



Vital

Levels 5 & 6
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PO Box 9345, Marion Square
Wellington / New Zealand

vital.co.nz

11th June 2025

Dear Shareholder,

The purpose of this letter is to inform you of a recent development regarding your investment in Vital Limited (VTL).

On 5 June 2025 Vital received a formal notice under the Takeovers Code from Tait International Limited (Tait), giving notice of its intention to make a full takeover offer to acquire all the equity securities in VTL, including ordinary shares and options issued to VTL employees. This notice is typically referred to as a “takeover notice”.

The takeover notice outlines that Tait intends to make an offer to acquire all outstanding shares of VTL at a price of \$0.45 per share, payable in cash, subject to standard terms and conditions.

The Board has appointed Cameron Partners (investment banking advisers) Harmos Horton Lusk (legal advisers), and Shanahan Partners (communications advisor) to support the Board to administer a process in the interests of all shareholders. In addition, the Board has obtained Takeovers Panel approval to appoint Grant Samuel as independent adviser to prepare a report on the merits of the proposed offer.

The takeover notice is not a takeover offer but, as noted above, is notice of Tait’s intention. This means that Tait has not currently offered to buy your shares, and you can’t currently sell your shares to Tait under the proposed offer.

In terms of what happens next, Tait now has 10 to 20 working days from 5 June 2025 (i.e. between 19 June 2025 to 4 July 2025) to proceed to make a formal takeover offer although Tait is not obliged to proceed to make an offer.

If Tait does not make the offer during that period, the takeover notice will lapse (which means that Tait would need to give a new takeover notice if it wished to re-start the takeover process). If Tait does make the offer, it will do so by sending a formal offer document and acceptance form to all shareholders who held shares on the record date of 9 June 2025.¹ The offer will then be open for acceptance by shareholders for at least 20 working days. As required under the Takeovers Code, Vital will have 10 working days from date the formal takeover offer is made to issue a Target Company Statement, which will include a Board recommendation plus an independent adviser’s report prepared by Grant Samuel.

¹ For clarity, shareholders who acquire shares after 9 June 2025 and before the closing date of the takeover offer (if Tait makes the offer) will be able to accept the takeover offer.



At this early stage the Board recommends shareholders do not take any action in respect of their shares. If you are considering selling, or agreeing to sell, your shares, it is recommended that you seek professional advice before doing so.

By way of background, a copy of Tait's press release announcing its intention to make a takeover offer is included as an appendix to this letter. Tait's takeover notice and the other documents that accompanied that takeover notice are available on the NZX website (www.nzx.com) under the NZX code 'VTL'. If you have any questions at this stage, please email these to: investors@vital.co.nz.

The Vital Board looks forward to keeping you well informed throughout this process.

Yours sincerely

A handwritten signature in blue ink that reads "John McMahon." The signature is written in a cursive, flowing style.

John McMahon
Chair
Vital Limited



Tait International To Make a Takeover Offer for Vital

27 May 2025

CHRISTCHURCH, New Zealand – Tait International Ltd., a private global provider of critical communications solutions, intends to offer to purchase 100% of the fully paid ordinary shares in Vital Ltd. (VTL), a public company that trades on NZX, New Zealand’s Stock Exchange.

Headquartered in Wellington, New Zealand, Vital operates a network operations center (NOC) that monitors telecommunications networks across New Zealand. The company also owns and manages a nationwide digital radio network and a fibre network in Wellington City and parts of Auckland’s Central Business District. In addition, Vital owns data centres in Auckland and Wellington and two peering exchanges in New Zealand.

Tait’s Offer

Tait’s proposed offer for Vital will be \$0.45 per Vital share, which represents:

- a 64% premium to the price of \$0.275 per VTL share immediately prior to the trading halt being announced on 26 May 2025; and
- a 53% premium to \$0.295 per share being the highest price at which VTL shares have traded in the past two years, excluding trading for the period in August and September 2024 after Empire Technology Limited gave notice of its intention to make a partial takeover offer (which was subsequently withdrawn).

Tait’s offer will be for all of the equity securities in Vital, including its non-voting employee share options (the price for the non-voting share options will not be the same as the share price, and will be as stated in the offer document). A requirement of the Takeovers Code is that Tait’s formal communication to shareholders and option holders includes an independent adviser’s report certifying that the consideration being offered is fair and reasonable between these classes of security. This report is expected to be available in the week commencing 2 June 2025, allowing Tait to issue a formal notice of its intention to make a takeover offer to Vital.

The offer will be subject to a limited number of customary conditions, including Tait obtaining sufficient acceptances such that it holds or controls at least 90% of the voting rights in Vital (although Tait may waive any of the conditions). Tait, which is being advised by Murray & Co, is committed to transparency and open communications throughout the process.

“The proposed takeover is a strategic move to expand our market positioning, product offerings and reach in New Zealand,” said Yoram Benit, PhD, Tait Communications CEO and Managing Director.

“We are confident that Tait is the right owner to support Vital’s future plans in a challenging operating environment, which benefits Vital’s customers, employees and other stakeholders.”

ENDS

Company overview

Tait International Ltd. has designed, manufactured and supported critical communications networks and terminals for more than 50 years. Tait provides its customers with rugged, highly reliable mobile radio solutions and is increasingly linking that expertise with a range of broadband technologies, along with the workplace applications that such technologies enable. Learn more at www.taitcommunications.com