

31 July 2020

Aqura Q4 FY2020 Update

The Board of Veris Limited (**ASX: VRS**) is pleased to provide an update regarding results for Aqura Technologies for the fourth quarter (Q4) of financial year 2020 (FY20).

Highlights:

- **Renewed project momentum after impact of COVID felt early in Q4**
- **Successful transition to remote working and agile delivery for Tier 1 client base**
- **Strong pipeline underpins the outlook for FY21 reflecting a combination of deferred contracted work and strong tender pipeline**

Aqura Technologies (Aqura) generated an unaudited preliminary EBITDA result of \$444,000 for Q4 FY20. This compares favourably against the Q3 FY20 result and the prior corresponding period from FY19.

Aqura Technologies Q4 FY20 Unaudited Results

	Unaudited Results		
	Q4 FY20	PCP Q4 FY19	Q3 FY20
Revenue	4,027	3,740	4,877
EBITDA	444	187	(66)
EBITDA %	11.0%	5.0%	(1.4%)

Q4 FY20 and Q3 FY20 unaudited results are based on preliminary, unaudited financial results for the year ended 30 June 2020. They remain subject to finalisation, audit and Board review and sign-off, and may change. PCP results reflect FY19 Q4 performance included in the FY19 Veris Limited audited statutory financial statements.

Renewed project momentum

The suspension and deferral of major project work by Aqura's clients in response to the onset of COVID-19 resulted in impacts to site-based work. This resulted in deferral of previously expected revenue in various sectors. As a result of the impact of the deferral of these project revenues in the early part of Q4, Aqura was deemed eligible for participation in the Federal Government's JobKeeper program in May.

Whilst the onset of COVID-19 initially resulted in pauses or delays to a number of large projects, the latter part of the quarter saw remobilisation and renewed project momentum as Aqura and its clients adopted innovative new work practices to ensure progress on project delivery could be regained within the context of COVID-safe work environments. This has resulted in renewed momentum in the delivery of larger projects particularly with the BHP Global Wi-Fi Program, with an initial focus on the desktop effort to enable a timely ramp up of activities once customer sites were opened again to non-essential works.

Expansion of Aqura's services into the defence sector was delivered with the award of a new contract with Cubic in Queensland, in addition to Aqura's east coast offices in Brisbane and Melbourne building on and expanding the Aqura brand as we target an expanding pipeline of work nationally. Aqura has also commenced delivery at OZ Minerals Prominent Hill site in South Australia and secured new annuity revenue streams delivering Unified Communications as a Service with ATCO.

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Successful transition to remote working and agile delivery

Across Aquara, the transition to remote working has been encouraging with limited impact to productivity, in part thanks to IT arrangements in place prior to COVID-19. This has enabled the team to continue supporting customers and the market along with internal projects focussed on longer term continued improvements.

During Q4, the business also invested and resourced in managed services to expand Aquara's portfolio to now offer 24/7 national service desk and advance new product development.

Project pipeline and outlook.

Looking forward, the commitment of the team to turn around high-quality work during COVID-19 lockdowns along with a national presence has reflected positively with customers and new prospects, Aquara has a secured project pipeline of over \$7 million to be executed over the next 6 months. In addition to this, there is an identified pipeline of tendered projects and prospects with a weighted value in excess of \$5 million for execution over the same period.

Comments from Aquara Technologies Chief Executive Officer Travis Young:

"Throughout this challenging period, Aquara has continued to deliver quality outcomes on the back of our strong relationship with our tier 1 national clients to deliver operational support services."

"In addition, we have responded to significant RFQ responses in Q4 as demand for technology adoption within our market sectors increased during these times."

"We look forward to delivering both differed contracts and recent new awards in H1 FY21. We are very proud of our team in limiting business disruption during the initial COVID-19 impact and the dedication to our loyal clients."

– ENDS –

Issued by Veris Limited
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IMPORTANT INFORMATION

Financial Information

All dollar values are in Australian dollars (\$) or AUD) unless stated otherwise. All references starting with "FY" refer to the financial year for Veris, ending 30 June. For example, "FY20" refers to the financial year ended 30 June 2020. The financial information contained in this announcement for the period ended 30 June 2020 is preliminary only. Veris expects to release its full year financial statements in late August 2020 following completion of the audit process. Accordingly, the FY20 financial information contained in this announcement is unaudited. An audit process is currently underway in respect of the finalisation of the FY20 financial statements, however the audit will not be completed until immediately prior to the release of Veris' full FY20 financial statements. Whilst Veris has taken care so as to have a high degree of confidence that this financial information will not materially differ from the final numbers contained in the FY20 financial statements, there is a risk that those numbers will differ from the financial information contained in the FY20 financial statements.