



A trusted, leading provider of spatial data services






FY23 Results

Michael Shirley, Managing Director & CEO

Steve Harding, CFO

28 August 2023

Delivered on strategic priorities

| What we said we'd do | | FY23 Outcomes |
|--------------------------------------|-----|--|
| Return the business to profitability | »»» |  Delivered profitable result for Veris' core digital and spatial services offering |
| Increase margins | »»» |  YOY margin growth in EBITDA, EBIT and PBT |
| Maintain a strong capital position | »»» |  Strong capital base of \$17.3m cash and term deposits at 30 June 2023 |
| Pivot to a spatial data business | »»» |  Invested and commercialised a suite of Data and Digital solutions |
| Crystallise shareholder returns | »»» |  Declared final dividend 0.15c per share & Continuation of on-market share buyback |

Results Highlights

Continuing to do what we said we'd do

**Profit before
Tax**

\$1.1m

Up from \$0.1m in FY22

Revenue

\$100.9m

Up from \$92.4m in FY22

**CAGR
Revenue**

10.5% p.a.

Since FY20

**Reinstating Final
Dividend**

0.15 cps

Delivered out of operational
performance

Cash balance

\$17.3m

Cash and term deposits

**Cash From
Operations**

\$8.9m

Up 69% on FY22

**Share buy-back
extended to**

FY24

Disciplined capital
management

**Order Book
Strength**

\$245m

\$55m Secured workload +
\$190m unsecured pipeline

Executing on our strategy

Returning the business to sustainable, profitable growth



Spatial Data strategy progress

Ongoing development of AI capability, analytics and data hosting.

Acquisition of skillsets aligned to spatial data strategy.

Successful expansion of value proposition to clients via integration of data and digital solutions.

Continued investment in leading-edge technology.



Operational Excellence

A proficient management team focused on enhancing delivery efficiency.

Renewed focus on driving innovation and operational efficiencies.

Investment in enhanced project management processes and training.

Re-negotiation of key supply arrangements to deliver cost savings.



Investing in our People

Young Professionals Program third annual intake.

Implemented a Diversity & Inclusion policy and framework.

Strong representation of women in leadership team.

Refreshed set of values.

Growing Indigenous Participation through Wumara Group alliance.



Unlocking growth in key accounts

Concentrated effort to build trust and mutual benefit with key clients.

Increased share of revenue from key clients.

Delivering improved margins for higher value services.

Delivering Digital solutions that unlock smarter decision-making efficiencies and value for our clients.



Strong Pipeline & outlook

Resilient and strong pipeline and outlook.

Demonstrated track record in converting backlog and pipeline to revenue.

Service offering spans a diverse spread of markets.

Business Overview

Veris – a trusted, leading provider of spatial data services

Company Profile



Industries

Infrastructure



Mining



Defence



Property



Utilities



Government



Our Services

**DIGITAL &
SPATIAL**

3D scanning, data capture, hosting storage, management, monitoring, modelling, AI, visualisation and analysis.

**ENGINEERING
SURVEY**

Civil construction and engineering survey solutions for major infrastructure.

**PROPERTY
SURVEY**

Land surveying, cadastral and consulting solutions.

**PLANNING &
URBAN DESIGN**

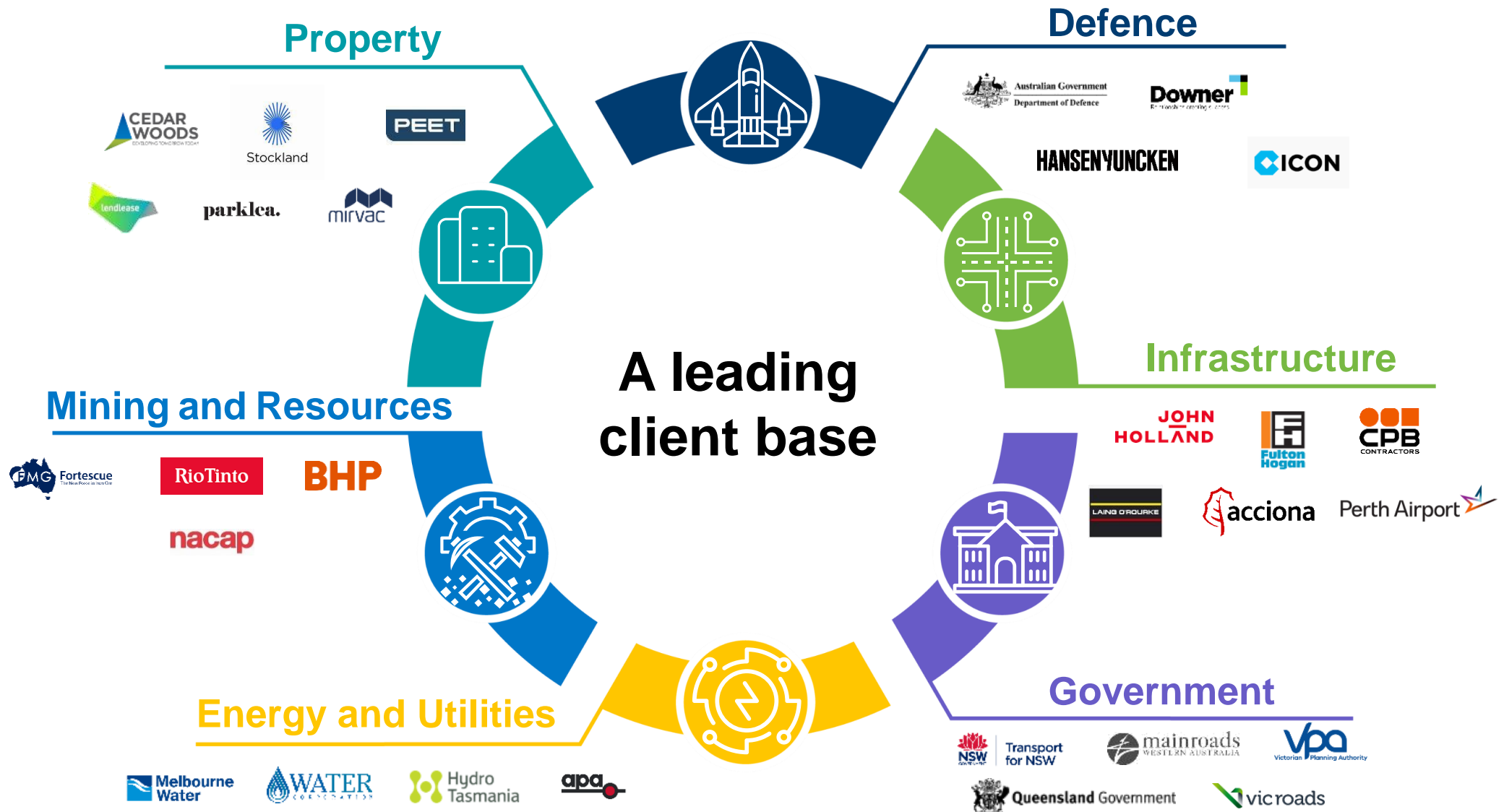
Due diligence, strategic planning, master planning, place-making and planning approvals.



49% interest in
Indigenous owned
Wumara Group

Unlocking growth in key accounts

Building trust and mutual benefit



Investing in leading-edge technologies

Our leading-edge technologies enables the rapid and safe capture of high-quality 3D data

Upgraded and
expanded fleet of
drones



Mobile laser
scanning



Terrestrial
laser
scanning



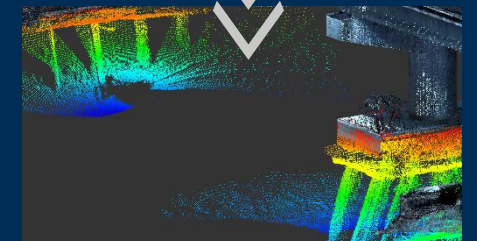
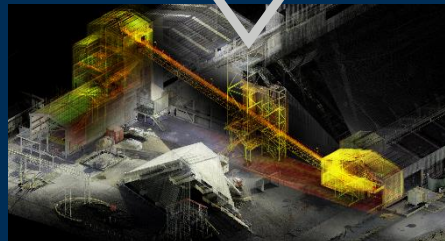
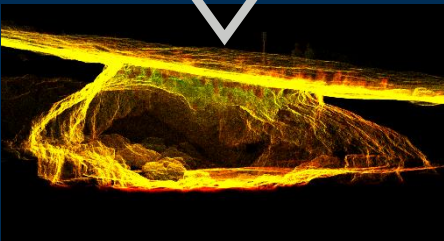
3D Ground
Penetrating
Radar



Hydrographic
services



Through our expert team we derive value from the data by using spatial analytics,
machine learning and Artificial Intelligence to solve our clients' challenges



We collect, hold and understand the data

veris

Expanding our value proposition to clients

Our strategic move to integrate data and digital solutions across our service offerings positions Veris at the forefront of spatial innovation

RoadSiDe
a Veris platform



Revolutionising road maintenance

- Rapid, safe 3D data capture of road condition over large distances.
- Data hosting, visualisation and analysis using our bespoke cloud-based RoadSiDe platform.
- Powered by AI and spatial analytics
- Enables virtual inspections, quantitative and predictive analysis for smarter asset management

3SiDe
a Veris platform



Data hosting, visualisation & analysis

- Rapid, safe 3D data capture of physical assets such as buildings, vegetation, and infrastructure.
- Data hosting, visualisation and analysis using our cloud-based 3SiDe platform.
- Ideal place to create and manage 3D digital twins of physical assets such as buildings, vegetation, and infrastructure.

Vantage
a Veris platform



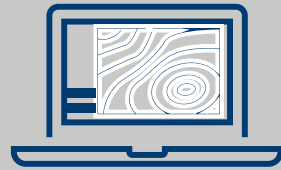
Manage data for Greenfields Property

- Provides a cloud-based, central data management platform for Greenfields developments
- Information is continually updated and is readily accessible as a Development progresses.
- Unlocks the power of GIS analysis to empower stakeholders to visualise and interact with data

Turning data value into revenue

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.

Digital Transformation of clients' industries through Analytics and AI services we are providing asset managers with greater value and advanced insights



Building Web Map Services



Building GIS Analytics to provide Insights



Artificial Intelligence to Extract Features and Defects



Expanding User Base by making 3D Collaboration Easy



Sensor Data Streaming 24/7 with Alerts



3D Web Platform

FY23 Financial Results

FY23 Results Summary

Highlights

- Underlying profitable result for Veris' core digital and spatial services offering for the first time
- Strong revenue growth yoy;
 - ✓ 9.2% revenue growth in FY23
 - ✓ Revenue CAGR of 10.5% since FY20
- Margin improvement focus delivering tangible results
 - ✓ Gross margin % improved
 - ✓ Underlying EBITDA margin % improved
 - ✓ EBIT margin % improved
 - ✓ PBT margin % improved
- PBT excluding Share Based Payments expense of \$1.3m up from \$0.1m in FY22

| Veris Continuing Operations | FY20 | FY21 | FY22 | FY23* | Growth rate % |
|--|---------------|--------------|-------------|--------------|---------------|
| Revenue | 74.8 | 77.5 | 92.4 | 100.9 | 9% |
| <i>Gross margin %</i> | 24.1% | 29.0% | 30.4% | 31.4% | |
| EBITDA reported | 0.8 | 7.4 | 10.0 | 10.2 | 2% |
| <i>EBITDA Reported margin %</i> | 1.1% | 9.6% | 10.8% | 10.1% | |
| D&A | (13.5) | (7.8) | (8.4) | (8.0) | (5%) |
| Restructuring | (1.3) | (0.2) | (0.2) | - | |
| EBIT | (14.1) | (0.6) | 1.4 | 2.2 | 61% |
| <i>EBIT margin %</i> | (18.9%) | (0.8%) | 1.5% | 2.2% | |
| Finance Costs | (2.0) | (1.7) | (1.2) | (0.8) | (34%) |
| Share Based Payments | - | - | - | (0.2) | |
| Equity accounted profit of investee | - | - | - | 0.1 | |
| PBT | (16.0) | (2.3) | 0.1 | 1.1 | 920% |
| <u>Underlying EBITDA Reconciliation</u> | | | | | |
| EBITDA Reported | 0.8 | 7.4 | 10.0 | 10.2 | 2% |
| Less: Govt Grants | - | (4.4) | (1.0) | - | |
| EBITDA Underlying | 0.8 | 3.0 | 9.0 | 10.2 | 13.3% |
| <i>Underlying EBITDA Margin %</i> | 1.1% | 3.8% | 9.7% | 10.1% | |

Balance Sheet

STRONG BALANCE SHEET TO UNDERPIN CONTINUED STRATEGY EXECUTION

| Balance Sheet | Jun 23 | Jun 22 |
|------------------------------------|-------------|-------------|
| Cash | 17.3 | 18.2 |
| Debtors & WIP | 19.7 | 22.0 |
| P,P&E | 9.8 | 7.2 |
| AASB16 Leases – ROUA | 16.4 | 19.9 |
| Deferred Tax Assets | 3.7 | 3.7 |
| Intangible assets | 0.3 | - |
| Other | 2.3 | 2.0 |
| Total Assets | 69.5 | 73.0 |
| Trade Creditors | 7.2 | 9.5 |
| Employee Benefits (C + NC) | 8.7 | 9.8 |
| HP Lease Liabilities (Current) | 0.7 | 1.5 |
| HP Lease Liabilities (Non-Current) | 0.8 | 2.5 |
| Borrowings | 5.0 | 1.0 |
| AASB16 Leases – ROU (Current) | 4.9 | 5.1 |
| AASB16 Leases – ROU (Non-Current) | 12.7 | 14.0 |
| Other Liabilities | 0.8 | 0.9 |
| Total Liabilities | 40.7 | 44.4 |
| Net Assets | 28.8 | 28.6 |

Overview

- Cash at bank and term deposits of \$17.3m
- Strong focus on working capital management
- Intangible assets represent internal R&D spend associated with internally developed Digital & Spatial services
- Lower cost corporate debt accessed to support ongoing investment in equipment technology
- Cash flow from operations utilised to extinguish higher cost traditional HP equipment finance
- Strong net cash balance provides underlying strength through periods of uncertainty.

Cash Flow

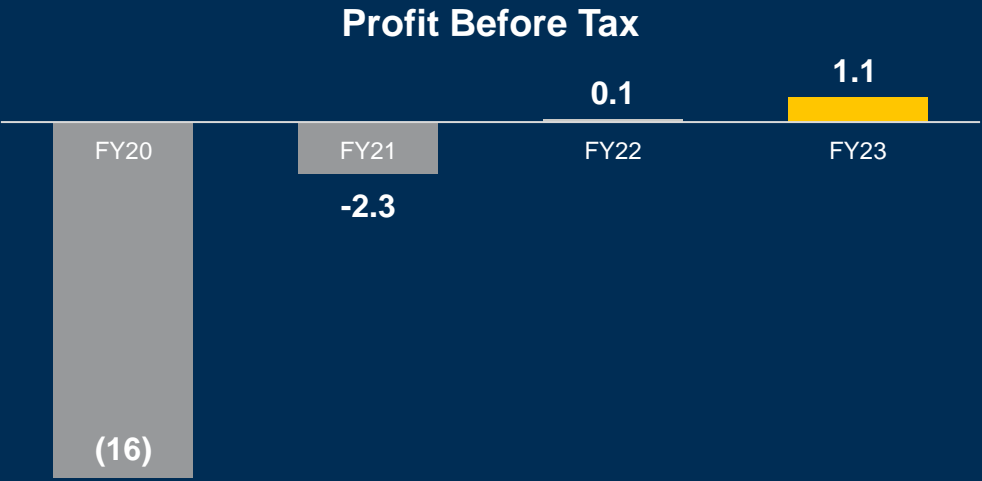
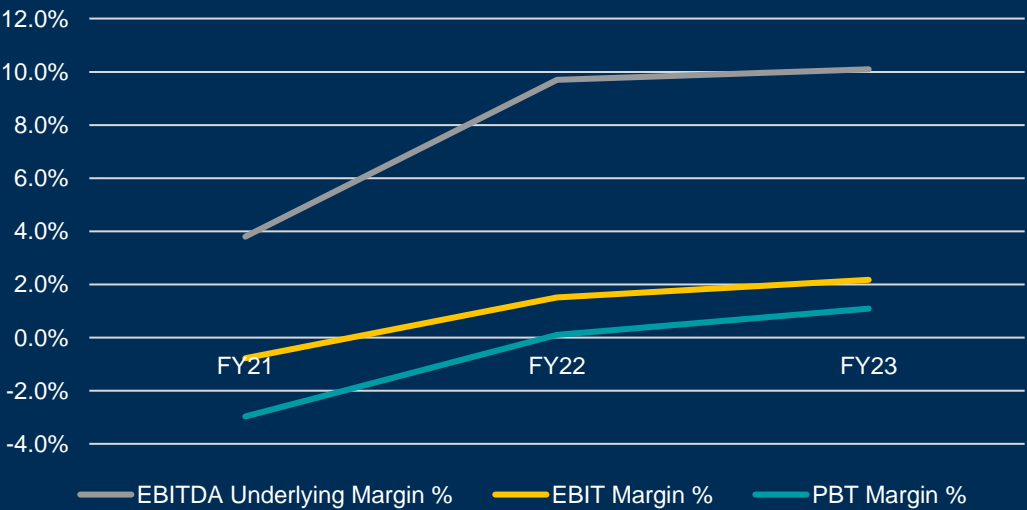
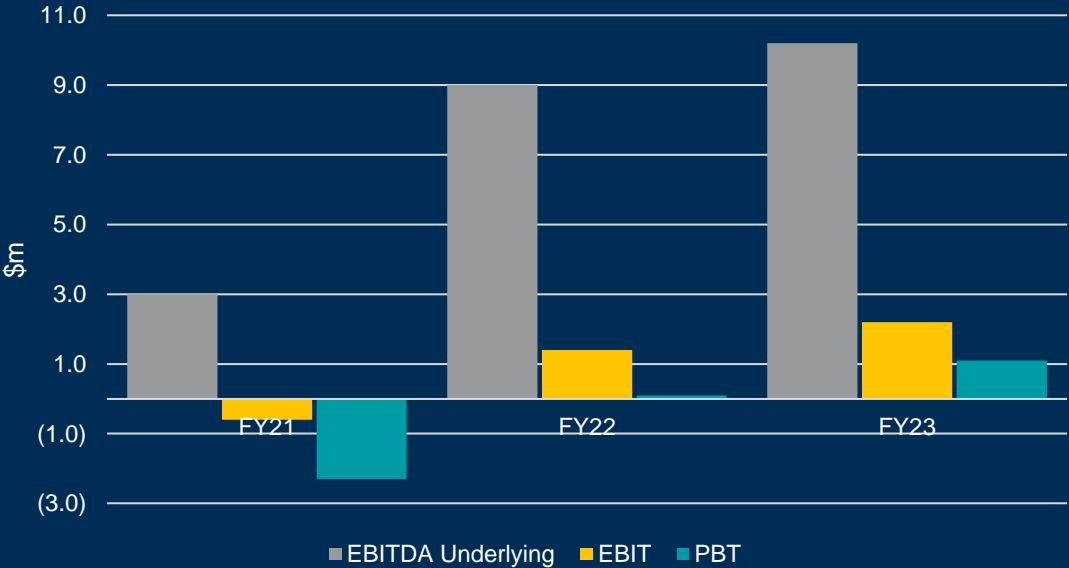
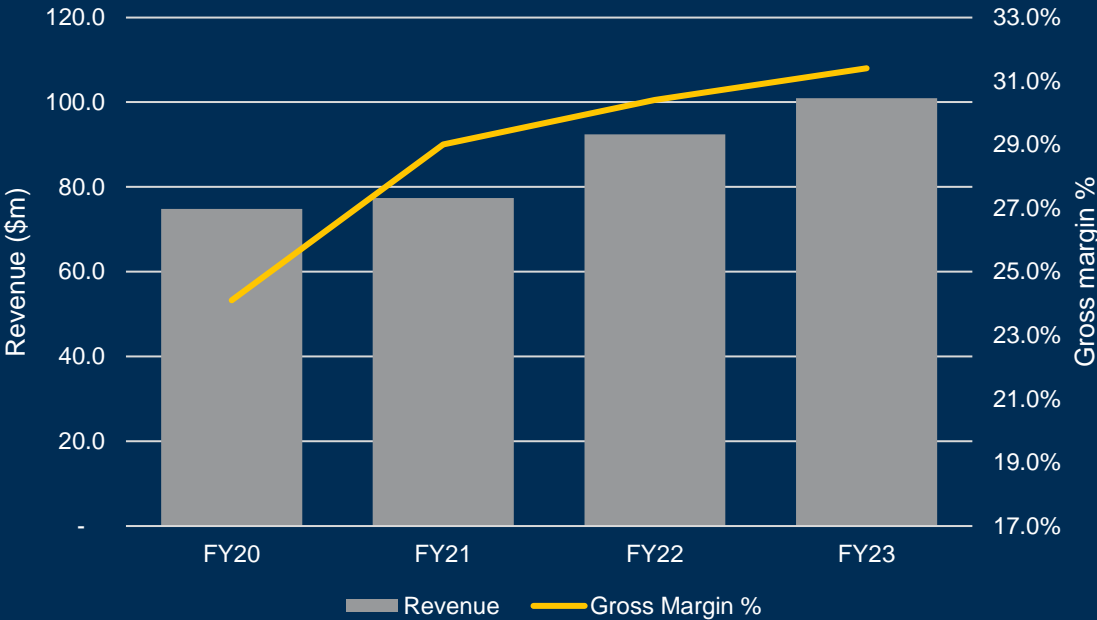
68% INCREASE IN CASH FLOW FROM OPERATIONS

| \$m | FY23 | FY22 |
|---|----------------|----------------|
| Receipts from customers | 113.2 | 112.3 |
| Receipts from Govt Grants | - | 1.6 |
| Payments to suppliers & employees | (104.3) | (108.6) |
| Cash generated from operations | 8.9 | 5.3 |
| Less: net interest paid | (0.9) | (1.2) |
| Net cash from operating activities | 8.0 | 4.0 |
| Proceeds from sale of P,P&E | 0.3 | 2.1 |
| Purchase of P,P&E | (3.4) | (4.6) |
| Acquisition of associate net of cash acquired | - | (0.2) |
| Repayment of loans & borrowings | (1.9) | (4.7) |
| Repayment of lease liabilities | (8.0) | (7.4) |
| Proceeds from loans | 5.8 | 1.0 |
| Share buyback | (0.9) | - |
| Development expenditure | (0.3) | - |
| Disposal of subsidiary (net of costs) | (0.4) | 23.2 |
| Net increase/decrease in cash | (0.9) | 13.5 |
| Cash at 1 July 2022 | 18.2 | 4.7 |
| Cash at 30 June 2023 | 17.3 | 18.2 |

Overview

- Focus on working capital management delivered increased cash flow from operations
- Strong treasury management underpinned 30% decrease in interest/ financing costs against backdrop of rising interest rate environment
- \$3.4m continued investment in growth capex and leading-edge technological equipment
- Investment in internally developed data-driven digital solutions
- Share buyback continued throughout FY23 for \$0.9m
- Final settlement adjustment in connection with the Aqura divestment in FY22 resulted in outflow of \$0.4m in FY23

FY23 Financials Overview



Areas of financial performance

Focus on Project Management Improvements translating to Performance

**Gross Margin
per hour**

10.9% 

FY22 – FY23

**Revenue
per hour**

9.1% 

FY22 – FY23

**Net project write-ups
increasing**

63% 

FY22 – FY23

**Functional Support
Overheads**

3.5% 

FY22 – FY23

**D&S Gross
Margin**

2.5% 

FY22 – FY23

**Cash flow
from Ops**

68% 

FY22 – FY23

Capital Management & Returns to Shareholders

Strong capital management enabling us to pursue a range of operational and strategic priorities whilst delivering returns to shareholders

Shareholder Returns



Full year dividend

Declaration of a 0.15 cents per share final dividend, generated from operational performance



On-market share buyback

activated in H1 FY23 and extended in June 2023 through to June 2024.



- Franking credit balance: \$5.35m at 30 June 2023.
- Unutilised tax losses of \$12.7m at 30 June 2023 available in future periods.

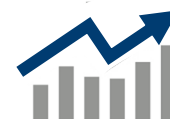
Transformational Opportunities



M&A opportunities

Actively assessing M&A opportunities that add either technical capabilities, strategic leverage, or geographical presence.

Continued operational efficiencies



Strong cash balance

Continue to leverage balance sheet strength to drive further operational and cost efficiencies in the areas of:

- Vehicle
- Equipment
- Insurances &
- Financing arrangements.

Outlook

Despite economic headwinds we have maintained a consistent and strong pipeline and outlook underpinned by national footprint and positioning across a diverse spread of markets.



Secured forward workload is in excess of \$55m to be executed over the next 12 months.



Healthy, unsecured project pipeline has a weighted value of ~\$190m over the next 24 months.

Pipeline

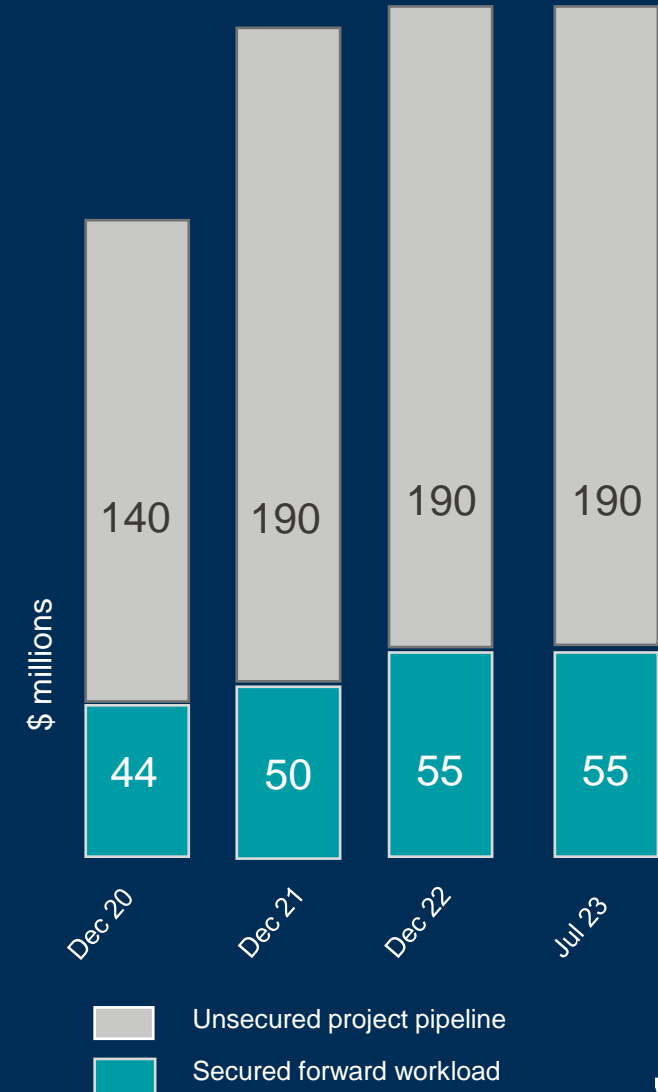


In addition to forward workload, we anticipate ongoing project variation and direct assignment works.

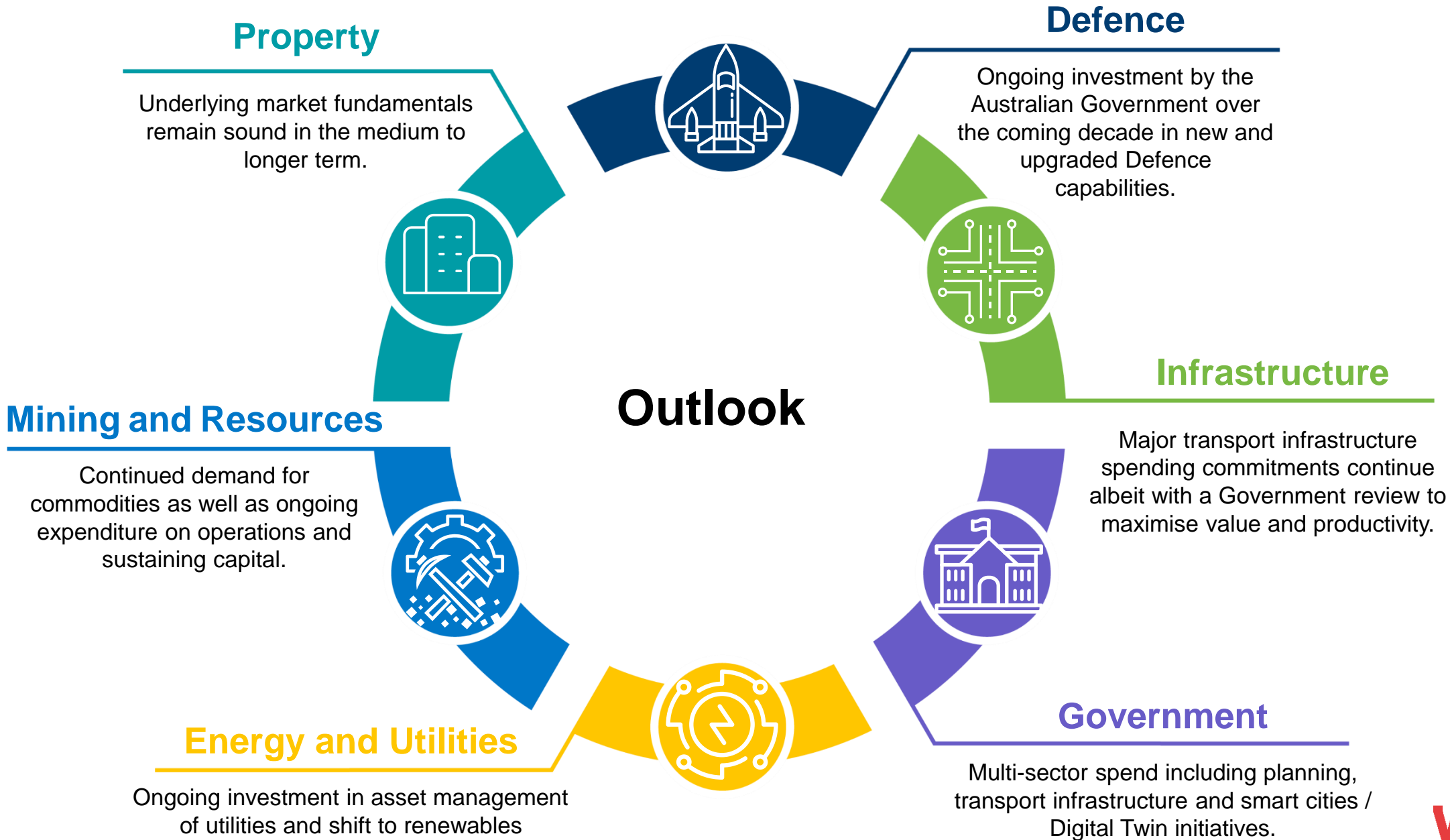


Strong track record in demonstrating the conversion of our backlog and pipeline to revenue and margin in subsequent periods, providing confidence in our outlook.

Pipeline



Market outlook



Summary

| | |
|---|--|
| Demonstrated financial progress | Delivering a profit, strong capital management and re-instating final dividend. |
| Team-driven achievement | Transformation to current standing underscores the dedication of our exceptional team. |
| A sustainable-base | We have rebuilt the base to ensure a sustainable operating model with increased margins. |
| Digital strategy is delivering | Our investment in our digital strategy is working and delivering commercial returns. |
| Accelerating our pivot | We are moving quickly to execute strategy and assessing M&A opportunities. |
| Positive outlook | Well-positioned in our focus markets, which have a positive outlook. |
| Differentiated value proposition | We have built a unique capability and position in the market and are pushing forward to maximise this. |

Corporate Snapshot

A strongly positioned, well capitalised, pure-play spatial data services business

| Corporate Snapshot | |
|-------------------------------------|------------|
| ASX Code | VRS |
| Share Price (25 Aug 2023) | \$0.078 |
| Shares on Issue | 512.8m |
| Market Capitalisation (25 Aug 2023) | \$40.0m |
| Cash and Terms Deposits (30 Jun) | \$17.3m |

Board

| | |
|-----------------|-------------------------|
| 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 |
| Steve Harding | CFO & Company Secretary |



Substantial Shareholders

| | |
|-----------------------|-------|
| Sherkane Group | 19.7% |
| Carrier International | 7.3% |
| Adam Lamond | 7.2% |
| Board & Management | 13.4% |

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