

2 August 2019



Dear Shareholder

The last 12 months have been challenging but productive for the Veris Group and we have taken a number of steps to rectify and strengthen our position following national integration of the Veris Australia businesses.

We recently completed Phase 2 of the Operational Review which commenced in 2018 with a specific focus on the Veris Australia business. The Operational Review focused on initiatives that would harness the strength of Veris Australia to deliver greater value for its shareholders and clients and streamline its operations.

After careful consideration of the recommendations from the Operational Review, Veris has introduced immediate corrective measures and changes that, in total, will produce a reduction in costs of circa \$3 million on an annualised basis.

These corrective measures include:

- Refreshing the composition of the Executive Team to align more closely with Operations.
- Reducing the number of senior management positions in both Corporate and Operations.
- No incentive payments for the 2019 financial year will be paid to the Executive Team.
- Improved accountability in the Veris Australian regions.
- Shedding less profitable service lines and closing less profitable office locations in Veris Australia.
- Right-sizing of certain areas of the Veris Australia business to better reflect market demand, without impacting the ability to service the current pipeline of work.

Furthermore, Veris has implemented structural changes to its management, reporting lines and systems to provide improved line of sight to business performance. In addition to improved local reporting, Veris has implemented new controls over new contracts, margin requirements and working capital management, all aimed at increasing operating margins.

In addition, a review of Board composition has been completed. A search to identify another industry professional with a view to diversify and enhance the Board has also commenced.

Setting Veris Group up for the future

The Veris Board and Executive Team have been working hard to ensure Veris is well positioned to improve its financial performance in the 2020 financial year and beyond.

Our new five-year strategic plan was recently endorsed by the Board and it includes a clear strategy to seek opportunities in higher value, higher margin projects with higher greater technical content. This includes an increased focus on 3D spatial and Geospatial work for Veris.

We are also extremely proud to have in place Veris Group's first Corporate Social Responsibility Strategy and Veris 'Reflect' - Reconciliation Action Plan, which is endorsed by Reconciliation Australia and available on our website.

I am confident that the actions we have taken in recent times will serve us well in the 2020 financial year and beyond.

Further information will be provided in our Annual Report which will be provided to you in September however, if you have any questions in the meantime, please do not hesitate to get in contact.

Yours sincerely

Derek La Ferla
Chairman

Perth

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