

5 May 2021

Veris Limited Q3 FY2021 Update

- Group quarterly revenue of \$24.14 million, up 6.4% on prior period in FY20
- Group EBITDA of \$1.8 million, up 211% on prior period in FY20
- Strongly supported capital raising delivered strengthened balance sheet and diversified shareholder base
- Continued strength in contracted order book and project pipelines across both Veris Australia and Aqura
- Government stimulus creating optimism despite ongoing challenges due to COVID-19

Veris Limited (ASX code: VRS) (“the Group” or “the Company”) provides the following update for both Veris Australia and Aqura Technologies for the third quarter (Q3) of financial year 2021 (FY21).

The Company has delivered an impressive result in Q3, with Group revenue and EBITDA significantly improved on the prior corresponding period. In what is typically the softest quarter, the result demonstrates the considerable strides the business is making to deliver profitable growth, and its ability to sustain the unpredictability of severe weather events and COVID induced snap lockdowns.

The diverse geographic footprint of the Group and spread of industry sectors has contributed to the strong result. The latter half of Q3 was characterised by strong activity and continued strengthening of business development activities and pipeline for the remainder of FY21 and into FY22.

Additionally, the Group completed a strongly supported capital raising generating \$7.5m before costs which strengthened the balance sheet plus introduced new institutional and sophisticated shareholders to the register.

Veris Australia

Veris Australia Q3 FY21 actual performance – comparisons to PCP

The table below outlines Q3 FY21 results compared to the previous corresponding period (PCP).

Veris Australia (\$m)	Q3 FY21	PCP Q3 FY20	% change
Revenue	18.13m	\$17.78 m	+2.0%
EBITDA	\$1.21m	(\$0.64m)	+289%

The business continues to adapt within the changing COVID-19 landscape. With Commonwealth Government stimulus boosting the national economy through an increased focus on infrastructure and a \$270 billion defence spend over the next decade, Veris has seen continued growth in our Digital & Spatial offerings which has resulted in higher margins.

This is amplified by individual state and territory governments also building in stimulus measures which will continue to supplement Commonwealth Government efforts for the remainder of this financial year and at least FY22. Stimulus activities from both tiers of Government is also now increasingly improving the position of the property sector and is likely to lead to expanded and expedited pipeline of property developments within multiple states and territories which will then further reinforce the need for all forms of infrastructure.

Despite the challenges of COVID-19, Veris Australia has continued to build its secured backlog which remains in excess of \$45 million to be executed over the next 12 months. In addition, there remains continued strength in

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the identified pipeline of tendered projects and prospects with a weighted value in excess of \$132 million for execution over the next 24 months.

With a growing pipeline of opportunities and work in hand, Veris will increasingly benefit from the relaxation of state and territory border controls providing enhanced opportunities to leverage our national platform and capabilities. This capitalises on the mobility of staff and equipment to service our national client base and service projects with specialist skill sets.

Comments from Veris Australia Chief Executive Officer Michael Shirley

“Whilst Q3 of each financial year typically presents the softest operating environment for our target markets, it is pleasing to see the benefits that our streamlined operating and functional cost structures are having on the business’ ability to generate positive EBITDA in our softest quarter.

Veris Australia has a strong pipeline of future work, which continues to grow. We are confident that as the national economy continues to adapt to changing COVID-19 border restrictions, and through the rollout of the vaccines, expected growth in key sectors such as engineering survey and digital and spatial will continue to position Veris Australia well into the future.

Veris continues to take steps to manage the impact of COVID-19 on our business in these unprecedented times. We have welcomed support from governments and industry bodies for major projects across Australia to continue work, providing essential economic stimulus for State and Territory economies during this crisis.”

Aqura Technologies

Aqura Technologies Q3 FY20 actual performance – comparisons to PCP

The table below outlines Q3 FY20 results compared to the previous corresponding period (PCP).

Aqura Technologies (\$m)	Q3 FY21	PCP Q3 FY20	% change
Revenue	\$6.00m	\$4.88m	+23.1%
EBITDA	\$0.57m	(\$0.25m)	+328%

Aqura Technologies’ Q3 performance showed a strong result in the face of seasonal slowdowns. With new contract awards from key blue-chip clients, the business now has a record pipeline of work in hand which continues to grow.

Aqura Technologies was recently awarded a three-year contract with major Australian oil and gas producer Santos with a value in excess of \$1.8 million. The contract contains an option for a further two-year term. The contract win for Aqura involves the provision of specialised support and maintenance of Santos’ Communications networks including private industrial LTE across Santos’ national footprint of operations.

Aqura’s presence as an accredited channel partner, based in Australia, coupled with Aqura’s service capabilities and technical expertise were critical advantages in the contract award. The contract comprises two packages of work, the first includes the supply of equipment and professional services for design, install, commissioning and handover to Santos.

Further to this, Aqura Technologies was awarded \$1.1 million in works to undertake an upgrade of the in-situ accommodation network at Fortescue Metals Group's (Fortescue) Kangi 1,850 room accommodation village in the Pilbara Region of Western Australia. The scope of the Kangi village engagement is to design and deliver physical upgrades to the GPON network to ensure a high level of reliability of services to village guests.

The enhancement of the existing infrastructure utilising Aqura's specialist technical expertise will establish an extremely robust platform for the delivery of entertainment services and wellbeing programs to the large workforce accommodated at the site. Aqura has commenced the design phase and will look to complete the scope of works by July 2021.

The future pipeline of work is strong, concentrating on resources, defence and the oil & gas sectors. The strength of the resources sector, coupled with the COVID-driven acceleration of the adoption of new technologies, positions Aqura favourably at the forefront of this continued transition.

Comments from Aqura Technologies Chief Executive Officer Travis Young

"The highlight of the quarter was having secured a long-term contract with Santos, one of the leading independent oil and gas producers in the Asia-Pacific region.

"These are significant works for a blue-chip oil and gas client, and testament to our position as an industry leader in high performance industrial connectivity through private industrial LTE networks.

"The provision of these largely 'as-a-service' works demonstrates the delivery of our strategy in securing recurring revenue streams as part of our growth strategy for the business, and are encouraging validation of our recent expansion into the Queensland market via the establishment of our Brisbane based team.

"Aqura has a strong pipeline of numerous opportunities with large-scale clients across a range of sectors, all seeking to fast-track the adoption of innovative technologies to enable their business operations to work more seamlessly against an environment of intermittent lockdowns and business interruptions. Aqura is well positioned for further growth."

– ENDS –

Authorised for release by the Board of Veris Limited.

About Veris Limited

Veris Australia is Australia's leading provider of spatial data services across the infrastructure, property, resources, defence, utilities and government sectors.

Aqura Technologies complements the accomplished existing spatial solution capabilities of the Veris Australia segment with highly specialised ICT and communications services, offering industry-leading technology solutions to the industrial communications sector for application in the resources, commercial, utilities, defence, health and education sectors.

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

Issued by Veris Limited
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