

Appendix 4D & Financial Statements

for the half year ended 31 December 2023

Reporting Period

Reporting period (Current Period): For the half year ended 31 December 2023
Previous corresponding period (PCP): For the half year ended 31 December 2022
Release date: 27 February 2024

Results for announcement to the market

Key Information	Dec 2023 \$'000	Dec 2022 \$'000	Change \$'000	Change %
Revenues from ordinary activities	12,008	10,009	1,999	20.0%
(Loss) / Profit from ordinary activities after tax attributable to members	(2,664)	(3,084)	420	+ 13.6%
(Loss) / Profit for the reporting period attributable to members	(2,664)	(3,084)	420	+ 13.6%

Overview of operating results

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

Dividends and distributions

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

No dividends or distributions were paid during the previous corresponding period.

NTA Backing

	Dec 2023	Dec 2022
Net tangible asset backing per ordinary security	\$0.16	\$0.20
Total number of shares on issue at period end	94,990,639	94,592,166

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 Auditor's Review

The financial statements were subject to an independent auditor's review by Grant Thornton Audit Pty Ltd. The independent auditor's 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 2023 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 ('the Group'), for the half year ended 31 December 2023.

Directors

The Directors of Aerometrex Limited during the half year ended 31 December 2023 and up to the date of this report are set out below:

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 (resigned 31 Dec 2023)
Mr Steven Bruce Masters	Managing Director and Chief Executive Officer	Not Independent

Company Secretary

Name
Ms Kaitlin Louise Smith

Review of operations

The first six months of FY24 continued to build on the ongoing organisational and operational enhancements across the business. Key highlights and outcomes during the reporting period included:

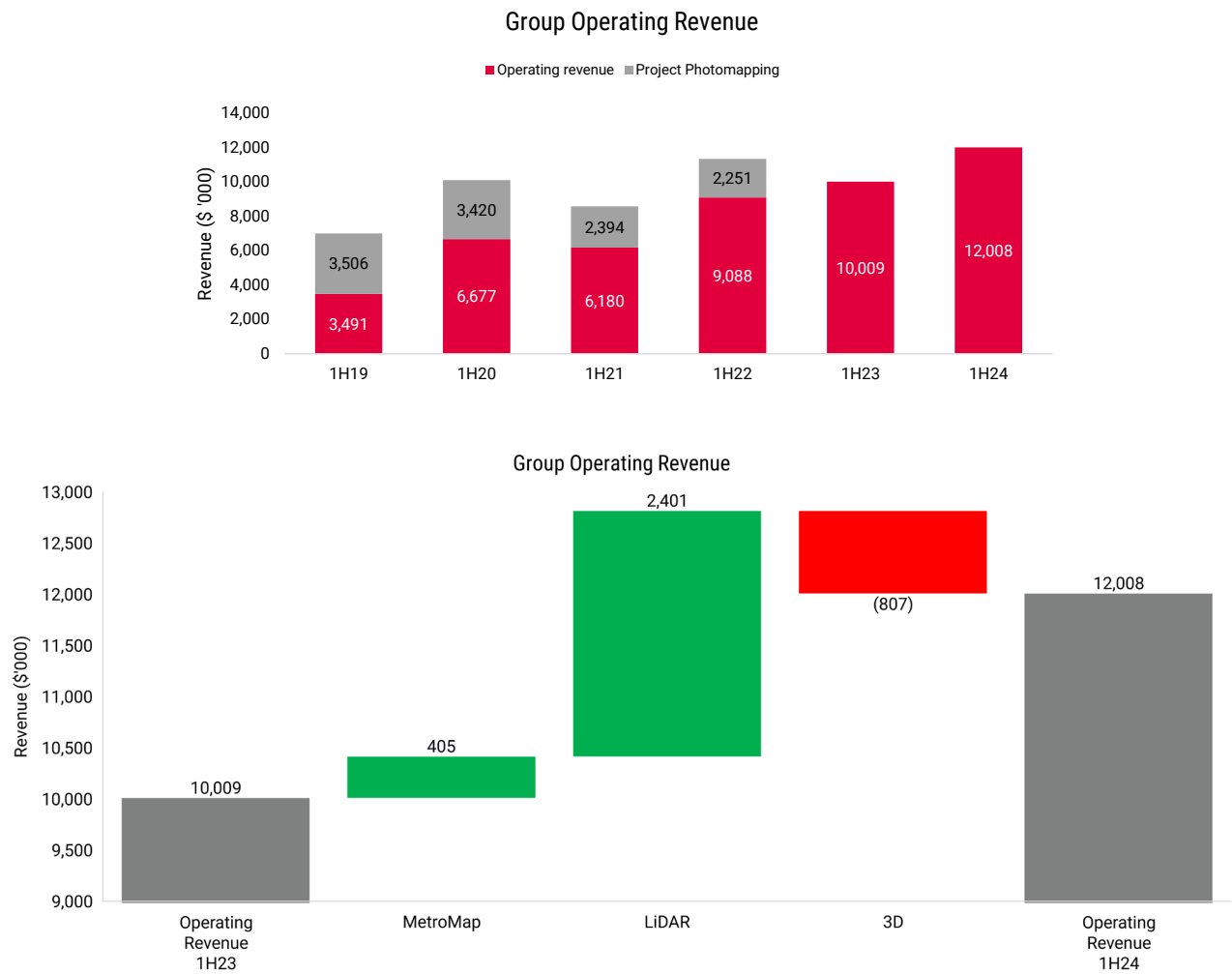
- Growth of 20.0% in operating revenue from \$10.01m to \$12.01m.
- Growth of 14.8% in MetroMap recurring subscription revenue to a record half year statutory revenue of \$4.11m.
- YoY Growth of 18.0% in MetroMap Annual Recurring Revenue (ARR) to \$8.66m and growth of 13.8% since June 2023.
- Growth of 50.2% in LiDAR revenue from \$4.78m to \$7.18m.
- A number of key project wins for LiDAR that were announced to the market during the reporting period.
- Continued focus on maturing and scaling the business with the objective of achieving the pathway to profitability.
- Growth of 113.5% in EBITDA from \$0.37m to \$0.79m.
- Growth of 44.5% in cash generated from operating activities to \$3.84m.
- Strong cash balance at the end of the reporting period of \$10.2m, up from \$9.83 at June 2023.

The business also continued a number of key initiatives and projects to further mature the business operations and to support scalability of the business during the reporting period. This included the announcement, in January 2024, of the strategic initiative to see a significant portion of the MetroMap capture program being undertaken by Aero Logistics, a leading Australian dedicated aviation business. This initiative is expected to enhance the frequency and reliability of the capture program.

The company remains focused and committed to executing the growth strategy to deliver value creation for all stakeholders.

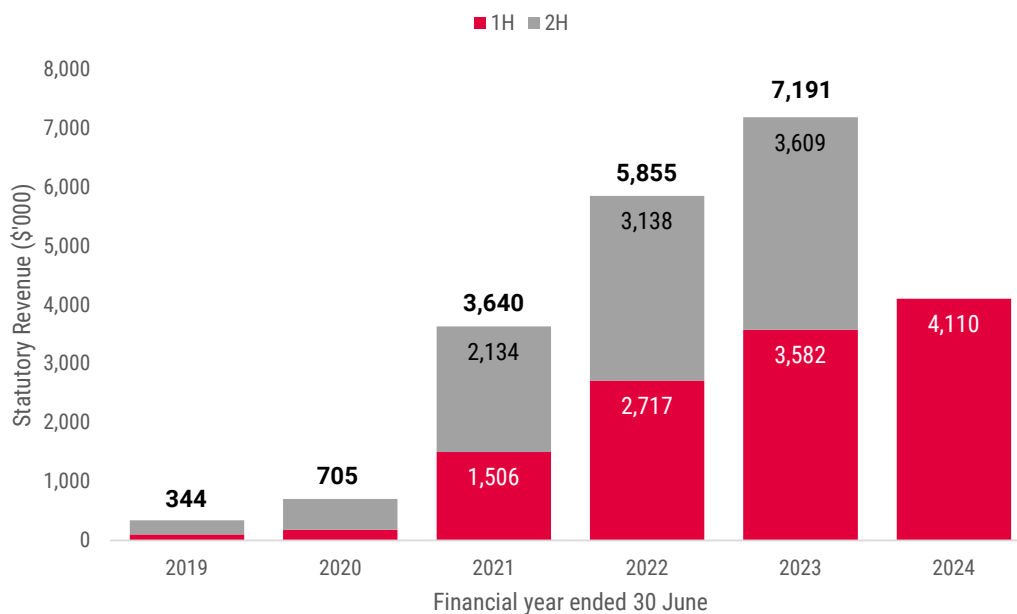
Operating Revenue Growth

Total operating revenue grew 20.0% from \$10.01m to \$12.01m with strong growth delivered by LiDAR and MetroMap subscription revenue.



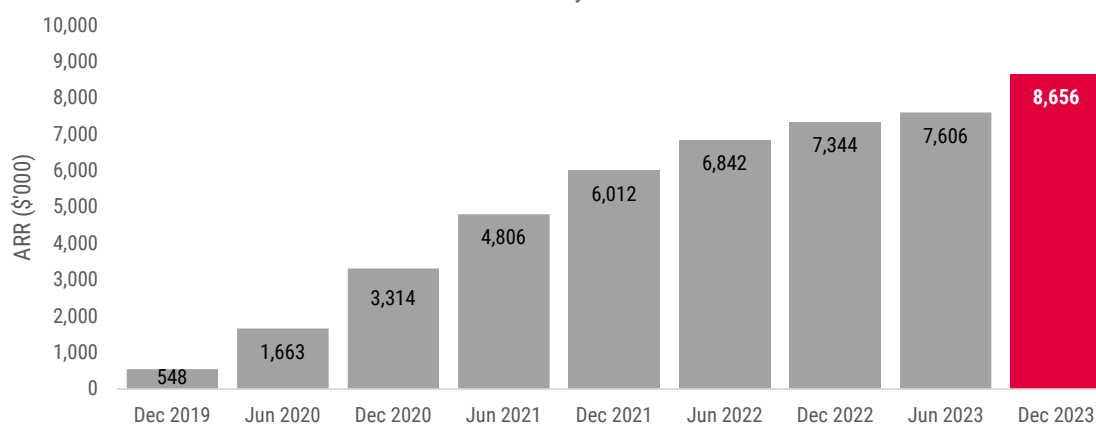
- **MetroMap**, the Company’s Data as a Service (DaaS) model continued its growth trajectory, increasing total subscription revenue from \$3.58m to \$4.11m or 14.8% for the reporting period. This growth in revenue was achieved through a focus on account management of existing customers and the partnerships program.
- The Company’s key MetroMap metric of Annual Recurring Revenue (ARR) achieved YoY growth of 18.0% to an ARR value of \$8.66m at December 2023. This was growth of 13.8% since 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 Subscription Revenue



Annual Recurring Revenue (ARR)

Calculation: Monthly Revenue x12



- **MetroMap Derived Data and Analytics** contributed \$0.03m to revenue, down from \$0.13m in the prior year. The MetroMap Insights product is a data analytics product derived from the aerial imagery capture.
- **LiDAR** revenue increased by 50.2% to \$7.18m from \$4.78m. This revenue gain was driven by an increase in the number of on-task flying hours achieved during the period with the effect of accelerating revenue into the first half of the financial year.
- **3D** revenue declined by 66.9% across the Group from \$1.21m to \$0.40m. The business continues to have ongoing discussions with customers regarding various high-value potential opportunities.

Operating Costs

Total operating costs (excluding interest, tax, depreciation, and amortisation) increased by 16.5% or \$1.59m from \$9.64m to \$11.23m against the revenue increase of 20.0% or \$2.00m. A significant component of the increase was driven by the growth in LiDAR revenue resulting in an increase in the variable costs components of aircraft and processing costs. The Company invested into some one-off consulting and professional service costs to mature IT systems, including cyber and platform security, and support to mature the sales process and market analysis. Investment was also made into developing our people across a number of professional development initiatives.

The Company continues to focus its efforts on activities that will assist the business to scale into the future and remains committed on driving initiatives that will deliver a pathway to profitability. The expected outcome of this focus is to drive wealth creation for all stakeholders.

EBITDA

EBITDA (Earnings before Interest, Tax, Depreciation, and Amortisation) is a non-IFRS term, but it is used by the Group to measure performance.

The company achieved an EBITDA result of \$0.79m in 1H24, up 113.5% on the prior year result of \$0.37m. This increase was driven by increased revenue in LiDAR and MetroMap.

	Dec 2023 \$'000	Dec 2022 \$'000	Change \$'000	Change %
Revenue and other income	12,016	10,009	2,007	20.1%
Aircraft and project processing costs	(4,992)	(3,495)	(1,497)	42.8%
Operating costs	(6,234)	(6,144)	(90)	1.5%
EBITDA	790	370	420	113.5%
Amortisation	(2,919)	(3,012)	93	(3.1%)
Depreciation	(1,561)	(1,501)	(60)	4.0%
Finance costs	(76)	(43)	(33)	76.7%
Finance income	171	151	20	13.2%
Statutory (loss) before income tax	(3,595)	(4,035)	440	(10.9%)
Income tax (expense) / benefit	931	951	(20)	(2.1%)
Statutory (loss) after income tax	(2,664)	(3,084)	420	(13.6%)

Depreciation

Depreciation expenses increased by \$0.06m or 4.0% to \$1.56m reflecting the investment into aircraft, sensors and IT infrastructure over recent years.

Amortisation

Amortisation expenses decreased by \$0.09m or 3.0% to \$2.92m. The reduction is predominantly driven by the decision to slow the rate of capture of datasets in the US. Datasets are amortised on a straight-line basis over an effective life of two years.

Changes in state of affairs

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

Events subsequent to the statement of financial position date

The Company announced in January 2024 the strategic initiative which will see a significant portion of the aviation activities undertaken by Aero Logistics in support the MetroMap capture program. The initiative is expected to enhance the frequency and reliability of the MetroMap capture program with the aim of MetroMap being the industry leader in providing quality and accurate imagery to the Australian market. There are a number of anticipated benefits that may be derived from this initiative including:

- 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 initiative, Aerometrex will increase its focus on enhancing customer outcomes.

The arrangement commences 1 April 2024.

In January 2024, the Company made the decision to wind up AMX LAMS Pty Ltd.

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 reporting period that have significantly affected either:

- The operations of the Group;
- The results of those operations; or
- The state of affairs of the Group 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.

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 immediately after this directors' report.

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

On behalf of the Directors



Mark Lindh
Chair of the Board
Adelaide
26 February 2024



Steve Masters
Managing Director and Chief Executive Officer

Auditor's Independence Declaration



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Auditor's Independence Declaration

To the Directors of Aerometrex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Aerometrex Limited for the half-year ended 31 December 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 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

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 26 February 2024

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Consolidated Statement of
Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2023

		Dec 2023	Dec 2022
	Notes	\$'000	\$'000
Revenue	5	12,008	10,009
Other income	5	8	-
Revenue and other income	5	12,016	10,009
Aircraft and project processing costs		(4,992)	(3,495)
Employee benefits expense		(4,125)	(4,173)
Share based payments	11	(112)	(113)
Depreciation of property, plant and equipment	6	(1,561)	(1,501)
Amortisation of intangible assets	7	(2,919)	(3,012)
Advertising and marketing		(162)	(260)
Consulting and professional services		(434)	(303)
IT and telecommunications		(238)	(154)
Occupancy		(103)	(85)
Travel and accommodation		(240)	(360)
Other expenses		(820)	(696)
Finance costs		(76)	(43)
Finance income		171	151
(Loss) before income tax		(3,595)	(4,035)
Income tax benefit		931	951
(Loss) for the year after income tax		(2,664)	(3,084)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(6)	8
Other comprehensive income for the year, net of tax		(6)	8
Total comprehensive income for the year		(2,670)	(3,076)

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

		Dec 2023	Dec 2022
	Notes	cents	cents
Basic loss per share	9	(2.8)	(3.3)
Diluted loss per share	9	(2.8)	(3.3)

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Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	Dec 2023 \$'000	Jun 2023 \$'000
Assets			
Current			
Cash and cash equivalents		10,215	9,828
Trade and other receivables		1,516	6,112
Contract assets		914	738
Other assets		983	623
Total current assets		13,628	17,301
Non-current			
Property, plant and equipment	6	15,217	15,897
Intangibles	7	8,107	7,921
Deferred tax assets		1,487	552
Total non-current assets		24,811	24,370
Total assets		38,439	41,671
Liabilities			
Current			
Trade and other payables		2,095	2,846
Contract liabilities		3,587	3,728
Current tax liabilities		-	159
Other financial liabilities		895	784
Lease liabilities		388	383
Employee benefits		1,528	1,895
Total current liabilities		8,493	9,795
Non-current			
Other financial liabilities		2,024	1,259
Lease liabilities		1,241	1,436
Employee benefits		241	183
Deferred tax liabilities		-	-
Total non-current liabilities		3,506	2,878
Total liabilities		11,999	12,673
Net assets		26,440	28,998
Equity			
Equity attributable to owners of the parent:			
Issued capital, net of treasury shares	10	33,080	33,021
Share based payment reserve	11	125	196
Other reserves		22	28
Retained earnings		(6,787)	(4,247)
Total equity		26,440	28,998

Consolidated Statement of
Changes in Equity
for the half year ended 31 December 2023

	Notes	Share capital \$'000	Treasury shares \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2023		33,071	(50)	196	28	(4,247)	28,998
Profit/(loss) after income tax for the period		-	-	-	-	(2,664)	(2,664)
Other comprehensive income for the period, net of tax		-	-	-	(6)	-	(6)
Total comprehensive income for the period		-	-	-	(6)	(2,664)	(2,670)

Transactions with owners in their capacity as owners

Fair value of options and rights recognised during the period	11	-	-	112	-	-	112
Transfers to retained earnings for options lapsed after vesting		-	-	(124)	-	124	-
Transfers to share capital on conversion of performance rights to ordinary shares	10	59	-	(59)			-
Balance as at 31 December 2023		33,130	(50)	125	22	(6,787)	26,440

	Notes	Share capital \$'000	Treasury shares \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2022		32,892	-	1,743	(10)	(1,624)	33,001
Profit/(loss) after income tax for the period		-	-	-	-	(3,084)	(3,084)
Other comprehensive income for the period, net of tax		-	-	-	8	-	8
Total comprehensive income for the period		-	-	-	8	(3,084)	(3,076)

Transactions with owners in their capacity as owners

Fair value of options and rights recognised during the period	11	-	-	113	-	-	113
Transfers to retained earnings for options lapsed after vesting		-	-	(99)	-	99	-
Transfers to share capital on conversion of performance rights to ordinary shares	10	88	-	(88)			-
Balance as at 31 December 2022		32,980	(50)	1,669	(2)	(4,609)	29,988

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Consolidated Statement of Cash Flows

for the half year ended 31 December 2023

	Dec 2023 \$'000	Dec 2022 \$'000
Operating activities		
Receipts from customers	17,471	13,890
Payments to suppliers and employees	(13,567)	(11,342)
Income taxes received / (paid)	(163)	-
Other income received	3	-
Interest received	171	151
Interest paid	(76)	(43)
Net cash generated from operating activities	3,839	2,656
Investing activities		
Payments for property, plant and equipment	(1,189)	(1,753)
Payments for intangible assets	(2,949)	(3,118)
Net cash (used in) investing activities	(4,138)	(4,871)
Financing activities		
Proceeds from other financial liabilities	1,298	-
Repayment of other financial liabilities	(422)	(74)
Repayment of lease liabilities	(190)	(171)
Acquisition of treasury shares	-	(50)
Net cash generated from / (used in) financing activities	686	(295)
Net decrease in cash and cash equivalents	387	(2,510)
Cash and cash equivalents at the beginning of the period	9,828	14,144
Cash and cash equivalents at the end of the period	10,215	11,634

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Notes to the Consolidated Financial Statements

for the half year ended 31 December 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 Company's registered office and principal place of business is 51-53 Glynburn Road, Glynde SA 5070.

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) and off-the-shelf dataset sales

The consolidated interim financial statements for the period ended 31 December 2023 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 2023 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 2023 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 all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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 2023.

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 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, off-the-shelf dataset revenue and subscription revenue).

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

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

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

		Australia	USA	Total	Australia	USA	Total
		Dec 2023	Dec 2023	Dec 2023	Dec 2022	Dec 2022	Dec 2022
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5	11,983	25	12,008	9,216	793	10,009
Other income	5	3	5	8	-	-	-
Revenue and other income	5	11,986	30	12,016	9,216	793	10,009
Aircraft and project processing costs		(4,952)	(40)	(4,992)	(3,468)	(27)	(3,495)
Employee benefits expense		(3,998)	(127)	(4,125)	(3,991)	(182)	(4,173)
Share based payments	11	(112)	-	(112)	(113)	-	(113)
Depreciation of property, plant and equipment	6	(1,548)	(13)	(1,561)	(1,484)	(17)	(1,501)
Amortisation of intangible assets	7	(2,679)	(240)	(2,919)	(2,706)	(306)	(3,012)
Advertising and marketing		(99)	(63)	(162)	(190)	(70)	(260)
Consulting and professional services		(389)	(45)	(434)	(267)	(36)	(303)
IT and telecommunications		(233)	(5)	(238)	(151)	(3)	(154)
Occupancy		(103)	-	(103)	(85)	-	(85)
Travel and accommodation		(150)	(90)	(240)	(131)	(229)	(360)
Other expenses		(752)	(68)	(820)	(609)	(87)	(696)
Finance costs		(76)	-	(76)	(43)	-	(43)
Finance income		171	-	171	151	-	151
(Loss) before income tax		(2,934)	(661)	(3,595)	(3,871)	(164)	(4,035)
Income tax benefit		934	(3)	931	951	-	951
(Loss) for the year after income tax		(2,000)	(664)	(2,664)	(2,920)	(164)	(3,084)

5. Revenue

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)

Disaggregation of revenue from contracts with customers

Timing of revenue recognition	Dec 2023 \$'000	Dec 2022 \$'000
Subscriptions		
MetroMap	4,110	3,582
Transferred over time (subscription revenue)	4,110	3,582
Off-the-shelf dataset sales		
3D	51	705
LiDAR	33	-
MetroMap off-the-shelf	11	10
MetroMap Insights	26	125
Transferred at a point in time (off-the-shelf)	121	840
Projects		
3D	349	502
LiDAR	7,144	4,776
MetroMap - on demand	284	309
Transferred over time (on demand revenue)	7,777	5,587
Total revenue from contracts with customers	12,008	10,009

Geographical regions	Dec 2023 \$'000	Dec 2022 \$'000
Australia	11,983	9,216
USA	25	793
Total revenue from contracts with customers	12,008	10,009

6. 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 31 December 2023					
Cost	2,324	353	27,447	111	30,235
Less accumulated depreciation	(768)	(95)	(14,155)	-	(15,018)
Carrying amount at the end of the period	1,556	258	13,292	111	15,217

Reconciliation of carrying amount at 31 December 2023

Carrying amount at the beginning of the period	1,749	290	12,920	938	15,897
Additions	-	-	182	856	1,038
Transfers between asset classes	-	1	1,682	(1,683)	-
Depreciation charged to profit or loss	(193)	(33)	(1,335)	-	(1,561)
Depreciation included in the cost of an asset	-	-	(156)	-	(156)
Disposals	-	-	(1)	-	(1)
Carrying amount at the end of the period	1,556	258	13,292	111	15,217

7. Intangible assets

	Datasets \$'000	Computer software \$'000	Other \$'000	Goodwill \$'000	Contractual rights \$'000	Datasets in progress \$'000	Total \$'000
As at 31 December 2023							
Cost	26,923	144	82	1,785	364	685	29,983
Less accumulated amortisation	(21,444)	(68)	-	-	(364)	-	(21,876)
Carrying amount at the end of the period	5,479	76	82	1,785	-	685	8,107

Reconciliation of carrying amount at 31 December 2023

Carrying amount at the beginning of the period	5,555	8	79	1,785	-	494	7,921
Additions	2,345	100	3	-	-	685	3,133
Transfers between asset classes	469	-	-	-	-	(469)	-
Amortisation	(2,887)	(32)	-	-	-	-	(2,919)
Disposals	-	-	-	-	-	(25)	(25)
Change in foreign exchange rates	(3)	-	-	-	-	-	(3)
Carrying amount at the end of the period	5,479	76	82	1,785	-	685	8,107

8. Related party transactions

Equity instruments issued to directors

Steven Masters – performance rights

On approval by shareholders at the 2023 Annual General Meeting, an aggregate of 919,457 performance rights were issued to Steven Masters on 5 December 2023. 168,880 vested immediately and converted to the same number of ordinary shares. Refer note 11 Share based payments for further information.

Transactions with director-related entities

Matthew White

During the reporting period, the company used the accounting and taxation services (December 2022: 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 \$13,600 (December 2022: \$7,450). The amount outstanding at the end of the period was \$nil (June 2023: \$3,575).

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 has entered into individual mandate agreements to provide various corporate advisory services in relation to merger and acquisition (M&A) advice, assessment and support and investor relations. The amounts billed in relation to the provision of services during the period totalled \$25,000 (December 2022: \$27,165). The amount outstanding at the end of the period was \$11,000 (June 2023: \$572).

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 \$19,219 (December 2022: \$11,520). The amount outstanding at the end of the period was \$8,800 (June 2023: \$3,080).

Transactions with other key management personnel

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

9. 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 (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 divided 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 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 calculation of the EPS computations:

	Dec 2023 \$'000	Dec 2022 \$'000
(Loss) attributable to equity holders of the parent	(2,664)	(3,084)

	Dec 2023 #	Dec 2022 #
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	94,726,574	94,349,228

	Dec 2023 cents	Dec 2022 cents
Basic earnings per share	(2.8)	(3.3)
Diluted earnings per share ¹	(2.8)	(3.3)

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.

10. Issued capital

	Dec 2023 Shares	Dec 2022 Shares	Dec 2023 \$'000	Dec 2022 \$'000
Shares issued and fully paid:				
Opening balance 1 July	94,821,759	94,400,000	33,071	32,892
Equity settled share based remuneration - conversion of performance rights	168,880	192,166	59	88
Closing balance of share capital	94,990,639	94,592,166	33,130	32,980

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

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.

11. Share based payments

Performance Rights

On 5 December 2023, 919,457 performance rights valued at \$120,798 were issued to Steven Masters, Managing Director and Chief Executive Officer, as a component of equity-settled share-based remuneration pursuant to his employment agreement. These were approved by shareholders at the 2023 Annual General Meeting, held on 23 November 2023.

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.

168,880 short term incentive (STI) performance rights vested immediately, resulting in a share-based payment expense of \$58,500. The value of these rights is determined in accordance with the Managing Director and Chief Executive Officer employment agreement at 11.25% of fixed remuneration. 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 750,577, being long term incentive (LTI) performance rights valued at \$62,298, will be expensed over the vesting period to 14 February 2025. The current period expense resulting from this grant was \$5,399. These rights were valued using a Hoadley employee stock option model, which uses a Monte Carlo simulation.

448,390 long term incentive (LTI) performance rights valued at \$204,914 were issued in a prior period. These are expensed over the vesting period to 14 February 2025. The current period expense resulting from this grant was \$47,970.

Key details of the performance rights issued in the current period are as follows:

	Managing Director and CEO FY23 STI Performance Rights	Managing Director and CEO FY23 LTI Performance Rights
Grant Date	23 Nov 23	23 Nov 23
Issue Date	05 Dec 23	05 Dec 23
Expiry / Vesting Date	05 Dec 23	14 Feb 25
Share price at grant date	\$0.275	\$0.275
Share price target at vesting date ¹	n/a	\$0.600 to \$0.780
Forecast volatility ²	n/a	77%
Time to expiration (years)	-	1.2
Number of units	168,880	750,577
Valuation (per right)	\$0.346	\$0.083
Total valuation	\$58,500	\$62,298

¹ 50% of the LTI rights will vest if \$0.600 target is met. 100% will vest if the \$0.780 target is met. Where the share price is between the targets on the vesting date, a pro-rata amount will vest on a straight line basis.

² forecast volatility is based on historical volatility for the 2 years to grant date.

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12. Commitments

Progress payments made as at the reporting date have been included as 'capital work in progress' as outlined in Note 6 Property, plant and equipment.

Capital commitments to acquire 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.

	Dec 2023 \$'000	Jun 2023 \$'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payables:		
Property, plant and equipment	-	712
Total commitments	-	712

13. Subsidiary information

Composition of the consolidated entity at the end of the reporting period is as follows:

Name of the entity	Country of incorporation and principal place of business	Proportion of ownership interests held by the Group	
		Dec 2023	Dec 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%
Spookfish Australia Pty Ltd	Australia	100%	100%

14. Restatement of comparatives

A review of employee cost allocation has been undertaken to ensure alignment with the Group's operations in producing MetroMap datasets for subscription and off-the-shelf sales.

Aircrew and production staffing costs are now fully included in aircraft and project processing costs. The impact of this reallocation is to treat the administrative overhead of the direct production and air crew personnel as a cost of data capture & processing.

Staffing costs for developing and maintaining the Data as a Service subscription platform are separated from those for processing the underlying subscription data, and included in employee benefits expense.

	Dec 2022 Reported \$'000	Dec 2022 Adjustment \$'000	Dec 2022 Restated \$'000
Aircraft and project processing costs	(2,624)	(871)	(3,495)
Employee benefits expense	(5,044)	871	(4,173)
Impact on (loss) before income tax	(7,668)	-	(7,668)

15. Subsequent events

The Company announced in January 2024 the strategic initiative which will see a significant portion of the aviation activities undertaken by Aero Logistics in support the MetroMap capture program. The initiative is expected to enhance the frequency and reliability of the MetroMap capture program with the aim of MetroMap being the industry leader in providing quality and accurate imagery to the Australian market. There are a number of anticipated benefits that may be derived from this initiative including:

- 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 initiative, Aerometrex will increase its focus on enhancing customer outcomes.

The arrangement commences 1 April 2024.

In January 2024, the Company made the decision to wind up AMX LAMS Pty Ltd.

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 reporting period that have significantly affected 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

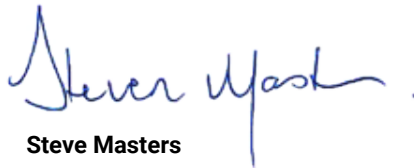
In the opinion of the Directors of Aerometrex Limited:

- a) the consolidated financial statements and notes set out on pages 9 to 22 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 2023 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
26 February 2024



Steve Masters
Managing Director and Chief Executive Officer

Independent Auditor's Report



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Independent Auditor's Review Report

To the Members of Aerometrex Limited

Report on 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 2023, 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 the Group does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2023 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*.

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Independent Auditor's Report

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.

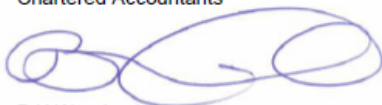
Auditor's responsibility

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 2023 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



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 26 February 2024