

ASX ANNOUNCEMENT



Vita Group Limited
ACN 113 178 519
77 Hudson Road
Albion Qld 4010

10 November 2021

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Vita Group Limited – Market Update

Vita Group Limited (ASX: VTG) is holding an Extraordinary General Meeting (EGM) today (Wednesday, 10 November 2021).

Please find enclosed for immediate release to the market, copies of:

- EGM Presentation, and
- EGM Addresses.

This announcement has been authorised for lodgement by VTG's Board of Directors.

For enquiries relating to this announcement, contact:

Andrew Ryan
Chief Financial Officer
Mob: 0417 644 756

George Southgate
Chief Legal and Risk Officer / Company Secretary
Mob: 0412 514 030

Yours sincerely

A handwritten signature in black ink, appearing to read "George Southgate", with a stylized flourish at the end.

George Southgate
Chief Legal and Risk Officer / Group Company Secretary
Vita Group Limited



**EXTRAORDINARY
GENERAL MEETING**

10 NOVEMBER 2021

Vita Group Board



DICK SIMPSON
Chairman



MAXINE HORNE
Chief Executive Officer



PAUL WILSON
Non-Executive Director



PAUL MIRABELLE
Non-Executive Director

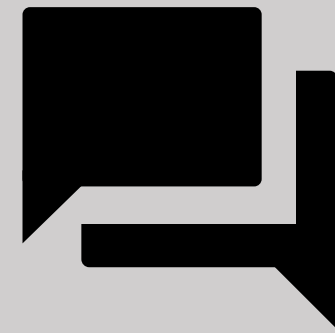


NEIL OSBORNE
Non-Executive Director

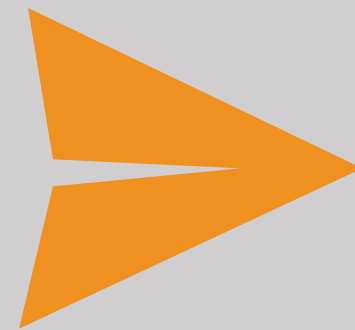
ONLINE ATTENDEES – TEXT QUESTION PROCESS



When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review



123-456-789

HOME

MESSAGING

VOTING

Messaging

Ask a question



Moderator

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

ONLINE ATTENDEES – AUDIO QUESTION PROCESS



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

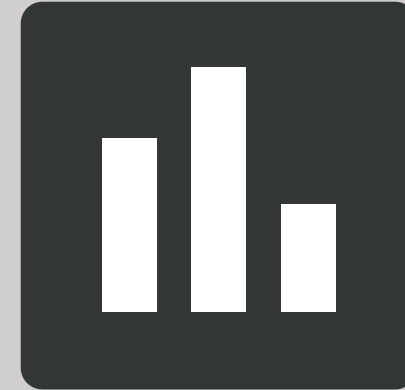
You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

The screenshot displays the LUMI mobile application interface. At the top, a dark grey header bar contains the meeting ID '123-456-789'. Below this, a navigation bar features three tabs: 'HOME' (highlighted with an orange box), 'MESSAGING', and 'VOTING'. The main content area is titled 'Instructions' and includes three sections: 'Watching the Webcast', 'Asking Text Questions', and 'Asking Audio Questions'. An orange arrow points from the 'Asking Audio Questions' section in the instructions to the corresponding text in the left-hand callout boxes. The 'Asking Audio Questions' section states: 'If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.'

ONLINE ATTENDEES – VOTING



When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



Against



Abstain



There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

123-456-789

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For



Against



Abstain



CANCEL

Question 2

Select a choice.

Yes



No



Unsure



Order of Business

- 1. Chairman and CEO presentation**
- 2. Questions and comments**
- 3. Resolution**

CHAIRMAN AND CEO PRESENTATION

Recap

11 February 2021

- Telstra announced its intention to transition the Telstra branded retail store network to a corporate ownership model
- This means the conclusion of Vita's Telstra Dealer Agreement on its expiry date of 30 June 2025

24 September 2021

- Vita announced it had entered into a Shared Sale Agreement (SSA) for the sale of Vita Group's ICT business to Telstra (the Proposed Transaction)
- The sale includes a condition that Vita Shareholders approve the Proposed Transaction for the purposes of Listing Rule 11.2, at an Extraordinary General Meeting – the purpose for our meeting today

8 October 2021

- Vita Group released to the market a Notice of Meeting and Explanatory Memorandum to shareholders, which provides information about the Proposed Transaction, including:
 - key questions and answers;
 - the effect of the transaction on the business;
 - the proposed use of funds, including information about the proposed Special Dividend;
 - an Independent Expert's Report, which concluded that the Proposed Transaction is in the best interests of Vita Shareholders; and
- The Board's unanimous recommendation is that Vita Shareholders vote in favour of the Proposed Transaction

Details of the proposed transaction

Telstra will acquire Fone Zone

- Wholly-owned subsidiary of Vita Group, which is the holding company for the corporate entities holding and operating Retail ICT stores and Sprout accessories business
- Includes Vita People employing entity

Vita Group will retain Artisan Aesthetics Group

Vita Group to receive cash consideration of \$110 million

Subject to net-working capital and net-debt adjustment mechanism

Proposed use of funds

- Fully-franked Special Dividend of approx. \$0.39-\$0.45 per Vita Share to eligible shareholders, paid in two tranches
- Remaining proceeds (net of costs) of approx. \$35 million retained as working capital to fund growth of Artisan

Effect of Proposed Transaction on Vita Group



Operations

- 100% of Vita's operations, resources, and activities will be focused on delivering the Artisan strategy, maximising further growth opportunities

Vita Group Board

- Dick Simpson will resign from the Board and therefore will not stand for re-election as Chair
- Neil Osborne will resign from the board
- Paul Mirabelle will assume the role of Chair
- Maxine Horne will exit the CEO role, and join Paul Mirabelle and Paul Wilson as a Non-Executive Director
- Pete Connors will be appointed as CEO

These changes will support the Board and executive in continuing the strategy to deliver productivity gains and further grow the Artisan clinic network.

The above changes will be formalised at Vita's Annual General Meeting on 26 November 2021, subject to the completion of the Proposed Transaction and all necessary resolutions.

Key Dates

All dividend dates are subject to successful completion of the Proposed Transaction on 12 November, 2021

Completion of the Proposed Transaction (assuming shareholder approval and other conditions precedent)

Friday 12 November, 2021

Special Dividend Major Distribution Ex Date

Thursday 18 November 2021 at 9:00am AEST

Special Dividend Major Distribution Record Date

Friday 19 November 2021 at 6:00pm AEST

Special Dividend Major Distribution Payment Date

Friday 26 November 2021

Special Dividend Final Distribution Record Date

To be announced following the completion date

Special Dividend Final Distribution Payment Date

To be announced following the completion date

Q&A

RESOLUTION

RESOLUTION

To consider and, if thought fit, to pass the following ordinary resolution:

That, under and for the purposes of Listing Rule 11.2, and for all other purposes, Shareholder approval is given for the Company and its subsidiaries to enter into arrangements to give effect to, and to implement, the Proposed Transaction as described in the explanatory memorandum accompanying this notice of meeting and any related or connected transaction or arrangement, subject to any non-substantive amendments agreed by the Company.

How to vote

- *When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen*
- *To vote, simply select the direction in which you would like to cast your vote, the selected option will change colour*
- *There is no submit or send button, your selection is automatically recorded*

PROXY VOTES

To consider and, if thought fit, to pass the following ordinary resolution:

That, under and for the purposes of Listing Rule 11.2, and for all other purposes, Shareholder approval is given for the Company and its subsidiaries to enter into arrangements to give effect to, and to implement, the Proposed Transaction as described in the explanatory memorandum accompanying this notice of meeting and any related or connected transaction or arrangement, subject to any non-substantive amendments agreed by the Company.



Vote Details

Resolution	Vote type	Voted	%	% of all securities
1, PROPOSED TRANSACTION	For	98,214,082	99.46	59.31
	Against	189,836	0.19	0.11
	Open-Usable	344,461	0.35	0.21
	<i>Board</i>	266,406	0.27	0.16
	<i>Non-Board</i>	78,055	0.08	0.05
	Open-Cond	0	0.00	0.00
	Open Unusable	0	N/A	0.00
	Abstain	31,559	N/A	0.02
	Excluded	0	N/A	0.00

MEETING CLOSED



DISCLAIMER

This presentation is authorised by the Board of Vita Group Limited (Company or Vita). The material in this presentation is current at the date of preparation, 10 November 2021. Further details are provided in the Notice of Meeting and Explanatory Memorandum released to the market on 8 October 2021 (Notice of Meeting).

No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation (“forward-looking statements”). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Vita and its Directors). To the maximum extent permitted by law, Vita and its related corporations, Directors, officers, employees and agents disclaim any obligations or undertaking to release any updates or revisions to the information in this presentation to reflect any change in expectation or assumptions and disclaim all responsibility and liability for these forward-looking statements (including without limitation, liability for fault or negligence).

This presentation provides information in summary form only and is not intended to be complete. More details can be obtained from the Notice of Meeting (and its accompanying Independent Expert’s Report). The Company is under no obligation to update the presentation and the information in this presentation remains subject to change by the Company in its absolute discretion and without notice.

To the maximum extent permitted by law, neither Vita nor its related corporations, Directors, officers, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation is not and should not be considered as an offer or an invitation to acquire shares in Vita or any other financial product and does not and will not form any part of any contract for the acquisition of shares.

Nothing contained in this presentation constitutes investment, legal, tax or other advice. This document has been prepared without regard to the specific investment objectives, financial situation or needs of any recipient of this presentation. Each recipient should consult with, and rely solely upon, their own legal, tax, business and/or financial advisors in connection with any decision made in relation to the information contained in this presentation.

This presentation should be read in conjunction with other publicly available material lodged with the Australian Securities Exchange (ASX) by the Company by which are available at www.asx.com.au. Further information including historical results and a description of the activities of Vita is available on our website, www.vitagroup.com.au.

Extraordinary General Meeting Script

{SPEAKER: Maxine Horne, Chief Executive Officer}

By way of background, and as many of you will be aware, on 11 February 2021 Telstra announced to the ASX its intention to transition the Telstra branded retail store network, including Vita's 104 stores, to a full corporate ownership model. This was also announced to the ASX by Vita on the same date, at which time Vita confirmed this would mean the conclusion of Vita's Telstra Dealership Agreement on its expiry date of 30 June 2025.

Telstra also announced that it would commence discussions with Vita on transition arrangements. These discussions resulted in the negotiation with Telstra of the Proposed Transaction.

On 24 September 2021, Vita announced it had entered into a Share Sale Agreement (SSA) for the sale of Vita's ICT business to Telstra.

The Proposed Transaction is subject to conditions, one being that Vita Shareholders approve the Proposed Transaction for the purposes of Listing Rule 11.2 at an Extraordinary General Meeting, given that the transaction constitutes a disposal of Vita's main undertaking. The shareholder vote is the purpose of the meeting today.

On 8 October 2021, Vita issued the Notice of Meeting, which contains important information about the proposed sale of Vita's retail ICT business to Telstra. This includes key questions and answers for shareholders, the effect of the transaction on the business, and the proposed use of funds including the Special Dividend.

It also included an Independent Expert's Report, which concluded that the Proposed Transaction is in the best interests of Vita Shareholders.

In addition, and noting that no superior proposal has been made, the Board unanimously recommend that shareholders vote in favour of the proposed transaction.

As outlined in the Notice of Meeting, the Proposed Transaction involves Telstra acquiring Fone Zone, a wholly owned subsidiary of Vita, which is the holding company for the corporate entities that hold and operate the Retail ICT Stores and the Sprout accessories business.

As part of the transaction, Telstra will assume control of the Vita People employing entity, and Vita will retain ownership of the Artisan Business.

Telstra will provide Vita with cash consideration of \$110 million, subject to a net working capital and net-debt adjustment mechanism.

If the transaction proceeds, it is expected that eligible Vita Shareholders will receive a fully-franked Special Dividend of approximately \$0.39 to \$0.45 per Vita Share, which will be paid in two tranches, following completion of the Proposed Transaction.

The two tranches are the Major Distribution, approximately \$60 to \$65 million, equating to between \$0.36 to \$0.39 per Vita Share, and the Final Distribution, presently anticipated to be in the range of \$5 to \$10 million, equating to between \$0.03 to \$0.06 per Vita Share.

It is expected that the remaining proceeds from the Proposed Transaction (net of costs) of \$35 million will be retained as working capital to fund growth of the Artisan Business.

I'll hand back to Dick to explain more about what these changes mean for Vita.

{SPEAKER: Dick Simpson – Independent Non-Executive Chairman}

If the proposed transaction proceeds, Vita's operations, resources, talent and activities will be 100% focused on delivering the Artisan strategy, thus maximising our future growth opportunity.

The Vita Board and senior management team will change to reflect a smaller business, which will include (among other changes):

- Neil Osborne and I leaving the board;
- Paul Mirabelle assuming the role of Chair;
- Maxine Horne exiting the CEO role, and joining Paul Mirabelle and Paul Wilson as a non-executive director; and
- Pete Connors, long-term Vita Group Chief Operating Officer, to be appointed as CEO.

These changes will support the board and executive in continuing the strategy to deliver productivity gains and further grow the Artisan clinic network.

Please note that our upcoming Annual General Meeting on 26 November 2021 will address the formalities of some of the proposed changes mentioned above, subject to completion of the Proposed Transaction and all necessary resolutions.

This announcement has been authorised for release by VTG's Board of Directors.

Further enquiries:

Andrew Ryan
Chief Financial Officer
Mob: 0417 644 756

George Southgate
Chief Legal and Risk Officer / Company Secretary
Mob: 0412 514 030