



15 February 2019

## Non-Cash Goodwill Impairment

On 25 October 2018 Veris advised the market that it achieved lower than expected EBITDA margins for the Veris Australia national surveying business for Q1FY19.

Veris now provides an update on the results of a review of the carrying value of the assets of the surveying business. Impairment testing of the national surveying business Cash Generating Unit (**CGU**) has been performed in accordance with *Australian Accounting Standards*.

Based on management's unaudited assessment, Veris expects to recognise a non-cash impairment charge to the carrying value of goodwill of the national surveying business in its interim financial statements for the period to 31 December 2018. Veris expects, the non-cash asset impairment is likely to be \$34 million before tax.

In determining the carrying value of its assets, Veris considers a range of assumptions including discount rates, business operating performance and regulatory conditions. The Veris Australia national surveying business, which carries a greater share of intangible assets arising from the Company's 9 acquisitions, has underperformed to our margin expectations during the first half of FY19 which has resulted in an impairment trigger under the *Australian Accounting Standards*.

The impairment will be in part a consequence of the original accounting values attributed to the 8 surveying businesses acquired which now operate as one CGU and the decline in margin across certain regions.

The Company's Professional & Advisory business, Elton Consulting, and its Communications business, Aqura have both performed solidly during the first half of FY19. Accordingly, there has been no impairment trigger to the carrying value of these businesses.

Following the recognition of the non-cash impairment charge, Veris remains compliant with the terms of its contractual debt obligations.

As the impairment is a non-cash item, it does not have an impact on the Company's cash flow or existing Veris operations.

The non-cash impairment charge remains subject to final review by Veris auditors and approval by the Board.

Further details will be provided in the Company's interim financial statements for the period to 31 December 2018 which are expected to be released on 28 February 2018.

– ENDS –

For further information please contact:

Veris Corporate Office  
Tel (08) 9317 0628

**Perth**  
Level 12, 3 Hasler Road  
Locked Bag 9  
Osborne Park WA 6017  
Australia

T 08 9317 0600  
F 08 9317 0611  
Veris.wa@veris.com.au  
veris.com.au

**Office Locations**  
Over 20 offices  
across Australia  
veris.com.au/contactus

Veris Limited  
ABN 80 122 958 178

**DEVELOP  
WITH \_\_\_\_\_  
CONFIDENCE™**