

18 January 2024

ASX Announcement (AMX)

Aerometrex Announces Strategic Initiative to Significantly Enhance MetroMap Capture Program

Highlights

- A strategic initiative by Aerometrex will see a significant portion of aviation activities for the MetroMap capture program to be conducted by Aero Logistics – a leading Australian dedicated aviation business.
- Capture frequency and reliability is expected to increase whilst maintaining a contingent capability of internally owned Company assets.
- Initiative will see a material reduction in aviation costs over the life of the agreement as well as providing greater focus on customer growth and delivering an industry leading product.

Aerometrex Limited (ASX: AMX) is pleased to announce the strategic initiative to enable and enhance the frequency and reliability of the MetroMap capture program with the aim of a being the industry leader in providing quality and accurate imagery to the Australian market.

The agreement with Aero Logistics will add significant enhancements to the MetroMap capture program whilst reducing the overall direct aviation costs to the business over the life of the contract.

Further benefits of the strategic initiative include:

- Ability to re-deploy realised capital to pursue additional growth opportunities.
- Capture efficiency improvements through Aero Logistics' modern and extensive aircraft fleet.
- De-risking the business by a reduction in direct aviation activities undertaken by the Company.
- By streamlining internal operations through this selective outsourcing, Aerometrex will increase its focus on enhancing customer outcomes.

Commercial Details

The agreement with Aero Logistics is commercially sensitive, however, the initial term is for a period of five years, commencing 1 April 2024 with an option to extend for a further period of five years, subject to mutual agreement.

It is expected that over the full term of the agreement, the selective outsourcing of the aviation component of the MetroMap capture program will lead to a reduction in direct aviation costs to the business of between 10% to 15% throughout the agreement term.

Termination clauses are in line with outsourced service agreements of this nature, including a right to terminate with notice following dispute resolution processes. There are no other material or onerous terms contained within the agreement.

As a result of this initiative, it is expected that Aerometrex will reduce its own assets currently used for the MetroMap program. Asset divestments associated with the existing MetroMap aircraft fleet and surplus camera sensors will be assessed to maximise value for shareholders.

Commenting on the agreement, Aerometrex's CEO Mr Steve Masters said:

"As previously advised, Aerometrex undertook an extensive and detailed strategic review of its aviation and sensor assets aimed at optimising operational, financial and stakeholder outcomes.

The results of this review culminated in a substantial change in the way our MetroMap program is captured that aligns with our long-term vision of building a pathway to profitability and delivering value to all stakeholders. By selectively outsourcing a significant portion of the aviation component of the MetroMap capture program, we are enhancing our capture program for the benefit of our existing and new customers.

Enhancing capture frequency is anticipated to drive revenue generation from new customers and strong retention from existing enterprise customers."

This announcement contains forward-looking statements. These are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements.

About Aero Logistics

Aero Logistics Pty Ltd was established in 2001 and is an Australian owned company guided by a Senior Executive team with extensive Aviation experience. The company is a leading provider of scenic, passenger charter and specialised aerial work aircraft. As a national aviation business, Aero Logistics owns and leases a number of strategic aviation sites around Australia and operate their own maintenance organisation.

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

- ENDS -

ADDITIONAL INFORMATION

For further information, contact:

Mr Steve Masters
Chief Executive Officer

Mr Chris Mahar
Chief Financial Officer

+61 8 8362 9911

E: investorrelations@erometrex.com.au

W: <https://erometrex.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.