



Vital

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vital.co.nz

16 August 2024

Non-Binding Indicative and Incomplete Proposal Received

On 12 August 2024 the Vital Board received an unsolicited, non-binding, indicative and incomplete proposal in respect of a potential partial takeover offer from Empire Capital Limited as trustee of the Empire Capital Trust ("Empire") to acquire 50.01% of all Vital shares, at a price of NZ\$0.375 per share ("Empire NBIO"). The Empire NBIO was expressed to be confidential and so far as the Board was aware remained confidential until the Board was advised of Empire's intention to release a public statement regarding its proposal, which was subsequently released by Empire on 14 August ("Empire statement").

The Board's formal response committee, with assistance from its external advisers, has now assessed whether the Empire proposal in its current form is in the interests of all shareholders and has determined that it materially undervalues Vital.

Although the Empire NBIO stated that Empire's proposal was "indicative, incomplete, and non-binding", the subsequent Empire statement says that Empire "intends" to make a partial takeover offer and the Empire NBIO states that Vital should treat formal notice of an offer as being "imminent". However, in the Empire NBIO, Empire requested Vital to provide due diligence access to facilitate the potential offer and the Empire statement says that Empire wishes to undertake confirmatory due diligence "before it formally decides to make a takeover offer".

The Board's position is that the proposed price sits well below a level at which it would be prepared to grant access to undertake due diligence. In addition, the partial nature of the potential takeover offer proposed in the Empire NBIO would not provide all shareholders with the ability to sell all of their shares at the proposed offer price, nor any certainty as to the number of shares that are able to be sold if the offer proceeds and is successful. If Empire were to make a partial takeover offer and receives acceptances to the offer that result in a greater than 50.01% shareholding, acceptances to the offer will be subject to scaling.

The Board has today communicated its position to Empire and will send the attached letter to all Vital shareholders.

To date, Vital has not received formal notice of a takeover from Empire. The Board will continue to keep shareholders and the market informed of any material developments in accordance with its continuous disclosure obligations, including if it receives a formal takeover notice.



Vital is scheduled to deliver its FY24 results on 27 August and the Board looks forward to addressing all shareholder questions on this matter then. Shareholders can submit any questions for the Board ahead of the FY24 results briefing by email: investors@vital.co.nz

Yours sincerely

John McMahon
Vital Chair

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ENDS