



23 November 2023

ASX Announcement (AMX)

2023 Annual General Meeting Chairman and Managing Director Addresses

Attached is a copy of the addresses to be given by the Chairman and Managing Director at Aerometrex Limited's Annual General Meeting today.

This announcement has been authorised by the Board.

ADDITIONAL INFORMATION

For further information, contact as below:

Steve Masters
Managing Director &
Chief Executive Officer

Chris Mahar
Chief Financial Officer

P: +61 8 8362 9911

E: investorrelations@aerometrex.com.au

W: <https://aerometrex.com.au/asx-announcements>

MetroMap: www.metromap.com.au

About Aerometrex Limited

Aerometrex is a trusted and leading geospatial tech company specialising in providing geospatial solutions & 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.

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



2023 Annual General Meeting Chairman's Address

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.

Since the reporting period, I am very pleased to report that this trend has continued with the Company experiencing continued revenue growth. Of particular importance is what we are seeing in our MetroMap business which as at the end of October is running at \$8.3M Annual Recurring 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.

Again, I remind shareholders we are seeing continued growth in MetroMap ARR.

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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 SPORTSTM) 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 wanted to convey my particular frustration about our share price and I know shareholders share my frustration. Despite our continued performance as a business, and the very real transaction precedence that we have seen in the Australian market which clearly demonstrates a valuation disconnect, we seem unable to be valued appropriately by current equity markets. However, we remain resolute in addressing the disconnect and, as a Company, we will strive to continue our growth standards. We are actively preparing a strong Investor Relations campaign which we hope will tell a compelling story to new and existing investors.

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

Chairman

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2023 Annual General Meeting Managing Director's Address

Thank you Chairman.

Fellow Shareholders,

I am pleased to present an overview of Aerometrex's achievements for the 2023 financial year, comment on key initiatives to drive growth and provide an outlook to the future.

DISCLAIMER SLIDE (new slide)

Our disclaimer is set out on this slide. I will leave it to you to review in due course but would like to highlight the commentary related to forward- looking statements.

Introduction

Before I provide a high-level review of FY23, I would like to thank the Aerometrex team for their efforts this year, and for going about their work in a safe, innovative and diligent manner.

I would like to thank shareholders for their support of the Company during the year. We are all frustrated with the share price performance, but I believe we have a business going places and we are working hard to deliver outcomes that we believe contribute to building shareholder value.

Approaching my second year in the company, I am excited about the future of our business noting the significant inroads we have made in recent times. We have undertaken wide-ranging activities across our business that supported our many customers, continued to build internal capability and grow revenue.

In September 2022, we commenced implementing changes to our organisation to enhance performance and better support growth initiatives. This change was about aligning our activities to building and accelerating performance to drive financial outcomes.

I will touch on some of these activities and benefits later.

FY23 Snapshot (new slide)

I won't repeat in full the key outcomes that Mark has already mentioned, but like last year, many outcomes achieved across our business indicate that we are on the right track.

FY23 was a tale of two halves, with significant financial and operational outcomes achieved in the second half of the year.

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Executing Strategic Imperatives (new slide)

During FY23 we continued to focus on growing our core business areas by delivering important outcomes, including:

- Record operating revenue;
- Double digit percentage revenue growth across all key product lines, including record revenue for MetroMap and LiDAR;
- Record annual recurring revenue for MetroMap;
- Some of the largest ever transactions with key customers across all major product lines; and
- Continuing investment into people, infrastructure and technology-related initiatives.

All of these initiatives and outcomes represent steps aligned to delivering a pathway to profitability and shareholder value.

MetroMap FY23 Outcomes (new slide)

Total MetroMap statutory revenue grew from \$8.79m to a record \$10.12m, which comprised subscription, on-demand, off-the-shelf and insights revenue.

MetroMap continued to grow its subscription statutory revenue, increasing from \$5.86m to a record \$7.19m.

Annual Recurring Revenue (ARR), which is calculated as the statutory revenue recognised in the reporting month x 12, increased from \$6.84m to \$7.61m (+11.3%).

As at end October 2023, ARR was approximately \$8.3m. This is an encouraging start to FY24, with ARR growth in the first four months approaching par with that achieved for the entire FY23.

Our partner program continued to grow in FY23, highlighted by the largest-ever MetroMap partner program contract with Landchecker in May 2023 – a minimum revenue of \$2.65m over a 38-month period with upside potential.

Aerometrex is a key player in the Australian market and is the only Australian owned and ASX listed participant with an imagery subscription offering to wide ranging customers.

LiDAR FY23 Outcomes (new slide)

LiDAR achieved revenue growth from \$11.32m to a record \$12.76m following continued investment in an additional sensor in November 2022.





FY23 was encouraging to see the company win its largest ever contract of \$1.88m with the Australian Federal Government which was also backed-up with the Agronomeye contract of \$1.45m announced in August 2023.

Aerometrex is a major player in the Australian LiDAR market and this product line continues to be a solid and important contributor to overall company revenue.

Global 3D FY23 Outcomes (new slide)

Global 3D achieved revenue growth from \$2.15m to \$2.48m, making a modest contribution to overall company revenue.

As noted at our November 2022 AGM, we sent a seconded team to the USA in September 2022 to re-engage with key stakeholders and build a pipeline of future opportunities in that market. In December 2022, we announced our largest 'off-the-shelf' sale to Google. The US is a large, but challenging market, and we continue to consider strategic options and imperatives for this region.

Whilst customers overseas and in Australia, as evidenced by our successful Melbourne Greenline Project, are enthusiastic for our high-resolution 3D offering, we continue to advance the optimal product solution for customers.

Based on our ongoing work and stakeholder feedback, it is taking longer to build out the portfolio pipeline and convert opportunities into revenue. We continue to engage with top-tier stakeholders and consider the best ways to grow in this market, whilst taking into account capital allocation and risk profile.

Aerometrex is Embedded in a Global Ecosystem (new slide)

It is important to reflect on Aerometrex's position in the global geospatial ecosystem. We sit within a growing industry where our product offerings are essential to wide-ranging stakeholders. Our company has deep relationships which we seek to strengthen and expand, thus providing growth opportunities well in excess of our existing customer base today.

We are also positioned in a manner that enables customer choice, which provides Aerometrex with multiple potential avenues to market.

Building A Pathway to Profitability (new slide)

Each of our key product lines, MetroMap, LiDAR and 3D, have growth potential in key markets with wide-ranging customer needs for high-quality imagery, geospatial datasets and analytical insights, which we believe will grow into the future.





During FY23 and into FY24, we embedded various initiatives that we believe will drive sustainable value for shareholders. These span across the business and rely on a dedicated and passionate team.

We have made progress on key initiatives that support our corporate objectives, and I would like to touch on a couple of examples today.

People, Infrastructure & Technology (new slide)

Our organisational changes that commenced in September 2022 have led to enhanced business outcomes, positioning the company to build further on these foundations.

Examples of what we have done include since September 2022 include:

- Building capability with further key appointments in Sales, Software Engineering, Information Technology and Aviation. Activities and benefits have included:
 - Key external appointments to drive operational objectives:
 - General Manager Aviation – January 2023
 - ITC Manager – February 2023
 - MetroMap Sales Manager – July 2023
 - Software Engineering Manager – October 2023
 - Company-wide improvements to various systems and processes; and
 - Refining of our go-to-market strategies, including increased sophistication in the use of data and systems to increase revenue.

Focus Areas – People, Infrastructure & Technology (new slide)

A key focus area has been associated with improving MetroMap outcomes. We continue to build annual recurring revenue, but in order to enhance revenue outcomes, Management has been optimizing key components to drive operational performance.

In February and July 2023, we rejuvenated part of our camera sensor fleet with the introduction of state of the art and high performing systems. Benefits of this included:

- Increased sensor and aviation uptime, enabling greater capture;
- More efficient and standardised workflows; and
- High-quality imagery.

An area that has been challenging in recent times has been the frequency of capture in some areas for our MetroMap program. We have made very positive steps to enhance this performance, particularly in CY2023, which is directly linked to the sensor rejuvenation program and a combination of other factors including:

1. Optimisation projects associated with the geographical areas of capture, aviation crew rosters and aircraft maintenance activities; and





2. Closer engagement with Air Services Australia to optimise airspace access.

All of these factors, in addition to weather, contribute to our ability to undertake and enhance our MetroMap capture program.

We are now starting to see significant improvements in our operational performance, which will lead to better customer and business outcomes.

For example, when you compare MetroMap flying hours for the four months between July 2022 to October 2022 to the period of July 2023 to October 2023, we have seen a 48% increase in flying time.

We are hopeful that this enhanced operational performance will continue for the remainder of FY24.

We continue to constantly review all optimisation opportunities to deliver the best outcomes for our customers and shareholders.

In FY23 and into FY24, we also continued investment into various aspects of technology, including:

1. MetroMap platform enhancements and tools;
2. Developing new products, with the launch of MetroMap Insights undertaken in May 2023;
3. Ongoing AI and ML activities;
4. Enhancing information technology capability; and
5. Improving workflows and investigating ways to improve efficiency through automation.

It is important that we continue these efforts in a fast-changing and competitive landscape.

Industry Recognition – GCA Awards (new slide)

Aerometrex continues to be a globally recognised industry leader.

In October 2023, Aerometrex was awarded two geospatial excellence awards by the Geospatial Council of Australia. These were:

International Partnership Award

Aerometrex delivered a multi-scale, multi-resolution 3D photogrammetry mesh dataset of Las Vegas to videogame developer Codemasters to assist in the track creation for the EA SPORTS 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 globally. Precise spatial data underpinned the model, ensuring the visual fidelity matched real-world accuracy.

Apart from on-location photography, the entire process was planned and managed by Aerometrex staff in our Adelaide head office. The team was entirely responsible for processing the data ready for delivery to our international client.





Northern Territory Geospatial Enablement Award

The NT Farmers LiDAR Project exemplifies the application of spatial information and advanced methodology in a non-spatial market or project. Traditionally, land and water management practices heavily relied on ground-level inspections and manual assessments.

By introducing LiDAR technology, the project showcased the transformative potential of spatial data in enhancing decision-making and improving outcomes. The project's objective was to support landowners in the NT to adopt modern, novel remote sensing techniques and enable them to adopt holistic land management practices to diversify their assets and increase profitability, all while increasing their sense of stewardship of the land.

Case Study: Anindilyakwa Land Council – Groote Archipelago Project (new slide)

Aerometrex is proud to partner with the Anindilyakwa Land Council, Geoscience Australia, Australian National University and the CRC for Northern Australia, in this exciting and ground breaking project.

The Groote Archipelago Project will facilitate the enablement for advanced remote sensing data, such as LiDAR and high resolution aerial imagery, to support the Anindilyakwa people, by providing tailored solutions to serve community led initiatives.

Aerometrex captured ~ 3000km² of high resolution LiDAR and imagery data, or an area ~ 1.25 times the size of the ACT.

Alongside our project partners, Aerometrex is excited to support the Anindilyakwa Land Council implementing a Geographical Information System program to assist in activating an ambitious economic and social development program.

The real power in a collaboration like this, is to replicate the actual environment in a visual and geospatially accurate way.

The benefit through seeing the environment and surrounds in a high resolution, visual manner, opens the door to all sorts of possible community benefits.

This delivers information in new and exciting ways, creates insights, learnings and ideas, all of which contributes to building long-term sustainable planning and development opportunities.

A key objective for Aerometrex is to also learn more about the cultural landscape, and help integrate relevant information within spatially enabled land management systems.

It is also an opportunity for us, to understand how our industry can engage with traditional owner groups, and undertake projects according to cultural priorities.

This project ensures that the activities are centred around cultural priorities and objectives.





Importantly, the project will also enable Aerometrex to assist in communicating geospatial concepts and survey outputs to traditional owners to maximise application and learnings.

There has been limited exploration into how these tools can be applied to indigenous-led cultural mapping practices, allowing for this project to have a significant impact in this space.

We believe this project will bring real benefits and insights to the Anindilyakwa Land Council, other project partners, and wider stakeholder groups.

We hope that it will open up a huge opportunity for what is possible, by applying highly advanced spatial data tools to wide ranging applications for the Anindilyakwa Land Council, and in time, to many other remote indigenous communities.

Unique & Unparalleled Customer Offering (new slide)

I look forward to presenting more information on our business when our FY24 half year accounts are released in February 2024.

Whilst our outlook is bright, I would caution that the journey will not be without its challenges given the current economic climate and global events creating uncertainty.

The changes we have made to our organisational structure and operational considerations are bearing fruit, and we hope that will continue into the future, delivering 'best for business' outcomes.

As I noted earlier, I am enthusiastic about the overarching thematic that quality geospatial imagery, data and insights will play a growing role in many organisations.

Given our unique and valuable geospatial solutions, competitive position and strong customer relationships, Aerometrex is well placed to support wide-ranging customers and build shareholder value.

Thanks

I would like to thank the Chairman, fellow Board members and the entire Aerometrex team for their contribution to the outcomes achieved in FY23.

Again, I would also like to thank all our loyal customers and shareholders for their ongoing support. Our team continues to work at pace to deliver on our initiatives and I look forward to keeping you updated with our progress.

I wish you and your families all the best, and importantly, a safe lead-up to the festive season.

Thank you.

Steve Masters

Managing Director and Chief Executive Officer

