

Chairman's Address - 2022 Annual General Meeting

Good morning ladies and gentlemen, welcome to the Annual General Meeting of VERIS Limited for 2022.

For those of you I have not met before, my name is Karl Paganin and I am the Chairman of the Veris Limited. I would like to begin today by acknowledging the Traditional Custodians of the Land on which we meet today - we acknowledge the Bunurong Boon Wurrung and Wurundjeri Woi Wurrung peoples of the Eastern Kulin Nation and pay respect to their Elders past, present and emerging.

The 2022 financial year was a transformational year for Veris Limited as we continue to build momentum on our return to profitability.

The Company is now in the strongest financial position that it has ever been with a well-capitalised balance sheet, and a clear, refined strategy - to be a pureplay spatial data services business with a positive growth outlook.

The 2022 financial year saw the Group:

- strengthen its balance sheet via the successful divestment of its technology business Aqura Technologies,
- make significant operating improvements to its core business Veris Australia,
- renegotiate a number of its vehicle and equipment service arrangements which has significantly reduced operating costs; and
- has renewed the composition of the Company's Board with the appointment of Ms Tracey Gosling and Dr Michael Shirley to the Board to be more aligned with a national business.

The successful completion of the sale of Aqura Technologies to Telstra Purple for an enterprise valuation of \$30 million was a significant highlight of the year. This valuation represented the approximate market capitalisation of the Group at the time of the announcement of the sale. The completion of the sale represented the crystallisation of significant value for Veris and its shareholders and demonstrated the strong management capability within the company to create and then realise significant value for our shareholders.

Aqura was established within Veris six years ago and experienced significant organic growth within the Veris Group portfolio over that period. Ultimately, in February this year, the timing and environment represented the right point to sell the business and realise value for the benefit of our shareholders. This transaction created significant value and enabled Veris Limited to retire all long-term debt and ensures the Company is well capitalised with a strong balance sheet with a significant net cash position. As a simplified, pure-play spatial data services business we are now uniquely positioned to pursue our growth ambitions.

Despite the challenges of COVID of which there were many, it has been pleasing to see the continued improvement in the financial performance of Veris Australia during FY22. The Company once again achieved year-on-year revenue growth from continuing operations with revenue of \$92.4 million for the financial year, representing an almost 20% increase from the prior year.

Significantly, the Company also delivered a consolidated group profit after tax of \$21 million in FY22, a significant improvement from consecutive losses recorded in the preceding three years.

Whilst the net profit on the sale of Aqura Technologies of \$20.5 million was the primary contributor to this result, the improved performance of Veris Australia demonstrates a clear pathway to sustainable profitability for the Company moving forward.

The continued turnaround was able to be delivered despite the strong, and at times unprecedented headwinds faced during the course of FY22. These included:

- COVID-19 continued to have multiple impacts throughout the duration of the financial year, including:

- Widespread lockdowns and nationwide border closures which impacted the Company's ability to fully leverage its national operating platform, including the movement of specialist technical expertise and equipment around Australia, particularly in the first half of the financial year.
- The shutdown of key industry sectors and restricted numbers of site personnel in line with COVID safe operating plans was also a large inhibiting factor in FY22;
- As a consequence of these factors, numerous project delays were experienced;
- As a people-focussed business, labour constraints were a significant impact on the FY22 results:
 - The Domestic Australian labour market remains tight. The international expat market is slowly improving as COVID travel restrictions ease but this placed resourcing pressures on the industry.
 - We have faced additional recruitment requirements and challenges presented by shortages of skilled resources in the market
- Supply chain/ inflationary pressures have emerged in the 2nd half of FY22.
 - Specifically, the industry is facing Cost pressures in the cost of consumables, equipment procurement and vehicle fleet running costs;

As in the previous years affected by COVID, the flexibility and resilience of our employees to adapt to new ways of working was vital to continue to deliver for our clients and is not only appreciated but is to be highly commended

The financial and operational improvement at Veris is attributable to the management team introduced into the business in FY20. It is particularly encouraging to see the core elements of the strategy showing results and demonstrates that the core business can deliver strong returns going forward.

During the year, Veris Limited continued its process of significant Board renewal. It was extremely pleasing to welcome Ms Tracey Gosling to the Board as Non-Executive Director. Tracey is an accomplished and adaptive senior leader whose expertise will support Veris to deliver on its strategy. Her strong background in technology, professional services, digital transformation and growth strategies in highly relevant industries will be invaluable to Veris as we continue to progress our Digital & Spatial strategy.

In June, after 11 years serving as Managing Director and a Non-Executive Director of Veris Limited and its forerunner OTOC Limited, Mr Adam Lamond determined it was an appropriate time to resign as a Non-Executive Director. Adam's vision and contribution to the development of Veris' national platform has been immense over a sustained period of time. He also played an active role in the formation and growth of the Aqura Technologies business. We thank Adam for his significant contribution to the development of Veris.

Dr Michael Shirley was also appointed as Managing Director of Veris Limited, and joined the Board as of 1 June 2022. Michael will retain his role as Chief Executive Officer of Veris Australia. With the appointment of Michael as Managing Director, we strengthen the composition of the Board with a senior leader that has deep alignment with our strategy and is focussed on executing over the coming years.

The combination of Tracey's and Michael's appointments, coupled with the appointment of David Murray towards the end of FY21 has significantly enhanced the capabilities and depth of industry experience of the Board over the last 15 months and fulfills our commitment to you the shareholders to renew the composition of the Board.

The Company has also continued to undertake initiatives aligned to its Reconciliation Action Plan (RAP). Working closely with Wumara Group, a majority Indigenous-owned land and construction surveying company in which Veris Limited acquired an interest last year, there have been a number of successes in terms of working

collaboratively as well as providing opportunities for Indigenous Australians to start a career in the spatial industry. Michael will provide more details about this important partnership in his presentation shortly.

The operating success of Veris in FY21, in a challenging environment, is a testament to the strength of our management team. Michael and his team have continued to attract quality individuals into the senior management team which has resulted in a team that we are confident can deliver continued success to Veris moving forward.

Finally, on behalf of the Board, I'd like to thank all stakeholders of Veris including our shareholders, clients, employees, suppliers and the community for their support during a challenging but rewarding year for Veris Limited. '

Momentum is certainly building and as demonstrated by our results, the Company is strongly positioned to continue on its growth trajectory. We look forward to achieving continued successes in the year ahead.

– ENDS –

About Veris Limited

Veris Limited is the holding company that is listed on the ASX under the code VRS.

Veris is Australia's leading provider of spatial data services across the infrastructure, property, resources, defence, utilities and government sectors. Veris Australia provides an end-to-end spatial data solution for its clients that not only includes data collection, analysis, interpretation but also data hosting and access, modelling, sharing and insights for clients with large-scale data requirements.

Authorised for release by the Board of Veris Limited.

Issued by Veris Limited

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