurk	Independent Non-Executive Director	Full year
Matthew White	Non-Executive Director	Full year
Executive Directors		
Steve Masters	Managing Director and Chief Executive Officer	Full year
Other KMP		
Chris Mahar	Chief Financial Officer	Full year
David Byrne	(1) Executive Director, (2) Chief Operating Officer, (3) General Manager Global 3D.	KMP for full year; (1) to resignation as director 1 September 2022, (2) to 11 September 2022, (3) from 12 September 2022.
Matthew Simmons	General Manager LiDAR	Commenced as KMP 12 September 2022
Stuart Wileman	General Manager MetroMap	Commenced as KMP 12 September 2022
Kobus Swart	General Manager Aviation	Appointed 24 January 2023
Alex Sinclair	Chief Revenue Officer	Ceased as KMP 9 September 2022
Tisham Dhar	Chief Information Officer	Ceased as KMP 9 September 2022



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. Shareholders approved an increase in the remuneration pool for Non-Executive Directors to $500,000 at the Annual General Meeting held on 29 November 2022.

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

Board / Committee	Chair fee	Member fee
Board base fee	$89,500	$79,500
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		
			Salary & Fees	Cash bonus	Employee entitlements [1]	Superannuation & Other Pension Contributions	Employee entitlements [2]	Options and Rights [3]	Shares [4]	Total Remuneration
	Notes		$	$	$	$	$	$	$	$
Non-executive directors										
Mark Lindh		**2023**	**74,875**	**-**	**-**	**7,862**	**-**	**-**	**-**	**82,737**
		2022	70,000	-	-	7,000	-	-	-	77,000
Matthew White		**2023**	**64,875**	**-**	**-**	**6,812**	**-**	**-**	**-**	**71,687**
		2022	60,000	-	-	6,000	-	-	-	66,000
Peter Foster		**2023**	**64,875**	**-**	**-**	**6,812**	**-**	**-**	**-**	**71,687**
		2022	60,000	-	-	6,000	-	9,462	-	75,462
Donald McGurk	(5)	**2023**	**68,625**	**-**	**-**	**7,206**	**-**	**-**	**-**	**75,831**
		2022	21,667	-	-	2,167	-	-	-	23,834
Executive directors										
Steve Masters	(6)	**2023**	**492,500**	**58,500**	**15,605**	**27,500**	**2,656**	**159,877**	**-**	**756,638**
		2022	179,952	-	16,140	10,048	252	-	-	206,392
Mark Deuter	(7)	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2022	235,812	-	(19,589)	15,000	(75,470)	(7,288)	-	148,465
Other KMP										
Chris Mahar		**2023**	**221,489**	**-**	**22,235**	**23,181**	**6,541**	**-**	**1,000**	**274,446**
		2022	208,440	-	16,372	20,769	2,933	21,186	-	269,700
David Byrne	(8)	**2023**	**241,560**	**-**	**(3,147)**	**25,200**	**(38,850)**	**-**	**1,000**	**225,763**
		2022	261,236	-	4,433	25,962	2,914	9,462	-	304,007
Matthew Simmons	(9)	**2023**	**140,163**	**-**	**(930)**	**14,666**	**1,975**	**-**	**1,000**	**156,874**
		2022	-	-	-	-	-	-	-	-
Stuart Wileman	(10)	**2023**	**139,707**	**-**	**5,389**	**14,608**	**7,416**	**-**	**1,000**	**168,120**
		2022	-	-	-	-	-	-	-	-
Kobus Swart	(11)	**2023**	**73,670**	**-**	**6,610**	**7,703**	**108**	**-**	**-**	**88,091**
		2022	-	-	-	-	-	-	-	-
Alex Sinclair	(12)	**2023**	**110,640**	**-**	**(12,902)**	**9,208**	**(845)**	**-**	**-**	**106,101**
		2022	192,671	-	12,902	19,192	845	-	-	225,610
Tisham Dhar	(13)	**2023**	**114,869**	**-**	**(13,523)**	**9,208**	**(250)**	**-**	**-**	**110,304**
		2022	181,434	-	13,523	18,077	250	-	-	213,284
Ralph Lante	(14)	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2022	98,831	-	(1,217)	9,846	13,187	14,676	-	135,323
Tol Mofflin	(15)	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2022	77,756	-	(8,284)	4,540	(676)	(28,864)	-	44,472
Rick Cassidy	(16)	**2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		2022	75,785	-	1,011	657	-	(14,433)	-	63,020
Total		**2023**	**1,807,848**	**58,500**	**19,337**	**159,966**	**(21,249)**	**159,877**	**4,000**	**2,188,279**
		2022	1,723,584	-	35,291	145,258	(55,765)	4,201	-	1,852,569

(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 18 Share Based Payments.
(4) Value of shares recognised in profit or loss. Refer financial statement note 18 Share Based Payments.
(5) Appointed 3 March 2022
(6) Appointed 14 February 2022
(7) Retired 10 December 2021
(8) Resigned as director 1 September 2022, remains as KMP.
(9) Commenced as KMP 12 September 2022
(10) Commenced as KMP 12 September 2022
(11) Appointed 24 January 2023
(12) Ceased as KMP 9 September 2022
(13) Ceased as KMP 9 September 2022
(14) Ceased as KMP on 31 January 2022
(15) Resigned 23 September 2021
(16) Resigned 22 July 2021

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

Remuneration outcomes – Managing Director and Chief Executive Officer

The following elements are included in remuneration for the year:

	Managing Director and CEO Shares Loan	Managing Director and CEO STI rights FY22	Managing Director and CEO LTI rights FY22	Managing Director and CEO STI cash FY23
Grant date	29-Sep-22	29-Nov-22	29-Nov-22	30-Jun-23
Nature of compensation	Limited recourse loan, treated as an in-substance option to purchase 119,048 of the company's shares on the third anniversary of the loan draw date. Grant date fair value of the in-substance option included in current year remuneration is $22,262.	192,166 performance rights valued at $87,820 issued 22 December 2022, vested immediately and converted into the same number of the company's ordinary shares. The full amount of $87,820 is included in current year remuneration.	448,390 performance rights valued at $204,914 issued 22 December 2022, vesting 15 February 2025. Amount included in current year remuneration is $49,795.	STI award for FY23 as approved by the Remuneration and Nomination Committee is at 50% of the STI maximum, being $117,000. 50% of the award, being $58,500, will be paid in cash after the end of the financial year, and is included in remuneration in the current year. The remaining 50% will, subject to shareholder approval, be paid in the form of performance rights to ordinary shares and included in FY24 remuneration.
Service and performance criteria used to determine the amount of remuneration	Employment ongoing at grant date.	Granted in accordance with the contractual terms of the the Executive Service Agreement. Shareholder approval was given at the AGM 29 November 2022.	Granted in accordance with the contractual terms of the the Executive Service Agreement. Shareholder approval was given at the AGM 29 November 2022.	The award criteria comprised a weighted performance target of 50% financial and 50% non-financial metrics. Only the non-financial metrics were achieved, resulting in the award of 50% of the STI maximum.
Percentage paid or vested in the financial year	100%	100%	0%	50%
Percentage forfeited	0%	0%	0%	50%

Percentage of remuneration that is performance related is as follows:

Executive Directors	Fixed remuneration	At risk - STI	At risk - LTI
Steve Masters	92.3%	7.7%	0.0%

Remainder of directors and other KMP are on 100% fixed remuneration.

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 directors and other 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 2023 were as follows:

		Notice period for termination	
Other KMP	**Position**	**By Company**	**By Executive**
Chris Mahar	Chief Financial Officer	3 months	3 months
David Byrne	General Manager Global 3D	6 months	6 months
Matthew Simmons[1]	General Manager LiDAR	3 months	3 months
Stuart Wileman[1]	General Manager MetroMap	3 months	3 months
Kobus Swart[2]	General Manager Aviation	3 months	3 months

(1) Commenced as KMP 12 September 2022.
(2) Appointed 24 January 2023.

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.

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.

Managing Director and CEO – Executive service agreement overview

Steve Masters was appointed as the Managing Director and CEO 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: ▪ 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: i) 50% in the form of performance rights to fully paid ordinary shares ii) 50% in cash In accordance with the terms of the agreement, the STI benefit for FY22, being the first financial year of employment, was paid 100% 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 2025) provided the employee remains employed at that date.
Performance Metrics	Refer to section C – Details of remuneration for performance metrics, and remuneration outcomes for the year. The performance metrics for each financial year are determined by the Board.
Change of Control	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 Control 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.

Terms in the contract that may affect remuneration in future years	Two tranches of performance rights will be issued to Mr Masters, subject to shareholder approval, upon satisfaction of a service condition and a market performance condition. Mr Masters will qualify for the first tranche of 250,000 share performance incentive rights in the event that at any time during the 3 years from commencement date (14 February 2022) the VWAP of ordinary shares traded remains at or above $1.50 for a continuous period of 30 trading days, and provided that Mr Masters remains employed by AMX at the end of that 3 year period. The performance rights will vest on the third anniversary of the commencement date (14 February 2025). If at any time during those 3 years, the board recommends the acceptance of a takeover offer for the ordinary shares of the company at not less than 80% of the tranche 1 threshold VWAP, then all the tranche 1 rights will vest immediately. Mr Masters will qualify for the second tranche of 250,000 share performance incentive rights in the event that at any time during the 5 years from commencement date (14 February 2022) the VWAP of ordinary shares traded remains at or above $3.00 for a continuous period of 30 trading days, and provided that Mr Masters remains employed by AMX at the end of that 5 year period. The performance rights will vest on the fifth anniversary of the commencement date (14 February 2027). If at any time during those 5 years, the board recommends the acceptance of a takeover offer for the ordinary shares of the company at not less than 80% of the tranche 2 threshold VWAP, then all the tranche 2 rights will vest immediately. Termination with notice by the company before the vesting dates will trigger the vesting of tranche 1 and 2 performance rights, so long as the performance condition (threshold VWAP for each tranche) has been met before the termination date. 50% of any shares issued on vesting of the tranche 1 and 2 performance rights will be subject to a 12-month trading restriction.

E. Share based compensation

Shares

On 22 December 2022, 192,166 shares were issued as a result of CEO STI FY22 performance rights vesting immediately on grant. No cash was received for these shares as they were issued on the conversion of performance rights.

Consistent with the terms of the employee share grant, other key management personnel (other than the Managing Director and Chief Executive Officer were granted shares that were only subject to a service condition. The shares were granted to align employee interests with the creation of shareholder value.

The fair value of the shares issued was determined directly with reference to the volume weighted average share price for the 5 days up to 6 March 2023, being $0.396 per share.

Terms and conditions for each grant of shares affecting remuneration of directors and other key management personnel during the current or a future period are as follows:

Name	Date	Shares	Fair value	Remuneration $
Chris Mahar	6 March 2023	2,523	$0.396	$1,000
David Byrne	6 March 2023	2,523	$0.396	$1,000
Matthew Simmons	6 March 2023	2,523	$0.396	$1,000
Stuart Wileman	6 March 2023	2,523	$0.396	$1,000

Performance rights

On 22 December 2022, 640,556 performance rights valued at $292,734 were issued to Steve Masters, Managing Director and Chief Executive Officer, as a component of equity-settled share-based remuneration pursuant to his employment agreement. The grant date for these rights was 29 November 2022, being the date the shareholders granted approval at the 2022 Annual General Meeting.

192,166 short term incentive (STI) performance rights vested immediately, resulting in a share-based payment expense of $87,820 (2022: $nil). These same performance rights immediately converted to ordinary shares, and the value was transferred from the share-based payment reserve to issued capital.

The remaining 448,390, being long term incentive (LTI) performance rights, will be expensed over the vesting period to 15 February 2025. The current period expense resulting from this grant was $49,795 (2022: $nil).

The performance rights are valued in accordance with the Managing Director and Chief Executive Officer employment agreement at 45% of fixed remuneration for STI, and 105% of fixed remuneration for LTI. The number of rights is determined with reference to the volume weighted average share price for the 62 days after the end of the financial year to which the remuneration grant relates.

Terms and conditions for each grant of performance rights affecting remuneration of directors and other key management personnel during the current or a future period are as follows:

	Managing Director and CEO FY22 STI Performance Rights	Managing Director and CEO FY22 LTI Performance Rights
Grant date	29 November 2022	29 November 2022
Issue Date	22 December 2022	22 December 2022
Expiry / Vesting Date	22 December 2022	15 February 2025
Share price at issue date	$0.405	$0.405
Time to expiration (years)	-	2.2
Number of units	192,166	448,390
Valuation (per right)	$0.457	$0.457
Total valuation	$87,820	$204,914

Limited-recourse loans

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

Limited-recourse loans are treated as in-substance options, accounted for as a share-based payment in the period the agreements are entered into, and are included in equity-settled share-based remuneration for the period.

Terms and conditions for each grant of in-substance options affecting remuneration of directors and other key management personnel during the current or a future period are as follows:

	Managing Director and CEO Shares Loan
Grant Date	29 September 2022
Strike price (nominal value)	$0.420
Price at time of valuation	$0.420
Time to expiration (years)	3
Risk free rate	3.65%
Dividend yield	0.00%
Volatility (expected)	62.7%[1]
Number of units	119,048
Black-Scholes valuation (per option)	$0.187
Total valuation	$22,262

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

Options

Other than limited-recourse loans treated as in-substance options, no options were granted as compensation during the year. No options were exercised during the year. Options granted as compensation in previous periods, which lapsed in the current financial year are as follows:

Name	Share based compensation grant	Number of options lapsed	Financial year granted	Fair value $	Value lapsed $
Peter Foster	Directors via ESOP	100,000	2021	$0.335	$33,500
David Byrne	Directors via ESOP	100,000	2021	$0.335	$33,500
Chris Mahar	Employees via ESOP	100,000	2020	$1.001	$100,100
Matthew Simmons	Employees via ESOP	20,000	2020	$1.001	$20,020
Stuart Wileman	Employees via ESOP	20,000	2020	$1.001	$20,020

F. Additional information

5-year performance table

The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Annual Recurring Revenue (ARR)[1]	7,606	6,842	4,806	1,663	-
Operating revenue	25,361	25,030	20,941	20,091	16,109
EBITDA[2]	3,827	7,702	2,864	3,901	5,035
EBITDA (normalised)[2]	3,827	5,103	4,197	4,961	5,035
EBIT	(5,354)	(744)	(4,163)	113	3,054
Profit / (loss) after income tax	(4,242)	(599)	(4,081)	(266)	2,570
Free cash flow	(4,778)	1,352	(5,365)	(3,400)	916

[1] ARR is a non-IFRS term used by the Group to measure performance, and is calculated as the statutory subscription revenue in the reporting month x 12.
[2] EBITDA is reconciled to Statutory (loss) after income tax on page 39. EBITDA (normalised) has been adjusted 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:

	2023	2022	2021	2020	2019
Share price at financial year end ($)	$0.30	$0.30	$0.67	$1.50	n/a
Total dividends declared (cents per share)	-	-	-	-	38.1
Basic earnings per share (cents per share)	(4.5)	(1.7)	(4.4)	(0.4)	4.3

G. Equity instruments held by key management personnel

Shares

		Start of period (or commencement as KMP)	Granted as compensation	Received on exercise of option or right	Any other changes[5]	End of period (or cessation as KMP)
Mark Lindh		373,958	-	-	47,620	421,578
Peter Foster		50,000	-	-	-	50,000
Matthew White		12,399,479	-	-	-	12,399,479
Steve Masters	(1)	-	-	192,166	59,524	251,690
Chris Mahar		97,051	2,523	-	-	99,574
David Byrne		8,583,850	2,523	-	(825,596)	7,760,777
Matthew Simmons	(2)	-	2,523	-	-	2,523
Stuart Wileman	(3)	-	2,523	-	-	2,523
Tisham Dhar	(4)	124,028	-	-	-	124,028
		21,628,366	**10,092**	**192,166**	**(718,452)**	**21,112,172**

(1) Does not include shares purchased on market from funds provided under limited-recourse loan from Aerometrex. Shown separately as limited-recourse loans.
(2) Commenced as KMP on 12 September 2022.
(3) Commenced as KMP on 12 September 2022.
(4) Ceased as KMP on 9 September 2022.
(5) On market trades.

Options

		Start of period (or commencement as KMP)	Granted as compensation	Exercised/ converted	Any other changes[3]	End of period (or cessation as KMP)
Peter Foster		100,000	-	-	(100,000)	-
David Byrne		100,000	-	-	(100,000)	-
Chris Mahar		100,000	-	-	(100,000)	-
Matthew Simmons	(1)	20,000	-	-	(20,000)	-
Stuart Wileman	(2)	20,000	-	-	(20,000)	-
		340,000	**-**	**-**	**(340,000)**	**-**

(1) Commenced as KMP on 12 September 2022.
(2) Commenced as KMP on 12 September 2022.
(3) Options lapsed during the period.

Performance rights

	Start of period (or commencement as KMP)	Granted as compensation	Exercised/ converted	Any other changes	End of period (or cessation as KMP)
Steve Masters	-	640,556	(192,166)	-	448,390

Limited-recourse loans

	Start of period (or commencement as KMP)	Granted as compensation	Exercised/ converted	Any other changes	End of period (or cessation as KMP)
Steve Masters	-	119,048	-	-	119,048

H. Additional disclosures relating to key management personnel

Transactions with director-related entities

Matthew White

During the reporting period, the company used the accounting and taxation services of Matthew White and the accounting firm over which he exercises significant influence. The amounts billed in relation to the provision of services during the period totalled $19,014 (2022: $22,393). The amount outstanding at the end of the period was $3,575 (2022: $2,145).

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. AMX Capital Trust was formally wound up in the current financial year, however, no distribution amounts were paid or payable, as all amounts were settled in April 2022. 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 totalled $27,685 (2022: $180,000). The amount outstanding at the end of the period was $572 (2022: $33,000).

Mark Lindh is a director of AE Administrative Services Pty Ltd which provided company secretarial services during the reporting period. The total amount billed during the period was $35,360 (2022: $38,657). The amount outstanding at the end of the period was $3,080 (2022: $6,160).

Transactions with other key management personnel

Alex Sinclair

In the prior financial year, the company used the services of LATSA to provide services and training that were unrelated to the areas of responsibility managed by 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 amounts billed relating to the provision of services during the prior financial year totalled $11,500. Amounts were fully paid at the end of the year.

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

End of audited remuneration report.

MetroMap Imagery
Agricultural Fields, Willbriggie
New South Wales

Auditor's Independence Declaration

GrantThornton

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
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T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Aerometrex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Aerometrex Limited for the year ended 30 June 2023, 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

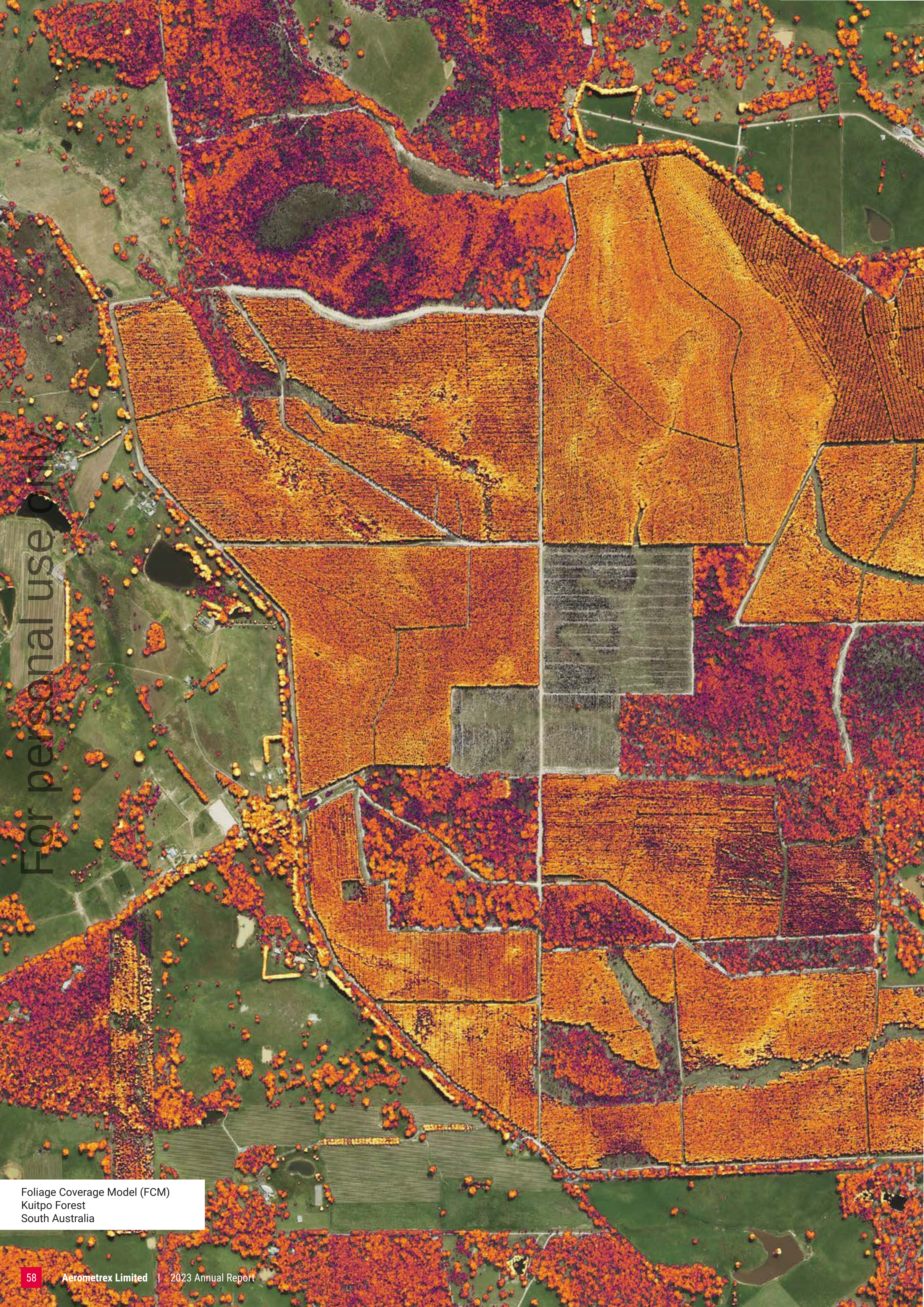
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 August 2023

www.grantthornton.com.au
ACN-130 913 594

MetroMap Imagery
Queen Victoria Markets , Melbourne
Victoria



Foliage Coverage Model (FCM)
Kuitpo Forest
South Australia

Financial Statements & Notes

Contents

CONSOLIDATED STATEMENT OF
Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Revenue	4	25,361	25,030
Other income	4	-	2,813
Revenue and other income		**25,361**	**27,843**
Aircraft and project processing costs		(9,842)	(8,739)
Employee benefits expense		(7,962)	(6,835)
Share based payments	17, 18	(251)	(214)
Depreciation of property, plant and equipment	10	(3,083)	(2,831)
Amortisation of intangible assets	11	(6,098)	(5,615)
Advertising and marketing		(515)	(626)
Consulting and professional services		(557)	(1,188)
IT and telecommunications		(342)	(76)
Occupancy		(166)	(174)
Travel and accommodation		(563)	(438)
Other expenses		(1,336)	(1,851)
Finance costs	19.1	(132)	(100)
Finance income	19.2	326	31
(Loss) before income tax		**(5,160)**	**(813)**
Income tax benefit	5	918	214
(Loss) for the year after income tax		**(4,242)**	**(599)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		38	82
Other comprehensive income for the year, net of tax		**38**	**82**
Total comprehensive income for the year		**(4,204)**	**(517)**
(Loss) / profit attributable to:			
Equity holders of the parent		(4,242)	(1,622)
Non-controlling interests		-	1,023
(Loss) for the year after income tax		**(4,242)**	**(599)**
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(4,204)	(1,540)
Non-controlling interests		-	1,023
Total comprehensive income for the year		**(4,204)**	**(517)**

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

	Notes	2023 cents	2022 cents
Basic loss per share	20	(4.5)	(1.7)
Diluted loss per share	20	(4.5)	(1.7)

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF
Financial Position

As at 30 June 2023

	Notes	2023 $'000	2022 $'000
Assets			
Current			
Cash and cash equivalents	6	9,828	14,144
Trade and other receivables	7	6,112	5,907
Contract assets	8	738	311
Other assets	9	623	477
Total current assets		**17,301**	**20,839**
Non-current			
Property, plant and equipment	10	15,897	14,791
Intangibles	11	7,921	9,040
Deferred tax assets	5	552	-
Total non-current assets		**24,370**	**23,831**
Total assets		**41,671**	**44,670**
Liabilities			
Current			
Trade and other payables	12	2,846	2,768
Contract liabilities	13	3,728	3,476
Current tax liabilities		159	159
Other financial liabilities	14	784	266
Lease liabilities	15	383	345
Employee benefits	16	1,895	1,846
Total current liabilities		**9,795**	**8,860**
Non-current			
Other financial liabilities	14	1,259	622
Lease liabilities	15	1,436	1,684
Employee benefits	16	183	137
Deferred tax liabilities	5	-	366
Total non-current liabilities		**2,878**	**2,809**
Total liabilities		**12,673**	**11,669**
Net assets		**28,998**	**33,001**
Equity			
Equity attributable to owners of the parent:			
Issued capital, net of treasury shares	17	33,021	32,892
Share based payment reserve	18	196	1,743
Other reserves		28	(10)
Retained earnings		(4,247)	(1,624)
Total attributable to owners of the parent		**28,998**	**33,001**
Total equity		**28,998**	**33,001**

To be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF
Changes in Equity
For the year ended 30 June 2023

	Notes	Share capital $'000	Treasury shares $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of parent $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 July 2022		**32,892**	**-**	**1,743**	**(10)**	**(1,624)**	**33,001**	**-**	**33,001**
Profit/(loss) after income tax for the year		-	-	-	-	(4,242)	(4,242)	-	**(4,242)**
Other comprehensive income for the year, net of tax		-	-	-	38	-	38	-	**38**
Total comprehensive income for the year		**-**	**-**	**-**	**38**	**(4,242)**	**(4,204)**	**-**	**(4,204)**
Transactions with owners in their capacity as owners									
Fair value of options and rights recognised during the year	18	-	-	160	-	-	160	-	**160**
Fair value of shares issued during the year	17, 18	91	-	-	-	-	91	-	**91**
Transfers to retained earnings for options lapsed after vesting	18	-	-	(1,619)	-	1,619	-	-	**-**
Transfers to share capital on conversion of performance rights to ordinary shares	17, 18	88	-	(88)	-	-	-	-	**-**
Acquisition of treasury shares	17	-	(50)	-	-	-	(50)	-	**(50)**
Balance as at 30 June 2023		**33,071**	**(50)**	**196**	**28**	**(4,247)**	**28,998**	**-**	**28,998**

	Notes	Share capital $'000	Treasury shares $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total attributable to owners of parent $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 July 2021		**32,892**	**-**	**1,820**	**(92)**	**(293)**	**34,327**	**370**	**34,697**
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]	22	-	-	-	-	-	-	(1,023)	**(1,023)**
Return of capital to non-controlling interest [2]		-	-	-	-	-	-	(370)	**(370)**
Fair value of options and rights recognised during the year	18	-	-	214	-	-	214	-	**214**
Transfers to retained earnings for options lapsed after vesting	18	-	-	(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)

CONSOLIDATED STATEMENT OF
Cash Flows

For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Operating activities			
Receipts from customers		27,459	25,629
Payments to suppliers and employees		(23,629)	(21,492)
Income taxes received / (paid)		-	919
Interest received		326	31
Interest paid		(132)	(100)
Net cash generated from operating activities	**27**	**4,024**	**4,987**
Investing activities			
Payments for property, plant and equipment		(3,823)	(2,263)
Proceeds from disposal of property, plant and equipment		-	5,787
Payments for intangible assets		(4,979)	(6,530)
Payments for acquisitions [1]		-	(629)
Net cash (used in) investing activities		**(8,802)**	**(3,635)**
Financing activities			
Proceeds from other financial liabilities		1,210	-
Repayment of other financial liabilities		(348)	(2,180)
Repayment of lease liabilities		(350)	(147)
Acquisition of treasury shares		(50)	-
Return of capital - AMX Capital Trust	22	-	(370)
Dividends and distributions paid - AMX Capital Trust	22	-	(1,064)
Net cash generated from / (used in) financing activities		**462**	**(3,761)**
Net decrease in cash and cash equivalents		(4,316)	(2,409)
Cash and cash equivalents at the beginning of the period		14,144	16,553
Cash and cash equivalents at the end of the period	**6**	**9,828**	**14,144**

[1] Final payment for Spookfish acquisition.

MetroMap Imagery
Sydney
New South Wales

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

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

- **Aerial LiDAR surveys:** flying, processing and delivering full waveform LiDAR products on a project basis
- **3D modelling:** flying, processing and delivering high resolution 3D models on either a project basis or via off-the-shelf dataset sales
- **MetroMap:** online aerial imagery delivery service (DaaS subscription service)
- **Aerial photography and mapping:** flying, processing and delivering two dimensional digital maps on a project basis (ceased main operations during the prior reporting year)

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors.

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 2023. 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 recognises revenue across three predominant product lines, being aerial LiDAR surveys, 3D modelling, and MetroMap. The tracking of revenue into product lines is used for the internal assessment of revenue performance and future planning, however the expenditure is not recorded into the same product lines, as a significant portion of the costs are shared. That is, the aviation and production resources are available as a whole-of-business resource and allocated to undertake work as required, and to allow for flexibility around external factors such as weather. The gross margin is therefore an accumulative result based on the mixed revenue stream nature of the business (on demand project revenue and subscription revenue).

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

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

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

	Notes	Australia 2023 $'000	USA 2023 $'000	Total 2023 $'000	Australia 2022 $'000	USA 2022 $'000	Total 2022 $'000
Revenue	4	24,540	821	25,361	24,133	897	25,030
Other income	4	-	-	-	2,813	-	2,813
Revenue and other income		**24,540**	**821**	**25,361**	**26,946**	**897**	**27,843**
Aircraft and project processing costs		(9,572)	(270)	(9,842)	(8,618)	(121)	(8,739)
Employee benefits expense		(7,664)	(298)	(7,962)	(6,414)	(421)	(6,835)
Share based payments	17, 18	(251)	-	(251)	(214)	-	(214)
Depreciation of property, plant and equipment	10	(3,049)	(34)	(3,083)	(2,799)	(32)	(2,831)
Amortisation of intangible assets	11	(5,442)	(656)	(6,098)	(5,287)	(328)	(5,615)
Advertising and marketing		(334)	(181)	(515)	(552)	(74)	(626)
Consulting and professional services		(470)	(87)	(557)	(1,066)	(122)	(1,188)
IT and telecommunications		(336)	(6)	(342)	(72)	(4)	(76)
Occupancy		(166)	-	(166)	(167)	(7)	(174)
Travel and accommodation		(270)	(293)	(563)	(262)	(176)	(438)
Other expenses		(1,109)	(227)	(1,336)	(1,667)	(184)	(1,851)
Finance costs	19.1	(132)	-	(132)	(100)	-	(100)
Finance income	19.2	325	1	326	31	-	31
(Loss) before income tax		**(3,930)**	**(1,230)**	**(5,160)**	**(241)**	**(572)**	**(813)**
Income tax benefit	5	918	-	918	214	-	214
(Loss) for the year after income tax		**(3,012)**	**(1,230)**	**(4,242)**	**(27)**	**(572)**	**(599)**

4. Revenue and other income

Aerometrex generates revenue from three principle sources:

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

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

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	2023 $'000	2022 $'000
Subscriptions		
MetroMap	7,191	5,855
Transferred over time (subscription revenue)	**7,191**	**5,855**
Off-the-shelf dataset sales		
3D	979	775
LiDAR	2	-
MetroMap off-the-shelf	1,809	2,586
MetroMap Insights	387	-
Transferred at a point in time (off-the-shelf)	**3,177**	**3,361**
Projects		
3D	1,498	1,372
LiDAR	12,763	11,319
MetroMap - on demand	732	351
Photo contracting	-	2,772
Transferred over time (on demand revenue)	**14,993**	**15,814**
Total revenue from contracts with customers	**25,361**	**25,030**

Geographical regions	2023 $'000	2022 $'000
Australia	24,540	24,133
USA	821	897
Total revenue from contracts with customers	**25,361**	**25,030**

Other Income	2023 $'000	2022 $'000
Gain on disposal of non-current assets	-	2,813
Total other income	**-**	**2,813**

5. Income tax

	2023 $'000	2022 $'000
Income tax expense		
Deferred tax - origination and reversal of temporary differences	(918)	350
Deferred tax - changes in tax rates	-	(26)
Research and development tax offset	-	(40)
Adjustment recognised for current tax of prior periods (1)	-	(498)
Total income tax expense / (benefit)	**(918)**	**(214)**

(1) Adjustment for 2022 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:

	2023 $'000	2022 $'000
Profit / (Loss) from continuing operations before income tax expense	(5,160)	(813)
Tax expense / (benefit) at the Australian tax rate of 25.0% (2022: 25.0%)	**(1,291)**	**(203)**
Income tax expense adjustments		
Effect of different tax rates in foreign jurisdictions	(30)	(11)
Effect on non-assessable income and non-deductible expenses	(19)	(111)
Shared based payments	(63)	(53)
Adjustments for current and deferred tax	147	50
Tax losses not recognised	338	154
Research and development tax offsets	-	(40)
Income tax expense / (benefit)	**(918)**	**(214)**

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 if and only if 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 the Group intends 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:

Deferred tax assets / (liabilities)	1 July 2022 $'000	Recognised in profit and loss $'000	30 June 2023 $'000
Current assets			
Other assets	(64)	(120)	(184)
Unused income tax losses and credits	1,052	1,521	2,573
Non-current assets			
Property, plant and equipment	(2,134)	(557)	(2,691)
Intangible assets	(1,393)	108	(1,285)
Current liabilities			
Trade and other payables	111	43	154
Contract liabilities	869	63	932
Employee obligations	470	4	474
Lease Liabilities	86	10	96
Non-current liabilities			
Employee obligations	34	12	46
Lease Liabilities	421	(62)	359
Equity			
Capital raising costs	182	(104)	78
Total deferred tax assets	**3,225**	**1,487**	**4,712**
Total deferred tax liabilities	**(3,591)**	**(569)**	**(4,160)**
Net deferred tax asset / (liability)	**(366)**	**918**	**552**

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 $3,059,267 (2022: $3,230,715) and deductible temporary differences of $526,816 (2022: $239,751). Tax effect of these amounts at year-end tax rates was $888,616 (2022: $494,833) and $144,611 (2022: $63,814) 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

	2023 $'000	2022 $'000
Cash at bank and in hand		
Cash at bank and on hand	2,105	3,421
Short term deposits at call	7,723	10,723
Cash and cash equivalents total	**9,828**	**14,144**

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

7. Trade and other receivables

	2023 $'000	2022 $'000
Trade receivables (gross)	6,114	5,966
Less: allowance for credit losses	(2)	(59)
Trade and other receivables	**6,112**	**5,907**

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.

2023	Current	30-60 Days	61-90 Days	90+ Days	Total
Expected loss rate	0.0%	0.0%	0.0%	28.6%	0.0%
Gross carrying amount	5,729	344	34	7	6,114
Expected credit loss	-	-	-	2	2

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

8. Contract assets

	2023 $'000	2022 $'000
Projects	661	241
Subscriptions	77	70
Contract assets	**738**	**311**

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.

9. Other assets

	2023 $'000	2022 $'000
Prepayments	623	477
Total other assets	**623**	**477**

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 and buildings - right-of-use $'000	Leasehold improvements $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
As at 30 June 2023					
Cost	2,325	352	25,767	938	**29,382**
Less accumulated depreciation	(576)	(62)	(12,847)	-	**(13,485)**
Carrying amount at the end of the year	**1,749**	**290**	**12,920**	**938**	**15,897**
Reconciliation of carrying amount at 30 June 2023					
Carrying amount at the beginning of the year	**1,969**	**146**	**11,584**	**1,092**	**14,791**
Additions	140	-	372	3,691	**4,203**
Transfers between asset classes	-	176	3,669	(3,845)	**-**
Depreciation	(360)	(32)	(2,691)	-	**(3,083)**
Disposals	-	-	(15)	-	**(15)**
Change in foreign exchange rates	-	-	1	-	**1**
Carrying amount at the end of the year	**1,749**	**290**	**12,920**	**938**	**15,897**

	Land $'000	Buildings $'000	Land and buildings - right-of-use $'000	Leasehold improvements $'000	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**
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	-	584	1,658	**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**	**11,584**	**1,092**	**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 28 Non-cash investing and financing activities.

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 - IT, sensors.

11. Intangible assets

	Datasets $'000	Computer software $'000	Other $'000	Goodwill $'000	Contractual rights $'000	Datasets in progress $'000	Total $'000
As at 30 June 2023							
Cost	24,144	44	79	1,785	364	494	**26,910**
Less accumulated amortisation	(18,589)	(36)	-	-	(364)	-	**(18,989)**
Carrying amount at the end of the year	**5,555**	**8**	**79**	**1,785**	**-**	**494**	**7,921**
Reconciliation of carrying amount at 30 June 2023							
Carrying amount at the beginning of the year	**6,303**	**20**	**70**	**1,785**	-	**862**	**9,040**
Additions	4,439	2	9	-	-	494	**4,944**
Transfers between asset classes	862	-	-	-	-	(862)	**-**
Amortisation	(6,084)	(14)	-	-	-	-	**(6,098)**
Change in foreign exchange rates	35	-	-	-	-	-	**35**
Carrying amount at the end of the year	**5,555**	**8**	**79**	**1,785**	**-**	**494**	**7,921**

	Datasets $'000	Computer software $'000	Other $'000	Goodwill $'000	Contractual rights $'000	Datasets 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**
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**

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 off 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 there may be 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 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. A prior impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

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 2023 totalling $7.5m (2022: $8.1m), property, plant and equipment of $15.9m (2022: $14.7m), and working capital of $10.5m (2022: $12.3m) giving rise to a total CGU value of $33.9m (2022: $35.3m).

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 14.5% (2022: 13.7%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 3% (2022: 3%).

These projections are based on company experience and external information sources of the available target market. In preparing financial projections, the Group has considered the macroeconomic uncertainty in the current economic environment 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

	2023 $'000	2022 $'000
Current		
Trade payables	1,450	1,325
Other payables	1,396	1,443
Total trade and other payables	**2,846**	**2,768**

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

	2023 $'000	2022 $'000
Current		
Projects billed in advance	770	631
Subscriptions billed in advance	2,958	2,845
Total contract liabilities	**3,728**	**3,476**

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Carrying amount at amortised cost				
Other bank borrowings:				
Credit card facilities	88	96	-	-
Premium finance liabilities	236	-	-	-
Chattel mortgage liabilities	460	170	1,259	622
Total	**784**	**266**	**1,259**	**622**

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:

Chattel mortgages	2023 $'000	2022 $'000
Minimum payments	1,889	869
Less future charges	(170)	(77)
Present value of minimum payments	**1,719**	**792**
Current liability	460	170
Non-current liability	1,259	622
Total	**1,719**	**792**

Finance arrangements

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

1. A business loan with a facility limit of $3.74m (2022: $4.81m) 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 (2022: $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 $0.11m (2022: $1.13m).
3. Corporate credit card facility of $300k. Balance as at the end of the reporting period was $88k (2022: $78k). 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 Atlass-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 2023.

Aerometrex Ltd (USA) has a credit card facility with First Interstate Bank of $60k (2022: $58k). Balance at the end of the reporting period was $nil (2022: $17k). This facility is secured against a restricted cash balance of $60k (2022: $58k).

15. Leases

	2023 $'000	2022 $'000
Expense relating to short-term leases	410	698
Expense relating to variable lease payments	33	5
Total cash outflow for leases[1]	845	880
Future cash outflows not included in the measurement of lease liabilities:		
Future cash outflows relating to extension options	1,877	1,738

[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).

Balance of lease liabilities	2023 $'000	2022 $'000
Current	383	345
Non-current	1,436	1,684
Total	**1,819**	**2,029**

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.

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 28 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 19 Finance costs and finance Income.

Reconciliation of cash and non-cash movements in lease liabilities is included in Note 29 Changes in liabilities arising from financing activities.

Note 25 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 low-value asset recognition exemption to leases 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.

16. Employee benefits

Employee benefit liabilities

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

	2023 $'000	2022 $'000
Current		
Leave provisions	1,602	1,651
Provisions for bonuses and incentives	293	195
Total current provisions	**1,895**	**1,846**
Non-current		
Leave provisions	183	137
Total non-current provisions	**183**	**137**
Total employee provisions	**2,078**	**1,983**

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.

17. Issued capital

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Shares issued and fully paid:				
Opening balance 1 July	94,400,000	94,400,000	32,892	32,892
Equity settled share based remuneration - employee share grant	229,593	-	91	-
Equity settled share based remuneration - conversion of performance rights	192,166	-	88	-
Closing balance of share capital	**94,821,759**	**94,400,000**	**33,071**	**32,892**

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Treasury shares:				
Beginning of the year	-	-	-	-
Acquisition of treasury shares	119,048	-	(50)	-
Closing balance of treasury shares	**119,048**	**-**	**(50)**	**-**

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 winding up of the company in proportion to the number of fully paid 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.

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

Treasury shares acquired in September 2022 relate to the treatment of limited-recourse loans to related parties (refer note 21 Related-party transactions) as an option to take up the shares at the end of the loan term (refer note 18 Share-based payments), and an acquisition of the Group's own shares.

18. Share based payments

Movements in the share based payments reserve are as follows:

	2023 $'000	2022 $'000
Opening balance	1,743	1,820
Current period expense (net)	160	214
Transferred to ordinary share capital on conversion of performance rights to ordinary shares	(88)	-
Options lapsed transferred to retained earnings	(1,619)	(291)
Balance at the end of period	**196**	**1,743**

Shares

On 4 May 2023, 229,593 ordinary shares were issued to eligible employees under the employee share incentive plan launched during the financial year, following approval of the plan by shareholders at the AGM held on 29 November 2022. The fair value of the shares issued was determined directly with reference to the volume weighted average share price for the 5 days up to 6 March 2023, being $0.396 per share. The total fair value of $90,965 (2022: $nil) was recognised as a share-based payments expense in profit or loss in the current year, as all the vesting conditions were met.

Options

No options were granted during the current reporting period.

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	Lead manager and underwriter	**2023**	**944,000**	10 Dec 19	10 Dec 21	10 Dec 23	1.25	0.132
		2022	944,000					
05 May 2020	Employees via ESOP	**2023**	**-**	05 May 20	05 May 21	05 May 23	1.25	1.001
		2022	780,000					
05 May 2020	Employees via ESOP	**2023**	**-**	05 May 20	05 May 22	05 May 23	1.25	1.001
		2022	770,000					
04 Nov 2020	Directors via ESOP	**2023**	**-**	04 Nov 20	05 May 21	05 May 23	1.25	0.335
		2022	100,000					
04 Nov 2020	Directors via ESOP	**2023**	**-**	04 Nov 20	05 May 22	05 May 23	1.25	0.335
		2022	100,000					
		Total 2023	**944,000**					
		Total 2022	2,694,000					

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

	2023 Options #	2023 Weighted average exercise price $	2022 Options #	2022 Weighted average exercise price $
Options				
Number of options outstanding at 1 July	2,694,000	1.25	4,214,000	1.25
Options lapsed during the period	(1,550,000)	1.25	(1,000,000)	1.25
Options forfeited during the period	(200,000)	1.25	(520,000)	1.25
Total options at 30 June	**944,000**	**1.25**	**2,694,000**	**1.25**
Weighted average remaining contractual life (years)	0.4		1.1	
Vested and exercisable at 30 June	944,000	1.25	2,694,000	1.25

The Group implemented an employee share option plan in 2020 to enable share based employee 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 share options 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 share options 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). Once the vesting date has passed, the cumulative expense represents the grant date fair value of the options that vested, and no further adjustment is recognised in profit or loss on exercise, forfeiture, or expiry of the options.

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.

Performance Rights

On 22 December 2022, 640,556 performance rights valued at $292,734 were issued to Steve Masters, Managing Director and Chief Executive Officer, as a component of equity-settled share-based remuneration pursuant to his employment agreement. The grant date for these rights was 29 November 2022, being the date the shareholders granted approval at the 2022 Annual General Meeting.

192,166 short term incentive (STI) performance rights vested immediately, resulting in a share-based payment expense of $87,820 (2022: $nil). These same performance rights immediately converted to ordinary shares, and the value was transferred from the share-based payment reserve to issued capital.

The remaining 448,390, being long term incentive (LTI) performance rights, will be expensed over the vesting period to 15 February 2025. The current period expense resulting from this grant was $49,795 (2022: $nil).

The performance rights are valued in accordance with the Managing Director and Chief Executive Officer employment agreement at 45% of fixed remuneration for STI, and 105% of fixed remuneration for LTI. The number of rights is determined with reference to the volume weighted average share price for the 62 days after the end of the financial year to which the remuneration grant relates. Key details of the performance rights issued in the current period are as follows:

	Managing Director and CEO FY22 STI Performance Rights	Managing Director and CEO FY22 LTI Performance Rights
Grant Date	29 Nov 22	29 Nov 22
Issue Date	22 Dec 22	22 Dec 22
Expiry / Vesting Date	22 Dec 22	15 Feb 25
Share price at issue date	$0.405	$0.405
Time to expiration (years)	-	2.2
Number of units	192,166	448,390
Valuation (per right)	$0.457	$0.457
Total valuation	$87,820	$204,914

Limited-recourse loans

On 29 September 2022, a limited-recourse loan of $50,000 was advanced to Steve Masters, Managing Director and Chief Executive Officer, pursuant to terms of his employment agreement and associated loan agreement, to facilitate on-market purchases of shares in the Group. The loan is interest bearing, secured over the shares acquired, and repayable on the 3rd anniversary of the loan draw date. Refer also note 21 Related-party transactions.

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

The option to acquire 119,048 ordinary shares was recognised in the current period, resulting in a share-based payment expense of $22,262 (2022: $nil). On expiry or exercise of the option, the grant date fair value of the option is transferred out of the share-based payment reserve.

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

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

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

19. Finance costs and finance income

19.1 Finance costs

	2023 $'000	2022 $'000
Interest expenses on chattel mortgage arrangements	59	38
Interest expenses on lease liabilities	52	30
Interest expenses on other facilities	21	32
Total finance costs	**132**	**100**

19.2 Finance income

	2023 $'000	2022 $'000
Interest income from cash and cash equivalents	326	31
Total finance income	**326**	**31**

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.

20. 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 by the weighted average number of ordinary shares outstanding during the reporting period (not including treasury shares).

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

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

	2023 $'000	2022 $'000
(Loss) attributable to equity holders of the parent	(4,242)	(1,622)

	2023 #	2022 #
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	94,446,518	94,400,000

	2023 cents	2022 cents
Basic earnings per share	(4.5)	(1.7)
Diluted earnings per share[1]	(4.5)	(1.7)

[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.

21. 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.

Key management personnel remuneration

Key management personnel (KMP) of the Group are the 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):

	2023 $	2022 $
Short term employee benefits:		
Salaries including bonuses	1,866,348	1,723,584
Non-monetary benefits	-	-
Employee entitlements	19,337	35,291
Total short-term employee benefits	**1,885,685**	**1,758,875**
Long service leave	(21,249)	(55,765)
Total other long-term benefits	**(21,249)**	**(55,765)**
Superannuation and other pension contributions	159,966	145,258
Total post employment benefits	**159,966**	**145,258**
Share based payments	163,877	4,201
Total remuneration	**2,188,279**	**1,852,569**

Equity instruments issued to directors

Steve Masters – performance rights

On approval by shareholders at the 2022 Annual General Meeting, an aggregate of 640,556 performance rights were issued to Steve Masters on 22 December 2022. 192,166 vested immediately and converted to the same number of ordinary shares. Refer note 18 Share based payments for further information.

Loans receivable from directors

Steve Masters – shares loan

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

The loan is secured against 119,048 ordinary shares held by Steve Masters, and is repayable on the third anniversary of the draw date, being 29 September 2025. Because the Group holds security over these shares, they are treated as treasury shares (refer note 17 Issued capital).

The option for Steve Masters to take up the shares by repaying the loan at the end of the term is treated as a share-based payment (refer note 18 Share-based payments).

Transactions with director-related entities

Matthew White

During the reporting period, the company used the accounting and taxation services of Matthew White and the accounting firm over which he exercises significant influence. The amounts billed in relation to the provision of services during the period totalled $19,014 (2022: $22,393). The amount outstanding at the end of the period was $3,575 (2022: $2,145).

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. AMX Capital Trust was formally wound up in the current financial year, however, no distribution amounts were paid or payable, as all amounts were settled in April 2022. 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 totalled $27,685 (2022: $180,000). The amount outstanding at the end of the period was $572 (2022: $33,000).

Mark Lindh is a director of AE Administrative Services Pty Ltd which provided company secretarial services during the reporting period. The total amount billed during the period was $35,360 (2022: $38,657). The amount outstanding at the end of the period was $3,080 (2022: $6,160).

Transactions with other key management personnel

Alex Sinclair

In the prior financial year, the company used the services of LATSA to provide services and training that were unrelated to the areas of responsibility managed by 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 amounts billed relating to the provision of services during the prior financial year totalled $11,500. Amounts were fully paid at the end of the year.

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

22. Dividends and distributions

No dividends were paid or declared with respect to shareholders of the Group for the year ended 30 June 2023 (2022: $nil).

Subsidiary entity AMX Capital Trust was wound up during the prior year. There were no distributions of profits or capital attributable to non-controlling interests in the subsidiary entity, as these amounts were settled in April 2022 (profit distributed $1.02m capital returned $370k). No further amounts are payable.

Dividend franking account

	2023 $'000	2022 $'000
Franking credits available for future financial periods (tax paid basis, 25.0% tax rate)	228	228

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.

23. Auditor's remuneration

	2023 $	2022 $
Audit or review of financial statements - Grant Thornton		
Financial year 2022	-	90,203
Financial year 2023	100,651	-
Total audit or review remuneration	**100,651**	**90,203**
Other services - Grant Thornton		
Tax compliance	-	2,500
Total other services remuneration	**-**	**2,500**
Total auditor's remuneration	**100,651**	**92,703**

24. Commitments

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 relate to the remaining payments due on the acquisition of aerial capture sensors which have been ordered but not yet delivered.

	2023 $'000	2022 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payables:		
Property, plant and equipment	712	1,948
Total commitments	**712**	**1,948**

25. Financial instrument risk

25.1 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 monitors 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, lease liabilities, and other interest-bearing liabilities.

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

25.2 Market risk

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

25.2.1 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	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
USD	443	341	175	81
EUR	12	-	-	67
Total foreign currency	**455**	**341**	**175**	**148**

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.

25.2.2 Price risk

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

25.2.3 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.

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.

2023	Notes	Variable interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial assets					
Cash and cash equivalents	6	9,828	-	-	**9,828**
Trade and other receivables	7	-	-	6,112	**6,112**
Total financial assets		**9,828**	**-**	**6,112**	**15,940**
Financial liabilities					
Trade and other payables	12	-	-	2,846	**2,846**
Other financial liabilities	14	88	1,955	-	**2,043**
Lease liabilities	15	-	1,819	-	**1,819**
Total financial liabilities		**88**	**3,774**	**2,846**	**6,708**

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	-	-	2,768	**2,768**
Other financial liabilities	14	96	792	-	**888**
Lease liabilities	15	-	2,029	-	**2,029**
Total financial liabilities		**96**	**2,821**	**2,768**	**5,685**

25.3 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.

2023	Current	30-60 Days	61-90 Days	90+ Days	Total
Expected loss rate	0.0%	0.0%	0.0%	28.6%	0.0%
Gross carrying amount	5,729	344	34	7	6,114
Expected credit loss	-	-	-	2	2

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

25.4 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:

2023	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	2,846	-	-	-	-	**2,846**
Other financial liabilities	88	226	556	1,350	-	**2,220**
Lease liabilities	-	108	324	1,504	-	**1,936**
Total financial liabilities	**2,934**	**334**	**880**	**2,854**	**-**	**7,002**

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	2,768	-	-	-	-	**2,768**
Other financial liabilities	96	52	153	664	-	**965**
Lease liabilities	-	99	297	1,567	226	**2,189**
Total financial liabilities	**2,864**	**151**	**450**	**2,231**	**226**	**5,922**

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 that the carrying amounts of financial instruments approximate their fair value.

26. Capital management

The Group's objective 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.

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

	2023 $'000	2022 $'000
(Loss) for the year after income tax	(4,242)	(599)
Depreciation	3,083	2,831
Amortisation	6,098	5,615
Gain on sale of property, plant and equipment	-	(2,813)
Non-cash share based payments	251	214
Other non-cash items	38	82
Change in assets and liabilities attributable to investing and financing activities		
Increase / (decrease) in other current assets funded by other financial liabilities	293	-
(Increase) / decrease in trade and other payables - purchase of property, plant and equipment	(226)	-
(Increase) / decrease in other payables - distributions payable	-	41
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(205)	(2,942)
(Increase) / decrease in contract assets	(427)	408
(Increase) / decrease in current tax assets	-	262
(Increase) / decrease in prepayments and other current assets	(146)	401
(Increase) / decrease in deferred tax assets	(552)	-
Increase / (decrease) in trade and other payables	78	113
Increase / (decrease) in contract liabilities	252	682
Increase / (decrease) in employee entitlements	95	249
Increase / (decrease) in current tax liabilities	-	159
Increase / (decrease) in deferred tax liabilities	(366)	284
Net cash flows from operating activities	**4,024**	**4,987**

28. Non-cash investing and financing activities

	2023 $'000	2022 $'000
Additions to right-of-use assets - financed through lease liabilities	140	1,604
Total for the year	**140**	**1,604**

29. Changes in liabilities arising from financing activities

2023	Other financial liabilities $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2022	**792**	**2,029**	**2,821**
Net cash generated from / (used in) financing activities	862	(350)	**512**
Additions to leases	-	140	**140**
New finance contracts	293	-	**293**
Other changes	8	-	**8**
Balance at 30 June 2023	**1,955**	**1,819**	**3,774**

30. Parent entity information

Information relating to Aerometrex Limited (the Parent Entity):

	2023 $'000	2022 $'000
Statement of financial position		
Current assets	16,812	20,426
Total assets	**43,262**	**45,582**
Current liabilities	9,757	8,463
Total liabilities	**12,020**	**11,515**
Net assets	**31,242**	**34,067**
Issued capital	33,021	32,892
Share based payments reserve	196	1,743
Retained earnings	(1,975)	(568)
Total equity	**31,242**	**34,067**
Statement of profit or loss and other comprehensive income		
Profit / (loss) for the year after tax	(3,027)	(996)
Total comprehensive income	**(3,027)**	**(996)**

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

As at 30 June 2023, Aerometrex Limited did not have any guarantees in relation to the debts of subsidiaries (2022: nil).

Contingent liabilities of the parent entity

There are no contingent liabilities relating to the parent entity.

Contractual commitments for the acquisition of property, plant and equipment

Contractual commitments detailed in Note 24 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.

31. Subsidiary information

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group	
		2023	2022
Atlass- Aerometrex Pty Ltd	Australia	100%	100%
Aerometrex Ltd	USA	100%	100%
MetroMap Pty Ltd	Australia	100%	100%
AMX LAMS Pty Ltd	Australia	100%	100%
AMX Capital Pty Ltd <AMX Capital Trust> [1]	Australia	0%	64.4%
Spookfish Australia Pty Ltd	Australia	100%	100%

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

32. Subsequent events

The Company announced the awarding of a significant LiDAR contract for $1.45m with Agronomeye in August 2023. The LiDAR data will form the foundation layer for the creation of landscape models and be combined with other data sources such as livestock management data, yield maps, weather and on-farm sensor data to empower farmers to balance social, environmental, and financial goals.

The Company took delivery of its IGI DigiCam 450 camera in July 2023 for use in its MetroMap capture program. This aligns with the strategy to standardise equipment utilised in the business and follows the deployment of its IGI UrbanMapper2 camera during FY23.

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.

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 2023 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 2023 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 2023. 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

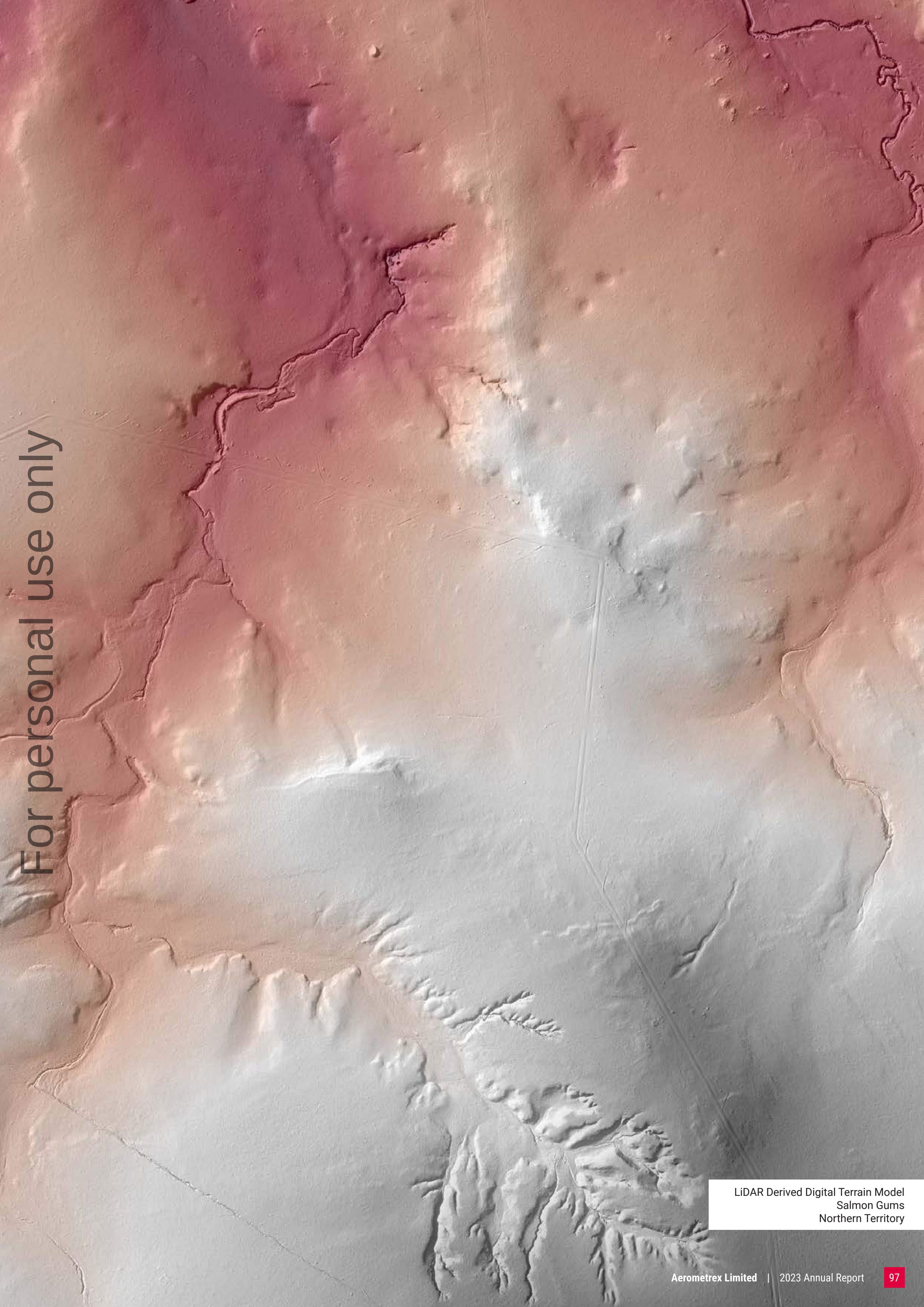
Mark Lindh

Chair of the Board

30 August 2023

Steve Masters

Managing Director and Chief Executive Officer



LiDAR Derived Digital Terrain Model
Salmon Gums
Northern Territory

Independent Auditor's Report

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Grant Thornton House
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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 2023, 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:

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b 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.

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 the reporting date. The recognition of project revenue based on a percentage of completion requires the estimation of costs to complete and this budgeting involves management judgement. We have therefore 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: • 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 and: – reading the contract terms and conditions to evaluate how the individual characteristics of each contract were reflected in the contract revenue 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.
Intangibles – 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 profitability resulting from amortisation expense and potential technical obsolescence that may change the use of datasets in future periods increases the estimation uncertainty and therefore complexity to the audit. 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: • 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.

Intangibles – Impairment

Note 11

As at 30 June 2023, the Group's intangible assets of $7,921,000 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. 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 2023, 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 2023.

In our opinion, the Remuneration Report of Aerometrex Limited, for the year ended 30 June 2023 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 August 2023

Shareholder Information

Ordinary share capital

94,821,759 fully paid ordinary shares are held by 2,293 individual shareholders. All ordinary shares carry one vote per share.

Range of Units as at 16 August 2023

Range	Total holders	Units	% Units
1 - 1,000	485	308,288	0.33
1,001 - 5,000	998	2,741,052	2.89
5,001 - 10,000	355	2,819,865	2.97
10,001 - 100,000	401	11,718,584	12.36
100,001 Over	54	77,233,970	81.45
Rounding			**0.00**
Total	**2,293**	**94,821,759**	**100**

Unmarketable Parcels	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.4150 per unit	1,250	605	422,821

Options

Options do not carry a right to vote.

Range	2023 Holders	2022 Holders	2023 Options	2022 Options
Lead manager and underwriter	1	1	944,000	944,000
Directors via ESOP	-	2	-	200,000
Employees via ESOP	-	68	-	1,550,000
Total options issued at 30 June	**1**	**71**	**944,000**	**2,694,000**

Performance rights

Performance rights do not carry a right to vote.

Range	2023 Holders	2022 Holders	2023 Performance Rights	2022 Performance Rights
Executive Directors	1	-	448,390	-
Total performance rights issued at 30 June	**1**	**-**	**448,390**	**-**

Top 20 Shareholders as at 16 August 2023

Rank	Name	Balance as at 16 August 2023	% Units
1	NATIONAL NOMINEES LIMITED	14,223,119	15.00
2	199 INVESTMENT PTY LTD <199 INVESTMENT A/C>	12,177,927	12.84
3	MR MARK JOHN DEUTER + MRS LYNETTE GWYNEDD DEUTER <DEUTER FAMILY A/C>	9,175,269	9.68
4	MR SCOTT TOMLINSON <THE TOMLINSON FAMILY A/C>	7,300,000	7.70
5	DAIJ PTY LTD <BYRNE FAMILY A/C>	6,780,982	7.15
6	MRS BEATA MARIA SERAFIN + MR WOJCIECH MISIARA <SERAFIN MISIARA FAMILY A/C>	6,000,000	6.33
7	MRS MARGARET CAROLYN DARLEY <W&M PROPERTY A/C>	4,935,566	5.21
8	SUPERDUNOW PTY LTD <SUPERDUNOW SUPERFUND A/C>	1,500,000	1.58
9	H&G INVESTMENT MANAGEMENT LTD <H&G VAIL LANE FUND A/C>	1,300,000	1.37
10	MR WARREN DARLEY + MARGARET DARLEY <DARLEY SUPER FUND A/C>	1,083,427	1.14
11	D & J BYRNE CO PTY LTD <D & J BYRNE SUPER FUND A/C>	977,272	1.03
12	MR TODD ANTHONY DUNOW + MRS JANE REBECCA SWINTON DUNOW <THE DUNOW FAMILY A/C>	925,000	0.98
13	TOMO'S SUPER PTY LTD <TOMO'S SUPER FUND A/C>	857,321	0.90
14	NATHAN WILLIAM MICHAEL	649,388	0.68
15	ATATURK INVESTMENTS PTY LTD	590,422	0.62
16	KATALIN GARAMI + PETER PAP	568,088	0.60
17	MR JASON RALPH LANTE	560,047	0.59
18	MR TODD ANTHONY DUNOW + MRS JANE REBECCA SWINTON DUNOW <THE DUNOW FAMILY A/C>	500,000	0.53
18	HACKETT CP NOMINEES PTY LTD <THE HACKETT FAMILY A/C>	500,000	0.53
20	ALBERTO ZANIOLO + JOANNA STEFANIA DZIOLAK	473,407	0.50
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**71,077,235**	**74.96**
Total Remaining Holders Balance		**23,744,524**	**25.04**

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.

Name	Units held as at 16 August 2023	% Units
Perennial Value Management Limited	13,463,021	14.20
Matthew White	12,399,449	13.08
Mark Deuter	9,175,269	9.68
Scott Tomlinson	8,157,321	8.60
David Byrne	7,760,777	8.18
Margaret Darley	6,018,993	6.35
Beata Serafin + Wojciech Misiara	6,000,000	6.33

Corporate Information

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
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	

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