A trusted, leading provider of spatial data services

Annual Report 2023

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.

Contents

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 though 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.

Our Values

Working Safely

Safety, health and well being underpins all we do. No compromise on taking the safest way to perform our work. We individually and collectively commit to keeping everyone at Veris safe.

Working Together

Collaboration / Teamwork / Connection with each other in our teams, across teams and with our clients and communities.

Doing The Right Thing

Operating with integrity and authenticity building trust internally and externally.

Finding Solutions

Innovation, thinking outside the box and focusing on what our clients need. Continually improving and looking for the best outcome.

Delivering Our Best

Delivery excellence in every thing we do. Providing clients with our collective expertise and adding value to their projects.

Karl Paganin
Non-Executive Chairman

Chairman's Report

> Throughout the year, our people, projects and programs were recognised in winning a number of industry awards. Congratulations to all the award winners.

It gives me great pleasure to report on a record-breaking year for Veris Limited ("Veris" or "the Company"). The 2023 Financial Year (FY23) for Veris has been marked by significant achievements and a continued growth trajectory underpinned by an ongoing investment in our strategy.

Marking a significant milestone in our Company's journey, Veris achieved a profit before tax of $1.1 million from its core spatial and planning operations. This result was unassisted by any external government grants, COVID-related subsidies or one-off gains associated with divestments of group entities and demonstrates the progress towards a sustainable, profitable business model. In addition, the Company once again achieved year-on-year revenue growth, with revenue reaching $100.9 million, up 9.2% from $92.4 million in FY22.

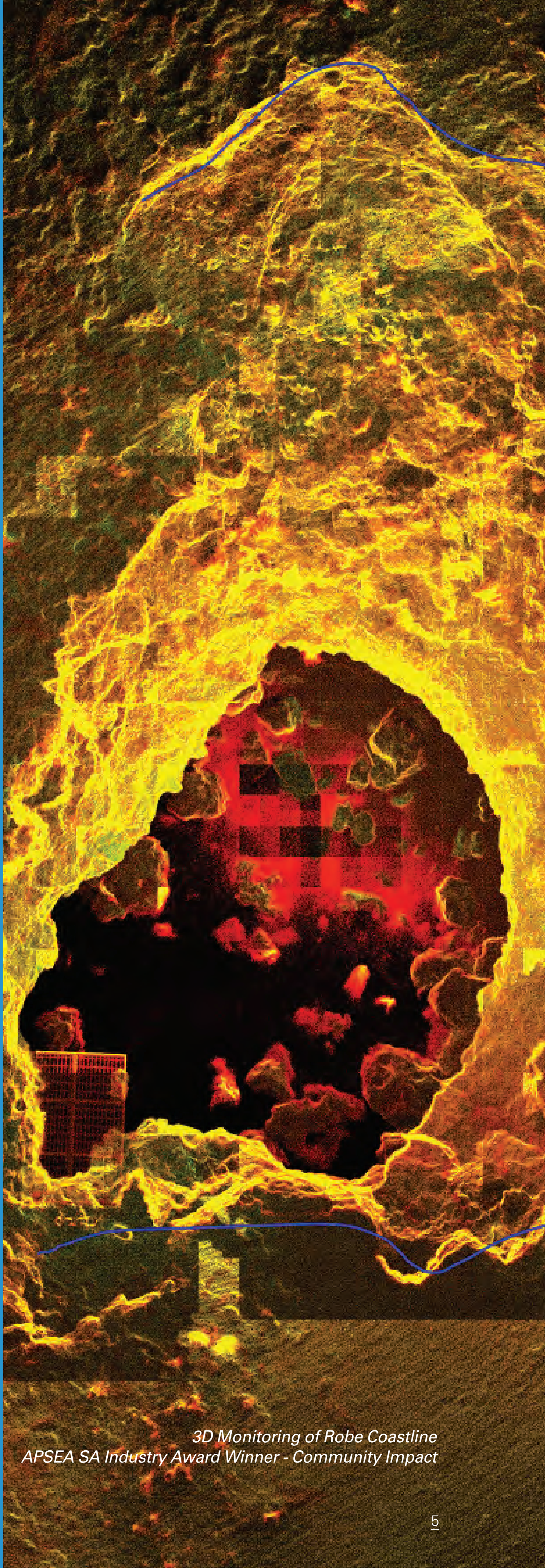
There has been a continued demonstration of higher margin returns from the Digital & Spatial and Planning Urban Design service lines. The higher value, solutions-based, consulting and advisory nature of these services reaffirms Veris' pivot towards end-to-end solutions that derive more value from data for our key clients. The positive trajectory, year-on-year growth and profitable returns reflects the prudent management and strategy execution embarked upon by the Board, senior leadership team and commitment of our people.

During the year, Veris invested further in innovation and cutting-edge technologies that are essential for our strategic growth. The Company strengthened its internal Digital & Spatial capabilities through increased skillsets in areas such as artificial intelligence and data analytics. These enhancements underpin the drive for innovative product development, positioning Veris at the forefront of industry trends. Our commitment to fostering innovation continues to be a driving force going forward.

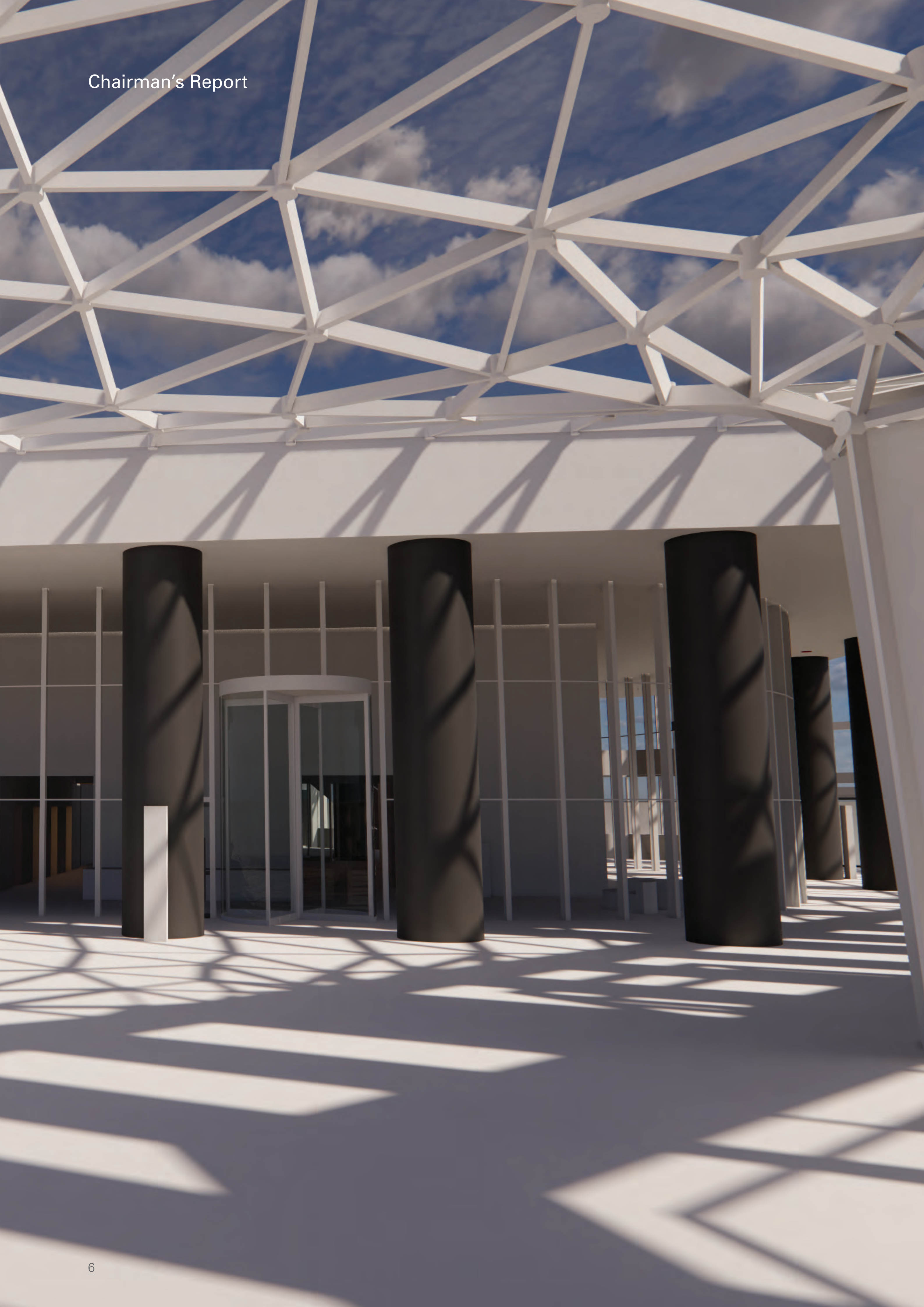
Extending upon this investment, the Company is currently in the process of commercialising a number of new products and service applications in our Digital & Spatial business. These digital solutions are anchored by our market-leading data capture and hosting capabilities and analytics skill-sets, which provide Veris with a unique, market-leading offering. As we leverage these capabilities, we anticipate higher margin returns and new growth opportunities.

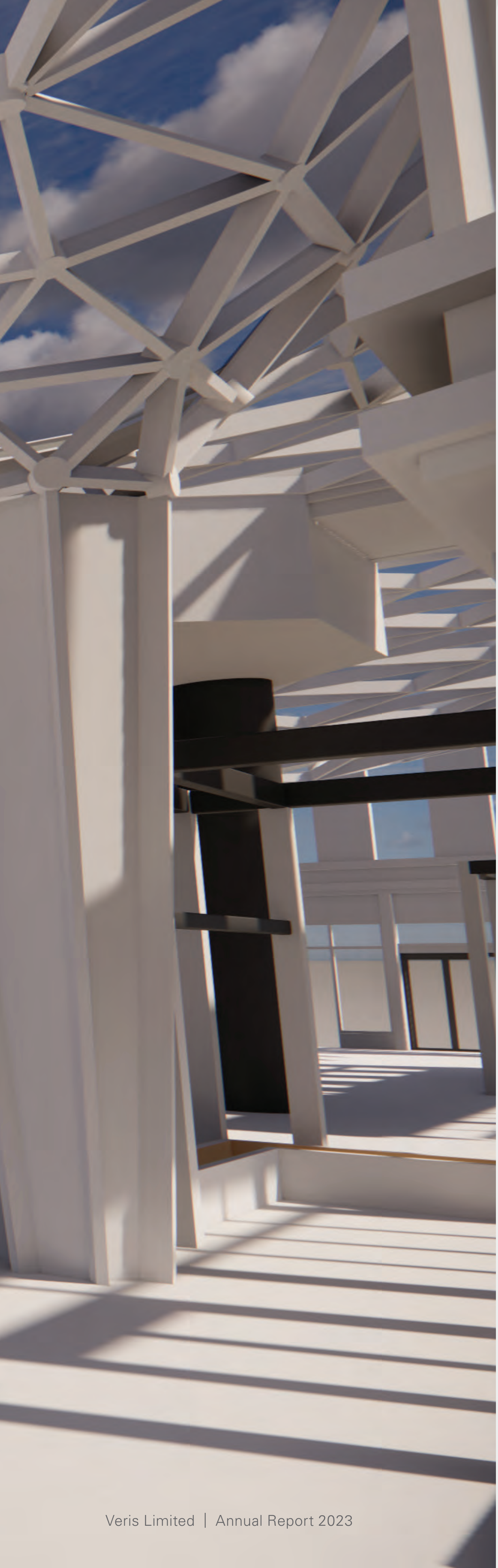
The Company continued to work closely with our alliance partner Wumara Group – a majority Indigenous-owned land and construction surveying company, in which Veris holds a 49% interest. There are numerous success stories emerging from this relationship which aligns with our Reconciliation Action Plan, including the Indigenous Surveyor Employment Pathway Program, the strong demonstration of Veris and Wumara working together on major projects and the resulting growth of the Wumara business, as well as enhanced cultural awareness and learning within Veris.

The diversity, expertise and strategic vision of the senior leadership team have propelled the Company forward in FY23. The team has been further



3D Monitoring of Robe Coastline
APSEA SA Industry Award Winner - Community Impact





strengthened with the appointment of Julie Stanley as Chief Operating Officer in November 2022. With effective leadership and a collaborative approach, the senior leadership team are fostering a dynamic work environment, delivering on the strategy, and leading Veris towards a future of continued growth and excellence.

Throughout the year, our people, projects and programs were recognised in winning a number of industry awards. These awards reflect the industry-leading talent within the Veris team and the ongoing investment in programs that develop our people. Congratulations to all the award winners.

The Company has focused on strong capital management and holds cash at bank and term deposits of circa $17.3 million at 30 June 2023. The strength of our balance sheet has enabled the re-negotiation of key supply arrangements to deliver cost savings. Veris has also extended its on-market share buy back through to June 2024 and continues to consider a range of capital management initiatives to create shareholder returns.

Looking ahead to FY24 and beyond, Veris will be focused on accelerating the commercialisation of its suite of digital solutions, leveraging the Company's inhouse skillsets and data capture/hosting capabilities. Moreover, the Company will be continuing its commitment to the development of its national operating platform, strengthening relationships with large-scale national and regionally significant key clients who see the value in Veris solving their asset-base and data-related challenges. Ultimately, we aim to solidify our position as a trusted, leading provider of spatial data services.

On behalf of the Board, I extend my gratitude to all Veris shareholders, clients, and other stakeholders for your continued support on this journey. As we embrace the opportunities that lie ahead, Veris remains firmly committed to driving growth, fostering innovation, and delivering shareholder value.

Finally, I would like to congratulate management and employees across the Company on their achievements during the year. The Board recognises the significant work involved in delivering these record results and thanks them for their commitment.

Karl Paganin
Non-Executive Chairman

Michael Shirley
Managing Director & Chief Executive Officer

Managing Director & CEO's Report

> "By seamlessly integrating data and digital solutions across our service offerings, we are successfully expanding our value proposition to clients."

Veris continued to make strong progress in FY23 with our clear, defined strategy gaining momentum. Our focus has been on returning the business to sustainable, profitable growth, and for a second consecutive year the Company achieved a profit. This is testament to the dedication and hard work of our people.

Throughout the year, we accomplished significant milestones and continued to make enhancements across all aspects of the business. One of our key objectives has been achieving operational excellence, and our focus on project management and leveraging our strong capital management position to unlock greater margins and shareholder value will remain a focus moving forward.

With digital transformation comes the opportunity to revolutionise the way industry designs, builds, and manages assets. During the year we continued to invest in leading-edge technology, innovative solutions and skillsets aligned to our spatial data strategy. Our high-value services that transform data into revenue are gaining traction, aligning strongly to our clients' growing demand for rapid digitisation of their assets and smarter decision-making.

The safety, health and wellbeing of our people underpins everything that we do. Our refreshed set of values of Working Safely, Working Together, Doing the Right Thing, Finding Solutions and Delivering our Best drive our aspiration of being a trusted, leading provider of spatial data services. They embody our culture, emphasise what we stand for as a business, and empower the way we work.

Financial Performance

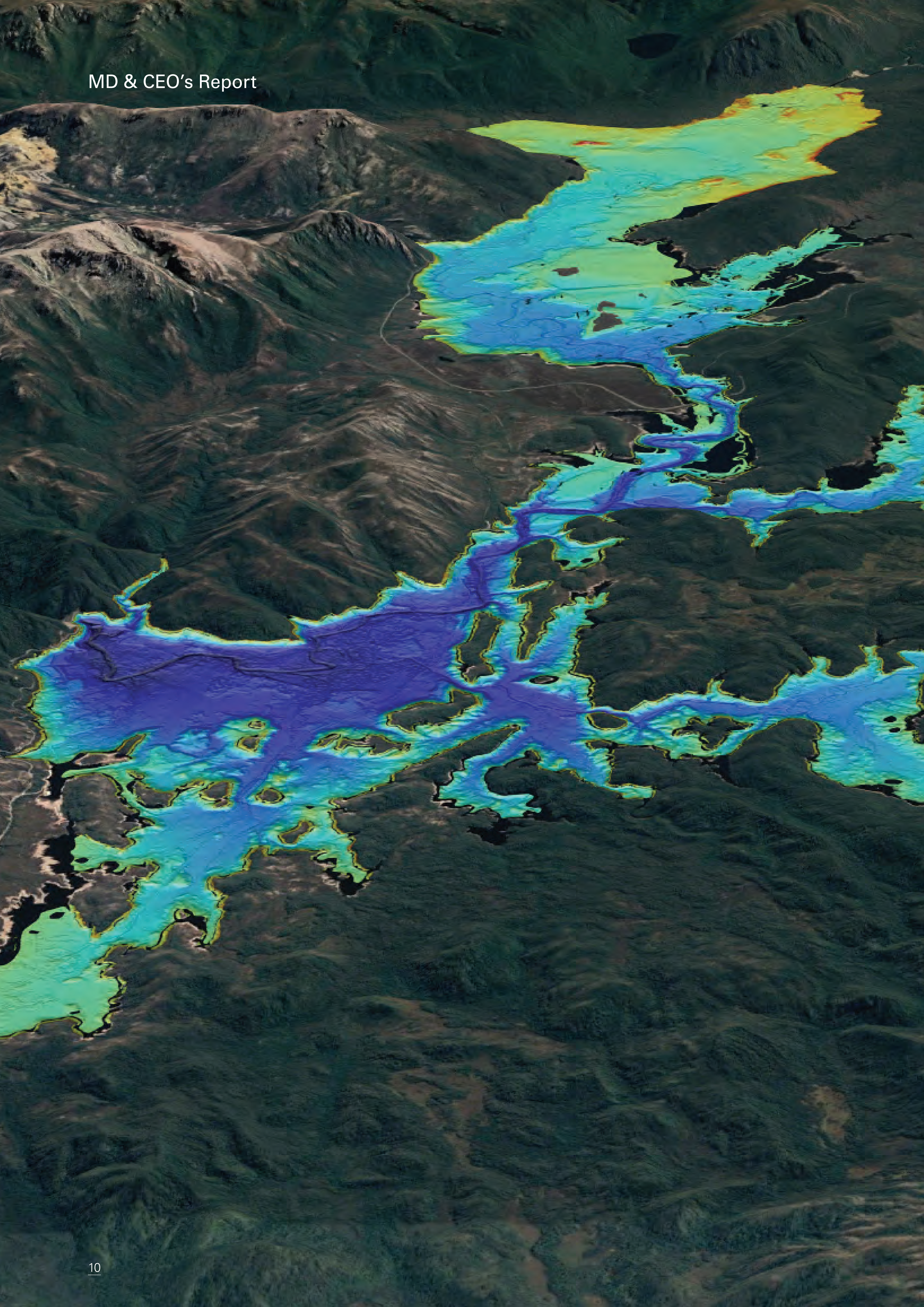
Veris Australia has achieved year-on-year revenue growth for the last three years, and in FY23 we were able to grow revenue by a further 9.2% on the prior year, up to $100.9 million. This represented a strong revenue compound annual growth rate of 10.5% since FY20.

We delivered a profit before tax and share based payments expenses from our core continuing operations of $1.3 million, up 1,063% from the pcp. This result was unassisted by any external government grants, COVID-related subsidies or one-off gains associated with divestments of group entities and demonstrates the progress towards a sustainable, profitable business model.

During the year, we strategically transitioned our operational emphasis from pursuing revenue growth to a more deliberate strategy of strengthening our margins. This shift in focus, while aimed at bolstering our profitability moving forward, contributed to a relatively softer performance in revenue terms in the second half of the year.

Additionally, during the second half of the financial year it became clear that Veris was not immune from the broader economic pressures of a higher inflationary environment coupled with skilled labour shortages facing the wider Australian economy. These pressures have accelerated our focus on ensuring we undertake the right projects for the right clients to ensure we utilise our finite resources in the most value accretive manner and will continue to remain a focus in FY24.

Autonomous Surface Vessel



Delivering Operational Excellence

During the year there was a renewed focus on driving innovation and operational efficiencies. This has included investing in enhanced project management processes and training to ensure we deliver efficiently on projects. In addition, as a result of our strong net cash balance, we have been able to renegotiate key supply arrangements to deliver cost savings and efficiencies including vehicle supply and operating costs, equipment procurement and maintenance, insurance and corporate financing arrangements.

Spatial Data Strategy and Innovation

A core element of our strategy revolves around the pivot towards becoming Australia's pre-eminent spatial data business. This journey has seen the Company invest significantly in leading-edge technologies which enable us to rapidly capture high-quality 3D data with unparalleled precision. Moreover, we are developing a suite of innovative solutions and services that empower seamless hosting, access, visualisation, analysis and repeat access of spatial data for our clients. By seamlessly integrating data and digital solutions across our service offerings, we are successfully expanding our value proposition to clients. This strategic move positions us at the forefront of spatial innovation, allowing us to address even the most complex and challenging requirements.

Examples of this strategy in action include the development of our cloud-based RoadSiDe platform, integrating the 3D data captured by our teams in the field, with AI and spatial analytics to rapidly identify, assess and quantify the condition of roads. These types of tools enable virtual site visits and smarter decision making across the lifecycle of a project, from design and planning through to ongoing multi-year asset management programs.

Unlocking Potential with Key Clients

In pursuit of sustainable, profitable growth and strengthened relationships, we maintained our focus on key national clients throughout FY23 as part of our Key Account Management program. By concentrating our efforts on these larger accounts, we have built a sense of trust and mutual benefit, resulting in a notable rise in our share of revenue and margin growth from these key accounts.

This remains a foundation of our growth strategy, as we continue to cultivate enduring relationships and deliver exceptional value to our clients and stakeholders.

Health and Safety

During the year we continued to elevate our safety culture and initiatives to keep everyone safe. We launched a new safety award that recognises outstanding safety attitude and behaviours in our people and seeks to drive continuous improvement.

Veris' Lost Time Injury Frequency Rate for the year was 4.35 and the Total Recordable Injury Frequency Rate was 4.25. Sadly, a long-term Veris employee in Queensland died in July 2022 following an incident at a remote work site. The incident is still under investigation. Veris has treated this as a workplace fatality. Veris operates in sectors that are exposed to high-risk activities and, while we have a history of strong safety performance, we are determined to learn from this loss. The health and safety of our people is paramount.

People and Culture

At the heart of our achievements lies our talented, diverse and dedicated workforce. We continued to put initiatives in place to attract and retain the best talent and deliver a great employee experience.

In FY23 our Young Professionals Program entered its third year. The program, which provides graduates with exposure to all areas of the industry over a 12-month period, had an intake of 16 participants during the year, up from 10 participants the year prior. In an industry with a recognised skills shortage, these types of programs are essential, and it was particularly rewarding to see the program acknowledged with an award at the Asia-Pacific Spatial Excellence Awards for Victoria.

We also implemented a Diversity and Inclusion policy and framework, which guided our efforts to foster an inclusive culture. Throughout the year, we actively recognised and celebrated various awareness days and social campaigns that promote diversity, encouraging dialogue and understanding among our workforce. Our commitment to gender diversity is evident in the continued evolution of our senior leadership team, where women are strongly represented, bringing diverse perspectives to drive Veris forward.

We also developed and launched a refreshed set of values for the business that better reflect our aspiration. It was important that these were developed in collaboration with our people, and it was satisfying to see that following a consultation process with our teams across the country, these values were rolled out nationally. These values embody our culture, empower the way we work and guide the actions that we take both individually and as a business.

Indigenous Participation

Our alliance with Wumara Group entered its second year in FY23, and it was pleasing to see the relationship continue to grow and generate positive outcomes in its aim to help close the gap between Indigenous and non-Indigenous Australians.

The Indigenous Surveyor Employment Pathway Program, which offers Indigenous Australians a pathway into the surveying industry, was recognised for its impact, winning the Workforce Development and Inclusion Award at the National 2023 Asia-Pacific Spatial Excellence Awards (APSEA). 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.

Another outcome of the alliance has seen Veris and Wumara Group working together on a number of major infrastructure projects. The collaboration between our teams has been a highlight, whilst also providing invaluable experience for trainees that had previously completed the Indigenous Surveyor Employment Pathway Program. Further to this, we have worked with Wumara to enhance cultural learning within Veris, hosting a number of webinars and sessions on culturally significant days to promote greater cultural awareness in line with our Reconciliation Action Plan.

Award winning projects, people and programs

Winning industry awards serves as a powerful testament to Veris' unique expertise and capabilities and solidifies our position as a leader in the field.

These accolades not only showcase the exceptional work we do but also offer valuable recognition of the impact our people and programs have on our industry.

Across FY23 it was fantastic to celebrate a considerable number of award winners within the business including:

- Technical Excellence Award for the Paradise Gorge Digital Twin project – Asia-Pacific Spatial Excellence Awards (APSEA) Tasmania
- Community Impact Award for the 3D Monitoring of the Robe Coastline project – APSEA South Australia
- Excellence in Innovation Award for the Cardinia Shire Council 3D Digital Technology project - Institute of Public Works Engineering Australasia (IPWEA) Victoria Engineering Excellence Awards
- Workforce Development and Inclusion Award for the Indigenous Surveyor Employment Pathway Program – APSEA NSW & National
- Workforce Development and Inclusion Award for the Young Professionals Program – APSEA Victoria
- Bruce Thompson Innovation Award, Nathan Quadros - APSEA National
- Winner National Firm Category – Consulting Surveyors National Excellence Awards.

Pipeline and Outlook

The Company secured forward workload remained stable and at 30 June 2023 remained in excess of $55 million. 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. We now have a strong track record in demonstrating the conversion of our backlog and pipeline to revenue and margin in subsequent periods, providing confidence in our outlook.

Veris' service offering spans a diverse spread of markets including Property, Infrastructure, Defence, Mining & Resources, Energy, Utilities and Government. Despite some economic uncertainty, most of the markets Veris chooses to target are continuing to experience strong levels of investment and growth and have a positive outlook.

In closing, I would like to express my gratitude to the Senior Leadership Team, Board and every member of our dedicated workforce for their commitment throughout the past 12 months. Together, we have achieved much progress and I'm looking forward to continued future growth and success.

Michael Shirley
Managing Director & Chief Executive Officer

Health, Safety, Environment & Quality

Health and 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.

FY23 TRIFR
(Total Recordable Injury Frequency Rate)
4.25

FY23 LTIF
(Lost Time Injury Frequency Rate)
4.35

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.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Financial Reports

Directors' Report

For the year ended 30 June 2023

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 2023.

Information on Directors

Directors of the Company during the financial year ended 30 June 2023 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
Michael Shirley	Managing Director & CEO	Appointed 1 June 2022
Brian Elton	Non-Executive Director	Appointed 21 November 2019
David Murray	Independent Non-Executive Director	Appointed 1 June 2021
Tracey Gosling	Independent Non-Executive Director	Appointed 1 April 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 25 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 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 holds degrees in Law (B.Juris, LLB) and Arts (BA) from the University of Western Australia.

Mr Paganin is currently Non-Executive Director of ASX listed Southern Cross Electrical Engineering Limited.

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

Information on Directors (continued)

Dr Michael Shirley – Managing Director

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

Brian Elton – Non-Executive Director

Experience

Mr Brian Elton is the founder of Elton Consulting. 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 Health, Safety, Environment and Quality Committee

Other Company Directorships in last 3 years

EMFOX Pty Ltd - Trading as the Wumara Group (July 2021 – current)
Ozfish Unlimited (July 2022 - current)

Interests in Shares of Veris Limited

38,786,018 fully paid ordinary shares

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

Interests in Shares of Veris Limited

3,200,000 fully paid ordinary shares

Tracey Gosling - Independent Non-Executive Director

Experience

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

Ms Gosling has served previously on the Geoscape Board and Investment Committee for 2.5 years. Ms Gosling is also a member of the Australian Institute of Company Directors GAICD. Her experience launching new digital and data services across Australia including some pioneering services, extends over some 15 years.

Special Responsibilities

Member of the Health, Safety, Environment and Quality Committee

Other Company Directorships in last 3 years

Gosling Innovation Group (2016 – June 2023)
Night Sky Pty Ltd (2021 – current)
Geoscape Australia (2018 - 2021)

Interests in Shares of Veris Limited

128,205 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 and Risk Committee		Remuneration and Nomination Committee		Health, Safety, Environment and Quality Committee	
	A	B	A	B	A	B	A	B
Karl Paganin	13	13	4	4	4	4	*	*
Michael Shirley	13	13	4	4	4	4	5	5
Brian Elton	13	13	*	*	4	4	5	5
David Murray	13	13	4	4	*	*	*	*
Tracey Gosling	13	13	*	*	*	*	5	5

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.

Dividends

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

After the end of the financial year, the Company declared a fully franked dividend of $0.0015 per share.

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.

Principal Activities (continued)

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.

Significant Changes

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

- During the year, Ms Julie Stanley was appointed as Chief Operating Officer of Veris Australia on 1 November 2022. Ms Stanley has a wealth of experience leading and mentoring large-scale operations within professional services and contracting environments.
- Veris Australia successfully mobilised and continues to deliver, or has completed, significant contracts across our national platform incorporating the delivery of a range of our specialised services including:
  - The Iron Bridge Magnetite Project in WA for the delivery of survey, pipeline design, data analysis and GIS support;
  - The ongoing Melbourne Metro Tunnel project in Victoria for the delivery of survey, locating and data management services;
  - 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
  - Continuing assessment of early stage works on the Inland Rail Project connecting major capital cities up and down the east coast of Australia.
  - The Sydney Metro South-West corridor project providing engineering survey support, 3D data management and spatial data capture.
- Veris accelerated its investment in commercialising new products leveraging our market-leading digital and spatial data capture and analytics capabilities and solutions. This has provided the backdrop for continued significant growth in services utilising innovative solutions developed by Veris, including:
  - Creating a 3D façade laser scan and model of an airport terminal for a major capital city airport operator to assist with their asset maintenance program and planning;
  - Laser scanning and modelling of large-scale remote fencing infrastructure for a major asset owner in remote areas to assess asset condition and assist with repair and maintenance planning; and
  - Data capture via mobile laser scan (MLS) and 3D Ground Penetrating Radar (GPR) to create virtual models of street-scapes to assist with asset maintenance and more precise vegetation management and clearance requirements, thereby assisting improved conservation and tree canopy management.

Significant Changes (continued)

- Veris Limited announced on 8 June 2022 that it intended to implement an on-market share buy-back for up to 10% of the Company's fully paid ordinary shares on issue. During the financial year, Veris acquired 10.98 million ordinary shares via the operation of the on-market buy-back incurring a cash outlay of $0.9 million.
- Veris Limited announced on 9 June 2023 its intention to extend for a further 12 months the on-market share buy-back for up to a further 10% of the Company's fully paid ordinary shares on issue, which is now due to conclude on 8 June 2024.
- Veris Limited resolved and completed settlement of the consideration adjustment arising from the transaction to divest 100% of the shares in Aqura Technologies Pty Ltd ("Aqura") (as announced on 28 February 2022). This settlement relating to working capital adjustment amounted to a cash settlement of $0.4 million in the second half of the financial year (reflecting a $179,000 downward adjustment to the gain made on sale of Aqura in FY22).

Operating and Financial Review

For the year ended:	30 Jun 2023 $000	30 Jun 2022 $000
Continuing operations		
Revenue	100,861	92,366
Statutory profit / (loss) after tax	**1,071**	**510**
Add back:		
Government grants	-	(1,022)
Tax (benefit) / expense	-	(405)
Net finance expense	816	1,234
Restructuring costs	30	215
Share-based payment expense	232	8
Acquisition costs	-	4
Adjusted EBIT profit / (loss)	2,149	544
Depreciation and amortisation	8,027	8,441
Adjusted EBITDA from continuing operations(i)	**10,176**	**8,985**
Discontinued operations		
Discontinued operations (loss) / profit net of tax	-	(2,230)
(Loss) / gain on disposal of subsidiary	(179)	22,770
Net (loss) / profit from discontinued operations, net of tax	**(179)**	**20,540**
Key Balance Sheet Metrics		
Net Assets	28,821	28,587
Working Capital(ii)	17,738	16,280

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

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

The Group achieved adjusted EBITDA of $10.2 million in FY23 from the continuing operations of Veris Australia, which reflects a 13% increase on the prior corresponding period.

Whilst FY23 witnessed the conclusion of government-imposed restricted operating conditions, the result was impacted by the higher-than-average quantum of annual leave taken by our workforce following the relaxation of travel and border restrictions. Whilst these leave entitlements were accrued on the Group's balance sheet, the loss of margin generating opportunities whilst staff were utilising leave accrued during extended periods of lockdown ultimately had a material impact on the result for the year.

Operating and Financial Review (continued)

The Company's strong balance sheet comprising cash and short-term deposits of $17.3 million has delivered significantly reduced financing costs as well as providing a strengthened credit risk profile from which to renegotiate a number of procurement arrangements such as equipment, vehicles and insurances. These renegotiated arrangements have all delivered margin accretion in FY23.

The increase in adjusted EBITDA also 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.

With the continuation of competitive labour markets experienced across all of Veris' operating environments, the Group has continued to invest in our people, systems and leading-edge equipment to enhance the engagement with our existing teams and continue to position Veris as the leading provider of digital & spatial services to attract high quality skilled staff from across the industry. Our focus on our people and culture strategy resulted in significantly lower restructuring costs during FY23.

Net assets increased on prior year primarily as a result of the operating profit generated by the operations of Veris Australia. This was offset by the reduction in share capital arising from the ongoing on-market share buyback of $0.9 million and the final settlement payment made to Telstra in connection with a working capital transaction adjustment arising from the Aqura divestment in FY22 of $0.4 million.

The working capital position of the Group has again strengthened during FY23 from $16.3 million to $17.7 million at 30 June 2023. A continued focus on working capital management has underpinned this improvement in the Group's working capital position as tighter management of WIP and debtor balances has resulted in the crystallisation of cashflow. This has been an important focus in managing Veris' potential credit risk exposures as the impact of a higher interest rate environment has seen some industry participants across the property and construction sectors face financial difficulty, particularly in the second half of FY23. To date, Veris has not been significantly impacted in this area.

Veris has also utilised the Group's strong cash position and balance sheet to revisit its asset funding model during FY23. Historically, the Group has financed equipment purchases via the utilisation of relatively higher cost fixed term hire purchase/equipment finance agreements. During the year, Veris entered into a lower cost corporate borrowing arrangement with a major Australian bank and utilised some of this facility to terminate a number of these legacy higher cost equipment finance agreements. This new corporate borrowing facility has also been utilised to fund the continued investment in leading edge technology and equipment at significantly lower financing rates than the Group had historically been able to access. These lower interest rate costs will ultimately contribute to enhancing margins in future years.

Accelerating the pivot towards a spatial data business

Throughout FY23, Veris Australia significantly accelerated its pivot towards becoming a leading spatial data business by further investing in its Digital Solutions. 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 Solutions represents a strategic opportunity to capture growth and deliver enhanced margins while meeting the push towards digitalisation and data-driven insights by industry.

Operating and Financial Review (continued)

Accelerating the pivot towards a spatial data business (continued)

As part of this acceleration, further investment was made across FY23 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;
- 3D Ground penetrating radar (GPR) capability; and
- leading-edge terrestrial laser scanning equipment.

A key platform in Veris' digital 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.

With the continued investment in additional specialist skill sets, including the expansion of our geographic information system (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, Veris has expanded our capabilities in developing and commercialising data-driven analytics solutions for our large-scale clients. These solutions are developed to target and solve client-identified problems. As we expand our data capture capabilities, the continued development of additional solutions will remain a key strategic focus.

The growth of our GIS services is strongly linked to our property and infrastructure clients. FY23 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.

Veris continues to deliver value from data for its clients, by providing high value spatial data solutions. Our internal development of applied 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. RoadSiDe is a newly developed product with large-scale potential application leveraging data insights coupled with user-friendly web-based platforms for the remote assessment of road conditions.

Outlook

Whilst the broader outlook for Veris' operations remains strong there are near-term challenges across the broader Australian economy which may impact the markets in which we operate in the near term. The emergence of inflationary pressures across FY23 has led to ongoing cost escalation, whilst tightness in the availability of skilled labour resources and continuing interruptions to supply channels has led to a range of input cost challenges.

Despite these near term headwinds, Veris is well positioned for the future as a result of:

- continued record levels of investment in the infrastructure and defence sectors;
- renewed immigration levels underpinning demand for housing providing supportive conditions for the property sector;
- ongoing strength in commodity markets underpinning activity in the mining and resources sector, and an increasing industry requirement for digital and spatial data solutions

Operating and Financial Review (continued)

Outlook (continued)

FY24 is an important year for Veris to continue to demonstrate the acceleration of our pivot towards the execution of our Digital & Spatial strategy as we build upon the return to profitability of the core Veris platform. Key to the execution of this strategy will be the continued operational shift from smaller projects to increasing our engagement and relationships with key national and regional clients as we provide solutions to their large-scale data problems. As we accelerate our focus, commercialising Veris' proprietary digital solutions will be critical to developing repeatable commercial relationships with this key target client base.

Whilst current inflationary pressures on project inputs are resulting in the review of timelines around a number of large scale infrastructure projects, sponsored by the Federal and State Governments, the longer-term need for the construction of these projects is not diminished. Veris continues to be well placed to capture significant works on these large infrastructure opportunities across both metropolitan and regional areas.

Pipeline

Veris enters FY24 with a strong order book and pipeline. The order book at 30 June 2023 remained in excess of $55 million and pipeline of projects of weighted value in excess of $190 million for execution over the next 24 months. Both the size and quantum of the order book and pipeline have remained relatively stable throughout the financial year, demonstrating the Group's strong track record of converting our backlog and pipeline to revenue and margin in subsequent periods, providing confidence in our outlook.

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 2023, 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 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:

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. 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.

Risks (continued)

Working with Potential Safety Hazards Risk

In undertaking work and delivering projects for its customers, Veris' employees and subcontractors can operate in potentially 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.

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

Risks (continued)

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.

Macro-economic trends

Veris considers the potential for the Australian economic outlook to remain challenging with inflationary pressures and associated interest rate impacts affecting a broad range of participants in the sectors Veris operates in. Within this environment, there can be uncertainty around the path of inflation, the associated policy responses and the impacts on Veris' customers and suppliers. Veris monitors the risk of systemic shifts in the macro-economic environment such as a subdued macroeconomic environment or a global financial crisis-type event that restricts access to capital to fund certain projects. The Veris board manages the business to protect the Group's balance sheet and maintain conservative buffers to address uncertainties as they arise.

Supply chain risk

High inflation, a tight labour market, and global disruptions to manufacturing and technology equipment supply chains can have an impact on Veris' ability to source and repair technology-based equipment and vehicles. Veris works closely with key suppliers to understand supply chain bottlenecks and capacity constraints.

Climate change

The changing frequency and severity of weather events is identified as a risk to Veris' operations and financial results over the short, medium and long-term. Severe natural hazard events impact our clients and communities in which we operate and drive operational pressures within the business. Veris advocates for cross-sector collaboration and greater investment in building community resilience against natural hazards to better manage physical risks associated with climate change.

Significant Events After Period End

On 28 August 2023 the Company has declared that it will pay a fully franked dividend for 2023 of $0.0015 per share.

On 3 July 2023 the Company announced and effected the cancellation of 1,637,830 ordinary shares that were acquired under the Company's on-market buy back that was active during the year.

Significant Events After Period End (continued)

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.

Remuneration Report – Audited

The directors are pleased to present your Company's 2023 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 following 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 2022 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.

Name	Role	Appointment
Non-Executive Directors		
Karl Paganin	Non-Executive Chairman, Independent Non-Executive Director, Independent	Appointed 25 November 2019 Appointed 19 October 2015
David Murray	Non-Executive Director, Independent	Appointed 1 June 2021
Brian Elton	Non-Executive Director	Appointed 21 November 2019
Tracey Gosling	Independent Non-Executive Director	Appointed 1 April 2022
Executive Director		
Michael Shirley	Managing Director & CEO	Appointed 1 June 2022
Executive KMP		
Michael Shirley	Chief Executive Officer	Appointed 29 October 2019
Steven Harding	Chief Financial Officer Company Secretary	Appointed 2 April 2020 Appointed 27 November 2020
Steve Pearson	Chief Commercial Officer	Appointed 30 March 2020 KMP effective 1 March 2022
Julie Stanley	Chief Operational Officer	Appointed 1 November 2022

Remuneration Report – Audited (continued)

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.

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.

The Company has entered into service agreements with its current Non-Executive Directors; refer to the details of the contractual arrangements on page 32 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 in creating long term shareholder value and is fit for purpose for the phase of the company's life cycle.

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 regarding remuneration.

Remuneration Report – Audited (continued)

d) Performance linked compensation

The following table shows key performance indicators for the Group over the last five years.

	Financial Year Ended 30 June	2023	2022	2021 Restated	2020	2019
LTI	Closing Share Price ($)	0.081	0.063	0.074	0.036	0.047
	EPS (cents)	0.17	4.04	(0.33)	(6.14)	(11.29)
STI	Profit / (Loss) from Continuing Operations ($'000)	1,071	105	(2,392)	(23,210)	(40,643)
	Adjusted EBITDA	10,176	10,007	8,328	1,860	4,100
	Average % of Maximum STI awarded to Executives (i) (%)	-	-	-	-	-
	Dividends paid ($'000)	-	-	-	-	1,770

(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

FY2023 Long Term Incentive Plan ("FY23 LTI Plan")

On 19 October 2022 and 3 March 2023, the Group granted Performance Rights to the Managing Director/CEO (approval under ASX Listing rule 10.14) and the CFO and CCO, under the Group's Long Term Incentive Plan in respect of the financial years ended 30 June 2023 to 30 June 2024. Subject to continued employment and achievement of financial performance hurdles (Absolute total shareholder return ('ATSR') and Basic Earnings Per Share), the Performance Rights will vest as follows:

Number of Performance Rights granted	Vesting Date (A)	Lapsed (B)	Vested	Vesting Hurdles			
				50% Absolute TSR ('ATSR')		50% Basic EPS	
5,685,716	30 June 2023	5,685,716	-	<12.5% p.a. compounded	Nil	< $0.0046	Nil
				12.5% p.a. compounded	50%	> $0.0046	100%
5,685,716	30 June 2024	-	-	>12.5% p.a. compounded, <20% p.a. compounded	Pro-rata vesting between 50% and 100%	< $0.0039 > $0.0039	Nil 100%
11,371,432		-	-	At or above 20% p.a. compounded	100%		

(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.

(B) During the year ending 30 June 2023 on failing to achieve the vesting hurdles.

Remuneration Report – Audited (continued)

(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 2023	2,685,714	19 October 2022	-	-	100%	2,685,714	2023	-
	Performance rights 2024	2,685,714	19 October 2022	-	-	-	-	2024	-
Steve Harding	Performance rights 2023	1,564,286	3 March 2023	-	-	100%	1,564,286	2023	-
	Performance rights 2024	1,564,286	3 March 2023	-	-	-	-	2024	-
Steve Pearson	Performance rights 2023	1,435,716	3 March 2023	-	-	100%	1,435,716	2023	-
	Performance rights 2024	1,435,716	3 March 2023	-	-	-	-	2024	-
		11,371,432							

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

No Performance Rights vested during the reporting period.

f) Voting and comments made at the Company's 2022 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2022 was put to the shareholders of the Company at the Annual General Meeting held 19 October 2022. The Company received 99.4% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2022 financial year. The resolution was passed without amendment on a poll.

Remuneration Report – Audited (continued)

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	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	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	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 will hold office until the next annual general meeting of the Company where she 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).
Michael Shirley (A) (B) (C) & (D)	Until validly terminated in accordance with the terms of the Agreement.	$470,000	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice.
Steven Harding (A) (B) (C) & (E)	Until validly terminated in accordance with the terms of the Agreement.	$365,000	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 (A) (B) (C) & (F)	Until validly terminated in accordance with the terms of the Agreement.	$335,000	Termination by either party – 1 months' notice
Julie Stanley (A) (B) & (C)	Until validly terminated in accordance with the terms of the Agreement. Appointed 1 November 2022 as Chief Operating Officer.	$375,700	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice.

(A) 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.

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

(C) 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.

(D) Base Salary plus Super was increased to $470,000 effective from 1 July 2022.

(E) Base Salary plus Super was increased to $365,000 effective from 1 July 2022.

(F) Base Salary plus Super was increased to $335,000 effective from 1 July 2022.

Directors' Report

For the year ended 30 June 2023

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 2023

	Short-term employment benefits			Post-employment benefits	Termination Benefits		Share-based Payments	Total	Proportion of remuneration performance related
	Salary & fees(A)	Incentive Cash bonus(B)	Non-monetary	Superannuation	Cash	Performance Rights	Performance Rights(C)		
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
Karl Paganin	111,250	-	-	-	-	-	-	111,250	-
David Murray	73,750	-	-	-	-	-	-	73,750	-
Brian Elton	63,636	-	-	6,681	-	-	-	70,317	-
Tracey Gosling	63,636	-	-	6,681	-	-		70,317	-
Sub total	312,272	-	-	13,362	-	-	-	325,634	-
Executive Directors									
Michael Shirley (D)	496,438	-	-	25,292	-	-	61,891	577,022	11%
Sub total	496,438	-	-	25,292	-	-	61,891	577,022	11%
Other Executives									
Steven Harding (E)	381,466	-	-	25,292	-	-	22,117	430,607	5%
Steve Pearson (F)	342,507	-	-	25,292	-	-	20,299	391,025	5%
Julie Stanley (G)	191,376	-	-	18,165	-	-	-	213,481	-
Sub total	915,349	-	-	68,749	-	-	42,416	1,035,113	4%
Total Remuneration	**1,724,059**	**-**	**-**	**107,403**	**-**	**-**	**104,307**	**1,937,769**	**5%**

(A) Salary and fees include annual leave and long service leave for Executive Directors and Other Executives.
(B) Short-term incentive bonus is for the achievement of KPIs within their individual roles for the financial year ended 30 June 2023.
(C) The value of the Performance Rights granted in the year is the fair value of the rights calculated at grant date. This amount is allocated to remuneration over the vesting periods (1 July 2022 to 30 June 2024). The fair value of the Performance Rights has been measured using both a hybrid multiple barrier option pricing model which incorporates a Monte Carlo simulation (for market based vesting conditions) and a Black Scholes option pricing model (Non-market based vesting conditions).
(D) Base Salary plus Super was increased to $470,000 effective from 1 July 2022, including back pay for FY2021 and FY2022.
(E) Base Salary plus Super was increased to $365,000 effective from 1 July 2022, including back pay for FY2021 and FY2022.
(F) Base Salary plus Super was increased to $335,000 effective from 1 July 2022, including back pay for FY2021 and FY2022.
(G) Julie Stanley became Key Management Personnel on 1 November 2022, on her appointment as Chief Operating Officer.

Directors' Report

For the year ended 30 June 2023

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 2022

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

(A) Salary and fees include annual leave and long service leave for Executive Directors and Other Executives.
(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 a Non-Executive Director on 1 April 2022.
(H) Michael Shirley was appointed 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 Aqura 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 Aqura Technologies Pty Ltd.
(K) Salary based on 27 fortnightly pay periods in FY22.

Remuneration Report – Audited (continued)

i) Analysis of bonuses included in remuneration

During the period, there was no entitlement to bonuses.

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

Key Management Personnel	Number held at 1 July 2022	Granted in year	Grant Value	Grant Face Value	Number Vested in year	Number forfeited / lapsed in year	Number held at 30 June 2023
Michael Shirley [(i)]	-	5,371,428	$369,286	$369,286	-	(2,685,714)	2,685,714
Steve Harding	-	3,128,572	$215,089	$215,089	-	(1,564,286)	1,564,286
Steve Pearson	-	2,871,432	$197,411	$197,411	-	(1,435,716)	1,435,716

(i) Issue of Performance Rights under the LTI Plan, under listing rule 10.14.1, which required and received approval by shareholders at the AGM held on 19 October 2022.

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 30/06/2022	Movement	Balance at 30/06/2023	Balance at Date of this Report
Directors				
Karl Paganin	19,189,350	-	19,189,350	19,189,350
David Murray	3,200,000	-	3,200,000	3,200,000
Brian Elton	38,727,449	58,569	38,786,018	38,786,018
Tracey Gosling	-	-	-	128,205
Michael Shirley	4,573,353	-	4,573,353	4,573,353
KMP's				
Steven Harding	1,340,943	-	1,340,943	1,340,943
Steve Pearson	1,587,575	-	1,587,575	1,587,575
Julie Stanley [(i)]	-	-	-	-
Total	**68,618,670**	**58,569**	**68,677,239**	**68,805,444**

(i) Julie Stanley became key management personnel on her appointment as Chief Operating Officer on 1 November 2022.

THIS CONCLUDES THE AUDITED REMUNERATION REPORT

Shares Under Option

As at 30 June 2023 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 2023	**30 Jun 2022**
	$000	**$000**
Audit Services		
Audit and review of the financial reports	221	250
Other assurance services	23	-
	244	**250**

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 of 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.

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 78 and forms part of the directors' report for the year ended 30 June 2023.

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 – **2023 Corporate Governance Statement**.

Signed in accordance with a resolution of the directors:

Karl Paganin
Chairman
Dated at Perth 28 August 2023

Consolidated Statement of Profit or Loss and Comprehensive Income

for the year ended 30 June 2023

	Note	2023 $000	2022 $000
Continuing operations			
Revenue		100,861	92,366
Expenses	4	(99,053)	(91,027)
Results from operating activities		**1,808**	**1,339**
Finance income		431	15
Finance costs		(1,247)	(1,249)
Net finance costs		(816)	(1,234)
Share of profit of an associate	3	79	-
Profit / (Loss) before income tax		**1,071**	**105**
Income tax (expense) / benefit	15	-	405
Profit / (Loss) from continuing operations		**1,071**	**510**
Discontinued operation			
Profit / (Loss) from discontinued operations, net of tax	2	(179)	20,540
Profit / (Loss) for the period		**892**	**21,050**
Total comprehensive profit / (loss) for the year		**892**	**21,050**
Earnings / (loss) per share			
Basic profit / (loss) cents per share	5	0.17	4.04
Diluted profit / (loss) cents per share	5	0.17	4.04
Earnings / (loss) per share – Continuing operations			
Basic profit / (loss) cents per share	5	0.21	0.10
Diluted profit / (loss) cents per share	5	0.21	0.10

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

Consolidated Statement of Financial Position

as at 30 June 2023

	Note	30 Jun 2023	30 Jun 2022
Assets		**$000**	**$000**
Current assets			
Cash and cash equivalents	17	17,336	18,204
Trade and other receivables	10	14,083	15,737
Contract assets	8	5,642	6,266
Other current assets		2,049	1,813
Total current assets		39,110	42,020
Non-current assets			
Property, plant and equipment	13	9,773	7,169
Right of use assets	13	16,392	19,854
Intangible assets	14	271	-
Investments in an associate	3	279	200
Deferred tax asset	16	3,714	3,714
Total non-current assets		30,429	30,937
Total assets		69,539	72,957
Liabilities			
Current Liabilities			
Trade and other payables	11	7,227	9,521
Bank borrowings	19	1,200	1,000
Lease liabilities	19	5,532	6,610
Employee benefits	12	7,413	8,609
Total current liabilities		21,372	25,740
Non-current liabilities			
Bank borrowings	19	3,844	-
Lease liabilities	19	13,425	16,534
Employee benefits	12	1,296	1,192
Provisions		781	904
Total non-current liabilities		19,346	18,630
Total liabilities		40,718	44,370
Net assets		**28,821**	**28,587**
Equity			
Share capital	20	50,780	51,670
Share based payment reserve	20	2,878	2,646
(Accumulated losses)	20	(24,837)	(25,729)
Total equity		**28,821**	**28,587**

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Note	Share Capital $000	Share Based Payment Reserve $000	Accumulated Profit $000	Total Equity $000
Balance at 1 July 2022		**51,670**	**2,646**	**(25,729)**	**28,587**
Total comprehensive income for the year					
Profit for the year		-	-	892	892
Total comprehensive profit for the year		**-**	**-**	**892**	**892**
Transactions with owners of the Company, recognised directly in equity					
On-market share buyback	20	(890)	-	-	(890)
Share-based payment transactions		-	232	-	232
Total transactions with owners of the Company		**(890)**	**232**	**-**	**(658)**
Balance at 30 June 2023		**50,780**	**2,878**	**(24,837)**	**28,821**

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

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 $000	2022* $000
Cash flows from operating activities			
Receipts from customers		113,225	112,287
Receipts from Government grants		-	1,551
Payments to suppliers and employees		(104,332)	(108,583)
Cash generated from operations		8,894	5,255
Interest paid		(1,247)	(1,253)
Interest received		381	15
Net cash from operating activities	18	8,027	4,017
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		252	2,128
Purchase of property, plant and equipment		(3,399)	(4,557)
Development expenditure		(307)	-
Acquisition of associate net of cash acquired		-	(180)
Disposal of subsidiaries net of costs**	2	(407)	23,226
Net cash (used in) investing activities		(3,861)	20,617
Cash flows from financing activities			
Repayment of loan and borrowings		(1,887)	(4,700)
Repayment of lease liabilities		(8,039)	(7,384)
Proceeds from loans		5,782	1,000
Share buyback		(890)	-
Net cash used in financing activities		(5,034)	(11,084)
Net increase / (decrease) in cash and cash equivalents		(868)	13,550
Cash and cash equivalents at 1 July		18,204	4,654
Cash and cash equivalents at 30 June	17	**17,336**	**18,204**

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

** Current year information relates to working capital adjustment of $407,000 for sale of Aqura Technologies in FY22

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

Notes to the Consolidated Financial Statements

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 2023 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.

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 28 August 2023.

Notes to the Consolidated Financial Statements

Group Performance

1. OPERATING SEGMENTS

The Group has only one operating segment during the year, being an integrated national professional services business delivering end to end spatial data solutions across Australia.

During the year there were no major customers of the Group, individually representing more than 10% of total Group revenue (2022: none).

2. DISCONTINUED OPERATIONS

The sale of 100% 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:

	2023	2022*
	$000	$000
Results of Discontinued Operations		
Revenue	-	16,210
Expenses	-	(17,816)
Results from discontinued operating activities	-	(1,606)
Depreciation	-	(225)
Amortisation	-	(77)
Restructuring income / (costs)	-	2
Net finance (costs) / income	-	(4)
(Loss) / Profit from operating activities	-	(1,910)
Income tax (expense) / benefit on operating activities	-	(320)
Profit (loss) from operating activities, net of tax	-	(2,230)
Profit on sale of discontinued operation	(179)	22,770
Profit (loss) from discontinued operations for the period, net of tax	**(179)**	**20,540**
Earnings (loss) per Share		
Basic earnings cents per share	-	3.95
Diluted earnings cents per share	-	3.95

	2023	2022*
Cash flows from/(used in) discontinued operations	**$000**	**$000**
Net cash flows from (used in) operating activities	-	(604)
Net cash flows from (used in) investing activities	-	-
Net cash flows from (used in) financing activities	-	(66)
Net cash inflow/(outflow)	-	**(670)**

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

2. DISCONTINUED OPERATIONS (Continued)

Effect of disposal on the financial position of the Group

	2022 $000	2022 $000
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	357	3,494
Loans and borrowings	-	102
Employee benefits	-	1,180
Net assets and liabilities	357	(459)
Cash consideration	(407)	27,482
Less related costs of sale	(129)	(4,253)
(Loss)/profit on sale of subsidiary (pre-tax)*	(179)	22,770
Consideration received, satisfied in cash		27,482
Cash and cash equivalents disposed of		(3)

*Current year information relates to accounting adjustment of $179,000 for sale of Aquara Technologies in FY22.

3. INVESTMENT IN ASSOCIATE

The Company holds an interest of 49% (2022: 49%) 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 summarises the reconciliation and movements in the Group's carrying value of its investment:

	2023 $000	2022 $000
Opening balance of investment in associates 1 July	**200**	**-**
Share of profit / (loss) from equity accounted investments*	79	-
Distributions received from associates	-	-
Group's share initial investment in equity 49% (2022: 49%)	-	200
Closing balance of investment in associates	**279**	**200**

* The Group has recognised it's expected share of profit from EMFOX Pty Ltd.

4. EXPENSES

	2023 $000	2022 $000
Employment expenses	72,847	68,428
Government grants *	-	(1,022)
Subcontractor costs and materials	8,587	7,906
IT expenses	2,854	3,028
Insurance expenses	1,435	1,422
Other expenses	5,303	2,824
Total employment and other expenses	91,026	82,586
Depreciation- PPE	2,665	3,095
Depreciation- ROU	5,354	5,346
Amortisation of intangible assets	8	-
Total depreciation and amortisation	8,027	8,441
Total expenses	**99,053**	**91,027**

* Government grants relates to the NSW JobSaver payment scheme $nil (FY22: $1,022,000 JobKeeper benefit Veris Australia)

5. EARNINGS / LOSS PER SHARE

	2023	2022
Earnings / (losses) used to calculate basic EPS ($000)	892	21,050
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	521,777,202	520,464,692
Basic earnings / (losses) per share (cents per share)	0.17	4.04
Continuing operations		
Earnings / (losses) used to calculate basic EPS ($000)	1,071	510
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	521,777,202	520,464,692
Basic earnings / (losses) per share (cents per share)	0.21	0.10

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

On 28 August 2023 the Company has declared that it will pay a fully franked dividend for 2023 of $0.0015 per share.

On 3 July 2023 the Company announced and effected the cancellation of 1,637,830 ordinary shares that were acquired under the Company's on-market buy back that was active during the year.

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.

Risk Management

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.

At 30 June 2023, the Group has reassessed all significant judgements and assumptions and critical estimates included in the consolidated financial statements, including but not limited to, recoverability of deferred tax assets, 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 2023. Management has also assumed recovered revenue rates materially consistent with existing contracts.

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.

Revenue arises from providing professional services to our customers whereby we provide an end-to-end spatial data solution 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. 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.

8. FINANCIAL INSTRUMENTS

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

	2023		2022	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
	$000	$000	$000	$000
Lease liabilities	(18,957)	(18,957)	(23,144)	(23,144)
Loan	(5,044)	(5,044)	(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 below.

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:

	2023 $000	2022 $000
Cash and cash equivalents	17,336	18,204
Trade and other receivables	14,083	15,737
Contract assets	5,642	6,266
	37,061	**40,207**

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:

	2023 $000	2022 $000
Current (not past due)	9,692	11,103
Past due 1 – 30 days	3,441	4,215
Past due 31 – 60 days	272	517
Past due 61 – 90 days	329	355
Past due 90 days	813	55
Provision for impairment	(464)	(508)
Total	**14,083**	**15,737**

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 $37,061,000 (2022: $40,207,000) for Australia. The allowance for impairment for trade and other receivables for 2023 amounted to $464,000 (2022: $508,000). 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.

8. FINANCIAL INSTRUMENTS (continued)

Expected credit loss (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2023 $000	2022 $000
Balance 1 July under AASB 9	508	715
Impairment loss reversed	(44)	(207)
Impairment loss provided	-	-
Total	**464**	**508**

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:

2023 **Non-derivative financial liabilities**	**Carrying Amount $000**	**Contractual Cash Flows $000**	**6 Months or less $000**	**6 – 12 Months $000**	**1 – 2 Years $000**	**2 – 5 Years $000**	**>5 Years $000**
Lease liabilities	18,957	21,054	3,640	3,640	7,279	6,277	218
Trade and other payables	7,227	7,227	7,227	-	-	-	-
Loan	5,044	5,044	660	660	1,320	2,404	-
	31,228	33,325	11,527	4,300	8,599	8,681	218

2022 **Non-derivative financial liabilities**	**Carrying Amount $000**	**Contractual Cash Flows $000**	**6 Months or less $000**	**6 – 12 Months $000**	**1 – 2 Years $000**	**2 – 5 Years $000**	**>5 Years $000**
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	-	-	-	-
	33,664	36,322	14,272	3,752	7,504	8,718	2,077

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 5.68% for loans and borrowings (2022: 3.88%) detailed in note 19.

Interest sensitivity is calculated for a 1% change below:

	2023		2022	
	+1%	**-1%**	**+1%**	**-1%**
Consolidated Group	**$000**	**$000**	**$000**	**$000**
Cash and cash equivalents	(173)	173	(182)	182
Lease liabilities	190	(190)	231	(231)
Bank borrowings	50	(50)	10	(10)
	67	(67)	59	(59)

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.

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 2023 no individually significant matters exist where the Group estimates a more than remote likelihood of economic outflow.

Working Capital

10. TRADE AND OTHER RECEIVABLES

	2023 $000	2022 $000
Trade receivables	14,083	15,737
	14,083	15,737

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

	2023 $000	2022 $000
Trade and other payables	7,227	9,521
	7,227	9,521

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

Capital Employed

12. EMPLOYEE BENEFITS

	2023	2022
Current	**$000**	**$000**
Annual leave	4,019	4,346
Long service leave	2,486	2,491
Superannuation	671	661
Other employee provisions	237	1,111
	7,413	8,609
Non-current		
Long service leave	1,296	1,192
	1,296	1,192

13. PROPERTY, PLANT AND EQUIPMENT

	2023 $000	2022 $000
Leasehold Improvements at cost	1,249	1,190
Less: accumulated depreciation	(1,104)	(1,016)
Carrying value of leasehold improvements	145	174
Plant and equipment at cost	37,808	34,663
Less: accumulated depreciation	(27,305)	(23,949)
Carrying value of plant and equipment (i)	10,503	10,714
Motor vehicles at cost	12,148	8,666
Less: accumulated depreciation	(7,899)	(6,165)
Carrying value of motor vehicles (ii)	4,249	2,501
Property at cost	23,885	23,410
Less: accumulated depreciation	(12,617)	(9,776)
Carrying value of property	11,268	13,634
Total written down value	**26,165**	**27,023**

(i) Carrying value of plant and equipment comprises of $7,325,000 (2022: $6,811,000) owned plant and equipment and $3,181,000 (2022: $3,903,000) right-of-use assets.

(ii) Carrying value of motor vehicles comprises of $113,000 (2022: $184,000) owned plant and equipment and $4,136,000 (2022: $2,317,000) right-of-use assets.

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.

2023	**Leasehold Improvements $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
Carrying amount at 1 July 2022	174	6,811	184	7,169
Additions at cost	59	3,035	-	3,094
Transfer asset class	-	2,190	-	2,190
Disposals at carrying value	-	-	(15)	(15)
Depreciation	(88)	(2,521)	(56)	(2,665)
Carrying amount at 30 June 2023	145	9,515	113	9,773

Right-of-use assets	**Property $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
Carrying amount at 1 July 2022	13,634	3,903	2,317	19,854
Additions at cost	475	110	3,515	4,100
Transfer asset class	-	(2,190)	-	(2,190)
Disposals at carrying value	-	-	(18)	(18)
Depreciation	(2,840)	(836)	(1,678)	(5,354)
Carrying amount at 30 June 2023	11,269	987	4,136	16,392

2022	**Leasehold Improvements $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
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)	(695)	(1,179)
Depreciation	(181)	(2,644)	(418)	(3,243)
Carrying amount at 30 June 2022	174	6,811	184	7,169

Right-of-use assets	**Property $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
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	13,634	3,903	2,317	19,854

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

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 2023 (2022: $nil impairment expense) relating to property, plant, and equipment.

14. INTANGIBLE ASSETS

	Development Costs $000	Total $000
Carrying value 1 July 2022	-	-
Additions	279	279
Amortisation	(8)	(8)
Transfer on disposal	-	-
Carrying amount at 30 June 2023	271	271

	Development Costs $000	Total $000
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	-	-

Taxation

15. INCOME TAX

	2023 $000 Total	2022 $000 Total
Current tax – Australia	-	-
Deferred tax	500	(181)
Adjustment for prior periods	(898)	1,557
Adjustment – other	-	(845)
Recognition / (non-recognition) of current year deferred taxes	398	(616)
Income tax expense / (benefit) reported in income statement	-	(85)

15. INCOME TAX (Continued)

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

	2023 $000	2022 $000
Profit / (Loss) before income tax – continuing operations	892	105
Income tax at 30% (2022: 30%)	268	32
Add (less) tax effect of:		
Other non-allowable / assessable items	232	6,870
Other allowable/ deductible items	-	(6,958)
Adjustment for prior periods	(898)	1,557
Adjustment – other	-	(782)
Non-recognition of current year deferred taxes	398	(1,124)
Income tax expense / (benefit) – continuing operations	-	(405)
Profit / (Loss) before income tax – discontinued operations	-	20,859
Income tax at 30% (2022: 30%)	-	6,258
Add (less) tax effect of:		
Other non-allowable / assessable items	-	800
Other allowable / deductible items	-	(7,183)
Adjustment for prior periods	-	-
Other adjustments – deferred tax	-	(64)
Other adjustments – disposal	-	1
Non-recognition of current year deferred taxes	-	508
Income tax expense / (benefit) – discontinued operations	-	320

16. DEFERRED TAX ASSETS / LIABILITIES

Deferred tax	Assets		Liabilities		Net	
	2023 $000	2022 $000	2023 $000	2022 $000	2023 $000	2022 $000
Contract assets	-	-	(2,118)	(1,854)	(2,118)	(1,854)
Plant & Equipment	-	-	(938)	(750)	(938)	(750)
Right of use asset	-	-	(4,918)	(5,298)	(4,918)	(5,298)
Right of use liability	-	-	5,489	5,997	5,489	5,997
Operating lease receivable	-	-	-	(22)	-	(22)
Employee Benefits	2,606	2,682	-	-	2,606	2,682
Provisions	139	1,460	489	-	629	1,460
Intangibles	-	-	-	-	-	-
Carried forward R&D Offset / tax loss*	2,131	1,466	-	-	2,131	1,466
Other	926	65	(93)	(32)	833	33
Tax assets/ (liabilities)	5,802	5,673	(2,089)	(1,959)	3,714	3,714

Movement in deferred tax balances	2023 $000	2022 $000
Opening balance	3,714	4,481
Prior year adjustments[1]	898	(1,557)
Other adjustments	-	(7)
Charge to profit or loss – continuing operations	(500)	56
Charge to profit or loss – discontinued operations	-	125
Recognised / (derecognised)*	(398)	616
Closing deferred tax asset	3,714	3,714

* Veris Limited tax consolidated group has carried forward tax losses available as at 30 June 2023. 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 2023 year end were $11,282,000 (2022: $10,883,000). 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.

Net Debt and Equity

17. CASH AND CASH EQUIVALENTS

	2023 $000	2022 $000
Cash at bank and in hand	17,336	18,204
Cash and cash equivalents in the statement of cash flows	17,336	18,204

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

	2023 $000	2022 $000
Cash flows from operating activities		
Profit / (loss) after income tax	1,071	510
Non-cash flows in profit		
Depreciation	8,019	8,441
Amortisation of intangible assets	8	-
Profit on sale of fixed assets	-	-
Share of profit of equity-accounted investees, net of tax	(79)	-
Other	(697)	323
Share based payment	232	8
Income tax expense / (benefit) from all operations	-	-
	8,554	9,282
Change in trade and other receivables	1,654	(4,255)
Change in other assets	(236)	689
Change in contract assets	624	(1,236)
Change in trade payables	(1,354)	(2,296)
Change in provisions and employee benefits	(1,092)	1,957
Change in provisions – AASB 16	(123)	(124)
Net cash from operating activities	8,027	4,017

Movements in borrowings

	$000
Opening balance 1 July 2022	24,144
Movements:	
Proceeds from borrowings	4,044
Repayments of lease liabilities	(2,618)
(Repayment)/additional AASB 16 borrowings	(1,569)
Closing balance 30 June 2023	24,001

19. LOANS AND BORROWINGS

	2023 $000	2022 $000
Current liabilities		
Lease liabilities	5,532	6,610
Loan	1,200	1,000
	6,732	7,610
Non-current liabilities		
Lease liabilities	13,425	16,534
Loan	3,844	-
	17,269	16,534
Total loans and borrowings	**24,001**	**24,144**

TERMS AND DEBT REPAYMENT SCHEDULE

Terms and conditions of outstanding loans were as follows:

	Nominal interest rate%	Year of maturity	2023 $000 Carrying Amount	2022 $000 Carrying Amount
Lease liabilities	2.84 – 8.23	2023 – 2031	18,957	23,144
Loan	4.13 – 6.88	2023- 2028	5,044	1,000
			24,001	24,144

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.

	Facility Available 2023 $000	Used 2023 $000	Unused 2023 $000	Facility Available 2022 $000	Used 2022 $000	Unused 2022 $000
Loan [(a)]	5,262	(5,044)	218	1,000	(1,000)	-
Other [(b)]	2,450	(1,334)	1,116	6,950	(2,099)	4,851
Total financing facilities	7,712	(6,378)	1,334	7,950	(3,099)	4,851

(a) The carrying amount of loan was $5.0 million as at 30 June 2023 (2022: $1 million).

(b) Other facilities include a $nil million (2022: $4 million) bank overdraft, $2 million (2022: $2.5 million) contingent instrument facility and $450,000 (2022: $450,000) credit card facility.

19. LOANS AND BORROWINGS (continued)

TERMS AND DEBT REPAYMENT SCHEDULE (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
	2023	2023	2023	2022	2022	2022
	$000	$000	$000	$000	$000	$000
Less than 1 year	6,313	(781)	5,532	7,504	(895)	6,609
Between 1 & 5 years	14,524	(1,305)	13,219	16,221	(1,724)	14,497
After 5 years	218	(12)	206	2,077	(40)	2,038
	21,055	(2,098)	18,957	25,802	(2,659)	23,144

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

20. CAPITAL AND RESERVES

Share capital

	2023	2022	2023	2022
	$000	$000	No. of Shares	No. of Shares
Balance at the beginning of the year	51,670	51,652	523,749,464	518,331,701
Issued for cash (net of costs)	-	-	-	-
Conversion of Performance Rights	-	-	-	5,140,045
Issued as consideration for business combinations		18		
Share buy-back	(890)	-	(9,339,333)	277,718
Balance at the end of the year	50,780	51,670	514,410,131	523,749,464

Movements of ordinary shares issued/(buy-back) during the year

- on 9 June 2023, 9,339,333 ordinary fully paid shares cancelled for pursuant to an on-market buy back.

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.

20. CAPITAL AND RESERVES (Continued)

Reserves

	2023 $000 Share Based Payments	2022 $000 Share Based Payments	2023 $000 Retained Earnings/ (Accumulated Losses)	2022 $000 Retained Earnings (Accumulated Losses)
Balance at the beginning of the year	2,646	2,639	(25,729)	(46,779)
Profit/ (loss) for the year	-	-	892	21,050
Dividends paid	-	-	-	-
Share based payment transactions	232	7	-	-
Balance at the end of the year	2,878	2,646	(24,837)	(25,729)

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 (2022: $nil).

21. DIVIDENDS

There were no dividends paid or declared by the Company during the financial year (2022: $nil).

On 28 August 2023 the Company declared a fully franked dividend for 2023 of $0.0015 per share.

A Dividend Reinvestment Plan has been established to provide shareholders with the opportunity to reinvest dividends in new shares rather than receiving cash. The price for shares to be applied for in accordance with the DRP plan for this dividend shall be at a discounted value as prescribed by the plan.

Franking Credit Balance

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

	2023 $	2022 $
Franking account balance as at the end of financial year at 30% (2022: 30%)	5,535,898	5,535,898

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.

22. SHARE-BASED PAYMENTS

(a) Share – Based Payment Arrangements

As at 30 June 2023, the Group had the following share-based payment arrangements:

(i) FY2022 Performance Rights

On 1 September 2022 the Group granted 1,848,649 Performance Rights to senior employees with a vesting date of 30 June 2023, subject to continued employment with the Group.

Number of Performance Rights Granted	Vesting Date (A)	Lapsed	Vested	Vesting Hurdle (B)
1,848,649	30 June 2023	80,943	1,767,706	Continued employment to 30 June 2023

(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.

(B) Based on continued employment to 30 June 2023

(ii) FY2023 Long Term Incentive Plan ("FY23 LTI Plan")

On 19 October 2022 and 3 March 2023, the Group granted Performance Rights to the Managing Director/CEO (approval under ASX Listing rule 10.14) and the CFO and CCO, under the Group's Long Term Incentive Plan in respect of the financial years ended 30 June 2023 to 30 June 2024. Subject to continued employment and achievement of financial performance hurdles (Absolute total shareholder return ('ATSR') and Basic Earnings Per Share), the Performance Rights will vest as follows:

Number of Performance Rights granted	Vesting Date (A)	Lapsed (B)	Vested (B)	Vesting Hurdles			
				50% Absolute TSR ('ATSR')		50% Basic EPS	
5,685,716	30 June 2023	5,685,716	-	<12.5% p.a. compounded	Nil	< $0.0046	Nil
				12.5% p.a. compounded	50%	> $0.0046	100%
5,685,716	30 June 2024	-	-	>12.5% p.a. compounded, <20% p.a. compounded	Pro-rata vesting between 50% and 100%	< $0.0039 > $0.0039	Nil 100%
11,371,432		-	-	At or above 20% p.a. compounded	100%		

(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:

vi. failure to satisfy the applicable vesting conditions;

vii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;

viii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;

ix. 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;

x. the expiry date.

(B) During the year ending 30 June 2023 on failing to achieve the vesting hurdles.

22. SHARE-BASED PAYMENTS (continued)

(iii) Measurement of Fair Values of Share-Based Payments

The fair value of the Performance Rights issued under the Group's Long Term Incentive Plan has been measured using the following:

(A) Market based vesting conditions. A hybrid multiplier barrier option pricing model. The model incorporates a Monte Carlo simulation, which simulates the Company's share price at the test date and considers the probability of the Absolute Total Shareholder Return ('ATSR') vesting condition being met.

(B) Non-market based vesting conditions. A Black Scholes option pricing model.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payments plans were as follows:

Performance Measure	Tranche A(A)	Tranche B(A)	Tranche C(A)	Tranche D(A)	Performance Shares(B)
	Absolute TSR	Absolute TSR	EPS Target	EPS Target	
Weighting of Performance Measure	25%	25%	25%	25%	100%
Exercise price	N/A	N/A	N/A	N/A	N/A
Volatility(C)	60%	60%	60%	60%	60%
Performance Period	1 Year: 1 Jul 2022 – 30 Jun 2023	1 Year: 1 Jul 2023 – 30 Jun 2024	2 Years: 1 Jul 2022 – 30 Jun 2024		
Risk-free Rate	3.37%	3.37%	3.37%	3.37%	3.14%
Remaining Life (years)	0.70	1.00	0.70	1.00	0.83
Fair value at grant date	$0.05	$0.045	$0.09	$0.09	$0.072

(A) Granted to Managing Director and CEO, CFO and CCO
(B) Granted to senior employees
(C) The measure of expected volatility used is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

(b) Unvested Unlisted Performance Rights

There were 11,371,432 unvested unlisted Performance Rights that remained at 30 June 2023 (2022: $nil).

Other Information

23. RELATED PARTIES

Key management personnel compensation

The key management personnel (including Executive Director) compensation included in 'employee benefits' is as follows:

	2023 $	2022* $
Short-term employee benefits	1,724,059	2,647,538
Post-employment benefits	107,403	85,409
Share-based payment	104,307	73,000
	1,935,769	2,805,947

* Includes amounts related to discontinued operations

During the year, the Company did not have or repay any loans from related parties (2022: $nil).

Individual Directors and executives' 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.

24. AUDITOR'S REMUNERATION

Audit and review services

	2023	2022
KPMG	**$**	**$**
Audit and review of financial reports	221,000	250,000
Other assurance services	22,985	-
	243,985	250,000

Group Structure

25. SUBSIDIARIES AND ASSOCIATES

The following entities are consolidated:

Name of Entity	**Country of Incorporation**	**Ownership Interest 2023 %**	**Ownership Interest 2022 %**
Parent Entity			
Veris Limited	Australia		
Controlled Entity			
Veris Australia Pty Ltd	Australia	100	100
Emerson Stewart Pty Ltd*	Australia	-	100
Whelans Australia Pty Ltd*	Australia	-	100
Whelans International Pty Ltd*	Australia	-	100
Bosco Jonson Pty Ltd*	Australia	-	100
Geo-metric Surveying Pty Ltd*	Australia	-	100
Linker Surveying Pty Ltd*	Australia	-	100
Queensland Surveying Pty Ltd*	Australia	-	100
Southern Hemisphere Investments Pty Ltd*	Australia	-	100
A Perfect Day Elise Pty Ltd*	Australia	-	100
TBBK Pty Ltd*	Australia	-	100
Lawrence Group Pty Ltd*	Australia	-	100
Lester Franks Survey & Geographic Pty Ltd*	Australia	-	100
The following entity is not consolidated:			
Associated Entity			
EMFOX Pty Ltd t/a Wumara Group	Australia	49	49

* The Group applied for voluntary deregistration of the entity during the period, and ASIC notified the Group under section 601AA(4) of the Corporations Act 2001 that the entity had been deregistered on the 6 March 2023.

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 2023, after eliminating all transactions between parties to the Deed of Cross Guarantee, as of and for the year ended 30 June 2023 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 2023.

27. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2023 the parent company of the Group was Veris Limited.

Results for the Year	**2023** **$000**	**2022** **$000**
Profit for the year	234	21,075
Other comprehensive income	-	-
Total comprehensive profit for the year	234	21,075

Financial position of parent entity at year end	**2023** **$000**	**2022** **$000**
Assets		
Current assets	144	3
Non-current assets	28,685	28,584
Total assets	**28,829**	**28,587**
Liabilities		
Current liabilities	8	-
Non-current liabilities	-	-
Total liabilities	**8**	**-**
Net assets	**28,821**	**28,587**
Equity		
Share capital	50,780	51,670
Reserves and Accumulated loss	(21,959)	(23,083)
Total equity	**28,821**	**28,587**

Accounting Policies

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.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 14-20%
- Leasehold Improvements 20%
- Property 8-20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*(e) Impairment (*continued)*

(i) Non-financial assets (continued)

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 of 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.

(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.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax (continued)

(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.

(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 Group's chief operating decision maker.

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/CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Segment reporting (continued)

Segment results that are reported to the Group's Managing Director/CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly 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.

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.

(o) 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

During the year, the Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2022, including:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments, including:
  - Reference to the Conceptual Framework (Amendments to AASB 3)
  - Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use.

The following standards, amendments to standards and interpretations are available for early adoption. They have not yet been assessed by the Group but are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2020-1 and 2020-6 Classification of liabilities as current or non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2022-5 Amendments to AASB16 Leases – Lease Liability in a Sale and Leaseback
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

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.

(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 a hybrid multiple barrier option pricing model. This model incorporates a Monte Carlo simulation.

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 the fair value.

Directors' Declaration

1. In the opinion of the directors of Veris Limited ("the Company"):
   (a) the consolidated financial statements and notes set out on pages 38 to 72 and the Remuneration report on pages 28 to 35 in the Directors' report, are in accordance with the Corporations Act 2001(Cth) including:
      (i) giving a true and fair view of the Group's financial position as at 30 June 2023 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(Cth) from the chief executive officer and the chief financial officer for the financial year ended 30 June 2023.
4. The directors draw attention to page 42 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 28 August 2023

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 2023 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 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- The 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.

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.

KPMG

Recognition of Revenue, Trade Receivables and Contract Assets (Revenue $100.861 million and Contract Assets $5.642 million)	
Refer to Note 8 to the financial report	
The key audit matter	**How the matter was addressed in our audit**
Recognition of revenue and contract assets is a Key Audit Matter due to the: • 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 • The Group's determination of contractual entitlement to Contract Asset balances including assessment of performance obligations. 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.	Our procedures included: • Obtaining an understanding of the Group's key processes for recognition of revenue from contracts with its customers; • 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); • 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; • 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; • 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 • Assessing the appropriateness of disclosures in the financial statements using our understanding obtained from our testing and against the requirements of AASB 15.

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. 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 2023, complies 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 28 to 35 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner
Perth
28 August 2023

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 financial year ended 30 June 2023 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

KPMG

Jane Bailey
Partner
Perth
28 August 2023

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

Shareholder Information as at 17 August 2023

Top 20 Shareholders of Quoted Securities

Rank	Name	Shares	% of Issued Capital
1	SHERKANE PTY LTD	93,247,357	18.18
2	CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C>	42,414,392	8.27
3	OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY A/C>	36,335,229	7.09
4	MR BRIAN ELTON	27,986,606	5.46
5	ICON HOLDINGS PTY LTD <THE K & A PAGANIN S/F A/C>	15,500,000	3.02
6	COMMUNICATIONS PTY LTD <THE T YOUNG FAMILY A/C>	11,508,540	2.24
7	ELTON PROPERTY PTY LTD <ELTON CONSULTING S/F A/C>	10,799,412	2.11
8	SHERKANE PTY LTD	10,000,000	1.95
9	EVANS FAMILY NOMINEES PTY LTD <THE EVANS FAMILY A/C>	9,715,309	1.89
10	ROUND ETERNAL INVESTMENTS PTY LTD <VISION SPLENDID A/C>	7,200,000	1.40
11	MANDEL PTY LTD <MANDEL SUPER FUND A/C>	5,320,000	1.04
12	SHIAWASEYO PTY LTD <SAMPSON FAMILY A/C>	5,000,000	0.98
13	MS JENNY LEE RUDOLPH	4,829,104	0.94
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,404,478	0.86
15	MRS JASMINE KRKLJES	4,400,000	0.86
16	SILCHESTER INVESTMENTS PTY LTD	4,286,625	0.84
17	ROCKDALE FARMING PTY LTD	4,214,285	0.82
18	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,088,231	0.80
19	SHIRLEY-COSGRIFF INVESTMENTS PTY LTD <SHIRLEY-COSGRIFF FAMILY A/C>	4,006,970	0.78
20	MILES AND MILES PTY LTD <MILES ATC SUPER FUND A/C>	4,000,603	0.78
Total		**309,257,141**	**60.31**

Additional Information

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

Shareholder	Shares	Voting Power
SHERKANE PTY LTD	93,247,357	18.18%
CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C>	42,414,392	8.27%
OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY A/C> (and other related parties of Adam Lamond)	36,335,229	7.09%
MR BRIAN ELTON	27,986,606	5.46%

Distribution of Shareholders

Spread of Holdings	Ordinary Shares	Performance Rights
1 - 1,000	49	-
1,001 - 5,000	74	-
5,001 - 10,000	104	-
10,001 - 100,000	364	-
100,001+	324	-
Total on Register	**915**	**-**

Non-Marketable Parcels

Number of shareholders holding less than a marketable parcel is 138.

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

At the date of this report, there are 13,158,081 unissued shares of the group under performance rights as follows:

FY2022 Performance Rights	1,786,649
FY2023 Long Term Incentive Plan ("FY23 LTI Plan")	11,371,432

Securities Exchange

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

Corporate Directory

Board of Directors

Karl Paganin (Non-Executive Chairman)

Michael Shirley (Managing Director & CEO)

Brian Elton (Non-Executive Director)

David Murray (Non-Executive Director)

Tracey Gosling (Non-Executive Director)

Company Secretary

Steven Harding (CFO)

Principal and Registered Office

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Wembley WA 6913

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E: veris@veris.com.au

Share registry

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Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000

Auditors

KPMG
235 St Georges Terrace
Perth WA 6000

T: +61 8 9263 7171

Solicitors

Steinepreis Paganin
Level 4, 16 Milligan Street
Perth WA 6000

T: +61 8 9321 4000

Bankers

Commonwealth Bank of Australia
95 William Street
Perth WA 6000

T: +61 8 9282 7004

Westpac Bank of Australia
130 Rokeby Road
Subiaco WA 6008

T: +61 8 6389 6344

Stock exchange

Australian Securities Exchange Limited
Company code: VRS

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