



Market Announcement

29 August 2022, Vista Group International Limited, Auckland, New Zealand.

Vista Group upgrades revenue guidance as box office growth continues

[Auckland, NZ, 29 August 2022]: Vista Group International (NZX & ASX: VGL) reported its interim results for the period ending 30 June 2022 today, with upgraded revenue guidance for the full year to 31 December 2022.

Guidance Update

Vista Group upgrades its revenue guidance for the full year ended 31 December 2022 to \$123-128m. Vista Group had previously projected revenue of \$118-123m.

Industry Highlights

- Global cinema industry is showing strong recovery post-pandemic
- Box office growth and momentum sustained across all major markets
- SaaS platform strategy increases Vista Group's relevance as the industry rebounds.

Financial Highlights

- Total revenue of \$62.4m, an improvement of 39% on the first half of 2021, and recurring revenue up 43%
- EBITDA¹ of \$3.1m and positive operating cashflow of \$5.1m
- Accelerated investment across the SaaS platform, with monthly cash burn of only \$0.1m over the last 12 months
- Loss for the period of \$18.0m, including \$13.8m of non-cash impairment charges (predominantly related to Vista China), equity accounted losses, and acquisition costs.

Operational Highlights

- First major enterprise cinema circuit signed to Vista Cloud with over 300 sites
- Strong customer interest in the SaaS platform
- Maintained 51% market share of the estimated global enterprise market (20+ screens), excluding China.

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

- 2022 VGL Interim Report
- 2022 Half Year Result Investor Presentation
- 2022 Half Year Result Media Announcement
- 2022 Half Year NZX Results Announcement

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¹ 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 4.4 of the interim report) and share of equity accounted results from associates and joint ventures.

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Management commentary

The following consolidated unaudited interim financial statements for Vista Group International Limited (**Company**) and its subsidiaries (collectively, **Vista Group**) are for the six months ended 30 June 2022 and represent the half year results for Vista Group. Comparisons are to the first six months of 2021.

Guidance update

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Financial highlights

- Total revenue of \$62.4m, an improvement of 39% on the first half of 2021, and recurring revenue up 43%
- EBITDA¹ of \$3.1m and positive operating cashflow of \$5.1m
- Accelerated investment across the SaaS platform, with monthly cash burn of only \$0.1m over the last 12 months
- Loss for the period of \$18.0m, including \$13.8m of non-cash impairment charges (predominantly related to Vista China), equity accounted losses and acquisition costs.

Operating highlights

- First major enterprise cinema circuit signed to Vista Cloud with over 300 sites
- Strong customer interest in the SaaS platform
- Maintained 51% market share of the estimated global enterprise market (20+ screens), excluding China.

Industry overview

Box office

Hollywood blockbusters are back! Content is flowing globally, cinemas are open with limited restrictions and audiences are voting with their feet and wallets. As expected, titles such as *Top Gun: Maverick*, *Doctor Strange in the Multiverse of Madness* and *Jurassic World Dominion* have culminated in a first half global box office of US\$13.4 billion, with over US\$3.0 billion relating to these three titles alone. The recovery is well underway with June 2022 Domestic box office at 84% of pre-pandemic levels.

Segment overview

Cinema

Vista Cinema's revenue was up 39% to \$43.7m on the first half of 2021. Recurring revenue was up 46% due to the improved box office. EBITDA¹ of \$7.8m was up on the first half of 2021, after excluding the \$3.4m prior year favourable movements from the expected credit loss provision.

Market share data remains difficult to confirm, but Vista Group estimates that Vista Cinema has retained 51% share of the estimated global enterprise market (20+ screens), excluding China.

Vista Cloud is live with two customers, including the transition of our first US customer from the Retriever platform. A third customer has now been signed up with the major Latin American enterprise customer expected to transition over 300 sites to Vista Digital, and then Vista Cloud over time. The SaaS platform focused developments continue to represent the majority of Vista Group's innovation spend.

Movio

Movio revenue was up 38% to \$9.0m against the first half of 2021, as variable fees increase with the strength of the global box office. EBITDA¹ of \$2.0m was up 100% from the first half of 2021. Although non-recurring revenue recovery in Movio Media remains slower than expected, Movio Cinema continues to be in high usage with 3.9b connections in the trailing twelve months, up 70% from 31 December 2021.

There has been significant interest in Movio Cinema's new product which is now in beta with customers having been demonstrated widely in 2022. This will largely complete the transformation of its core technology that was started in mid-2020. Driven by the mantra, 'faster, simpler, smarter', this will enable customers to access improved insights across their moviegoer data sets.

Additional Group Companies

This segment comprises Numero, Maccs, Powster and Flicks. Revenue from the segment was up 41% against the first half of 2021, with EBITDA¹ improving to \$0.3m.

The Numero and Maccs businesses had a good first half with revenue up 19% and 25 customers now live on mica. The geographic expansion of flash and electronic box office reporting continues to support strong and stable revenue growth.

Powster's revenue was up 91% on the first half of 2021, with a rebound of the global box office increasing demand for Powster's Showtimes platform and creative services, including expanded relationships with both Netflix and Twitch.

Flicks' revenue was up 16% on the first half of 2021, with strong advertising and its continued growth in Australia and the United Kingdom. Unique users are now approaching 2m across their platform.

Flicks continues to cement its role as a cinema and streaming discovery platform.

Corporate

Cost management across Vista Group remains a key focus, with the \$1.7m increase in corporate costs correlating to increased investment in the sales pipeline, primarily travel and marketing.

Financial overview

Vista Group's reported revenue of \$62.4m was up 39% on the first half of 2021, with recurring revenue up 43%. Vista Group's EBITDA¹ of \$3.1m was up 11% on the first half of 2021 (adjusting for expected credit loss movements).

Vista Group's loss for the period of \$18.0m was primarily due to \$13.8m of non-cash impairment charges (predominantly related to Vista China), equity accounted losses and acquisition costs.

China's 'zero-covid' public health response has continued to negatively impact the local cinema industry and box office. With the majority of Vista China's revenue being directly related to box office performance, such continued uncertainty has led to Vista Group recognising a non-cash impairment charge against its investment in Vista China.

Vista Group's balance sheet remains strong with cash of \$51.9m (or \$33.5m net of borrowings) and the extension of the ASB debt facilities. Vista Group generated \$5.1m cashflow from operating activities, including \$1.5m from settling one-off US sales tax provisions. Investing cashflow increased from the first half of 2021 with the asset acquisition of Retriever and accelerated development of the SaaS product.

Collections continue to improve, while revenue was up 39%, trade receivables were in line with the prior year. Monthly cash burn was \$0.6m in the first half of 2022 (after adjusting for the Retriever acquisition and one off US sales tax payments), or \$0.1m over the last year.

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 4.4 of the interim report) and share of equity accounted results from associates and joint ventures.

Income statement

For the six months ended 30 June 2022

CONTINUING OPERATIONS	SECTION	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m <i>Restated</i> ¹ UNAUDITED
Total revenue	2.1, 3.3	62.4	44.9
Cost to serve	4.1	(24.0)	(16.8)
Gross profit		38.4	28.1
Sales and marketing costs	4.1	(6.8)	(4.2)
Research and development costs	4.1	(12.6)	(10.3)
General and administration costs	4.1	(15.7)	(7.3)
Foreign currency (losses) / gains		(0.2)	0.1
Total operating expenses		(35.3)	(21.7)
EBITDA ²	3.3, 3.4	3.1	6.4
Amortisation	11.1	(5.7)	(4.0)
Depreciation		(2.7)	(3.4)
Finance costs		(1.1)	(1.1)
Finance income		0.3	0.3
Share of equity accounted loss from associates and JVs	9.3	(2.7)	(0.3)
Other gains and losses	4.4	(11.1)	(0.4)
Loss before tax		(19.9)	(2.5)
Taxation		1.9	(0.6)
Loss for the period		(18.0)	(3.1)
<i>Loss for the period is attributable to:</i>			
Owners of the parent		(17.8)	(3.3)
Non-controlling interests		(0.2)	0.2
Loss for the period		(18.0)	(3.1)
Basic and diluted earnings per share (cents)	13.1	(\$0.08)	(\$0.01)

¹ See section 15.1 for information of restatement of prior period US sales tax obligations.

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 4.4) and share of equity accounted results from associates and joint ventures.

Statement of other comprehensive income

For the six months ended 30 June 2022

	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m <i>Restated</i> UNAUDITED
<i>Items that may be reclassified subsequently to the income statement</i> ¹		
Translation of foreign operations	3.6	1.3
<i>Items that will not be reclassified to the income statement</i>		
Excess income tax (expense) / benefit on share-based payments	(0.2)	0.4
Total other comprehensive income	3.4	1.7
Loss for the period	(18.0)	(3.1)
Total comprehensive loss for the period	(14.6)	(1.4)
<i>Total comprehensive loss for the period is attributable to:</i>		
Owners of the parent	(14.6)	(1.7)
Non-controlling interests	-	0.3
Total comprehensive loss for the period	(14.6)	(1.4)

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 2022

SIX MONTHS ENDED 30 JUNE 2022	SECTION	CONTRIBUTED EQUITY NZ\$m	RETAINED EARNINGS NZ\$m	FOREIGN CURRENCY RESERVE NZ\$m	SHARE-BASED PAYMENT RESERVE NZ\$m	TOTAL EQUITY ATTRIBUTABLE TO OWNERS NZ\$m	NON-CONTROLLING INTERESTS NZ\$m	TOTAL EQUITY NZ\$m
UNAUDITED								
Balance at 1 January 2022		131.3	23.3	1.7	1.7	158.0	1.8	159.8
<i>Total comprehensive income movement:</i>								
Loss for the period		-	(17.8)	-	-	(17.8)	(0.2)	(18.0)
Other comprehensive income ²		(0.2)	-	3.4	-	3.2	0.2	3.4
Total comprehensive (loss) / income		(0.2)	(17.8)	3.4	-	(14.6)	-	(14.6)
<i>Transactions with owners:</i>								
Retriever acquisition	5	3.2	-	-	-	3.2	-	3.2
Share-based payments		0.9	-	-	1.0	1.9	-	1.9
Balance at 30 June 2022		135.2	5.5	5.1	2.7	148.5	1.8	150.3
SIX MONTHS ENDED 30 JUNE 2021								
UNAUDITED								
Balance at 1 January 2021		126.0	34.4	(0.5)	1.3	161.2	1.9	163.1
Prior period adjustments ¹	15.1	-	(1.3)	-	-	(1.3)	-	(1.3)
Restated balance at 1 January 2021		126.0	33.1	(0.5)	1.3	159.9	1.9	161.8
<i>Total comprehensive income movement:</i>								
Restated loss for period ¹	15.1	-	(3.3)	-	-	(3.3)	0.2	(3.1)
Other comprehensive income ²		0.4	-	1.2	-	1.6	0.1	1.7
Total comprehensive income / (loss)		0.4	(3.3)	1.2	-	(1.7)	0.3	(1.4)
<i>Transactions with owners:</i>								
Share-based payments		0.6	-	-	2.4	3.0	-	3.0
Balance at 30 June 2021		127.0	29.8	0.7	3.7	161.2	2.2	163.4

1 See section 15.1 for information of restatement of prior period US sales tax obligations.

2 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 2022

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
CURRENT ASSETS		
Cash	51.9	60.4
Trade and other receivables	7.1	37.3
Net investment in sublease	8.1	-
Income tax receivable	0.9	2.2
Total current assets	90.1	99.6
NON-CURRENT ASSETS		
Property, plant and equipment	4.2	4.0
Lease assets	13.3	15.6
Net investment in sublease	8.1	1.7
Investment in associates and JVs	9.2	-
Goodwill	10	55.7
Other intangible assets	11.1	50.9
Deferred tax asset	18.3	14.6
Total non-current assets	145.9	143.5
Total assets	236.0	243.1
CURRENT LIABILITIES		
Borrowings - related parties	6.2	0.5
Trade and other payables	18.8	18.7
Lease liabilities	5.0	4.8
Deferred revenue	21.7	20.5
Contingent consideration	5	3.3
Provisions	12.2	1.3
Income tax payable	0.1	0.2
Total current liabilities	50.7	47.6
NON-CURRENT LIABILITIES		
Borrowings - external	6.2	17.9
Lease liabilities	15.3	17.8
Deferred revenue	0.6	0.4
Provisions	12.2	0.4
Deferred tax liability	0.8	0.9
Total non-current liabilities	35.0	35.7
Total liabilities	85.7	83.3
Net assets	150.3	159.8
EQUITY		
Contributed equity	13.2	135.2
Retained earnings	5.5	23.3
Foreign currency reserve	5.1	1.7
Share-based payment reserve	2.7	1.7
Total equity attributable to owners of the parent	148.5	158.0
Non-controlling interests	1.8	1.8
Total equity	150.3	159.8

For, and on behalf, of the Board who approved these interim financial statements for issue on 27 August 2022.

 **Susan Peterson**
Chair

 **James Miller**
Chair Audit and Risk Committee

Statement of cashflows

For the six months ended 30 June 2022

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m UNAUDITED
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	63.4	45.6
Payments to suppliers and employees	(57.2)	(43.1)
Pandemic related wage subsidies	-	3.1
Pandemic related tax deferrals	-	(2.2)
Taxes paid	(0.2)	(1.6)
Interest paid	(0.9)	(0.8)
Net cash inflow from operating activities	6.1	1.0
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(0.7)	(0.3)
Purchase of internally generated software and other intangibles	11.1	(5.8)
Interest received	-	0.2
Payment of contingent consideration	-	(0.4)
Retriever acquisition, net of cash acquired	5	-
Net cash applied to investing activities	(11.6)	(6.3)
CASHFLOWS FROM FINANCING ACTIVITIES		
Lease payments - principal elements	(2.5)	(1.6)
Loan repayment - HSBC PPP	6.2	(2.8)
Loan drawdown - related parties	6.2	0.6
Loan repayment - related parties	6.2	(0.1)
Net cash applied to financing activities	(2.6)	(3.8)
Net decrease in cash	(9.1)	(9.1)
Cash at beginning of period	60.4	67.1
Foreign exchange differences	0.6	0.1
Cash at period end	51.9	58.1

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. The consolidated interim financial statements comply with NZ IAS 34 *Interim Financial Reporting*, and are not required to include all the notes presented in the Annual Report. Accordingly, this report is to be read in conjunction with the 2021 Annual Report.

With exception to the below notes, 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 2021 Annual Report.

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

The prior period comparatives have been restated to include the material US sales tax obligations that were identified in the 2021 economic nexus sales tax study, which was completed in the second half of 2021. See section 15.1 for more details. This restatement was also applied in the 2021 Annual Report.

2. Revenue

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

2.1 Revenue by category

	30 JUNE 2022 NZ\$m UNAUDITED	% UNAUDITED	30 JUNE 2021 NZ\$m UNAUDITED	% UNAUDITED
SaaS revenue	18.0		12.1	
Non-SaaS revenue	35.5		25.2	
Recurring revenue	53.5	86%	37.3	83%
Perpetual software	1.9		2.3	
Hardware	2.9		0.6	
Services & development - one off	4.0		4.5	
Other revenue	0.1		0.2	
Non-recurring revenue	8.9	14%	7.6	17%
Total revenue¹	62.4	100%	44.9	100%

¹ 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.

2.2 Revenue process and policy

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

REVENUE CATEGORY	REVENUE TYPE	SEGMENT	DESCRIPTION	TIMING OF REVENUE RECOGNITION
SaaS revenue Recurring revenue	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 MaccsBox, DCHub and MaccsCore.	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 MaccsBox, DCHub and MaccsCore.	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 Recurring revenue	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.

2.3 Revenue provisioning (significant judgement / estimate)

As a result of the pandemic, there has been an increased risk that Vista Group is not able to recover all amounts billed due to the financial distress of its customers. As NZ IFRS 15 *Revenue from Contracts with Customers* only permits revenue to be recognised when it is probable that Vista Group will collect the consideration, significant judgement has been applied with revenue recognised after 1 March 2020 (the month that pandemic forced worldwide cinema closures).

Judgements made when provisioning for revenue include:

- **Concession discounts:** Many of Vista Group's core customers are located in regions which have been affected by the pandemic (such as North America, Europe and Asia), where the majority of cinemas were closed during 2020 and the first quarter of 2021. To ensure timely payment, or to facilitate support to customers, Vista Group 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.

Concession discounts are recognised as a reduction to revenue when they have been agreed, or where the customer has a reasonable expectation of being entitled to a discount. At 30 June 2022, Vista Group has applied judgement when determining the customers who have a reasonable expectation to receive a concession discount.

For agreed concession discounts, reductions 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 7.5.

- **Credit risk provision (core businesses):** Vista Group applied judgement by classifying all revenues recognised after 1 March 2020 as 'variable consideration', meaning that only the cash consideration estimated to be received is permitted to be recognised as revenue. This judgement was made because on average the amount of consideration that Vista Group ultimately expected to collect would be less than the price stated in the contract.

Such revenue provisioning estimates require significant judgement, with any under/over estimation in the consideration received being recognised as an adjustment to revenue in a subsequent reporting period. In doing this, Vista Group assesses 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 amount that is likely to be collected.

At 1 July 2021, Vista Group determined that the health of the cinema industry had improved, with the risk of worldwide closures being considered less likely. Accordingly, Vista Group determined revenue would cease being treated as 'variable consideration', with any risk of default being encompassed in the expected credit loss (ECL) provision (recognised as an expense on the income statement). The only exception being where revenue is recognised for customers who are deemed to be a liquidation risk.

For revenues recognised between 1 March 2020 and 30 June 2021, a credit risk provision remains. This is calculated as a reduction in revenue and trade receivables (as presented in section 7.5) until all associated invoices have been cleared.

- **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 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 (within the specific ECL provision).

See section 7.5 for further details of the revenue provisions at 30 June 2022, including how these provisions add to the 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 7.5.

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 and the recent acquisition of the customer relationships of Retriever (see section 5). It also includes revenues from Vista China, which is an associate company of Vista Group (see section 15.2).
- **Movio segment:** Includes the Movio Cinema and Movio 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:** The shared services functions associated with Vista Group, being legal, finance and senior management.

3.1 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.

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m UNAUDITED
New Zealand	13.7	8.9
United States	23.6	13.2
United Kingdom	15.3	13.2
Mexico	4.6	4.9
Other ¹	5.2	4.7
Total revenue	2.1	44.9

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

3.2 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 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
New Zealand	62.8	62.1
United States	28.3	18.2
United Kingdom	9.7	11.6
Mexico	12.6	11.5
Other ¹	14.2	13.9
Non-current assets²	127.6	117.3

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

² As required by NZ IFRS 8, non-current operating assets in the table above excludes deferred tax assets and investments in associates and joint ventures.

3.3 Operating segment performance

SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)	CINEMA NZ\$m	MOVIO NZ\$m	AGC NZ\$m	CORPORATE NZ\$m	TOTAL NZ\$m	% OF REVENUE
SaaS revenue	6.7	8.2	3.1	-	18.0	
Non-SaaS revenue	29.8	0.4	5.3	-	35.5	
Recurring revenue	36.5	8.6	8.4	-	53.5	
Non-recurring revenue	7.2	0.4	1.3	-	8.9	
Total revenue	43.7	9.0	9.7	-	62.4	
Cost to serve	(17.2)	(3.1)	(3.7)	-	(24.0)	38%
Gross profit	26.5	5.9	6.0	-	38.4	
<i>Gross profit %¹</i>	61%	66%	62%	-	62%	
Sales and marketing costs	(4.2)	(1.4)	(1.2)	-	(6.8)	11%
Research and development costs	(8.8)	(1.8)	(2.0)	-	(12.6)	20%
General and administration costs	(4.7)	(0.9)	(3.1)	(7.1)	(15.8)	25%
ECL benefit	0.1	-	-	-	0.1	
Foreign currency (losses) / gains	(1.1)	0.2	0.6	0.1	(0.2)	
EBITDA¹	7.8	2.0	0.3	(7.0)	3.1	
<i>EBITDA margin¹</i>	18%	22%	3%	-	5%	
SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)						
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 %¹</i>	62%	65%	62%	-	63%	
Sales and marketing costs	(2.3)	(1.2)	(0.7)	-	(4.2)	9%
Research and development costs	(6.9)	(1.7)	(1.7)	-	(10.3)	23%
General and administration costs	(2.8)	(0.9)	(2.0)	(5.3)	(11.0)	24%
ECL benefit	3.4	0.2	0.1	-	3.7	
Foreign currency (losses) / gains	(0.1)	0.2	-	-	0.1	
EBITDA¹	10.9	0.8	-	(5.3)	6.4	
<i>EBITDA margin¹</i>	35%	12%	0%	-	14%	

¹ EBITDA is a non-GAAP financial measure and is defined below. Gross profit % and EBITDA margin are calculated as gross margin over total revenue and EBITDA over total revenue, respectively.

3.4 Non-GAAP financial measures

EBITDA is a non-GAAP financial measure that the CODM uses to evaluate the financial performance of Vista Group and its operating segments, because it closely correlates to operating cashflows. It is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 4.4) and share of equity accounted results from associates and joint ventures. A reconciliation is provided on the income statement.

4. Expenses and other income

4.1 Classification of expenses on the income statement

Cost to serve is 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.

Sales and marketing costs are those costs incurred by Vista Group in directly selling or marketing its products, including associated personnel costs, sales commissions, trade shows and customer conferences.

Research and development costs include staffing 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 cost 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.

4.2 Total cost to serve and operating expenses

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m UNAUDITED
Direct cost of sales (excl. hardware and personnel)	7.2	5.0
Hardware cost of sales ¹	2.4	0.5
Personnel costs	39.0	32.5
Share-based payment expense	1.9	3.0
Defined contribution plans and employee insurances	3.9	3.0
Capitalised development	11.1	(7.6)
Government grants	4.5	(0.2)
Computer equipment and software		2.5
Marketing costs		1.4
Travel related costs		1.2
ECL benefit	7.4	(0.1)
Bad debt expense	7.4	0.4
Foreign currency losses / (gains)		0.2
Auditor's remuneration		0.3
Other operating expenses		6.8
Total cost to serve and operating expenses	59.3	38.5

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

4.3 Personnel Costs



Accruals for personnel costs, including non-monetary benefits, commissions and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid using the remuneration rate expected to apply at the time of settlement, on an undiscounted basis. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Vista Group has pension obligations in respect of various defined contribution plans. Vista Group pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. Vista Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee entitlement expense when they are due.

4.4 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 in order to improve a reader's understanding of the financial statements.

SECTION	30 JUNE 2022 NZ\$m		30 JUNE 2021 NZ\$m
	UNAUDITED		Restated UNAUDITED
Acquisition expenses	5	(0.2)	-
Impairment charges - Vista China investment	9.4	(8.9)	-
Impairment charges - Vista China intangibles	11.2	(1.1)	-
Impairment charges - Sublease asset	8.1	(0.9)	-
Sales tax expense	15.1	-	(0.4)
Total other gains and losses		(11.1)	(0.4)

Impairment charges in 2022 all relate to the cinema segment.

Vista Group completed a US sales tax economic nexus study in 2021 which revealed sales taxes should have been charged to US-based customers (see section 15.1 for further details). The associated cost is considered one-off and exceptional in nature, as it would not have been incurred if Vista Group collected the taxes from the customers.

4.5 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.

Vista Group recognised \$0.2m of government grants in the income statement during the period (30 June 2021: \$4.1m). Details of these grants are as follows:

- **Research & development grants:** Vista Group enrolled to receive the New Zealand Research & Development Tax Incentive (RDTI) in 2021. Vista Group continue to believe it is entitled to this grant, however the cash is expected to be received in late 2022 or early 2023. Estimates of the amount to be received under the RDTI have evolved as new facts are known, and the financial statements have been prepared on the following basis:

30 June 2021: Accrued \$1.3m (\$1.0m to the income statement, \$0.3m to capitalised development).

31 December 2021: Accrued \$2.3m (\$2.1m to the income statement, \$0.2m to capitalised development).

30 June 2022: No change to the \$2.3m accrued at 31 December 2021.

Predominantly all of the 2021 RDTI claim relates to the Transitional Support Payment, which is no longer available in 2022. Vista Group are currently assessing whether it will be eligible for a 2022 RDTI grant for work completed on the Vista Cloud and Movio EQ projects – however at 30 June 2022 no amounts have been accrued due to management not yet having reasonable assurance Vista Group will be eligible.

- **HSBC PPP loan:** In 2020, Vista Group entered into a US\$2.0m loan arrangement with HSBC as part of the US Government paycheck protection program (PPP). This loan was a US Government designed incentive for businesses impacted by the pandemic to keep staff employed. 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.

Forgiveness of this loan was obtained in H1 2021. Accordingly, the NZ\$2.8m loan was de-recognised in 2021 with the associated credit being classified as a government grant within other income.

- **Wage subsidies:** Vista Group received \$0.2m during the period from various governments (30 June 2021: \$0.3m). The purpose of these subsidies were to help incentivise businesses to retain as many employees as possible.

5. Retriever acquisition (significant judgement / estimate)

On 16 February 2022, Vista Group announced it had acquired the assets of US entertainment software company Retriever Software Inc. ('Retriever'). Vista Cinema acquired Retriever's software and customer relationships, with an offer of employment to all current employees. This transaction resulted in Vista Cinema adding over 100 new customers – further strengthening its market share in the US and cementing its position as the leading cinema software provider in that market.

After applying a concentration test the transaction was classified as an asset acquisition. Accordingly, it was determined all of Retriever's fair value was attributed to the customer relationships.

The fair value of the net assets acquired, along with the components that form consideration, are as follows:

SECTION	NZ\$m UNAUDITED
Fair value of the net assets acquired	
Customer relationships	9.6
Net assets acquired	9.6
Total consideration satisfied by:	
Cash consideration	3.3
VGL share consideration	13.2
Contingent cash consideration	3.1
Total consideration	9.6

On the date of acquisition, 1,529,987 shares in Vista Group were issued to the vendors of Retriever.

Contingent cash consideration of \$3.1m is assumed to be 100% earned and is comprised of the following two earn-outs.

- Between US\$0.5m and US\$1.0m contingent cash consideration payable before 30 April 2023, based on specific post-completion revenue targets; and
- Up to US\$1.125m contingent cash consideration payable based on the retention and integration of key customers over the 24 month period post completion.

At 30 June 2022, the contingent consideration liability had increased to \$3.3m due to movements in the USD exchange rate.

Acquisition costs in this transaction were \$0.2m, which have been included on the income statement within other gains and losses (see section 4.4).

6. Cash flows and borrowings

6.1 Reconciliation of net profit to operating cash flows

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m Restated UNAUDITED
Loss for the period	(18.0)	(3.1)
<i>Non-cash items:</i>		
Amortisation	11.1	4.0
Depreciation	2.7	3.4
Impairment charges	4.4	-
Share-based payment expense	1.9	3.0
Deferred tax expense	(4.0)	(1.4)
Non-cash finance charges	0.2	0.3
Share of equity accounted loss from associates and JVs	9.3	0.3
Unrealised foreign currency gains	0.2	0.9
ECL benefit	7.4	(3.7)
Movement in revenue provision - concession discounts	7.5	(3.7)
Movement in revenue provision - credit risk	7.5	2.8
Movement in other provisions	12.2	0.2
Net non-cash items	16.1	6.1
<i>Movements in working capital:</i>		
Increase / (decrease) in related party trade and other payables	0.1	(0.5)
Increase in related party trade and other receivables, net of deferred revenue	(1.2)	(0.5)
Decrease in trade and other payables	(0.5)	(3.5)
Decrease in trade and other receivables, net of deferred revenue	7.2	2.5
Decrease in net taxation receivable	1.4	-
Net change in working capital	7.0	(2.0)
Net cash inflow from operating activities	5.1	1.0

6.2 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 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Balance at 1 January	16.8	18.1
Repayments during the period	(0.1)	-
Drawdowns during the period	-	0.6
PPP loan forgiveness during the period	-	(2.8)
Movement in foreign exchange	1.7	0.9
Total borrowings at period end	18.4	16.8
<i>Represented by:</i>		
Borrowings - external	17.9	16.2
Borrowings - related parties	0.5	0.6
Total borrowings at period end	18.4	16.8

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-22	31-Dec-21	30-Jun-22	31-Dec-21
ASB - revolving credit	General commercial / Future acquisitions	Jan 2026	40.0	1.78%	1.57%	17.9	16.2
ASB - overdraft	Working capital	On demand	2.0	6.48%	4.78%	-	-
Related parties	Working capital	On demand	0.5	4.00%	4.00%	0.5	0.6
Total borrowings at period end			42.5			18.4	16.8

A line fee of 1.45% is also paid on the credit limit of the ASB revolving credit facility.

With the ASB revolving credit facility due for maturity in January 2023, Vista Group agreed to new terms in June 2022. The facility has been extended by three years with a reduced credit limit of \$42.0m (including the overdraft facility). Details are provided in the table above.

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 80% of Vista Group.

Vista Group has been compliant with all ASB covenants for both the current and prior reporting periods.

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

7. Trade and other receivables

7.1 Carrying value of trade and other receivables

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Trade receivables	36.2	38.9
Accrued revenues	7.3	4.6
Revenue provision - concession discount	2.3	(1.4)
Revenue provision - credit risk	2.3	(8.9)
ECL provision	7.4	(4.6)
Sundry receivables	3.3	4.2
Prepayments	2.5	3.3
Vista China acquisition deposit	0.5	0.4
Total trade and other receivables	37.3	36.5

7.2 Trade receivables

Included within trade receivables is a receivable from Vista China of \$2.4m (31 December 2021: \$nil).

7.3 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 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Balance at 1 January	4.6	5.9
Amounts included in opening balance released in the current period	(3.0)	(5.0)
Additional accrued revenues recognised during the period	5.4	3.5
Exchange movements	0.2	0.2
Accrued revenues at period end	7.2	4.6

7.4 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.

The 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 2022.

- 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 31 December 2021, Vista Group included a 10% insolvency risk assumption for all Cinema or Movio segment customers. Although the pandemic continues, there have been no further developments since 31 December 2021 that the Board believe would change the outlook for Vista Group. Accordingly, at 30 June 2022, Vista Group applied judgement by keeping the insolvency risk for all Cinema or Movio segment customers unchanged at 10%.

- 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 2.3 for more details). The movement in the ECL provision during the period was as follows:

	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Balance at 1 January	4.6	7.7
Bad debts written off	(0.4)	(0.7)
Change in provision	0.3	(2.4)
Exchange differences	0.2	-
ECL provision at period end	4.7	4.6

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

30 JUNE 2022 (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	26.6	5.2	1.5	1.5	1.4	36.2
Baseline	0.4	0.1	-	-	-	0.5
Aging, write offs and collection	-	-	0.1	0.1	0.1	0.3
Country, customer and market	0.1	-	-	-	-	0.1
ECL - general provision	0.5	0.1	0.1	0.1	0.1	0.9
ECL - specific provision	1.2	1.2	0.1	0.2	1.1	3.8
Total ECL provision	1.7	1.3	0.2	0.3	1.2	4.7
<i>General provision effective rate</i>	<i>1.9%</i>	<i>1.9%</i>	<i>6.7%</i>	<i>6.7%</i>	<i>7.1%</i>	<i>2.5%</i>
31 DECEMBER 2021 (AUDITED)						
Net trade receivables and accrued revenues¹	25.4	4.0	1.3	1.1	1.8	33.6
Baseline	0.5	0.1	0.1	0.1	-	0.8
Aging, write offs and collection	-	-	-	-	0.1	0.1
Country, customer and market	0.1	-	-	-	-	0.1
ECL - general provision	0.6	0.1	0.1	0.1	0.1	1.0
ECL - specific provision	1.9	0.5	0.1	-	1.1	3.6
Total ECL provision	2.5	0.6	0.2	0.1	1.2	4.6
<i>General provision effective rate</i>	<i>2.4%</i>	<i>2.5%</i>	<i>7.7%</i>	<i>9.1%</i>	<i>5.6%</i>	<i>3.0%</i>

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

7.5 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 28.6% were a reasonable level to provide against trade receivables and accrued revenues.

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Trade receivables and accrued revenues	43.4	43.5
Revenue provision - concession discounts	2.3	1.4
Revenue provision - credit risk	2.3	8.9
ECL provision	7.4	4.6
Total provisioning	12.4	14.9
<i>Total provisioning effective rate</i>	<i>28.6%</i>	<i>34.3%</i>

One of the key judgements was that 10% of core business receivables may not be collectible. The following illustrates the sensitivity of this judgement.

30 JUNE 2022 (UNAUDITED)	5% JUDGEMENT NZ\$m	10% JUDGEMENT NZ\$m	15% JUDGEMENT NZ\$m
Revenue provision - concession discount	0.7	0.7	0.7
Revenue provision - credit risk	6.8	7.0	7.2
ECL provision	4.0	4.7	5.9
Total provisioning	11.5	12.4	13.8
<i>Total provisioning effective rate</i>	<i>26.5%</i>	<i>28.6%</i>	<i>31.8%</i>

8. Net investment in sublease

8.1 Carrying amount of investment in sublease asset

	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Balance at 1 January	2.7	-
Additions during the period	-	2.7
Impairment charges	(0.9)	-
Lease payments received (including interest)	(0.1)	(0.1)
Exchange differences	-	0.1
Net investment in sublease at period end	1.7	2.7
<i>Represented by:</i>		
Current portion	-	0.5
Non-current portion	1.7	2.2
Net investment in sublease at period end	1.7	2.7

Vista Group reviewed the sublease asset for impairment at 30 June 2022 as the subtenant vacated the premises with 4 years of the sublease term remaining. Vista Group has rights under the lease agreement, which it intends to vigorously pursue, including the ability to enforce continued payment of rent until a new subtenant is found and recovery of associated costs.

The recoverable amount under this sublease was calculated using a probability-weighted evaluation of the most probable outcomes. The recoverable amount is sensitive to the length of time it may take to find a replacement subtenant, along with the rental amount per square foot achieved. The range of impairment charges that could be recognised under all likely scenarios was \$nil to \$1.4m, meaning any delta from the \$0.9m recognised is not anticipated to be material.

8.2 Maturity of net investment in sublease asset

	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Less than one year	-	0.6
One to five years	2.0	2.3
More than five years	-	-
Total undiscounted lease payments receivable	2.0	2.9
Unearned finance income	(0.3)	(0.2)
Net investment in sublease at period end	1.7	2.7

9. Investment in associates and joint ventures

9.1 Holdings in associates and joint ventures

NAME OF ENTITY	INVESTMENT TYPE	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	HOLDING PERCENTAGE	
				30-Jun-22	31-Dec-21
Vista Entertainment Solutions (Shanghai) Limited	Associate	China	China	47.5%	47.5%

The following disclosures have been reduced from prior reporting periods as Vista Group no longer consider Vista China to be a material component of Vista Group's market capitalisation.

9.2 Carrying value of associates and joint ventures

	VISTA CHINA	
	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Opening net assets	10.7	14.9
Loss for the period	(5.7)	(4.2)
Closing net assets	5.0	10.7
Vista Group weighted average shareholding	47.5%	47.5%
Share of closing net assets	2.4	5.1
Goodwill	20.2	20.2
Accumulated impairment charges	(22.6)	(13.7)
Carrying value of associates and JVs at period end	-	11.6

9.3 Share of equity accounted losses

	VISTA CHINA	
	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m UNAUDITED
Loss for the period	(5.7)	(0.6)
Vista Group weighted average shareholding	47.5%	47.5%
Vista Group share of equity accounted losses	(2.7)	(0.3)

9.4 Impairment of Vista China (significant judgement / estimate)

- ① The Chinese Government's continued 'zero-covid' public health response, including broad based lockdowns across many major cities, has continued to negatively impact the cinema industry and box office in China. The majority of Vista China's revenue is directly related to box office performance, and as a result was significantly reduced for the second quarter of 2022. At the beginning of June 2022 lockdowns were eased with the box office in China showing early signs of recovery. However, the situation in China remains uncertain and, based on the forecast box office through to the end of 2023, Vista China is expected to continue to face significant challenges going forward.

At 30 June 2022, Vista Group has reviewed its investment in Vista China for objective evidence of impairment. In accordance with IAS 28 *Investments in Associates and Joint Ventures*, Vista Group has concluded that this definition was met due to there being a 'significant financial difficulty of the associate or joint venture' (subsection 41A(a)). Based on the information available and the continued uncertainty in the market in China, Vista Group has estimated the recoverable amount of its investment in Vista China at 30 June 2022 to be nil. An impairment charge of \$8.9m has been recognised on the income statement during the period (see section 4.4).

10. Goodwill

Vista Group reviewed the carrying value of its goodwill for indicators of impairment at 30 June 2022. No such indicators were noted. In accordance with NZ IAS 36 *Impairment of Assets*, no impairment review was performed at 30 June 2022.

11. Other intangible assets

11.1 Carrying amount of intangible assets

30 JUNE 2022 (UNAUDITED)	INTERNALLY GENERATED SOFTWARE NZ\$m	SOFTWARE LICENSES NZ\$m	INTELLECTUAL PROPERTY NZ\$m	CUSTOMER RELATIONSHIPS NZ\$m	TOTAL NZ\$m
Gross carrying amount					
Balance at 1 January	50.6	4.6	2.6	6.0	63.8
Additions	7.6	-	-	9.6	17.2
Disposals	(1.3)	(0.1)	-	-	(1.4)
Impairment charges	(1.3)	-	-	-	(1.3)
Exchange differences	0.1	-	(0.1)	0.8	0.8
Balance at period end	55.7	4.5	2.5	16.4	79.1
Accumulated amortisation					
Balance at 1 January	(15.7)	(2.4)	(1.8)	(4.1)	(24.0)
Current period amortisation	(4.4)	(0.4)	(0.1)	(0.8)	(5.7)
Disposals	1.3	0.1	-	-	1.4
Impairment charges	0.2	-	-	-	0.2
Exchange differences	-	0.1	0.1	(0.3)	(0.1)
Balance at period end	(18.6)	(2.6)	(1.8)	(5.2)	(28.2)
Intangible assets at 30 June 2022	37.1	1.9	0.7	11.2	50.9

31 DECEMBER 2021 (AUDITED)

Gross carrying amount					
Balance at 1 January	38.1	4.9	2.7	6.8	52.5
Additions	12.6	-	-	-	12.6
Disposals	(0.1)	(0.1)	(0.1)	(0.8)	(1.1)
Exchange differences	-	(0.2)	-	-	(0.2)
Balance at period end	50.6	4.6	2.6	6.0	63.8
Accumulated amortisation					
Balance at 1 January	(9.4)	(2.1)	(1.7)	(4.2)	(17.4)
Current period amortisation	(6.4)	(0.5)	(0.2)	(0.7)	(7.8)
Disposals	0.1	0.1	0.1	0.8	1.1
Exchange differences	-	0.1	-	-	0.1
Balance at period end	(15.7)	(2.4)	(1.8)	(4.1)	(24.0)
Intangible assets at 31 December 2021	34.9	2.2	0.8	1.9	39.8

Cash additions for the period were \$10.9m including \$3.3m cash consideration transferred for the Retriever customer relationships (31 December 2021; \$11.9m).

11.2 Impairment testing of internally generated software

Vista Group reviewed the carrying value of its internally generated software assets for indicators of impairment at 30 June 2022 and determined all intangible assets owned by Vista Group relating to Vista China specific software was fully impaired. An impairment charge of \$1.1m has been recognised on the income statement during the period (see section 4.4). No other indicators of impairment were noted.

12. Provisions

A provision is a liability of uncertain timing or amount and is recognised when Vista Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

12.1 Carrying amount of provisions

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
US sales taxes	12.3	1.3
Lease dilapidations		0.4
Total provisions at period end	1.7	3.2
<i>Represented by:</i>		
Current		1.3
Non-current		0.4
Total provisions at period end	1.7	3.2

12.2 Movement in provisions

SECTION	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Balance at 1 January		3.2
US sales taxes	12.3	(1.5)
Organisation restructuring		-
Movement in lease dilapidations		-
Onerous contracts		-
Other		-
Total provisions at period end	1.7	3.2

12.3 US sales tax provision

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. With the assistance of external US sales tax experts, Vista Group completed an economic nexus study during H2 2021. This involved a full review of all sales in each state from the end of 2018 (the date when states were able to first legislate nexus testing) to determine if an economic sales tax nexus was triggered.

The result of the economic nexus review was that Vista Group had an obligation to register and collect sales tax in some states. The total obligation was estimated to be \$2.8m (of which \$1.3m relates to 2019, \$0.7m relates to 2020 and \$0.8m relates to 2021). Vista Group are finalising voluntary disclosure agreements with all relevant state departments with \$1.3m still expected to be paid.

The following represents the provision (net of any reasonably expected penalty or tax waivers):

	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Balance at 1 January		2.8
Sales tax expense		(0.2)
Use of money interest		(0.1)
Repayments during the period		(1.3)
Exchange differences		0.1
US sales tax provision at period end	1.3	2.8

13. Capital structure

13.1 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 rights 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 2022 UNAUDITED	30 JUNE 2021 Restated UNAUDITED
Weighted average ordinary shares for basic EPS (millions)	232.6	228.7
<i>Effect of dilution:</i>		
Share options and awards (millions)	4.8	5.0
Weighted average ordinary shares adjusted for the effect of dilution	237.4	233.7
Loss for the period attributable to owners of the parent (NZ\$m)	(17.8)	(3.3)
Basic and diluted EPS (cents)	(\$0.08)	(\$0.01)

13.2 Contributed capital

At 30 June 2022, there were 233,192,093 shares in issue (31 December 2021: 231,225,495). The following reflects where these shares were allocated:

	MILLIONS OF SHARES		NZ\$m	
	30 JUNE 2022 UNAUDITED	31 DECEMBER 2021 AUDITED	30 JUNE 2022 UNAUDITED	31 DECEMBER 2021 AUDITED
Share issued and fully paid:				
Balance at 1 January	231.2	228.6	131.3	126.0
Ordinary shares issued during the period:				
Shares issued as a part of Retriever asset acquisition	1.5	-	3.2	-
Employee incentives	0.5	2.6	0.9	4.7
Tax on share-based payments	-	-	(0.2)	0.6
Total contributed equity at period end	233.2	231.2	135.2	131.3

Vista Group issued 1,529,987 shares on 16 February 2022 which formed part of the consideration transferred for the Retriever asset acquisition (see section 5).

14. Financial instruments

14.1 Financial instruments by category

	FINANCIAL ASSETS AT AMORTISED COST NZ\$m	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH P&L NZ\$m	FINANCIAL LIABILITIES AT AMORTISED COST NZ\$m	TOTAL NZ\$m
30 JUNE 2022 (UNAUDITED)				
Cash	51.9	-	-	51.9
Trade receivables	23.8	-	-	23.8
Sundry receivables	3.3	-	-	3.3
Net investment in sublease	1.7	-	-	1.7
Total financial assets	80.7	-	-	80.7
Borrowings - external	-	-	17.9	17.9
Borrowings - related parties	-	-	0.5	0.5
Trade payables	-	-	4.7	4.7
Sundry payables	-	-	4.6	4.6
Lease liabilities	-	-	20.3	20.3
Contingent consideration	-	3.3	-	3.3
Total financial liabilities	-	3.3	48.0	51.3
31 DECEMBER 2021 (AUDITED)				
Cash	60.4	-	-	60.4
Trade receivables	24.0	-	-	24.0
Sundry receivables	4.2	-	-	4.2
Net investment in sublease	2.7	-	-	2.7
Total financial assets	91.3	-	-	91.3
Borrowings - external	-	-	16.2	16.2
Borrowings - related parties	-	-	0.6	0.6
Trade payables	-	-	2.1	2.1
Sundry payables	-	-	5.9	5.9
Lease liabilities	-	-	22.6	22.6
Total financial liabilities	-	-	47.4	47.4

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. The contingent consideration of the Retriever asset acquisition is subsequently fair valued using level 3 measurements, such as the probability Vista Group deem the earn-outs are likely to be earned and movements in exchange.

15. Other disclosures

15.1 Restatement of prior period errors

Vista Group completed a US economic nexus sales tax study in H2 2021 (see section 12.3). The result of the study was that Vista Group had an obligation to register and collect sales tax in some states. The total obligation was estimated to be \$2.8m (of which \$1.3m relates to 2019, \$0.7m relates to 2020 and \$0.8m relates to 2021).

These interim financial statements have been restated as the prior period adjustment of \$1.3m on the statement of changes in equity at 1 January 2021 is considered to be a material prior period error.

The following table below shows the restated income statement and statement of other comprehensive income.

	SECTION	30 JUNE 2021 Previously Reported NZ\$m	Adjustment NZ\$m	30 JUNE 2021 Restated NZ\$m
Other gains and losses	4.4	-	(0.4)	(0.4)
Taxation expense		(0.5)	(0.1)	(0.6)
Loss for the period		(2.6)	(0.5)	(3.1)

15.2 Related parties

Related parties are materially consistent with those disclosed in the 2021 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 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED	30 JUNE 2022 NZ\$m UNAUDITED	31 DECEMBER 2021 NZ\$m AUDITED
Associates and joint ventures	2.4	-	(1.3)	(1.2)

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

	ASSOCIATES AND JOINT VENTURES	
	30 JUNE 2022 NZ\$m UNAUDITED	30 JUNE 2021 NZ\$m UNAUDITED
Receiving of services	-	(0.2)
Rendering of services	2.4	2.3
Total related party transactions	2.4	2.1

Vista Group recognised \$0.9m of maintenance revenue from Vista China during the period (30 June 2021: \$1.1m), with \$1.5m being provisioned from the total amount due.

15.3 Going concern

These consolidated interim financial statements have been prepared on a going concern basis, which 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. The minimum requirement by NZ IAS 1 *Presentation of Financial Statements* being at least, but not limited to, twelve months from the end of the reporting period.

Vista Group has prepared cash flow projections factoring in the current market, covering a period of at least twelve 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 2022, Vista Group had \$76.0m in liquidity, with \$51.9m in cash and \$24.1m of undrawn ASB revolving credit and overdraft facilities. In addition to this, Vista Group's EBITDA and operating cash flows for the half year have remained positive. The ASB facilities have also been renewed and are now due to mature in January 2026.

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

15.4 Other notices

There were no significant capital commitments or contingent liabilities for Vista Group at 30 June 2022 (31 December 2021: \$nil). There were no dividends declared or paid to shareholders during the period (31 December 2021: \$nil).

15.5 Events after balance date

On 22 August 2022, Vista Group released a NZX/ASX market announcement responding to media speculation regarding a major customer based in the United Kingdom and United States potentially entering into a bankruptcy process. Vista Group is continuing to monitor the situation closely, but does not expect it to have a material impact on these interim financial statements.

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

29 August 2022



Vista Group
International
Limited

2022

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 **Questions**



Vista Group's **purpose** is to bring more people together to **experience the magic** of movies and cinema by creating the platform that **connects the industry** and **powers the moviegoer experience**

Vista Group – H1 2022

Back in the Picture

- Moviegoer sentiment has recovered – box office growth is following
- Interest in the Vista Cloud platform is well ahead of our projections
- Really positive feedback from customers on our cloud platform
- Blockbusters such as *Top Gun: Maverick* and *Jurassic Park Dominion* are driving box office in all territories
- Group revenue up 39% over H1 2021 – with recurring revenue up 43%, now 86% of total
- Resilient EBITDA¹ and operating cashflow results
- Cash reserves maintained – disciplined financial management

1. 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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

"Our conclusion is expensive direct-to-streaming movies.....is no comparison to what happens when you launch a film in the theaters... and so we're making a strategic shift."

CEO, Warner Discovery (Aug'22)

"We are delighted with the ease of use and capability of the Vista Cloud software, and we look forward to improving how we serve our guests on the new platform."

CEO, NCG (Aug'22)



Financial results

Financials

Total Revenue

\$62m +39%

Recurring Revenue¹

\$54m +43%

SaaS Revenue¹

\$18m +49%

EBITDA²

\$3m +11% (adj ECL³)

Operating Cashflow

\$5m +\$4m

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2.1 of the 2022 Interim Report.

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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

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

Trading performance

NZ\$m (Six Months – Unaudited)	30 Jun 2022	30 Jun 2021¹	% Change
Revenue	62.4	44.9	+39%
Expenses	(59.2)	(42.3)	+40%
Expected Credit Loss	0.1	3.7	
Foreign exchange (losses)/gains	(0.2)	0.1	
EBITDA²	3.1	6.4	-52%
<i>EBITDA² excl ECL³</i>	<i>3.0</i>	<i>2.7</i>	<i>+11%</i>
Depreciation and amortisation	(8.4)	(7.4)	
Net finance costs	(0.8)	(0.8)	
Other (incl. impairment, share of associates)	(13.8)	(0.7)	
Loss before tax	(19.9)	(2.5)	
Net loss attributable to Vista Group shareholders	(17.8)	(3.3)	

1. See section 15.1 of the 2022 Interim Report for information of restatement of prior period US sales tax obligations.

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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

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

- Revenue ahead of guidance, Retriever and hardware upsides
- Good recurring revenue growth, both recovery and new
- Year-on-year improvement of 11% on EBITDA², after adjusting for ECL³
- Strong box office supporting customer recovery
- Good cost management, despite inflation and people cost pressure
- Loss before tax primarily driven by non-cash impairment of Vista China

The recovery story

NZ\$m (Six Months – Unaudited)	1H20	2H20	1H21	2H21	1H22	% of Rev
Recurring Revenue ¹	32.9	32.6	37.3	44.1	53.5	86%
Non-Recurring Revenue ¹	11.9	10.1	7.6	9.1	8.9	14%
Total revenue	44.8	42.7	44.9	53.2	62.4	
Cost to serve	19.0	18.5	16.8	19.6	24.0	38%
Gross profit	25.8	24.2	28.1	33.6	38.4	62%
Sales and marketing	5.1	4.7	4.2	5.1	6.8	11%
Research and development	9.6	9.2	10.3	12.0	12.6	20%
General and administration	13.2	13.5	11.0	15.2	15.8	25%
ECL ² expense/(credit)	5.8	1.1	(3.7)	0.6	(0.1)	
Exchange (gains)/losses	(1.4)	0.6	(0.1)	0.6	0.2	
EBITDA³	(6.5)	(4.9)	6.4	0.1	3.1	5%
<i>EBITDA³ excl ECL²</i>	<i>(0.7)</i>	<i>(3.8)</i>	<i>2.7</i>	<i>0.7</i>	<i>3.0</i>	

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2.1 of the 2022 Interim Report.

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

3. 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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

4. ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.

- Strong 1H22 result
- Good recurring revenue growth
- ARR⁴ now \$112m
- Retriever and hardware upside
- Revenue provision for Vista China maintenance
- Headcount growth and in market activity accelerating (marketing, travel and hosting)
- Inflation watch on price and costs

Operating segments

30 June 2022 (Six Months – Unaudited)

NZ\$m	Cinema	Movio	AGC	Corporate	Total
Revenue	43.7	9.0	9.7	-	62.4
EBITDA ¹	7.8	2.0	0.3	(7.0)	3.1
EBITDA % of revenue	18%	22%	3%		5%

30 June 2021 (Six Months – Unaudited)

NZ\$m	Cinema	Movio	AGC	Corporate	Total
Revenue	31.5	6.5	6.9	-	44.9
EBITDA ¹	10.9	0.8	-	(5.3)	6.4
EBITDA % of revenue	35%	12%			14%

Revenue growth	39%	38%	41%		39%
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1. 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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

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

- All segments showed strong revenue growth as a result of sustained box office recovery
- Good EBITDA¹ margins across operating segments – adjusting for ECL² reversals in 1H21 (\$3.7m)

Financial position

NZ\$m	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)	% Change
Cash	51.9	60.4	-14%
Receivables and other current assets	38.2	39.2	-3%
Non-current assets	145.9	143.5	+2%
Current liabilities	50.7	47.6	+7%
Non-current liabilities	35.0	35.7	-2%
Net assets / total equity	150.3	159.8	-6%

- Strong balance sheet maintained and cash position of \$51.9m (\$33.5m net of borrowings)
- Updated banking facilities to 2026
- Receivables aging improved, with most customers up to date on current billings, long-term aged balances remain key focus area
- 1H22 includes acquisition of Retriever and the impairment of Vista China

Cashflow

NZ\$m (Six Months Ended – Unaudited)	30 Jun 2022	30 Jun 2021	% Change
Receipts from customers	63.4	45.6	+39%
Payments to suppliers & employees	(57.2)	(43.1)	+33%
Tax & interest	(1.1)	(2.4)	
Pandemic related subsidies / tax deferrals	-	0.9	
Cash flow from operating activities	5.1	1.0	+410%
Retriever acquisition	(3.3)	-	
Capitalised development	(7.6)	(5.8)	+31%
Other investing activities	(0.7)	(0.5)	
Pandemic related support (US PPP loan)	-	(2.8)	
Other financing activities	(2.6)	(1.0)	
Net movement in cash held	(9.1)	(9.1)	
Opening cash	60.4	67.1	
Foreign exchange differences	0.6	0.1	
Closing cash	51.9	58.1	-11%

1. Operating cash burn is the movement in cash for the period, less the investment in Retriever and settling of US sales tax provisions.

- Positive operating cash, increased investment in Cloud journey, monthly operating cash burn¹ of \$0.6m in 1H22, and \$0.1m for the last 12 months
- Good collections during the half
- One off cash movements include Retriever acquisition, \$3.3m, and US sales tax, \$1.5m
- Net cash after borrowings of \$33.5m



Operational highlights

Vista Group Strategy

01



**Support our
customers to rebuild
their business**

02



**Expand our core platform
that delivers value
to our customers and
connects moviegoers**

03



**Create and
invest in new
opportunities**

Vista Cinema

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

- Blockbusters driving box office globally
- Strong demand for Vista Digital Platform as well as "full" Cloud
- Cinesa (Odeon Spain/Portugal) rollout continues at pace, will complete during 2nd half
- Positive feedback from 2nd Vista Cloud implementation (USA)
- Veezi site growth flat - driven by focus on ARPU
- Retriever acquisition accretive in revenue and EBITDA¹
- 3rd development squad added to Mexico development hub
- Estimated global enterprise market share (20+ screens), excluding China, remains at 51% - net of additions and closures

Revenue

\$43.7m

+39% vs 1H21

EBITDA¹

\$7.8m

1. 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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

Vista Cinema site count¹

(compared to 31 Dec 2021)

Market	Channel	31 Dec 2021	New Sites ¹	Closures / Losses ¹	30 Jun 2022
Enterprise	Direct	5,128	46	(116)	5,058
	India	1,509	97		1,606
	China	425	5		430
	Total Enterprise	7,062	148	(116)	7,094
Independent	Veezi	933	41		974
	Veezi China	147			147
TOTAL		8,142	189	(116)	8,215

1. Management estimate - due to the pandemic, market data is less available. New sites, closures and losses for Veezi, India and China are aggregated

2. Global market share excluding China.

Enterprise Market Share²

51%

New Enterprise Sites

46

The Vista Cloud journey



What we've achieved to date

- First customers live
 - #1 transitioned from managed service
 - #2 new to Vista Group
- Customer experience has been positive – both implementation and operations
- #3 customer in implementation

Where we are now

- Excellent pipeline with significant number of Vista Cinema customers actively engaged
- Commercial outcomes remain ahead of our expectations
- Feature parity on Vista Cloud
- Significant effort required to implement and manage operations
- Detailed roadmap of engineering laid out to automate / simplify / make easy

What's coming in 2023 and beyond

- Engineering to improve scalability and manageability and reduce cost to serve
- Roadmap for cloud only innovation (eg BI for Executives)
- Onboarding of additional customers

Movio

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

Movio Cinema

- Connections and Active Moviegoer counts continue to grow month on month
- Volumes for most customers ahead of equivalent months pre-pandemic
- Adding at least one new customer every month
- Next generation Movio Cinema on track
- Operational services demand increasing driven by ongoing staff shortages at exhibitors

Movio Research

- Research platform development continues with the addition of enhanced data points
- Campaign measurement deals have been signed with TikTok and Snap

Movio Media / Madex

- Exhibitors trialling Madex in Europe, Australia, and the USA
- Movio Media had a quieter first half – however a major studio has signed with activity starting in Q3

Revenue

\$9.0m

+38% vs 1H21

EBITDA²

\$2.0m

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, amortisation, "other gains and losses" (see section 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

Additional Group Companies (Portfolio)

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Solid financial results with revenue and EBITDA¹ growth
- Mica customer numbers continue to trend upwards with 25 live now
- Continuing increase in coverage in each market covered by Numero – exclusive deal with a major studio for international reporting

Flicks

Movie and cinema review and showtime guide

- Unique user growth ahead of plan – just under 2m in June (a record)
- Encouraging mix of cinema and streaming advertising

Powster

World leading film marketing products

- Showtimes have returned to strong pre-pandemic levels
- Creative revenue driven by Netflix and growing relationship with Twitch

Revenue

\$9.7m
+41%

EBITDA¹

\$0.3m

1. 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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

Associate companies

Vista China

- Public health response to cases of COVID has made for a tough first half, outlook remains uncertain and government policies fluid
- Conservative decision to take non-cash impairment charge (against the non-cash fair value gain from the 2016 partial divestment)
- Vista China continues to operate independently and is seeking to broaden the potential revenue base



Outlook

Industry outlook

- Universal recognition of the value of theatrical experience and an exclusive window across all major studios
- Very strong performance of blockbuster titles a highlight
- Pipeline of content growing in 2023 and beyond as production gears up again post-pandemic
- Average revenue per film equal to or higher in 2022 than in 2019
- Sub-major studios now releasing theatrically



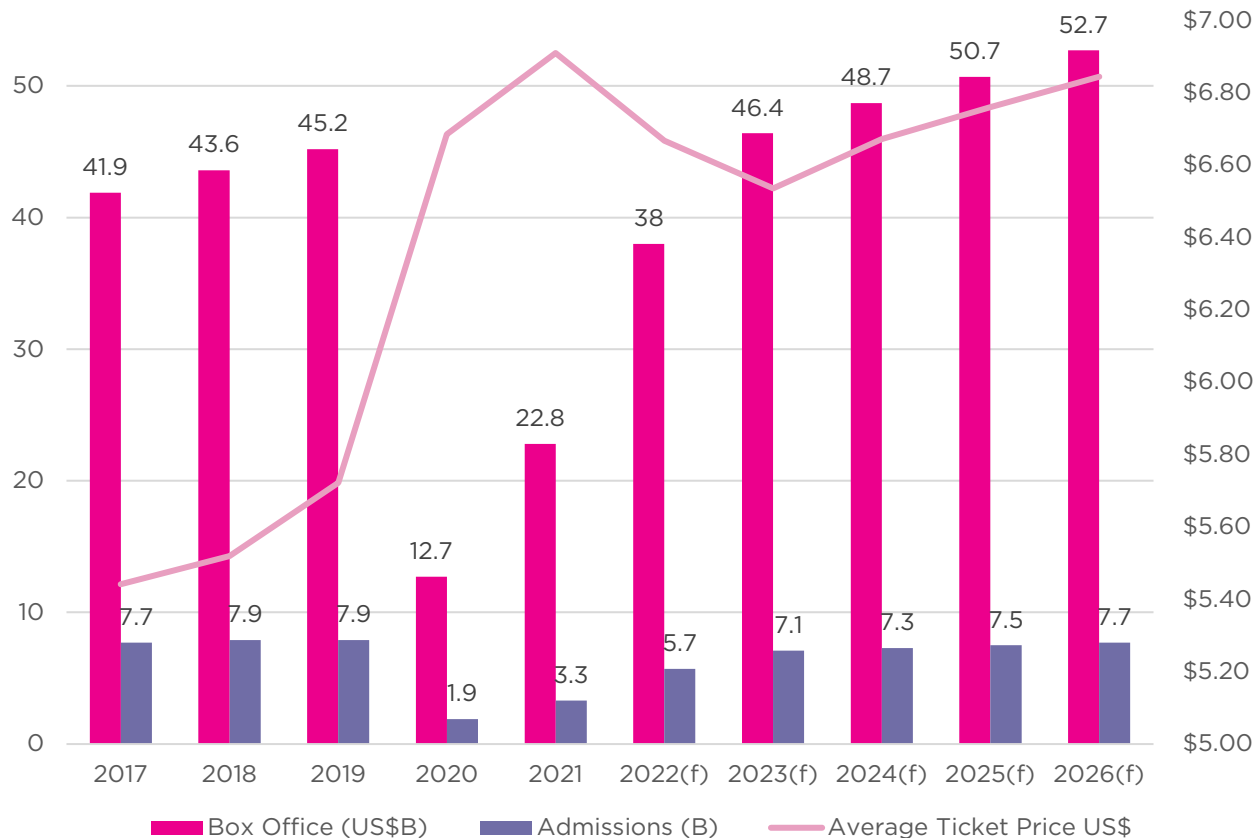
Film Slate 2022 - 2023

Q4 '22			Q1 '23			Q2 '23			Q3 '23		
October	November	December	January	February	March	April	May	June	July	August	Best of Rest
											
											
											
											

In its Global Entertainment & Media Outlook 2022-26, PwC predicts “Cinema revenues will rise to record highs as attendance rebounds.”

CAGR	2019-25
Box Office	2.2%
Admissions	-0.4%
Average Ticket Price	2.6%

Global Cinema Revenue Forecast - PwC





Vista Group Outlook

- Customer interest in Vista Cloud, Digital and EQ platform is well ahead of our expectations
- The commercial outcomes we are achieving with the platform remain robust and ahead of our initial projections
- Upgraded full year revenue guidance for 2022 in the range of \$123m – \$128m
- Operating cash flow for 2022 to remain positive, with investment primarily in the platform



Questions



VISTA
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Media Release

29 August 2022, Vista Group International Ltd, Auckland, New Zealand

Vista Group upgrades revenue guidance as box office growth continues

Auckland, New Zealand, 29 August 2022 – Vista Group (VGL) reported its interim results for the period ending 30 June 2022 today, with upgraded revenue guidance for the full year to 31 December 2022 of \$123-128m, reflective of a strong global cinema industry recovery. Vista Group had previously projected revenue of \$118-123m.

Kimbal Riley, Vista Group Chief Executive, commented: “We are very pleased to present a return to good, solid growth in our interim results. The increase in recurring revenue is a welcome indication of the cinema industry’s renewed strength and, after pandemic challenges, it’s heartening to see continued box office growth.

“Our sustained focus on innovation has seen our SaaS platform, Vista Cloud, go live with a second customer, and we were pleased to announce the first major cinema circuit, with over 300 sites, has also signed up for the offering. Meanwhile, Movio is on the cusp of an exciting product launch that will see significant improvements to the depth, functionality and usability of its cinema offering. A packed film slate further signals increased momentum and solidifies our role in creating the platform that connects the industry and powers the moviegoer experience.”

Industry Highlights

- Global cinema industry is showing strong recovery post-pandemic – and there’s more to come
- Box office growth and momentum sustained across all major markets
- SaaS platform strategy increases Vista Group’s relevance as the industry rebounds.

Financial Highlights

- Total revenue of \$62.4m, an improvement of 39% compared to the first half of 2021, and recurring revenue up 43%
- EBITDA¹ of \$3.1m and positive operating cashflow of \$5.1m
- Accelerated investment across the SaaS platform, with monthly cash burn of only \$0.1m over the last 12 months

Operational Highlights

- Major cinema enterprise circuit signed to Vista Cloud with over 300 sites
- Strong customer interest in the SaaS platform
- Maintained 51% market share of the estimated global enterprise market (20+ screens), excluding China.

The trading performance for the first half of 2022 was strong and reinforced a healthy return to form for the industry. The film slate continues to be solid, with some of the highest-grossing films of all time, including *Top Gun: Maverick*, having been released in recent months. The pipeline of content is growing in 2023 and beyond as production gears up again post-pandemic, with an average revenue per film in 2022 that was equal to or higher than in 2019.

Vista Group's reported revenue of \$62.4m was up 39% on the first half of 2021, with recurring revenue up 43%, while EBITDA¹ of \$3.1m was up 11% on the first half of 2021 (after adjusting for expected credit loss provisions).

Vista Cinema, Vista Group's largest business, reported revenue up 39% to \$43.7m, with recurring revenue up 46% due to the improved box office, while EBITDA¹ of \$7.8m was up from the first half of 2021 (after adjusting for expected credit loss provisions). Market share remains difficult to confirm, but Vista Group estimates it has retained 51% share of the global enterprise market (20+ screens), excluding China.

Vista Cloud is live with two customers, including the transition of our first US customer from the Retriever platform in the United States. A third customer has signed up with the major Latin American enterprise customer that is expected to transition over 300 sites to Vista Digital, and then Vista Cloud, over time. The SaaS platform focussed developments continue to represent the majority of Vista Group's innovation spend.

Movio, the global leader in data analytics and campaign management solutions for the cinema industry, reported revenue up 38% to \$9.0m against the first half of 2021, as variable fees increased with the strength of the global box office. EBITDA¹ of \$2.0m was up more than 100% from the first half of 2021. Movio's new product is in beta with customers and is due to go live in Q4 of 2022. This will largely complete the transformation of its core technology that was started in mid-2020.

Box office reporting platform, Numero, and film distribution software business, Maccs, reported revenue up 19% with 25 customers now live on Maccs' product, mica. The geographic expansion of flash and electronic box office reporting continues to support strong and stable revenue growth.

Creative studio Powster's revenue was up 91% with a rebound of the global box office increasing demand for Powster's Showtimes platform and creative services, including expanded relationships with both Netflix and Twitch.

Cinema and streaming discovery platform, Flicks, reported revenue up 16% with strong advertising and its continued growth in Australia and the United Kingdom. Unique users are now approaching 2m across New Zealand, Australia and the United Kingdom.

Vista Group's balance sheet remains strong with cash of \$51.9m (or \$33.5m net of borrowings) and the extension of the ASB debt facilities. Investing cashflow increased from the first half of 2021, with the asset acquisition of Retriever and accelerated development of the SaaS platform.

For further information please contact:

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Vista Group International Limited
Contact: +64 9 984 4570

⁽¹⁾ 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 4.4 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 2022	
Previous Reporting Period	6 months to 30 June 2021	
Currency	New Zealand Dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$62,400	39.0%
Total Revenue	\$62,400	39.0%
Net profit/(loss) from continuing operations	(\$18,000)	(480.6%)
Total net profit/(loss)	(\$18,000)	(480.6%)
Interim Dividend		
Amount per Quoted Equity Security	No interim dividend will be paid in 2022	
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	\$0.10463477	\$0.19360635 (restated ¹)
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 Report for the six months ended 30 June 2022 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	29 August 2022	

Unaudited financial statements accompany this announcement.

¹ See section 15.1 of the 2022 Interim Report for information of restatement of prior comparable period US sales tax obligations.