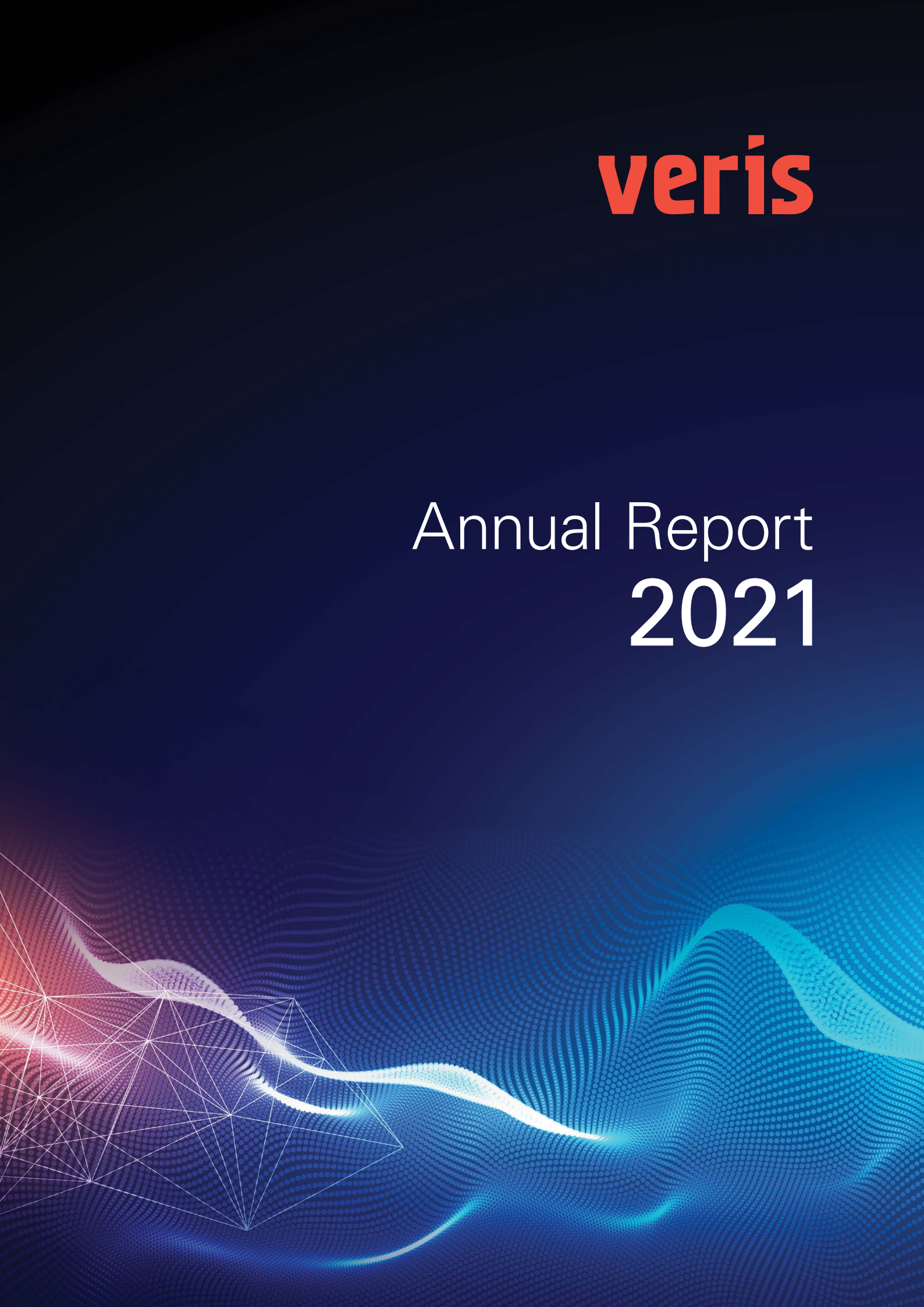
veris

# Annual Report 2021



## Acknowledgment of Country

In the spirit of reconciliation Veris Limited acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

*Cover image designed by Starline / Freepik.*

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Karl Paganin
Non-Executive Chairman

# Chairman's Report

> "Looking forward, both the Veris Australia and Aqura Technologies businesses share a strong organic growth outlook, underpinned by national operating platforms and opportunity tailwinds."

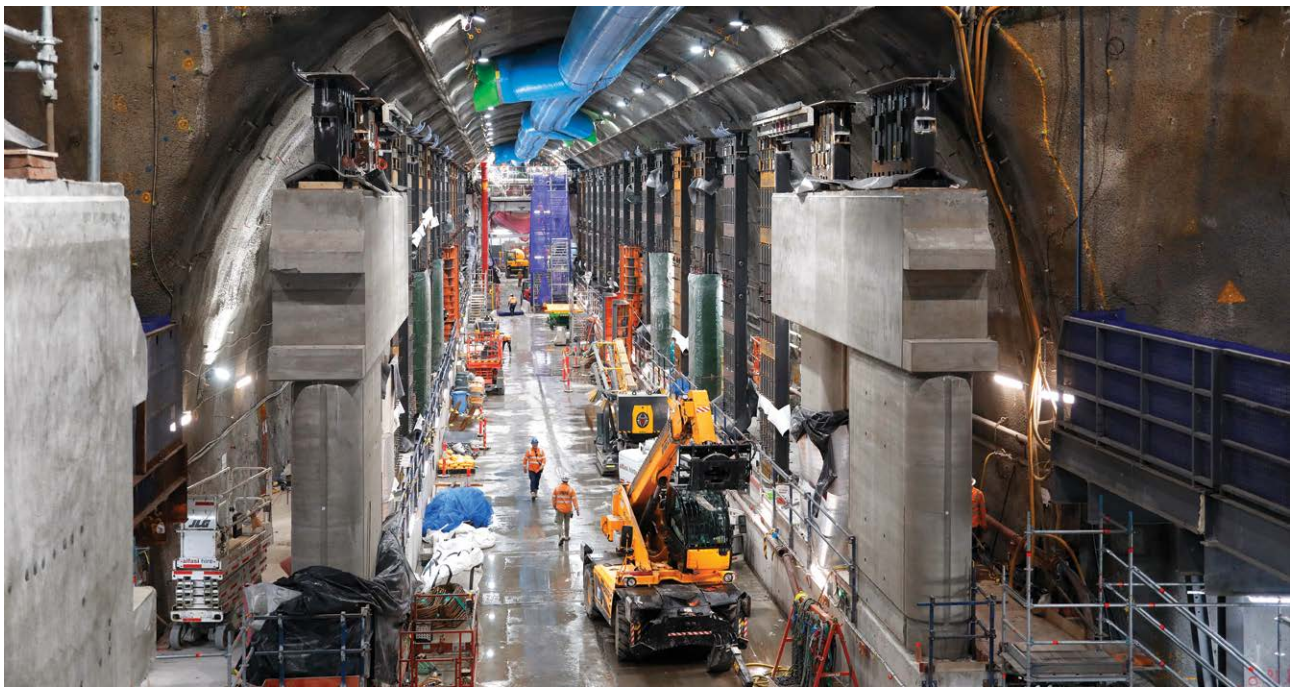
The 2021 financial year (FY21) has been characterised by a continuation of the challenging and uncertain operating environment first experienced the year prior as a result of the COVID-19 global pandemic. Despite the challenges, it has been pleasing to see the progress being made by Veris Limited ("the Group") and its two Operating Divisions, Veris Australia and Aqura Technologies ("Aqura"). This has materialised in a significant turnaround in business performance and trajectory.

Structural and management changes implemented across the Group have started to have a positive impact on performance. Strong improvements in operating margins were also able to be achieved in both Veris Australia and Aqura, underpinned by enhanced project management disciplines and sustained management of costs and overheads.

Pleasingly, despite the operating difficulties experienced as a result of the COVID-19 pandemic, revenues across the Group increased by 6% to $99.6 million in FY21. A strong result of 15% growth in Aqura's revenue to $22.1 million complemented the 4% growth in Veris Australia's revenue to $77.5 million. Aqura's growth in revenue was underpinned by continued expansion of its client base with large new contract awards being executed for Roy Hill, Santos, FMG and Cubic in the Defence sector as well as leveraging the continuation of longstanding, trusted relationships with BHP and Rio Tinto. Veris Australia also benefited from the diversification of revenue delivered via the national footprint of operations. The strong pipeline of work emerging from the resources sector complemented the increasing exposure to multi-year infrastructure projects in both Sydney (rail upgrades and light rail construction projects) and Melbourne (tunnelling and road expansions) as well as, the strong regional economy of North Queensland.

Both Veris Australia's and Aqura's operations generally continued as planned during the year as construction and resources sectors were designated as essential services in most states throughout FY21. Despite this, COVID-19 continued to have multiple impacts throughout the duration of the year, including:

- Interstate travel restrictions impeding the mobility of key staff and high value project equipment
- Project delays due to snap induced lockdowns



Veris Australia continues to work on the Metro Tunnel Project in Melbourne.

- Additional recruitment requirements and challenges presented by shortages of skilled resources in the market
- Changes to working methodologies, for example restricted numbers on project sites presenting logistical and scheduling demands
- Additional PP&E and hygiene related costs.

Despite these additional costs and inefficiencies it was pleasing to report Group EBITDA increased to $9.0 million, up 382% from $1.9 million in the prior year. This reflects the substantial improvements made in project management disciplines and cost reduction strategies across the Group.

Whilst the Group reported a loss before tax from continuing operations of $1.4 million, this was a $21.8 million improvement on the prior year and demonstrates the sound trajectory the Group is now on under the disciplined approach of the new management team.

As a result of the improved operational performance, the Group's balance sheet has also strengthened following a tighter focus on working capital management coupled with the proceeds of the capital raising conducted in March 2021. The combination of the above resulted in a reduction of CBA bank debt of $2.3 million throughout FY21, with the core long term facility balance sitting at $4.7 million at 30 June 2021.

The Group's Business Resilience Team, which has been managing our response to the pandemic, has worked prudently during this time to ensure both businesses could safely continue to operate in a constricted business environment. In addition, our people are to be commended for their flexibility and commitment to adapt to new ways of remote working and social distancing protocols on site to ensure we continued delivering our services safely for our clients.

Whilst the Group's focus on improved business performance continued throughout the year, it also took steps to provide a platform for further growth and value realisation for both Veris Australia and Aqura via a successful Capital Raising. Proceeds from the Share Purchase Plan and Placement has strengthened the balance sheet and underpinned the continued execution of the respective strategies of both businesses. I thank our existing and new shareholders for their strong support and participation.

Aqura delivered continued growth in FY21 and its strong position in the growing sector of remote communication networks and its strong outlook has given the board confidence to demerge the business from Veris Australia. This will allow the business to be separately capitalised and solidify its position in a growing market.

The Group continued its efforts to build a diverse and inclusive work culture and to respectfully work in partnership with Aboriginal and Torres Strait Islander organisations, as outlined in our Reconciliation Action Plan (RAP) – Veris Reflect. In an exciting next step for the Group, we acquired an interest in Indigenous-owned Wumara Group, a land and construction surveying company, and will be supporting their vision of empowering Indigenous Australians through education and employment opportunities, whilst also providing opportunities to work in alliance with Veris Australia.

The process of Board renewal continued during the year, with Mr David Murray appointed as a Non-Executive Director of Veris Limited. Mr Murray is a highly respected professional who brings a number of important skills sets to the Board, and will also assume the role of chairperson of the Audit and Risk committee. Mr Murray replaces

Dylan Frank, Managing Director Wumara Group with Elders from Collarenebri (Roads to Home project).

Mr Tom Lawrence, who has retired from the Board after nearly a decade of service to the Group and its shareholders. Tom has made a significant contribution to the Veris Board, and I thank him for his immense input over the duration of his appointment.

During the year, Adam Lamond also transitioned from his role as Executive Director – Corporate and Strategy to the position of Non-Executive Director on the Veris Board. Adam has served in an executive-capacity over an extended period of time, and his knowledge and insights will continue to help guide the Group into the future.

Looking forward, both the Veris Australia and Aqura Technologies businesses share a strong organic growth outlook, underpinned by national operating platforms and opportunity tailwinds. Although the wide-ranging impacts of COVID-19 continue to affect the economy and the market sectors in which the Group operates, the recovery with high or record levels of investment in projects are in the sectors we work in, allowing the Group to be well positioned to execute our strategy and deliver safely for our clients.

On behalf of the Board, I'd like to thank our shareholders, clients, employees, suppliers and the community for their support during another challenging and uncertain year, but one in which the Group has made significant strides.

Karl Paganin
Non-Executive Chairman

Michael Shirley
Chief Executive Officer -
Veris Australia

# Message from the CEO of Veris Australia

> "Our performance has improved significantly, but we have also made great progress in our story for the future."

The 2021 financial year (FY21) has seen Veris Australia deliver significant structural changes and improvements to how we operate, and a corresponding improvement in our financial performance, amidst the challenges of the COVID-19 global pandemic.

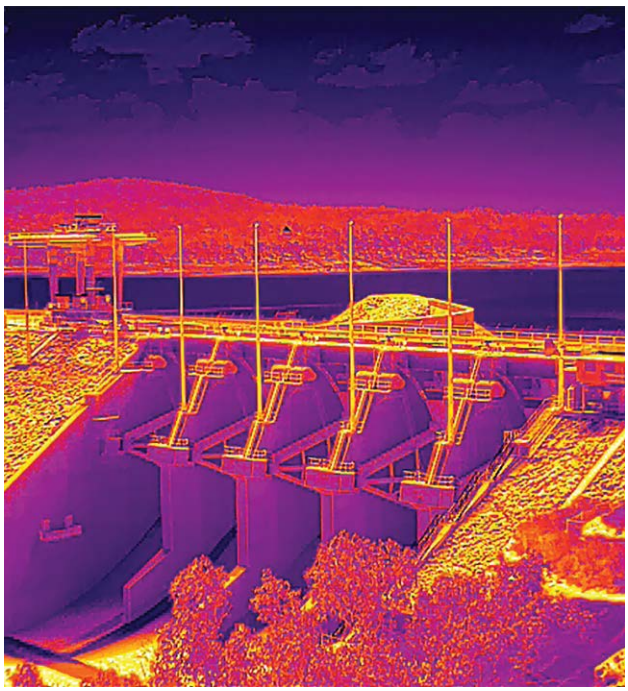
It has been another unusual year where we have had to adapt and be nimble in response to the uncertain operating environment. Regular snap lockdowns have impacted how we deliver in the field, while interstate border controls have limited our ability to fully utilise our diverse specialist skill set and national operating platform.

Despite the challenges, our structural and operating enhancements are having a sustained positive impact on performance. The fact that we have been able to implement such a considerable program of change during these unprecedented times is testament to our people. It's through the commitment and flexibility demonstrated by our people that we have been able to not only continue to deliver safely for our clients, but also take significant strides towards executing our strategy and establishing a platform for profitable, sustainable growth.

## Financial Performance

An improvement in financial performance was achieved in FY21. A significant program of structural and operating enhancements, which commenced in FY20, had a clear impact, as a more appropriate and stable cost base contributed to an improvement in our operating margins. Despite the progress being made, the business was impacted by rolling lock downs and restrictions, particularly in Q4 due to the re-emergence of COVID-19 in the community.

Unfortunately, the momentum the business had built through the first half of FY21 was stalled. Lockdowns in big geographic markets for Veris Australia caused significant deferrals in workload and reduced efficiencies in the delivery of the work. Additionally, the continued travel restrictions within and between states has impacted the ability of the business to grow revenue. Simply, resources were unable to get to where the workload has been growing. The business has adapted our approach to accommodate these limitations and focus on local resources and foregone the pursuit of volume work at low margins.



A Thermographic image from the newly deployed inspection UAV where we can analyse temperature differentials in assets.

## Health and Safety

Safety is a basic fibre of our culture at Veris Australia, intertwined in everything we do and how we do it. Our focus on a safety culture was front and centre during FY21 as we created and communicated an updated strategy and developed KPIs for all staff. The ever-changing landscape of restrictions due to COVID-19 required the business and our people to adapt to a range of safety measures based on the evolving health advice. These measures enabled us to continue to deliver safely, whilst keeping our people, clients and the community safe. It was also pleasing to see significant improvement in key safety metrics across the business.

## People and Culture

As a people business, it is fundamental we have great people at Veris Australia. Throughout the year, we introduced a raft of new initiatives to ensure we're able to attract and retain the best talent and deliver a great employee experience.

In a competitive labour market, we've successfully been able to recruit new talent, with the business onboarding over 150 new starters across the year. We've also updated our talent management and career development processes to ensure our people are able to grow and shape their careers, aligned to the strategy of the business. It was also fantastic to see the launch of our new national Graduate Program, which had its first intake of seven graduates across Australia, who will gain exposure to all areas of the industry during the 12-month program. The Program further solidifies our position as the place for people to launch their careers in the Digital & Spatial sector.

Gender diversity was also a key focus for Veris Australia across the year. Whilst women are under-represented across the industry, it has been pleasing to see our business taking up the challenge to address this imbalance, with improvements in workforce participation by women, including a number of key leadership appointments. In addition, we introduced flexible working arrangements, an improved paid parental leave policy and additional leave options to support the attraction and retention of women into the future.

## Investment in our strategy

Throughout FY21 we invested in our strategy to position the business to win and set up a platform for future growth. Whilst a significant change program of operational and structural enhancements was implemented to deliver cost savings, project controls and improved margins, we also recognised the need to invest in parallel in a number of key areas of strategic focus to unlock significant growth opportunities. Some of the highlights have included:

- National key account approach: we have invested in suitably resourcing, developing and maintaining relationships with tier 1 and blue-chip national clients, across our market sectors, who see value in the national presence and multi-disciplinary skill set offered by Veris Australia.
- Technology and equipment: we have invested in state-of-the-art Digital & Spatial technology and equipment to significantly upgrade our fleet and reposition the business towards market leading status. This has included the purchase of new unmanned aerial vehicles (UAVs) and specialist LiDAR and photogrammetric payloads, mobile laser scanning platforms, and terrestrial laser scanning equipment.
- Digital & Spatial expertise: to fully leverage our investment in the technology, we've also invested in additional specialist skill sets, including the introduction

Sunbury Line Upgrade, Victoria.

of a GIS service offering nationally, and additional Digital & Spatial leadership across the regions to target specific growth opportunities and greater cross-selling of our services.

It was particularly pleasing to see the success of our key account approach demonstrated by the signing of a new Framework Agreement with John Holland Group, which offers a favourable competitive position for us to provide a full suite of services to John Holland, whilst working together to build a long-term relationship.

## Indigenous Participation

We continued in our efforts to build a diverse and inclusive work culture at Veris Australia, and to respectfully work in partnership with Aboriginal and Torres Strait Islander organisations and peoples, as outlined in our Reconciliation Action Plan. This was bolstered by the establishment of our alliance with Wumara Group - a majority Indigenous owned land and construction surveying company. Wumara Group is focused on the economic empowerment of First Nations people by providing Indigenous Australians with employment and education opportunities. Under the alliance, we will work together with Wumara Group to assist in closing the gap between Indigenous and non-Indigenous Australians, whilst supporting the development and growth of the Wumara surveying business.

In addition, it was extremely pleasing to see our leaders support National Reconciliation Week activities by participating in the virtual National Acknowledgment of Country. This practice raises awareness of the histories and cultures of Aboriginal and Torres Strait Islander People, and it was important to see so many of us acknowledge ongoing connection to Country.

## Award-winning excellence

The technical excellence, innovation and contribution of our people and projects was recognised through the Asia Pacific Spatial Excellence Awards where Veris Australia won several awards at both the regional and national level. The awards demonstrate how we're able to innovate and collaborate across multi-disciplinary teams using the latest technology to deliver high value solutions to help solve our clients' problems. They also recognise the commitment and contribution of our people to the advancement of the profession. To be recognised at such prestigious awards is testament to our position as industry leaders and I congratulate all our award winners.

## Outlook

Despite the impacts of COVID-19, many of the market sectors we service are currently experiencing high levels of investment and growth, and we are well positioned to capture an increasing share of this work.

Strong market conditions in residential property, buoyed by Government stimulus, low interest rates and demand for vibrant and liveable communities presents an opportunity for Veris Australia to drive growth through our involvement in these Greenfields and Strata developments across Australia. This market sector is a core strength of Veris Australia, and our depth of experience, national footprint and relationships with Australia's premium property groups means we are well-placed to leverage our Property Survey and Planning capabilities to help our clients meet market demand.

As the wave of infrastructure spending commitments in response to the pandemic hits the market over the coming years, we are well positioned to capture significant infrastructure opportunities across major population centres and regional areas. Our track record of delivery on

Collins Arch, Southbank, Victoria. Image courtesy of Trevor Mein (architects).

some of Australia's large transport infrastructure projects, national footprint, existing relationships with some of Australia's large engineering and Tier 1 contractors, provides a significant competitive advantage to support the streamlined delivery of major projects.

Defence is a key emerging market for Veris Australia and part of our growth strategy. With the Federal Government's $270 billion boost to defence capability over the next 10 years, there are opportunities for us to provide our specialist technical and advisory services on defence projects across Australia, aligned to our local presence in those states. Within the last 12 months we have secured a number of contracts nationally, leveraging our established relationships with Tier 1 contractors, engineering design houses and other specialist Defence contractors.

The mining and resources sector has experienced significant growth in investment, driven by near record prices across several key commodities. We continue to service the resources sector through our national footprint which enables us to have a strong local presence in the Pilbara region of Western Australia, with operations in the resources hubs of Karratha and Port Hedland, and regional Queensland.

Our Digital & Spatial service offering is designed to meet the push towards digitalisation and data by industry, where it can be transformative in delivering enhanced value. Whilst the core surveying service offering of Veris Australia will continue to collect and analyse data for our clients, the expansion of our Digital & Spatial capabilities represents a strategic opportunity to meet market demand and deliver high value solutions for our clients with enhanced margins. By investing in the latest technology and data sharing platforms, and bringing onboard greater spatial data analysis capabilities in areas such as GIS (geographic information systems), we're well positioned to deliver end-to-end spatial data solutions for our clients, from data collection and capture through to data hosting, sharing, modelling, analysis and insights,

In closing, I would like to thank the Leadership Team and all of our people for their commitment and hard work over the last 12 months. It has been a year that has seen us deliver significant structural changes and improvements to how we operate, amidst the challenges of a global pandemic. Our performance has improved significantly, but we have also made great progress in our story for the future.

Michael Shirley
Chief Executive Officer - Veris Australia

Travis Young
Chief Executive Officer -
Aqura Technologies

# Message from the CEO of Aqura Technologies

> "Our success in FY21 further validates our growth strategy that optimally positions us for our next phase of growth."

The path into FY21 was one of excitement and anticipation as industry accelerated the adoption of digitisation as a result of the Covid-19 pandemic. Despite the uncertainty, the Aqura team quickly adapted to new ways of working to ensure personal safety, and re-focus on helping our customers to get their projects back on track.

The Aqura executive team continued to focus on execution of the long-term growth strategy to realise benefits from investments in east coast expansion, increase sales and marketing capability, expanding Aqura's solutions into new market segments and execution of new product development, particularly in developing further as-a-Service, recurring revenue products.

Aqura's east coast expansion continued to capitalise upon under served opportunity with expansion of work with Cubic Defence and advancing work with new customers in the resources and oil and gas sectors. The demand for Aqura's services saw solid growth in our skilled resources which augmented our west coast-based team.

We expect strong demand to continue for Aqura's solutions in east-coast markets which validates our expansion strategy. We continue to add new technical capability into the Brisbane and Melbourne offices, with new sales resources to be brought into play to capitalise on opportunities in FY22 as investment in resources, oil & gas and utilities continues to grow.

## Investing for growth

The year saw growth in Aqura's employee base across the country to support the increased volume of work from long-term customers and support a sizeable number of net new customers from resources, oil & gas, utilities and infrastructure.

FY21 saw major advances in Aqura's product development program. Considered investment was made in new resources and infrastructure to support development and commercialisation of our as-a-Service oriented solutions to complement Aqura's bespoke, capital project engagements. New hyper-converged infrastructure was acquired and installed in enterprise data centres to support Aqura's Cloud-based platforms, particularly to enable Private LTE as-a-Service (LTEaaS) and Complete Access Network as-a-Service (CANaaS).

Aqura in-house specialists.

Technical capability around as-a-Service product development was bolstered with the appointment of project and software development managers. These resources accelerated creation of our product development framework which acts as the foundation of all future products.

A key highlight for product development was the active engagement by new prospects who were so impressed with the human-centred design principles around CANaaS, they proactively volunteered resources to assist with development and immediately committed to a small-scale, site-based Proof of Concept following a short beta-test demonstration.

LTEaaS also advanced following an extensive global vendor review. A preferred vendor was selected during the year with highly promising testing now completed. The platform offers considerable flexibility, particularly in being able to scale quickly to 5G and support a wide-range of value-added solutions such as Mission Critical Push to Talk (MC-PTT) and Industrial IoT, which is the foundation of machine learning and digitisation in many industry sectors. Aqura is now finalising commercials and will look to engage its first LTEaaS customer in early FY22.

## Delivering in the 'new normal'

In our current environment where COVID-19 continues to create unique challenges for business operations, Aqura has been quick to react to the immediate effects and overcome obstacles. During this time of upheaval, Aqura continues to remain optimistic and is committed to prioritising the support and needs of our people, customers, and suppliers.

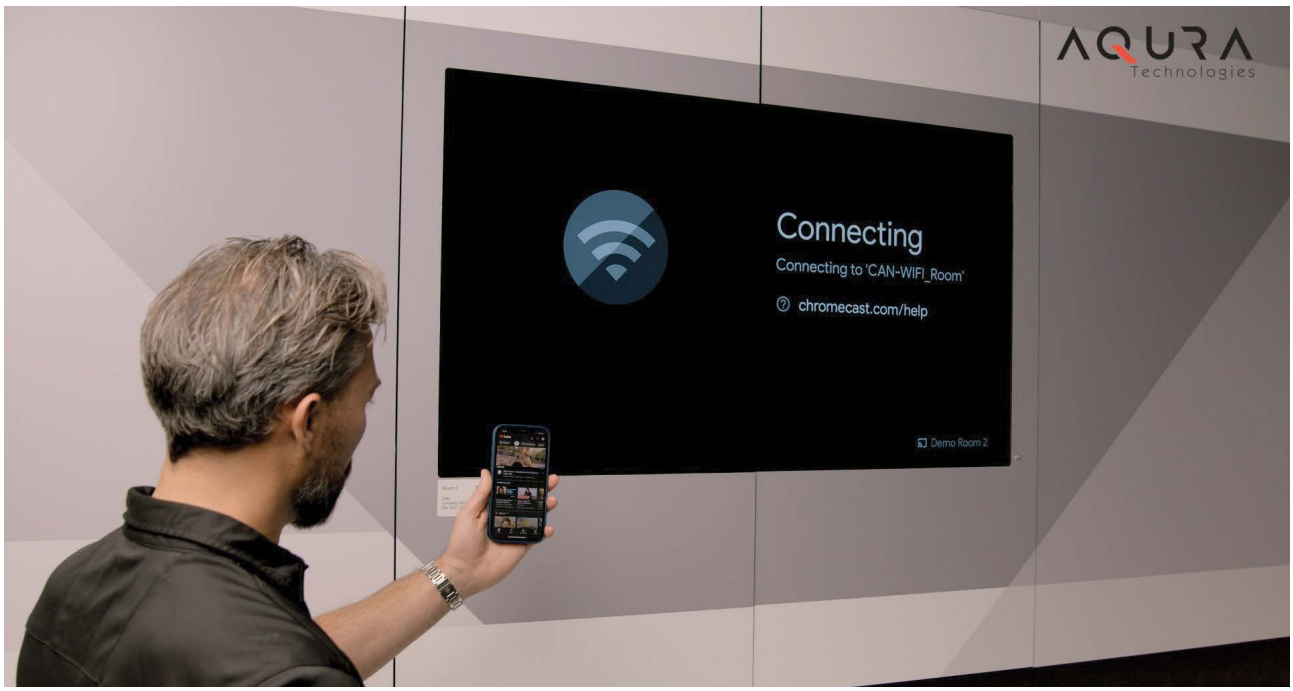
Aqura's new commitments demonstrate the depth of its existing relationships with major companies in the industry and its success in securing works with new clients in diverse sectors despite the disruption of the COVID-19 pandemic.

Our long-standing relationship with BHP West Australian Iron Ore Operations (WAIO) continued with the final stage of the In-Room Content and Entertainment Solution (IRCES) program delivered. This multi-year program saw over 12,000 rooms and shared spaces across all of BHP WAIO's Pilbara accommodation precincts upgraded to latest generation Gigabit Passive Optical Network (GPON) distribution, upgraded industrial wireless access points for in-room Internet and user management platforms to enable fair use Internet access.

Aqura's engagement with BHP WAIO operations ramped with the BHP Global Wireless LAN (GWLAN) program growing after initial engagement in late FY20. This program of work focused on the upgrade and installation of new in-building and outdoor Wi-Fi networks across BHP WAIO's operations areas across its Pilbara mines to enhance digital working initiatives across their business. Our team was successful in securing several contracts during the year and we believe we are positively positioned to secure works into FY22.

During the year we further solidified our position as the Private LTE provider of choice. In early FY21 Aqura was successful in being awarded the design and equipment supply contract for a Private LTE network solution at FMG's Iron Bridge Magnetite Project in the Pilbara region.

And to reinforce Aqura's reputation for high-performance wireless connectivity solutions, we secured the opportunity to design, procure and deliver a Private LTE solution for Roy Hill, a highly innovative iron ore operator in the Pilbara region of Western Australia. The successful delivery of this program of work was a critical




Aqura's Complete Access Network platform.

component of Roy Hill's autonomous vehicle strategy and relies heavily on Aqura's experience in the development of Private LTE architectures and extensive vendor relationships to navigate extended supplier lead times for critical equipment.

## Extending horizons

As Aqura continues to broaden our offerings with new products geared to existing and new markets, there has been a significant commitment made to executing our oil and gas strategy, which is gaining momentum in the market.

Aqura has quickly developed a reputation for advanced networks which enable the safety and productivity outcomes oil and gas operations are demanding. This led to the successful signing of Santos Ltd, one of Australia's largest oil and gas producers. After winning the opportunity following a rigorous national review of providers, Aqura was engaged to support Santos' existing Private 4G LTE network, one of Australia's largest, and act as preferred technology partner to advance Santos' future connectivity strategy. This three-year engagement kicked off in FY21, with an optional two-year extension.

Beyond resources, we continued our engagement in defence with Cubic Defence Australia to deliver and commission a new Private LTE network in Northern Queensland. This very exciting project sees the Private LTE network utilised as an enabler for Cubic's live and synthetic training environment across a large geographic area. This initial engagement was supplemented later in FY21 with Aqura completing an upgrade of the Private LTE network to upgrade it to 5G-ready, one of the first such deployments in Australia.

In the utilities space, we welcomed ATCO as a new customer with a significant five-year Unified Communications-as-a-Service engagement for contact centre and telephony. This new engagement aligns with the move to balance Aqura's capital project offerings with recurring revenue contracts.

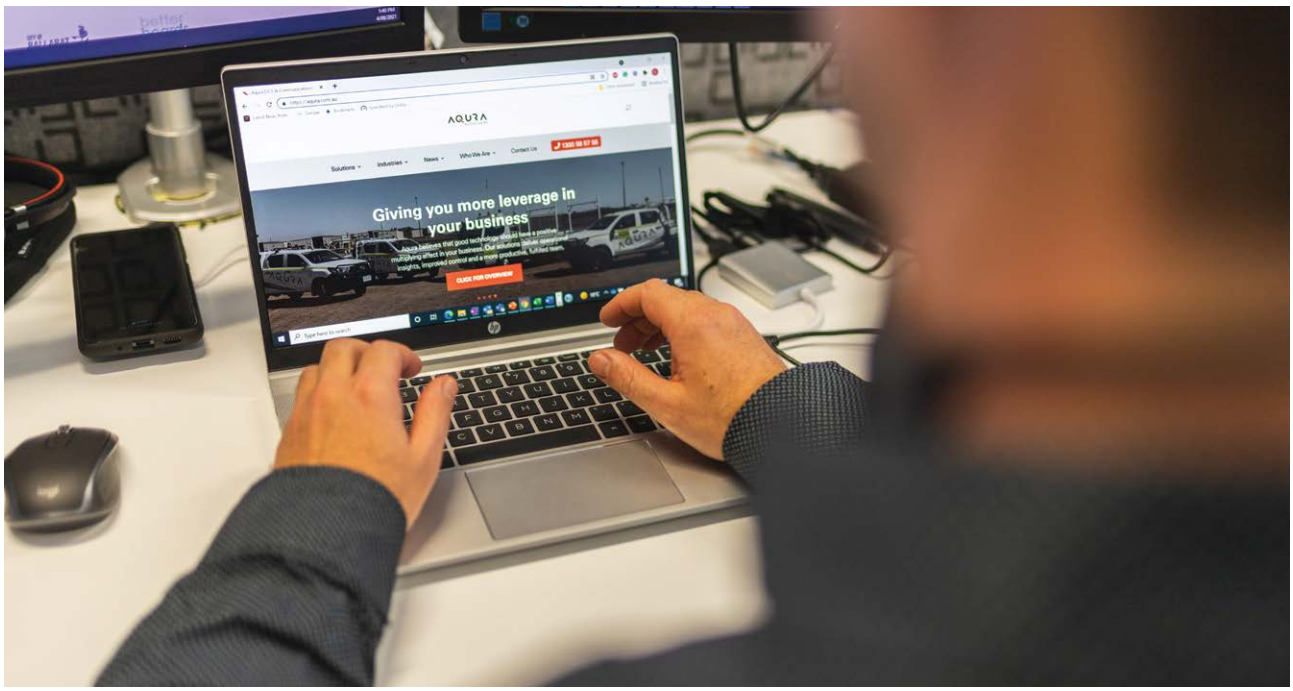
Our focus to advance as-a-Service service offerings was further accelerated with the signing of a three-year (with two-year option) Unified Communications-as-a-Service agreement with Bunnings to upgrade over 330 stores across Australia. The scope of this program is significant and in addition to the upgrade, Aqura will provide support to Bunnings over the contract life.

Aqura's focus on delivering value and building meaningful relationships with our customers was greatly reflected in project wins with existing customers. Aqura was awarded new work with Oz Minerals, where our team undertook a significant upgrade of its accommodation network, which will provide a high-quality entertainment and communications network for employees at the Prominent Hill operations in South Australia.

The investment in Aqura's geographical expansion, focus on maintaining high quality and safe operations was greatly appreciated by our customers existing and new, and resulted in a very positive year, despite a year marred by uncertainty, lockdowns and travel restrictions.

## Future Foundations

It has been heartening to reflect on the year which despite great challenge, has seen us continue to strengthen and expand operations strongly in line with our growth strategy. We are thankful our people have remained safe and continued to adapt and go beyond to deliver for our customers. As has been reflected in this report, this has been recognised with expanded engagement by our long-term customers and many new




Specialists in communication.

customers looking to Aqura to support their technology needs, particularly in new market segments across the country.

Aqura's work requires many of our people to undertake activity in challenging and highly remote locations. I am proud to recognise and thank them for their efforts to close the year with a continuation of our exemplary safety record.

The business has already delivered one of the first Private 5G-enabled networks in Australia and has recently been awarded a $1.9 million grant to participate in the Australian Government's 5G Innovation Initiative. Through participation in this initiative, Aqura will look to actively influence the development of new Private 5G technology architectures for adoption in underground mining scenarios which will assist in meeting the future demands of enterprise on their journeys to Industry 4.0.

The initial investments and addition of resources in our product development program to create new recurring revenue, as-a-Service capability will quickly realise benefits as we accelerate our go-to-market strategy in FY22. This, coupled with our expanded national footprint and enhanced sales and marketing capability will continue our ability to deliver against our growth strategy.

Our success in FY21 further validates our growth strategy that optimally positions us for our next phase of growth. Our solutions are increasingly being recognised for their contribution to the success of digitisation strategies of our customers which seek to achieve increased productivity, safer workplaces, enhanced worker wellbeing and better environmental outcomes.

## Outlook

The outlook for our solutions remains robust, particularly as organisations look to leverage the benefits of high-performance connectivity and solutions which enhance remote worker welfare. Aqura's team is well positioned with highly experienced and committed people who are recognised as technology leaders and have extensive experience in resolving the challenges our customers face.

Travis Young
Chief Executive Officer - Aqura Technologies

# Health, Safety, Environmental and Quality

Veris operates under an accredited Health, Safety, Environment and Quality (HSEQ) management system that is certified to the highest international standards including:

- ISO 45001: Occupational Health and Safety Management Systems
- ISO 9001: Quality Management Systems
- ISO 14001: Environmental Management Systems

The safety of our people and a commitment to zero harm are values that are revered throughout Veris Limited. We promote and encourage a culture where our employees are proactively maintaining a safe and healthy workplace by actively engaging with our HSEQ systems and promoting safe work practices by adhering to relevant legislation, standards, and best practice that impact on our operation, our client's operation and work environment in general.

Our people have responded to the COVID-19 pandemic, adapting to new ways or working to keep our workplaces, our clients and the community safe.

FY21
Total Recordable Injury Frequency Rate

**4.13**

FY21
Lost Time Injury Free

**970,000 hrs**

OHS Management System · ISO 45001
Global-Mark.com.au®

Environmental Management · ISO 14001
Global-Mark.com.au®

Quality Management · ISO 9001
Global-Mark.com.au®

# Financial Reports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# Directors' Report

For the year ended 30 June 2021

Your Directors present their report together with the consolidated financial statements of Veris Limited ABN 80 122 958 178 ("the Company" or "Veris") and the entities it controlled (together referred to as ''the Group'') at the end of, or during, the year ended 30 June 2021.

## Information on Directors

Directors of the Company during the financial year ended 30 June 2021 and up to the date of this report are as follows:

| Name | Period of Directorship |
|---|---|
| Karl Paganin<br>Independent Non-Executive Chairman<br>Independent Non-Executive Director | <br>Appointed 25 November 2019<br>Appointed 19 October 2015 |
| Brian Elton<br>Executive Director<br>Non-Executive Director | <br>Ceased 20 November 2019<br>Appointed 21 November 2019 |
| Adam Lamond<br>Executive Director<br>Non-Executive Director | <br>Ceased 30 November 2020<br>Appointed 1 December 2020 |
| David Murray<br>Independent Non-Executive Director | <br>Appointed 1 June 2021 |
| Tom Lawrence<br>Independent Non-Executive Director | Appointed 13 October 2011<br>Retired 21 May 2021 |

The experience, other directorships or special responsibilities of the directors in office at the date of this report are as follows:

### Karl Paganin - Independent Non-Executive Chairman

***Experience***

Mr Karl Paganin has over 15 years senior experience in Investment Banking, specialising in transaction structuring, equity capital markets, mergers and acquisitions and strategic management advice to listed companies. He has been a director of various ASX listed companies over the past 6 years.

Mr Paganin practised with major national law firms and was then appointed as Senior Legal Counsel at the newly formed family company of the Holmes a Court family, Heytesbury Holdings, where he spent 11 years. His roles varied from Senior Legal Counsel to Director of Major Projects, a role which involved having conduct of all major transactions within the Group.

Subsequent to Heytesbury, Mr Paganin spent 15 years as a senior investment banker in Perth. In 2002, he joined the Perth based Euroz Securities and established its Corporate Finance department. Then, in 2010, he established and was Managing Director of GMP Australia Pty Ltd, an affiliate of a Canadian resources focussed specialist investment bank.

Mr Paganin is currently Non-Executive Director of ASX listed Southern Cross Electrical Engineering Limited.

Mr Paganin holds degrees in Law (B.Juris, LLB) and Arts (BA) from the University of Western Australia.

***Special Responsibilities***

Member of the Remuneration and Nomination Committee (appointed 24 June 2020)
Member of the Audit and Risk Committee

***Other Listed Company Directorships in last 3 years***

Southern Cross Electrical Engineering Ltd (June 2015 – current)
Poseidon Nickel Limited (1 October 2018 – 30 June 2020)

***Interests in Shares of Veris Limited***

16,617,921 fully paid ordinary shares

# Directors' Report

For the year ended 30 June 2021

## Information on Directors (continued)

### Brian Elton – Non-Executive Director

***Experience***

Mr Brian Elton is the founder of Elton Consulting and a Strategic Advisor to WSP. Mr Elton joined the Veris Board as Executive Director in March 2018 when this business was acquired by Veris. Subsequent to the sale of Elton Consulting in November 2019, Mr Elton became a Non-Executive Director. He has extensive experience in growing a highly commercially successful professional services business, and in-depth knowledge of east coast development and infrastructure sectors. He has an extensive network of contacts and clients in government, the not-for-profit sector and Tier 1 private sector organisations, and is well regarded and trusted by clients.

Mr Elton has over 40 years of experience in urban and regional planning in the UK and Australia focusing on urban strategy, urban policy and governance and the delivery of major projects. He founded Elton Consulting 30 years ago, maintaining a profitable and growing business every year since.

Mr Elton is a Fellow of the Planning Institute of Australia and a Member of the Australian Institute of Company Directors. His affiliations include the International Association of Public Participation, Green Building Council of Australia and the Urban Development Institute of Australia.

***Special Responsibilities***

Chairman of the Remuneration and Nomination Committee (appointed 24 June 2020)
Member of the Audit and Risk Committee (until 30 June 2021)
Member of the HSEQ Committee

***Interests in Shares of Veris Limited***

37,918,161 fully paid ordinary shares

### Adam Lamond – Non Executive Director

***Experience***

Mr Adam Lamond has over 25 years' commercial experience with particular expertise in construction and infrastructure activities across Australia.

Mr Lamond founded Ocean to Outback Electrical (OTOE) in 2003, a WA-based contracting business servicing the mining industry and the forerunner to Veris Limited. Mr Lamond engineered a reverse takeover of ASX listed company Emerson Stewart Group in 2011 resulting in the listing of Ocean to Outback Contracting (OTOC) Limited.

Mr Lamond held the position of Chief Executive Officer of OTOC Limited from 2011 to 2014. Mr Lamond then held the position of Executive Director- Business Development from 2014 to 2017, after which time he was appointed Managing Director of the newly branded Veris Limited until 2 April 2020.

***Special Responsibilities***

Member of the HSEQ Committee

***Interests in Shares of Veris Limited***

48,591,815 fully paid ordinary shares

## Information on Directors (continued)

### David Murray – Independent Non-Executive Director

***Experience***

Mr David Murray has over 40 years' experience in professional services, providing a unique combination of global, regional, commercial and industry skills to the Veris Board. Mr Murray was a Deloitte Australia Partner for 26 years incorporating leadership roles across the business including the National Executive, Business Unit Leader, Papua New Guinea Office Managing Partner and other National leadership roles and responsibilities.

Mr Murray is currently a Board member of a global insurance entity. He also Chairs the Audit and Risk Committee of that entity. He is also Deputy Chair of a local not-for-profit organisation. Mr Murray is a member of the Institute of Chartered Accountants Australia & New Zealand and a Member of the Australian Institute of Company Directors.

***Special Responsibilities***

Chairman of the Audit and Risk Committee (Appointed 1 June 2021)

***Interests in Shares of Veris Limited***

Nil

### Tom Lawrence - Independent Non-Executive Director

***Experience***

Mr Tom Lawrence holds a Bachelor of Laws, Bachelor of Business (Accounting and Information Systems) and a Masters Degree in Taxation. Mr Lawrence retired from the Board on 21 May 2021.

***Special Responsibilities***

Chairman of the Audit and Risk Committee (Retired 21 May 2021)
Member of the Remuneration and Nomination Committee (Retired 21 May 2021)

***Interests in Shares of Veris Limited***

13,564,664 fully paid ordinary shares

# Directors' Report

For the year ended 30 June 2021

## Information on Company Secretary

**Lisa Wynne - Company Secretary (Resigned 20 November 2020)**

***Experience***

Ms Lisa Wynne is a Chartered Accountant and Chartered Secretary with significant experience across ASX & TSX listed companies. Ms Wynne held the role of Interim Chief Financial Officer of Veris from 26 June 2019 to 2 April 2020 and ceased working at Veris on 27 November 2020.

**Steven Harding – Interim Company Secretary**

***Experience***

Mr Harding is a Chartered Accountant with over 25 years of finance and corporate advisory experience including having held senior leadership roles with professional services and advisory firms PwC and KPMG.

Mr Harding has a strong track record in corporate finance including significant capital markets, merger and acquisition transaction advisory and debt arranging experience in the mid-cap industrials sectors.

Mr Harding holds a Bachelor of Business and is a Fellow of Chartered Accountants Australia and New Zealand and Financial Services Institute of Australasia. Mr Harding was appointed to the role of Chief Financial Officer of Veris from 2 April 2020. He was appointed Interim Company Secretary on 27 November 2020.

## Directors Meetings

The number of directors meetings and number of meetings attended by each of the directors of the Group during the financial year are:

| Director | Board Meetings | | Audit & Risk Committee | | Remuneration & Nomination Committee | | Health, Safety, Environment & Quality Committee | |
|---|---|---|---|---|---|---|---|---|
| | A | B | A | B | A | B | A | B |
| Karl Paganin | 16 | 16 | 6 | 6 | 4 | 4 | 3 | 3 |
| Adam Lamond | 16 | 16 | * | * | * | * | 3 | 3 |
| Tom Lawrence | 14 | 14 | 6 | 6 | 3 | 3 | * | * |
| Brian Elton | 16 | 16 | 6 | 6 | 4 | 4 | 3 | 3 |
| David Murray | 1 | 1 | - | - | * | * | * | * |

A Number of Meetings attended

B Number of meetings held during the time the director held office during the year

* Not a member of the relevant committee

## Dividends

There were no dividends paid or declared by the Company during the financial year.

# Directors' Report

For the year ended 30 June 2021

## Principal Activities

Veris Limited is the Group's holding company that is listed on the ASX under the code VRS.

Veris Limited has two operating subsidiaries:

- Veris Australia- is a spatial data business that offers a range of professional and data services spanning the surveying, digital & spatial, town planning & urban design disciplines throughout Australia;
- Aqura Technologies – is an innovative technology services and product development business offering leading edge telecommunications infrastructure to a range of industries nationwide.

Both Veris Australia and Aqura Technologies operate in the following sectors throughout Australia:

- infrastructure;
- property;
- energy;
- mining and resources;
- defence;
- utilities; and
- government.

### Veris Australia

Veris Australia is Australia's leading provider of spatial data services across the infrastructure, property, resources, defence, utilities and government sectors. Veris Australia provides an end-to-end spatial data solution for its clients that not only includes data collection, analysis, interpretation but also data hosting and access, modelling, sharing and insights for clients with large-scale data requirements.

### Aqura Technologies

Aqura is a specialist in the delivery of high-performance technology solutions across industrial wireless, enterprise communications and next-generation IoT which are critical for organisations with the adoption of digital transformation. Aqura is known for innovation, whether it is our technology approaches such as Private 4G and 5G LTE networks and or our commercial approaches which now offer in-house developed technology solutions via flexible As-A-Service models. Aqura's markets include resources, oil & gas, industrial, commercial and defence sectors.

### *Significant Changes*

The following significant changes in the nature of the activities of the Group occurred during the year:

- During the year, Mr Adam Lamond transitioned from his role as Executive Director – Corporate and Strategy to the position of Non-Executive Director. Mr Lamond has served in an executive-capacity over an extended period of time, and his knowledge and insights will continue to help guide the Group into the future.
- Continued growth of Aqura Technologies' service offering and revenue base, delivering high impact projects for its tier 1 client base such as BHP, Rio Tinto, FMG, Roy Hill, Oz Minerals, Bunnings and ATCO.
- Following the announcement of a share placement and share purchase plan in February 2021, the Group successfully raised $7.525m net of costs.

# Directors' Report

For the year ended 30 June 2021

## Operating and Financial Review

The 2021 financial year has been characterised by a continuation of the challenging and uncertain operating environment first experienced the year prior as a result of the COVID-19 global pandemic. Despite the challenges, Veris and its two Operating Subsidiaries, Veris Australia and Aqura Technologies, have demonstrated a significant turnaround in business performance and trajectory.

| | FY21 $000 | FY20 $000 |
|---|---|---|
| **Revenue** | **99,561** | **94,105** |
| **Statutory loss after tax** | **(1,380)** | **(26,493)** |
| Add back: | | |
| Tax expense / (benefit) | - | 4,587 |
| Net finance expense | 1,656 | 2,072 |
| Restructuring costs | 368 | 1,323 |
| Share-based payment | 113 | 113 |
| Acquisition related costs | 12 | - |
| Impairment of Goodwill and Intangibles | - | 3,133 |
| Adjusted EBIT profit / (loss) | 769 | (15,265) |
| Depreciation and amortisation | 8,200 | 13,842 |
| Discontinued operations – Loss / (Profit) | - | 3,283 |
| **Adjusted EBITDA (i)** | **8,969** | **1,860** |
| Net Assets | 7,512 | 1,256 |
| Working Capital (ii) | (6,367) | (10,709) |

(i) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, impairment of goodwill and intangibles, acquisition related costs, restructuring, share-based payments and is an unaudited non-IFRS measure.

(ii) Working capital is defined as current assets less current liabilities.

The Group recorded revenue of $99.6 million (FY20: $94.1 million) representing a 5.8% increase in revenue over the prior period contributed to by both Veris Australia ($2.6 million increase) and Aqura Technologies ($2.8 million increase).

Veris Australia recorded a 3.7% increase in revenue from $74.8 million to $77.4 million in FY21 resulting from more disciplined targeting of revenue opportunities from major national target client groups and more disciplined project management and cultural behaviours amongst the operational teams. Against the backdrop of long-duration COVID enforced lockdowns in the key market of Greater Melbourne coupled with intermittent snap lockdowns impacting operating protocols and site access across the remainder of Veris Australia's operating regions, this was an encouraging result under the new management team.

Similarly, Aqura Technologies achieved continued revenue growth of 15% to $22.1 million in FY21 despite the constrained operating environment enforced by COVID related lockdowns and delays experienced in commencing projects.

The Group achieved EBITDA of $9.0 million in FY21 reflecting growth of 382%, up from $1.9 million in FY20. The Group reported a statutory net loss after tax of $1.4 million, reflecting a $25.1 million turnaround from the loss reported in FY20 of $26.5 million. The result reflects a turnaround from the FY20 result despite the continued challenges of snap lockdowns impacting opportunities to drive further revenue growth and increasing costs of delivering client projects.

## Operating and Financial Review (continued)

The increase in adjusted EBITDA resulted from a number of operational improvement strategies implemented by the new management team in Veris Australia. These strategies focused on increased project management discipline as well as the impact of a range of cost rationalisation strategies implemented in the fourth quarter of FY20. Veris Australia's EBITDA increased 806% and Aqura Technologies' increased 49% on the prior year.

Whilst adjusted EBITDA included $5.2m of JobKeeper wage cost offset, Veris management consider that the enduring costs and impacts throughout the FY21 period of various COVID related operating impacts (e.g. intermittent lockdowns of variable duration, border closures, inabilities to mobilise key staff and management to service projects and conduct business development activities, inefficiencies in mobilising high value technical equipment etc) resulted in cost inefficiencies that offset any benefit that may have been obtained via the JobKeeper short-term offset.

Whilst continuing to invest in the ongoing development of Aqura's internally generated product suite, the Aqura Technologies team report a strong adjusted EBITDA of $1.6 million, despite being impacted by higher compliance costs and more stringent operating protocols as a result of restricted COVID induced operating environments.

Despite the constrained and interrupted operating environment, the Group has continued to invest in our people, systems and leading-edge equipment to build strong foundations to underpin the medium-term strategy for accelerating growth delivery in FY22 and beyond. This program of investment was undertaken whilst also executing an operating cost rationalisation strategy.

In FY21 Veris Australia and Aqura incurred restructuring costs associated with ongoing headcount reductions as continued operational efficiencies were identified following the Operational Review in FY20.

The strengthened balance sheet arising from stronger operating cash flows and the successful capital raising conducted during FY21 resulted in a $2.3 million reduction in CBA term bank debt during the year to end the year at $4.7 million at 30 June 2021. No impairment of intangible assets were recorded in FY21 (refer Note 13 Intangible Assets). Net assets increased on prior year primarily as a result of the capital raising conducted in March 2021.

The working capital position of the Group improved from FY20 as a result of:

- Increased cash balance following the capital raising conducted in March 2021;
- The reduction in working capital balances following the heightened focus on realising longstanding WIP and debtor balances; and
- The repayment of $2.3 million of the Cash Advance Facility which was classified as current liability at 30 June 2020 and 30 June 2021.

## Operating and Financial Review (continued)

Key highlights from each of the Group's subsidiaries are discussed below.

### Veris Australia

FY21 has been another unprecedented year where Veris Australia has had to adapt and be nimble in response to the uncertain operating environment created by COVID-19. Regular snap lockdowns and stringent interstate border controls have impacted the revenue growth opportunities and interstate border controls have prevented the business from fully leveraging its national operating platform and diverse specialist skill set.

Veris Australia embarked on an ambitious program of restructuring and reorientating the business in FY21. The aim of this was to establish a platform for the long-term sustainability and growth for Veris Australia. There were three key elements to the approach:

- Cost rationalisation and efficiencies
- Consolidating and executing on the strategy
- Accelerating the pivot towards a spatial data business

Despite a challenging external environment, it was critical to progress all three elements in parallel to capture the opportunities in our strategy. Veris Australia has made significant progress across all three elements of this approach, as demonstrated through its results.

#### COVID-19 Impacts

The performance of the business in Q4 FY21 was heavily impacted by the various State-based rolling lockdowns and restrictions as COVID-19 once again significantly impacted the community.

The momentum the business had built through the first half of the year was stalled as governments implemented restrictions to manage COVID-19 across the community. Lockdowns in big markets caused significant reductions and deferrals in workload and reduced efficiencies in the delivery of the work.

Additionally, the continued travel restrictions within and between states has impacted the ability of the business to grow revenue. Resources were unable to get to where the workload has been growing. The business has adapted our approach to accommodate these limitations and focus on local resources and foregone the pursuit of volume work at low margins.

Importantly, Veris Australia's project pipeline and secured backlog of projects to complete has not been cancelled, just delayed and pushed out. During these challenging times, the focus has continued to be on the safety and engagement of the workforce, with the business working diligently to ensure the retention of resources to embed an ability to respond quickly as the market opens up and as vaccination rates increase.

#### Cost rationalisation and efficiencies

The steps taken to deliver cost rationalisation and efficiencies in the Veris Australia operating model across FY21 had a positive impact on performance resulting in EBITDA increasing to $7.4 million from $0.8 million in FY20. The steps taken, which contributed to a stable cost base and improvement in operating margins included:

- Organisational restructure
- Sustained management of costs and overheads
- Rationalisation of vehicle fleet
- Enhanced Project management controls
- Focus on delivery and performance accountability.

## Operating and Financial Review (continued)

**Consolidating and executing on the strategy**

In parallel with the focus on cost rationalisation and efficiencies, the business consolidated and progressed the execution of its strategy, including a core emphasis on people and culture, its national operating platform, and indigenous engagement. It has been critical for Veris Australia to continue to invest in the strategy for the future.

The emphasis on people and culture saw Veris Australia implement a raft of significant new measures to attract and retain the best talent. Designed to reflect that Veris Australia is fundamentally a people business, key areas have included performance and career management, recruitment, diversity and inclusion, flexible working, and employee rewards and recognition.

Whilst interstate border controls and lockdowns impacted the ability of Veris Australia to fully leverage its national operating platform and reach, significant strides were made including the introduction of national services lines and a key account program. Key accounts include tier 1 and blue-chip companies across various market sectors who see value in the national presence and multi-disciplinary skill set offered by Veris Australia. The key account approach has already delivered a 39% increase in revenue from selected key clients and included the signing of a new Framework Agreement with John Holland Group, which provides a favourable competitive position for the business to provide a full suite of services to John Holland, whilst working together to build a long-term relationship

**Accelerating the pivot towards a spatial data business**

Throughout FY21, Veris Australia significantly accelerated its pivot towards becoming a leading spatial data business by investing in its Digital & Spatial capabilities. Whilst the core survey service offering of Veris Australia continues to collect and analyse data for its clients across a diverse range of sectors, the expansion of the business's Digital & Spatial capabilities represents a strategic opportunity to capture growth and deliver enhanced margins while meeting the push towards digitalisation and data-driven insights by industry

As part of this acceleration, a significant investment was made across FY21 in state-of-the-art 3D data capture technology including:

- state-of-the-art 3D data capture technology including an upgraded and expanded fleet of unmanned aerial vehicles (UAVs) and specialist payloads,
- market-leading mobile laser scanning platforms; and
- leading-edge terrestrial laser scanning equipment.

Veris has also prioritised the successful development of a web-based visualisation platform to ensure an end-to-end solution for clients that not only includes data collection and capture but also data hosting, sharing, modelling, analysis and insights.

To fully leverage the new technology, the business also invested in additional specialist skill sets, including the introduction of a GIS service offering nationally, and additional Digital & Spatial leadership across the regions to target specific growth opportunities and greater cross-selling of services.

The growth of our GIS services is strongly linked to our property and infrastructure clients. The Veris GIS portal, Vantage, is supporting our large property clients and delivery of large greenfield estates.

The investment in Digital & Spatial capability has already delivered a strong return, with an improvement in margin and revenue growth up 20% across the Digital & Spatial business line in FY21. The business is now well positioned to deliver value from data for its clients, by providing high value spatial data solutions. We are now starting to deliver the key elements of our data strategy. Our internal development of applied AI and machine learning approaches are providing insights and value to clients. This is hosted through our web-based platform 3SiDe, which further supports our delivery and relationships with clients.

# Directors' Report

For the year ended 30 June 2021

## Operating and Financial Review (continued)

### Outlook

Whilst the COVID-19 pandemic continues to present a significant challenge to the economy, record levels of investment in infrastructure and defence, strong market conditions for property, growth in the mining and resources sector, and an increasing industry requirement for digital and spatial data solutions will continue to position Veris Australia well into the future.

Strong market conditions in residential property, buoyed by Government stimulus, low interest rates and demand for vibrant and liveable communities presents an opportunity for Veris Australia to drive growth in Greenfields and Strata developments across Australia.

As the wave of infrastructure spending commitments in response to the pandemic hits the market over the coming years, we are well positioned to capture significant infrastructure opportunities across major population centres and regional areas.

Defence is a key emerging market for Veris Australia and part of our growth strategy. With the Federal Government's $270 billion boost to defence capability over the next 10 years, there are opportunities for us to provide our specialist technical and advisory services on defence projects across Australia, aligned to our local presence in those states.

The mining and resources sector has experienced significant growth in investment driven in particular by near record prices for iron ore. We continue to service the resources sector through our national footprint which enables us to have a strong local presence in the Pilbara region of Western Australia, with operations in the resources hubs of Karratha and Port Hedland, and regional Queensland.

### Pipeline

Veris Australia has continued to build its secured backlog which remains in excess of $50 million, of this more than $35 million is scheduled to be earned over the next 12 months. In addition, there remains continued strength in the identified pipeline of tendered projects and prospects with a weighted value in excess of $120 million for execution over the next 24 months.

### Aqura Technologies

The path into FY21 was one of excitement and anticipation as industry accelerated the adoption of digitisation as a result of the Covid 19 pandemic. Despite the uncertainty, the Aqura Technologies ("Aqura") team quickly adapted to new ways of working to ensure personal safety, and re-focus on helping our customers to get their projects back on track.

The Aqura executive leadership team continued to focus on execution of the long-term growth strategy to realise benefits from investments in east coast expansion, increase sales and marketing capability, expanding Aqura solutions into new market segments and execution of new product development, particularly in developing further as-a-Service, recurring revenue products.

Aqura's east coast expansion continued to capitalise upon underserved opportunity with expansion of work with Cubic in the Defence sector and advancing work with new customers within the resources and oil and gas sectors. The demand for Aqura services saw solid growth in our skilled resources which augmented our west coast-based team.

Strong opportunities for Aqura solutions in east-coast markets continue to be identified which validates the expansion strategy. New technical capability continues to be added into the Brisbane and Melbourne offices, with additional sales resources to be brought into play to capitalise on opportunities in FY22 as investment in resources, oil & gas and utilities continues to grow.

## Operating and Financial Review (continued)

**Investing for growth**

The year saw growth in Aqura's employee base across the country to support the increased volume of work from long-term customers and support a sizeable number of new customers from resources, oil & gas, utilities, and infrastructure. FY21 saw major advances in Aqura's product development program. Considered investment was made in new resources and infrastructure to support productisation of our as-a-Service

oriented solutions to complement Aqura's bespoke, capital project engagements. New hyper-converged infrastructure was acquired and installed in enterprise data centres to support Aqura's Cloud-based platforms, particularly to enable Private LTE as-a-Service (LTEaaS) and Complete Access Network as-a-Service (CANaaS).

A key highlight for product development was the active engagement by new prospects who were so impressed with the human-centred design principles around CANaaS, they proactively volunteered resources to assist with development and immediately committed to a small-scale, site-based Proof of Concept following a short beta-test demonstration.

LTEaaS also advanced following an extensive global vendor review. A preferred vendor was selected during the year with highly promising testing now completed. The platform offers considerable flexibility, particularly in being able to scale quickly to 5G and support a wide range of value-added solutions such as

Mission Critical Push to Talk (MC-PTT) and Industrial IoT, which is the foundation of machine learning and digitisation in many industry sectors. Aqura is now finalising commercials and will look to engage its first LTEaaS customer in early FY22.

**Extending horizons**

As Aqura continues to broaden its offerings with new products geared to existing and new markets, there has been a significant commitment made to executing its oil and gas strategy, which is gaining momentum. Aqura has quickly developed a reputation for advanced networks which enable the safety and productivity outcomes oil & gas operations are demanding. This led to the successful signing of Santos Ltd, one of Australia's largest independent oil and gas producers. After winning the opportunity following a rigorous national review of providers, Aqura was engaged to support Santos' existing Private 4G LTE network, one of Australia's largest, and act as preferred technology partner to advance Santos' future connectivity strategy. This three-year engagement kicked off in FY21, with an optional two-year extension.

Beyond resources, Aqura continued its engagement in defence with Cubic Defence Australia to deliver and commission a new Private LTE network in Northern Queensland. This very exciting project sees the Private LTE network utilised as an enabler for Cubic's live and synthetic training environment across a large geographic area. This initial engagement was supplemented later in FY21 with Aqura completing an upgrade of the Private LTE network to 5G-ready, one of the first such deployments in Australia.

In the utilities space, Aqura welcomed ATCO as a new customer with a significant five-year Unified Communications-as-a- Service engagement for contact centre and telephony. This new engagement aligns with the move to balance Aqura's capital project offerings with recurring revenue contracts. Aqura's focus to advance as-a-Service service offerings was further accelerated with the signing of a three-year (with two-year option) Unified Communications-as-a-Service agreement with Bunnings to upgrade over 330 stores across Australia. The scope of this program is significant and in addition to the upgrade, Aqura will provide support to Bunnings over the contract life.

Aqura's focus on delivering value and building meaningful relationships with its customers was greatly reflected in project wins with existing customers. Aqura was awarded new work with Oz Minerals, where the team undertook a significant upgrade of the accommodation network, which will provide a high-quality entertainment and communications network for employees at the Prominent Hill operations in South Australia.

# Directors' Report

For the year ended 30 June 2021

## Operating and Financial Review (continued)

The investment in Aqura's geographical expansion, focus on maintaining high quality and safe operations was greatly appreciated by its customers' existing and new, and resulted in a very positive year, despite a year marred by uncertainty, lockdowns, and travel restrictions.

### Future Foundations

5G is making its mark in the broader public awareness, and Aqura is already working to be ready when the demand for 5G migrates into the enterprise domain. The business has already delivered one of the first Private 5G-enabled networks in Australia and during the year submitted a proposal to participate in the Australian Government's 5G Innovation Initiative. Through participation in this initiative, Aqura will look to actively influence the development of new Private 5G technology architectures which will assist in meeting the future demands of enterprise on their journeys to Industry 4.0.

The initial investments and addition of resources in a product development program to create new recurring revenue, as-a-Service capability will quickly realise benefits as Aqura accelerates its go-to-market strategy in FY22. This, coupled with expanded national footprint and enhanced sales and marketing capability, will continue the business's ability to deliver against its growth program.

Aqura's solutions are increasingly being recognised for their contribution to the success of digitisation strategies of customers who seek to achieve increased productivity, safer workplaces, enhanced worker wellbeing and better environmental outcomes.

### Outlook

The outlook for Aqura's solutions remains robust, particularly as organisations look to leverage the benefits of high-performance connectivity and solutions which enhance remote worker welfare. Aqura's team is well positioned with highly experienced and committed people who are recognised as technology leaders and have extensive experience in resolving the challenges its customers face.

### Pipeline

Aqura Technologies continued to build its secure backlog which remains in excess of $11 million to be executed over the next 12 months. In addition, there remains continued strength in the identified pipeline of tendered projects and prospects with a weighted value in excess of $65 million for execution.

## Impact to the Group from the COVID-19 Pandemic

Veris, via both Veris Australia and Aqura Technologies, provides essential infrastructure services to the engineering construction, property development, resources, infrastructure and utilities sectors. To date, these industries have in the large part been allowed to continue operations under various lock-down and social distancing restrictions imposed to manage the pandemic.

Although there have been a range of negative impacts to the Group's operations from the pandemic, demand for Veris' services has continued, albeit at a more subdued level than prior to the onset of the pandemic.

Veris Australia has been impacted by restrictions on people movement, this has impacted the Group's field-based operations, management oversight and executing project work. The Group has implemented appropriate safety and hygiene protocols and procedures designed to minimise the risk of any spread of the COVID-19 virus. The majority of our office-based staff transitioned to working from home arrangements at the onset of the pandemic, with the Group's IT infrastructure and other support networks capable of supporting these arrangements effectively. These remote working protocols are adopted regularly by office based teams. Aqura Technologies has also experienced mobility issues with its workforce, impacting efficiency of project delivery and costs of operating.

The Group's balance sheet, cash flow and liquidity have been carefully monitored during the pandemic. The business has continued to pay our suppliers and contractors as and when due, and has not entered into any factoring arrangement of its working capital. The nature of the Group's customers, which includes government enterprises and large private sector corporations, is such that the risk of default of receivables is considered low. Veris has heightened the focus on managing our collections cycle during the pandemic and has seen a reduction in debtor days outstanding during the reporting period. In FY20, as part of its initial response to managing potential risks from the Covid-19 pandemic, the Group received, from the Australian Taxation Office, a deferral of $1 million GST payable .This amount was progressively paid to the ATO in line with the agreed payment plan and finalised in Q4 FY21.

The impacts to earnings to date are described below:

- Increased costs to support specific safety-related protocols across business operations. This includes additional expenditure on protective equipment and hygiene;
- The participation of both Veris Australia and Aqura Technologies in the Commonwealth Government's JobKeeper Program. The Group recognised $5.16 million of JobKeeper in the year to 30 June 2021
- Deferral of some projects due to travel and access restrictions across remote locations;
- Delays in projects due to availability of client-supplied free-issue materials;
- Deferral of proactive maintenance activities by asset owners;
- Delays to project execution and revenue generating milestones being achieved as a result of delays in importing key technology equipment, hardware and supplies;
- Inability to effectively mobilise high value, highly profitable leading edge digital and spatial laser scanning equipment around the nation;
- Inability to mobilise key staff to leverage specialist skill-sets to service unique client requirements; and
- Increased operating costs from incurring quarantine accommodation costs where staff have been mobilised.

# Directors' Report

For the year ended 30 June 2021

## Risks

There are specific risks associated with the activities of the Group and general risks, some are within and some are beyond the control of the Group and the Directors. The most significant risks identified that may have a material impact on the future financial performance of the Group and the market price of the Group's shares are:

### COVID-19 Pandemic

The COVID-19 pandemic has created an unprecedented level of uncertainty. Impact to the Group's operations to date have been varied, the evolution of the pandemic and any escalation of the government's response, including but not limited to, increased or prolonged restriction of workforce movements, increased safety protocols, and reduction in demand from the Group's customers may further negatively impact the Group's operations.

### Project Delivery Risk

Execution of projects involves professional judgment regarding scheduling, development and delivery. Failure to meet scheduled milestones could result in professional product liability, warranty or other claims against the Group. The Group maintains a range of review processes, insurance policies and risk mitigation programs designed to closely monitor progress and services and outputs delivered.

### Working with Potential Safety Hazards Risk

In undertaking work and delivering projects for its customers, Veris' employees and subcontractors can operate in potential hazardous environments and perform potentially hazardous tasks.

Management and the Board remain alert to the safety risks posed to employees and subcontractors, devote significant time to monitoring the effectiveness of the Group's safety framework, and have implemented a wide range of controls and proactive programs to increase awareness of significant hazards and prevent injuries to employees and subcontractors.

During the year, the Group maintained its Lost Time Injury Frequency Rate (LTIFR) and Total Reportable Incident Frequency Rate (TRIFR) within target levels.

### Legal and Contractual Risk

Errors, omissions or incorrect rates and quantities mean the Group may not achieve full benefits of project deliverables and may lead to a negative impact on financial performance. Additionally, accepting unfavourable and/or failing to understand contractual terms can lead to disputes with third parties and litigation. The Group seeks to mitigate these risks by defining the Group's commercial appetite for contractual and financial risk, following a tendering process and estimation programme and using the knowledge and experience of staff for pricing, contract reviews and screening.

### Political Risk

Major infrastructure and civil work may depend on Government approval and funding. Project timing may vary when government approval and funding is either delayed and/or withheld due to reasons such as political, economic and environmental changes. The Group have diversified its revenue base across multiple sectors, suppliers and states to mitigate and reduce potential impact to results.

### Retention of Key Personnel and Sourcing of Subcontractors risk

The talents of a growing, yet relatively small number of key personnel contribute significantly to the Group's operational effectiveness. Management and the Board have implemented strategies to retain those personnel, including participation in appropriate incentive arrangements and participation in the Group's employee development and succession programs.

Access to an appropriately skilled and resourced pool of employees and subcontractors across Australia is also critical to Veris' ability to successfully secure and complete field-based work for its customers.

## Risks (continued)

**Growth risk**

The ability to fund growth opportunities may be compromised if the Group does not meet covenant requirements within external financing facilities, internally established performance targets or adequately manage market expectations. The Group has a defined strategy which is supported by the board and senior management as well as external financiers and a comprehensive internal and external communications plan ensures transparency with the market and alignment with the workforce.

**Competition risk**

There is potential for changes in the market, whereby a competitor's product or technology may lead to loss of competitive advantage of the Group, or a competitor may become more aggressive in response to our strategy which may compromise our ability to achieve growth targets. The business has a process in place to monitor competitor behaviour, both in response to Group' strategy, as well as changing market conditions, business environment and innovations

**Technology risk**

Information technology and data are critical to Veris' value creating activities and lost access to its IT systems and data would have a major impact on the business. An IT security audit has been completed to understand our control environment in relation to information technology and data, and during the year, the Group completed a project to address shortfalls in legacy systems and processes. This project was designed to ensure appropriate cyber security and risk mitigation protocols are in place, facilitate organisational efficiency, improve disaster recovery protocols and ensure secure business continuity protocols are in place.

**Business Integrity & reputation risk**

As a listed company with a national presence, the Group is subject to numerous rapidly evolving and complex laws and regulations. Stakeholder trust is directly tied to ethical behaviour, compliance with applicable rules and regulations and internal policies and procedures. The Group has commenced an operation and enterprise risk assessment during the year to clearly identify and manage potential risks.

## JobKeeper Payment

As part of its response to the COVID-19, in March 2020 the Australian Government announced various stimulus measures resulting from the economic fallout from the coronavirus lockdown. One such stimulus measure was the payment of subsidies to qualifying employers under the JobKeeper Payment scheme ("JobKeeper").

The Group received JobKeeper payments, which totalled $6.68m in the period to 30 June 2021.

# Directors' Report

For the year ended 30 June 2021

## Significant Events After Period End

The Group continues to monitor issues related to COVID-19. Changes have been made to operations across the Company in order to minimise the spread including following advice on social distancing. As the pandemic develops we will continue to monitor operations and activities to ensure we remain as vigilant as possible.

On 9 July, Veris Limited announced it had entered into a share sale and purchase agreement with shareholders of 100% Indigenous owned EMFOX Pty Ltd trading as Wumara Group, a land and construction surveying company, to acquire a 49% share. Settlement occurred on 15 July 2021.

On 12 August 2021, Veris Limited announced it had completed a strategic review designed to enhance shareholder value and has resolved to pursue a demerger and separate ASX listing of its subsidiary, Aqura Technologies. A demerger of Veris' technologies subsidiary, Aqura Technologies, is expected to simplify the Group structure and better position both Aqura and Veris Australia for growth.

On 25 August 2021, the Company received a credit approved term sheet from CBA in relation to the extension of the Group's existing financing facilities extending the term beyond 30 September 2022. The extension of the facilities will require the Group to amortise a minimum of $1.2 million of the outstanding Term Loan by 30 June 2022. Veris expects that the documentation pertaining to these extensions will be executed in September 2021.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## Likely Developments

Whist the Board and management remain vigilant in monitoring the evolution of the COVID-19 pandemic and its impact on the core markets in which Veris operates, we expect opportunities to continue to present themselves over FY22 and beyond via the significant capital and infrastructure related works programs flagged by Commonwealth and State Governments across Australia to support economic activity and lay a platform for recovery. Whilst the NSW and Victorian market remains challenging due to the impacts and restrictions imposed in response to recent outbreaks of COVID-19, Veris Australia is well positioned to benefit from any increased or accelerated infrastructure spend and enters FY22 with approximately $50 million of work in hand and a strong tender pipeline. Similarly, Aqura Technologies is well positioned to leverage the continued opportunities arising from the COVID-19 pandemic within its target market as large customers within the resources, industrials, utilities and defence sectors seek to continue expanding their usage and reliance on communications networks and digitising their operations. This is expected to continue as the accelerated adoption of remote working practices, coupled with smart devices with embedded Internet of Things functionalities becomes more widespread.

# Directors' Report

For the year ended 30 June 2021

## Remuneration Report – Audited

The directors are pleased to present your Company's 2021 Remuneration Report which sets out the remuneration information for Veris' Non-Executive Directors, Executive Directors and other Key Management Personnel. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001. This Remuneration Report forms part of the Directors' Report. For the purposes of this report 'Key Management Personnel' (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

The report contains the following sections:

a) Directors and Executive Disclosures

b) Remuneration Policy

c) Remuneration Advice

d) Performance linked compensation

e) Details of share-based compensation and bonuses

f) Voting and comments made at the Company's 2020 Annual General Meeting

g) Contractual Arrangements

h) Details of remuneration

i) Analysis of bonuses included in remuneration

j) Equity Instrument Disclosure Relating to Key Management Personnel

### a) Director and Executive Disclosures

The details of directors and key management personnel disclosed in this report are outlined below.

| **Non-Executive Directors** | | |
|---|---|---|
| Karl Paganin | Chairman | (Independent) |
| Tom Lawrence | Non-Executive Director | (Independent, retired 21 May 2021) |
| David Murray | Non-Executive Director | (Independent, appointed 1 June 2021) |
| Brian Elton | Non-Executive Director | (Non-Independent, appointed 21 November 2019) |
| Adam Lamond | Non-Executive Director | (Non-Independent, appointed 1 December 2020) |
| **Executive KMP** | | |
| Michael Shirley | Chief Executive Officer – Veris Australia | (Appointed 29 October 2019) |
| Travis Young | Chief Executive Officer – Aqura Technologies | (Appointed 1 July 2019) |
| Steven Harding | Chief Financial Officer | (Appointed 2 April 2020) |
| Steven Harding | Interim Company Secretary | (Appointed 27 November 2020) |
| Lisa Wynne | Company Secretary | (Ceased 27 November 2020) |

### b) Remuneration policy

The Group has high expectations of its personnel and its executive leadership team. The Group aligns the performance outcomes of its executives with its own corporate outcomes and as such remuneration will be based on merit, performance and responsibilities assigned and undertaken.

# Directors' Report

For the year ended 30 June 2021

## Remuneration Report – Audited (continued)

**Remuneration & Nomination Committee**

The Group has a Remuneration and Nomination Committee, which is responsible for:

- Assessing appropriate remuneration policies, levels and packages for Board Members, the CEO, and (in consultation with the CEO) other senior executive officers;
- Monitoring the implementation by the Group of such remuneration policies; and
- Recommending the Group's remuneration policy so as to:
  - motivate directors and management to pursue the long-term growth and success of the Group within an appropriate control framework; and
  - demonstrate a clear relationship between key executive performance and remuneration.

***Non-executive director remuneration policy***

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time-to-time by a general meeting. The Constitution was amended by special resolution of the members on 23 November 2016 with the aggregate remuneration increasing from $250,000 to $500,000 per annum, which is to be apportioned amongst Non-Executive Directors.

The Company has entered into service agreements with its current Non-Executive Directors; refer details of the contractual arrangements on page 35 of this remuneration report. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act 2001 at the time of the Directors retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

***Executive remuneration policy***

The Company's remuneration policy is to ensure the remuneration package appropriately reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to attract and retain executives of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The overall executive team and remuneration framework is designed to link reward more directly to the strategy and drivers of Veris in creating long term shareholder value and is fit for purpose for the phase of the company's life cycle.

### FY19 Incentive Plan (KMP and Senior Management)

These Performance Rights were granted in respect to FY19 and vested during the reporting period (FY21) into fully paid ordinary shares following continued employment as at 30 June 2021 (2-year retention).

### FY20 Incentive Plan (CEO)

Performance Rights of 1,000,000 were issued under the Veris Incentive Plan to the CEO of Veris Australia on commencement of his employment in October 2019. The Performance Rights will vest into fully paid ordinary shares subject to two years continued employment (2-year retention) and achieving an increase in the Veris Australia EBITDA margin by 40% or greater during this period.

### FY20 Incentive Plan (KMP and Senior Management)

There was no formal incentive structure for FY20. However, there was a discretionary offer in August 2020 of Performance Rights to a number of Key Personnel based on behaviours and the individual's contribution to the FY20 financial year. These Performance Rights were granted in FY20 and vested during the reporting period (FY21) into fully paid ordinary shares following continued employment as at 30 June 2021 (1-year retention).

## Remuneration Report – Audited (continued)

### FY21 Incentive Plan

Veris has a National footprint and over 570 staff. Veris has implemented a new operating model which is crucial to ensure success of the Company. During the reporting period, Veris implemented an Incentive Plan for the period ending 30 June 2021. The primary objectives of this Incentive Plan are to reflect the new operating model implemented where all personnel are accountable for strategy execution and daily operational performance and improvement and to reward executives for achievement of the stated objectives in line with the Veris strategy.

The FY21 Plan allows for a payment equal to up to 30-50% of TEC (Total Employment Cost) based on the achievement of a behavioural element and a minimum performance of budget at the Profit Before Tax line payable in 50% cash and 50% equity. The equity will be issued by way of performance rights, which will vest depending on continued employment for 1 year post issue.

#### c) Remuneration Advice

Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. During the year no consulting firms were engaged to provide advice in regard to remuneration.

#### d) Performance Linked Compensation

The following table shows key performance indicators for the Group over the last five years.

| | Financial Year Ended 30 June | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| LTI | Closing Share Price ($) | 0.074 | 0.036 | 0.047 | 0.24 | 0.15 |
| | EPS (cents) | (0.32) | (6.14) | (11.29) | (0.39) | 0.02 |
| STI | Profit / (Loss) from Continuing Operations ($'000) | (1,380) | (23,210) | (40,643) | (1,056) | 48 |
| | Adjusted EBITDA | 8,969 | 1,860 | 4,100 | 11,189 | 5,704 |
| | Average % of Maximum STI awarded to Executives (i) (%) | - | - | - | 29% | 25% |
| | Dividends paid ($'000) | - | - | 1,770 | 1,636 | 1,368 |

(i) Represents STI payable/paid as a percentage of the maximum STI payable.

#### e) Details of share-based compensation and bonuses

***(i) Options***

No options were granted to directors and key management personnel during or since the end of the reporting period.

***(ii) Performance Rights granted as compensation to key management personnel***

No Performance Rights were granted to key management personnel during the reporting period.

# Directors' Report

For the year ended 30 June 2021

## Remuneration Report – Audited (continued)

***(iii) Details of Long Term Incentives affecting current and future remuneration***

| Key Management Personnel | Instrument | # | Grant date | % vested in year | # vested in year | % forfeited/ lapsed in year | # forfeited/ lapsed in year | Financial years in which grant vests | Face value of vested rights |
|---|---|---|---|---|---|---|---|---|---|
| Michael Shirley | Performance rights | 1,000,000 | 29 Oct 2019 | - | - | - | - | 2022 | - |
| | | 323,353 | 5 August 2020 | - | 323,353 | - | - | 2021 | - |
| Travis Young | Performance rights | 307,480 | 12 April 2019 | - | 307,480 | - | - | 2021 | - |
| | | 296,407 | 5 August 2020 | - | 296,407 | - | - | 2021 | - |
| Steven Harding | Performance rights | 90,943 | 5 August 2020 | - | 90,943 | - | - | 2021 | - |
| Lisa Wynne | Performance rights | 230,428 | 5 August 2020 | 100% | 230,428 | - | - | - | - |
| | | 2,248,611 | | | | | | | |

***(iv) Vesting and Exercise of Performance Rights Granted as Remuneration***

### FY19 Incentive Plan (KMP and Senior Management)

These Performance Rights were granted in respect to FY19 and vested during the reporting period (FY21) into fully paid ordinary shares following continued employment as at 30 June 2021 (2-year retention).

### FY20 Incentive Plan (KMP and Senior Management)

These Performance Rights were granted in respect to FY20 and vested during the reporting period (FY21) into fully paid ordinary shares following continued employment as at 30 June 2021 (1-year retention). The vested Performance Rights include 230,428 shares issued on 20 November 2020 to Lisa Wynne on cessation of her employment as a good leaver.

### f) Voting and comments made at the Company's 2020 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2020 was put to the shareholders of the Company at the Annual General Meeting held 21 October 2020. The Company received 69.55% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2020 financial year. The resolution was passed without amendment on a poll.

### g) Contractual Arrangements

On appointment to the board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

## Remuneration Report – Audited (continued)

Remuneration and other terms of employment for the Board members, chief executive officer, chief financial officers and other key management personnel are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below.

| Name | Term of agreement | Base Salary including superannuation | Termination |
|---|---|---|---|
| Karl Paganin | Mr Paganin will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution. | $125,744 | In accordance with the company's constitution and the Corporations Act 2001 (Cth). |
| Adam Lamond (D) | Mr Lamond will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution. | $77,305 | In accordance with the company's constitution and the Corporations Act 2001 (Cth). |
| Brian Elton | Mr Elton will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution. | $77,305 | In accordance with the company's constitution and the Corporations Act 2001 (Cth). |
| Tom Lawrence | Mr Lawrence retired on 21 May 2021 | $77,305 | In accordance with the company's constitution and the Corporations Act 2001 (Cth). |
| David Murray | Mr Murray will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution. | $77,305 | In accordance with the company's constitution and the Corporations Act 2001 (Cth). |
| Michael Shirley (A) (B) & (C) | Until validly terminated in accordance with the terms of the Agreement. | $394,200 | Termination by Company with reason – 1 months' notice<br>Termination by Company without reason – 3 months' notice. |
| Steven Harding (A) (B) & (C) | Until validly terminated in accordance with the terms of the Agreement. | $295,650 | Termination by Company with reason – 1 months' notice<br>Termination by Company without reason – 3 months' notice. In the event of termination of employment occurring within 12 months following a Change of Control event, the employee is entitled to a payment upon termination equal to 12 months base salary plus superannuation. |
| Travis Young (A) (B) (C) & (E) | Until validly terminated in accordance with the terms of the Agreement. | $306,600 | Termination by Company with reason – 1 months' notice<br>Termination by Company without reason – 3 months' notice. |

(A) Key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

(B) Key management personnel's contracts allow for participation in the Company's Incentive Plan (subject to Board and Shareholder approval, if applicable).

(C) These contracts provide for the provision of short-term incentives by way of a cash bonus subject to key performance indicators to be determined by the Remuneration & Nomination Committee annually.

(D) Base Salary plus Super was effective 1 December 2020. Adam Lamond held the role of Executive Director from 1 May 2020 where he received a Base Salary plus Super of $222,283 per annum until 1 December 2020.

(E) Travis Young received a Base Salary plus Super of $240,900 per annum until 1 December 2020. Base Salary plus Super was increased to $306,600 effective from 1 January 2021.

## Remuneration Report – Audited (continued)

### h) Remuneration of directors and key management personnel of the group for the current and previous financial year

| | | Short-term employee benefits | | | Post-employment benefits | Termination Benefits | | Share-based Payments | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Accounting Value (at risk) | | |
| | | Salary & fees $ (A) | Incentive Cash bonus $ (B) | Non-monetary $ | Superannuation $ | Cash $ | Performance Rights $ (C) | Performance Rights $ (D), (E) & (F) | Total $ | Proportion of remuneration performance related |
| **Directors** | | | | | | | | | | |
| **Non-Executive Directors** | | | | | | | | | | |
| Karl Paganin (Chairperson) | 2021 | 125,738 | - | - | - | - | - | - | 125,738 | - |
| | 2020 | 101,131 | - | - | - | - | - | - | 101,131 | - |
| Tom Lawrence (Retired 21 May 2021) | 2021 | 68,785 | - | - | - | - | - | - | 68,785 | - |
| | 2020 | 67,671 | - | - | - | - | - | - | 67,671 | - |
| David Murray (Appointed 1 June 2021) | 2021 | 6,442 | - | - | - | - | - | - | 6,442 | - |
| | 2020 | - | - | - | - | - | - | - | - | - |
| Brian Elton | 2021 | 70,599 | - | - | 5,933 | - | - | - | 76,532 | - |
| | 2020 | 39,915 | - | - | 6,706 | - | - | | 46,621 | - |
| Adam Lamond (G) | 2021 | 45,094 | - | - | - | - | - | - | 45,094 | - |
| | 2020 | - | - | - | - | - | - | - | - | |
| Derek La Ferla (Retired 25 November 2019) | 2021 | - | - | - | - | - | - | - | - | - |
| | 2020 | 56,101 | - | - | - | - | - | - | 56,101 | - |
| **Executive Directors** | | | | | | | | | | |
| Brian Elton (appointed 21 November 2019) | 2021 | - | - | - | - | - | - | - | - | - |
| | 2020 | 107,033 | - | - | 10,168 | 162,247 | - | - | 279,448 | - |
| Adam Lamond (G) | 2021 | 107,339 | - | - | 9,441 | - | - | - | 116,780 | - |
| | 2020 | 419,013 | - | - | 21,002 | - | - | - | 440,015 | - |
| **Total Directors' Remuneration** | **2021** | **423,997** | **-** | **-** | **15,374** | **-** | **-** | **-** | **439,371** | **-** |
| | 2020 | 790,864 | - | - | 37,876 | 162,247 | - | - | 990,987 | - |

## Remuneration Report – Audited (continued)

**h) Remuneration of directors and key management personnel of the group for the current and previous financial year (continued).**

| | | Short-term employee benefits | | | Post-employment benefits | Termination Benefits | | Share-based Payments | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Accounting Value (at risk) | | |
| | | Salary & fees $ (A) | Incentive Cash bonus $ (B) | Non-monetary $ | Superannuation $ | Cash $ | Performance Rights $ (C) | Performance Rights $ (D), (E) & (F) | Total $ | Proportion of remuneration performance related |
| **Other Executives** | | | | | | | | | | |
| Michael Shirley (CEO – Veris Australia) (E) | 2021 | 382,528 | - | - | 21,694 | - | - | 7,178 | 411,400 | 2% |
| | 2020 | 201,670 | - | - | 14,592 | - | - | 29,119 | 245,381 | 12% |
| Travis Young (CEO – Aqura Technologies) | 2021 | 241,762 | - | - | 23,107 | - | - | 12,827 | 277,696 | 5% |
| | 2020 | 205,113 | - | - | 24,204 | - | - | 12,848 | 242,165 | 5% |
| Steven Harding (CFO) | 2021 | 273,090 | - | - | 21,694 | - | - | 2,692 | 297,476 | 1% |
| | 2020 | 44,366 | - | - | 4,215 | - | - | 673 | 49,254 | 1% |
| Lisa Wynne (Company Secretary) (C) (H) (Resigned 20 November 2020) | 2021 | 46,628 | - | - | 9,798 | 72,358 | 4,263 | - | 133,047 | - |
| | 2020 | 246,254 | - | - | 19,771 | - | - | 4,263 | 270,288 | 2% |
| | | | | | | | | | | |
| Total Executives' Remuneration | 2021 | 944,008 | - | - | 76,293 | 72,358 | 4,263 | 22,697 | 1,119,619 | 2% |
| | 2020 | 697,403 | - | - | 62,782 | - | - | 46,903 | 807,088 | 6% |
| Total Directors' and Executives' Remuneration | 2021 | 1,368,005 | - | - | 91,667 | 72,358 | 4,263 | 22,697 | 1,558,990 | 2% |
| | 2020 | 1,488,267 | - | - | 100,658 | 162,247 | - | 46,903 | 1,798,075 | 3% |

# Directors' Report

For the year ended 30 June 2021

## Remuneration Report – Audited (continued)

Notes in relation to the table of directors' and executive officers' remuneration

(A) Salary and Fees includes annual leave and long service leave.

(B) Short-term incentive bonus is for the achievement of KPIs within their individual roles for the financial year ended 30 June 2021. The performance evaluation in respect of the year ended 30 June 2021 has taken place and no short-term incentive bonuses will be paid.

(C) The vested Performance Rights include 230,428 shares issued on 20 November 2020 to Lisa Wynne on cessation of her employment as a good leaver.

(D) These Performance Rights were granted in respect to FY19 and vested during the reporting period (FY21) into fully paid ordinary shares following continued employment as at 30 June 2021 (2-year retention).

(E) Performance Rights of 1,000,000 were granted on commencement of employment in October 2019. The value of the Performance Rights is calculated at grant date (effective grant date – letter of offer) based on the share price at grant date.

(F) Performance Rights of 941,131 for KMP and Senior Management. The value of the Performance Rights is calculated at grant date (effective grant date – letter of offer) based on the share price at grant date. These Performance Rights were granted in respect to FY20 and vested during the reporting period (FY21) into fully paid ordinary shares following continued employment as at 30 June 2021 (1-year retention).

(G) Adam Lamond held the role of Executive Director from 1 May 2020 and Non-Executive Director from 1 December 2020.

(H) Based on full time equivalent annual salary of $213,786.

### i) Analysis of bonuses included in remuneration

During the period, there were no bonuses included in remuneration.

### j) Equity Instrument Disclosure Relating to Key Management Personnel

Analysis of movements in Performance Rights issued, held and transacted by directors and key management personnel

| KMP | # Held 1 July 2020 | Granted in year | Grant Value | Grant Face Value | Number Vested in year | Number forfeited / lapsed in year | Number held at 30 June 2021 |
|---|---|---|---|---|---|---|---|
| Michael Shirley | 1,323,353 | - | - | - | 323,353 | - | 1,000,000 |
| Steven Harding | 90,943 | - | - | - | 90,943 | - | - |
| Travis Young | 603,887 | - | - | - | 603,887 | - | - |
| Lisa Wynne (A) | 230,428 | - | - | - | 230,428 | - | - |

(A) Lisa Wynne resigned on 20 November 2020.

## Remuneration Report – Audited (continued)

***Analysis of movements in Shares Issued, held and transacted by directors and key management personnel***

The number of ordinary shares in the Company held during the reporting period by each director and key management personnel of the Group, including their personally related parties are set out below. There were no shares granted as compensation during the reporting period.

| | Balance at 30/06/2020 | Movement | Balance at 30/06/2021 |
|---|---|---|---|
| **Directors** | | | |
| Karl Paganin | 13,189,350 | 3,428,571 | 16,617,921 |
| Adam Lamond | 48,591,815 | - | 48,591,815 |
| David Murray | - | - | - |
| Tom Lawrence [(i)] | 13,136,093 | (13,564,664) | - |
| Brian Elton | 33,308,150 | 4,610,011 | 37,918,161 |
| **KMP's** | | | |
| Michael Shirley | 2,500,000 | - | 2,500,000 |
| Travis Young | 13,616,789 | - | 13,616,789 |
| Steven Harding | 750,000 | 500,000 | 1,250,000 |
| Lisa Wynne [(ii)] | 656,857 | (887,285) | - |
| **Total** | **125,749,054** | **(5,913,367)** | **120,494,686** |

(i) Tom Lawrence resigned on 21 May 2021, during the year 428,571 shares were purchased.

(ii) Lisa Wynne resigned on 20 November 2020, during the year performance rights of 230,428 vested.

**THIS CONCLUDES THE AUDITED REMUNERATION REPORT**

# Directors' Report

For the year ended 30 June 2021

## Shares Under Option

As at 30 June 2021 there are no shares under option.

## Indemnification and Insurance of Officers

During the financial year the Group paid insurance premiums of $120,000 (2020: $58,500) to insure the directors, secretaries and executive officers of the Group and its subsidiary companies. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as directors and officers of Veris Limited and its subsidiary companies, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

## Non-Audit Services

During the year KPMG, the Group's auditors has performed no other services in addition to its statutory duties.

Details for the amounts paid to KPMG, the Group's auditor, and its related practices for audit and non-audit services to the Group provided during the year are set out below:

| | Consolidated | |
|---|---|---|
| | **2021 $000** | **2020 $000** |
| **Audit services:** | | |
| Audit and review of the financial reports | 295 | 250 |
| Other assurance services | 80 | - |
| **Services other than audit services:** | | |
| Other services | - | - |
| | **375** | **250** |

## Environmental Regulations and Performance

It is the Group's policy to comply with all environmental regulations applicable to it. The Company confirms, for the purposes of section 299(1)(f) of the Corporations Act 2001 that it is not aware of any breaches by the Group of any environmental regulations under the laws of the Commonwealth of Australia, or of a State of Territory of Australia.

In the majority of the Veris' business situations, Veris is not the owner or operator of plant and equipment requiring environmental licences. Veris typically assists its clients with the management of their environmental responsibilities, rather than holding those responsibilities directly.

The Group is not aware of any breaches by Veris of any environmental regulations under the laws of the Commonwealth of Australia, or of a State or Territory.

## Proceedings on Behalf of the Group

There are no proceedings on behalf of the Group under Section 237 of the Corporations Act 2001 in the financial year or at the date of the report.

# Directors' Report

For the year ended 30 June 2021

## Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 84 and forms part of the directors' report for the year ended 30 June 2021.

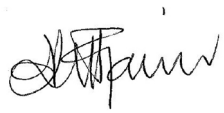
## Rounding Off

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the condensed consolidated interim financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## Corporate Governance Statement

Veris is committed to implementing sound standards of corporate governance. In determining what those standards should involve, the Group has had regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) ("ASX Recommendations"). This corporate governance statement outlines the key principles and practices of the Company which in the terms of the Group's Corporate Governance Charter, define the Group's system of governance. A copy of the Group's Corporate Governance Statement has been placed on the Group's website under the Investors tab in the corporate governance section – ***Corporate Governance Information | Veris Australia.***

Signed in accordance with a resolution of the directors:



**Karl Paganin**
Chairman
Dated at Perth 30 August 2021

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

| | Note | 2021 $000 | 2020 $000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | | 99,561 | 94,105 |
| Expenses | 3 | (99,285) | (110,656) |
| Results from operating activities | | 276 | (16,551) |
| Finance income | | 21 | - |
| Finance costs | | (1,677) | (2,072) |
| **Net finance costs** | | (1,656) | (2,072) |
| **Loss before income tax** | | (1,380) | (18,623) |
| Income tax benefit | 14 | - | (4,587) |
| **Loss from continuing operations** | | (1,380) | (23,210) |
| **Discontinued operation** | | | |
| **Profit / (loss) from discontinued operations, net of tax** | 2 | - | (3,283) |
| **Loss for the period** | | (1,380) | (26,493) |
| **Total comprehensive loss for the year** | | (1,380) | (26,493) |
| **Earnings / loss per share** | | | |
| Basic loss cents per share | 4 | (0.33) | (7.02) |
| Diluted loss cents per share | 4 | (0.33) | (7.02) |
| **Earnings / loss per share – Continuing operations** | | | |
| Basic loss cents per share | 4 | (0.33) | (6.14) |
| Diluted loss cents per share | 4 | (0.33) | (6.14) |

*The accompanying notes form an integral part of these consolidated financial statements.*

# Consolidated Statement of Financial Position

As at 30 June 2021

| | Note | 30 Jun 2021 | 30 Jun 2020 |
|---|---|---|---|
| **Assets** | | **$000** | **$000** |
| **Current assets** | | | |
| Cash and cash equivalents | 16 | 4,654 | 1,939 |
| Trade and other receivables | 9 | 13,930 | 13,178 |
| Inventory | | 278 | - |
| Contract assets | 7 | 5,472 | 5,836 |
| Other current assets | | 2,446 | 4,115 |
| **Total current assets** | | 26,780 | 25,068 |
| | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 12 | 7,384 | 8,701 |
| Right of use assets | 12 | 23,117 | 16,899 |
| Intangible assets | 13 | 997 | - |
| Deferred tax asset | 15 | 4,481 | 4,481 |
| Other non-current assets | | 74 | - |
| **Total non-current assets** | | 36,053 | 30,081 |
| **Total assets** | | 62,833 | 55,149 |
| | | | |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 10 | 12,582 | 13,835 |
| Bank borrowings | 18 | 4,700 | 6,948 |
| Lease liabilities | 18 | 7,565 | 6,271 |
| Employee benefits | 11 | 7,766 | 8,189 |
| Current tax liability | | 534 | 534 |
| **Total current liabilities** | | 33,147 | 35,777 |
| | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 18 | 20,138 | 16,364 |
| Employee benefits | 11 | 1,258 | 1,027 |
| Provisions | | 778 | 725 |
| **Total non-current liabilities** | | 22,174 | 18,116 |
| **Total liabilities** | | 55,321 | 53,893 |
| **Net assets** | | **7,512** | **1,256** |
| | | | |
| Equity | | | |
| Share capital | 19 | 51,652 | 44,127 |
| Share based payment reserve | 19 | 2,639 | 2,528 |
| (Accumulated losses) | 19 | (46,779) | (45,399) |
| **Total equity** | | **7,512** | **1,256** |

*The accompanying notes form an integral part of these consolidated financial statements.*

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

| | Note | Share Capital $000 | Share Based Payment Reserve $000 | Accumulated losses $000 | Total Equity $000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2020** | | 44,127 | 2,528 | (45,399) | 1,256 |
| **Total comprehensive income for the year** | | | | | |
| Loss for the year | | - | - | (1,380) | (1,380) |
| **Total comprehensive loss for the year** | | - | - | (1,380) | (1,380) |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | |
| Issue of ordinary shares (net of costs) | 19 | 7,525 | - | - | 7,525 |
| Share-based payment transactions | | - | 111 | - | 111 |
| **Total transactions with owners of the Company** | | 7,525 | 111 | - | 7,636 |
| **Balance at 30 June 2021** | | 51,652 | 2,639 | (46,779) | 7,512 |

| | Note | Share Capital $000 | Share Based Payment Reserve $000 | Accumulated losses $000 | Total Equity $000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2019** | | 43,051 | 2,949 | (18,906) | 27,094 |
| **Total comprehensive income for the year** | | | | | |
| Loss for the year | | | | (26,493) | (26,493) |
| **Total comprehensive loss for the year** | | - | | (26,493) | (26,493) |
| **Transactions with owners of the Company, recognised directly in equity** | | | | | |
| Issue of ordinary shares (net of costs) | 19 | 1,076 | - | - | 1,076 |
| Share-based payment transactions | | - | (421) | | (421) |
| **Total transactions with owners of the Company** | | 1,076 | (421) | | 655 |
| **Balance at 30 June 2020** | | 44,127 | 2,528 | (45,399) | 1,256 |

*The accompanying notes form an integral part of these consolidated financial statements.*

# Consolidated Statement of Cash Flow

For the year ended 30 June 2021

| | Note | 2021 $000 | 2020* $000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 102,291 | 121,614 |
| Receipts from Government grants | | 6,774 | - |
| Payments to suppliers and employees | | (100,696) | (113,641) |
| Cash generated from operations | | 8,369 | 7,973 |
| Interest paid | | (1,677) | (2,072) |
| Interest received | | 21 | 2 |
| **Net cash from operating activities** | 17 | 6,713 | 5,903 |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | 51 | 328 |
| Purchase of property, plant and equipment | | (2,315) | (4,928) |
| Deferred vendor payment | | - | (2,488) |
| Disposal of subsidiaries net of costs | | - | 12,761 |
| **Net cash (used in) investing activities** | | (2,264) | 5,673 |
| **Cash flows from financing activities** | | | |
| Repayment of borrowings | | (2,248) | (8,120) |
| Repayment of lease liabilities | | (7,011) | (7,944) |
| Proceeds from loans | | - | 2,742 |
| Proceeds from equity raise | | 7,525 | - |
| **Net cash used in financing activities** | | (1,734) | (13,322) |
| **Net increase / (decrease) in cash and cash equivalents** | | 2,715 | (1,746) |
| Cash and cash equivalents at 1 July | | 1,939 | 3,685 |
| **Cash and cash equivalents at 30 June** | 16 | 4,654 | 1,939 |

The accompanying notes form an integral part of these consolidated financial statements.

* Comparative information includes Elton Consulting (Discontinued Operation) for 5 months, refer to Note 2.

# Notes to the Consolidated Financial Statements

## BASIS OF PREPARATION

### REPORTING ENTITY

Veris Limited (the "Company" or "Veris") is a for-profit company domiciled in Australia. The Company's registered office is at Level 12, 3 Hasler Road, Osborne Park WA 6017. The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the "Group"). The Group is a professional service business delivering surveying and geospatial services to the infrastructure; property; energy, mining & resource; defence; agribusiness; tourism; leisure and government sectors throughout Australia.

### COVID-19 IMPACT

The social, health and economic consequences of the COVID-19 pandemic continue to evolve and have major impacts across the world. Since its declaration as a pandemic in March 2020, COVID-19 and the associated government, business and consumer response has had a significant impact on the operations and financial performance of the Group.

Despite these challenges, the Group has been focused on supporting and keeping its employees, clients and the community safe by:

- instituting remote working arrangements for its employees
- implementing cost-savings initiatives across its businesses
- staff rotations and shifts to minimise any potential spread of the virus
- regular communications regarding the latest health advice including personal hygiene, physical distancing, self-isolation and testing
- provision of additional hand sanitisers and PPE as required, and additional cleaning of offices and shared services.
- Government assistance from Jobkeeper programme.

### STATEMENT OF COMPLIANCE

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

This consolidated annual report was approved by the board of directors on 30 August 2021.

# Notes to the Consolidated Financial Statements

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# GROUP PERFORMANCE

## 1. OPERATING SEGMENTS

The Group had two reportable segments that were being managed separately by the service provided. In 2021 the segments include Veris Australia and Aqura Technologies.

The 2021 reportable segments and the services they provide are:

- Veris Australia – Veris Australia is Australia's leading provider of spatial data services across the infrastructure, property, resources, defence, utilities and government sectors. Veris Australia provides an end-to-end spatial data solution for its clients that not only includes data collection, analysis, interpretation but also data hosting and access, modelling, sharing and insights for clients with large-scale data requirements.
- Aqura is a specialist in the delivery of high-performance technology solutions across industrial wireless, enterprise communications and next-generation IoT which are critical for organisations with the adoption of digital transformation. Aqura is known for innovation, whether it is our technology approaches such as Private 4G and 5G LTE networks and or our commercial approaches which now offer in-house developed technology solutions via flexible As-A-Service models. Aqura's markets include resources, oil & gas, industrial, commercial and defence sectors.

Information regarding the results of each reporting segment is detailed below for the year ended 30 June 2021

| | Veris Australia | | Aqura Technologies | | Total | |
|---|---|---|---|---|---|---|
| | 2021 $000 | 2020 $000 | 2021 $000 | 2020 $000 | 2021 $000 | 2020 $000 |
| Revenues | 77,474 | 74,849 | 22,121 | 19,336 | 99,595 | 94,185 |
| Inter-segment revenues | (31) | (42) | (3) | (38) | (34) | (80) |
| External revenues | 77,443 | 74,807 | 22,118 | 19,298 | 99,561 | 94,105 |
| **Adjusted EBITDA*** | **7,414** | **818** | **1,555** | **1,042** | **8,969** | **1,860** |
| Depreciation | (7,794) | (11,212) | (338) | (295) | (8,132) | (11,507) |
| Amortisation | - | (2,335) | (68) | - | (68) | (2,335) |
| Net finance cost | (1,659) | (1,952) | 3 | (40) | (1,656) | (1,992) |
| Restructuring costs | (228) | (1,323) | (140) | - | (368) | (1,323) |
| Segment profit / loss before tax ** | (2,267) | (16,004) | 1,012 | 707 | (1,255) | (15,297) |
| Corporate & unallocated: | | | | | | |
| Unallocated amounts (including corporate expenses) | - | - | - | - | (113) | (3,467) |
| Acquisition related (cost) / income | - | - | - | - | (12) | 141 |
| Consolidated profit / (loss) before tax | - | - | - | - | (1,380) | (18,623) |
| *Assets* | | | | | | |
| Total assets for reportable segments | 47,113 | 40,823 | 7,056 | 5,200 | 54,169 | 46,023 |
| Other unallocated amounts *** | - | - | - | - | 8,664 | 9,126 |
| Consolidated total assets | - | - | - | - | 62,833 | 55,149 |
| Capital expenditure | 1,293 | 1,012 | 1,022 | 224 | 2,315 | 1,236 |
| *Liabilities* | | | | | | |
| Total liabilities for reportable segments | (41,198) | (35,437) | (4,523) | (5,118) | (45,721) | (40,055) |
| Other unallocated amounts *** | - | - | - | - | (9,600) | (13,338) |
| Consolidated total liabilities | - | - | - | - | (55,321) | (53,893) |

* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, impairment of goodwill and intangibles, acquisition related costs, restructuring, share-based payments and is an unaudited non-IFRS measure.

** Included is JobKeeper benefit of $4,479,000 relating to Veris Australia and $681,000 relating to Aqura Technologies.

*** Primarily represents lease assets and liabilities which are not monitored at an individual segment level.

## 1. OPERATING SEGMENTS (CONTINUED)

During the year there were no major customers of the Group, individually representing more than 10% of total Group revenue (2020: none).

## 2. DISCONTINUED OPERATIONS

On 21 November 2019, the group sold Elton Consulting Pty Ltd for $13,000,000. The business was not previously classified as held-for-sale or as a discontinued operation. The sale resulted in a loss of $3,636,000.

**Results of Discontinued Operations**

| | **2020 $000** |
|---|---|
| Revenue | 7,876 |
| Expenses | (6,884) |
| | 992 |
| Depreciation | (37) |
| Amortisation | (330) |
| Share-based payment | (365) |
| Net finance costs | 2 |
| **Profit / (loss) from operating activities** | 262 |
| Income tax (expense) / benefit | 91 |
| **Profit / (loss) from discontinued operations, net of tax** | 353 |
| Loss on sale of discontinued operation | (3,636) |
| **Profit / (loss) from discontinued operations for the period, net of tax** | (3,283) |

**Earnings per share**

| | |
|---|---|
| Basic earnings / (loss) cents per share | (0.87) |
| Diluted earnings / (loss) cents per share | (0.87) |

Cash flows from (used in) discontinued operations

| | **2020 $000** |
|---|---|
| Net cash flows from (used in) operating activities | 515 |
| Net cash flows from (used in) investing activities | - |
| Net cash flows from (used in) financing activities | (1,801) |
| **Results from discontinued operating activities** | (1,286) |

## 2. DISCONTINUED OPERATIONS (CONTINUED)

Effect of disposal on the financial position of the Group

| | 2020 $000 |
|---|---|
| Property, plant and equipment | (510) |
| WIP | (2,190) |
| Trade and other receivables | (3,682) |
| Cash and cash equivalents | (24) |
| Goodwill | (11,172) |
| Customer relationships | (2,052) |
| Brands | (168) |
| Deferred tax liabilities | 64 |
| Trade and other payables | 1,930 |
| Employee benefits | 1,383 |
| **Net assets and liabilities** | (16,421) |
| Cash consideration | 13,000 |
| Less related costs of sale | (215) |
| **Loss on sale of subsidiary (pre-tax)** | (3,636) |
| **Cash consideration** | 13,000 |
| **Cash and cash equivalents disposed of** | (24) |

## 3. EXPENSES

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Employment expenses | 71,589 | 66,848 |
| Government grants * | (5,258) | (1,515) |
| Subcontractor costs & materials | 10,726 | 10,421 |
| IT expenses | 2,827 | 2,910 |
| Insurance expenses | 1,354 | 1,377 |
| Other expenses | 9,847 | 16,773 |
| Total employment and other expenses | 91,085 | 96,814 |
| Depreciation | 8,132 | 11,507 |
| Amortisation | 68 | 2,335 |
| Total depreciation and amortisation | 8,200 | 13,842 |
| **Total expenses** | **99,285** | **110,656** |

** Government grants includes the JobKeeper payment scheme and local capability funding.*

## 4. EARNINGS / LOSS PER SHARE

| | 2021 | 2020 |
|---|---|---|
| Earnings / (losses) used to calculate basic EPS ($000) | (1,380) | (26,493) |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares) | 422,004,956 | 377,640,126 |
| Basic earnings / (losses) per share (cents per share) | (0.33) | (7.02) |

| | 2021 | 2020 |
|---|---|---|
| **Continuing operations** | | |
| Earnings / (losses) used to calculate basic EPS ($000) | (1,380) | (23,210) |
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares) | 422,004,956 | 377,640,126 |
| Basic earnings / (losses) per share (cents per share) | (0.33) | (6.14) |

***Diluted Earnings per share***

Dilutive potential shares relate to Performance Rights granted to eligible employees under the Group's Long-Term Incentive Plan (refer Note 21). There is no material impact on basic EPS arising from dilutive potential shares due to loss in 2021.

## 5. SUBSEQUENT EVENTS

In the interval between the end of the financial year and the date of this report, the Group undertook a renegotiation and extension to its primary banking facilities with the Commonwealth Bank of Australia extending the existing facilities beyond 30 September 2022. On 25 August 2021, the Company received a Credit approved term sheet from CBA in relation to the extension of the Group's existing financing facilities extending the term for a period of up to 5 years. The extension of the facilities will require the Group to amortise a minimum of $1.2 million of the outstanding Term Loan by 30 June 2022. Veris expects that the documentation pertaining to these extensions will be executed in September 2021.

NSW construction sector activities were halted for a 14 day period in July 2021 from 18 July to 31 July as the NSW Government imposed strict lockdown protocols in an attempt to impede the further spread of the Delta variant of COVID-19. Following the easing of these restrictions on 1 August 2021, restricted access to construction sites in the Greater Sydney Metropolitan area and the imposition of restricted movement outside of defined local government areas by residents living within those areas has restricted the revenue generation capability of the Sydney-based team. The NSW Government announced a support program (JobSaver) to assist industries heavily impacted by the imposed restrictions. Veris Australia has submitted an application to participate in the JobSaver assistance program. In addition to this, the ACT government imposed a lockdown and suspension of all construction-related activities for a 3-week period from 15 August to 2 September 2021. Greater Melbourne is also subject to continuing lockdown protocols which has seen restricted site access for up to 25% of project based workforces throughout the Melbourne metropolitan region.

Veris Australia has implemented a Crisis Management approach to ensure safety of staff and ongoing business performance during these periods and will monitor the eligibility to participate in current and future government support programs to offset the impact of these restrictions.

On 9 July, Veris Limited announced it had entered into a share sale and purchase agreement with shareholders of 100% Indigenous owned EMFOX Pty Ltd trading as Wumara Group, a land and construction surveying company, to acquire a 49% share. Settlement occurred on 15 July 2021.

## 5. SUBSEQUENT EVENTS (CONTINUED)

On 12 August 2021, Veris Limited announced it had completed a strategic review designed to enhance shareholder value and has resolved to pursue a demerger and separate ASX listing of its subsidiary, Aqura Technologies. A demerger of Veris' technologies division, Aqura Technologies, is expected to simplify the Group structure and better position both Aqura and Veris Australia for growth.

Other than noted above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements in conformity with Australian Accounting Standards, due consideration has been given to the judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The ongoing COVID-19 pandemic has increased estimation uncertainty in the preparation of the consolidated financial statements. At 30 June 2021, the Group has reassessed all significant judgements and recoverability of deferred tax assets, assumptions and critical estimates included in the consolidated financial statements, including but not limited to, provisions against trade debtors and work in progress and impairment of non-current assets. Actual results may differ from these estimates and are subject to achievement of forecasts and the extension of the Group's existing financing facilities.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relates to revenue recognition and contract assets. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected.

### *Going Concern*

For the year ended 30 June 2021, the Group recorded a loss from continuing operations of $1,380,000 (before and after tax). The Group's net cash inflow from operating activities was $6,713,000, including $5,160,000 of JobKeeper receipts. In accordance with AASB 16 Leases, $7,011,000 of lease payments primarily pertaining to property and equipment leases are presented within financing activities. The Group had a working capital deficiency of $6,367,000 of which $4,700,000 related to facilities owing to CBA due to expire on 30 September 2021.

The Group held cash at bank of $4,654,000 at 30 June 2021. Cash advance facilities (the 'Facilities') were utilised at 30 June 2021 to $4,700,000. Additionally, the Group had further undrawn headroom within the Facilities of $4,000,000 available subject to ongoing covenant compliance. The Group has commenced negotiations with the Group's primary lender CBA (the "lender") to extend the term of the Facilities. On 25 August 2021 CBA confirmed that credit terms have been agreed and approved subject to finalisation of standard loan documentation, extending the tenure for a period of up to 5 years. Facility terms, including covenant requirements are materially consistent with those under existing Facilities, including debt service covenant ratios, measured against FY22 forecasts as agreed with the lender.

The Directors are pursuing a demerger of Aqura from the Veris Limited group through a potential Initial Public Offering (IPO) subject to regulatory requirements. This demerger is expected to raise additional capital to fund the Company's cash flow budgets. Upon a potential demerger of Aqura from Veris Limited, Aqura would need to formally exit the Deed of Cross Guarantee, the guarantee group for CBA Facilities and Veris tax consolidated group.

## 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Management forecasts include conversion of engagement pipeline of work, factoring in some growth in project activity assuming recovered rates materially consistent with existing contracts and execution of ongoing cost reduction programs have taken into consideration the experiences to date of the impact of the COVID-19 pandemic on the operating environment, workforce mobility restrictions and general market activity and consider these to be appropriate based on available information.

The Directors are of the view that the combination of factors including the potential demerger, or other corporate transaction, the available headroom within the CBA Facilities (noting the likely prospect of further extension to the current maturity date) and the Group cash flow budgets underpin the financial report being prepared on a going concern basis.

Given the uncertainty associated with forecasts and current economic conditions, should it be required, the Group may pursue alternatives available to it, including further cost reduction measures, asset or business sales, or equity funding to support the ongoing requirements of the business.

For these reasons the Directors continue to adopt the going concern basis in preparing these financial statements.

### *Revenue recognition and contract assets*

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement such as the assessment of the probability of customer approval of variations and acceptance of claims, estimation of project completion date and assumed levels of project execution productivity. In making these assessments we have considered, for applicable contracts, the individual status of legal proceedings, including arbitration and litigation.

Group revenue arises from providing professional services to our customers whereby we deliver surveying and geospatial services within Veris Australia and project-based technology solutions within Aqura Technologies to customers in a range of industries. These are to be predominately recognised over time with reference to inputs on satisfaction of the performance obligations. The services that have been determined to be one performance obligation are highly inter-related and fulfilled over time, therefore revenue continues to be recognised over time. Incentives, variations and claims exist which are subject to the same higher threshold criteria of only recognising revenue to the extent it is highly probable that a significant reversal of revenue will not happen.

### *Recognition of deferred tax assets*

The Group recognises a deferred tax asset relating to tax losses incurred and timing differences, as detailed in Note 15. The recoverability of this deferred tax asset is dependent on the generation of sufficient taxable income to utilise those deferred tax assets. Management judgements and estimates are required in the assessment of this recoverability, including forecasting sufficient future taxable income.

## 7. FINANCIAL INSTRUMENTS

The fair values and carrying amounts of various financial instruments recognised at reporting date are noted below:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Carrying Amount $000 | Fair Values $000 | Carrying Amount $000 | Fair Values $000 |
| Lease liabilities | (27,703) | (27,703) | (22,635) | (22,635) |
| Cash advance facility | (4,700) | (4,700) | (6,948) | (6,948) |

The carrying amounts of the financial instruments are a reasonable approximation of their fair values, on account of their short maturity cycle.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit & Risk Committee, which is responsible for overseeing how management monitors risk and reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee reports regularly to the Board of Directors on its activities. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### *Risk Management Strategies*

The Group is primarily exposed to (i) credit risks; (ii) liquidity risks; and (iii) interest rate risks. The nature and extent of risk exposure, and the Group's risk management strategies are noted below.

### *Expected credit loss*

Expected credit loss is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and contract assets from customers. Expected credit loss is kept continually under review and managed to reduce the incidence of material losses being incurred by the non-receipt of monies due.

Expected credit loss is managed through monitoring and follow-up of accounts receivable on a regular basis, and follow up on overdue customer balances. Bad debts are written off in the year in which they are identified. Specific provisions are made against identified doubtful debts. There has been no change in the above policy since the prior year.

The Group's maximum exposure to credit loss is:

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Cash and cash equivalents | 4,654 | 1,939 |
| Trade and other receivables | 13,930 | 13,178 |
| Contract assets | 5,472 | 5,836 |
| | 24,056 | 20,953 |

The Group does not hold collateral against the credit loss, however, management considers the credit loss risk to be low on account of the risk management policy noted above. The trading terms generally offer 30 days credit from the date of invoice. As of the reporting date, none of the receivables have been subject to renegotiated terms.

## 7. FINANCIAL INSTRUMENTS (CONTINUED)

The ageing analysis of past due trade and other receivables at reporting date are:

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Current (not past due) | 10,653 | 8,879 |
| Past due 1 – 30 days | 3,076 | 3,227 |
| Past due 31 – 60 days | 565 | 1,178 |
| Past due 61 – 90 days | 143 | 210 |
| Past due 90 days | 208 | 309 |
| Provision for impairment | (715) | (625) |
| Total | 13,930 | 13,178 |

The Group is also subject to credit loss arising from the failure of financial institutions that hold the entity's cash and cash equivalents. However, management considers this risk to be negligible.

The Group's maximum exposure to credit loss for cash, trade and other receivables and contract assets at the reporting date was $24,056,000 (2020: $20,953,000) for Australia. The allowance for impairment for trade and other receivables for 2021 amounted to $715,000 (2020: $625,000). Based on historic default rates and specific identified doubtful debts, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Balance 1 July under AASB 9 | 625 | 820 |
| Impairment loss reversed | - | (444) |
| Impairment loss provided | 90 | 249 |
| Total | 715 | 625 |

### *Liquidity risks*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity risk is constantly monitored and managed through forecasting short term operating cash requirements and the committed cash outflows on financial liabilities.

The table below details the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

The following are the contractual maturities of financial liabilities including interest:

**2021**

| Non-derivative financial liabilities | Carrying Amount $000 | Contractual Cash Flows $000 | 6 Months or less $000 | 6 – 12 Months $000 | 1 – 2 Years $000 | 2 – 5 Years $000 | >5 Years $000 |
|---|---|---|---|---|---|---|---|
| Lease liabilities | 27,703 | 30,809 | 3,782 | 3,783 | 7,565 | 14,613 | 1,066 |
| Trade and other payables | 12,582 | 12,582 | 12,582 | - | - | - | - |
| Cash advance facility | 4,700 | 4,700 | 4,700 | - | | | |
| | 44,985 | 48,091 | 21,064 | 3,783 | 7,565 | 14,613 | 1,066 |

## 7. FINANCIAL INSTRUMENTS (CONTINUED)

**2020**

| Non-derivative financial liabilities | Carrying Amount $000 | Contractual Cash Flows $000 | 6 Months or less $000 | 6 – 12 Months $000 | 1 – 2 Years $000 | 2 – 5 Years $000 | >5 Years $000 |
|---|---|---|---|---|---|---|---|
| Lease liabilities | 22,635 | 24,914 | 3,621 | 3,599 | 7,177 | 9,367 | 1,150 |
| Trade and other payables | 13,835 | 13,835 | 13,835 | - | - | - | - |
| Cash advance facility | 6,948 | 6,948 | 6,948 | - | - | - | - |
| | 43,418 | 45,697 | 24,404 | 3,599 | 7,177 | 9,367 | 1,150 |

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The cash advance facility forms part of the Group's facilities held with CBA due to conclude on 30 September 2021. The Group has commenced negotiations with CBA to extend the maturity of the maturity of the Facilities. On 25 August 2021, CBA confirmed that credit approved terms have been agreed and approved, subject to execution of standard loan documentation extending the tenure for a period of up to 5 years.

### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *Interest rate risk*

Interest rate risk is the risk that the fair values and cash-flows of the Group's financial instruments will be affected by changes in the market interest rates.

The Group's cash and cash equivalents, and loans and borrowings are exposed to interest rate risks. The average nominal interest rate is 2.83% for loans and borrowings (2020: 2.9%) detailed in note 18. Interest sensitivity is calculated for a 1% change below:

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | +1% $000 | -1% $000 | +1% $000 | -1% $000 |
| Consolidated Group | | | | |
| Cash and cash equivalents | 47 | (47) | 19 | (19) |
| Lease liabilities | 277 | (277) | 227 | (227) |
| Bank borrowings | 47 | (47) | 69 | (69) |
| | 371 | (371) | 315 | (315) |

### *Capital Management*

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors has not implemented a formal capital management policy or a dividend policy.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements. Capital comprises share capital and retained earnings / accumulated losses.

### *Currency risk*

The Group receivables are all denominated in Australian dollars and accordingly no currency risk exists.

### 8. CONTINGENT LIABILITIES

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or an amount of the obligation cannot be reliably measured. When the Group has a present obligation, and an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

As a result of operations the Group may receive contractual claims from clients or end users seeking compensation or litigation. The Group maintains professional indemnity insurance or other contractual arrangements that would severally apply to such claims. At 30 June 2021 no individually significant matters exist where the Group estimates a more than remote likelihood of economic outflow.

## WORKING CAPITAL

### 9. TRADE AND OTHER RECEIVABLES

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Trade receivables | 13,930 | 11,663 |
| JobKeeper receivable | - | 1,515 |
| | 13,930 | 13,178 |

The Group's exposure to credit and currency risk is disclosed in note 7. Payment terms are typically 30 days.

### 10. TRADE AND OTHER PAYABLES

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Trade and other payables | 12,582 | 13,835 |
| | 12,582 | 13,835 |

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 7.

## CAPITAL EMPLOYED

### 11. EMPLOYEE BENEFITS

| | 2021 $000 | 2020 $000 |
|---|---|---|
| **Current** | | |
| Annual leave | 4,454 | 3,980 |
| Long service leave | 2,477 | 2,612 |
| Superannuation | 665 | 1,424 |
| Other employee provisions | 170 | 173 |
| | 7,766 | 8,189 |
| **Non-current** | | |
| Long service leave | 1,258 | 1,027 |
| | 1,258 | 1,027 |

## 12. PROPERTY, PLANT AND EQUIPMENT

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Leasehold Improvements at cost | 1,150 | 1,132 |
| Less: accumulated depreciation | (835) | (648) |
| Carrying value of leasehold improvements | 315 | 484 |
| | | |
| Plant and equipment at cost | 30,997 | 23,727 |
| Less: accumulated depreciation | (20,216) | (17,048) |
| Carrying value of plant and equipment (i) | 10,781 | 6,679 |
| | | |
| Motor vehicles at cost | 7,880 | 7,111 |
| Less: accumulated depreciation | (4,739) | (3,274) |
| Carrying value of motor vehicles (ii) | 3,141 | 3,837 |
| | | |
| Property at cost | 22,714 | 17,789 |
| Less: accumulated depreciation | (6,450) | (3,189) |
| Carrying value of property | 16,264 | 14,600 |
| | | |
| Total written down value | **30,501** | **25,600** |

(i) Carrying value of plant and equipment comprises of $5,823,000 (2020: $6,493,000) owned plant and equipment and $4,958,000 (2020: $186,000) right-of-use assets.

(ii) Carrying value of motor vehicles comprises of $1,246,000 (2020: $1,724,000) owned plant and equipment and $1,895,000 (2020: $2,113,000) right-of-use assets.

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

| **2021** | **Leasehold Improvements $000** | **Plant & Equipment $000** | **Motor Vehicles $000** | **Total $000** |
|---|---|---|---|---|
| Carrying amount at 1 July 2020 | 484 | 6,493 | 1,724 | 8,701 |
| Additions at cost | 18 | 1,629 | 29 | 1,676 |
| Disposals at carrying value | - | (6) | (14) | (20) |
| Depreciation | (187) | (1,867) | (493) | (2,547) |
| Transfers to intangible assets | - | (426) | - | (426) |
| Carrying amount at 30 June 2021 | 315 | 5,823 | 1,246 | 7,384 |

| **Right-of-use assets** | **Property $000** | **Plant & Equipment $000** | **Motor Vehicles $000** | **Total $000** |
|---|---|---|---|---|
| Carrying amount at 1 July 2020 | 14,600 | 186 | 2,113 | 16,899 |
| Additions at cost | 6,872 | 6,074 | 754 | 13,700 |
| Disposals at carrying value | (1,897) | - | - | (1,897) |
| Depreciation | (3,311) | (1,302) | (972) | (5,585) |
| Carrying amount at 30 June 2021 | 16,264 | 4,958 | 1,895 | 23,117 |

## 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| 2020 | Leasehold Improvements $000 | Plant & Equipment $000 | Motor Vehicles $000 | Total $000 |
|---|---|---|---|---|
| Carrying amount at 1 July 2019 | 1,042 | 9,400 | 3,109 | 13,551 |
| Additions at cost | 37 | 3,148 | 63 | 3,248 |
| Disposals at carrying value | (337) | (187) | (640) | (1,164) |
| Depreciation | (258) | (5,868) | (808) | (6,934) |
| Carrying amount at 30 June 2020 | 484 | 6,493 | 1,724 | 8,701 |

| Right-of-use assets | Property $000 | Plant & Equipment $000 | Motor Vehicles $000 | Total $000 |
|---|---|---|---|---|
| Carrying amount at 1 July 2019 | 17,379 | 292 | 2,121 | 19,792 |
| Additions at cost | 494 | - | 1,186 | 1,680 |
| Depreciation | (3,273) | (106) | (1,194) | (4,573) |
| Carrying amount at 30 June 2020 (note 28) | 14,600 | 186 | 2,113 | 16,899 |

***Impairment Loss***

The Group assesses whether there are indicators that property, plant and equipment may be impaired at each reporting date. There were no impairment indicators present in 2021 (2020: $2,100,000 impairment expense) relating to property, plant and equipment.

## 13. INTANGIBLE ASSETS

| | Development Costs $000 | Total $000 |
|---|---|---|
| Carrying value 1 July 2020 | - | - |
| Additions | 639 | 639 |
| Transfer from PPE | 426 | 426 |
| Amortisation | (68) | (68) |
| Carrying amount at 30 June 2021 | 997 | 997 |

***Impairment Loss***

The Company assesses whether there are indicators that assets, or groups of assets, may be impaired at each reporting date. There were no indicators present in 2021.

# Notes to the Consolidated Financial Statements

## 14. INCOME TAX

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Current tax- Australia | - | - |
| Deferred tax | (401) | (5,590) |
| Adjustment for prior periods | (23) | (264) |
| Adjustment- other | - | (668) |
| Non-recognition of current year deferred taxes | 424 | 11,018 |
| Income tax expense / (benefit) reported in income statement | - | 4,496 |

The prima facie tax on the result from ordinary activities before income tax is reconciled to the income tax as follows:

***Reconciliation of effective tax rate***

| | 2021 $000 | 2020 $000 |
|---|---|---|
| (Loss) / Profit before income tax – continuing operations | (1,380) | (18,623) |
| Income tax at 30% (2020: 30%) | (414) | (5,587) |
| Add (less) tax effect of: | | |
| Other non-allowable / assessable items | 13 | 1,635 |
| Research and development offset | - | - |
| Adjustment for prior periods | (23) | (264) |
| Adjustment- other | - | (1) |
| Non-recognition of current year deferred taxes | 424 | 8,804 |
| Income tax expense / (benefit) – continuing operations | - | 4,587 |
| | | |
| (Loss) / Profit before income tax – discontinued operations | - | (3,375) |
| Income tax at 30% (2020: 30%) | - | (1,012) |
| Add (less) tax effect of: | | |
| Other non-allowable / assessable items | - | (626) |
| Adjustment for prior periods | - | - |
| Adjustments – disposal of Elton | - | (667) |
| Non-recognition of current year deferred taxes | - | 2,214 |
| Income tax expense / (benefit) – discontinued operations | | (91) |

## 15. DEFERRED TAX ASSETS / LIABILITIES

| Deferred tax | Assets | | Liabilities | | Net | |
|---|---|---|---|---|---|---|
| | 2021 $000 | 2020 $000 | 2021 $000 | 2020 $000 | 2021 $000 | 2020 $000 |
| Contract assets | - | - | (1,774) | (1,751) | (1,774) | (1,751) |
| Plant & Equipment | - | - | (549) | (9) | (549) | (9) |
| Right of use asset | - | - | (6,243) | (5,070) | (6,243) | (5,070) |
| Right of use liability | - | - | 6,822 | 5,284 | 6,822 | 5,284 |
| Operating lease receivable | - | - | (152) | - | (152) | - |
| Employee Benefits | 2,710 | 2,748 | - | - | 2,710 | 2,748 |
| Provisions | 1,246 | 1,451 | - | - | 1,246 | 1,451 |
| Intangibles | - | - | - | - | - | - |
| Carried forward tax losses available | 5,213 | 4,834 | - | - | 5,213 | 4,834 |
| Carried forward R&D tax offset available | 8,452 | 8,452 | - | - | 8,452 | 8,452 |
| Other | 103 | 74 | 152 | (560) | 255 | (486) |
| Total | 17,724 | 17,559 | (1,744) | (2,106) | 15,980 | 15,453 |
| Less: derecognised* | (11,499) | (10,972) | - | - | (11,499) | (10,972) |
| Tax assets / (liabilities) | 6,225 | 6,587 | (1,744) | (2,106) | 4,481 | 4,481 |

| Movement in deferred tax balances | 2021 $000 | 2020 $000 |
|---|---|---|
| Opening balance | 4,481 | 8,913 |
| Prior year adjustments | 23 | 264 |
| Other adjustments | 102 | 688 |
| Charge to profit or loss – continuing operations | 401 | 3,951 |
| Charge to profit or loss – discontinued operations | - | 1,637 |
| Derecognised* | (526) | (10,972) |
| Closing deferred tax asset | 4,481 | 4,481 |

* Veris Limited tax consolidated Group has carried forward tax losses available as at 30 June 2021. Management have performed a review based on current management forecasts and determined that it is no longer probable that future taxable profit over the forecast period will be sufficient to utilise all carried forward tax losses. This does not impact the future availability of such non-recognised tax losses which at the 30 June 2021 year end were $11,499,000 (2020: $10,972,000). Management will continue to reassess the recoverability of deferred tax assets at future reporting dates.

# NET DEBT

## 16. CASH AND CASH EQUIVALENTS

| | 2021 $000 | 2020 $000 |
|---|---|---|
| Cash at bank and in hand | 4,654 | 1,939 |
| Cash and cash equivalents in the statement of cash flows | 4,654 | 1,939 |

The Group's exposure to interest rate risk and a sensitivity analysis for the financial assets and liabilities disclosed in note 7.

## 17. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX

| | 2021 $000 | 2020 $000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit / (loss) after income tax | (1,380) | (26,493) |
| Non-cash flows in profit: | | |
| Depreciation (Note 12) | 8,132 | 11,544 |
| Amortisation of intangible assets (Note 13) | 68 | 2,665 |
| Impairment of intangible assets | - | 3,133 |
| Profit on sale of fixed assets | - | (280) |
| Loss on sale of Elton Consulting | - | 3,636 |
| Other | 73 | 574 |
| Share based payment | 112 | 421 |
| Income tax expense / (benefit) from all operations | - | 4,496 |
| | 7,005 | (304) |
| Change in trade and other receivables | (752) | 9,426 |
| Change in other assets | 1,595 | (701) |
| Change in contract assets | 364 | 821 |
| Change in trade payables | (1,253) | (3,924) |
| Change in provisions and employee benefits | (192) | (141) |
| Change in provisions – AASB 16 | (54) | 726 |
| Net cash from operating activities | 6,713 | 5,903 |

***Movements in borrowings***

| | $000 |
|---|---|
| Opening balance 1 July 2020 | 29,583 |
| Movements: | |
| Proceeds from borrowings | - |
| Repayments of borrowings and lease liabilities | (2,248) |
| Repayments of lease liabilities | (7,011) |
| Additional AASB 16 borrowings | 12,079 |
| Closing balance 30 June 2021 | 32,403 |

## 18. LOANS AND BORROWINGS

| | 2021 $000 | 2020 $000 |
|---|---|---|
| **Current liabilities** | | |
| Lease liabilities | 7,565 | 6,271 |
| Cash advance facility | 4,700 | 6,948 |
| | 12,265 | 13,219 |
| **Non-current liabilities** | | |
| Lease liabilities | 20,138 | 16,364 |
| Cash advance facility | - | - |
| | 20,138 | 16,364 |
| **Total loans and borrowings** | **32,403** | **29,583** |

### TERMS AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

| | Nominal interest rate% | Year of maturity | 2021 $000 Carrying Amount | 2020 $000 Carrying Amount |
|---|---|---|---|---|
| Lease liabilities | 2.84 – 5.50 | 2021 – 2031 | 27,703 | 22,635 |
| Cash advance facility | 2.83 | 2021 | 4,700 | 6,948 |
| | | | 32,403 | 29,583 |

The weighted average incremental borrowing rate is applied to lease liabilities. The cash advance facility has a variable interest rate. All loans and borrowings are denominated in Australian Dollars.

| | Facility Available 2021 $000 | Used 2021 $000 | Unused 2021 $000 | Facility Available 2020 $000 | Used 2020 $000 | Unused 2020 $000 |
|---|---|---|---|---|---|---|
| Cash advance facility (a) | 4,700 | (4,700) | - | 6,948 | (6,948) | - |
| Other (b) | 6,450 | (2,024) | 4,426 | 7,450 | (1,247) | 6,203 |
| Total financing facilities | 11,150 | (6,724) | 4,426 | 14,398 | (8,195) | 6,203 |

a) The carrying amount of this facility was $4.7 million as at 30 June 2021 (2020: $6.9 million). The facility is repayable in tranches. The loan contains covenants stating that at the end of each quarter the Group is to maintain EBITDA in line with Bank agreed forecast.

b) Other facilities include a $4 million (2020: $4.5 million) bank overdraft, $2 million (2020: $2.5 million) contingent instrument facility and $450,000 (2020: $450,000) credit card facility.

### 18. LOANS AND BORROWINGS (CONTINUED)

Lease liabilities of the Group are payable as follows:

| | Future minimum lease payments | Interest | Present value of minimum lease payments | Future minimum lease payments | Interest | Present value of minimum lease payments |
|---|---|---|---|---|---|---|
| | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 |
| | $000 | $000 | $000 | $000 | $000 | $000 |
| Less than 1 year | 8,586 | (1,021) | 7,565 | 7,220 | (949) | 6,271 |
| Between 1 & 5 years | 21,158 | (2,006) | 19,152 | 17,694 | (1,330) | 16,364 |
| After 5 years | 1,066 | (80) | 986 | | | |
| | 30,810 | (3,107) | 27,703 | 24,914 | (2,279) | 22,635 |

Financing is arranged for major leasehold improvements, plant & equipment, and motor vehicle additions.

## EQUITY

### 19. CAPITAL AND RESERVES

Share capital

| | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| | $000 | $000 | No. of Shares | No. of Shares |
| Balance at the beginning of the year | 44,127 | 43,051 | 405,251,286 | 370,014,589 |
| Issued for cash (net of costs) | 7,525 | - | 112,849,987 | - |
| Conversion of Performance Rights | - | - | 230,428 | 1,183,240 |
| Issued as consideration for business combinations | - | 134 | - | 2,456,141 |
| Deferred consideration | - | 942 | - | 31,597,316 |
| Balance at the end of the year | 51,652 | 44,127 | 518,331,701 | 405,251,286 |

Issues of ordinary shares

- On 27 November 2020, 230,428 ordinary shares were issued for $nil consideration on vesting of Performance Rights to a key executive under the Veris FY20 Employee Incentive Scheme.

In February 2021, the company announced a share placement to raise $7.5 million through the issue of ordinary share capital.

- On 4 March 2021, 100,792,857 ordinary shares were issued at a price of $0.07 per share.
- On 27 April 2021, 5,771,416 ordinary shares were issued at a price of $0.07 per share.
- On 6 May 2021, 5,857,143 ordinary shares were issued at a price of $0.07 per share.
- On 20 May 2021, 428,571 ordinary shares were issued at a price of $0.07 per share.

## 19. CAPITAL AND RESERVES (CONTINUED)

The Group does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

### *Reserves*

| | 2021 $000 Share Based Payments | 2020 $000 Share Based Payments | 2021 $000 Retained Earnings/ (Accumulated Losses) | 2020 $000 Retained Earnings (Accumulated Losses) |
|---|---|---|---|---|
| Balance at the beginning of the year | 2,528 | 2,949 | (45,399) | (18,906) |
| Profit/ (loss) for the year | - | - | (1,380) | (26,493) |
| Dividends paid | - | - | - | - |
| Share based payment transactions | 111 | (421) | - | - |
| Balance at the end of the year | 2,639 | 2,528 | (46,779) | (45,399) |

The retained earnings reserve represents profits of entities within the Group. Such profits are available to enable payment of franked dividends in future years. No dividends were distributed during the year (2020: $nil).

## 20. DIVIDENDS

There were no dividends paid or declared by the Company during the financial year, (2020: $nil).

### *Franking Credit Balance*

The amount of franking credits available for the subsequent financial year are:

| | 2021 $ | 2020 $ |
|---|---|---|
| Franking account balance as at the end of financial year at 30% (2020: 30%) | 5,535,898 | 5,535,898 |

### *Franking Credit Balance*

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- franking credits that will arise from the payment of the current tax liabilities;
- franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
- franking credits that the entity may be prevented from distributing in subsequent years.

## 21. SHARE-BASED PAYMENTS

### *(a) Share – Based Payment Arrangements*

As at 30 June 2021, the Group had the following share-based payment arrangements.

**(i) 2019 Performance Rights Plan**

On 12 April 2019 the Group granted 2,419,949 Performance Rights to senior management which will vest subject to their continued employment over a two-year period.

| Number of Performance Rights Granted | Vesting Date [A] | Lapsed | Vested | Vesting Hurdle [B] |
|---|---|---|---|---|
| 1,085,327 | 30 June 2021 | 86,187 | 999,140 | 2 Year Retention |

[A] On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of the Performance Rights.

[B] Based on continued employment for two years to 30 June 2021.

### *(ii) 2020 Performance Rights Plan (CEO)*

On 29 October 2019 the Group granted 1,000,000 Performance Rights to the CEO of Veris Australia on commencement of his employment will vest subject to his continued employment over a two-year period and subject to achievement of an increase in Veris Australia's EBITDA margin by 40% or greater.

| Number of Performance Rights Granted | Vesting Date [A] | Lapsed | Vested | Vesting Hurdle [B] |
|---|---|---|---|---|
| 1,000,000 | 29 October 2021 | - | - | 2 Year Retention and increase in EBITDA margin by 40% |

[A] On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of the Performance Rights.

[B] Based on continued employment for two years to 29 October 2021.

## 21. SHARE-BASED PAYMENTS (CONTINUED)

**Key Management Personnel and Senior Management**

On 5 August 2020 the Group granted 3,371,334 Performance Rights key management personnel and senior management which will vest subject to their continued employment over a one-year period.

| Number of Performance Rights Granted | Vesting Date [A] | Lapsed | Vested | Vesting Hurdle [B] |
|---|---|---|---|---|
| 3,371,334 | 30 June 2021 | - | - | 1 Year Retention |

[A] On vesting, Performance Rights will automatically convert to ordinary shares on a one for one basis. Performance Rights that do not vest will lapse. An unvested Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of the Performance Rights.

[B] Based on continued employment for one year to 30 June 2021.

### *(b) Unvested Unlisted Performance Rights*

1,000,000 Performance Rights issued in October 2019 to a member of the Key Management Personnel remain unvested at 30 June 2021 (2020: 1,000,000).

## 22. RELATED PARTIES

**Key management personnel compensation**

The key management personnel compensation included in 'employee benefits' is as follows:

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | 1,368,005 | 1,488,267 |
| Post-employment benefits | 91,667 | 100,658 |
| Share-based payment | 22,697 | 46,903 |
| Termination benefit- Cash | 72,358 | 162,247 |
| Termination benefit – Share-based | 4,263 | - |
| | 1,558,990 | 1,798,075 |

During the year, the Company did not have or repay any loans from related parties (2020: $nil).

**Individual directors and executive's compensation disclosures**

Information regarding individual directors and executive's compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the directors' report on pages 31 to 39.

### 23. AUDITOR'S REMUNERATION

Audit and review services

| KPMG | 2021 $ | 2020 $ |
|---|---|---|
| Audit and review of financial reports | 295,000 | 250,000 |
| Other assurance services | 80,000 | - |
| | 375,000 | 250,000 |

## GROUP STRUCTURE

### 24. SUBSIDIARIES

The following entities are consolidated:

| Name of Entity | Country of Incorporation | Ownership Interest 2021 % | Ownership Interest 2020 % |
|---|---|---|---|
| Parent Entity | | | |
| Veris Limited | Australia | | |
| Controlled Entity | | | |
| Veris Australia Pty Ltd | Australia | 100 | 100 |
| Aqura Technologies Pty Ltd (previously named OTOC Australia Pty Ltd) | Australia | 100 | 100 |
| Emerson Stewart Pty Ltd | Australia | 100 | 100 |
| Whelans Australia Pty Ltd | Australia | 100 | 100 |
| Whelans International Pty Ltd | Australia | 100 | 100 |
| Bosco Jonson Pty Ltd | Australia | 100 | 100 |
| Geo-metric Surveying Pty Ltd | Australia | 100 | 100 |
| Linker Surveying Pty Ltd | Australia | 100 | 100 |
| Queensland Surveying Pty Ltd | Australia | 100 | 100 |
| Southern Hemisphere Investments Pty Ltd | Australia | 100 | 100 |
| A Perfect Day Elise Pty Ltd | Australia | 100 | 100 |
| TBBK Pty Ltd | Australia | 100 | 100 |
| Lawrence Group Pty Ltd | Australia | 100 | 100 |
| Lester Franks Survey & Geographic Pty Ltd | Australia | 100 | 100 |

## 25. DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporation (wholly owned companies) Instrument 2016/785, all the wholly owned subsidiaries of Veris Limited are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' report.

It is a condition of the Instrument that the Company and each of the subsidiaries (referenced in Note 24) enter into a Deed of Cross Guarantee ("the Deed"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed as at 30 June 2021, after eliminating all transactions between parties to the Deed of Cross Guarantee, as of and for the year ended 30 June 2021 is the same as the consolidated statement of comprehensive income and consolidated statement of financial position of the Group as of and for the year ended 30 June 2021.

## 26. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2021 the parent company of the Group was Veris Limited.

| **Results for the Year** | **2021** | **2020** |
|---|---|---|
| | **$000** | **$000** |
| (Loss) / Profit for the year | 10,000 | (23,344) |
| Other comprehensive income | - | - |
| Total comprehensive profit / (loss) for the year | 10,000 | (23,344) |

| **Financial position of parent entity at year end** | **2021** | **2020** |
|---|---|---|
| | **$000** | **$000** |
| Current assets | 138 | 9,299 |
| Total assets | 16,579 | 19,117 |
| Current liabilities | (5,782) | (7,259) |
| Total liabilities | (9,067) | (17,974) |
| Total equity of the parent entity comprising of: | | |
| Share capital | 51,652 | 44,127 |
| Accumulated loss & Reserves | (44,140) | (42,984) |
| Total equity | 7,512 | 1,143 |

## 27. BASIS OF PREPARATION

### *(a) Presentation Currency*

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 1 April 2016. All financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

### *(b) Basis of measurement*

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *(a) Basis of consolidation*

#### (i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

#### (ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### (iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(b) Financial instruments*

**(i) Non-derivative financial assets**

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: cash, trade receivables and contract assets.

*Trade receivables*

Trade receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

*Expected credit loss*

From 1 July 2019, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets measured at amortised cost, contract assets and debt instruments at Fair Value through Other Comprehensive Income (FVOCI) but not to investments in equity instruments. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**(ii) Non-derivative financial liabilities**

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method for all others.

**(iii) Share capital**

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(c) Property, plant and equipment*

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

**(ii) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**(iii) Depreciation**

Depreciation is recognised in profit or loss on either a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The depreciation rates for the current and comparative periods are as follows:

- Plant and equipment 14-33%
- Motor vehicles 14-33%
- Leasehold Improvements 20%
- Property 8-20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

### (d) Intangible assets

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end. Changes in the expected useful life or flow of economic benefits intrinsic in the asset are an accounting estimate. The amortisation charge on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

The amortisation rate for the current period is 33%.

**(i) Development costs**

Research costs are expensed as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be reliably measured. Expenditure capitalised comprises all directly attributable costs including costs of materials, services and direct labour. Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Amortisation is calculated using the straight-line method to allocate the cost of intangible over its estimated useful life (1-5 years) commencing when the intangible is available for use. The carrying value of an intangible asset arising from development expenditure is tested for impairment when an indication of impairment arises during the period.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(e) Impairment*

**(i) Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains of losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

### *(f) Employee benefits*

**(i) Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value.

**(ii) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(iii) Share-based payment transactions**

The grant date fair value of rights granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of performance rights for which the related service and non-market vesting conditions are met.

### *(g) Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(h) Revenue*

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Construction contract revenue is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

### *(i) Contract assets*

Contract assets represents the gross unbilled amount expected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Contract liabilities (income received in advance) represents billings in advance of work completed.

### *(j) Finance income and expense*

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit and loss using the effective interest method.

### *(k) Income tax*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The recoverability of this deferred tax asset is dependent on the generation of sufficient taxable income to utilise those tax losses. Management judgements and estimates are required in the assessment of this recoverability, including forecasting sufficient future taxable income. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(k) Income tax (continued)*

**(i) Tax consolidation**

The Group and its wholly-owned entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Veris Limited.

The Group recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available.

against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

**(ii) Nature of tax funding arrangements and tax sharing arrangements**

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

**(iii) Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### *(l) Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise performance rights granted to employees.

### *(m) Segment reporting*

The Group determines and presents operating segments based on the information that internally is provided to the CEO's, who are the Group's chief operating decision makers.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.

## 28. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *(n) Government grants*

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. As a result of the ongoing COVID-19 pandemic, the Group received government assistance in the form of wage subsidies under the Australian JobKeeper program.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The government grants received were offset against employee expenses.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statement of profit or loss in the period in which they become receivable.

### *(o) Inventory*

Cost of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable. Costs are assigned on a first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### *(p) Prior year comparatives*

Certain comparative information has been re-presented so it is in conformity with the current year classification.

## 29. NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Veris has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of Veris and effective for reporting periods beginning on or after 1 July 2021, including:

- COVID-19-Related Rent Concessions (Amendment to IFRS16).

The following amended standards and interpretations have not yet been assessed by the Group but are not expected to have a significant impact on the Group's consolidated financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018-2020
- Reference to the Conceptual Framework (Amendments to IFRS 3).

## 30. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the methods set out below. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**(i) Property, plant and equipment**

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

**(ii) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

**(iii) Share-based payment transactions**

The fair value of employee stock options is measured using a binomial option pricing model. The fair value of share performance rights is measured using the Monte Carlo formula.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

# Directors' Declaration

1. In the opinion of the directors of Veris Limited ("the Company"):

   (a) the consolidated financial statements and notes set out on pages 42 to 77 and the Remuneration report on pages 31 to 39 in the Directors' report, are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

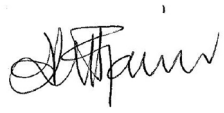
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in note 25 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 2016/191.

3. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and the chief financial officer for the financial year ended 30 June 2021.

4. The directors draw attention to page 46 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



**Karl Paganin**
**Chairman**

Dated at Perth 30 August 2021

KPMG

# Independent Auditor's Report

To the shareholders of Veris Limited

## Report on the audit of the Financial Report

### Opinion

We have audited the ***Financial Report*** of Veris Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group***'s financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001.*

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2021;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

### Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recognition of Revenue, Trade Receivables and Contract Assets; and
- Going concern basis of accounting.

***Key Audit Matters*** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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KPMG

| **Recognition of Revenue, Trade Receivables and Contract Assets (Revenue $99.5m, Trade Receivables $13.9m and Contract Assets $5.5m)** | |
|---|---|
| Refer to Notes 7 and 9 to the Financial Report | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| Recognition of revenue, trade receivables and contract assets is a Key Audit Matter due to the:<br>• Significance of revenue to the financial statements, including a large number of contracts with customers and the degree of estimation and judgement involved in revenue recognition, particularly at year-end. Such estimates and judgements include assessment of the probability of customer approval of variations and acceptance of claims; and<br>• The Group's determination of contractual entitlement to Contract Asset balances including assessment of performance obligations.<br>We focused on the Group's determination of the revenue recognised from variable consideration being highly probable of not reversing. The Group's determination of an amount that is highly probable requires a degree of estimation and judgement. This increased the audit effort we applied to gather sufficient appropriate audit evidence that the variable consideration is highly probable. | Our procedures included:<br>• Obtaining understanding of the Group's key processes for recognition of revenue from contracts with its customers;<br>• Considering the appropriateness of the Group's accounting policies for the recognition and measurement of revenue, including variable consideration, against the requirements of AASB 15 *Revenue from Contracts with Customers (AASB 15)*;<br>• Assessing the Group's estimation method in recognising revenue, including variations and claims, to the extent it is highly probable that a significant reversal will not occur, particularly at year-end. We performed this, on a sample basis, by examining underlying evidence including, where applicable, project spend and correspondence with customers accepting contract terms or invoicing;<br>• Assessing the Group's recognition of contract asset balances at year-end. Our testing, on a sample basis, included checking evidence, as outlined in the procedure above, of AASB 15 revenue recognition criteria, including an enforceable right and achievement of performance obligations;<br>• Assessing the basis for the Group's contract asset recognition against the findings of our testing. Moreover, we evaluated the conclusions reached by the Group using our understanding of the contracts obtained in the procedures noted above, in the context of the Group's accounting policies and the requirements of AASB 15; and<br>• Assessing the appropriateness of disclosures in the financial statements using our understanding obtained from our testing and against the requirements of AASB 15. |

| Going concern basis of accounting | |
|---|---|
| Refer to Note 6 to the Financial Report | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter due to the high level of judgement required by us in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern. These are outlined in Note 6 to the Financial Report.<br><br>The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections through to 31 August 2022. The preparation of these projections incorporated a number of assumptions and significant judgements, and the Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern.<br><br>We critically assessed the levels of uncertainty, including potential impact of COVID-19, as it related to the Group's ability to continue as a going concern, within these assumptions and judgements, focusing on the following:<br><br>• The Group's ability to raise additional funds, if required, through potential demerger of Aqura Technologies or sale of assets of the Group. This included the feasibility, projected timing, quantum of potential proceeds and progress of the proposed actions;<br><br>• The Group's continued access to financing facilities;<br><br>• The impact of forecasting risk and uncertainty to cash flows projected including the Group's ability to meet current and future financing commitments; and<br><br>• The Group's planned revenue pipeline and levels of operational and capital expenditures, and the ability of the Group to manage cash outflows within available funding.<br><br>In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in. | Our procedures included:<br><br>• We assessed the potential demerger of Aqura Technologies and sale of assets of the Group for feasibility, quantum and timing, and their impact to going concern;<br><br>• Reading correspondence with existing financiers to understand and assess the options available to the Group, including renegotiation of existing debt facilities, and revision of terms of financial loan covenants;<br><br>• Evaluating the cash flow projections by:<br><br>– Evaluating the underlying data used to generate the projections in the following procedures;<br><br>– Analysing the impact of reasonably possible changes in projected cash flows and their timing, to the projected periodic cash positions. Assessing the resultant impact to the ability of the Group to pay debts as and when they fall due and continue as a going concern. The specific areas we focused on were informed by assessing actual cashflows including but not limited to the final quarter of financial year 2021 and financial year 2022 to date, and having regard to current market conditions; and<br><br>– Assessing the revenue pipeline and planned levels of operating and capital expenditures for accuracy and consistency of relationships and trends to the Group's historical performance, results since year-end, and our understanding of the business, industry and economic conditions of the Group, including consideration of potential COVID-19 impacts.<br><br>• Evaluating the Group's going concern disclosures in the Financial Report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. |

KPMG

## Other Information

Other Information is financial and non-financial information in Veris Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.

KPMG

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Veris Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 18 to 28 of the Directors' Report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Jane Bailey
*Partner*
Perth
30 August 2021

KPMG

# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Veris Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Veris Limited for the year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Jane Bailey
*Partner*
Perth
30 August 2021

**Additional Information per ASX Listing Rules - Unaudited**

Additional information requires by ASX Listing Rules and not disclosed elsewhere in this report is set out below.

**Corporate Governance Statement**

The Group's Corporate Governance Statement can be found at:

*Corporate Governance Information | Veris Australia*

**Shareholder Information as at 20 August 2021**

Top 20 Shareholders of Quoted Securities

| Rank | Name | Shares | % of Issued Capital |
|---|---|---|---|
| 1 | SHERKANE PTY LTD | 86,089,822 | 16.60 |
| 2 | OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY | 46,506,229 | 8.97 |
| 3 | MR BRIAN ELTON | 27,986,606 | 5.40 |
| 4 | CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C> | 26,544,381 | 5.12 |
| 5 | HGL INVESTMENTS PTY LTD | 13,428,572 | 2.59 |
| 6 | ICON HOLDINGS PTY LTD <THE K & A PAGANIN S/F A/C> | 12,928,571 | 2.49 |
| 7 | CONCEPT WEST COMMUNICATIONS PTY LTD <THE T YOUNG FAMILY A/C> | 11,508,540 | 2.22 |
| 8 | ELTON PROPERTY PTY LTD <ELTON CONSULTING S/F A/C> | 9,931,555 | 1.92 |
| 9 | EVANS FAMILY NOMINEES PTY LTD <THE EVANS FAMILY A/C> | 9,715,309 | 1.87 |
| 10 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 8,683,049 | 1.67 |
| 11 | MR THOMAS BRIAN LAWRENCE <TOM LAWRENCE A/C> | 8,643,724 | 1.67 |
| 12 | HGL INVESTMENTS PTY LTD | 6,345,199 | 1.22 |
| 13 | BERTOLI CONTRACTING PTY LTD <THE BERTOLI FAMILY A/C> | 6,000,000 | 1.16 |
| 14 | ROCKDALE FARMING PTY LTD | 5,714,285 | 1.10 |
| 15 | MS JENNY LEE RUDOLPH | 4,829,104 | 0.93 |
| 16 | MRS JASMINE KRKLJES | 4,382,339 | 0.85 |
| 17 | SILCHESTER INVESTMENTS PTY LTD | 4,286,625 | 0.83 |
| 18 | SUPERVISED INVESTMENTS AUSTRALIA | 4,285,714 | 0.83 |
| 19 | MR PETER HOWELLS | 3,800,000 | 0.73 |
| 20 | J&A CASHIN INVESTMENTS PTY LTD <CASHIN FAMILY A/C> | 3,733,297 | 0.72 |
| **Total** | | **305,342,921** | **58.88** |

# Additional Information

*Substantial Holders of 5% or more of fully paid ordinary shares*

| Shareholder | Number | Shares | Voting Power |
|---|---|---|---|
| SHERKANE PTY LTD | 86,089,822 | 86,089,822 | 16.61% |
| OCEAN TO OUTBACK ELECTRICAL (and other related parties of Adam Lamond) | 48,591,815 | 48,591,815 | 9.37% |
| BRIAN ELTON | 37,918,161 | 37,918,161 | 7.32% |
| CARRIER INTERNATIONAL PTY LIMITED (SUPER FUND A/C) | 26,544,381 | 26,544,381 | 5.12% |

*Distribution of Shareholders*

| Spread of Holdings | Ordinary Shares | Performance Rights |
|---|---|---|
| 1 – 1,000 | 43 | - |
| 1,001 – 5,000 | 83 | - |
| 5,001 – 10,000 | 119 | - |
| 10,001 – 100,000 | 450 | 4 |
| 100,001 | 370 | 13 |
| Total on Register | 1,065 | 17 |

### *Non-Marketable Parcels*

Number of shareholders holding less than a marketable parcel is 167.

### *Voting Rights*

*Ordinary Shares*

Voting rights on a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### *Performance Rights*

There are no voting rights attached to Performance Rights.

### *Restricted Securities*

There are no restricted securities on issue.

### *Unquoted Equity Securities*

There are 5,226,233 unquoted Performance Rights on issue with 17 holders.

### *Securities Exchange*

The Group is listed on the Australian Securities Exchange. The Home exchange is Perth. The ticker code is VRS.

# Corporate Information



**The registered office of the company is:**

Veris Limited
Level 12, 3 Hasler Road
Osborne Park WA 6017

**Company Secretary:**

Steven Harding

**The principal place of business is:**

Veris Limited
Level 12, 3 Hasler Road
Osborne Park WA 6017
Telephone: (08) 9317 0600

**Share Registry:**

Computer Share
Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone: (08) 9323 2005

# Corporate Directory

## Veris Limited

ABN: 80 122 958 178

ASX Code: VRS

Level 12, 3 Hasler Road Osborne Park, WA, 6017

T: +61 8 9317 0600

www.veris.com.au

## Directors

Karl Paganin
Non-Executive Chairman

Adam Lamond
Non-Executive Director

Brian Elton
Non-Executive Director

David Murray
Non-Executive Director

## Corporate Executive Team

Michael Shirley
Chief Executive Officer – Veris Australia

Travis Young
Chief Executive Officer – Aqura Technologies

Steve Harding
Chief Financial Officer & Interim Company Secretary

## Principal Registered Address

Veris
Level 12, 3 Hasler Road, Osborne Park, WA 6017

T: +61 8 9317 0600
E: veris@veris.com.au

www.veris.com.au

## Auditor

KPMG
235 St Georges Terrace Perth, WA 6000

P: +61 8 9263 7171
F: +61 8 9263 7129

## Solicitors

Steinepreis Paganin
Level 4, The Read Building, 16 Milligan Street, Perth, WA 6000

P: +61 8 9321 4000
F: +61 8 9321 4333

## Share Registry

Computershare
Level 11, 172 St Georges Terrace Perth WA 6000

P: +61 8 9323 2005
F: +61 8 9323 2033

**HEAD OFFICE**

PERTH

Level 12, 3 Hasler Road
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