

Veris enters agreement with Telstra to sell Aqura Technologies for \$30m

- Veris Ltd has entered into a binding Share Sale Agreement with Telstra Purple, a wholly owned subsidiary of Telstra, to sell 100% of Veris' wholly owned subsidiary, Aqura Technologies, for \$30 million in cash payable at settlement ("Aqura Sale Transaction").
- The Aqura Sale Transaction represents the crystallisation of significant value for Veris and its shareholders which has been created organically whilst Aqura has grown within the Veris portfolio over a six-year period.
- Upon settlement of the Aqura Sale Transaction, Veris will be strongly positioned as a well-capitalised, simplified pure-play investment proposition offering leverage to Australia's leading provider of digital and spatial data services via end-to-end spatial data solutions.
- The sale of Aqura to Telstra Purple represents a unique opportunity for Aqura and its staff to continue to accelerate the growth of Aqura's proprietary technology solutions via access to Telstra's sales and distribution channels across a range of geographies and industries, coupled with unrivalled balance sheet strength to underpin growth funding requirements.
- The sale consideration represents approximately 98% of Veris' market capitalisation prior to announcement¹.
- Veris will host an investor webinar to discuss the transaction and future strategic plans on Tuesday, 1 February, 2022 at 11:30am AEDT (login details below).

Veris Ltd (ASX:VRS) ("Veris" or the "Group") is pleased to announce that it has entered into a share sale agreement ("SSA") with Telstra Purple Pty Ltd ("Telstra Purple"), a wholly-owned subsidiary of Telstra Corporation Ltd (ASX: TLS) ("Telstra"), under which Telstra Purple will acquire 100% of the shares in Veris' wholly owned subsidiary Aqura Technologies Pty Ltd ("Aqura") for a cash consideration of \$30 million, subject to customary net debt and working capital adjustments ("Proposed Transaction").

Completion of the Proposed Transaction is subject to terms and conditions customary for a transaction of this nature, including execution of new employment agreements with key Aqura executives and retention of existing employees, and is expected to complete on 28 February 2022.

Subsequent to the announcement of the proposed demerger of Aqura in the second half of 2021, Veris received a number of unsolicited approaches to acquire 100% of the issued capital of Aqura. The Veris Board pursued a dual process that assessed the value to Veris shareholders of a proposed initial public offer against the assessment of the competing trade interest from potential acquirers. The Board has resolved to sell Aqura pursuant to the terms of the Proposed Transaction as a superior outcome for the Group and its shareholders.

The Board believes the sale of Aqura to Telstra Purple represents a compelling outcome for all of Veris' stakeholders, including shareholders, and results in Veris being strongly positioned to grow its digital and spatial offering. The Proposed Transaction also presents an outstanding opportunity for the Aqura team and its ability to accelerate the growth opportunities presented in their markets.

The sale consideration of \$30 million cash, subject to customary net debt and working capital adjustments, represents an attractive valuation for a business that has been developed, funded and grown within the Veris Group since Aqura's formation from an embryonic start-up phase in 2016. The sale price represents approximately 98%¹ of Veris' market capitalisation prior to the announcement of the Proposed Transaction on 31 January 2022.

Veris' Chairman, Mr Karl Paganin, said the sale of Aqura represented an important milestone in the history of Veris and is an excellent outcome for Veris shareholders and the Aqura team.

"Whilst Aqura has been growing strongly under Veris' ownership, the Board is of the view that the timing is right to sell the business to provide the Aqura team the opportunity to accelerate this growth further by accessing Telstra's existing sales and customer channels, along with the balance sheet strength to fund further organic growth opportunities via additional investments in sales and technology product offerings.

¹ *Market capitalisation calculated based on closing Veris share price of \$0.059 at 25 January 2022, prior to entering trading halt on 27 January 2022.

Corporate

Level 12, 3 Hasler Road
Osborne Park
WA 6017

T 08 9317 0600
veris.com.au
aqura.com.au

Veris Australia Pty Ltd
ABN 53 615 735 727

Aqura Technologies
Pty Ltd
ABN 34 128 703 248

“Following the sale of Aqura, Veris Ltd will be in a position to retire all bank debt and be well capitalised with a strong balance sheet and a significant net cash position. This balance sheet strength will place Veris in a strong position to pursue its growth ambitions for Veris Australia and underpin the continued expansion of Veris Australia’s digital and spatial data-as-a-service strategy.

“Veris continues to make significant progress in the turnaround of its operating platform, coupled with the execution of its growth strategy centred on its position as Australia’s leading provider of end-to-end spatial data solution capabilities. The additional capital available from the Aqura sale proceeds will enable further investment in leading-edge equipment and personnel skillsets to further capitalise on our national footprint and Tier 1 client base across a range of key markets including the infrastructure, property, resources, defence, utilities and government sectors.

“We continue to make significant progress on transforming Veris Australia and implementing our digital and spatial strategy to generate higher returns and post the sale of Aqura, we will be strongly positioned to continue this growth trajectory.”

Terms of the SSA

The key terms of the SSA are as follows:

- Telstra Purple has agreed to acquire all the issued shares in Aqura.
- Consideration for the acquisition is \$30 million, subject to customary net debt and working capital adjustments.
- Completion of the sale is conditional on terms and conditions customary for a transaction of this nature, including execution of new employment agreements with key Aqura executives and retention of existing employees.
- Completion is anticipated to occur on 28 February 2022, subject to timing of satisfaction of the conditions precedent.
- The parties may only terminate the SSA for failing to satisfy the conditions precedent within 3 months after signing the SSA, if completion fails to occur, if a party becomes insolvent or Veris breaches certain obligations under the SSA.

Proceeds and Veris Australia Strategy

The net proceeds available to be applied to the Veris Australia business are expected to be the sale consideration of \$30 million, subject to customary net debt and working capital adjustments, less other transaction costs and taxes to be borne by Veris.

The net proceeds of the Proposed Transaction will be used to underpin the acceleration and continued execution of the Veris Australia digital and spatial strategy, which will be supported by its data-as-a-service offering. The continued growth in industry-led demand for digital and spatial data-led insights is presenting significant opportunities for Veris Australia.

The ability to accelerate this strategy via further investment in leading edge technology and equipment, coupled with the capability to continue attracting highly skilled team members trained in data analytics and geospatial modelling, is expected to deliver shareholder value across a range of short, medium and long-term horizons.

The Board is also considering capital management alternatives to enhance shareholder value.

Indicative Timetable and Next Steps

Veris Ltd shareholders do not need to take any action at this time, as shareholder approval for the Proposed Transaction is not required.

Subject to the conditions of the SSA being satisfied, the Proposed Transaction is expected to be completed on 28 February 2022.

Veris is being advised by Azure Capital and Steinepreis Paganin in relation to the Proposed Transaction.

This announcement ends the trading halt in Veris shares. This announcement has been authorised for release by the Veris Ltd Board.

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Investor Webinar

The Company will hold a webinar with CEO Michael Shirley and CFO Steve Harding tomorrow, Tuesday 1 February at 11:30am AEDT, to discuss the Aqura transaction and strategy going forward.

Investors can register for the webinar via the following link:

https://us02web.zoom.us/webinar/register/WN_RBBb3nimSyWBBjraytBFrQ

Questions can be submitted live throughout the webinar via the Q&A function or submitted prior to simon@nwrcommunications.com.au.

– ENDS –

For more information, please contact:

Contact Details/ Inquiries:

Karl Paganin
Chairman, Veris Ltd
+61 418 823 114

Steve Harding
Chief Financial Officer, Veris Ltd
+61 421 057 032

Simon Hinsley
Investor / Media Relations
+61 401 809 653
simon@nwrcommunications.com.au

About Veris Limited

Veris Limited is the Group's holding company that is listed on the ASX under the code VRS. Veris Limited has two wholly owned operating divisions, Veris Australia and Aqura Technologies.

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's markets include resources, oil & gas, industrial, commercial and defence sectors.

Issued by Veris Limited
For further information please contact:
Veris Corporate Office - Telephone: (08) 9317 0600

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