

The background of the cover is a deep red color with a complex network of thin, light red lines and circular nodes, resembling a data network or a molecular structure. A diagonal white band runs from the bottom right towards the center. The text 'Annual Report 2022' is centered in the upper half of the page.

Annual Report  
2022

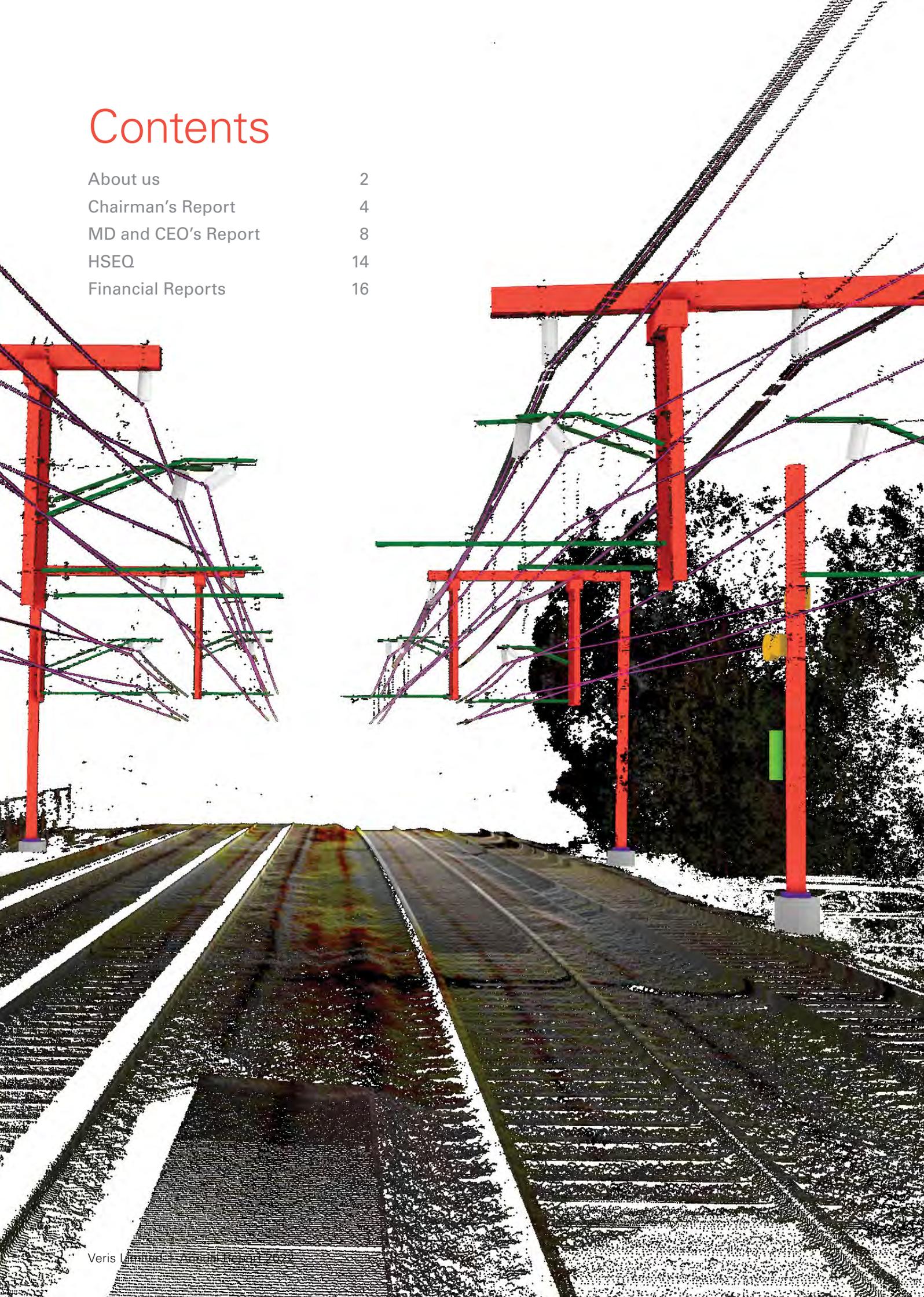
**veris**

## 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.

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# About us

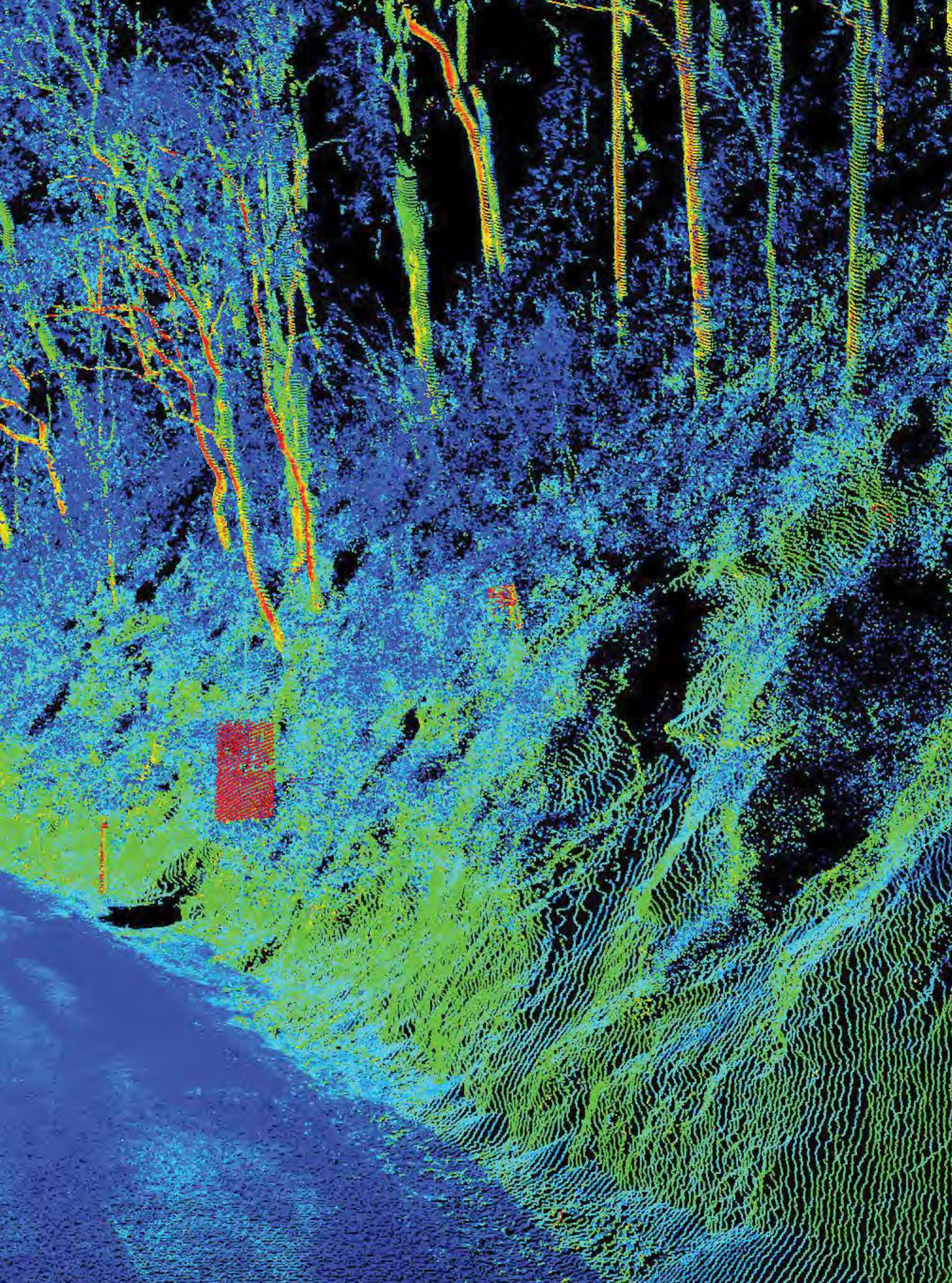
**Veris is Australia's trusted, leading provider of spatial data services.** With over 550 people and 15 office locations across Australia, we combine national strength with local knowledge and expertise to ensure the best outcomes for our clients.

We provide our services to both private and public sector clients across the infrastructure, property, resources, utilities, Government and Defence sectors. Our impressive client list includes Australia's premier property groups such as Stockland, Mirvac and Lendlease, blue chip mining companies such as BHP and Rio Tinto, as well as a host of major Engineering consultancies, Tier 1 contractors and Government agencies.

Our diverse geographical spread includes offices and extensive operations in Victoria, New South Wales, Australian Capital Territory, Tasmania, Queensland, South Australia and Western Australia. Our presence in both the major metropolitan areas and regional centres of most major States and Territories enables our clients to benefit from our local presence and national reach.

Our commitment to Indigenous Participation is demonstrated through our initial Reconciliation Action Plan, Veris Reflect, and our Alliance with Wumara Group - a majority Indigenous owned land and construction surveying company.

We operate under an accredited Health, Safety, Environment and Quality (HSEQ) management system that is certified to the highest international standards including ISO 9001, ISO 45001 and ISO 14001.



Karl Paganin  
Non-Executive Chairman



## Chairman's Report

The 2022 financial year (FY22) has been a watershed year for Veris Limited (or “the Company”) as it continues to build momentum on its return to profitability. The Company is now strongly positioned and well-capitalised, with a clear, refined strategy; to be a pure-play spatial data services business with a positive growth outlook.

The 2022 financial year has seen the Company strengthen its balance sheet via the successful divestment of its technology business Aqura Technologies, made significant operating improvements to its core business Veris Australia, and has renewed the composition of the Company's Board with the appointment of Ms Tracey Gosling and Dr Michael Shirley to the Board.

It has been pleasing to see the continued improvement in the financial performance of Veris during FY22. The Company once again achieved year-on-year revenue growth from continuing operations with revenue of \$92.4 million for FY22, representing an almost 20% increase from FY21. Significantly, the Company also delivered a consolidated Group profit after tax of \$21 million in FY22, a significant improvement from consecutive losses recorded in preceding three years. Whilst the net profit on the sale of Aqura Technologies of \$20.5 million was the primary contributor to this result we believe the improved performance of Veris

Australia demonstrates a clear pathway to sustainable profitability for the Company moving forward. Much of this improvement is attributable to the new management team introduced into the business in FY20. It is great to see the core elements of the strategy showing results.

Veris' results may have been better still were it not for the impacts of COVID-19. Widespread lockdowns and nationwide border closures undoubtedly impacted the Company's ability to fully leverage its national operating platform, including the movement of specialist technical expertise and equipment around Australia. The shutdown of key industry sectors and restricted numbers of site personnel in line with COVID safe operating plans was also a large inhibiting factor in FY22. As in the previous years affected by COVID, the flexibility and resilience of employees to adapt to new ways of working was vital to continue to deliver for our clients and is not only appreciated but is highly commended.

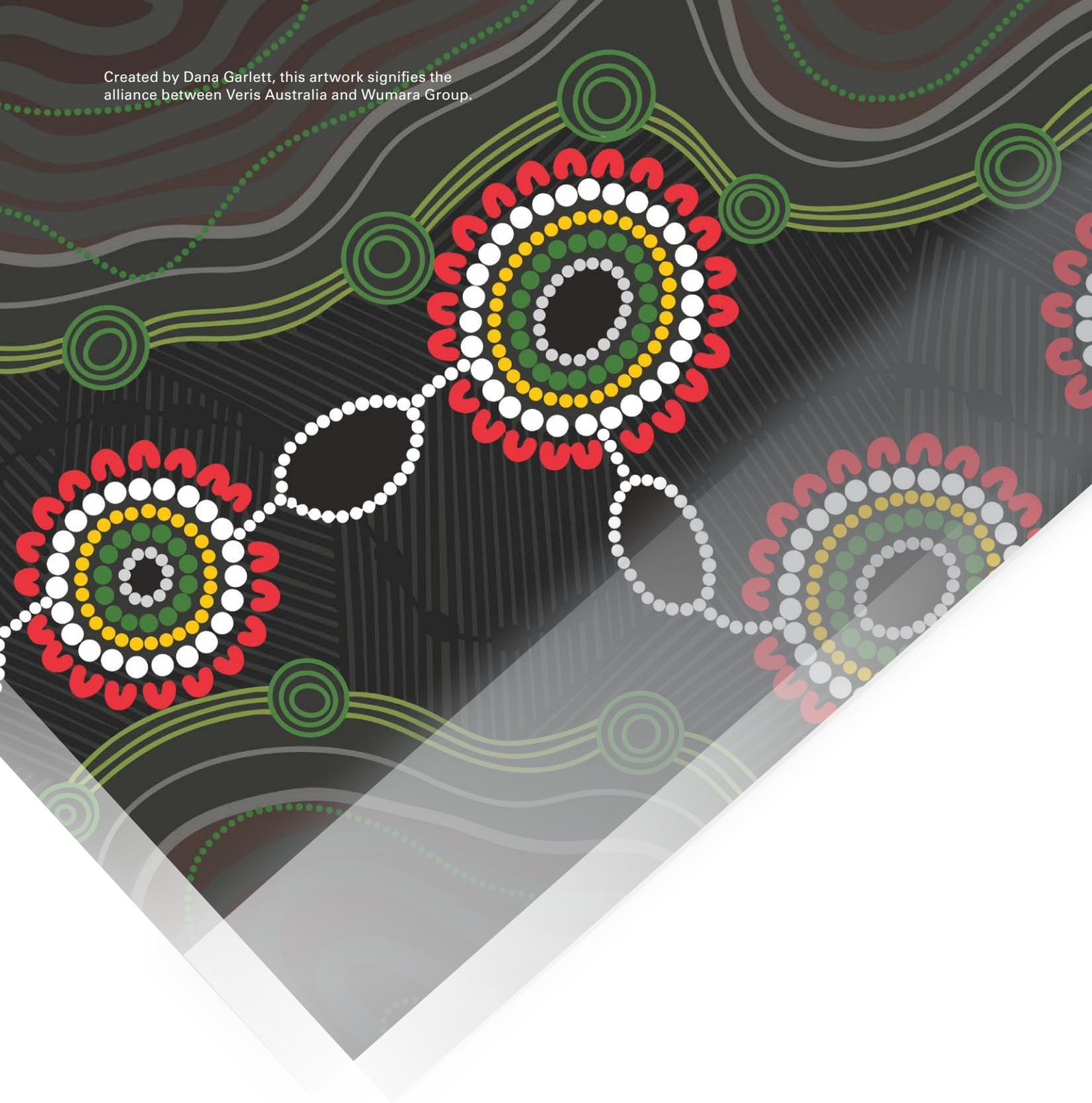


“We believe the performance of Veris Australia demonstrates a clear pathway to sustainable profitability”

The successful completion of the sale of Aqura Technologies to Telstra Purple for an enterprise valuation of \$30 million was a significant highlight of the year. This valuation represented the approximate market capitalisation of the Group at the time of the announcement of the sale. The completion of the sale represented the crystallisation of significant value for Veris and its shareholders. Aqura was established organically within Veris six years ago and has experienced significant growth within the

Veris Group portfolio over that period. The Board was of the view that the timing and environment represented the right time to sell the business for the benefit of the shareholders. The sale enabled Veris Limited to retire all long-term debt and ensures the Company is well capitalised with a strong balance sheet and a significant net cash position. As a simplified, pure-play spatial data services business we are now well positioned to pursue our growth ambitions.

Created by Dana Garlett, this artwork signifies the alliance between Veris Australia and Wumara Group.



Veris Limited continued its process of significant Board renewal over the financial year. It was extremely pleasing to welcome Ms Tracey Gosling to the Board as Non-Executive Director. Tracey is an accomplished and adaptive senior leader whose expertise will support Veris to deliver on its strategy. Her strong background in technology, professional services, digital transformation and growth strategies in highly relevant industries will be invaluable to Veris

as we continue to progress our Digital & Spatial strategy.

In June, after 11 years serving as Managing Director and a Non-Executive Director of Veris Limited and its forerunner OTOC Limited, Mr Adam Lamond determined it was an appropriate time to resign as a Non-Executive Director. Adam's vision and contribution to the development of Veris' national



“Momentum is certainly building and as demonstrated by the results the Company is strongly positioned to continue on its growth trajectory.”

platform has been immense over a sustained period of time. He also played an active role in the formation and growth of the Aqura Technologies business. We thank Adam for his significant contribution to the development of Veris.

Dr Michael Shirley was also appointed as Managing Director of Veris Limited, and joined the Board as of 1 June 2022. Michael will retain his role as Chief Executive Officer of Veris Australia. With the appointment of Michael as Managing Director, we strengthen the composition of the Board with a senior leader that has deep alignment with our strategy and is focussed on executing over the coming years.

The combination of Tracey’s and Michael’s appointments, coupled with the appointment of David Murray towards the end of FY21 has significantly enhanced the capabilities and depth of industry experience of the Board.

The Company continued to undertake initiatives aligned to its Reconciliation Action Plan (RAP). Working closely with Wumara Group, a majority Indigenous-owned land and construction surveying company in which Veris Limited acquired an interest last year, there have been a number of successes in

terms of working collaboratively as well as providing opportunities for Indigenous Australians to start a career in the spatial industry.

During the year, we took steps towards refreshing the Company’s Environmental, Social and Governance (ESG) initiatives, which were previously introduced as part of our Corporate Social Responsibility Strategy. Whilst Veris has always had a strong emphasis on environmental, social and governance issues, looking forward our focus will be on establishing the systems and processes to enable us to report in line with the relevant voluntary frameworks.

On behalf of the Board, I’d like to thank all stakeholders of Veris including our shareholders, clients, employees, suppliers and the community for their support during a challenging but rewarding year for Veris Limited. Momentum is certainly building and as demonstrated by our results, the Company is strongly positioned to continue on its growth trajectory.

**Karl Paganin**  
Non-Executive Chairman

Michael Shirley  
Managing Director and  
Chief Executive Officer



## MD and CEO's Report

The 2022 financial year (FY22) demonstrates the execution of Veris Australia's strategy is gaining traction and delivering results. After undertaking an ambitious program of restructuring and re-orientating the business, we now have a solid foundation that provides a platform for future sustained growth.

Core to this approach has been accelerating the pivot towards becoming a spatial data business. To drive value through the power of spatial data, we're not only collecting data using the latest technologies, but providing innovative ways to securely store, access, analyse and interrogate the data for value enhancing insights and smarter decision making. These types of high-value services meet the drive by our clients and their industries towards the rapid digitisation of assets. We are seeing our Digital & Spatial service line impressively grow its margins and revenue as a result.

Of course, none of this would be possible without the industry-leading expertise and commitment of our people. We are fundamentally a people business and it's the collective knowledge, expertise and determination of our people that drives our success. Our people have persevered through tough times and significant change. They've demonstrated resilience and flexibility throughout the COVID-19 pandemic, and in some regions had to deal with catastrophic weather events including flooding and bushfires.

The health and safety of our people is of paramount importance. Throughout the year we've taken steps to ensure health and safety is central to our culture and everyone's responsibility. It is imperative we continuously strive to improve health and safety to keep our people, clients and the community safe.

### Financial Performance

The return to profitability this financial year is a reflection of the hard work by our people, Senior Leadership Team and Board over a number years. Our stated objective is to return the business to sustained, profitable growth through our restructuring and the delivery of our revised strategy, so after sustained years' of losses I am delighted to see the small net profit after tax in FY22. Importantly, we are setting the business up for success in the longer term.

Veris Australia has achieved year-on-year revenue growth since FY20, and in FY22 we were able to grow revenue by almost 20% compared to FY21. The momentum we have been building is demonstrated by a strong performance in the second half of this year.



“The momentum we have been building is demonstrated by a strong performance in the second half of this year.”

Impressively, our Digital & Spatial business line continues to make strong gains. It is delivering strong growth in margins, up 82% from FY19 to FY22, and revenue was up 50% on budget.

At the regional level, we've also been able to address underperformance in NSW, with our Sydney office now experiencing an increase in gross margin per hour. Both Queensland and Tasmania have also experienced growth of 30% and 168% respectively over the last two years while retaining margins.

### Operational impacts

COVID-19 continued to impact our operations and performance across the year. In most cases through the adoption of COVID safe plans on site and other health measures we were able to continue delivering safely for our clients. However, we were unable to fully leverage the benefit of our national operating platform, with border closures and snap lockdowns impacting our ability to freely move skilled personnel and equipment to where they were most required

# veris



across the country. Reductions to the number of people on site, and in some cases the shutdown of industries such as the construction sector had significant impacts on our first half operational performance. In addition, a number of severe rainfall and flooding events on the east coast of Australia in the second half of the year required us to adapt our operations to manage risks.

### Health and Safety

Reaffirming safety as a basic fibre of our culture and continuing to progress our health and safety messaging and systems were key priorities throughout

the year. Our teams once again had to adapt to a range of COVID safe plans and ensure the necessary measures were in place to continue to deliver for our clients. We're continuously striving to improve the management of risks and protect the health and safety of our people, clients and the community.

### People and Culture

Challenging labour market conditions, with a shortage of skilled personnel and the restricted movement of people characterised FY22. To meet these challenges, we continued to invest in a range of initiatives to attract and retain the best talent.

“It was pleasing to see a number of new hires of women into leadership positions as we continue our efforts to address the under-representation of women in the industry.”

During the year, we also embarked on our first employee engagement survey. ‘The Way We Work’ survey was an opportunity for our people to have their say, and let us know what it is like working for Veris Australia, allowing us to gain a better understanding of our strengths and identifying areas in which we can improve. The survey results have provided valuable information and informed a number of actions that we need to take, some of which have already commenced and others will soon be underway.

It was also fantastic to see our Young Professionals Program enter its second year. The program, which provides graduates with exposure to all areas of the industry over a 12-month period, had an intake of 10 participants in FY22.

The uptake of flexible working has also been a key part of how the business has evolved as a result of COVID-19. Many of our employees now enjoy the flexibility of finding the best way to fit their life and work together by combining both working from home and office-based work in a productive way.

Diversity and Inclusion was an ongoing focus for the business. It was pleasing to see a number of new hires of women into leadership positions as we continue our efforts to address the under-representation of women in the industry. We’re committed to providing a place where everyone feels free to be themselves and belong. A working committee was also established to deliver a new Diversity and Inclusion policy and associated initiatives to ensure every individual is treated with dignity and respect.

### Spatial data strategy progress

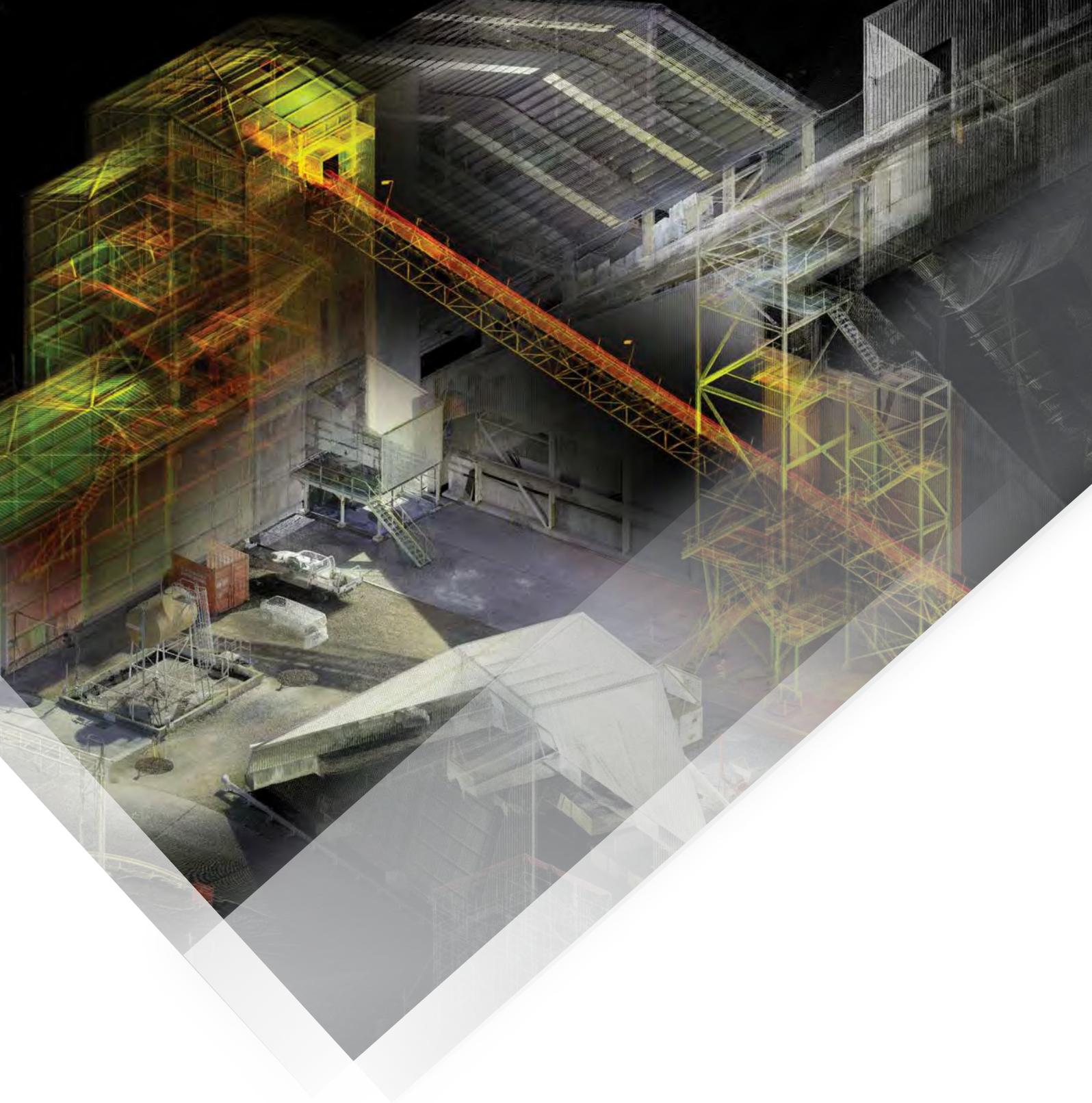
As I mentioned earlier, the acceleration of our pivot towards a spatial data business is a core element of our strategy. We’ve invested in leading-edge technologies including the latest UAVs (unmanned

aerial vehicles), mobile and autonomous LiDAR systems for 3D data capture. We’ve also developed a suite of Data-as-a-Service (DaaS) platforms including 3SiDe and Vantage for the easy access, visualisation and analysis of spatial data. Embedding data and digital platforms across our service offering to clients is enabling us to value-add even in areas such as planning and urban design, which have traditionally been more static. Further, we have invested in talent and brought in specialist skill sets and leadership in our Digital & Spatial service line.

When we combine our leading-edge technology, platforms and expertise of our people we’re able to provide our clients with end-to-end solutions for even the most complex and challenging problems.

One such example was a project engagement to inform, assess and protect against the risk of a rock fall on a critical section of a highway in Tasmania, on which we deployed a powerful mix of UAV surveys, laser scanning, real-time sensor streaming and 3D data visualisation and analysis via 3SiDe to manage the risks remotely and enable the safe reopening of the highway to the public. The Digital Twin solution integrated spatial technologies and platforms under the guidance of our domain experts, with a team of surveyors and UAV pilots in the field.

Another example was a project engagement to monitor twin underground motorway tunnels in Sydney, where we performed mobile laser scanning to rapidly capture detailed 3D data during a limited timeframe. The large spatial data sets were processed and delivered via our secure cloud-based data delivery and visualisation platform – 3SiDe, enabling viewing through any web browser. Value-added smarts including Machine Learning were then applied to identify cracks and defects within the tunnels. A Geographic Information Systems (GIS) dashboard with georeferenced data was also provided for ease of navigation and enhanced



analysis. Once again our solution combined technologies, platforms and the expertise of our people to provide a value added end-to-end solution for our client.

### **Unlocking growth in key accounts**

Veris Australia has a leading client base across the property, infrastructure, mining and resources, defence, utilities and government market sectors. We've put in a place a Key Account Management Program to unlock growth in these key clients and ensure we increase the share of revenue generated from these clients for the business. It has been

pleasing to see this approach already delivering results. In FY22, our key clients represented over 40% of Veris Australia's revenue, representing year-on-year growth of over 30%. We envisage further growth over the next horizon by leveraging our national operating platform, aligning the business to clients who see value in our national presence and multi-disciplinary expertise.

### **Indigenous Participation**

Our alliance with Wumara Group - a majority Indigenous owned land and construction surveying company made some excellent progress throughout

“The alliance aims to help close the gap between Indigenous and non-Indigenous Australians by creating further training, employment, and economic opportunities for Australia’s First peoples.”

the year on multiple fronts. The alliance aims to help close the gap between Indigenous and non-Indigenous Australians by creating further training, employment, and economic opportunities for Australia’s First peoples.

In January, the Indigenous Surveyor Employment Pathway Program was launched. The Program offers Indigenous Australians a pathway into the surveying industry. Established in a collaboration between Veris, Wumara Group, TAFE NSW and the Yarpa NSW Indigenous Business & Employment Hub, the Program consists of a combination of study and fieldwork to provide participants with exposure to what it’s like to be a surveyor, as well as the foundational skills to start their career in the industry. Upon successful completion of the Program, participants are offered full time employment through traineeships with Wumara Group and Veris. I’m delighted to say that our first intake resulted in six participants being offered traineeships with Wumara Group and Veris, where they’ve been engaged on some of NSW’s biggest infrastructure projects, and invited to continue their studies in the Certificate III at TAFE.

The alliance has also provided opportunities for both Veris and Wumara to work together on projects. One particular example of this is the M6 Stage 1 Motorway in Sydney. With Veris awarded a contract to provide project network control and survey for tunnelling, we are working in alliance with Wumara and together we are playing a key role in the service delivery of the package as well as meeting and exceeding Indigenous participation requirements for the significant infrastructure project.

It’s examples such as these that demonstrate how we can work together to help close the gap. These initiatives also align our efforts to respectfully work in partnership with Aboriginal and Torres Strait Islander organisations and peoples, as outlined in our Reconciliation Action Plan.

## Pipeline & Outlook

Despite the current economic uncertainty due to COVID-19, our secured forward workload has continued to grow and is in excess of \$55 million. In addition to our forward workload, we anticipate ongoing project variation and direct assignment works. Further, we have a healthy unsecured project pipeline that has continued to grow and has a weighted value of approximately \$190 million over the next 24 months.

More broadly, many of the market sectors we service are currently experiencing high levels of investment and growth:

**Property** – growth in greenfields residential, urban renewal and strata developments.

**Infrastructure** - the wave of record-level infrastructure spending commitments in response to the pandemic continues to hit the market.

**Defence** – ongoing investment by the Australian Government over the coming decade in new and upgraded Defence capabilities.

**Energy & Resources** – investment in the supporting infrastructure as well as operations and sustaining capital.

**Utilities** – management and maintenance of existing assets, utilities and connecting infrastructure.

**Government** – investment by Government agencies in the planning of development and infrastructure and maintenance of assets.

In closing, I would like to thank the Senior Leadership Team and all of our people for their commitment and flexibility over the last 12 months. We are building momentum and making excellent progress. The solid foundation we have built now provides a platform for further growth.

**Michael Shirley**  
Managing Director & CEO

# HSEQ



## Health & Safety

The safety of our people and a commitment to zero harm are values that are revered throughout Veris and on every project. We promote and encourage a culture where our employees are proactively maintaining a safe and healthy workplace including active promotion of 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.



## Environment

Veris and our staff are committed to minimising the impact on the environment through the development of systems and processes to ensure that all practises that have a potential to impact the environment are considered and appropriate controls are implemented to reduce the risk. Veris continues promoting a culture of environmental awareness for the sustainability of future generations.



## Quality

Veris and its employees are dedicated to the application of our quality processes and systems which govern all business operations. Veris is committed to providing quality work to a quality standard which achieves high levels of client satisfaction.

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



FY22 TRIFR

13.06

FY22 LTIF

1,028,864 hrs





# Financial Reports

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# Directors' Report

For the year ended 30 June 2022

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 2022.

## Information on Directors

Directors of the Company during the financial year ended 30 June 2022 and up to the date of this report are as follows:

Name	Role	Period of Directorship
Karl Paganin	Independent Non-Executive Chairman Non-Executive Director	Appointed 25 November 2019 Appointed 19 October 2015
Brian Elton	Non-Executive Director	Appointed 21 November 2019
Adam Lamond	Non-Executive Director	Appointed 1 December 2020 Resigned 1 June 2022
David Murray	Independent Non-Executive Director	Appointed 1 June 2021
Tracey Gosling	Independent Non-Executive Director	Appointed 1 April 2022
Michael Shirley	Managing Director	Appointed 1 June 2022

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 20 years' senior experience in investment banking. He specialises in transaction structuring, equity capital markets, mergers and acquisitions and strategic management advice to ASX listed companies. He has also been and continues to be a non-executive director of various ASX listed companies.

Mr Paganin practised with major national law firms and was then appointed as Senior Legal Counsel for the family company of the Holmes a Court family, Heytesbury Holdings Pty Ltd, 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. In 2010, he established and was Managing Director of GMP Australia Pty Ltd, an affiliate of a Canadian resources focused 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.

Mr Paganin was also a founding director of Spectrum Space (formally Autism West) a not-for-profit charity focusing on providing opportunities for adolescents on the Autism Spectrum.

#### ***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***

19,189,350 fully paid ordinary shares

# Directors' Report

For the year ended 30 June 2022

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## 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 Elton Consulting 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 developing successful professional services businesses, and an 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.

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, having founded Elton Consulting over 30 years ago.

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 Health, Safety, Environment and Quality Committee

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

EMFOX Pty Ltd (July 2021 – current)

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

38,786,018 fully paid ordinary shares

### **Adam Lamond – Non-Executive Director (Resigned 1 June 2022)**

#### ***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 Health, Safety, Environment and Quality Committee (Resigned 1 June 2022)

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

48,591,815 fully paid ordinary shares

# Directors' Report

For the year ended 30 June 2022

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## 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***

3,200,000 fully paid ordinary shares

### **Tracey Gosling - Independent Non-Executive Director (Appointed 1 April 2022)**

#### ***Experience***

Ms Gosling is an accomplished and adaptive senior leader with deep experience in formulating and refining growth plans centred on the transformation and commercialisation of digital strategies. Ms Gosling has broad executive experience across a range of sectors including IT, telecommunications, transport, and professional services.

Ms Gosling has served previously on the Geoscape Board and Investment Committee for two and a half years. Ms Gosling is also a member of the Australian Institute of Company Directors GAICD and has previously served in a range of roles in the Government sector across Australia.

#### ***Special Responsibilities***

None

#### ***Other Company Directorships in last three years***

Gosling Innovation Group (2016 – current)

Night Sky Pty Ltd (2021 – current)

Geoscape Australia (2018 - 2021)

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

Nil

# Directors' Report

For the year ended 30 June 2022

## Information on Directors (continued)

### Dr Michael Shirley – Managing Director (Appointed 1 June 2022)

#### Experience

Dr Michael Shirley has over 30 years of industry experience, leading and engaging complex teams whilst delivering business growth and strong commercial outcomes.

Dr Shirley has worked across the natural resources, environment, water, buildings and infrastructure sectors across Australia and globally.

Dr Shirley has held senior executive roles for leading organisations including Sinclair Knight Merz, Jacobs and most recently Aurecon where he was the Managing Director Clients. Michael has a demonstrated track record of strategic and operational leadership, delivering outstanding long-term business growth.

#### Special Responsibilities

Chairman of the Health, Safety, Environment and Quality Committee (Appointed 15 May 2020)

Member of the Remuneration and Nomination Committee (Appointed 30 June 2021)

#### Interests in Shares of Veris Limited

4,573,353 fully paid ordinary shares

## Information on Company Secretary

### Steven Harding – Chief Financial Officer and 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 having held senior positions in a number of mid-cap focussed investment banks.

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 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	13	13	4	4	3	3	*	*
Michael Shirley	1	1	*	*	0	0	1	1
Brian Elton	13	13	*	*	3	3	4	4
David Murray	13	13	4	4	*	*	*	*
Tracey Gosling	3	3	*	*	*	*	*	*
Adam Lamond	11	12	*	*	*	*	3	3

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

# Directors' Report

For the year ended 30 June 2022

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## Dividends

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

## Principal Activities

Veris Limited is the holding company listed on the ASX under the code VRS. Veris Australia Pty Ltd ("Veris Australia") is the operating subsidiary of the Company.

Veris Australia is Australia's leading provider of spatial data services to both private and public sector clients. 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.

Veris Australia's diverse geographical spread includes offices and extensive operations in Victoria, New South Wales, Australian Capital Territory, Tasmania, Queensland, South Australia and Western Australia. Its presence, in both the major metropolitan areas and regional centres of all States and Territories, enables clients to benefit from this local presence and national reach. It operates in the following sectors throughout Australia:

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

For eight months of the financial year (1 July 2021 to 28 February 2022), Aqura Technologies Pty Ltd also operated as a wholly owned subsidiary of Veris Ltd. Aqura Technologies Pty Ltd was divested on 28 February 2022 and ceased being a member of the Veris Group at that date.

## **Significant Changes**

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

- Veris Limited completed the settlement of a share sale agreement with Telstra Purple Pty Ltd, a wholly owned subsidiary of Telstra Corporation Ltd (ASX: TLS), under which Telstra Purple has acquired 100% of the shares in Aqura Technologies Pty Ltd ("Aqura") on 28 February 2022 for an enterprise value of \$30 million.
- During the year, two new Directors were appointed to the Board of Veris Ltd:
  - \_ Ms Tracey Gosling was appointed as Independent Non-Executive Director as at 1 April 2022; and
  - \_ Dr Michael Shirley, the CEO of Veris Australia Pty Ltd, was appointed as Managing Director of Veris Limited, and joined the Board of Veris Ltd as at 1 June 2022. Dr Shirley retains his role as Chief Executive Officer of Veris Australia.
- The appointment of Dr Shirley coincided with the retirement from the Board of Directors of Mr Adam Lamond as a Non-Executive Director on 1 June 2022.
- Veris Australia was successfully awarded significant new contracts across our national platform incorporating the delivery of a range of our specialised services including:
  - \_ The Sydney Metro West Contract in NSW for the delivery of subsurface and utility investigations as part of the Central Tunnelling Package;
  - \_ The Iron Bridge Magnetite Project in WA for the delivery of survey, pipeline design, data analysis and GIS support;

# Directors' Report

For the year ended 30 June 2022

## Principal Activities (continued)

- \_ Beaudesert Water Supply Upgrade Project in Queensland for the delivery of survey set-out, machine control modelling, asset design and construct analysis;
  - \_ M6 Motorway Project in Sydney for the delivery of project support services in partnership with Veris' alliance partner, Wumara Group; and
  - \_ Northern Goldfields Pipeline Infrastructure Project in regional WA involving the delivery of drafting, GIS, survey, locating and data management services.
- In July 2021 the Company acquired a 49% interest in EMFOX Pty Ltd trading as Wumara Group, a majority Indigenous owned land and construction surveying company.
  - Veris Limited announced on 8 June 2022 that it intends to implement an on-market share buy-back for up to 10% of the Company's fully paid ordinary shares on issue.

## Operating and Financial Review

The 2022 financial year saw a simplification of the Group's operating structure following the sale of the Aqura Technologies business in February 2022. The divestment of Aqura Technologies leaves Veris Australia as Veris' sole operating subsidiary, the results of which are presented as the continuing operations of the Group in the table below.

In FY22, Veris Australia experienced a continuation of the challenging and uncertain operating environment first experienced the year prior as a result of the COVID global pandemic. Despite the challenges of the COVID pandemic, tight labour market, supply chain constraints and broader inflationary pressures, Veris Australia's operating model continued to evolve and has continued to demonstrate a significant turnaround in business performance and trajectory.

For the year ended:	30 Jun 2022 \$000	30 Jun 2021 \$000
<b>Continuing operations</b>		Restated <sup>(i)</sup>
Revenue	92,366	77,442
Statutory profit / (loss) after tax	510	(2,296)
Add back:		
Tax (benefit) / expense	(405)	(96)
Net finance expense	1,234	1,659
Restructuring costs	215	228
Share-based payment	8	111
Acquisition costs	4	12
Adjusted EBIT profit / (loss)	1,566	(382)
Depreciation and amortisation	8,441	7,794
<b>Adjusted EBITDA from continuing operations<sup>(ii)</sup></b>	<b>10,007</b>	<b>7,412</b>
<b>Discontinued operations</b>		
Discontinued operations (loss) / profit net of tax	(2,230)	916
Gain on disposal of subsidiary	22,770	-
<b>Net profit from discontinued operations, net of tax</b>	<b>20,540</b>	<b>916</b>
<b>Key Balance Sheet Metrics</b>		
Net Assets	28,587	7,512
Working Capital <sup>(iii)</sup>	16,280	(6,367)

(i) The comparative information has been restated due to a discontinued operation. Refer Note 2.

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

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

# Directors' Report

For the year ended 30 June 2022

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## Operating and Financial Review (continued)

The Group recorded revenue of \$92.4 million (FY21: \$77.4 million) from continuing operations, representing a 19% increase in revenue over the prior year.

This result was achieved despite the first half of the year being characterised by enduring COVID-related lockdowns in two of Veris' largest markets of Victoria and Sydney. These were coupled with widespread national border closures impacting the Group's ability to mobilise staff and high value equipment to service key clients and project opportunities. These challenges continued through the third quarter. Whilst the border restrictions eased during the 3rd quarter, the ensuing spread of COVID throughout communities across Australia resulted in high volumes of staff unavailability and project site access restrictions due to the implementation of COVID health and safety protocols during the 4th quarter. In addition to the ongoing challenges of COVID, Veris has also faced continuing labour shortages of key skilled personnel as well as inflationary pressures and significant weather events across the eastern seaboard.

Despite these challenging operating conditions, Veris Australia experienced a strong increase in revenue across the financial year, with \$49.2 million delivered in the second half of FY22, representing an increase of 14.5% on the 6 months ended 31 December 2021. Encouragingly, we saw the step up in our financial performance in the second half of the year as some of the COVID challenges started to ease.

The Group achieved EBITDA of \$10.0 million in FY22 from the continuing operations of Veris Australia, reflecting growth of 35%, up from \$7.4 million in FY21. The Group reported a statutory net profit after tax of \$21.0 million, reflecting the impact of the net gain on sale of the Aqura Technologies division of \$22.8 million. The net proceeds on sale of Aqura Technologies have strengthened the working capital position of the Group and enabled the extinguishment of the Group's long-term corporate debt facility with the CBA. The strengthened capital position has enabled the Group to revisit a number of longer-term supply arrangements and restructure these to deliver more favourable terms to Veris Australia which the Group expects will deliver cost and operating efficiencies.

The increase in adjusted EBITDA resulted from continued execution of operational improvement strategies implemented by the new management team in Veris Australia. These strategies focused on increased project management discipline as well as a continuation of cost rationalisation strategies implemented in the prior year.

Whilst adjusted EBITDA included \$1.0 million of the NSW State Government's JobSaver wage cost offset, Veris management consider that the enduring costs and impacts throughout the first half of FY22 of various COVID related operating impacts (e.g. extended lockdowns throughout Victoria and NSW, border closures, inability to mobilise key staff and management to service projects and conduct business development activities, inefficiencies in mobilising high value technical equipment) resulted in cost inefficiencies and revenue opportunities foregone that more than offset any benefit that may have been obtained via the NSW Government's JobSaver short-term offset.

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 FY23 and beyond. This program of investment was undertaken whilst also continuing a focussed operating cost rationalisation strategy.

In FY22 Veris Australia incurred restructuring costs associated with ongoing headcount reductions as continued operational efficiencies were identified following the Operational Review in FY21.

The strengthened balance sheet arising from the completion of the sale of Aqura Technologies and continued operational focus generating positive operational cash flows enabled Veris to fully repay the CBA term bank debt during the year.

# Directors' Report

For the year ended 30 June 2022

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## Operating and Financial Review (continued)

Net assets increased on prior year primarily as a result of the sale of the Aqura Technologies business in February 2022 and the operating profit generated by Veris Australia.

The working capital position of the Group improved significantly from a deficiency of \$6.4 million at 30 June 2021 to a positive balance of \$16.3 million at 30 June 2022, as a result of:

- Increased cash balance following the settlement of the proceeds on sale resulting from the sale of the Aqura Technologies business in February 2022;
- The repayment and extinguishment of the outstanding \$4.7 million balance of the CBA Cash Advance Facility which was classified as a current liability at 30 June 2021; offset by
- The increase in Trade and Other Receivables and Contract Asset balances associated with the increased level of project related activity in the second half of the financial year.

### COVID Impacts

The performance of the business in FY22 was heavily impacted by the various State-based rolling lockdowns and restrictions as COVID once again significantly impacted the community, particularly in the first half of the financial year.

These severely impacted the momentum the business had been building in our Victorian and New South Wales operations as both State governments implemented enduring restrictions to mitigate the spread of COVID across the community. Extended lockdowns in two of our largest big markets caused significant reductions and deferrals in workload along with reduced efficiencies in the delivery of the work.

Additionally, the continued travel restrictions within and between states in the first half of the financial year impacted the ability of the business to grow revenue. Key staff and equipment resources were unable to be readily deployed as new project opportunities presented.

Additionally, margins in the first half were impacted by the Group's proactive decision to retain our key skilled workforce despite the considerable additional staffing costs that this entailed. The Group's view was that as COVID lockdowns and restrictions eased with the increasing take-up of vaccines within the community, the return of economic activity will result in stronger demand for Veris' specialist services and skills. This decision was vindicated in the second half of the year as the industry, and Australian economy at large, faced a skills shortage and increasing costs of attracting specialist employees to cater for the increased workloads.

During these challenging times, the continued focus of the Group was the safety and engagement of the Veris workforce. Veris' key objective was to, ensure the retention of our skilled resources to ensure the available capacity to respond quickly as the markets opened up once vaccination rates increased.

Importantly, as the second half of the year progressed, Veris Australia experienced strong growth in our project pipeline and secured backlog of projects to complete. Many of these projects had been deferred during the extended lockdown periods and the broader skilled labour shortages vindicated our focus on retaining our key staff during the first half of the financial year.

### Accelerating the pivot towards a spatial data business

Throughout FY22, Veris Australia significantly accelerated its pivot towards becoming a leading spatial data business by further investing in its Digital and 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 and 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.

# Directors' Report

For the year ended 30 June 2022

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## Operating and Financial Review (continued)

### Accelerating the pivot towards a spatial data business (continued)

As part of this acceleration, further investment was made across FY22 in 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.

A key platform in Veris' Digital and Spatial strategy offering involves the capability inherent in our web-based visualisation platform that delivers an end-to-end solution for clients that not only includes data collection and capture but also data hosting, sharing, modelling, analysis and insights. The ability to provide a leading technological offering coupled with industry leading insights and ongoing data access is key to the delivery of our strategy.

Veris Australia has continued to invest in additional specialist skill sets, including the expansion of our GIS service offering nationally, and additional Digital and Spatial leadership and technical skillsets, including data analysts developing bespoke artificial intelligence based tools across our 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. FY22 saw continued year-on-year growth in the usage of Veris' GIS portal, Vantage, which continues to support our large property clients and facilitate the delivery of large greenfield estates.

The investment in Digital and Spatial capability has already delivered a strong return, with an improvement in margin and revenue growth across the Digital and Spatial business line in FY22. The business is delivering value from data for its clients, by providing high value spatial data solutions. Our internal development of applied Artificial Intelligence (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.

### Outlook

Whilst the COVID pandemic continues to present challenges to the economy, record levels of investment in infrastructure and defence, continued strong market conditions for property, growth in the mining and resources sector, and an increasing industry requirement for Digital and Spatial data solutions will position Veris Australia well into the future.

Despite interest rates recently increasing towards longer term averages, underlying market conditions in residential property markets remain strong as continued demand for vibrant and liveable communities provide an opportunity for Veris Australia to deliver key services underpinning the growth in Greenfields and Strata developments across Australia. As Australia experiences a return of inbound migration in coming periods, this is also expected to underpin healthy property markets.

As the Federal and State Governments continue to deliver on the range of infrastructure spending commitments in coming years, we are well positioned to capture significant infrastructure opportunities across major population centres and regional areas.

Defence remains 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. Following the recent Federal election in May 2022, the incoming Government has said that it supports the current level of funding.

# Directors' Report

For the year ended 30 June 2022

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## Operating and Financial Review (continued)

### Outlook (continued)

The mining and resources sector continues to experience strong levels of capital investment, particularly in Western Australia, driven by the ongoing strength in 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. Recent strength in coal, nickel and bauxite commodity prices underpin a positive outlook for regional Queensland operations.

The outlook for Veris Australia is buoyant, with many of its key market sectors currently experiencing high levels of investment and growth, as well as a continuation of the customer led drive for digital transformation to underpin the realisation of inherent efficiencies in the use of spatial data.

### Pipeline

Veris enters FY23 with a strong order book and pipeline. The secured forward workload is in excess of \$55m, to be executed over the next 12 months, which is 10% higher than the same time last year. Veris' unsecured project pipeline has continued to grow and now has a weighted value in excess of \$190 million over the next 24 months.

### Corporate Governance Principles and Recommendations

The Australian Securities Exchange (ASX) Corporate Governance Council sets out the best practice recommendations, including corporate governance practices and suggested disclosures, through the ASX Corporate Governance Principles and Recommendations (the ASX Recommendations). ASX Listing Rules 4.10.3 requires companies to disclose the extent to which they have complied with the ASX Recommendations and to give reasons for not following them.

The Veris Board endorses the ASX Recommendations which have been adopted by the Company for the year ended 30 June 2022, unless otherwise indicated. Please see the Company's Appendix 4G and accompanying Corporate Governance Statement which is released on the ASX platform annually for further information. The Company also has a Corporate Governance section on its website; [www.veris.com.au](http://www.veris.com.au) which includes the relevant documentation suggested for disclosure by the ASX Recommendations.

## 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 Pandemic

The COVID 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 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.

# Directors' Report

For the year ended 30 June 2022

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## Risks (continued)

### **Project Delivery Risk (continued)**

The Group maintains a range of review processes, insurance policies and risk mitigation programs designed to closely monitor progress and services and outputs delivered. Sub-optimal project execution can put pressure on earnings, cashflow and the ability to fund growth. We are focused on ensuring execution of work to a high standard and improving our operations to increase our value proposition to clients.

### **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.

### **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. Veris is exposed to increased labour costs in markets where the demand for skilled labour is strong. Veris utilises a comprehensive framework to conduct reward/ remuneration and succession planning which includes talent development as well as annual salary benchmarking.

### **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.

# Directors' Report

For the year ended 30 June 2022

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## Risks (continued)

### 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's strategy, as well as changing market conditions, business environment and innovations.

### Cyber Security and Data Protection 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. The growing volume and complexity of cyber-attacks is increasing the risk to Veris' networks and operating protocols. Veris continues to invest in systems and infrastructure to protect our assets. This includes information security management systems, anti-malware and response detection software, multi-factor authentication, security education and awareness materials and ensuring business resilience plannings for cyber related scenarios. Veris continues to evolve the design and implementation of its cyber and data risk management framework 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 and 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 implemented operation and enterprise risk assessment frameworks and protocols to clearly identify and manage potential risks.

## Significant Events After Period End

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

On 27 July 2022, Veris Limited announced that it had completed the first tranche of share buy-back for 750,000 ordinary fully paid shares at \$0.0705 per share. This is following the announcement on 8 June 2022 that Veris Limited intends to implement an on-market share buy-back for up to 10% of the Company's fully paid ordinary shares on issue (approximately 52.3 million shares) over the upcoming 12-month period between 24 June 2022 to 8 June 2023.

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

Whilst the Board and management remain vigilant in monitoring COVID and its impact on the core markets in which Veris Australia operates, we expect opportunities to continue to present themselves over FY23 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. Veris Australia is well positioned to benefit from any increased or accelerated infrastructure spend and enters FY23 with approximately \$55 million of work in hand and a strong tender pipeline.

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited

The Directors are pleased to present your Company's 2022 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 ten 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 2021 Annual General Meeting; g) Contractual arrangements; h) Details of remuneration; i) Analysis of bonuses included in remuneration; and j) Equity instrument disclosure relating to key management personnel.

### a) Directors 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, appointed 25 November 2019
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, resigned
Tracey Gosling	Non-Executive Director	Independent, appointed 1 April 2022
Executive Director		
Michael Shirley	Managing Director	Appointed 1 June 2022
Executive KMP		
Michael Shirley	Chief Executive Officer	Appointed 29 October 2019
Steven Harding	Chief Financial Officer	Appointed 2 April 2020
	Company Secretary	Appointed 27 November 2020
Steve Pearson	Chief Commercial Officer	Appointed 30 March 2020, KMP effective 1 March 2022
Travis Young	Chief Executive Officer – Aqura Technologies	Ceased 28 February 2022

### 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.

#### **Remuneration and 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.

# Directors' Report

For the year ended 30 June 2022

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## Remuneration Report – Audited (continued)

### **b) Remuneration policy (continued)**

#### ***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. As at 1 April 2022, the Non-Executive Directors remuneration was restructured such that the Chairman salary was reduced from \$125,744 to \$115,000 and the Non-Executive Director remuneration was reduced from \$77,305 to \$70,000.

The Company has entered into service agreements with its current Non-Executive Directors; refer details of the contractual arrangements on page 16 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 Australia in creating long term shareholder value and is fit for purpose for the phase of the company's life cycle.

#### ***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 vested during the reporting period (FY22) into fully paid ordinary shares following two years continued employment (2-year retention) and achieving an increase in the Veris Australia EBITDA margin by 40% or greater during this period.

#### ***FY21 Incentive Plan***

Veris Australia has a national footprint and over 550 staff. Veris Australia has implemented a new operating model which is crucial to ensure success of the Company. Veris implemented an Incentive Plan during the period ending 30 June 2021. The primary objectives of this Incentive Plan was 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 allowed 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 one year post issue.

No payments, in either cash or equity, were made pursuant to the FY21 Incentive Plan.

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited (continued)

### b) Remuneration policy (continued)

#### ***FY22 Incentive Plan***

The FY22 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 element will be issued by way of performance rights, which will vest depending on continued employment for one 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		2022	2021 Restated	2020	2019	2018
LTI	Closing Share Price (\$)	0.063	0.074	0.036	0.047	0.24
	EPS (cents)	4.04	(0.33)	(6.14)	(11.29)	(0.39)
STI	Profit / (Loss) from Continuing Operations (\$'000)	105	(2,392)	(23,210)	(40,643)	(1,056)
	Adjusted EBITDA	10,007	8,328	1,860	4,100	11,189
	Average % of Maximum STI awarded to Executives (i) (%)	-	-	-	-	29%
	Dividends paid (\$'000)	-	-	-	1,770	1,636

(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.

#### ***(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	100%	1,000,000	-	-	2022	-
		1,000,000							

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited (continued)

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

#### (iv) Vesting and exercise of performance rights granted as remuneration

##### *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 vested during the reporting period (FY22) into fully paid ordinary shares following two years continued employment (2-year retention) and achieving an increase in the Veris Australia EBITDA margin by 40% or greater during this period.

### f) Voting and comments made at the Company's 2021 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2021 was put to the shareholders of the Company at the Annual General Meeting held 20 October 2021. The Company received 98.74% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2021 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 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 + superannuation	Termination
Karl Paganin <sup>(A)</sup>	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.	\$115,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth).
Brian Elton <sup>(B)</sup>	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.	\$70,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth).
David Murray <sup>(B)</sup>	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.	\$70,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth).
Tracey Gosling	Ms Gosling was appointed on 1 April 2022 and will hold office until the next annual general meeting of the Company where she will be eligible for election as a Director and, if elected, will be subject to retirement by rotation under the company's constitution.	\$70,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth).

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited (continued)

### g) Contractual arrangements (continued)

Name	Term of agreement	Base Salary + superannuation	Termination
Michael Shirley (C) (D) & (E)	Until validly terminated in accordance with the terms of the Agreement. Dr Shirley was appointed a Director on 1 June 2022.	\$394,200	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice.
Steven Harding (C) (D) & (E)	Until validly terminated in accordance with the terms of the Agreement.	\$295,650	Termination by Company with reason – 1 months' notice 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.
Steve Pearson (C) (D) & (E)	Until validly terminated in accordance with the terms of the Agreement.	\$286,000	Termination by either party – 1 months' notice

(A) Base Salary plus Super of \$125,744 per annum until 31 March 2022. Base Salary plus Super was decreased to \$115,000 effective from 1 April 2022.

(B) Base Salary plus Super of \$77,305 per annum until 31 March 2022. Base Salary plus Super was decreased to \$70,000 effective from 1 April 2022.

(C) 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.

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

(E) 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.

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited (continued)

### h) Remuneration of Directors and Key Management Personnel of the group for the current and previous financial year

**Table 1: Remuneration for the year ended 30 June 2022**

	Short-term employment benefits			Post-employment benefits		Termination Benefits		Share-based Payments		Total	Proportion of remuneration performance related
	Salary & fees <sup>(A)</sup>	Incentive Cash bonus <sup>(B)</sup>	Non-monetary	Superannuation	Cash	Performance Rights	Performance Rights <sup>(C)</sup>		\$		
<b>Non-Executive Directors</b>											
Karl Paganin <sup>(D)</sup>	123,053	-	-	-	-	-	-	-	-	123,053	-
David Murray <sup>(E)</sup>	75,478	-	-	-	-	-	-	-	-	75,478	-
Brian Elton <sup>(E), (K)</sup>	71,707	-	-	7,170	-	-	-	-	-	78,877	-
Adam Lamond <sup>(E), (F)</sup>	69,645	-	-	-	-	-	-	-	-	69,645	-
Tracey Gosling	17,132	-	-	1,713	-	-	-	-	-	18,845	-
Sub total	357,015	-	-	8,883	-	-	-	-	-	365,898	-
<b>Executive Directors</b>											
Michael Shirley <sup>(C), (H), (K)</sup>	386,116	98,550	-	23,568	-	-	-	73,000	-	581,234	30%
Sub total	386,116	98,550	-	23,568	-	-	-	73,000	-	581,234	30%
<b>Other Executives</b>											
Travis Young <sup>(I)</sup>	252,153	906,000	-	21,606	-	-	-	-	-	1,179,759	77%
Steven Harding <sup>(K)</sup>	292,605	209,130	-	23,568	-	-	-	-	-	525,303	40%
Steve Pearson <sup>(J)</sup>	88,769	57,200	-	7,784	-	-	-	-	-	153,753	37%
Sub total	633,527	1,172,330	-	52,958	-	-	-	-	-	1,858,815	-
<b>Total Remuneration</b>	<b>1,376,658</b>	<b>1,270,880</b>	<b>-</b>	<b>85,409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,000</b>	<b>-</b>	<b>2,805,947</b>	<b>48%</b>

(A) Salary and fees include 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 2022.

(C) 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. These vested during the reporting period (FY22) into fully paid ordinary shares following two years continued employment (2-year retention) and achieving an increase in the Veris Australia EBITDA margin by 40% or greater.

(D) Base salary plus Super of \$125,744 to 31 March 2022. Base Salary plus Super decreased to \$115,000 from 1 April 2022.

(E) Base salary plus Super of \$77,305 to 31 March 2022. Base Salary plus Super decreased to \$70,000 from 1 April 2022.

(F) Adam Lamond resigned as a Non-Executive Director on 1 June 2022.

(G) Tracey Gosling was appointed as a Non-Executive Director on 1 April 2022.

(H) Michael Shirley was appointed as an Executive Director on 1 June 2022.

(I) Travis Young ceased to be Key Management Personnel (KMP) on 28 February 2022, following the disposal by the Group of Aquira Technologies Pty Ltd, where he held the position of CEO.

(J) Steve Pearson, Chief Commercial Officer, became Key Management Personnel on 1 March 2022, following the disposal by the Group of Aquira Technologies Pty Ltd.

(K) Salary based on 27 fortnightly pay periods in FY22.

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited (continued)

### h) Remuneration of Directors and Key Management Personnel of the group for the current and previous financial year (continued)

**Table 2: Remuneration for the year ended 30 June 2021**

	Short-term employee benefits		Post-employment benefits	Termination Benefits		Share-based Payments(D)	Total	Proportion of remuneration performance related
	Salary & fees <sup>(A)</sup>	Incentive Cash bonus <sup>(B)</sup>		Cash	Performance Rights <sup>(C)</sup>			
<b>Non-Executive Directors</b>								
Karl Paganin	125,738	-	-	-	-	-	125,738	-
Tom Lawrence	68,785	-	-	-	-	-	68,785	-
David Murray	6,442	-	-	-	-	-	6,442	-
Brian Elton	70,599	-	5,933	-	-	-	76,532	-
<b>Executive Directors</b>								
Adam Lamond <sup>(G)</sup>	152,433	-	9,441	-	-	-	161,874	-
Sub total	423,997	-	15,374	-	-	-	439,371	-
<b>Other Executives</b>								
Michael Shirley <sup>(E)</sup>	382,528	-	21,694	-	-	7,178	411,400	2%
Travis Young	241,762	-	23,107	-	-	12,827	277,696	5%
Steven Harding	273,090	-	21,694	-	-	2,692	297,476	1%
Lisa Wynne <sup>(C),(H)</sup>	46,628	-	9,798	4,263	-	-	133,047	-
Sub total	944,008	-	76,293	72,358	4,263	22,697	1,119,619	2%
<b>Total Remuneration</b>	<b>1,368,005</b>	<b>-</b>	<b>91,667</b>	<b>72,358</b>	<b>4,263</b>	<b>22,697</b>	<b>1,558,990</b>	<b>2%</b>

(A) Salary and fees include 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.

# Directors' Report

For the year ended 30 June 2022

## Remuneration Report – Audited (continued)

### i) Analysis of bonuses included in remuneration

During the period, the Company paid a discretionary bonus to certain key executives reflecting their contribution to the growth of the Aqura Technologies business to the time of divestment and their contribution to the settlement of the transaction. Other key executives were entitled to discretionary bonuses based on the performance of Veris Australia.

### j) Equity instrument disclosure relating to Directors and Key Management Personnel

*Analysis of movements in Performance Rights issued, held and transacted by Directors and Key Management Personnel*

KMP	# Held 1 July 2021	Granted in year	Grant Value	Grant Face Value	Number Vested in year	Number forfeited / lapsed in year	Number held at 30 June 2022
Michael Shirley	1,000,000	-	-	-	1,000,000	-	-

*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 30/06/2021	Movement	Balance at 30/06/2022	Balance at Date of this Report
<b>Directors</b>				
Karl Paganin	16,617,921	2,571,429	19,189,350	19,189,350
Adam Lamond <sup>(i)</sup>	48,591,815	(48,591,815)	-	-
David Murray	-	3,200,000	3,200,000	3,200,000
Brian Elton	37,918,161	809,288	38,727,449	38,786,018
Tracey Gosling <sup>(ii)</sup>	-	-	-	-
Michael Shirley <sup>(iii)</sup>	2,500,000	2,073,353	4,573,353	4,573,353
<b>KMP's</b>				
Travis Young <sup>(iv)</sup>	13,616,789	(13,616,789)	-	-
Steven Harding	1,250,000	90,943	1,340,943	1,340,943
Steve Pearson <sup>(v)</sup>	-	1,587,575	1,587,575	1,587,575
<b>Total</b>	<b>120,494,686</b>	<b>(51,876,016)</b>	<b>68,618,670</b>	<b>68,677,329</b>

(i) Adam Lamond resigned on 1 June 2022. The movement noted above reflects his cessation as a Director rather than a disposal of shares.

(ii) Tracey Gosling was appointed on 1 April 2022.

(iii) Michael Shirley was appointed on 1 June 2022.

(iv) Travis Young ceased to be key management personnel on 28 February 2022, following the disposal of Aqura Technologies Pty Ltd by the Group. The movement noted above reflects his cessation as a KMP rather than a disposal of shares.

(v) Steve Pearson became Key Management Personnel from 1 March 2022, following the disposal of Aqura Technologies Pty Ltd by the Group.

**THIS CONCLUDES THE AUDITED REMUNERATION REPORT**

# Directors' Report

For the year ended 30 June 2022

## Shares Under Option

As at 30 June 2022 there are no shares under option.

## Indemnification and Insurance of Officers

The Company has made an agreement indemnifying all the Directors and officers against all losses or liabilities incurred by each Director and officer in their capacity as Directors and officers of the Company to the extent permitted under the Corporations Act 2001. During the year the Company paid insurance premiums to insure Directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed. Therefore, the amounts relating to these premiums paid have not been disclosed in the remuneration report.

## 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	
	30 Jun 2022 \$000	30 Jun 2021 \$000
<b>Audit services:</b>		
Audit and review of the financial reports	250	295
Other assurance services	-	80
	<b>250</b>	<b>375</b>

## 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 or 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.

# Directors' Report

For the year ended 30 June 2022

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## 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.

## Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 82 and forms part of the Directors' report for the year ended 30 June 2022.

## 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 (4th 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 – 2022 Corporate Governance Statement.

Signed in accordance with a resolution of the Directors:



**Karl Paganin**

Chairman

Dated at Perth 29 August 2022

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$000	2021 \$000 Restated*
<b>Continuing operations</b>			
Revenue		92,366	77,442
Expenses	4	(91,027)	(78,175)
<b>Results from operating activities</b>		<b>1,339</b>	<b>(733)</b>
Finance income		15	21
Finance costs		(1,249)	(1,680)
<b>Net finance costs</b>		<b>(1,234)</b>	<b>(1,659)</b>
Share of profit of an associate	3	-	-
<b>Profit / (Loss) before income tax</b>		<b>105</b>	<b>(2,392)</b>
Income tax (expense) / benefit	15	405	96
<b>Profit / (Loss) from continuing operations</b>		<b>510</b>	<b>(2,296)</b>
<b>Discontinued operation</b>			
Profit from discontinued operations, net of tax	2	20,540	916
<b>Profit / (Loss) for the period</b>		<b>21,050</b>	<b>(1,380)</b>
<b>Total comprehensive profit / (loss) for the year</b>		<b>21,050</b>	<b>(1,380)</b>
<b>Earnings / (loss) per share</b>			
Basic profit / (loss) cents per share	5	4.04	(0.33)
Diluted profit / (loss) cents per share	5	4.04	(0.33)
<b>Earnings / (loss) per share – Continuing operations</b>			
Basic profit / (loss) cents per share	5	0.10	(0.54)
Diluted profit / (loss) cents per share	5	0.10	(0.54)

\* The comparative information has been re-presented due to a discontinued operation. Refer Note 2.

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

# Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 Jun 2022 \$000	30 Jun 2021 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	18,204	4,654
Trade and other receivables	10	15,737	13,930
Inventory		-	278
Contract assets	8	6,266	5,472
Other current assets		1,813	2,446
<b>Total current assets</b>		<b>42,020</b>	<b>26,780</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	7,169	7,384
Right of use assets	13	19,854	23,117
Intangible assets	14	-	997
Investments in an associate	3	200	-
Deferred tax asset	16	3,714	4,481
Other non-current assets		-	74
<b>Total non-current assets</b>		<b>30,937</b>	<b>36,053</b>
<b>Total assets</b>		<b>72,957</b>	<b>62,833</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	9,521	12,582
Bank borrowings	19	1,000	4,700
Lease liabilities	19	6,610	7,565
Employee benefits	12	8,609	7,766
Current tax liability		-	534
<b>Total current liabilities</b>		<b>25,740</b>	<b>33,147</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	16,534	20,138
Employee benefits	12	1,192	1,258
Provisions		904	778
<b>Total non-current liabilities</b>		<b>18,630</b>	<b>22,174</b>
<b>Total liabilities</b>		<b>44,370</b>	<b>55,321</b>
<b>Net assets</b>		<b>28,587</b>	<b>7,512</b>
<b>Equity</b>			
Share capital	20	51,670	51,652
Share based payment reserve	20	2,646	2,639
(Accumulated losses)	20	(25,729)	(46,779)
<b>Total equity</b>		<b>28,587</b>	<b>7,512</b>

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

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Share Capital \$000	Share Based Payment Reserve \$000	Accumulated Profit \$000	Total Equity \$000
<b>Balance at 1 July 2021</b>		51,652	2,639	(46,779)	7,512
<b>Total comprehensive income for the year</b>					
Profit for the year		-	-	21,050	21,050
<b>Total comprehensive profit for the year</b>		-	-	21,050	21,050
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Issue of ordinary shares (net of costs)	20	18	-	-	18
Share-based payment transactions		-	7	-	7
<b>Total transactions with owners of the Company</b>		18	7	-	25
<b>Balance at 30 June 2022</b>		<b>51,670</b>	<b>2,646</b>	<b>(25,729)</b>	<b>28,587</b>

	Note	Share Capital \$000	Share Based Payment Reserve \$000	Accumulated losses \$000	Total Equity \$000
<b>Balance at 1 July 2020</b>		44,127	2,528	(45,399)	1,256
<b>Total comprehensive income for the year</b>					
Loss for the year		-	-	(1,380)	(1,380)
<b>Total comprehensive loss for the year</b>		-	-	(1,380)	(1,380)
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Issue of ordinary shares (net of costs)	20	7,525	-	-	7,525
Share-based payment transactions		-	111	-	111
<b>Total transactions with owners of the Company</b>		7,525	111	-	7,636
<b>Balance at 30 June 2021</b>		<b>51,652</b>	<b>2,639</b>	<b>(46,779)</b>	<b>7,512</b>

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

# Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022* \$000	2021 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		112,287	102,291
Receipts from Government grants		1,551	6,774
Payments to suppliers and employees		(108,583)	(100,696)
Cash generated from operations		5,255	8,369
Interest paid		(1,253)	(1,677)
Interest received		15	21
<b>Net cash from operating activities</b>	18	<u>4,017</u>	<u>6,713</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		2,128	51
Purchase of property, plant and equipment		(4,557)	(2,315)
Acquisition of associate net of cash acquired		(180)	-
Disposal of subsidiaries net of costs		23,226	-
<b>Net cash (used in) investing activities</b>		<u>20,617</u>	<u>(2,264)</u>
<b>Cash flows from financing activities</b>			
Repayment of loan and borrowings		(4,700)	(2,248)
Repayment of lease liabilities		(7,384)	(7,011)
Proceeds from loans		1,000	-
Proceeds from equity raise		-	7,525
<b>Net cash used in financing activities</b>		<u>(11,084)</u>	<u>(1,734)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		13,550	2,715
Cash and cash equivalents at 1 July		4,654	1,939
<b>Cash and cash equivalents at 30 June</b>	17	<u><b>18,204</b></u>	<u><b>4,654</b></u>

\*Current year information includes Aqura Technologies (Discontinued Operation) for 8 months, refer to Note 2.

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

# Notes to the Consolidated Financial Statements

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## 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 41 Bishop Street, Jolimont WA 6014. The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprises the Company and its subsidiaries (together referred to as the “Group”). The Group is a professional service business delivering end to end spatial data solutions to its clients that includes data collection, analysis, interpretation as well as data hosting and access, modelling, sharing and insights for clients with large-scale data requirements in the infrastructure; property; energy, mining and resource; defence; agribusiness; tourism; leisure and government sectors throughout Australia.

### COVID Impact

The social, health and economic consequences of the COVID pandemic continue to evolve and have major impacts across the world. Since its declaration as a pandemic in March 2020, COVID 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 business
- 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 the NSW State Government JobSaver 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 29 August 2022.

# Notes to the Consolidated Financial Statements

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# 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 reportable segments and the services they provide are:

- **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** 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 Technologies was disposed as at 28 February 2022.

# Notes to the Consolidated Financial Statements

## Group Performance (continued)

### 1. OPERATING SEGMENTS (continued)

Information regarding the results of each reporting segment is detailed below for the year ended 30 June 2022

	Veris Australia (Continuing Operations)		Aqura Technologies (Discontinued Operations)		Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Revenues	92,393	77,473	16,210	22,121	108,603	99,595
Inter-segment revenues	(27)	(31)	-	(3)	(27)	(34)
External revenues	92,366	77,443	16,210	22,118	108,576	99,561
Adjusted EBITDA*	<b>10,007</b>	<b>7,414</b>	<b>(1,606)</b>	<b>1,555</b>	<b>8,400</b>	<b>8,969</b>
Depreciation	(8,441)	(7,794)	(225)	(338)	(8,666)	(8,132)
Amortisation	-	-	(77)	(68)	(77)	(68)
Net finance cost	(1,234)	(1,659)	(4)	3	(1,238)	(1,656)
Restructuring costs	(215)	(228)	2	(140)	(213)	(368)
Segment profit / loss before tax **	117	(2,267)	(1,910)	1,012	(1,794)	(1,255)
Corporate & unallocated:						
Unallocated amounts (including corporate expenses)	(8)	-	-	-	(8)	(113)
Acquisition related (cost) / income	(4)	-	-	-	(4)	(12)
Profit on sale of subsidiary***	-	-	22,770	-	22,770	-
Consolidated profit / (loss) before tax	105	(2,267)	20,860	(1,012)	<b>20,965</b>	<b>(1,380)</b>
Assets						
Total assets for reportable segments	70,333	47,113	-	7,056	70,333	54,169
Other unallocated amounts ****	-	-	-	-	2,624	8,664
Consolidated total assets	-	-	-	-	<b>72,957</b>	<b>62,833</b>
Capital expenditure	4,207	1,293	-	1,022	4,207	2,315
Liabilities						
Total liabilities for reportable segments	(43,829)	(41,198)	-	(4,523)	(43,829)	(45,721)
Other unallocated amounts ****	-	-	-	-	(541)	(9,600)
Consolidated total liabilities	-	-	-	-	<b>(44,370)</b>	<b>(55,321)</b>

\*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 NSW JobSaver benefit of \$1,022,000 relating to Veris Australia (FY21: JobKeeper benefit of \$4,479,000 for Veris Australia and \$681,000 Aqura Technologies respectively)

\*\*\* Refer to Note 2

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

# Notes to the Consolidated Financial Statements

## 1. OPERATING SEGMENTS (CONTINUED)

During the year there were no major customers of the Group, individually representing more than 10% of total Group revenue (2021: none).

## 2. DISCONTINUED OPERATIONS

On 31 January 2022, the Company announced it had entered into a conditional Share Sale Agreement to divest 100% of its ownership in Aqura Technologies Pty Ltd to Telstra Purple, a 100% owned subsidiary of Telstra Group Ltd. The sale of Aqura Technologies Pty Ltd was completed on 28 February 2022 for cash consideration of \$27,482,000, resulting in a pre-tax gain of \$22,770,000. Accordingly, the assets and the business of Aqura Technologies Pty Ltd are presented as a discontinued operation in accordance with AASB 5 at 30 June 2022. The results of Aqura Technologies Pty Ltd for the period are presented below:

	<b>2022*</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
<b>Results of Discontinued Operations</b>		
Revenue	16,210	22,118
Expenses	(17,816)	(20,563)
Results from discontinued operating activities	(1,606)	1,555
Depreciation	(225)	(338)
Amortisation	(77)	(68)
Restructuring income / (costs)	2	(140)
Net finance (costs) / income	(4)	3
<b>(Loss) / Profit from operating activities</b>	<b>(1,910)</b>	<b>1,012</b>
Income tax (expense) / benefit on operating activities	(320)	(96)
<b>Profit (loss) from operating activities, net of tax</b>	<b>(2,230)</b>	<b>916</b>
Profit on sale of discontinued operation	22,770	-
<b>Profit (loss) from discontinued operations for the period, net of tax</b>	<b>20,540</b>	<b>916</b>
<b>Earnings (loss) per Share</b>		
Basic earnings cents per share	3.95	(0.22)
Diluted earnings cents per share	3.95	(0.22)
<b>Cash flows from/(used in) discontinued operations</b>		
Net cash flows from (used in) operating activities	(604)	862
Net cash flows from (used in) investing activities	-	(1,085)
Net cash flows from (used in) financing activities	(66)	70
Net cash inflow/(outflow)	<b>(670)</b>	<b>(153)</b>

\*Represents eight months of activity prior to the sale on 28 February 2022.

# Notes to the Consolidated Financial Statements

## 2. DISCONTINUED OPERATIONS (CONTINUED)

### Effect of disposal on the financial position of the Group

	<b>2022</b> <b>\$000</b>
Trade & other receivables	(2,445)
Contract assets	(820)
Other current assets	(18)
Property, plant & equipment	(327)
Intangibles	(1,302)
Cash and cash equivalents	(3)
Deferred tax assets	(320)
Trade & other payables	3,494
Loans and borrowings	102
Employee benefits	1,180
<b>Net assets and liabilities</b>	<b>(459)</b>
Cash consideration	27,482
Less related costs of sale	(4,253)
<b>Profit on sale of subsidiary (pre-tax)</b>	<b>(22,770)</b>
<b>Consideration received, satisfied in cash</b>	<b>27,482</b>
<b>Cash and cash equivalents disposed of</b>	<b>(3)</b>

## 3. INVESTMENT IN ASSOCIATE

On 9 July 2021, the Company acquired 49% interest in EMFOX Pty Ltd t/a Wumara Group, which is a majority Indigenous owned land and construction surveying company. The Group's interest in EMFOX Pty Ltd is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in EMFOX Pty Ltd:

	<b>2022</b> <b>\$000</b>
Equity	
Group's share in equity – 49% (2021: nil%)	200
<b>Group's carrying amount of the investment</b>	<b>200</b>

# Notes to the Consolidated Financial Statements

## 4. EXPENSES

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
		Restated*
Employment expenses	68,428	60,402
Government grants *	(1,022)	(4,479)
Subcontractor costs and materials	7,906	5,944
IT expenses	3,028	2,514
Insurance expenses	1,422	1,302
Other expenses	2,824	4,692
Total employment and other expenses	<u>82,586</u>	<u>70,381</u>
Depreciation	8,441	7,794
Total depreciation and amortisation	<u>8,441</u>	<u>7,794</u>
<b>Total expenses</b>	<b><u>91,027</u></b>	<b><u>78,175</u></b>

\* Government grants relates to the NSW JobSaver payment scheme \$1,022,000 (FY21: \$4,479,000 JobKeeper benefit Veris Australia)

## 5. EARNINGS / LOSS PER SHARE

	<b>2022</b>	<b>2021</b>
		Restated*
Earnings / (losses) used to calculate basic EPS (\$000)	21,050	(1,380)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	520,464,692	422,004,956
Basic earnings / (losses) per share (cents per share)	<u>4.04</u>	<u>(0.33)</u>
<b>Continuing operations</b>		
Earnings / (losses) used to calculate basic EPS (\$000)	510	(2,296)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	520,464,692	422,004,956
Basic earnings / (losses) per share (cents per share)	<u>0.10</u>	<u>(0.54)</u>

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 22). There is no material impact on basic EPS arising from dilutive potential shares.

## 6. SUBSEQUENT EVENTS

In the interval between the end of the financial year and the date of this report, on 27 July 2022, the Group announced that it had completed the first tranche of an on-market share buyback for 750,000 ordinary fully paid shares at \$0.0705 per share. This followed the announcement on 8 June 2022 that Veris Limited intends to implement an on-market share buy-back for up to 10% of the Company's fully paid ordinary shares on issue (approximately 52.3 million shares) over the period between 24 June 2022 to 8 June 2023.

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.

# Notes to the Consolidated Financial Statements

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## **7. 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 pandemic has increased estimation uncertainty in the preparation of the consolidated financial statements. At 30 June 2022, 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.

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***

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

Management forecasts are based on assumptions which include the conversion of a pipeline of project work, factoring in some growth in project activity above activity levels recorded in the twelve months to 30 June 2022. Management has also assumed recovered revenue rates materially consistent with existing contracts. These forecasts also take into consideration the experience to date of the impact of COVID on market activity levels, including government stimulus activities for the property and infrastructure sectors and the implemented cost management strategies and consider these to be appropriate based on available information.

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. 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.

# Notes to the Consolidated Financial Statements

## 8. FINANCIAL INSTRUMENTS

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

	2022		2021	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
	\$000	\$000	\$000	\$000
Lease liabilities	(23,144)	(23,144)	(27,703)	(27,703)
Cash advance facility	-	-	(4,700)	(4,700)
Loan	(1,000)	(1,000)	-	-

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 and 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 on next page.

# Notes to the Consolidated Financial Statements

## 8. FINANCIAL INSTRUMENTS (CONTINUED)

### *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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents	18,204	4,654
Trade and other receivables	15,737	13,930
Contract assets	6,266	5,472
	<b>40,207</b>	<b>24,056</b>

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.

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

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Current (not past due)	11,103	10,653
Past due 1 – 30 days	4,215	3,076
Past due 31 – 60 days	517	565
Past due 61 – 90 days	355	143
Past due 90 days	55	208
Provision for impairment	(508)	(715)
Total	<b>15,737</b>	<b>13,930</b>

# Notes to the Consolidated Financial Statements

## 8. FINANCIAL INSTRUMENTS (CONTINUED)

### Expected credit loss (continued)

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 \$40,207,000 (2021: \$24,056,000) for Australia. The allowance for impairment for trade and other receivables for 2022 amounted to \$508,000 (2021: \$715,000). 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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Balance 1 July under AASB 9	715	625
Impairment loss reversed	(207)	-
Impairment loss provided	-	90
Total	<b>508</b>	<b>715</b>

### 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.

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

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

#### 2022

<b>Non-derivative financial liabilities</b>	<b>Carrying Amount \$000</b>	<b>Contractual Cash Flows \$000</b>	<b>6 Months or less \$000</b>	<b>6 – 12 Months \$000</b>	<b>1 – 2 Years \$000</b>	<b>2 – 5 Years \$000</b>	<b>&gt;5 Years \$000</b>
Lease liabilities	23,144	25,802	3,752	3,752	7,504	8,718	2,077
Trade and other payables	9,520	9,520	9,520	-	-	-	-
Loan	1,000	1,000	1,000	-	-	-	-
	<b>33,664</b>	<b>36,322</b>	<b>14,272</b>	<b>3,752</b>	<b>7,504</b>	<b>8,718</b>	<b>2,077</b>

#### 2021

<b>Non-derivative financial liabilities</b>	<b>Carrying Amount \$000</b>	<b>Contractual Cash Flows \$000</b>	<b>6 Months or less \$000</b>	<b>6 – 12 Months \$000</b>	<b>1 – 2 Years \$000</b>	<b>2 – 5 Years \$000</b>	<b>&gt;5 Years \$000</b>
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	-	-	-	-
	<b>44,985</b>	<b>48,091</b>	<b>21,064</b>	<b>3,783</b>	<b>7,565</b>	<b>14,613</b>	<b>1,066</b>

# Notes to the Consolidated Financial Statements

## 8. FINANCIAL INSTRUMENTS (CONTINUED)

### **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 3.88% for loans and borrowings (2021: 2.83%) detailed in note 19.

Interest sensitivity is calculated for a 1% change below:

	2022		2021	
	+1%	-1%	+1%	-1%
Consolidated Group	\$000	\$000	\$000	\$000
Cash and cash equivalents	(182)	182	47	(47)
Lease liabilities	231	(231)	277	(277)
Bank borrowings	10	(10)	47	(47)
	59	(59)	371	(371)

### **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.

## 9. 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.

Following the sale of Aqura Technologies to Telstra Purple in February 2022, the completion accounts have yet to be agreed by both parties. Subsequent to year-end and in line with the terms of the Share Sale Agreement, both parties have entered into a mediation process in order to resolve their differences.

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 2022 no individually significant matters exist where the Group estimates a more than remote likelihood of economic outflow.

# Notes to the Consolidated Financial Statements

## 10. TRADE AND OTHER RECEIVABLES

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Trade receivables	15,737	13,930
	<u>15,737</u>	<u>13,930</u>

The Group's exposure to credit and currency risk is disclosed in note 8. Payment terms are typically 30 days.

## 11. TRADE AND OTHER PAYABLES

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Trade and other payables	9,521	12,582
	<u>9,521</u>	<u>12,582</u>

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 8.

## 12. EMPLOYEE BENEFITS

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Annual leave	4,346	4,454
Long service leave	2,491	2,477
Superannuation	661	665
Other employee provisions	1,111	170
	<u>8,609</u>	<u>7,766</u>
<b>Non-current</b>		
Long service leave	1,192	1,258
	<u>1,192</u>	<u>1,258</u>

## 13 PROPERTY, PLANT AND EQUIPMENT

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Leasehold Improvements at cost	1,190	1,150
Less: accumulated depreciation	(1,016)	(835)
Carrying value of leasehold improvements	<u>174</u>	<u>315</u>
Plant and equipment at cost	34,663	30,997
Less: accumulated depreciation	(23,949)	(20,216)
Carrying value of plant and equipment <sup>(i)</sup>	<u>10,714</u>	<u>10,781</u>
Motor vehicles at cost	8,666	7,880
Less: accumulated depreciation	(6,165)	(4,739)
Carrying value of motor vehicles <sup>(ii)</sup>	<u>2,501</u>	<u>3,141</u>
Property at cost	23,410	22,714
Less: accumulated depreciation	(9,776)	(6,450)
Carrying value of property	<u>13,634</u>	<u>16,264</u>
Total written down value	<b><u>27,023</u></b>	<b><u>30,501</u></b>

(i) Carrying value of plant and equipment comprises of \$6,811,000 (2021: \$5,823,000) owned plant and equipment and \$3,903,000 (2021: \$4,958,000) right-of-use assets.

(ii) Carrying value of motor vehicles comprises of \$184,000 (2021: \$1,246,000) owned plant and equipment and \$2,317,000 (2021: \$1,895,000) right-of-use assets.

# Notes to the Consolidated Financial Statements

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

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.

<b>2022</b>	<b>Leasehold Improvements \$000</b>	<b>Plant &amp; Equipment \$000</b>	<b>Motor Vehicles \$000</b>	<b>Total \$000</b>
Carrying amount at 1 July 2021	315	5,823	1,246	7,384
Additions at cost	62	4,094	51	4,207
Disposals at carrying value	(22)	(462)	(694)	(1,179)
Depreciation	(181)	(2,644)	(418)	(3,243)
Carrying amount at 30 June 2022	<u>174</u>	<u>6,811</u>	<u>185</u>	<u>7,169</u>

<b>Right-of-use assets</b>	<b>Property \$000</b>	<b>Plant &amp; Equipment \$000</b>	<b>Motor Vehicles \$000</b>	<b>Total \$000</b>
Carrying amount at 1 July 2021	16,264	4,958	1,895	23,117
Additions at cost	3,780	34	1,458	5,272
Disposals at carrying value	(3,084)	-	(28)	(3,112)
Depreciation	(3,326)	(1,089)	(1,008)	(5,423)
Carrying amount at 30 June 2022	<u>13,634</u>	<u>3,903</u>	<u>2,317</u>	<u>19,854</u>

<b>2021</b>	<b>Leasehold Improvements \$000</b>	<b>Plant &amp; Equipment \$000</b>	<b>Motor Vehicles \$000</b>	<b>Total \$000</b>
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	<u>315</u>	<u>5,823</u>	<u>1,246</u>	<u>7,384</u>

<b>Right-of-use assets</b>	<b>Property \$000</b>	<b>Plant &amp; Equipment \$000</b>	<b>Motor Vehicles \$000</b>	<b>Total \$000</b>
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	<u>16,264</u>	<u>4,958</u>	<u>1,895</u>	<u>23,117</u>

### 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 2022 (2021: \$nil impairment expense) relating to property, plant, and equipment.

# Notes to the Consolidated Financial Statements

## 14. INTANGIBLE ASSETS

	<b>Development Costs \$000</b>	<b>Total \$000</b>
Carrying value 1 July 2021	997	997
Additions	382	382
Amortisation	(77)	(77)
Transfer on disposal	(1,302)	(1,302)
Carrying amount at 30 June 2022	<u>-</u>	<u>-</u>
	<b>Development Costs \$000</b>	<b>Total \$000</b>
Carrying value 1 July 2020	-	-
Additions	639	639
Transfer from PPE	426	426
Amortisation	(68)	(68)
Carrying amount at 30 June 2021	<u>997</u>	<u>997</u>

# Notes to the Consolidated Financial Statements

## 15. INCOME TAX

	<b>2022</b> <b>\$000</b>	<b>2022</b> <b>\$000</b>	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
	Continuing	Discontinued	Total	Restated*
Current tax – Australia	-	-	-	-
Deferred tax	(56)	(125)	(181)	(401)
Adjustment for prior periods	1,557	-	1,557	(23)
Adjustment – other	(782)	(63)	(845)	-
Recognition / (non-recognition) of current year deferred taxes	<u>(1,124)</u>	<u>508</u>	<u>(616)</u>	<u>424</u>
Income tax expense / (benefit) reported in income statement	<u>(405)</u>	<u>320</u>	<u>(85)</u>	<u>-</u>

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

	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
		Restated*
Profit / (Loss) before income tax – continuing operations	105	(2,392)
Income tax at 30% (2021: 30%)	32	(718)
Add (less) tax effect of:		
Other non-allowable / assessable items	6,870	(58)
Other allowable/ deductible items	(6,958)	-
Adjustment for prior periods	1,557	(23)
Adjustment – other	(782)	-
Non-recognition of current year deferred taxes	<u>(1,124)</u>	<u>702</u>
Income tax expense / (benefit) – continuing operations	<u>(405)</u>	<u>(96)</u>
Profit / (Loss) before income tax – discontinued operations	20,859	1,012
Income tax at 30% (2021: 30%)	6,258	304
Add (less) tax effect of:		
Other non-allowable / assessable items	800	-
Other allowable / deductible items	(7,183)	71
Adjustment for prior periods	-	-
Other adjustments – deferred tax	(64)	-
Other adjustments – disposal	1	-
Non-recognition of current year deferred taxes	<u>508</u>	<u>(278)</u>
Income tax expense / (benefit) – discontinued operations	<u>320</u>	<u>96</u>

\* The comparative information has been re-presented due to a discontinued operation. Refer Note 2.

# Notes to the Consolidated Financial Statements

## 16. DEFERRED TAX ASSETS / LIABILITIES

Deferred tax	Assets		Liabilities		Net	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Contract assets	-	-	(1,854)	(1,774)	(1,854)	(1,774)
Plant & Equipment	-	-	(750)	(549)	(750)	(549)
Right of use asset	-	-	(5,298)	(6,243)	(5,298)	(6,243)
Right of use liability	-	-	5,997	6,822	5,997	6,822
Operating lease receivable	-	-	(22)	(152)	(22)	(152)
Employee Benefits	2,682	2,710	-	-	2,682	2,710
Provisions	1,460	1,246	-	-	1,460	1,246
Intangibles	-	-	-	-	-	-
Carried forward R&D Offset / tax loss*	1,466	2,166	-	-	1,466	2,166
Other	65	104	(32)	151	33	255
<b>Tax assets/ (liabilities)</b>	<b>5,673</b>	<b>6,226</b>	<b>(1,959)</b>	<b>(1,744)</b>	<b>3,714</b>	<b>4,481</b>

### Movement in deferred tax balances

	2022 \$000	2021 \$000
Opening balance	4,481	4,481
Prior year adjustments <sup>(1)</sup>	(1,557)	23
Other adjustments	(7)	102
Charge to profit or loss – continuing operations	56	401
Charge to profit or loss – discontinued operations	125	-
Recognised / (derecognised)*	616	(526)
<b>Closing deferred tax asset</b>	<b>3,714</b>	<b>4,481</b>

\* Veris Limited tax consolidated group has carried forward tax losses available as at 30 June 2022. 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 2022 year end were \$10,883,000 (2020: \$11,499,000). Management will continue to reassess the recoverability of deferred tax assets at future reporting dates.

(1) During the current year, prior period tax returns were resubmitted resulting in the utilisation of historic tax losses and extinguishment of previously recognised current tax obligations.

# Notes to the Consolidated Financial Statements

## 17. CASH AND CASH EQUIVALENTS

	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
Cash at bank and in hand	18,204	4,654
Cash and cash equivalents in the statement of cash flows	<u>18,204</u>	<u>4,654</u>

The Group's exposure to interest rate risk and a sensitivity analysis for the financial assets and liabilities disclosed in note 8.

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

	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b> Restated
<b>Cash flows from operating activities</b>		
Profit / (loss) after income tax	510	(2,296)
<b>Non-cash flows in profit</b>		
Depreciation	8,441	7,794
Amortisation of intangible assets	-	-
Impairment of intangible assets	-	-
Profit on sale of fixed assets	-	-
Other	323	1,396
Share based payment	8	111
Income tax expense / (benefit) from all operations	-	-
	<u>9,282</u>	<u>7,005</u>
Change in trade and other receivables	(4,255)	(752)
Change in other assets	689	1,595
Change in contract assets	(1,236)	364
Change in trade payables	(2,296)	(1,253)
Change in provisions and employee benefits	1,957	(192)
Change in provisions – AASB 16	(124)	(54)
	<u>4,017</u>	<u>6,713</u>
<b>Net cash from operating activities</b>		
<b>Movements in borrowings</b>		
	<b>\$000</b>	
Opening balance 1 July 2021	32,403	
Movements:		
Proceeds from borrowings	1,000	
Repayments of borrowings and lease liabilities	(4,700)	
Repayments of lease liabilities	(1,568)	
Additional AASB 16 borrowings	(2,991)	
Closing balance 30 June 2022	<u>24,144</u>	

# Notes to the Consolidated Financial Statements

## 19. LOANS AND BORROWINGS

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current liabilities</b>		
Lease liabilities	6,610	7,565
Cash advance facility	-	4,700
Loan	1,000	-
	<u>7,610</u>	<u>12,265</u>
<b>Non-current liabilities</b>		
Lease liabilities	16,534	20,138
	<u>16,534</u>	<u>20,138</u>
<b>Total loans and borrowings</b>	<b><u>24,144</u></b>	<b><u>32,403</u></b>

## TERMS AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	<b>Nominal</b>	<b>Year of</b>	<b>2022</b>	<b>2021</b>
	<b>interest rate%</b>	<b>maturity</b>	<b>\$000</b>	<b>\$000</b>
			<b>Carrying</b>	<b>Carrying</b>
			<b>Amount</b>	<b>Amount</b>
Lease liabilities	2.84 – 7.92	2022 – 2031	23,144	27,703
Cash advance facility	2.83	2021	-	4,700
Loan	5.34	2022	1,000	-
			<u>24,144</u>	<u>32,403</u>

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

	<b>Facility</b>	<b>Used</b>	<b>Unused</b>	<b>Facility</b>	<b>Used</b>	<b>Unused</b>
	<b>Available</b>	<b>2022</b>	<b>2022</b>	<b>Available</b>	<b>2021</b>	<b>2021</b>
	<b>2022</b>	<b>\$000</b>	<b>\$000</b>	<b>2021</b>	<b>\$000</b>	<b>\$000</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash advance facility <sup>(a)</sup>	-	-	-	4,700	(4,700)	-
Loan <sup>(b)</sup>	1,000	(1,000)	-	-	-	-
Other <sup>(c)</sup>	6,950	(2,099)	4,851	6,450	(2,024)	4,426
<b>Total financing facilities</b>	<u>7,950</u>	<u>(3,099)</u>	<u>4,851</u>	<u>11,150</u>	<u>(6,724)</u>	<u>4,426</u>

a) The cash advance facility of \$4.7 million was repaid during the year 2022.

b) The carrying amount of loan was \$1 million as at 30 June 2022 (2021: \$nil million).

c) Other facilities include a \$4 million (2021: \$4.5 million) bank overdraft, \$2.5 million (2021: \$2 million) contingent instrument facility and \$450,000 (2021: \$450,000) credit card facility.

# Notes to the Consolidated Financial Statements

## 19. 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
	2022	2022	2022	2021	2021	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Less than 1 year	7,504	(895)	6,609	8,586	(1,021)	7,565
Between 1 & 5 years	16,221	(1,724)	14,497	21,158	(2,006)	19,152
After 5 years	2,077	(40)	2,038	1,066	(80)	986
	<u>25,802</u>	<u>(2,659)</u>	<u>23,144</u>	<u>30,810</u>	<u>(3,107)</u>	<u>27,703</u>

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

## 20. CAPITAL AND RESERVES

### Share capital

	2022	2021	2022	2021
	\$000	\$000	No. of Shares	No. of Shares
Balance at the beginning of the year	51,652	44,127	518,331,701	405,251,286
Issued for cash (net of costs)	-	7,525	-	112,849,987
Conversion of Performance Rights	-	-	5,140,045	230,428
Issued as consideration for business combinations	18	-	277,718	-
Balance at the end of the year	<u>51,670</u>	<u>51,652</u>	<u>523,749,464</u>	<u>518,331,701</u>

### Issues of ordinary shares

- On 15 July 2021, 277,718 fully paid ordinary shares were issued at \$0.072 per share as part consideration for the acquisition of a 49% interest in EMFOX Pty Ltd t/a Wumara Group.
- On 4 October 2021, 4,140,045 fully paid ordinary shares were issued at \$0.067 per share following vesting of Performance Rights to key management personnel under the Veris FY19 and FY20 Incentive Plans.
- On 5 April 2022, 1,000,000 fully paid ordinary shares were issued at \$0.068 per share following vesting of Performance Rights to the CEO of Veris Australia under the Veris FY20 Incentive Plan (CEO).

# Notes to the Consolidated Financial Statements

## 20. 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

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
	<b>Share Based Payments</b>	<b>Share Based Payments</b>	<b>Retained Earnings/ (Accumulated Losses)</b>	<b>Retained Earnings (Accumulated Losses)</b>
Balance at the beginning of the year	2,639	2,528	(46,779)	(45,399)
Profit/ (loss) for the year	-	-	21,050	(1,380)
Dividends paid	-	-	-	-
Share based payment transactions	7	111	-	-
Balance at the end of the year	<u>2,646</u>	<u>2,639</u>	<u>(25,729)</u>	<u>(46,779)</u>

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 (2021: \$nil).

## 21. DIVIDENDS

There were no dividends paid or declared by the Company during the financial year (2021: \$nil).

### Franking Credit Balance

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Franking account balance as at the end of financial year at 30% (2021: 30%)	<u>5,535,898</u>	<u>5,535,898</u>

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.

# Notes to the Consolidated Financial Statements

## 22. SHARE-BASED PAYMENTS

### (a) Share – Based Payment Arrangements

As at 30 June 2022, the Group had the following share-based payment arrangements.

#### (i) 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 which 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 <sup>(A)</sup>	Lapsed	Vested	Vesting Hurdle <sup>(B)</sup>
1,000,000	29 October 2021	-	1,000,000	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

### KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

On 5 August 2020 the Group granted 3,371,334 Performance Rights for 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 <sup>(A)</sup>	Lapsed	Vested	Vesting Hurdle <sup>(B)</sup>
3,371,334	30 June 2021	-	3,371,334	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

There were no unvested unlisted Performance Rights that remained at 30 June 2022 (2021: 1,000,000).

# Notes to the Consolidated Financial Statements

## 23. RELATED PARTIES

### Key Management Personnel compensation

The Key Management Personnel (including Executive Director) compensation included in 'employee benefits' is as follows:

	<b>2022*</b>	<b>2021*</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	2,647,538	1,368,005
Post-employment benefits	85,409	91,667
Share-based payment	73,000	22,697
Termination benefit- Cash	-	72,358
Termination benefit – Share-based	-	4,263
	<u>2,805,947</u>	<u>1,558,990</u>

\* Includes amounts related to discontinued operations

During the year, the Company did not have or repay any loans from related parties (2021: \$nil).

### Individual Directors and executive's compensation disclosures

Information regarding individual Directors and executives' 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 29 to 36. Travis Young ceased to be Key Management Personnel (KMP) on 28 February 2022, following the disposal by the Group of Aqura Technologies Pty Ltd, where he held the position of CEO.

## 24. AUDITOR'S REMUNERATION

### Audit and review services

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>KPMG</b>		
Audit and review of financial reports	250,000	295,000
Other assurance services	-	80,000
	<u>250,000</u>	<u>375,000</u>

# Notes to the Consolidated Financial Statements

## 25. SUBSIDIARIES AND ASSOCIATES

The following entities are consolidated:

Name of Entity	Country of Incorporation	Ownership Interest	
		2022 %	2021 %
<b>Parent Entity</b>			
Veris Limited	Australia		
<b>Controlled Entity</b>			
Veris Australia Pty Ltd	Australia	100	100
Aqura Technologies Pty Ltd* (previously named OTOC Australia Pty Ltd)	Australia	-	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

The following entity is not consolidated:

<b>Associated Entity</b>			
EMFOX Pty Ltd t/a Wumara Group*	Australia	49	-

\* Movements of the year include the sale of Aqura Technologies Pty Ltd in February 2022 and the acquisition of a 49% interest in EMFOX Pty Ltd t/a Wumara Group in Jul 2021.

# Notes to the Consolidated Financial Statements

## 26. 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 25) 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 2022, after eliminating all transactions between parties to the Deed of Cross Guarantee, as of and for the year ended 30 June 2022 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 2022.

## 27. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2022 the parent company of the Group was Veris Limited.

### Results for the Year

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
(Loss) / Profit for the year	21,075	10,000
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the year	<u>21,075</u>	<u>10,000</u>

### Financial position of parent entity at year end

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Assets</b>		
Current assets	3	138
Non-current assets	<u>28,584</u>	<u>16,441</u>
<b>Total assets</b>	<b><u>28,587</u></b>	<b><u>16,579</u></b>
<b>Liabilities</b>		
Current liabilities	-	(5,782)
Non-current liabilities	<u>-</u>	<u>(3,285)</u>
Total liabilities	<u>-</u>	<b><u>(9,067)</u></b>
<b>Net assets</b>	<b><u>28,587</u></b>	<b><u>7,512</u></b>
<b>Equity</b>		
Share capital	51,670	51,652
Reserves and Accumulated loss	<u>(23,083)</u>	<u>(44,140)</u>
<b>Total equity</b>	<b><u>28,587</u></b>	<b><u>7,512</u></b>

# Notes to the Consolidated Financial Statements

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## **28. 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.

## **29. 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) Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

# Notes to the Consolidated Financial Statements

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

### **(a) Basis of consolidation (continued)**

#### **(iv) 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.

### **(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.

# Notes to the Consolidated Financial Statements

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

### **(b) Financial instruments (continued)**

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

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.

### **(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.

# Notes to the Consolidated Financial Statements

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## 29 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **(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.

### **(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 or 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.

# Notes to the Consolidated Financial Statements

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## **29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(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.

### **(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.

# Notes to the Consolidated Financial Statements

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

### **(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.

### **(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.

# Notes to the Consolidated Financial Statements

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## **29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

#### ***(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.

#### ***(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 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.

# Notes to the Consolidated Financial Statements

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

### *(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.

## 30. 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 2022.

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:

- COVID-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

## 31. 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.

# Notes to the Consolidated Financial Statements

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## **31. DETERMINATION OF FAIR VALUES (CONTINUED)**

### ***(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

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1. In the opinion of the directors of Veris Limited ("the Company"):
  - (a) the consolidated financial statements and notes set out on pages 39 to 76 and the Remuneration report on pages 29 to 36 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 2022 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 2022.
4. The directors draw attention to page 43 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 29 August 2022



# 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 2022 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 2022;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statements 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 these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Veris Limited would be in the same terms if given to the Directors as at the time of this Auditor's Report.

### Key Audit Matters

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

- Recognition of Revenue, Trade Receivables and Contract Assets.

**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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**Recognition of Revenue, Trade Receivables and Contract Assets (Revenue \$92.366 million and Contract Assets \$6.266 million)**

Refer to Note 8 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Recognition of revenue and contract assets is a Key Audit Matter due to the:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• The Group’s determination of contractual entitlement to Contract Asset balances including assessment of performance obligations.</li> </ul> <p>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.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining understanding of the Group’s key processes for recognition of revenue from contracts with its customers;</li> <li>• 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);</li> <li>• 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;</li> <li>• 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;</li> <li>• 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</li> <li>• Assessing the appropriateness of disclosures in the financial statements using our understanding obtained from our testing and against the requirements of AASB 15.</li> </ul>



## 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](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf) This description forms part of our Auditor's Report.



## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Veris Limited for the year ended 30 June 2022 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 29 to 36 of the Directors' report for the year ended 30 June 2022.

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

29 August 2022



# 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 2022 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

29 August 2022

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# Additional Information

## Additional Information per ASX Listing Rules - Unaudited

Additional information required 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:  
[www.veris.com.au/investors/corporate-governance](http://www.veris.com.au/investors/corporate-governance)

Shareholder Information as at 23 August 2022

### Top 20 Shareholders of Quoted Securities

Rank	Name	Shares	% of Issued Capital
1	SHERKANE PTY LTD	89,589,822	17.11
2	OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY A/C>	45,935,229	8.77
3	CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C>	41,834,392	7.99
4	MR BRIAN ELTON	27,986,606	5.34
5	ICON HOLDINGS PTY LTD <THE K & A PAGANIN S/F A/C>	15,500,000	2.96
6	HGL INVESTMENTS PTY LTD	13,428,572	2.56
7	CONCEPT WEST COMMUNICATIONS PTY LTD <THE T YOUNG FAMILY A/C>	11,508,540	2.20
8	ELTON PROPERTY PTY LTD <ELTON CONSULTING S/F A/C>	10,799,412	2.06
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,683,049	2.04
10	EVANS FAMILY NOMINEES PTY LTD <THE EVANS FAMILY A/C>	9,715,309	1.85
11	ROUND ETERNAL INVESTMENTS PTY LTD <VISION SPLENDID A/C>	5,750,000	1.10
12	SHIAWASEYO PTY LTD <SAMPSON FAMILY A/C>	5,000,000	0.95
13	MS JENNY LEE RUDOLPH	4,829,104	0.92
14	MRS JASMINE KRKLJES	4,400,000	0.84
15	SILCHESTER INVESTMENTS PTY LTD	4,286,625	0.82
16	ROCKDALE FARMING PTY LTD	4,214,285	0.80
17	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,009,731	0.77
18	MILES AND MILES PTY LTD <MILES ATC SUPER FUND A/C>	4,000,603	0.76
19	SHIRLEY-COSGRIFF INVESTMENTS PTY LTD	3,823,353	0.73
20	MR PETER HOWELLS	3,800,000	0.73
	<b>Total</b>	<b>321,094,632</b>	<b>61.31</b>

# Additional Information

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

<b>Shareholder</b>	<b>Shares</b>	<b>Voting Power</b>
SHERKANE PTY LTD	89,589,822	17.11 %
OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY A/C> (and other related parties of Adam Lamond)	48,591,815	9.28%
CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C>	41,834,392	7.99%
MR BRIAN ELTON	38,786,018	7.40%

## **Distribution of Shareholders**

<b>Spread of Holdings</b>	<b>Ordinary Shares</b>	<b>Performance Rights</b>
1- 1,000	50	-
1,001 - 5,000	73	-
5,001 - 10,000	104	-
10,001 - 100,000	406	-
100,001+	339	-
Total on Register	972	-

## **Non-Marketable Parcels**

Number of shareholders holding less than a marketable parcel is 147.

## **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 no unquoted Performance Rights on issue.

## **Securities Exchange**

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

# Corporate Information

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

Veris Limited  
41 Bishop Street  
Jolimont WA 6014

**Company Secretary:**

Steven Harding

**The principal place of business is:**

Veris Limited  
41 Bishop Street  
Jolimont WA 6014  
Telephone: (08) 9317 0600

**Share Registry:**

Computershare  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
Telephone: (08) 6188 0800

# Corporate Directory

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## Veris Limited

ABN: 80 122 958 178

ASX Code: VRS

41 Bishop Street, Jolimont WA 6014

T: +61 8 9317 0600

[www.veris.com.au](http://www.veris.com.au)

## Directors

Karl Paganin

Non-Executive Chairman

Ms Tracey Gosling

Non-Executive Director

David Murray

Non-Executive Director

Brian Elton

Non-Executive Director

Michael Shirley

Managing Director & Chief Executive Officer

## 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

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**HEAD OFFICE**

PERTH

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PO Box 90  
Wembley WA 6913

T: 08 9317 0600

E: [veris@veris.com.au](mailto:veris@veris.com.au)

[veris.com.au](http://veris.com.au)