

NZX Release

23 September 2016

Veritas Investments Business Update for FY17

The Veritas Board wishes to provide a business update for the financial year ending 30 June 2017. As the market is aware, the Group underwent significant changes during the previous financial year, through agreeing with our joint venture partners to wind up Kiwi Pacific Foods Limited, selling three loss making bars owned by The Better Bar Company Limited, and closing three Group-owned Mad Butcher stores.

Following these changes, ANZ has confirmed its support as the Group's financier by extending the term of the Group's banking facilities beyond FY17.

The Board is aware that these changes have made it difficult for shareholders to accurately assess the performance of the Veritas Group. Management has undertaken a thorough business planning exercise as a part of its annual budget process, and the Board has approved the Group business plan for FY17.

FY17 Revenue Target

The Group is aiming to generate revenue of \$50m to \$55m in FY17, segmented as follows:

Mad Butcher	\$7m to \$8m
The Better Bar Company	\$21m to \$24m
Nosh Food Market	\$22m to \$23m
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TOTAL	\$50m to \$55m

FY17 Earnings Guidance

The Group is aiming to achieve EBITDA of \$7.4m to \$8.0m and underlying net profit after tax (NPAT) for continuing operations of \$3.0m to \$3.6m in FY17.

As disclosed in our annual financial statements for FY16, the Veritas Board is considering a number of restructuring options for the loss making operations of Nosh and the two Group-owned Mad Butcher stores. Accordingly, this guidance is subject to any write-offs and restructuring costs, if any, that are incurred in connection with the implementation of these initiatives.

For further information, contact:

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About Veritas Investments Limited

Veritas Investments is an NZX Main Board-listed investment company focusing in the Food and Beverage, Franchise and Hospitality sectors. The shell company was formed in December 2011 and made its first acquisition of the Mad Butcher franchisor business in May 2013 through a reverse acquisition transaction. A further investment was made in December 2013 for 50% of Kiwi Pacific Foods Limited. In September 2014 Veritas acquired the Nosh Food Market business. In November 2014 Veritas acquired The Better Bar Company group business.

www.veritasinvestments.co.nz