



Consolidated Interim Financial Statements

For the six months ended 31 December 2024

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Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2024

Group	Note	Six Months Ended		Year Ended
		31 Dec 2024 (Unaudited)	31 Dec 2023 (Unaudited)	30 Jun 2024 (Audited)
\$000's				
Revenue	6	12,603	13,335	26,185
Operating costs		(6,980)	(6,919)	(14,006)
Gross profit		5,623	6,416	12,179
Other income	6	301	120	676
Administrative expenses		(5,252)	(5,010)	(9,892)
Profit/(Loss) Before Interest and Tax		672	1,526	2,693
Finance income		6	9	17
Finance expenses	7	(1,450)	(1,474)	(3,048)
Net finance costs		(1,444)	(1,465)	(3,031)
Profit/(Loss) Before Tax		(772)	61	(68)
Income tax benefit/(expense)		237	(9)	95
Net Profit/(Loss)		(535)	52	27
Attributable to:				
Equity holders of the Company		(535)	52	27
Earnings per share				
Basic earnings per share	10	(\$0.013)	\$0.001	\$0.001
Diluted earnings per share	10	(\$0.013)	\$0.001	\$0.001

The consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024

Group	Note	Attributable to equity holders of the Company			
		Share capital	Share based payment reserve	Retained earnings	Total equity
Balance at 1 July 2024		68,569	-	(47,058)	21,511
Total comprehensive income for the period		-	-	(535)	(535)
Transactions with owners:					
Issue of ordinary shares		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 31 December 2024 (Unaudited)		68,569	-	(47,593)	20,976
Balance at 1 July 2023		68,569	-	(47,085)	21,484
Total comprehensive income for the period		-	-	52	52
Transactions with owners:					
Issue of ordinary shares		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 31 December 2023 (Unaudited)		68,569	-	(47,033)	21,536
Balance at 1 July 2023		68,569	-	(47,085)	21,484
Total comprehensive income for the period		-	-	27	27
Transactions with owners:					
Issue of ordinary shares		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 30 June 2024 (Audited)		68,569	-	(47,058)	21,511

The consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2024

Group \$000's	Note	31 Dec 2024 (Unaudited)	31 Dec 2023 (Unaudited)	30 Jun 2024 (Audited)
Non-current assets				
Property, plant and equipment		38,854	40,449	39,784
Right of use assets	8	16,788	18,236	15,896
Prepayments		-	19	-
Total non-current assets		55,642	58,704	55,680
Current assets				
Trade and other receivables		3,242	2,706	2,843
Current tax receivable		952	713	710
Finance lease receivable		20	35	29
Prepayments		1,319	980	783
Inventory		1,355	1,362	1,310
Cash and cash equivalents		-	79	-
Total current assets		6,888	5,875	5,675
Total assets		62,530	64,579	61,355
Equity				
Ordinary share capital		68,569	68,569	68,569
Retained earnings		(47,593)	(47,033)	(47,058)
Total equity		20,976	21,536	21,511
Non-current liabilities				
Secured bank loan		11,900	11,900	12,600
Trade and other payables		545	-	496
Deferred income		833	652	790
Sale and lease back liability		-	199	-
Lease liabilities	8	15,098	17,003	15,133
Deferred tax liabilities		1,371	1,432	1,366
Total non-current liabilities		29,747	31,186	30,385
Current liabilities				
Bank overdraft		977	-	717
Secured bank loan		700	1,400	-
Trade and other payables		4,079	4,319	3,326
Deferred income		2,162	2,506	597
Sale and lease back liability		199	787	2,606
Lease liabilities	8	3,690	2,845	2,213
Total current liabilities		11,807	11,857	9,459
Total equity and liabilities		62,530	64,579	61,355

On behalf of the Board of Directors

John McMahon
Chair

25th February 2025



James Sclater
Director

25th February 2025



The consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the six months ended 31 December 2024

Group	Note	Six Months Ended		Year Ended
		31 Dec 2024 (Unaudited)	31 Dec 2023 (Unaudited)	30 Jun 2024 (Audited)
\$000's				
Cash flows from operating activities				
Cash provided from:				
Receipts from customers		12,754	13,227	26,222
Net GST receipts/(payments)		36	117	(77)
Income tax received		-	-	41
		12,790	13,344	26,186
Cash applied to:				
Payments to suppliers and employees		(9,164)	(8,880)	(17,371)
Interest expense paid		(700)	(737)	(1,448)
		(9,864)	(9,617)	(18,819)
Net cash flows from operating activities	12	2,926	3,727	7,367
Cash flows from investing activities				
Cash provided from:				
Proceeds from sale of property, plant and equipment		10	-	-
Finance lease interest and income received		4	9	11
Repayment of finance lease receivables		-	13	-
		14	22	11
Cash applied to:				
Acquisition of property, plant and equipment		(869)	(1,139)	(2,326)
Acquisition of goods provided on finance leases		(1)	(12)	(17)
		(870)	(1,151)	(2,343)
Net cash used in investing activities		(856)	(1,129)	(2,332)
Cash flows from financing activities				
Cash applied to:				
Repayment of secured bank loan		-	(700)	(1,400)
Payment of lease liabilities		(2,330)	(2,322)	(4,855)
		(2,330)	(3,022)	(6,255)
Net cash used in financing activities		(2,330)	(3,022)	(6,255)
Net decrease in cash and cash equivalents		(260)	(424)	(1,220)
Cash and cash equivalents/(bank overdraft) at beginning of period		(717)	503	503
Cash and cash equivalents/(bank overdraft) at end of period		(977)	79	(717)

The consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

1 Reporting entity

Vital Limited ("the Company") is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX"). The Company is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

The consolidated interim financial statements of the Company as at, and for the six months ended, 31 December 2024, are unaudited and comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is primarily involved in the provision of mobile radio networks and high speed broadband services in New Zealand.

2 Statement of compliance and basis of preparation

The consolidated interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. They do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial report of the Group as at, and for the year ended, 30 June 2024.

The consolidated interim financial statements of the Group have been prepared in accordance with the New Zealand Companies Act 1993 and the Financial Markets Conduct Act 2013.

The consolidated interim financial statements are presented in New Zealand dollars (\$), rounded to the nearest thousand, which is the Group's functional and presentation currency.

The consolidated interim financial statements were approved by the Board of Directors on 25th February 2025.

3 Material accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements, unless disclosed below are consistent with those used in the previously audited consolidated financial statements as at, and for the year ended, 30 June 2024. There were no new standards, interpretations and amendments effective from 1 July 2024 that impacted the Group's consolidated financial statements and require retrospective adjustment.

Reclassification and re-statement of comparatives

Where items have been reclassified in the consolidated interim financial statements, the related interim comparative disclosures have been adjusted to provide a like-for-like comparison. The comparative information for the year ended 30 June 2024 is audited, and remains unchanged.

4 Use of estimates and presentation

The preparation of the consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at, and for the year ended, 30 June 2024.

5 Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise the Group's external borrowings from Bank of New Zealand Limited, and corporate overhead costs.

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Group's CEO reviews internal management reports on a monthly basis.

Wireless Networks: this segment includes the traditional mobile radio business of Vital Limited along with associated finance leasing, data and GPS tracking products and the wireless broadband business.

Wired Networks: this segment includes the wired broadband business of Vital Data Limited who provides broadband connectivity and ancillary related services to a range of wholesale customers and end users.

Other: this segment includes shared costs and other items not directly attributable to one of the other segments.

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

5 Segment reporting (continued)

Group for the six months ended 31 December 2024 \$000's	Wireless Networks	Wired Networks	Other	Total
Operating revenue and other income				
- Sales to customers outside the Group	8,804	4,100	-	12,904
Total revenue and other income	8,804	4,100	-	12,904
Costs				
- Operating costs paid to suppliers	(4,854)	(2,162)	(990)	(8,006)
Total costs	(4,854)	(2,162)	(990)	(8,006)
EBITDA	3,950	1,938	(990)	4,898
Depreciation and amortisation	(2,903)	(1,263)	(60)	(4,226)
EBIT	1,047	675	(1,050)	672
Finance income	-	-	6	6
Finance expense	-	-	(1,450)	(1,450)
Net finance costs	-	-	(1,444)	(1,444)
Profit/(Loss) before income tax	1,047	675	(2,494)	(772)
Income tax benefit/(expense)	-	-	237	237
Net Profit/(Loss)	1,047	675	(2,257)	(535)
Capital expenditure	860	365	-	1,225
Total assets	36,455	26,075	-	62,530
Total liabilities	21,751	7,203	12,600	41,554
Group for the six months ended 31 December 2023 \$000's	Wireless Networks	Wired Networks	Other	Total
Operating revenue and other income				
- Sales to customers outside the Group	8,732	4,723	-	13,455
Total revenue	8,732	4,723	-	13,455
Costs				
- Operating costs paid to suppliers	(4,627)	(2,121)	(980)	(7,728)
Total costs	(4,627)	(2,121)	(980)	(7,728)
EBITDA	4,105	2,602	(980)	5,727
Depreciation and amortisation	(2,971)	(1,230)	-	(4,201)
EBIT	1,134	1,372	(980)	1,526
Finance income	-	-	9	9
Finance expense	-	-	(1,474)	(1,474)
Net finance costs	-	-	(1,465)	(1,465)
Profit/(Loss) before income tax	1,134	1,372	(2,445)	61
Income tax benefit/(expense)	-	-	(9)	(9)
Net Profit/(Loss)	1,134	1,372	(2,454)	52
Capital expenditure	866	337	-	1,203
Total assets	35,312	29,267	-	64,579
Total liabilities	20,622	9,121	13,300	43,043

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

5 Segment reporting (continued)

Group for the twelve months ended 30 June 2024 \$000's	Wireless Networks	Wired Networks	Other	Total
Operating revenue and other income				
- Sales to customers outside the Group	17,724	9,137	-	26,861
Total revenue	17,724	9,137	-	26,861
Costs				
- Operating costs paid to suppliers	(9,787)	(3,675)	(1,860)	(15,322)
Total costs	(9,787)	(3,675)	(1,860)	(15,322)
EBITDA	7,937	5,462	(1,860)	11,539
Depreciation and amortisation	(5,999)	(2,451)	(126)	(8,576)
EBIT	1,938	3,011	(1,986)	2,963
Finance income	-	-	17	17
Finance expense	-	-	(3,048)	(3,048)
Net finance costs	-	-	(3,031)	(3,031)
Profit/(Loss) before income tax	1,938	3,011	(5,016)	(68)
Income tax benefit/(expense)	-	-	95	95
Net Profit/(Loss)	1,938	3,011	(4,921)	27
Capital expenditure	1,638	645	-	2,328
Total assets	34,866	26,489	-	61,355
Total liabilities	20,691	6,553	12,600	39,844

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

6 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it satisfies its performance obligations under that contract.

Disaggregation of Revenue

In the following table, revenue is disaggregated by major products and service lines and timing of revenue recognition. There is no geographic market disaggregation as the Group derives all revenue from product & services provided within New Zealand.

Group for the six months ended 31 December \$000's	Wireless Networks		Wired Networks		Total	
	2024	2023	2024	2023	2024	2023
Major Products/Service Lines						
Wireless Networks	8,165	8,524	-	-	8,165	8,524
Wired Networks	-	-	4,020	4,617	4,020	4,617
Installation	362	101	56	93	418	194
Hardware Sales	267	102	-	-	267	102
Other Income	10	5	24	13	34	18
	8,804	8,732	4,100	4,723	12,904	13,455
Timing of Revenue Recognition						
Products transferred at a point in time	629	203	56	93	685	296
Products and Services transferred over time	8,175	8,529	4,044	4,630	12,219	13,159
	8,804	8,732	4,100	4,723	12,904	13,455

Goods and services provided to Customers Nature, performance obligation and timing of revenue

Wireless Networks

Providing access to the Group's wireless networks to enable voice and data traffic. The Group recognises revenue as it provides this service to its customers. Revenue from installations required to enable this access is recognised over the term of the contract for service. Billing in respect of fixed monthly charges billed in advance is deferred until the service has been provided and is treated as deferred revenue until that time.

Wired Networks

Providing access to the Group's wired networks to data traffic. The Group recognises revenue as it provides this service to its customers. Revenue from installations required to enable this access is recognised over the term of the contract for service. Billing in respect of fixed monthly charges billed in advance is deferred until the service has been provided and is treated as deferred revenue until that time.

Installation

Providing services for the installation of hardware. This revenue is billed and recognised on a monthly basis when the installation is complete, except where this installation is required to enable services (as above).

Hardware/Software

Sale of hardware and software to customers. This revenue is billed and recognised on delivery to the customer. Revenue is not recorded until the hardware and software have been accepted by the customer.

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

7 Finance costs

Group \$000's	Six months ended 31 Dec		Year ended 30 Jun
	2024	2023	2024
Interest expense on secured bank loans	(712)	(737)	(1,468)
Interest expense on lease liabilities	(724)	(737)	(1,580)
Other interest expense	(14)	-	-
Total finance costs	(1,450)	(1,474)	(3,048)

8 Leases

Leases as Lessee

The Group leases sites and space in various locations in order to deliver its network footprint. These leases run for different periods of time depending on the agreement with the landlord, typically these include an option of renewal.

Typically these leases contain provision for adjustment based on any footprint change (both increase and decrease).

(a) Right of use Assets

Group \$000's	Network Assets	Land and Buildings	Motor Vehicles	Total
Opening balance as at 1 July 2024	14,257	1,068	571	15,896
Additions/Amendments	3,319	259	124	3,702
Depreciation	(2,157)	(440)	(214)	(2,811)
Closing balance as at 31 December 2024	15,419	887	482	16,788
Opening balance as at 1 July 2023	17,829	1,491	489	19,809
Additions/Amendments	330	-	-	330
Depreciation	(1,618)	(219)	(66)	(1,904)
Closing balance as at 31 December 2023	16,540	1,273	423	18,236

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low value assets. Lease payments associated with these leases are expensed to profit and loss on a straight line basis over the lease term.

(b) Lease Liabilities

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the applicable Group's incremental borrowing rate. The average incremental borrowing rate applied to the lease liabilities was 7.08% (Interim Dec 2023: 5.63%; Full Year Jun 2024: 6.85%).

Present Value of Leases

Group \$000's	31 December 2024	31 December 2023
Less than one year	3,690	2,845
Between one to two years	3,410	2,625
Between two to five years	6,991	7,248
Greater than five years	4,697	7,130
	18,788	19,848

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

9 Capital and reserves

Share capital

The Group has 41,548,318 fully paid no par value shares on issue at balance date (Interim Dec 2023: 41,548,318; Full Year Jun 2024: 41,548,318). The holders of ordinary shares are entitled to receive dividends as declared. Votes are cast on the basis of the number of shares. All shares rank equally with regard to the Group's residual assets.

Dividends

No dividends have been declared or recognised in the current year.
(Interim Dec 2023: Nil; Full Year Jun 2024: Nil).

10 Earnings per share

Basic and diluted earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive issues of ordinary shares.

There are 1,140,000 dilutive equity instruments on issue at 31 December 2024 relating to the Employee Share Option Plan (Interim Dec 2023: 950,000; Full Year Jun 2024: 1,140,000).

Group \$000's	Six Months Ended		Year Ended
	31 Dec 2024	31 Dec 2023	30 Jun 2024
Profit/(Loss) attributable to ordinary shareholders	(535)	52	27
	in shares	in shares	in shares
Weighted average number of ordinary shares			
Issued ordinary shares at start of period	41,548,318	41,548,318	41,548,318
Number of shares issued during the period	-	-	-
Issued ordinary shares at close of period	41,548,318	41,548,318	41,548,318
Weighted average number of ordinary shares for the period	41,548,318	41,548,318	41,548,318
Diluted Earnings Per Share			
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares (basic)	41,548,318	41,548,318	41,548,318
Effect of the Employee Share Option Plan	1,140,000	950,000	1,140,000
Weighted average number of ordinary shares for the period (fully diluted)	42,688,318	42,498,318	42,561,651
Basic earnings per share (\$)	(\$0.013)	\$0.001	\$0.001
Basic and Diluted earnings per share (\$)	(\$0.013)	\$0.001	\$0.001

11 Capital commitments

As at 31 December 2024, the Group has \$2,540,000 of capital commitments (Interim Dec 2023: \$337,000; Full Year Jun 2024: \$278,500) relating to the delivery of services contracted to customers and other network infrastructure.

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

12 Reconciliation of the profit/(loss) for the period with the net cash flow from operating activities

Group \$000's	Six Months Ended		Year Ended
	31 Dec 2024	31 Dec 2023	30 Jun 2024
Net Profit/(Loss) for the period (after tax)	(535)	52	27
Adjustments for:			
Depreciation and amortisation	4,226	4,201	8,901
Release of reserve	-	173	-
Prepaid services utilisation	-	37	56
Increase/(decrease) in bad debt provision	6	(74)	(74)
Net finance costs	177	9	141
Decrease in deferred income	(6)	(586)	(744)
Gain on sale of property, plant and equipment	(10)	-	-
Deferred tax movement	5	(44)	(110)
	4,398	3,716	8,170
Decrease/(increase) in prepayments	(536)	(238)	(41)
Decrease/(increase) in trade and other receivables	(410)	312	169
Decrease/(increase) in inventory	(45)	(20)	32
Decrease/(increase) in deferred expenses	(4)	4	(7)
(Decrease)/increase in trade and other payables	300	(46)	(1,039)
(Decrease)/increase in income tax payable	(242)	(53)	56
	(937)	(41)	(830)
Net cash from operating activities	2,926	3,727	7,367

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2024

13 Related party transactions

Transactions with key management personnel

Key management personnel compensation

Key Group management personnel (KMP) compensation comprised \$879,983 for the six months ended 31 December 2024 (Interim Dec 2023: \$768,300; Full Year Jun 2024: \$1,568,459). KMP compensation includes short term and long term benefits of \$154,741 (Interim Dec 2023: \$145,250; Full Year Jun 2024: \$145,250), and termination benefits of \$44,615 (Interim Dec 2023: Nil; Full Year Jun 2024: Nil). Post 31 December 2024, further termination benefits of \$40,115 were paid to KMP.

This excludes fees paid to Directors' of \$65,000 (Interim Dec 2023: \$73,750; Full Year Jun 2024: \$138,750).

The compensation during the period includes payments to former employees and reflects the different composition of the Executive Leadership team.

As part of the Employee Share Option Plan, the Group granted no new share options to members of the executive during the period (Interim Dec 2023: 950,000; Full year Jun 2024: 1,140,000). As at 31 December 2024 all 1,140,000 share options remain on issue.

No liability has been recognised for the Share Options as at Dec 2024 (Interim Dec 2023: Nil; Full Year 2024: Nil).

Post 31 December 2024, 190,000 share options lapsed by a former employee on the Executive Leadership team.

Other transactions with key management personnel

Directors of Group Companies control 3.25% of the voting shares of the Company (Interim Dec 2023: 3.25%; Full Year Jun 2024: 3.25%).

Transactions and balances with related parties

Elected Directors conduct business with the Group in the normal course of their business activities.

Directors of the subsidiary companies received no Directors fees during the period (Interim Dec 2023: Nil; Full Year Jun 2024: Nil).

Group entities Wholly owned subsidiaries	Country of incorporation	Ownership Interest (%)		Balance Date	Activities
		2024	2023		
Vital Data Limited	New Zealand	100%	100%	30 June	Broadband services

14 Events after the reporting date

Post 31 December 2024, there are no further material events that require disclosure that have not already been mentioned in note 13 Related Party transactions above.

Corporate Directory

Registered Office

Level 6, 25-27 Cambridge Terrace,
Te Aro, Wellington, 6011, New Zealand

Head Office

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Auditors

KPMG
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Solicitors

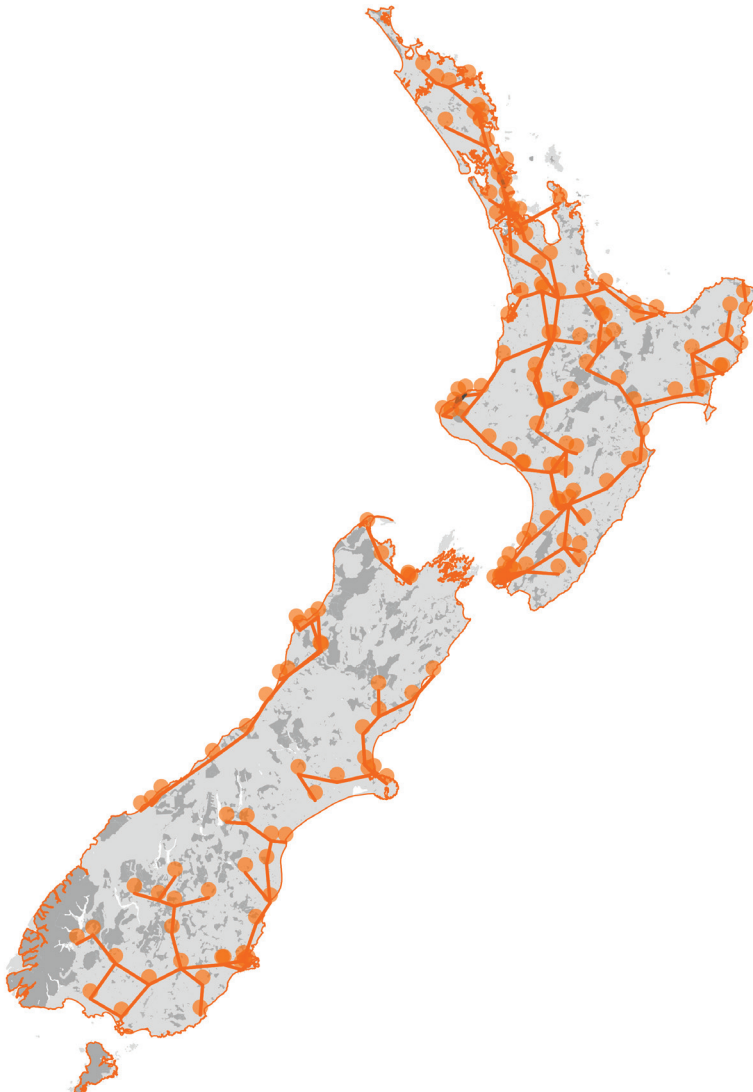
Crengle, Shreves & Ratner
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Bankers

Bank of New Zealand Limited
BNZ Partner Centre,
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Registrar

MUFG Pension & Market Services
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