



Market Announcement

27 August 2021, Vista Group International Limited, Auckland, New Zealand.

Vista Cloud launch expands horizon for Vista Group

[Auckland, NZ, 27 August 2021]: Vista Group International (NZX & ASX: VGL) announces its 2021 Half Year result today, reporting strong results amidst a wider industry recovery and a free flow of movies into cinemas globally.

Highlights

- Promising box office recovery with an exciting film slate of Hollywood blockbusters out to end 2022
- Strong first half result with good underlying recurring revenue growth
- Vista Cloud launched on time and on budget, expanding the opportunity within cinema
- Movio core technology transformation delivers improved insights across the industry
- Establishment of a development hub in Mexico

Key Financial Metrics

- Total revenue \$44.9m, in line with the first half of 2020 ('1H20'), recurring revenue up 13%
- Positive operating cashflow of \$1.0m and reduced cash burn, an average of \$1.6m per month for the last six months
- EBITDA¹ profit of \$6.4m, an improvement of \$12.9m compared to 1H20
- Loss before tax of \$2.1m, an improvement of \$47.9m compared to 1H20

Key Operational Metrics

- Launch of Vista Cloud
- Active moviegoers and connections in Movio Cinema trending up strongly
- Good uptake of Vista Digital, now 142 sites
- Maintained 51% market share of the 20+ screens segment (excluding China)

Guidance

Assuming the current level of cinema opening is sustained at around 80% in key markets and the film release schedule remains on track, Vista Group expects revenue for the full year to 31 December 2021 to be in the range of \$95m - \$100m, and to be EBITDA¹ and cash flow positive for the second half of 2021.

Please refer to the following attachments for full details of the result:

- 2021 VGL Interim Report
- 2021 Half Year Result Investor Presentation
- 2021 Half Year Result Media Announcement
- 2021 Half Year NZX Results Announcement

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Vista Group International Limited
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¹ EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the interim report) and share of equity accounted results from associates and joint ventures.

Interim Report



Vista Group
International
Limited

2021

Management commentary

The following consolidated interim financial statements for Vista Group International Limited ('Company') and its subsidiaries (collectively 'Vista Group'), are for the six months ended 30 June 2021 and represent the half year results for Vista Group. Comparisons are to the first six months of 2020 ('1H20').

Financial highlights

- Total revenue \$44.9m, in line with 1H20, recurring revenue up 13%
- Positive operating cashflow of \$1.0m and reduced cash burn, an average of \$1.6m per month for the last six months
- EBITDA¹ profit of \$6.4m, an improvement of \$12.9m compared to 1H20
- Loss before tax of \$2.1m, an improvement of \$47.9m compared to 1H20

Operating highlights

- Launch of Vista Cloud
- Active moviegoers and connections in Movio Cinema trending up strongly
- Good uptake of Vista Digital, now 142 sites
- Maintains 51% market share of the 20+ screens segment excluding China

Industry overview

Box Office

With extensive reopening of cinemas in key markets, around 80% at the end of June 2021, and Hollywood blockbusters in wide release, the global box office recovery has been strong. Cinemas have commented that *Godzilla vs. Kong*, *F9*, *Black Widow* and *Free Guy* all exceeded expectations on audience numbers. In the context of the recovery from the pandemic, and while many geographies are still under various operating restrictions, strong consumer support for the moviegoing experience has been encouraging in terms of industry health. With good demand and a backlog of blockbusters, 2021 looks likely to continue to outperform expectations.

Segment overview

Cinema

Vista Cinema revenue was up 6% to \$31.5m against the first half of 2020. Recurring revenue was up 25% with strong billing for maintenance revenue and Veezi performing in line with cinema reopening. Site count for Vista Digital, delivering an omni-channel experience for moviegoers across mobile, web and kiosk, grew to 142. The EBITDA¹ profit of \$10.9m includes favourable movements to the expected credit loss provision of \$3.4m and a credit of \$2.6m for the US wage support scheme.

Market share data remains difficult to confirm, but Vista estimates it has retained its 51% share of the global enterprise market (20+ screens) excluding China. A high degree of uncertainty will remain around these estimates until each market is fully open.

Vista Cloud has been launched to select customers in the second half of 2021, increasing the addressable market within the cinema segment and lowering the risk/return hurdles for customers. Cloud focused developments now make up the majority of Vista Group's spend on innovation.

Movio

Movio revenue was \$6.5m, down 19% against the first half of last year, impacted by the reduced release schedule of movies. Movio Research and Media trended up with cinema reopenings and the free flow of content late in the half. Movio Cinema remained in high usage with 2.3b connections in the trailing twelve months, the same number as at 31 December 2020.

With the launch of Madex in the media space and improvements in Movio Cinema later in the year, Movio will have completed the transformation of its core technology, enabling customers 'faster, simpler, smarter' access to deliver improved insights across its moviegoer data set. These granular insights are now supported by stronger deployment tools allowing customers to dynamically target a more diverse range of moviegoers in real time across more channels. Early indications of strong studio/distributor interest as industry activity increases.

Additional Group Companies

This segment comprises Numero, Maccs, Powster and Flicks.

The Numero and Maccs business had a good first half of 2021, revenue was up 12% and 5 new mica customers went live, bringing the total to 11. The geographic expansion of flash and electronic box office reporting continues to support strong and stable revenue growth.

Powster's revenue was down 26% against the continued headwind of industry closures. Billings for showtimes were down in line with cinema closure and reduced content, and creative revenues were modest whilst the industry restarted in the key US and UK markets.

Flicks revenue was up 25% with good advertising growth and continued expansion into Australia. Site traffic continues to grow as Flicks cements its role as a movie destination site, regardless of how it is consumed (theatrical, streaming or free to air). What to watch and where to watch it.

Corporate

Cost management across Vista Group remains strong, with the reduced run rate of costs at \$45m for the half reflecting the successful cost saving initiatives carried over from 2020. Group corporate costs were up on 1H20 primarily due to the reintroduction of short and long-term incentive costs which were not achieved in the first half 2020. In the medium-term, corporate costs will grow back higher than pre-pandemic levels, reflecting the centralisation of all finance, legal, people and culture, and executive costs, including those that were previously incurred within the operating segments.

Financial overview

Trading performance for the first half of 2021 contains only six weeks of reopened cinemas and the reintroduction of Hollywood blockbusters to the release schedule. Group reported revenue was flat with the first half of 2020, though recurring revenue was up strongly as customers continued to use Vista Group products even with partial opening and limited content flow. Vista Group's EBITDA¹ profit of \$6.4m was a \$12.9m turnaround from 1H20 and includes favourable non-cash expected credit loss write backs of \$3.7m.

Vista Group's balance sheet remains strong with cash burn well below targets, as well as good cost and collections management. At 30 June 2021, Vista Group had \$58.1m of cash and had drawn only \$15.9m of the available \$54.0m of its bank facilities. Total trade receivables were up slightly on the year end balances due to increased billing, good collections and a reduction in expected credit loss provisions.

Vista Group reviewed the carrying value of its assets and has not taken any impairment charges in the period. The Stardust business was closed during the half, having been fully written down in 2020.

Vista Group generated positive cashflow from operating activities, \$1.0m, with good cost management and improving customer collections. Investing cashflow decreased compared to the first half of 2020 with new product development targeting post-pandemic growth, in particular Vista Cloud, Madex and mica.

Assuming the current level of cinema opening is sustained at around 80% in key markets, and the film release schedule remains on track, Vista Group expects revenue for the full year to 31 December 2021 to be in the range of \$95m - \$100m, and to be EBITDA¹ and cash flow positive for the second half of 2021.

¹ EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the interim report) and share of equity accounted results from associates and joint ventures.

Income statement

For the six months ended 30 June 2021

CONTINUING OPERATIONS	SECTION	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Total revenue	2, 3	44.9	44.8
Cost to serve ¹	4	(16.8)	(19.0)
Gross profit		28.1	25.8
Sales and marketing costs	4	(4.2)	(5.1)
Research and development costs	4	(10.3)	(9.6)
General and administration costs	4	(7.3)	(19.0)
Foreign currency gains		0.1	1.4
Total operating expenses¹		(21.7)	(32.3)
EBITDA²		6.4	(6.5)
Amortisation	9	(4.0)	(3.7)
Depreciation		(3.4)	(4.5)
Finance costs		(1.1)	(1.2)
Finance income		0.3	0.1
Share of equity accounted loss from associates and JVs	7	(0.3)	(1.9)
Other gains and losses	4	-	(30.2)
Loss before tax		(2.1)	(47.9)
Taxation		(0.5)	4.7
Loss for the period		(2.6)	(43.2)
<i>Loss for the period is attributable to:</i>			
Owners of the parent		(2.8)	(42.4)
Non-controlling interests		0.2	(0.8)
Loss for the period		(2.6)	(43.2)
Basic and diluted earnings per share (cents)	10	(\$0.01)	(\$0.21)

¹ See section 1 for information on the reclassification of cost to serve and total operating expenses.

² EBITDA is a non-GAAP measure which is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 4) and share of equity accounted results from associates and joint ventures.

Statement of other comprehensive income

For the six months ended 30 June 2021

	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
<i>Items that may be reclassified subsequently to the income statement</i>		
Translation of foreign operations	1.3	1.9
<i>Items that will not be reclassified to the income statement</i>		
Excess income tax benefit on share-based payments	0.4	-
Total other comprehensive income¹	1.7	1.9
Loss for the period	(2.6)	(43.2)
Total comprehensive loss for the period	(0.9)	(41.3)
<i>Total comprehensive loss for the period is attributable to:</i>		
Owners of the parent	(1.2)	(40.7)
Non-controlling interests	0.3	(0.6)
Total comprehensive loss for the period	(0.9)	(41.3)

¹ Items of other comprehensive income will be reclassified to the income statement when specific conditions are met.

Statement of changes in equity

For the six months ended 30 June 2021

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT				TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	CONTRIBUTED EQUITY	RETAINED EARNINGS	FOREIGN CURRENCY RESERVE	SHARE-BASED PAYMENT RESERVE			
Six months ended 30 June 2021	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m	NZ\$m
UNAUDITED							
Balance at 1 January 2021	126.0	34.4	(0.5)	1.3	161.2	1.9	163.1
Loss for the period	-	(2.8)	-	-	(2.8)	0.2	(2.6)
Other comprehensive income ¹	0.4	-	1.2	-	1.6	0.1	1.7
Total comprehensive income / (loss)	0.4	(2.8)	1.2	-	(1.2)	0.3	(0.9)
<i>Transactions with owners:</i>							
Share-based payments	0.6	-	-	2.4	3.0	-	3.0
Balance at 30 June 2021	127.0	31.6	0.7	3.7	163.0	2.2	165.2
Six months ended 30 June 2020							
UNAUDITED							
Balance at 1 January 2020	61.8	85.8	2.6	2.1	152.3	11.2	163.5
Loss for the period	-	(42.4)	-	-	(42.4)	(0.8)	(43.2)
Other comprehensive income ¹	-	-	1.7	-	1.7	0.2	1.9
Total comprehensive (loss) / income	-	(42.4)	1.7	-	(40.7)	(0.6)	(41.3)
<i>Transactions with owners:</i>							
Issue of equity	62.4	-	-	-	62.4	-	62.4
Share-based payments	0.8	-	-	(1.1)	(0.3)	-	(0.3)
Dividends paid	-	-	-	-	-	(1.5)	(1.5)
Balance at 30 June 2020	125.0	43.4	4.3	1.0	173.7	9.1	182.8

¹ Items of other comprehensive income will be reclassified to the income statement when specific conditions are met.

Statement of financial position

As at 30 June 2021

	SECTION	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
CURRENT ASSETS			
Cash		58.1	67.1
Trade and other receivables	6	42.3	38.6
Income tax receivable		0.8	0.4
Total current assets		101.2	106.1
NON-CURRENT ASSETS			
Trade and other receivables	6	0.4	-
Property, plant and equipment		4.1	4.8
Lease assets		20.6	20.8
Investment in associates and JVs	7	13.3	13.6
Goodwill	8	55.5	54.7
Other intangible assets	9	37.0	35.1
Deferred tax asset		18.8	16.9
Total non-current assets		149.7	145.9
Total assets		250.9	252.0
CURRENT LIABILITIES			
Borrowings - related parties	5	0.6	-
Trade and other payables		14.5	17.9
Lease liabilities		3.7	3.3
Deferred revenue		20.1	19.0
Contingent consideration		-	0.4
Provisions		1.2	1.8
Income tax payable		0.9	0.4
Total current liabilities		41.0	42.8
NON-CURRENT LIABILITIES			
Borrowings - external	5	15.9	18.1
Lease liabilities		19.8	19.7
Deferred revenue		0.7	0.5
Provisions		0.5	0.1
Deferred tax liability		7.8	7.7
Total non-current liabilities		44.7	46.1
Total liabilities		85.7	88.9
Net assets		165.2	163.1
EQUITY			
Contributed equity		127.0	126.0
Retained earnings		31.6	34.4
Foreign currency reserve		0.7	(0.5)
Share-based payment reserve		3.7	1.3
Total equity attributable to owners of the parent		163.0	161.2
Non-controlling interests		2.2	1.9
Total equity		165.2	163.1

For and on behalf of the Board who approved these financial statements for issue on 26 August 2021.



Susan Peterson
Chair



James Ogden
Chair Audit and Risk Committee

Statement of cashflows

For the six months ended 30 June 2021

SECTION	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	45.6	57.6
Payments to suppliers and employees	(43.1)	(49.3)
COVID-19 related wage subsidies	4 3.1	3.8
COVID-19 related tax deferrals	5 (2.2)	3.8
Taxes (paid) / received	(1.6)	1.6
Interest paid	(0.8)	(0.8)
Net cash inflow from operating activities	5 1.0	16.7
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(0.3)	(0.6)
Purchase of internally generated software and other intangibles	9 (5.8)	(7.5)
Interest received	0.2	0.1
Payment of contingent consideration	(0.4)	-
Net cash applied to investing activities	(6.3)	(8.0)
CASHFLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	-	62.4
Lease payments - principal elements	(1.6)	(2.1)
Loan drawdown - ASB	5 -	31.3
Loan repayment - ASB	5 -	(24.1)
Loan drawdown - HSBC PPP	5 -	3.1
Loan forgiveness - HSBC PPP	5 (2.8)	-
Loan drawdown - related parties	5 0.6	-
Dividends paid to non-controlling interests	-	(1.5)
Net cash (outflow) / inflow from financing activities	(3.8)	69.1
Net (decrease) / increase in cash	(9.1)	77.8
Cash at beginning of period	67.1	19.5
Foreign exchange differences	0.1	(1.3)
Cash at period end	58.1	96.0

Notes to the financial statements

1. Basis of preparation

The consolidated interim financial statements of Vista Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). Vista Group is a for-profit entity for the purposes of complying with NZ GAAP. They comply with NZ IAS 34 *Interim Financial Reporting*. The consolidated interim financial statements do not include all the notes of the type normally included in the Annual Report. Accordingly, this report is to be read in conjunction with the 2020 Annual Report.

Except as set out below, the accounting policies and methods of computation and presentation adopted in the consolidated interim financial statements are consistent with those described and applied in the 2020 Annual Report.

Taxes on income in the interim periods are accrued using the tax rate that would have been applicable to expected total annual profit or loss.

Reclassifications from the presentation in the 2020 Annual Report have been made for total revenue within section 2, total operating expenses within the income statement and section 4, and the segmental analysis in section 3. These reclassifications have been made to better represent the nature of the revenue and costs of a SaaS business; how key performance indicators are measured; and to allow for improved comparability. There is no change in the total revenue or total operating expenses recognised for the 2020 period.

Segment disclosures for the prior comparative period for the Cinema and Corporate segments has been reclassified to include the \$1.1m (30 June 2020: \$1.1m) maintenance revenues from Vista China (an associate company) within the Cinema segment. This represents a change in the definition of these segments.

2. Revenue



Vista Group recognises revenue when performance obligations have been satisfied. A performance obligation is satisfied when the customer has received all the benefits associated with the performance obligation.

Revenue by category

	30 JUNE 2021		30 JUNE 2020	
	NZ\$m UNAUDITED	% UNAUDITED	NZ\$m UNAUDITED	% UNAUDITED
SaaS revenue	12.1		11.5	
Non-SaaS revenue	25.2		21.4	
Recurring revenue	37.3	83%	32.9	73%
Perpetual software	2.3		2.3	
Hardware	0.6		2.5	
Services & development - one off	4.5		6.6	
Other revenue	0.2		0.5	
Non-recurring revenue	7.6	17%	11.9	27%
Total revenue¹	44.9	100%	44.8	100%

¹ See section 1 for information on the reclassification of total revenue. No individual customer exceeded 10% of revenue in either the current or prior comparative period.

Recurring and non-recurring revenues are non-GAAP financial measures that the Chief Operating Decision Maker (CODM) uses to help evaluate the financial performance of Vista Group and its operating segments. Recurring revenue is the portion of revenues that are expected to give rise to recurring cash receipts that will continue until the service is cancelled. Unlike non-recurring revenues, these revenues are predictable, stable and can be expected to occur at regular intervals going forward with a relatively high degree of certainty.

SaaS revenues are those derived from subscription-based cloud-hosted software, with the software located on externally provided servers.

Non-SaaS revenues are those derived from recurring revenue streams that are not cloud-hosted software.

Revenue process and policy

The following details Vista Group's new approach to categorising revenue:

REVENUE CATEGORY	REVENUE TYPE	SEGMENT	DESCRIPTION	TIMING OF REVENUE RECOGNITION
SaaS revenue <i>Recurring revenue</i>	Vista recurring subscriptions – annual fee	Vista Cinema	A subscription for the right to access the Vista Cinema cloud-hosted software.	Over time Benefits are simultaneously received and consumed; revenue is recognised over the contract term.
	Vista recurring subscriptions – variable fee	Vista Cinema	Variable revenue based on the number of tickets sold.	Point in time Variable fees recognised at the end of each month once usage-based quantities are known.
	Movio Cinema – annual fee	Movio	Movio Cinema cloud-hosted data, marketing and analytics platform. Customers are charged an annual access fee to the platform plus a variable component (see below).	Over time Platform access is recognised over time as benefits are simultaneously received and consumed.
	Movio Cinema – variable fee	Movio	Variable revenue based on the number of active members managed and the number of promotional messages sent during a given period.	Point in time Variable license revenue is recognised at the end of each month once usage-based quantities are known.
	Movio Research – platform fee	Movio	Movio Research cloud-hosted data, marketing and analytics platform.	Over time Platform access is recognised over time as benefits are simultaneously received and consumed.
	Maccs platforms – annual fee	AGC (Maccs)	A subscription for the right to access the Maccs platforms, including Maccs Box, DCHub and Theatrical Distribution Services.	Over time Platform access is recognised over time as benefits are simultaneously received and consumed.
	Maccs platforms – variable fee	AGC (Maccs)	Variable revenue based on the use of Maccs platforms, including Maccs Box, DCHub and Theatrical Distribution Services.	Point in time Variable license revenue is recognised at the end of each month once usage-based quantities are known.
	Numero platform	AGC (Numero)	A subscription for the right to access cloud-hosted regular box office reporting.	Over time Platform access is recognised over time as benefits are simultaneously received and consumed.

REVENUE CATEGORY	REVENUE TYPE	SEGMENT	DESCRIPTION	TIMING OF REVENUE RECOGNITION	
Non-SaaS revenue <i>Recurring revenue</i>	On-premise subscription fees	Vista Cinema	A subscription for the right to access on-premise software (i.e. not hosted on the Cloud). This service includes the right to basic support and any enhancements or upgrades in the software.	Over time Benefits are simultaneously received and consumed; revenue is recognised over the subscription term.	
	Maintenance	Vista Cinema / AGC (Maccs & Numero)	Basic support and any enhancements or upgrade to the software.	Over time Benefits are simultaneously received and consumed; revenue is recognised over the maintenance term.	
	Services & development – recurring	Vista Cinema / Movio / AGC (Maccs)	Annually committed bespoke development of software.	Over time Recognised when the service or development is complete or on a stage of completion basis.	
	Showtimes platform	AGC (Powster)	Website and marketing platform for feature films, incorporating Showtimes data.	Point in time Recognised when the platform is made available to the customer.	
	Non-recurring revenue	Perpetual software	Vista Cinema / AGC (Maccs)	Perpetual ERP software license targeted at larger cinema circuits.	Point in time Recognised at the point in time when the software goes live, which is when the customer can benefit from using the software.
		Movio Media – targeted campaigns	Movio	Targeted marketing campaigns, digital advertising and reports.	Point in time Revenue is recognised when the campaigns and reports are completed.
		Website development	AGC (Powster)	Creation of websites for new films about to be released.	Point in time Recognised when the website has been delivered to the customer.
		Services & development – one off	Vista Cinema / Movio / AGC (Maccs)	Fees charged for one off value-add services, implementation services and bespoke development of software.	Over time Recognised when the service or development is complete or on a stage of completion basis.
		Hardware	Vista Cinema	Revenue from the one-off sale of hardware.	Point in time Recognised at a point in time when delivery has been made.

Revenue provisioning (significant judgement / estimate)

As a result of the COVID-19 pandemic, there is a risk that Vista Group is not able to recover all amounts billed due to the financial distress of its customers. In accordance with NZ IFRS 15 *Revenue from Contracts with Customers*, revenue can only be recognised when it is probable that the entity will collect the consideration. Accordingly, all revenue recognised after 1 March 2020 (the month when the COVID-19 pandemic forced worldwide cinema closures) has been treated as variable consideration as on average, the amount of consideration to which Vista Group ultimately collects is expected to be less than the price stated in the contract.

At 30 June 2021, Vista Group applied judgement in determining the amount of consideration expected to be received from its customers. Such revenue provisioning is highly subjective due to it not being clear when cinemas will operate at normal capacity levels, nor is the financial position of customers necessarily known. Judgements made in the revenue provisioning include:

- **Concession discounts:** Many of Vista Group's core customers are located in regions which have been affected by the COVID-19 pandemic (such as North America, Europe and Asia), where the majority of cinemas have been closed. To ensure timely payment, or to facilitate support to customers, Vista Group have granted concessions to payment terms or discounts to recurring fees. Vista Group has worked closely with its customer base to provide appropriate relief, whilst seeking to reserve its position in respect of amounts contractually owed.

At 30 June 2021, concession discounts are only recognised when they have been agreed, or where the customer has a reasonable expectation of being entitled to a discount. Vista Group have applied judgement when determining the customers who have a reasonable expectation to receive a concession discount.

For agreed concession discounts, a reduction in revenue and trade receivables were recognised throughout the period. For expected concession discounts, a reduction in revenue was recognised with a corresponding recognition of a concession discount provision, as presented in section 6.

- **Credit risk provision (core businesses):** For revenue recognised after 1 March 2020, Vista Group applied judgement in assessing each of its customers for any known risk that may impact the ability to collect the associated consideration and their ability to pay the amounts invoiced. Where these facts are known, judgement has been applied to assess the probable amount of collections.

Vista Group also applied judgement in determining a general provision for collectability to account for customers not currently known to be experiencing financial distress. Accordingly, Vista Group determined that approximately 5% of trade receivables and accrued revenues in the Cinema and Movio segments, where customers are predominantly cinemas, may not be collectible. This percentage has been reduced from the 15% rate applied at 31 December 2020, as the outlook for Vista Group's customers has improved with circa 80% of global cinemas now open and Hollywood movie content now being released. Vista Group has also noted the number of customers being forced into chapter 11 bankruptcy, or liquidation, is likely to be lower than previously anticipated.

- **Credit risk provision (Additional Group Companies):** Customers in this segment are predominantly studios, each of whom have more diversified revenues (i.e. video on demand, television etc.). These customers have predominantly continued settling their invoices during the COVID-19 pandemic and are not anticipated to have the same level of collectability issues. Accordingly, only minimal provisioning has been required on a customer-by-customer basis.

See section 6 for further details of the revenue provisions at 30 June 2021, including how these provisions add to the expected credit loss (ECL) provisions to show the proportion of total provisions against trade receivables and accrued revenues. A sensitivity analysis of credit risk is also available in section 6.

3. Operating segments

Vista Group operates in the vertical cinema/film market via three reportable segments and a corporate segment.

The Chief Executive and Board of Vista Group are collectively considered to be the CODM in terms of NZ IFRS 8 *Operating Segments*. These segments have been defined based on the reports regularly reviewed by the CODM to make strategic decisions.

Cinema segment

Software associated with cinema management via the Vista software suite of products, plus the cloud based Veezi product for smaller scale cinemas. This segment also includes movieXchange and Share Dimension.

This segment now includes maintenance revenues from Vista China (an associate company), and the prior comparative period has been reclassified accordingly.

Movio segment

Includes the Movio Cinema and Media products, both of which provide data analytics and campaign management.

Additional Group Companies segment (AGC)

An aggregation of Maccs, Powster, Flicks and Numero. None of these businesses individually exceed the 10% threshold for segment revenue or profitability that would require separate disclosure under NZ IFRS 8.

Corporate segment

Includes the shared services functions associated with Vista Group, being legal, finance, people and culture, and senior management.

The prior comparative period has been reclassified as the maintenance revenues from Vista China (an associate company) is now recognised in the Cinema segment.

Operating segment performance

SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)	CINEMA ¹ NZ\$m	MOVIO NZ\$m	AGC NZ\$m	CORPORATE ¹ NZ\$m	TOTAL NZ\$m	% OF REVENUE
SaaS revenue	3.6	6.2	2.3	-	12.1	
Non-SaaS revenue	21.4	0.1	3.7	-	25.2	
Recurring revenue	25.0	6.3	6.0	-	37.3	
Non-recurring revenue	6.5	0.2	0.9	-	7.6	
Total revenue	31.5	6.5	6.9	-	44.9	
Cost to serve	(11.9)	(2.3)	(2.6)	-	(16.8)	37%
Gross profit	19.6	4.2	4.3	-	28.1	
<i>Gross profit %²</i>	62%	65%	62%	-	63%	
Sales and marketing costs ¹	(2.3)	(1.2)	(0.7)	-	(4.2)	9%
Research and development costs ¹	(6.9)	(1.7)	(1.7)	-	(10.3)	23%
General and administration costs ¹	(2.8)	(0.9)	(2.0)	(5.3)	(11.0)	24%
ECL expense	3.4	0.2	0.1	-	3.7	
Foreign currency (losses) / gains	(0.1)	0.2	-	-	0.1	
EBITDA²	10.9	0.8	-	(5.3)	6.4	
<i>EBITDA margin²</i>	35%	12%	0%	-	14%	

SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

SaaS revenue	2.7	7.1	1.7	-	11.5	
Non-SaaS revenue	17.3	-	4.1	-	21.4	
Recurring revenue	20.0	7.1	5.8	-	32.9	
Non-recurring revenue	9.7	0.9	1.3	-	11.9	
Total revenue	29.7	8.0	7.1	-	44.8	
Cost to serve	(13.2)	(3.1)	(2.7)	-	(19.0)	42%
Gross profit	16.5	4.9	4.4	-	25.8	
<i>Gross profit %²</i>	56%	61%	62%	-	58%	
Sales and marketing costs ¹	(3.4)	(1.3)	(0.4)	-	(5.1)	11%
Research and development costs ¹	(6.1)	(1.7)	(1.8)	-	(9.6)	21%
General and administration costs ¹	(5.5)	(1.7)	(2.5)	(3.5)	(13.2)	29%
ECL expense	(5.0)	(0.7)	(0.1)	-	(5.8)	
Foreign currency gains / (losses)	1.1	0.3	0.3	(0.3)	1.4	
EBITDA²	(2.4)	(0.2)	(0.1)	(3.8)	(6.5)	
<i>EBITDA margin²</i>	-8%	-3%	-1%	-	-15%	

1 See section 1 for information on the reclassification of the various operating expenditure lines and the segmental reclassification of Vista China maintenance revenue.

2 EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 4) and share of equity accounted results from associates and joint ventures. Gross profit % and EBITDA margin are non-GAAP measures which the CODM regularly reviews. They are calculated as gross margin over total revenue and EBITDA over total revenue, respectively.

Revenue by domicile of entity

Vista Group recognises revenue within entities across several jurisdictions. Revenue is allocated to geographical regions based on where the sale is recorded by each operating entity within Vista Group. Independent resellers are used to promote Vista Group's products in multiple jurisdictions. The revenues recognised via these independent resellers are not allocated geographically, rather they are shown within the New Zealand and United Kingdom jurisdictions based on the location of the transacting Vista Group entity.

	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
New Zealand	8.9	8.7
United States	13.2	17.6
United Kingdom	13.2	10.2
Mexico	4.9	3.4
Other ¹	4.7	4.9
Total revenue	44.9	44.8

1 The other category includes entities in Australia, Brazil, Germany, Malaysia, Netherlands, Romania and South Africa.

Non-current assets by domicile of entity

Non-current operating assets by location of the reporting entity are presented in the following table.

	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
New Zealand	60.0	59.6
United States	20.4	21.4
United Kingdom	12.2	10.0
Mexico	11.1	10.8
Other ¹	13.9	13.6
Non-current assets (excluding DTA and associates)	117.6	115.4

1 The other category includes entities in Australia, Brazil, Germany, Malaysia, Netherlands, Romania and South Africa.

As required by NZ IFRS 8, the table above excludes deferred tax assets and investments in associates and joint ventures.

4. Expenses and other income

Reclassification of expenses on the income statement

Costs to serve are the direct costs incurred in deriving Vista Group's revenue. Examples of such costs include hosting, technical staff, transaction fees and the cost of hardware purchased for customers.

Sales and marketing costs are those costs incurred by Vista Group in directly selling or marketing products, including associated personnel costs, sales commissions, trade shows and customer conferences. This measure is calculated differently to prior reported periods, where a significant portion of personnel costs were classified as part of the 'administration expense' designation.

Research and development costs include staff and supplier costs directly associated with the researching, developing and maintaining Vista Group's software platforms. These costs are net of development costs which meet the criteria of being capitalised as an intangible asset.

General and administration costs are the overhead costs incurred by Vista Group that are not directly associated with costs to serve, sales and marketing costs, or research and development costs. Amortisation and depreciation are separated from this category to improve a reader's understanding of the financial statements.

See section 1 for information on the reclassification of the various operating expenditure lines.

Total cost to serve and operating expenses

SECTION	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Direct cost of sales (excl. hardware and personnel)	5.0	5.7
Hardware cost of sales ¹	0.5	2.1
Personnel costs	32.5	36.9
Share based payment expense	3.0	(0.3)
Defined contribution plans and employee insurances	3.0	3.9
Capitalised development	9 (5.8)	(7.5)
Government grants and wage subsidies	(4.1)	(7.6)
Computer equipment and software	1.5	1.7
Marketing costs	0.2	1.6
Travel related costs	0.2	1.0
ECL (credit) / expense	6 (3.7)	5.8
Bad debt expense	6 0.7	0.7
Foreign currency gains	(0.1)	(1.4)
Auditor's remuneration	0.3	0.2
Other operating expenses	5.3	8.5
Total cost to serve and operating expenses	38.5	51.3

¹ Hardware cost of sales solely relate to the Cinema segment.

Government grants (significant judgement / estimate)

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the income statement within operating expenses on a systematic basis over the periods in which Vista Group recognises the related costs that the grants are intended to compensate. Grants relating to capitalised development are included within the cost of the developed intangible asset recognised.

Total government grants recognised in the income statement during the period were \$4.1m (30 June 2020: \$7.6m). The cash amount of grants received during the period was \$3.1m. Details of these grants are as follows:

- **HSBC PPP loan:** In the prior period, Vista Group entered into a US\$2.0m loan arrangement with HSBC as part of the US Government paycheck protection program (PPP). This loan is a US Government designed incentive to keep staff employed for businesses impacted by the COVID-19 pandemic. Vista Group was entitled to apply for this loan to be forgiven if all employees were kept on the payroll for at least eight weeks and the money was used for payroll, rent, mortgage interest, or utilities.

At 30 June 2020, NZ\$2.3m was recognised in the income statement as a government grant because Vista Group had reasonable assurance that forgiveness of the loan would be achieved. However, at 31 December 2020 this amount was fully reversed due to H2 2020 changes in the scheme meaning Vista Group had less confidence that the loan would be forgiven.

Forgiveness of this loan was obtained in the current period. Accordingly, the NZ\$2.8m loan has been de-recognised with the associated credit being classified as a government grant in June 2021 (the date Vista Group had sufficient certainty the loan was eligible to be forgiven).

- **Wage subsidies:** In the current period, Vista Group received \$0.3m of wage subsidies from various governments (30 June 2020: \$3.8m) which has been fully recognised in the income statement in the period they were received. The purpose of these subsidies was to help incentivise businesses to retain as many employees as possible.
- **Research & development grants:** In the current period, Vista Group enrolled to receive the New Zealand Research & Development Tax Incentive (RDTI). Vista Group has recognised any funds expected to be received under this scheme as a government grant. At 30 June 2021, Vista Group has accrued \$1.3m that it has reasonable assurance to receive. Of this amount, judgement has been applied in estimating \$1.0m should be recognised as a government grant in the income statement, and \$0.3m has been recognised as an offset to capitalised development on the financial position.

In the prior period, Vista Group recognised \$1.5m of grants from Callaghan Innovation in New Zealand (Callaghan) and Ministry of Economic Affairs (WBSO) in Netherlands to assist with research and development.

Other gains and losses

Other gains and losses are excluded from operating expenses and EBITDA because they result from non-cash activities or are not derived in the ordinary course of business. They have been disclosed separately to improve a reader's understanding of the financial statements.

	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Acquisition expenses	-	(0.1)
Impairment charges	-	(28.5)
Restructuring costs	-	(1.6)
Total other gains and losses	-	(30.2)

Included within impairment charges in the prior period is a reduction of \$11.6m to goodwill, \$1.7m to intangible assets, \$0.2m to lease assets, \$1.3m investment in Stardust and \$13.7m investment in Vista China.

All impairment charges relating to goodwill and investments in associates are attributable to the corporate operating segment. The investment in Vista China is attributable to the Cinema operating segment. Of the impairment charges relating to intangible and leased assets, \$1.3m relates to Cinema, \$0.4m relates to Movio and \$0.2m relates to the AGC operating segments.

On 4 June 2020, Vista Group commenced consultation with its New Zealand and United Kingdom based staff around a proposed new structure for its core businesses (Vista Group, Vista Cinema and Movio). This consultation period concluded in July 2020 with a total cost of \$1.6m being provided at 30 June 2020.

5. Cash flows and borrowings

Reconciliation of net profit to operating cash flows

SECTION	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Loss for the period	(2.6)	(43.2)
<i>Non-cash items:</i>		
Amortisation	4.0	3.7
Depreciation	3.4	4.5
Impairment charges	-	28.5
Share-based payment expense	3.0	(0.3)
Deferred tax benefit	(1.4)	-
Non-cash finance charges	0.3	0.4
Acquisition expenses	-	0.1
Share of equity accounted loss from associates and JVs	0.3	1.9
Unrealised foreign currency losses / (gains)	0.9	(1.4)
ECL (credit) / expense	(3.7)	5.8
Movement in revenue provision - concession discounts	(3.7)	2.4
Movement in revenue provision - credit risk	2.8	3.6
Movement in restructuring provision	-	1.6
Movement in other provisions	(0.2)	0.2
Net non-cash items	5.7	51.0
<i>Movements in working capital:</i>		
(Decrease) / increase in related party trade and other payables	(0.5)	0.2
Increase in related party trade and other receivables, net of deferred revenue	(0.5)	(2.1)
(Decrease) / increase in trade and other payables	(3.5)	5.5
Decrease in trade and other receivables, net of deferred revenue	2.5	6.8
Increase in net taxation receivable	(0.1)	(1.5)
Net change in working capital	(2.1)	8.9
Net cash inflow from operating activities	1.0	16.7

COVID-19 pandemic related tax deferrals

To enable the reader to better understand the composition of the net cash inflow from operating activities on the statement of cash flows, the following items have been disaggregated from cash payments to suppliers and cash taxes paid.

	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Government assistance - NZ payroll tax deferral	(2.2)	2.0
Government assistance - NZ loss carry back scheme	-	1.8
COVID-19 related tax deferrals	(2.2)	3.8

In the current period, Vista Group repaid all PAYE tax deferrals that were provided by the NZ Government.

Borrowings

Borrowings are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowing costs are expensed as incurred.

The table below details the movement in borrowings during the period:

	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Balance at 1 January	18.1	10.9
Repayments during the period	-	(24.1)
Drawdowns during the period	0.6	34.4
PPP loan forgiveness during the period	(2.8)	-
Movement in foreign exchange	0.6	(3.1)
Total borrowings at period end	16.5	18.1
<i>Represented by:</i>		
Borrowings - external	15.9	18.1
Borrowings - related parties	0.6	-
Total borrowings at period end	16.5	18.1

The related party loan has been provided by the co-shareholder of Powster which is unsecured, incurs interest at 4% per annum and is repayable on demand.

A schedule of all debt facilities is shown below:

FACILITY PROVIDER	REASON FOR LOAN	EXPIRY DATE	CURRENT LIMIT (NZ\$m)	INTEREST RATE		DEBT DRAWN (NZ\$m)	
				30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
ASB - revolving credit	General commercial/ Future acquisitions/ SaaS project	Jan 2023	52.0	1.57%	1.40%	15.9	15.4
ASB - overdraft	Working capital	On demand	2.0	4.34%	4.59%	-	-
HSBC - PPP loan	Working capital	Repaid	-	-	1.00%	-	2.7
Related parties	Working capital	On demand	0.6	4.00%	-	0.6	-
Total borrowings at period end			54.6			16.5	18.1

A line fee of 1.0% is also paid on the credit limit of the ASB revolving credit facility.

ASB facilities are secured by an interest in Vista Group's tangible assets. Agreed covenants include:

- Gearing ratio of not greater than 2.5 times.
- Interest cover of equal or greater than 3.0 times.
- A rolling 12 month normalised EBITDA of the charging group not being less than 50% of Vista Group at 31 December 2020; 60% at 30 June 2021; 70% at 31 December 2021; and 80% from 31 March 2022.

Vista Group has been compliant with all ASB covenants for both the current and prior reporting periods. Vista Group is also projecting that it will be compliant with these covenants for at least the next 12 months.

6. Trade and other receivables

Trade and other receivables at the end of the period were as follows:

SECTION	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Trade receivables	46.3	47.5
Accrued revenues	6.2	5.9
Revenue provision - concession discount	2 (1.8)	(5.5)
Revenue provision - credit risk	2 (9.0)	(6.2)
ECL provision	(4.1)	(7.7)
Sundry receivables	3.1	1.7
Prepayments	1.6	2.5
Vista China acquisition deposit	0.4	0.4
Total trade and other receivables	42.7	38.6
<i>Represented by:</i>		
Current portion	42.3	38.6
Non-current portion	0.4	-
Total trade and other receivables	42.7	38.6

Trade receivables

Included within trade receivables is a receivable from Vista China of \$2.3m (31 December 2020: \$1.8m), see section 12 for further details of Vista China related party transactions.

Accrued revenues

Accrued revenues are contract assets related to revenue that are recognised on customer contracts where Vista Group's performance obligations have been fully satisfied, but billing is not contractually due until a subsequent date.

The movement in accrued revenues during the period was as follows:

	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Balance at 1 January	5.9	13.2
Amounts included in opening balance released in the current period	(3.7)	(10.3)
Additional accrued revenues recognised during the period	3.9	3.0
Exchange movements	0.1	-
Accrued revenues at period end	6.2	5.9

ECL provisioning (significant judgement / estimate)

For trade receivables and accrued revenues, Vista Group applies the simplified approach permitted by NZ IFRS 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables and accrued revenues are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Vista Group and a failure to make contractual payments for a period of greater than 180 days past due.

To measure ECL, trade receivables and accrued revenues have been grouped and reviewed based on the number of days past due. The ECL has been calculated by considering the impact of the following characteristics:

- The baseline characteristic considers the age of each invoice and applying an increasing ECL estimate as the trade receivable ages.
- The aging and write off characteristics consider the history of write off related to the specific customer and the relative size of aged debt to current debt. If the trade receivable aged over 180 days makes up more than 45% of the total trade receivable for a specific customer, a further provision for ECL is added.
- The country, customer and market characteristics consider the relative risk related to the country and/or region within which the customer resides and assesses the financial strength of the customer and the market position that Vista Group has achieved within that market.

In addition to the above, the COVID-19 pandemic has resulted in a significant level of risk that Vista Group is not able to recover all trade receivables and accrued revenues due to its customers' financial distress, including where those customers suffer insolvency. Accordingly, Vista Group applied additional judgement in determining the ECL provision at 30 June 2021.

- Specific provision:** All customer invoices and accrued revenues have been reviewed with a specific provision made for customers that are known to have liquidity/solvency issues, or where the debt is older than 180 days.

At 30 June 2021, Vista Group applied judgement by including a 5% insolvency risk for all Cinema or Movio segment customers. This percentage has been reduced from the 15% rate applied at 31 December 2020, as the outlook for Vista Group's customers has improved with circa 80% of global cinemas now open and Hollywood movie content now being released. Vista Group has also noted the number of customers being forced into chapter 11 bankruptcy, or liquidation, is likely to be lower than previously anticipated.

- General provision:** Vista Group applies an ECL matrix to its trade receivables and accrued revenues to determine its general ECL provision. This matrix was prepared using historical loss rates, updated to also include both the current and future economic environment (both of which are largely unknown).

To avoid double counting, the specific and general ECL provisions are calculated after deducting the associated amount recognised as a revenue provision (see section 2 for more details).

The movement in the ECL provision during the period was as follows:

	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Balance at 1 January	7.7	1.2
Bad debts written off	(0.7)	(1.0)
Change in provision	(2.9)	7.5
ECL provision at period end	4.1	7.7

The table below illustrates how the carrying value of the ECL has been derived:

30 JUNE 2021 (UNAUDITED)	0-90 days NZ\$m	91-180 days NZ\$m	181-270 days NZ\$m	271-360 days NZ\$m	361+ days NZ\$m	TOTAL NZ\$m
Net trade receivables and accrued revenues¹	25.2	6.2	4.7	3.0	2.6	41.7
Baseline	0.6	0.1	0.1	0.2	0.1	1.1
Aging, write offs and collection	-	-	0.2	0.1	0.1	0.4
Country, customer and market	0.2	-	0.1	-	-	0.3
ECL - general provision	0.8	0.1	0.4	0.3	0.2	1.8
ECL - specific provision	-	-	-	-	2.3	2.3
Total ECL provision	0.8	0.1	0.4	0.3	2.5	4.1
<i>General provision effective rate</i>	<i>3.2%</i>	<i>1.6%</i>	<i>8.5%</i>	<i>10.0%</i>	<i>7.7%</i>	<i>4.3%</i>

31 DECEMBER 2020 (AUDITED)

Net trade receivables and accrued revenues¹	25.8	6.8	4.3	2.9	1.9	41.7
Baseline	0.2	0.1	0.1	0.1	-	0.5
Aging, write offs and collection	2.3	0.4	0.2	0.3	-	3.2
Country, customer and market	0.1	-	-	-	-	0.1
ECL - general provision	2.6	0.5	0.3	0.4	-	3.8
ECL - specific provision	0.1	-	0.2	1.7	1.9	3.9
Total ECL provision	2.7	0.5	0.5	2.1	1.9	7.7
<i>General provision effective rate</i>	<i>10.1%</i>	<i>7.4%</i>	<i>7.0%</i>	<i>13.8%</i>	<i>-</i>	<i>9.1%</i>

¹ Net trade receivables and accrued revenue excludes the impact of concession discounts and credit risk provisioning.

Total revenue and ECL provisioning

The below table highlights the proportion of total provisioning made against trade receivables and accrued revenues. Vista Group considers the cumulative ECL and revenue provisions of 28.4% were a reasonable level to provide against trade receivables and accrued revenues in such an uncertain time.

	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Trade receivables and accrued revenues	52.5	53.4
Revenue provision - concession discount	1.8	5.5
Revenue provision - credit risk	9.0	6.2
ECL provision	4.1	7.7
Total provisioning	14.9	19.4
<i>Total provisioning effective rate</i>	<i>28.4%</i>	<i>36.3%</i>

One of the key judgements was that 5% of core business receivables may not be collectible. The following illustrates the sensitivity of this judgement.

30 JUNE 2021 (UNAUDITED)	0% JUDGEMENT NZ\$m	5% JUDGEMENT NZ\$m	10% JUDGEMENT NZ\$m
Revenue provision - concession discount	1.8	1.8	1.8
Revenue provision - credit risk	7.8	9.0	9.8
ECL provision	4.1	4.1	4.1
Total provisioning of trade receivables and accrued revenues	13.7	14.9	15.7
<i>Total provisioning effective rate</i>	<i>26.1%</i>	<i>28.4%</i>	<i>29.9%</i>

7. Investment in associates and joint ventures

Holdings in associates and joint ventures

The principal associates and joint ventures all have share capital consisting solely of ordinary shares. None of these entities are considered strategic to Vista Group's core operations.

NAME OF ENTITY	INVESTMENT TYPE	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	HOLDING PERCENTAGE	
				30 JUNE 2021	30 JUNE 2020
Vista Entertainment Solutions (Shanghai) Limited	Associate	China	China	47.5%	47.5%
Stardust Solutions Limited	JV	NZ	USA	40.0%	43.8%

During the current period, the Board of Stardust resolved to discontinue Stardust's operations. The carrying value of Stardust in these financial statements was already nil. Exit costs are anticipated to be less than \$0.1m.

The following disclosures relate to Vista China only as Stardust is not considered to be a material joint venture.

Carrying value of associates and joint ventures

	VISTA CHINA	
	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Opening net assets	14.9	20.8
Loss for the period	(0.6)	(5.9)
Closing net assets	14.3	14.9
Vista Group weighted average interest for the period	47.5%	47.5%
Vista Group's share of closing net assets	6.8	7.1
Goodwill	20.2	20.2
Accumulated impairment charges	(13.7)	(13.7)
Carrying value of associates and JVs at period end	13.3	13.6

Vista China summarised financial position

A summarised statement of financial position of Vista China is presented below:

	VISTA CHINA	
	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Cash	7.2	8.8
Trade and other receivables	10.0	11.9
Total current assets	17.2	20.7
Total non-current assets	3.1	2.8
Total assets	20.3	23.5
Total current liabilities	(2.8)	(6.5)
Total non-current liabilities	(1.0)	(0.5)
Total liabilities	(3.8)	(7.0)
Effect of translation	(2.2)	(1.6)
Net assets	14.3	14.9

Vista China summarised trading results

A summarised income statement of Vista China is presented below. Included in this table is a reconciliation to the equity accounted losses recognised in Vista Group. All losses are derived from continuing operations and there were no movements to report in other comprehensive income. Adjustments have been applied to align the accounting policies of Vista China to those of Vista Group.

	VISTA CHINA	
	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Revenue	7.1	3.3
Total expenses	(7.7)	(7.0)
Loss for the period	(0.6)	(3.7)
Vista Group equity accounted interest	47.5%	47.5%
Vista Group share of equity accounted loss for the period	(0.3)	(1.8)

For the period ended 30 June 2021, the total equity accounted loss from associates and joint ventures was \$0.3m and includes \$nil from Stardust (30 June 2020: \$1.9m includes \$0.1m from Stardust).

Impairment of Vista China and Stardust (significant judgement / estimate)

- ① Vista Group reviewed its net investment in Vista China and Stardust for objective evidence of impairment at 30 June 2021 and concluded that this definition was not met. In accordance with NZ IAS 28 *Investments in Associates and Joint Ventures*, no impairment review was performed at 30 June 2021.

Details of the prior period impairment charges recognised on the carrying value of both Vista China and Stardust are included in the 2020 Annual Report.

8. Goodwill

- ① Vista Group reviewed the carrying value of its goodwill for indicators of impairment at 30 June 2021. No such indicators were noted. In accordance with NZ IAS 36 *Impairment of Assets*, no impairment review was performed at 30 June 2021.

Details of the prior period impairment charges recognised on the carrying value of goodwill are included in the 2020 Annual Report.

Carrying value of goodwill

	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Gross carrying amount		
Balance at 1 January	69.9	73.5
Numero acquisition	-	(2.7)
Exchange differences	0.8	(0.9)
Gross carrying amount at period end	70.7	69.9
Accumulated impairment		
Balance at 1 January	(15.2)	(3.6)
Impairment charges recognised during the period	-	(11.6)
Accumulated impairment at period end	(15.2)	(15.2)
Goodwill at period end	55.5	54.7

9. Other intangible assets

Impairment testing of internally generated software (significant judgement / estimate)

- ① Vista Group reviewed the carrying value of its internally generated software assets for indicators of impairment at 30 June 2021. No such indicators were noted. In accordance with NZ IAS 36 *Impairment of Assets*, no impairment review was performed at 30 June 2021.

Details of the prior period impairment charges recognised on the carrying value of internally generated software are included in the 2020 Annual Report.

Carrying amount of intangible assets

	INTERNALLY GENERATED SOFTWARE NZ\$m	SOFTWARE LICENSES NZ\$m	INTELLECTUAL PROPERTY NZ\$m	CUSTOMER RELATIONSHIPS NZ\$m	TOTAL NZ\$m
30 JUNE 2021 (UNAUDITED)					
Gross carrying amount					
Balance at 1 January	38.1	4.9	2.7	6.8	52.5
Additions	5.8	-	-	-	5.8
Exchange differences	0.1	(0.1)	(0.1)	0.1	-
Balance at period end	44.0	4.8	2.5	6.9	58.2
Accumulated amortisation					
Balance at 1 January	(9.4)	(2.1)	(1.7)	(4.2)	(17.4)
Current period amortisation	(3.1)	(0.3)	(0.1)	(0.5)	(4.0)
Exchange differences	-	-	0.1	-	0.1
Balance at period end	(12.5)	(2.4)	(1.6)	(4.7)	(21.2)
Intangible assets at 30 June 2021	31.5	2.4	0.9	2.2	37.0

31 DECEMBER 2020 (AUDITED)

Gross carrying amount					
Balance at 1 January	27.5	2.5	2.4	5.5	37.9
Additions	12.8	-	-	-	12.8
Numero acquisition	-	2.4	0.3	1.3	4.0
Impairment charges	(2.2)	-	-	-	(2.2)
Balance at period end	38.1	4.9	2.7	6.8	52.5
Accumulated amortisation					
Balance at 1 January	(4.6)	(1.3)	(1.4)	(3.2)	(10.5)
Current period amortisation	(5.2)	(0.8)	(0.3)	(1.0)	(7.3)
Impairment charges	0.4	-	-	-	0.4
Balance at period end	(9.4)	(2.1)	(1.7)	(4.2)	(17.4)
Intangible assets at 31 December 2020	28.7	2.8	1.0	2.6	35.1

10. Earnings per share

Vista Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to owners of the parent and the weighted average number of ordinary shares in issue during the period for the effects of all dilutive potential ordinary shares, which for Vista Group comprise share-based payments and performance rights. Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

	NUMBER OF SHARES (MILLIONS)	
	30 JUNE 2021 UNAUDITED	30 JUNE 2020 UNAUDITED
Weighted average ordinary shares for basic EPS (millions)	228.7	198.7
<i>Effect of dilution:</i>		
Share options and awards (millions)	5.0	1.1
Weighted average ordinary shares adjusted for the effect of dilution	233.7	199.8
Loss for the period attributable to owners of the parent (NZ\$m)	(2.8)	(42.4)
Basic and diluted EPS (cents)¹	(\$0.01)	(\$0.21)

¹ Shares are only treated as dilutive when their conversion would decrease basic earnings per share.

On 16 April 2020, Vista Group issued 61,946,951 new ordinary shares of \$1.05 each through a placement and rights issue. Accordingly, the prior comparative period weighted average ordinary shares (basic and diluted) has been adjusted by a bonus factor of 1.0870, based on the ratio of:

- an adjusted closing share price of \$1.4900 per share on 20 April 2020, the business day before the shares started trading ex-rights; and
- the theoretical ex-rights price at that date of \$1.3708 per share.

11. Financial instruments

Financial instruments by category

	FINANCIAL ASSETS AMORTISED AT COST NZ\$m	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS NZ\$m	FINANCIAL LIABILITIES AT AMORTISED COST NZ\$m	TOTAL NZ\$m
30 JUNE 2021 (UNAUDITED)				
Cash	58.1	-	-	58.1
Trade receivables	31.4	-	-	31.4
Sundry receivables	3.1	-	-	3.1
Total financial assets	92.6	-	-	92.6
Borrowings - external	-	-	15.9	15.9
Borrowings - related parties	-	-	0.6	0.6
Trade payables	-	-	1.0	1.0
Sundry payables	-	-	4.0	4.0
Lease liabilities	-	-	23.5	23.5
Total financial liabilities	-	-	45.0	45.0
31 DECEMBER 2020 (AUDITED)				
Cash	67.1	-	-	67.1
Trade receivables	28.1	-	-	28.1
Sundry receivables	1.7	-	-	1.7
Total financial assets	96.9	-	-	96.9
Borrowings - external	-	-	18.1	18.1
Trade payables	-	-	5.0	5.0
Sundry payables	-	-	3.3	3.3
Lease liabilities	-	-	23.0	23.0
Contingent consideration	-	0.4	-	0.4
Total financial liabilities	-	0.4	49.4	49.8

Vista Group's financial instruments that are measured after initial recognition at fair value are grouped into levels based on the degree to which the fair value is observable:

- Level 1** Fair value measurements derived from quoted prices in active markets for identical assets.
- Level 2** Fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3** Fair value measurements derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data.

During the current period, there have been no transfers between fair value measurement levels or changes in the valuation methods used to determine the fair value of Vista Group's financial instruments.

12. Other disclosures

Related parties

Related parties are materially consistent with those disclosed in the 2020 Annual Report. The following table represents transactions with related parties excluding key management personnel.

	AMOUNTS OWED BY RELATED PARTIES		AMOUNTS OWED TO RELATED PARTIES	
	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED	30 JUNE 2021 NZ\$m UNAUDITED	31 DECEMBER 2020 NZ\$m AUDITED
Associates and joint ventures	2.3	1.8	(0.2)	(0.7)

Vista Group's associate and joint venture related party transactions were as follows:

	ASSOCIATES AND JOINT VENTURES	
	30 JUNE 2021 NZ\$m UNAUDITED	30 JUNE 2020 NZ\$m UNAUDITED
Receiving of services	(0.2)	(0.5)
Rendering of services	2.3	3.0
Total related party transactions	2.1	2.5

Details of significant related party transactions of Vista Group:

- During the period, Vista Group recognised \$1.1m of maintenance revenue from Vista China (30 June 2020: \$1.1m), which is recognised in the Cinema segment. The prior comparative period has been represented to also include this revenue within the Cinema segment.
- During the period, the co-shareholder of Powster provided a \$0.6m loan to Vista Group. The loan is unsecured, incurs interest at 4% per annum and is repayable on demand.

Details of significant related party transactions of Vista China:

- On 30 January 2019, Vista China provided a retention accommodation loan of \$4.4m (CNY20.0m) to the CEO of Vista China. This loan is interest free, partially secured against equity in Vista China and matures on 30 January 2022.
- On 23 December 2019, Vista China provided a shareholder loan of \$3.2m (CNY14.3m) to Beijing Weying Technology Co. Ltd ("Weying"). This loan has matured and is now repayable on demand by the Vista China Board. Vista China and Weying are currently assessing options for the settlement of this loan.

Capital commitments

There were no capital commitments for Vista Group at 30 June 2021 (31 December 2020: \$nil).

Going concern

The interim financial statements of Vista Group have been prepared on a going concern basis that requires the Board to have reasonable grounds to believe that Vista Group will be able to pay their debts as and when they become due.

Vista Group has prepared cash flow projections factoring in a continued impact of the COVID-19 pandemic covering a period of at least 12 months after these consolidated interim financial statements have been authorised for issue. This takes into account forecast revenue, operating cash flows, forecast capital expenditure and Vista Group's liquidity position.

At 30 June 2021, Vista Group had \$96.2m in liquidity, with \$58.1m in cash and \$38.1m of undrawn ASB debt facilities. In addition, Vista Group's EBITDA for the first half has returned to being positive and the average first half cash burn was well below the previously guided \$3m to \$4m per month range.

The success of global vaccine rollouts and the release of new movie content during the half has enabled more than 80% of global cinemas to open by 30 June 2021. Based on the assumption that the current trajectory of cinema openings is sustained in key markets, Vista Group expects its cash flow position to track positive for the second half of 2021. Vista Group also projects it will continue to comply with its ASB facility covenant requirements.

As a result of how unpredictable the COVID-19 pandemic has been on Vista Group and its customers, the Board continues to take a cautious approach in provisioning against its accounts receivables and accrued revenues. The 28.4% cumulative provisions for discounts, credit risk and ECL (as detailed in section 6) is Vista Group's best estimate of the balances that are unlikely to be recovered.

Vista Group considered the impacts of the COVID-19 pandemic to its subsidiary businesses and assessed its goodwill and other assets for indicators of impairment. Vista Group also reviewed Vista China (an associate company) for loss events that might result in an impairment loss. No such indicators or loss events were identified that might be significant enough to result in an impairment charge at the 30 June 2021.

Due to the above, the Board determined the going concern basis of accounting is appropriate in the preparation of these consolidated interim financial statements.

Contingent liabilities

One of the primary markets for Vista Group's products is the United States. Sales tax obligations in the United States can arise in individual states where Vista Group is deemed to have a sales tax nexus. Vista Group is currently working with external US sales tax experts to complete an economic nexus study where sales in each state are reviewed from the end of 2018 to determine if an economic sales tax nexus was triggered. A trigger would result in an obligation for Vista Group to register and collect sales tax in these states.

Should the outcome of this study show that the sales tax obligation was material, it would be classified as an error which is restated in the prior period income statement and statement of financial position. Conversely, if the amount is not material, the provision would be included in the current period with no prior periods being restated.

At the date the Board approved these interim financial statements, the external US sales tax experts were still completing this study. To help facilitate the scale of a potential liability, internal estimates project this liability could be up to \$3.6m. However, in arriving at this number, significant judgements were applied by management who are not US sales tax experts. Moreover, numerous judgements applied in this calculation themselves have the potential to result in a materially different estimate.

For these interim financial statements, Vista Group applied judgement in determining the potential obligation could not be measured with sufficient reliability. This resulted in this obligation being classified as a contingent liability at 30 June 2021.

Once the external US sales tax experts have concluded their economic nexus study, Vista Group will look to enter into voluntary disclosure agreements with the relevant state authorities and proceed to register for sales taxes going forward. The timing for this is expected to occur in the second half of 2021.

Events after balance date

On 11 August 2021, Vista Group agreed to sublease a portion of its Los Angeles premises for the remainder of its leased term (30 June 2026). Should this agreement have been signed and available for use at balance date, it would have been recognised as a finance lease. The impact on these interim financial statements would be a reduction in the lease asset of \$3.3m, a new 'investment of sublease' asset of \$2.7m being recognised (current portion \$0.6m, non-current portion \$2.1m), and an immediate increase to the depreciation expense of \$0.7m.

There were no other significant events between balance date and the date these financial statements were approved for issue.



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Interim Results

27 August 2021



Vista Group
International
Limited

2021

Important notice

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Unless otherwise stated, all information in this presentation is expressed at the date of this presentation and all currency amounts are in NZ dollars.

Agenda

01 **Vista Group Summary** Kimbal Riley, Group Chief Executive

02 **Financial Results** Matt Cawte, Chief Financial Officer

03 **Operational Highlights** Kimbal Riley, Group Chief Executive

04 **Outlook**

05 **Q+A**



Enhancing the
moviegoer experience

Vista Group summary

Vista Cloud launch expands horizon for Vista Group

- Moviegoing is back!
- Vista Cloud launched on target
- Momentum growing in studio segment
- Established a development hub in Mexico
- Activity levels for Movio Cinema reaching pre-pandemic levels
- Balance sheet strong
- Positive operating cashflow and positive EBITDA¹ for 1st Half
- Solid half year revenue at \$45m
- Cash burn considerably lower than expected
- Continued focus on caring for our people worldwide

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.



Financial results

Financials

For six months ended 30 June 2021

Total Revenue

\$45m +0%

Recurring Revenue¹

\$37m +13%

SaaS Revenue¹

\$12m +5%

EBITDA²

\$6m +\$13m

Operating Cashflow

\$1m

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2 of the Interim Report.

2. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

Trading performance

NZ\$m (Six Months Ended – Unaudited)	30 Jun 2021	30 Jun 2020	% Change
Revenue	44.9	44.8	+0%
Expenses	(38.6)	(52.7)	-27%
Foreign currency gains	0.1	1.4	
EBITDA¹	6.4	(6.5)	
Depreciation and amortisation	(7.4)	(8.2)	-10%
Net finance costs	(0.8)	(1.1)	
Other (incl. impairment, restructure and share of associates)	(0.3)	(32.1)	
Loss before tax	(2.1)	(47.9)	-96%
Net loss attributable to Vista Group shareholders	(2.8)	(42.4)	

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

- Revenue flat. Up 7% adjusting for FX
- 2021 Expenses includes a non-cash credit for expected credit loss of \$3.7m, compared to a non-cash expense of \$5.8m in the first half of 2020
- Expected Credit Loss reduction reflects improved state of receivables book

Last 18 months compared

NZ\$m (Six Months – Unaudited)	1H20	% Change	2H20	% Change	1H21
Recurring Revenue	32.9	-1%	32.6	+14%	37.3
Non-Recurring Revenue	11.9	-15%	10.1	-25%	7.6
Revenue	44.8	-5%	42.7	+5%	44.9
Expenses (excl ECL ²)	(46.9)	-2%	(45.9)	-8%	(42.3)
ECL ² (expense)/credit	(5.8)		(1.1)		3.7
Foreign exchange gains/(losses)	1.4		(0.6)		0.1
EBITDA¹	(6.5)		(4.9)		6.4
<i>EBITDA¹ excl ECL²</i>	<i>(0.7)</i>		<i>(3.8)</i>		<i>2.7</i>

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

2. ECL is the non-cash Expected Credit Loss provision.

- Good recurring revenue growth
- Good underlying cost management
- First half 2021 includes STI/LTI \$4.6m vs zero in 1H20, and a \$2.6m PPP (US wage support deferred) credit
- 1H21 expenses run rate \$45m, adjusting for PPP credit
- Expecting increases in headcount costs (people and salaries), marketing and hosting in second half – linked to market recovery
- Adverse swing in FX due to higher NZD v USD

Operating segments

30 June 2021

NZ\$m (Unaudited)	Cinema	Movio	AGC	Corporate	Total
Revenue	31.5	6.5	6.9	-	44.9
EBITDA ¹	10.9	0.8	0.0	(5.3)	6.4
EBITDA ¹ % of revenue	35%	12%	0%		14%
<i>EBITDA¹ excl ECL²</i>	7.5	0.6	(0.1)	(5.3)	2.7

30 June 2020

NZ\$m (Unaudited)	Cinema	Movio	AGC	Corporate	Total
Revenue	29.7	8.0	7.1	-	44.8
EBITDA ¹	(2.4)	(0.2)	(0.1)	(3.8)	(6.5)
EBITDA ¹ % of revenue	-8%	-3%	-1%		-15%
<i>EBITDA¹ excl ECL²</i>	2.6	0.5	0.0	(3.8)	(0.7)

Revenue growth	6%	-19%	-3%		0%
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1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

2. ECL is the non-cash Expected Credit Loss provision.

- Strong Cinema recurring revenue
- Movio good recurring Cinema revenues, lower non-recurring and Research revenue
- Numero • Maccs up 12%, Flicks up 25%
- Powster down 26%
- Corporate now reflects the costs of wider Group functions – People and Culture, Finance, Legal and Executive Management

Financial position

NZ\$m (Unaudited)	30 Jun 2021	31 Dec 2020	% Change
Cash	58.1	67.1	-13%
Receivables and other current assets	43.1	39.0	11%
Non-current assets	149.7	145.9	3%
Current liabilities	41.0	42.8	-4%
Non-current liabilities	44.7	46.1	-3%
Net assets / total equity	165.2	163.1	1%

- Strong balance sheet maintained
- Good cash position \$58.1m
- Receivables up due to increased billing and a reduction in expected credit loss provisions
- Drawn debt and facilities unchanged
- Aged debtors reducing but still stubborn, >90 days = 55%
- 28% provisioning against receivables down from 36% at 31 Dec 2020

Cashflow

NZ\$m (Six Months Ended – Unaudited)	30 Jun 2021	30 Jun 2020	% Change
Receipts from customers	45.6	57.6	-21%
Payments to suppliers & employees	(43.1)	(49.3)	-13%
Tax & interest	(2.4)	0.8	
COVID-19 related wage subsidies	3.1	3.8	
COVID-19 related tax deferrals	(2.2)	3.8	
Net cash inflow from operating activities	1.0	16.7	-94%
Investments in internally generated software and other intangibles	(5.8)	(7.5)	-23%
Other investing activities	(0.5)	(0.5)	
Cash flow from financing activities	(1.0)	66.0	
COVID-19 related support (US PPP loan)	(2.8)	3.1	
Net movement in cash	(9.1)	77.8	
Foreign exchange differences	0.1	(1.3)	
Cash balance	58.1	96.0	-39%

- Cash burn of \$1.6m/month in first half, well below \$3-4m expected range
- Strong collections in final two months resulted in break even cash flow
- Investment in internally generated software focus on SaaS, total spend lower than historical average



Operational highlights

Key Group metrics

As at 30 June 2021 (with comparative to 31 December 2020)

Sites on Vista Cloud

-

Sites on Vista Digital

142 (1)

Madex Campaigns (Movio)

2 (1)

Movio Connections

2.3b (2.3b)¹

Distributors on mica (Maccs)

11 (6)

% of Cinemas Open US:EU

79% : 80%

1. Trailing 12 months total number of emails, SMS, and push notifications sent to moviegoers by Movio Cinema exhibitors

Vista Cinema

Vista Cinema provides cinema management software to the world's largest cinema exhibitors

- Stronger than forecast Box Office returns
- Blockbuster releases on schedule with backlog of content expected beyond 2022
- Cinema re-openings requiring operational and technology support
- Small increment of new customers and new sites for existing customers
- Some closures becoming apparent as circuits re-open – approx. 400 sites globally
- Enterprise market share (excluding China) estimated to remain at 51%
- Veezi ARR up with box office, now reporting 'billed' sites rather than contracted sites
- Vista Cloud launched at CinemaCon on 25 August
- Establishing a development hub in Mexico

Revenue

\$31.5m

+6% vs 2020

EBITDA¹

\$10.9m

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

Vista Cinema site count¹

Market	Channel	31 Dec 2020	New Sites	Closures / Losses	30 Jun 2021
Enterprise	Direct	5,499	40	(414)	5,125
	India	1,496	85	(140)	1,441
	China	572	-	(235)	337
	Total Enterprise	7,567	125	(789)	6,908
Independent	Veezi (billed)	739	113	-	852
	Veezi China	141	12	-	153
TOTAL		8,447	250	(789)	7,908
	<i>Veezi (active)</i>	<i>1,035</i>	<i>58</i>	<i>-36</i>	<i>1,057</i>

1. Enterprise closures - 3% of base casualties of pandemic, 4% of base site closures

2. Ex China

Enterprise Market Share²

51%

Enterprise Sites (Direct)

-374 net

Vista Cloud is launched



What we've achieved in 2021 to date

- Technology platform established
- Increased use of Vista Digital (web)
- Commercial model established
- Cloud-focused useability delivered

Where we are now

- Vista Cloud launched at CinemaCon
- Pace of development continuing to accelerate
- Distinct branding and positioning for Vista Cloud cloud.vista.co

What's coming in the rest of 2021

- Select customers expected to be live in H2
- Availability of Vista Digital (mobile, kiosk)
- Expansion of development capacity to increase velocity

Movio

Global leader in data-driven marketing, providing products and services to exhibitors, studios and film advertising specialists

Movio Cinema

- Continued strong performance for Movio Cinema, highlighted by enterprise agreement with Vue in EMEA, and a strong trend of renewals and extensions
- Connections (email and SMS) in H1 2021 at 96% of 2019 comparison
- Connected moviegoers (people who've been to the movies in the last 12 months) doubled in last two months

Movio Research

- Contracts with all key customer restarted in May
- All customers migrated to Research 2.0 platform

Movio Media

- Modest restart in digital targeting as data flows – with 9 campaigns executed
- Madex trials continue – strong pipeline of solid interest in North America and EMEA

Revenue

\$6.5m

-19% vs 2020

EBITDA²

\$0.8m

1. Madex is the market brand for the Moviegoer Audience Data Exchange.

2. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

Additional Group Companies

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Numero • Maccs revenue up 12% for the half
- 5 new customers signed up to mica, now total 11
- Numero continues to expand geographic reach

Flicks

Movie and cinema review and showtime guide

- Revenue up 25%
- In expansion mode – growth in Australia and establishment in UK
- What to watch and where to watch it

Powster

World leading film marketing products

- Revenue down 26%, creative revenue growth subdued
- Showtimes volumes expected to trend back to pre-pandemic levels in 2nd half

Revenue

\$6.9m

-3% vs 2020

EBITDA¹

\$0.0m

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

Associate companies

Vista China: Operating Performance

- 1H21 revenue up to \$7.1m vs \$3.3m in 1H20
- EBITDA¹ loss reduced to \$0.6m, down from \$3.7m in 1H20
- Important new customer wins in Red Star and Perfect World – approx. 100 sites
- Modest Veezi site growth

Stardust

- Ceased operations with closure costs paid from existing cash reserves

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, “other gains and losses” (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.

China film industry update

- First half box office RMB27B – down 12% on same period in 2019
- Most recent forecast for full year – RMB55B – down 7.4% on 2019
- Monthly box office fluctuating – national holidays deliver peaks
- Strong performance from local – patriotic – content
- Cinema site counts challenging to verify



Outlook

Industry outlook

- Blockbusters are back – and the content pipeline is very solid into 2022 and beyond
- Key markets near to fully open – globally 80%+ open
- Theatrical window changes stabilising on 35-45 days – no significant impact on box office to this point
- Cinema remains critical to the wider film industry

Vista Group outlook

- Disciplined financial management has enabled Vista Group to welcome the rebound of the film industry in an excellent position
- Vista Group continues to deliver world class innovation, highlighted by the launch of Vista Cloud this month
- Integration of Maccs and Numero is bearing fruit – growth over 2019 and 2020 – underpinned by positive EBITDA¹
- Strong balance sheet supports active review of potential investment opportunities
- Assuming the current level of cinema opening is sustained we expect revenue for FY 2021 to be in the range of \$95m - \$100m
- Positive EBITDA¹ projected for the second half of 2021 and good recovery in 2022
- Expecting to be modestly cash flow positive in the second half of 2021, with good potential to recover aged debt

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.



Questions



VISTA
GROUP



Media Release

27 August 2021, Vista Group International Ltd, Auckland, New Zealand

Vista Cloud launch expands horizon for Vista Group

Vista Group (VGL) reported its interim results for the period ending 30 June 2021 today, with a strong financial performance amidst a wider industry recovery and a free flow of movies into cinemas globally.

Kimbal Riley, Vista's Group Chief Executive, commented "we are delighted to present a strong and balanced set of results to the market. The growth in higher quality recurring revenue is pleasing given market conditions and our good collections performance demonstrates the importance of the Vista Group products to our customers."

"To be able to deliver the first iteration of Vista Cloud to market, on schedule and on budget, is an outstanding achievement. Customers on Vista Cloud will be able to access the latest product innovation immediately and benefit from the efficiencies created by a simpler operating environment. With Vista managing the performance and risk of their core transaction technology, cinemas can focus on what they do best – delivering the ultimate moviegoing experience."

Highlights

- Promising box office recovery with an exciting film slate of Hollywood blockbusters out to end 2022
- Strong first half result with good underlying recurring revenue growth
- Vista Cloud launched on time and on budget, expanding the opportunity within cinema
- Movio core technology transformation delivers improved insights across the industry
- Establishment of a development hub in Mexico

Key Financial Metrics

- Total revenue \$44.9m, in line with the first half of 2020 ('1H20'), recurring revenue up 13%
- Positive operating cashflow of \$1.0m and reduced cash burn, an average of \$1.6m per month for the last six months
- EBITDA ⁽¹⁾ profit of \$6.4m, an improvement of \$12.9m compared to 1H20
- Loss before tax of \$2.1m, an improvement of \$47.9m compared to 1H20

Key Operational Metrics

- Launch of Vista Cloud
- Active moviegoers and connections in Movio Cinema trending up strongly
- Good uptake of Vista Digital, now 142 sites
- Maintained 51% market share of the 20+ screens segment (excluding China)

The trading performance for the first half of 2021 was pleasing given wider market conditions, with blockbusters only returning to cinemas in the last months of the financial half. The film slate has been stable since April with blockbuster releases scheduled well into 2022 and beyond.

Reported revenue was flat at \$44.9m, though up 7% when accounting for unfavourable foreign exchange compared to the first half of 2020. Recurring revenue was up 13%, helped by improved content flow later in the half.

Market share data remains difficult to confirm, but Vista estimates it has retained its 51% share of the global enterprise market (20+ screens) excluding China. A high degree of uncertainty will remain around these estimates until each market is fully open.

Vista Cinema, the largest part of the Vista Group, reported revenue up 6% to \$31.5m, with particularly strong recovery in recurring revenue, up 25%. Site count for Vista Digital, delivering an omni-channel experience for moviegoers across mobile, web and kiosk, grew to 142. Vista Cloud has been launched to select initial customers in the second half of 2021, increasing the addressable market within the cinema segment by expanding the relevance of the product to more customers. Cloud focused product development now makes up the majority of Vista Group's spend on innovation.

Movio, the leading campaign management and data analytics solution for the film industry, reported a credible revenue result of \$6.5m, down 19% against the first half of last year. This was impacted by the reduced release schedule of movies. The Movio team kicked off campaigns with initial customers for its Madex product and is on track to launch its updated Movio Cinema offering in the second half of 2021.

Numero and Maccs revenue was up 12% on the first half of 2020 making further gains in the studio/distributor space. Flicks was up 25%, albeit off a smaller base. Powster, like the content driven parts of Movio, was down 26%, though showtimes activity in particular was trending up towards the end of the half year.

Vista China revenues recovered to \$7.1m for the financial half and continues to operate within its own cash resources.

Vista Group's balance sheet remains strong with \$58.1m of cash and \$38.1m of undrawn debt facilities available. Collections improved in the half and Vista Group generated a positive cashflow from operating activities of \$1.0m.

Assuming the current level of cinema opening is sustained at around 80% in key markets and the film release schedule remains on track, Vista Group expects revenue for the full year to 31 December 2021 to be in the range of \$95m - \$100m, and to be EBITDA⁽¹⁾ and cash flow positive for the second half of 2021.

For further information please contact:

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⁽¹⁾ EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the interim report) and share of equity accounted results from associates and joint ventures.

Vista Group International Limited Results Announcement



Results for announcement to the market		
Name of issuer	Vista Group International Limited (NZX & ASX: VGL)	
Reporting Period	6 months to 30 June 2021	
Previous Reporting Period	6 months to 30 June 2020	
Currency	New Zealand Dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$44,900	0.2%
Total Revenue	\$44,900	0.2%
Net profit/(loss) from continuing operations	(\$2,600)	94.0%
Total net profit/(loss)	(\$2,600)	94.0%
Interim Dividend		
Amount per Quoted Equity Security	No interim dividend will be paid in 2021	
Imputed amount per Quoted Equity Security	Not applicable	
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$0.26965038	\$0.38142760
A brief explanation of any of the figures above necessary to enable the figures to be understood	This announcement should be read in conjunction with the interim financial statements for the six months ended 30 June 2021 that accompany this announcement.	
Authority for this announcement		
Name of person authorised to make this announcement	Matt Cawte – Chief Financial Officer	
Contact person for this announcement	Matt Cawte – Chief Financial Officer	
Contact phone number	09 984 4570	
Contact email address	matt.cawte@vista.co	
Date of release through MAP	27 August 2021	

Unaudited financial statements accompany this announcement.