

NZX Release

21st May 2018

VIL achieves refinancing and growth funding

Further to the company's announcement of 27 April 2018, Veritas Investments Limited confirms that it has entered into conditional agreements with Pacific Dawn Limited, a wholly-owned subsidiary of Nomura Asia Holding N.V (together with its related and associated entities, "**Nomura**"), to provide NZ\$27.5 million of credit facilities to the Veritas group. Nomura is an Asian headquartered financial services group with an integrated global network spanning 30 countries, employing some 28,000 people worldwide.

The refinancing allows the Veritas group to focus on a core business area, beverage and hospitality, where it has identified significant growth opportunities and where it has a strong presence already through the Better Bar Company. With the support of Nomura through growth funding, Veritas will look to grow revenue, profitability and scale in a very buoyant commercial sector.

Nomura is providing three tranches of funding. Tranches A and B of the facilities (NZ\$5 million and NZ\$17.5 million respectively) will be used to refinance the group's existing debt with ANZ in full, while Tranche C of NZ\$5 million will be available to fund capital expenditure that is approved by Nomura to provide future growth. The term of each tranche is three years and interest is payable quarterly at the bank bill rate plus a margin of 6.5% per annum. A fee of 2.5% of the total amount of the facilities is payable to Nomura on draw down and an exit fee is payable on expiry or repayment in full of the facilities, of the greater of 1% of the total amount of the facilities or 2% of the principal amount outstanding at the time of expiry or repayment. As part of the refinance, Veritas has also agreed to grant warrants to Nomura which give Nomura the ability to acquire up to 19.9% of the ordinary shares in the company for no consideration. The warrants may not be exercised during the first year after they are granted, and expire on the date that is three years after their grant date.

Tim Cook, Chairman of Veritas, said, "We are delighted to have received the support of Nomura so that we can refinance the group. This will allow us to build on the success of the Better Bar Company to capitalise on opportunities in beverage and hospitality. Nomura has clearly seen the potential in the sector and are backing the group's ability to grow. The structure aligns Nomura's objectives with those of our shareholders – we all want to see profitability and growth."

The transactions described above are subject to a number of conditions, including the approval of the company's shareholders. Further details about the transactions will accompany a notice of meeting which is expected to be sent to shareholders in early June, with a special meeting to be convened in late June.

For further information, contact:

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About Veritas Investments Limited

Veritas Investments is an NZX Main Board-listed investment company focusing on the Beverage and Hospitality sectors.

www.veritasinvestments.co.nz