ASX Code: AMX
ACN: 153 103 925

Appendix 4D & Financial Statements

for the half year ended 31 December 2020

Reporting Period

Reporting period (Current Period):	For the half year ended 31 December 2020
Previous corresponding period (PCP):	For the half year ended 31 December 2019
Release date:	25 February 2021

Results for announcement to the market

Key Information	Dec 2020 $'000	Dec 2019 $'000	% Change on PCP	Change in Value $'000
Revenues from ordinary activities	8,574	10,097	(15.1%)	(1,523)
Profit / (Loss) from ordinary activities after tax attributable to members	(2,908)	(249)	+ 1067.9%	(2,659)
Profit / (Loss) for the reporting period attributable to members	(2,908)	(249)	+ 1067.9%	(2,659)

Overview of operating results

Refer to the review of operations within the Directors' Report for a commentary on the results of Aerometrex.

Dividends

No dividends have been paid during the period and it is not proposed that any dividends be paid.

No dividends were paid during the previous corresponding period.

NTA Backing

	Dec 2020	Dec 2019
Net tangible asset backing per ordinary security	$0.30	$0.36
Total number of shares on issue at period end	94,400,000	94,400,000

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

There are no entities over which control has been gained or lost during the reporting period.

Associates and joint venture entities

There are no associates or joint venture entities.

Independent Audit Review

The financial statements were subject to an independent audit review by Grant Thornton Audit Pty Ltd. The independent audit review report is attached as part of the Interim Report.

This half year report should be read in conjunction with any public announcements made by Aerometrex Limited and its controlled entities during the half year ended 31 December 2020 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 [Cth] and ASX listing rules.

Directors' Report

The directors present their report, together with the consolidated interim financial statements of Aerometrex Limited (referred to hereafter as 'Aerometrex'), comprising of the company and its controlled entities, for the half year ended 31 December 2020.

Directors

The Directors of Aerometrex Limited during the half year ended 31 December 2020 and up to the date of this report are set out below:

Name	Role	Status
Mr Mark Llewellyn Lindh	Non-Executive Director and Chair	Independent
Dr Peter Graham Foster	Non-Executive Director	Independent
Mr Matthew Duval White	Non-Executive Director	Not Independent
Mr Mark John Deuter	Managing Director	Not Independent
Mr David Michael Byrne	Executive Director	Not Independent

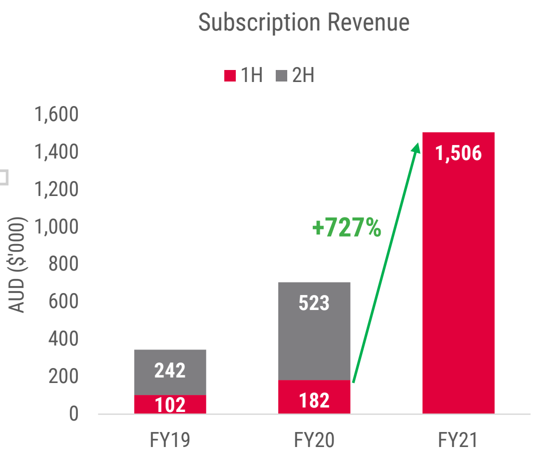
Company Secretary

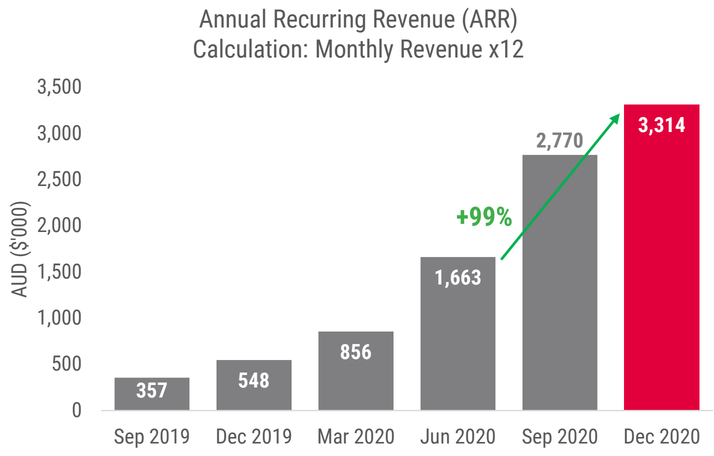
Name
Ms Kaitlin Louise Smith

Review of Operations

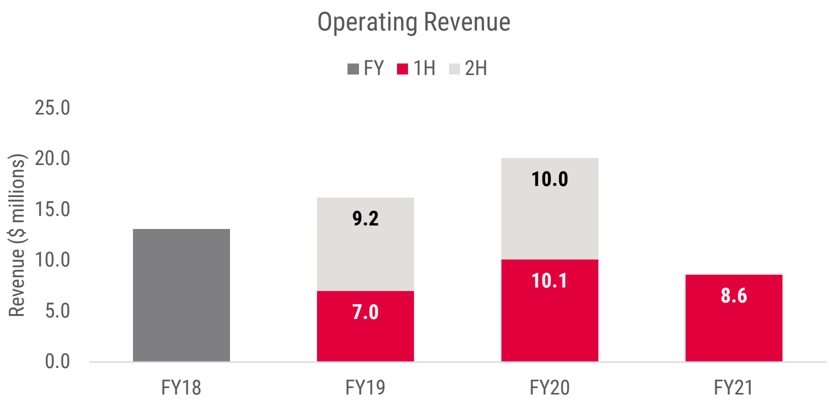
For the six months ended 31 December 2020, Aerometrex reported a decline in operating revenue of 15% to $8.574m (2019: $10.097m).

During this period however, Aerometrex focused on the development and investment into MetroMap, its subscription service offering to customers, shifting the revenue mix from project-based model to one of recurring subscription revenue. This focus on MetroMap saw a significant increase in subscription revenue of 727% to $1.51m (2019: $182k) and contracted revenue in advance increase to $1.69m (June 2020: $1.02m). Annual recurring revenue (ARR) continued its quarter on quarter growth increasing to $3.314m at December 2020, up 99% on June 2020 which was $1.663m.





Project revenue was down across the three divisions of 3D, LiDAR and Photomapping reflecting the cyclical nature of project work, delays due to uncertainty around COVID-19 against a backdrop of record growth in the reporting period last year. Significant projects that had been undertaken in the prior reporting period such as the Western Sydney digital twin (3D), Pau in France (3D) and some LiDAR projects had not been replaced in the current period as business and Government put some of their larger projects on hold during the uncertainty of COVID-19 outbreaks. Overall, the company was just as busy during this reporting period completing more projects than the prior year however the size of the projects were smaller.



During the reporting period, the company continued to invest for growth by undertaking several initiatives, placing the company in a strong position to capitalise on future opportunities. These initiatives included:

- Continued investment in the MetroMap capture program
- Investment in IT systems to improve production capacity and drive technological efficiencies
- Continued investment into people scaling for the growth opportunities ahead
- Investment into sensors via a new Riegl LiDAR sensor and Vexcel UltraCam
- Upgrade of existing LiDAR sensors to the latest technology
- Took delivery of a new VulcanAir P68C aircraft which was deployed into operations in December 2020
- Branding campaign for MetroMap using television media on SBS and SBS on demand during key events such as the Tour de France cycle race and the US Open tennis event
- Continued investment into research and development activities such as validation of bushfire fuel load mapping to enable governments to make informed decisions based on their interpretation of the underlying data
- Continued investment into the establishment of the US operations

The company continued its investment into the establishment of the US operations with the employment of key sales staff across the country, the capture and processing of 3D data to showcase our skills and capabilities and the continued building of relationships with potential customers. Data has been captured over the central business district (downtown) of the City of Denver (CO), Centennial (CO), Orlando (FL) and Miami (FL). Whilst the operating environment has been challenging during this period driven by recent events in the US surrounding COVID-19, bushfires, elections, economic uncertainty, and social unrest we are confident that the US operations will contribute to group revenue in the second half of FY21.

The company has continued to strategically invest in its Research & Development (R&D) activities throughout the period in both staff and the R&D activities undertaken. These initiatives have contributed to product development, machine learning and workflow advantages including:

- environmental applications such as the validation of bushfire load mapping to enable governments to make informed decisions based on their analysis and interpretation of the underlying data
- environmental applications in urban forest management including canopy change detection providing value insight towards environmental targets and impacts
- environmental applications in the identification of permeable versus impermeable surfaces
- the application of our world leading high resolution 3D models to leverage digital twins, infrastructure projects, consultation, tourism, gaming, VR and AR applications with almost unlimited potential as the business use cases continue to develop for this technology
- the application of our substantial data archive into training data for AI and machine learning to drive insights and downstream applications to benefit customers
- the use of machine learning to drive process efficiency gains of reduction in processing times leading to a reduction in manual QA time
- introduction of improved workflows such as 'Pixel cruncher' which has led to improved orthophoto production speeds of up to 800%
- continuing to research and leverage new improvements in camera technology

The impact of COVID-19 had both positive and negative effects on the company. From a positive perspective, the company enjoyed unprecedented access to air space over major capital cities due to the lack of commercial air traffic during this time. This was evidenced through the continued investment in the MetroMap capture program. Through the market branding campaigns there was increased awareness of Aerometrex and more importantly, MetroMap, as the various state shutdowns meant that many businesses needed to look for alternative ways to work. The negative impacts of COVID-19 were felt in the logistical operations as border closures impacted decisions on when, where and how to deploy aircraft and sensors including staff to capture data as required. In some cases, this required air operations staff to remain in the field longer before returning home, being in quarantine either when arriving into a state or returning home. Throughout this period the safety and welfare of our staff was critical adding to the logistical complexity due to the fluid nature of COVID-19 and various state government responses during the reporting period.

Aerometrex operations delivered an EBITDA loss of $142k (2019: $1.48m profit) reflecting the investment in scaling the business for anticipated growth in MetroMap subscriptions, US expansion and project work as business adapts to the new operating environment in a post pandemic world. The Australian operations contributed positive EBITDA of $433k while the US operations recorded a loss of EBITDA of $575k due to the start-up phase of the business.

The company remains in a strong financial position with $16.28m available in cash and additional debt facilities of $4.1m which had not been drawn at balance date. Contract liabilities (revenue in advance) continued to grow being $1.96m at December 2020, up 47% from June 2020 ($1.33m).

During the period, 60,200,000 shares were released from escrow. These shares were released on 10 December 2020 following a twelve month voluntary escrow period entered into by the founding shareholders prior to listing on the ASX. To date, only 943,229 shares (1.5%) have been traded.

Changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial period.

Company Segments

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 Makers ('CODM'). 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 US.

Aerometrex recognises its revenue across four operating segments being aerial photography and mapping, aerial LiDAR surveys, 3D modelling, and MetroMap. The tracking of revenue into operating segments is used for the internal assessment of company revenue performance and future planning however the expenditure is not recorded into the same revenue streams as a significant portion of the costs are shared. That is, the aviation and production resources are available as a whole of company resource within a geographical location and allocated to undertake work as required including dependency on external factors such as weather. The gross margin is therefore an aggregated result based on the mixed revenue stream nature of the company (project or on demand revenue and subscription- based revenue).

The detailed revenue from the four operating segments within a geographical region are then combined with a whole of company expense analysis which is reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources.

The CODM reviews geographical location and segment revenue with EBITDA (earnings before interest, tax, depreciation and amortisation) 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.

The assets and liabilities (Statement of Financial Position) of the company are reported and reviewed by the CODM at a whole of company level as this is not allocated to individual operating segments.

Events subsequent to the statement of financial position date

Subsequent to balance date, announcement was made to the market on 9 February 2021 providing an update on the company's US operations. This update included details of 3D data captures and the sale of the first dataset in the US. While the sale value was immaterial it was an important strategic milestone for the company. This aligns with the intended use of funds as outlined in the IPO from December 2019.

The impact of the coronavirus (COVID-19) pandemic is ongoing which has resulted in delays or deferrals of some project work. The current economic uncertainty makes it difficult to estimate the potential impact, positive or negative, after the reporting date. The group considers that the demand for our quality products and services is likely to be strong once clients return to normal spending patterns following stabilising of economic conditions.

There were no other matters or circumstances that have arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding off

The company is of a kind referred to in Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports), issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars unless specifically stated otherwise.

Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors

Mr Mark Lindh
Chair of the Board

Mr Mark Deuter
Managing Director

Adelaide
24 February 2021

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Adelaide SA 5000

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Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Aerometrex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Aerometrex Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 February 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For half year ended 31 December 2020

	Notes	Dec 2020 $'000	Dec 2019 $'000
Revenue from ordinary activities	5	8,574	10,097
Other income		179	108
Total operating revenue		**8,753**	**10,205**
Aircraft and project - project and processing costs		(1,814)	(3,682)
Employee benefits expense		(4,377)	(2,800)
Share based payments		(840)	(69)
Depreciation of property, plant and equipment		(1,290)	(947)
Amortisation of intangible assets		(2,013)	(513)
Advertising and marketing		(323)	(126)
Consulting, professional services		(337)	(75)
IT and telecommunications		(379)	(330)
Occupancy		(164)	(125)
Travel & accommodation		(2)	(103)
IPO and Capital Raising Costs expensed		-	(543)
Refinance costs		-	(198)
Other expenses		(659)	(673)
Finance costs	6	(43)	(313)
Finance income	6	56	47
Loss before income tax		**(3,432)**	**(245)**
Income tax benefit / (expense)		544	8
Loss for the year after income tax		**(2,888)**	**(237)**
Loss attributable to:			
Equity holders of the parent		(2,908)	(249)
Non-controlling interests		20	12
Loss for the year after income tax		**(2,888)**	**(237)**

Earnings per share:

	Notes	Dec 2020 $'000	Dec 2019 $'000
Basic, loss for the year attributable to ordinary equity holders of the parent		(0.031)	(0.004)
Diluted, loss for the year attributable to ordinary equity holders of the parent		(0.031)	(0.004)

To be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For half year ended 31 December 2020

	Notes	Dec 2020 $'000	Jun 2020 $'000
Assets			
Current			
Cash and cash equivalents	7	16,280	22,239
Trade and other receivables		2,738	2,512
Contract Assets		925	563
Other Assets		484	459
Total current assets		**20,427**	**25,773**
Non-current			
Property, plant and equipment	8	16,889	16,364
Intangibles	9	6,806	6,572
Deferred tax assets		2,733	1,418
Total non-current assets		**26,428**	**24,354**
Total assets		**46,855**	**50,127**
Liabilities			
Current			
Trade and other payables		1,714	4,267
Contract liabilities		1,962	1,334
Other Financial liabilities		335	400
Employee benefits		1,524	1,295
Other Liabilities		750	750
Total current liabilities		**6,285**	**8,046**
Non-current			
Other Financial liabilities		2,547	2,731
Employee benefits		204	157
Deferred tax liabilities		2,337	1,588
Total non-current liabilities		**5,088**	**4,476**
Total liabilities		**11,373**	**12,522**
Net assets		**35,482**	**37,605**
Equity			
Equity attributable to owners of the parent:			
Share capital	10	32,892	32,892
Share based payment reserve		1,327	487
Other reserves		(73)	-
Retained earnings		919	3,829
Non-controlling interest		417	397
Total equity		**35,482**	**37,605**

To be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For half year ended 31 December 2020

	Notes	Share capital $'000	Share based payment reserve $'000	Retained earnings $'000	Other reserves $'000	Total attributable to owners of parent $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 July 2020		**32,892**	**487**	**3,829**	**-**	**37,208**	**397**	**37,605**
(Loss) after income tax for the year		-	-	(2,910)	-	(2,910)	20	**(2,890)**
Fair Value of options recognised during the period		-	840	-	-	840	-	**840**
Exchange differences on translation of foreign operations		-	-	-	(73)	(73)	-	**(73)**
Balance as at 31 December 2020		**32,892**	**1,327**	**919**	**(73)**	**35,065**	**417**	**35,482**

	Notes	Share capital $'000	Share based payment reserve $'000	Retained earnings $'000	Other reserves $'000	Total attributable to owners of parent $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 July 2019		**2,377**	**-**	**4,122**	**-**	**6,499**	**370**	**6,869**
(Loss) after income tax for the year		-	-	(293)	-	(293)	27	**(266)**
Proceeds from issue of ordinary shares - IPO		25,000	-	-	-	25,000	-	**25,000**
Share based payment reserve - broker options		(124)	-	-	-	(124)	-	**(124)**
IPO costs		(1,661)	-	-	-	(1,661)	-	**(1,661)**
Tax effect of IPO costs		457	-	-	-	457	-	**457**
Net proceeds from share issue (IPO)		**23,672**	**-**	**-**	**-**	**23,672**	**-**	**23,672**
Proceeds from issue of Series 'A' convertible notes		7,000	-	-	-	7,000	-	**7,000**
Convertible note costs		(420)	-	-	-	(420)	-	**(420)**
Tax effect of convertible notes costs		86	-	-	-	86	-	**86**
Finance cost of convertible notes now expensed		177	-	-	-	177	-	**177**
Net proceeds from conversion of Convertible notes to Issued Equity		**6,843**	**-**	**-**	**-**	**6,843**	**-**	**6,843**
Fair Value of options recognised during the year	11	-	487	-	-	487	-	**487**
Balance as at 30 June 2020		**32,892**	**487**	**3,829**	**-**	**37,208**	**397**	**37,605**

To be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For half year ended 31 December 2020

	Notes	Dec 2020 $'000	Dec 2019 $'000
Operating activities			
Receipts from customers		10,012	9,924
Payments to suppliers and employees		(7,565)	(8,044)
Income taxes paid		(121)	(136)
Interest received		56	47
Interest paid		(43)	(137)
Net cash generated from operating activities		**2,339**	**1,654**
Investing activities			
Purchase of property, plant and equipment		(5,490)	(3,792)
Deposits paid for property, plant and equipment		(302)	(701)
Purchase of other intangible assets		(2,305)	(1,016)
Net cash generated used in investing activities		**(8,097)**	**(5,509)**
Financing activities			
Proceeds from borrowings		-	7,633
Proceeds from issue of shares - IPO		-	25,000
Proceeds from issue of convertible notes		-	1,500
IPO costs incurred		-	(2,204)
Repayment of borrowings		(201)	(11,128)
Net cash generated from financing activities		**(201)**	**20,801**
Net increase/(decrease) in cash and cash equivalents		(5,959)	16,946
Cash and cash equivalents at the beginning of the period		22,239	5,110
Cash and cash equivalents at the end of the period	7	**16,280**	**22,056**

To be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2020

1. Reporting entity and general information

Aerometrex Limited (the Company) is a for profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange (ASX: AMX). The consolidated financial statements comprise the Company and its controlled entities (the Group).

The Company's registered office and principal place of business is 51-53 Glynburn Road, Glynde SA 5070.

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

- **Aerial photography and mapping:** flying, processing and delivering two dimensional digital maps on a project basis
- **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 a project basis
- **MetroMap:** online aerial imagery delivery service (DaaS subscription service)

The consolidated interim financial statements for the period ended 31 December 2020 were approved and authorised for issue by the Board of Directors.

2. Basis of preparation

These consolidated financial statements for the half year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in connection with the audited financial statements for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are presented in Australian dollars with all values rounded to the nearest thousand unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Other than where stated below, or in the notes, the consolidated financial statements have been prepared on a going concern basis using the historical cost convention.

The principal accounting policies adopted are consistent with those of the previous financial year, except for the policies stated below.

New accounting standards and interpretations

The Group has adopted the following new or amended standards which became applicable on 1 January 2020:

- AASB 2019- Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issues in Australia
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

The adoption of these amended standards has no material impact on the financial results of the Group. Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the half-year ended 31 December 2020. The impact of these new standards or amendments to the standards (to the extent relevant to the Group) and interpretation is as follows:

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1 January 2022)

This amends AASB 10 – Consolidated Financial Statements and AASB 128 – Investments in Associates and Joint Ventures to address an inconsistency between the requirements of AASB 10 and AASB128 in dealing with the sale or contribution of assets between an Investor and its associate or joint venture. This amendment is not expected to have a significant impact on the financial statements on application.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2022)

  This amends AASB 101 – Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. This amendment is not expected to have a significant impact on the financial statements on application.

3. Judgements and estimates

In preparing these consolidated interim financial statements, management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2020.

The impact of the coronavirus (COVID-19) pandemic is ongoing which has resulted in delays or deferrals of some project work. The current economic uncertainty makes it difficult to estimate the potential impact, positive or negative, after the reporting date. The group considers that the demand for our quality products and services is likely to be strong once clients return to normal spending patterns following stabilising of economic conditions.

4. Segment Information

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). 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 US.

Aerometrex recognises its revenue across four operating segments being aerial photography and mapping, aerial LiDAR surveys, 3D modelling, and MetroMap. The tracking of revenue into operating segments is used for the internal assessment of company revenue performance and future planning however the expenditure is not recorded into the same revenue streams as a significant portion of the costs are shared. That is, the aviation and production resources are available as a whole of company resource within a geographical location and allocated to undertake work as required including dependency on external factors such as weather. The gross margin is therefore an accumulative result based on the mixed revenue stream nature of the company (project or on demand revenue and subscription- based revenue).

The detailed revenue from the four operating segments within a geographical region are then combined with a whole of company expense analysis which is reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources.

The CODM reviews geographical location and segment revenue with EBITDA (earnings before interest, tax, depreciation and amortisation) 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.

The assets and liabilities (Statement of Financial Position) of the company are reported and reviewed by the CODM at a whole of company level as this is not allocated to individual operating segments.

Geographical Segments	Notes	Australia Dec 2020 $'000	US Dec 2020 $'000	Total Dec 2020 $'000
Revenue from ordinary activities	5	8,574	-	8,574
Other income		171	8	179
Total operating revenue		**8,745**	**8**	**8,753**
Aircraft and project - project and processing costs		(1,809)	(5)	(1,814)
Employee benefits expense		(4,052)	(325)	(4,377)
Share based payments		(840)	-	(840)
Depreciation of property, plant and equipment		(1,283)	(7)	(1,290)
Amortisation of intangible assets		(2,013)	-	(2,013)
Advertising and marketing		(285)	(38)	(323)
Consulting, professional services		(217)	(120)	(337)
IT and telecommunications		(377)	(2)	(379)
Occupancy		(145)	(19)	(164)
Travel & accommodation		4	(6)	(2)
Other expenses		(591)	(68)	(659)
Finance costs		(43)	-	(43)
Finance income		56	-	56
Loss before income tax		**(2,850)**	**(582)**	**(3,432)**
Income tax expense		399	145	544
Loss for the year after income tax		**(2,451)**	**(437)**	**(2,888)**

	Notes	Australia Dec 2019 $'000	US Dec 2019 $'000	Total Dec 2019 $'000
Revenue from ordinary activities	5	10,097	-	10,097
Other income		108	-	108
Total operating revenue		**10,205**	**-**	**10,205**
Aircraft and project - project and processing costs		(3,682)	-	(3,682)
Employee benefits expense		(2,800)	-	(2,800)
Share based payments		(69)	-	(69)
Depreciation of property, plant and equipment		(947)	-	(947)
Amortisation of intangible assets		(513)	-	(513)
Advertising and marketing		(126)	-	(126)
Consulting, professional services		(75)	-	(75)
IT and telecommunications		(330)	-	(330)
Occupancy		(125)	-	(125)
Travel & accommodation		(103)	-	(103)
IPO and Capital Raising Costs expensed		(543)	-	(543)
Refinance costs		(198)	-	(198)
Other expenses		(673)	-	(673)
Finance costs		(313)	-	(313)
Finance income		47	-	47
Loss before income tax		**(245)**	**-**	**(245)**
Income tax expense		8	-	8
Loss for the year after income tax		**(237)**	**-**	**(237)**

As the US operations commenced in February 2020, there is no comparative data for December 2019.

5. Revenue

Aerometrex generates revenue from two principle sources:

1. Subscription revenue from MetroMap aerial imagery subscription service or "Data as a Service" (DaaS); and
2. Project based contracts to undertake LiDAR surveys, aerial imagery and mapping and 3D modelling (on demand).

	Aerial photography and mapping	Aerial LiDAR surveys	3D modelling	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 Model	Project based revenue	Project based revenue	Project based revenue	Subscription revenue from "Data as a Service" (DaaS)
Revenue Recognition	On demand revenue (transferred over time)	On demand revenue (transferred over time)	On demand revenue (transferred over time)	Subscription revenue (transferred over time) Or On demand revenue (projects delivered via MetroMap) (transferred over time)

Project based (on demand revenue): relates to revenue to be recognised over time as the project is being completed in accordance with percentage of completion method.

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.

Operating Revenue	Dec 2020 $'000	Dec 2019 $'000
3D	711	1,695
LiDAR	3,645	4,224
MetroMap	1,824	758
Photo Contracting	2,394	3,420
Total revenue from contracts with customers	**8,574**	**10,097**

Timing of recognition of operating revenue	Dec 2020 $'000	Dec 2019 $'000
3D	711	1,695
LiDAR	3,645	4,224
MetroMap	318	576
Photo Contracting	2,394	3,420
Transferred over time (on demand revenue)	**7,068**	**9,915**
MetroMap	1,506	182
Transferred over time (subscription revenue)	**1,506**	**182**
Total revenue from contracts with customers	**8,574**	**10,097**

Operating revenue by geographic location	Dec 2020 $'000	Dec 2019 $'000
Australia	8,574	9,591
Europe [1]	-	506
Total revenue from contracts with customers	**8,574**	**10,097**

[1] Customers were serviced from the Australian operations

Other Income	Dec 2020 $'000	Dec 2019 $'000
COVID-19 related grants and credits	50	-
Export grants	36	-
Other income	93	108
Total other income	**179**	**108**

Government grants

Government grants are recognised as income when received or when the Company complies with any conditions such that it becomes to entitled to the grant (either before or after year end).

COVID-19 related grants and credits

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

No other government support, e.g. JobKeeper, has been received.

6. Finance costs and finance income

	Dec 2020 $'000	Dec 2019 $'000
Interest income from cash and cash equivalents	56	47
Total finance income	**56**	**47**

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

	Dec 2020 $'000	Dec 2019 $'000
Interest expenses for chattel mortgage arrangements	23	104
Interest expenses on other facilities	20	32
Finance costs on pre-IPO Convertible Notes	-	177
Total finance costs	**43**	**313**

7. Cash and cash equivalents

	Dec 2020 $'000	Jun 2020 $'000
Cash at bank and in hand:		
Cash at bank and on hand	672	3,631
Short term deposits at call	15,608	18,608
Cash and cash equivalents total	**16,280**	**22,239**

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

8. Property, Plant & Equipment

	Land $'000	Buildings $'000	Plant & Equipment $'000	Capital Work in Progress $'000	Total $'000
As at 31 Dec 2020					
Cost	794	2,395	21,117	692	**24,998**
Less Accumulated Depreciation	-	(256)	(7,853)	-	**(8,109)**
Carrying amount at the end of the year	**794**	**2,139**	**13,264**	**692**	**16,889**
Reconciled as:					
Cost as at 1 July 2020	794	2,395	16,121	3,876	**23,186**
Additions	-	-	1,812	-	**1,812**
Transfer to / (from) capital work in progress	-	-	3,184	(3,184)	**-**
Cost as at 31 Dec 2020	**794**	**2,395**	**17,933**	**3,876**	**24,998**
Accumulated Depreciation as at 1 July 2020	-	(214)	(6,608)	-	**(6,822)**
Adjustment	-	-	3	-	**3**
Depreciation	-	(42)	(1,248)	-	**(1,290)**
Accumulated Depreciation as at 31 Dec 2020	**-**	**(256)**	**(7,853)**	**-**	**(8,109)**
Net carrying value as at 31 Dec 2020	**794**	**2,139**	**10,080**	**3,876**	**16,889**
Reconciliation of carrying amount at 31 Dec 2020					
Carrying amount at the beginning of the year	**794**	**2,181**	9,513	3,876	**16,364**
Additions	-	-	1,812	-	**1,812**
Transfer to / (from) capital work in progress	-	-	3,184	(3,184)	**-**
Adjustment	-	-	5	-	**5**
Depreciation	-	(42)	(1,250)	-	**(1,292)**
Carrying amount at the end of the period	**794**	**2,139**	**13,264**	**692**	**16,889**

Capital work in progress represents progress payments on the build of the MetroCam.

9. Intangible assets

	Datasets $'000	Computer Software $'000	Other $'000	Goodwill $'000	Contractual Rights $'000	Total $'000
As at 31 Dec 2020						
Cost	9,556	25	36	1,785	364	**11,766**
Less Accumulated Amortisation	(4,779)	(1)	-	-	(180)	**(4,960)**
Carrying amount at the end of the year	**4,777**	**24**	**36**	**1,785**	**184**	**6,806**
Reconciled as:						
Cost as at 1 July 2020	7,339	-	32	1,785	364	**9,520**
Additions	2,217	25	4	-	-	**2,246**
Cost as at 31 Dec 2020	**9,556**	**25**	**36**	**1,785**	**364**	**11,766**
Accumulated Amortisation as at 1 July 2020	(2,915)	-	-	-	(33)	**(2,948)**
Amortisation	(1,864)	(1)	-	-	(147)	**(2,012)**
Accumulated Amortisation as at 31 Dec 2020	**(4,779)**	**(1)**	**-**	**-**	**(180)**	**(4,960)**
Net carrying value as at 31 Dec 2020	**4,777**	**24**	**36**	**1,785**	**184**	**6,806**
Reconciliation of carrying amount at 31 Dec 2020						
Carrying amount at the beginning of the year	**4,424**	**-**	**32**	**1,785**	**331**	**6,572**
Additions	2,217	25	4	-	-	**2,246**
Amortisation	(1,864)	(1)	-	-	(147)	**(2,012)**
Carrying amount at the end of the period	**4,777**	**24**	**36**	**1,785**	**184**	**6,806**

10. Share capital

	HY Dec 2020 Shares	FY Jun 2020 Shares	HY Dec 2020 $'000	FY Jun 2020 $'000
Shares issued and fully paid:				
Opening Balance 1 July	94,400,000	1,786,009	32,892	2,377
Restructure of Existing Securities [a]	-	58,413,991	-	-
Restructured number of shares prior to IPO / note conversion	**94,400,000**	**60,200,000**	**32,892**	**2,377**
Issue of Securities (prospectus) [b]	-	25,000,000	-	25,000
Convertible notes (conversion) [c]	-	9,200,000	-	7,000
Closing balance	**94,400,000**	**94,400,000**	**32,892**	**32,892**

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

There were no transactions during the current reporting period.

During the prior reporting period, the following security transactions were undertaken:

a) The number of shares on issue at 1 July 2019 was 1,786,009 fully paid A class shares which were restructured following a 1 for 32.706 split on 9 September 2019 and became 60,200,000 ordinary shares.

b) 25,000,000 ordinary shares were issued from a fully underwritten IPO prospectus which was lodged with ASIC on 1 November 2019.

c) 7,000,000 series 'A' convertible notes were converted into ordinary shares at the rate of 1 convertible note for 1.31428 ordinary shares and became 9,200,000 ordinary shares.

11. Share based payments

300,000 options were issued to Directors following approval at the AGM in November 2020 during the current reporting period.

Total options on issue is as follows:

Options granted	Beneficiary	Number #	Grant date	Vesting date	Expiry date	Exercise price $	Fair value at grant date $
10 Dec 2019	Non-executive directors	1,000,000	10 Dec 2019	10 Dec 2019	10 Dec 2021	1.25	0.069
10 Dec 2019	Lead manager and underwriter	944,000	10 Dec 2019	10 Dec 2021	10 Dec 2023	1.25	0.132
05 May 2020	Employees via ESOP	1,127,500 (2019: 1,277,500)	05 May 2020	05 May 2021	05 May 2023	1.25	1.001
05 May 2020	Employees via ESOP	1,127,500 (2019: 1,277,500)	05 May 2020	05 May 2022	05 May 2023	1.25	1.001
04 Nov 2020	Directors via ESOP	150,000	04 Nov 2020	05 May 2021	05 May 2023	1.25	0.335
04 Nov 2020	Directors via ESOP	150,000	04 Nov 2020	05 May 2022	05 May 2023	1.25	0.335

	Dec 2020 Options	Jun 2020 Options
Non-executive directors	1,300,000	1,000,000
Employees via ESOP	2,255,000	2,555,000
Expensed to the Consolidated Statement of Profit & Loss	**3,555,000**	**3,555,000**
Lead manager and underwriter	944,000	944,000
Total options issued at end of reporting period	**4,499,000**	**4,499,000**

Employee share option plan (ESOP) – during the prior reporting year 2,555,000 options were granted to staff under an employee share option plan to align staff with long term interests of shareholders. These options were issued for nil consideration with no performance obligations in relation to the options however there is a staged vesting based on employment with 50% vesting 12 months after issue and the remaining 50% vesting two years from issue. The options expiry date is set as three years from the offer date and have an exercise price of $1.25 per option. As the vesting condition is based on time served during employment, the value of the options granted are recognised over the vesting condition service period (based on days).

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

Fair value of share options granted

The fair value of the options granted was determined using the Black-Scholes Valuation Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the assumed volatility.

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

Valuation input - Black Scholes	Lead Manager	Non-executive directors	ESOP	Directors
Grant Date	10 Dec 2019	10 Dec 2019	05 May 2020	04 Nov 2020
Strike price (nominal value)	$1.25	$1.25	$1.25	$1.25
Price at time of valuation	$1.00	$1.00	$1.62	$1.26
Time to expiration (years)	4.0	2.0	3.0	2.5
Risk free rate	1.070%	1.070%	0.239%	0.110%
Dividend yield	0.000%	0.000%	0.000%	0.000%
Volatility (assumed)	25.00%	25.00%	89.32%	42.00%
Number of units	944,000	1,000,000	2,255,000	300,000
Black-Scholes valuation (per option)	$0.132	$0.069	$1.001	$0.335
Total Valuation	$124,353	$68,602	$2,257,881	$100,594

	Dec 2020 Options #	Dec 2020 Average exercise price $	Jun 2020 Options #	Jun 2020 Average exercise price $
Options				
Number of options outstanding at 1 July	4,499,000	1.25	-	-
Options granted during the period	300,000	1.25	4,499,000	1.25
Options reclassified	(300,000)	1.25	-	-
Total options at end of period	**4,499,000**	**1.25**	**4,499,000**	**1.25**

Accounting policy

The Group implemented an employee share option plan during the prior reporting period to enable share based compensation benefits (equity-settled) to be provided to employees. The fair value of the shares 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).

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

Critical accounting estimate – non-market vesting conditions

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

12. Interest in subsidiaries (controlled entities)

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group	
		Dec 2020	Dec 2019
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>	Australia	64.4%	64.4%
Spookfish Australia Pty Ltd	Australia	100%	100%

13. Related party transactions

Equity instruments issued to directors

The following equity instruments were issued to directors during the period:

Options issued during the period under the terms and conditions as described in Note 11 Share based payments as follows:

Director	Position	Options #	Grant Date	Vesting Date	Vesting Date
Mr Mark Deuter	Managing Director	100,000	04 Nov 2020	05 May 2021	05 May 2022
Mr David Byrne	Chief Operating Officer, Executive Director	100,000	04 Nov 2020	05 May 2021	05 May 2022
Dr Peter Foster	Non-Executive Director	100,000	04 Nov 2020	05 May 2021	05 May 2022

Transactions with director-related entities

During the reporting period, the company used the taxation services (2019: Accounting, taxation and financial controlling 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 and totalled $19,246 (December 2019: $175,477) were based on normal market rates and were fully paid as of the reporting date. A significant portion of the prior year expense related to services provided in respect of the prospectus and preparing the company for becoming a public company limited by shares.

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 22 October 2020 to provide corporate advisory services in relation to merger and acquisition (M&A) advice, assessment and support. The amounts billed related to the provision of services during the period and totalled $65,000 were based on normal market rates and were fully paid as of the reporting date.

In the prior reporting period (December 2019), Adelaide Equity Partners were paid $37,500 for the provision of corporate advisory and investor relations services under a mandate dated June 2018. In addition, Adelaide Equity Partners received $250,000 as a success fee in relation to the listing of the company on the Australian Securities Exchange on 10 December 2019.

AE Administrative Services Pty Ltd provided company secretarial services during the reporting period. Total payments made during the period were $14,240 (December 2019: $2,240).

14. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after income tax attributable to equity holders of the parent entity divided by the weighted average number of ordinary shares outstanding during the reporting period.

Dilutes EPS is calculated by dividing the net profit or loss after income tax attributable to equity holders of the parent entity divided by the weighted average number of ordinary shares outstanding during the reporting period plus the weighted average number of ordinary shares that would be issued on conversion if all of the share options were exercised and converted into ordinary shares.

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

	Dec 2020 $'000	Dec 2019 $'000
(Loss) or profit attributable to equity holders of the parent	(2,908)	(249)

	Dec 2020 #	Dec 2019 #
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	94,400,000	64,124,590
Effects of dilution from:		
Allotment of options to lead manager	944,000	108,328
Allotment of options to non-executive directors	1,000,000	114,754
Allotment of options under employee share option plan (ESOP)	2,255,000	-
Allotment of options to Directors under employee share option plan (ESOP)	93,443	-
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share	**98,692,443**	**64,347,672**

	Dec 2020 $	Dec 2019 $
Basic earnings per share	(0.031)	(0.004)
Diluted earnings per share	(0.029)	(0.004)

Total number of shares used in the calculation for the prior year has been adjusted to account for the share split of 1:32.7 which occurred on 9 September 2019 to enable comparison with the current period.

15. Contingent liabilities

The Group has bank guarantees totalling $10,467 held with Westpac as at 31 December 2020 (June 2020: $10,467). There are no other contingent liabilities recorded as at reporting date.

16. Subsequent events

There were no other significant events between the balance date and the date that these financial statements were approved for release.

Directors' Declaration

In the opinion of the Directors of Aerometrex Limited:

a) the consolidated financial statements and notes set out on pages 8 to 23 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date; and

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Mark Lindh
Chair of the Board

Adelaide
24 February 2021

Independent Auditor's Report

Grant Thornton

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Independent Auditor's Review Report

To the Members of Aerometrex Limited

Report on the review of the half year-financial report

Conclusion

We have reviewed the accompanying half-year financial report of Aerometrex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Aerometrex Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of Aerometrex Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Grant Thornton

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 24 February 2021