

veris

Annual General Meeting

25 November 2019

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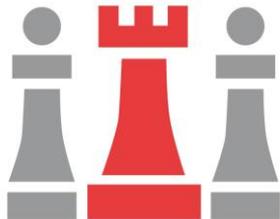
DEVELOP
WITH _____
CONFIDENCE™



- Revenue of \$125.9m, up by \$19.1m.
- Net debt position improved by \$2.4m to \$18m.
- Strong growth in net operating cashflow to \$6.2m (FY18: (\$0.1m)).
- Achieved costs reductions of circa \$3m on an annualised basis.



- Refreshed executive team.
- Invested in digital and spatial strategy.
- Improved accountability across Veris Australia business, right-sized to better reflect market demand.



- Focus is on targeting higher value, higher margin projects with greater technical content, including digital and spatial work.
- Positioned for margin growth in FY20.
- Continued national infrastructure spend driving demand for Veris.

FY2019 financial dashboard

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	FY19		FY18
Revenue	\$125.9m	↑	\$106.8m
Underlying EBITDA	\$6.5m	↓	\$11.2m
Operating cash flow	\$6.2m	↑	(\$0.1m)
Net debt	\$18.0m	↓	\$20.4m

- Earnings impacted by gross margin delivered by Veris Australia.
- Improved net debt position with \$4.2m reduction in gross debt.
- Non cash impairment for Veris Australia of \$34.4m.



The Metro Tunnel Project, Melbourne, VIC



Veris Australia delivers significantly improved margins – Q1 FY20



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Veris Australia	Q1-2020	PCP		% Change
Revenue	\$23.2m	\$24.8m	↓	(6.5%)
EBITDA	\$2.3m	\$1.8m	↑	27.8%
EBITDA margin	9.9%	7.3%	↑	35.6%

Veris Australia	Q1-2020	FY19		% Change
Revenue	\$23.2m	\$93.0m		
EBITDA	\$2.3m	\$5.8m		
EBITDA margin	9.9%	6.2%	↑	59.6%

Veris Australia comparisons to PCP and FY19

Veris Australia's EBITDA for Q1 - FY20 of \$2.3 million (unaudited) is a significant improvement compared to the PCP EBITDA of \$1.8 million.

The tables outline the change compared to the PCP and improvements on the FY19 EBITDA margin.

Note:

(1) To ensure like-for-like comparison, the Q1 – FY20 results disclosed above do not include the impact of new Accounting Standards, AASB 16: Leases, AASB 15: Revenue from Contracts with Customers and AASB 9: Financial Instruments. The impact of these Accounting Standards will be accounted for at 31 December 2019, with an expected net EBITDA increase of circa \$250k on the reported Q1 – FY20 EBITDA outlined in this announcement.

Repositioning the business

Sale of Elton Consulting

- Executable and efficient transaction
- Proceeds from sale resets Veris Balance Sheet for future growth
- Refines focus on major revenue drivers Veris Australia and Aqura

Structure

Sale of 100% of the shares in Elton Consulting Group Pty Ltd by to WSP Australia Pty Limited.

Purchase Price

- *Cash: \$13 million paid by WSP to Veris at settlement subject to a holdback amount which is expected to be paid within approximately 90 days after settlement, subject to finalisation of closing financial statements and adjusted up or down on a dollar for dollar basis against an agreed target net asset position (Target NA).*
- *Dividend: \$920,000 - In addition, Elton has declared and will pay a dividend to Veris prior to 31 December 2019 in an amount equivalent to the amount in excess of the Target NA (circa \$920,000) (to be adjusted up or down on a dollar for dollar basis on finalisation of the Target NA within 90 days).*

Sale of Elton Consulting

veris

RESULTING IN:

A strong Balance Sheet for Veris with total debt reduced by \$8.0m to \$12.9m and core debt (non HP debt) reduced to \$5.6m.

Repositioning Veris portfolio for continued future growth.

Enabling Veris to strongly focus on its national surveying and digital and spatial business:

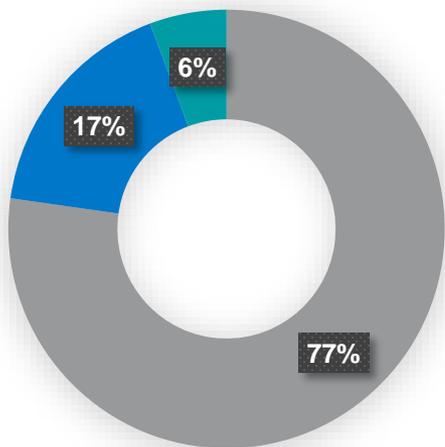
- growing our core digital and spatial services through industry leading capabilities and high demand from market; and
- national approach to client management and expanding our service offering geographically, and by sector.

Focus on
Veris Australia



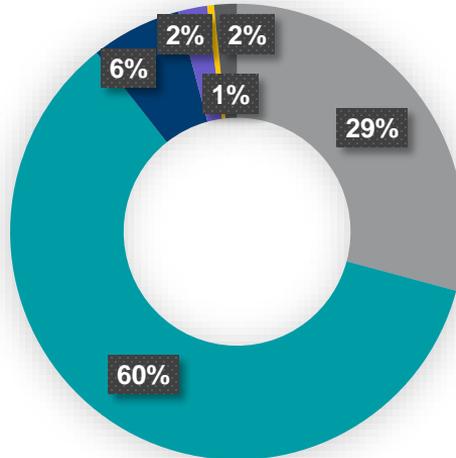
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Revenue by service



- Surveying
- Digital and Spatial
- Development

Revenue by market



- Infrastructure
- Government
- Property
- Mining & Resources
- Industrial
- Marine
- Other

Market outlook

- Committed forward pipeline for infrastructure investment of over \$200b.
- By 2034, population is projected to grow 23.7% to reach 31.4m.
- QLD governments now mandating 3D spatial ‘digital twins’ for building information management (BIM) on all new government construction projects with estimated capital costs over \$50m.
- Geospatial analytics market is projected to grow CAGR 15% to 2025.

Source: Macromonitor, Australian Construction Outlook Overview, Australia Infrastructure Audit 2019, Deloitte Access Economics 2019, Market Research Future.

Key clients



veris

Leading industry Thought Leaders

Advisory group



Veris Australia has preeminent professionals within the business that are recognised industry leaders across the spatial and surveying industry.

These professionals represent Veris and the surveying and spatial industry on state and national boards including:

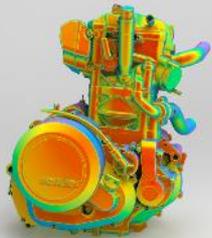
- **Surveying Industry Business Association;**
- **Consulting Surveyors National;**
- **Surveying and Spatial Science Institute;**
- **Institution of Surveyors (National and State levels); and**
- **Surveyors Regulatory Board**

The Thought Leaders (advisory group) will have a focus on enabling Veris Australia to be recognised as an industry leader.

This advisory group has strong industry, educational and government sector links through representation on boards / committees / advisory groups, which will permit Veris Australia to lead and shape industry.

Regular interaction with the Veris Board and Executive will allow the advisory group to play an integral role in shaping strategy and business operation.

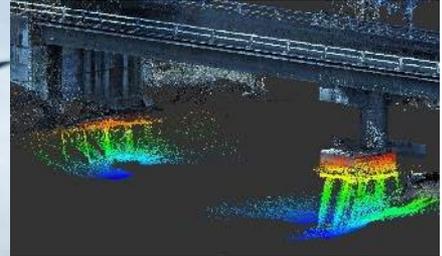
Showcasing our capabilities – digital and spatial services



Metrology and Reverse Engineering

Benefits

- Quality control
- Real-time data
- Virtual assemblies
- First time right
- Less downtime
- Reduce manufacturing costs
- Fit-for-purpose
- Warranty



Data Capture (aerial, hydrographic, laser scanning)

Benefits

- Fast and cost effective
- Eliminates high risk activities
- Efficient over large areas
- Environmental protection
- Minimise re-work
- Single point of truth
- Data is equity



Digital Engineering and Twin

Benefits

- Intelligent information
- Significant cost benefits
- Productivity
- Digital replica
- Safety



Subsurface Utility Identification

Benefits

- Significant cost benefits
- Reduction in lost time
- Utility avoidance

Delivery excellence driving long term client relationships

Surveying

Source: theurbandevloper.com



Flagstone City, QLD
7+ years

Source: sydneyolympicpar.com.au



Pavilions Apartment, Sydney, NSW
24 months

Source: build sydney.com



The Lennox, Parramatta, NSW
20 months

Source: abc.net.au



Perth Airport, WA
25 years

Source: abc.net.au



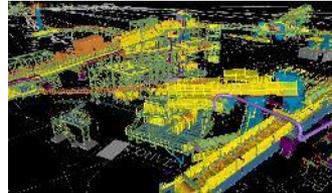
Ipswich CBD redevelopment, QLD
2 years

Source: ymeprojects.com.au



The Orchid, Sydney, NSW
18 months

Digital and spatial



Major Iron Ore projects, WA
25+ years

Source: abc.net.au



Tonkin Highway project, WA
15 years

Source: abc.net.au



Morley to Ellenbrook Metronet, WA
3 years

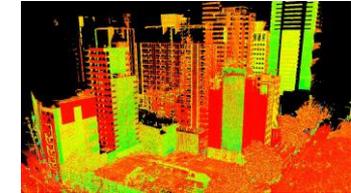
Development



Ellenbrook development projects, WA
27 years



Melbourne Square Stage 2, Southbank
5 years



412 William Street, Melbourne, VIC
5 years

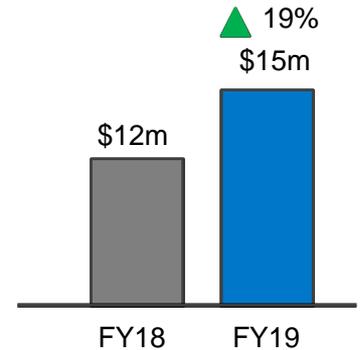
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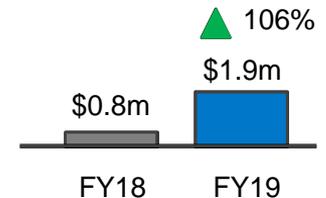
Overview and achievements

- Aqura provides specialised industrial communications technology solutions to blue chip organisations.
- Solid organic revenue and EBITDA growth in FY19.
- Continued revenue growth expected in FY20, with a strong secured order book.
- Aqura is transforming its core products to “as a service” offerings, enabling a broader customer base with scalable opex solutions delivering long term annuity revenue from blue chip customers.
- Expanded operations within Queensland and Victoria leveraging from Veris Australia’s national footprint.
- Market leader in private LTE (industrial wireless) recently awarded WAITA’s “Most Effective Infrastructure Solution”.
- Global partner agreements with leading vendors including Vodafone, Nokia, Cisco.
- Aqura operates in large addressable markets and has tremendous headroom to grow.

Revenue



EBITDA



Aqura Clients



Key achievements



- Strengthened the balance sheet.
- Re-position the business to focus on core service offering in Veris Australia.
- Board refresh.
- Invested in digital and spatial strategy to position business for the future.
- Strong EBITDA growth for Aqura, of \$1.9m, up by 107% on FY18 and securing new works packages exceeding \$13m.

Outlook



- Continue to focus on our core business.
- Increase our focus on national client service offering – streamlining our approach.
- Continue to grow our service lines across geographies.
- Strong focus on targeting higher margin projects with greater technical content, including digital and spatial work.
- Growth strategy supported by tailwinds of continued infrastructure spend and the shift to mandate digital and BIM engineering.

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