

23 October 2020

Belinda Giles  
ASX Listing Compliance (Perth)  
Level 40, Central Park, 152-158 St Georges Terrace  
Perth WA 6000

By Email: ListingsCompliance@Perth@asx.com.au

Dear Belinda

### **Veris Limited (ASX: VRS) ASX General – Aware Query**

Veris refers to your letter dated 21 October 2020 regarding an Aware Query.

Veris responds as follows to the questions contained in your letter:

#### ***Financial Performance Information***

1. Yes, Veris always considers financial results potentially materially price sensitive information, however the Q1 FY21 announcement represents only one quarter and Shareholders should always consider all of the financial information released to the market.
2. Not applicable.
3. Close of business, 19 October 2020.
4. Veris became aware of the Financial Performance Information before 20 October 2020 (close of business, 19 October 2020), however, it released the Financial Performance Information promptly and without delay (at 6.28am AWST the following morning).
  - 4.1. Not applicable.
  - 4.2. Veris' obligation to release the information under Listing Rules 3.1 and 3.1A and the steps Veris took to ensure the information was released promptly and without delay is outlined below:

Veris finalises management reporting of monthly financial results for internal purposes at every month end. On finalisation of the September monthly results, September quarterly results were prepared for the intention to release to the market (**Q1 FY21**). Significant and complex reconciliations and examination of the Q1 FY21 results was required to ensure that the Financial Performance announcement released on 20 October 2020 confirmed the comparison of the Q1 FY21 results to two prior period results was meaningful and not misleading. Given the impact of the change of accounting standards (AASB16), the newly adopted internal reallocation of corporate costs against the respective operating

entity results and the finalisation of the treatment of JobKeeper payments, the Financial Performance results needed to be normalised to determine an underlying result that compared on a like for like bases against the comparator periods previously reported. This examination process took significant management time to ensure the accuracy of the results that were reported. Upon finalisation and confirmation that the underlying results and the comparative period results reported were based on the same methodology (i.e. adjusted for anomalies, new accounting standards, internal cost treatment and other items such as JobKeeper payments), the results were released promptly and without delay at 6.28am (AWST) on 20 October 2020.

### ***Contract Information***

5. Yes.
6. Not applicable.
7. Veris', wholly owned subsidiary, Aqura Technologies Pty Ltd, first became aware of the preliminary Contract information after close of business on Friday 16 October 2020. However, the preliminary Contract Information was incomplete as certain terms and conditions of the engagement required clarification.
8. Veris', wholly owned subsidiary, Aqura Technologies Pty Ltd, first became aware of the preliminary Contract Information after close of business on Friday 16 October 2020.
  - 8.1. Not applicable.
  - 8.2. Following negotiations between the client and Aqura management clarifying certain terms and conditions of the engagement and confirmation that the engagement was in place, the results were released promptly and without delay at 6.44am (AWST) on 21 October 2020.

### ***Listing Rule Compliance***

9. Veris confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.
10. Veris confirms that its responses to the questions from ASX have been authorised and approved in accordance with its published continuous disclosure policy and by the Veris Board of Directors.

Yours faithfully

Lisa Wynne  
**Company Secretary**



21 October 2020

Reference: 26365

Ms Lisa Wynne  
Company Secretary  
Veris Limited

By email

Dear Ms Wynne

**Veris Limited ('VRS'): General – Aware Query**

ASX refers to the following:

- A. The change in price of VRS' securities from a low of \$0.033 on 14 October 2020 to a high of \$0.050 on 20 October 2020.
- B. The significant increase in the volume of VRS' securities traded from 14 October 2020 to 21 October 2020.
- C. VRS's announcement entitled "Veris Quarter 1 FY2021 Update" lodged on the ASX Market Announcements Platform ('MAP') and released at 9:28 AM on 20 October 2020, disclosing VRS' financial performance for the first quarter of the current financial year, including the following:
  - (i) group revenue of \$26,233,000;
  - (ii) unaudited pro forma profit before tax of \$1,047,000, which represented a return to profitability by VRS;
  - (iii) unaudited underlying EBITDA of \$1,962,000; and
  - (iv) a "material improvement in its operating result" and "a strong improvement in operating margins" for Veris Australia;(referred to in this letter as the 'Financial Performance Information').
- D. VRS' announcement entitled "Aqura Secures New Works" lodged on MAP and released at 9:37 AM on 21 October 2020, disclosing a contract in the sum of \$2m for Aqura Technologies to supply equipment for the Iron Bridge Magnetite Project to FMG Magnetite Pty Ltd and Formosa Steel IB Pty Ltd (referred to in this letter as the 'Contract Information').
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

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3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;
- The information concerns an incomplete proposal or negotiation;
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- The information is generated for the internal management purposes of the entity; or
- The information is a trade secret; and

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

H. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

### **Request for information**

Having regard to the above, ASX asks VRS to respond separately to each of the following questions and requests for information:

#### *Financial Performance Information*

1. Does VRS consider the Financial Performance Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did VRS first become aware of the Financial Performance Information?
4. If the answer to question 1 is “yes” and VRS first became aware of the Financial Performance Information before 20 October 2020, did VRS make any announcement prior to the relevant date which disclosed the Financial Performance Information?
  - 4.1 If so, please provide details.
  - 4.2 If not, please explain why the Financial Performance Information was not released to the market at an earlier time, commenting specifically on when you believe VRS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VRS took to ensure that the information was released promptly and without delay.

#### *Contract Information*

5. Does VRS consider the Contract Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
6. If the answer to question 5 is “no”, please advise the basis for that view.
7. When did VRS first become aware of the Contract Information?

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8. If the answer to question 5 is “yes” and VRS first became aware of the Contract Information before 21 October 2020, did VRS make any announcement prior to the relevant date which disclosed the Contract Information?

8.1 If so, please provide details.

8.2 If not, please explain why the Contract Information was not released to the market at an earlier time, commenting specifically on when you believe VRS was obliged to release the Contract Information under Listing Rules 3.1 and 3.1A and what steps VRS took to ensure that the information was released promptly and without delay.

#### *Listing Rule Compliance*

9. Please confirm that VRS is complying with the Listing Rules and, in particular, Listing Rule 3.1.

10. Please confirm that VRS’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VRS with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Monday, 26 October 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, VRS’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require VRS to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on MAP.

#### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in VRS’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in VRS’s securities under Listing Rule 17.3.

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to VRS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that VRS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

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**Belinda Giles**

Adviser, Listings Compliance (Perth)