Market Announcement

1 March 2023, Vista Group International Limited, Auckland, New Zealand.

Vista Group announces continued ARR growth as SaaS platform gains momentum

[Auckland, NZ, 1 March 2023]: Vista Group (VGL) reported its full year results for the period ending 31 December 2022 today, showing a strong operational year with overall revenue up 38% over 2021, and ARR of $118.0 million.

Financial Highlights

- Total revenue of $135.1m and Recurring Revenue[1] of $112.3m, both up 38% on 2021
- ARR[2] of $118.0m at 31 December 2022, up 22% on 31 December 2021
- EBITDA[3] of $10.6m (up 63% on 2021) and positive operating cashflow of $12.4m (up 10% on 2021)
- Capex investment across the SaaS platform continues capitalised development of $15.9m for 2022

Operational Highlights

- Cineplex (top 5 North American circuit) signed to Vista Cloud and is expected to go live on Vista Digital in 2023
- Movio Cinema EQ launched, offering a smarter, faster and more streamlined solution for cinemas to improve the way they market movies to their moviegoers
- Maintained 51% market share[4] of the estimated global enterprise market (20+ screens), excluding China

Industry Highlights

- Global cinema industry continues to build momentum, with strong North American and European markets
- *Avatar: The Way of Water* is now the third highest grossing movie of all time worldwide ($2.2b)
- Studios announce more diverse movies and clamour for best cinema release dates
- Cinemas excited for new digital channels to support greater engagement with their moviegoers

Outlook

- Vista Group expects 2023 total revenue to be in the range of $142m - $147m
- Vista Group reaffirms its aspirations from the October 2022 Investor Day of a 15%+ EBITDA margin[3], ARR[2] of between $175m - $205m and positive free cash flow, in each case by the end 2025

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

- 2022 Annual Report
- 2022 Full Year Result Investor Presentation
- 2022 Full Year Result Media Announcement
- 2022 Full Year NZX Results Announcement

For further information please contact:

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Vista Group International Limited
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[1] Recurring Revenue is defined in section 2.1 of the 2022 Annual Report.
[2] ARR is Annualised Recurring Revenue, calculated as trailing 3-month recurring revenue multiplied by four.
[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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates. EBITDA margin is EBITDA divided by total revenue.
[4] Market share is calculated using management estimates.

Vista Group Annual Report

2022

Our purpose

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

Contents

This report is dated 28 February 2023 and signed on behalf of Vista Group International Limited by Susan Peterson and James Miller.

Susan Peterson
Chair

James Miller
Chair Audit and Risk Committee

Dear Shareholder,

Welcome to Vista Group's Annual Report for 2022. Over the course of the year, our team has been working hard to successfully execute our platform strategy, and we are delighted to be able to share these results with you.

Supporting our clients' success

Supporting our clients to be more successful sits at the heart of every decision we make at Vista Group. The operating environment across the world has continued to evolve over the past year and, positioned at the intersection of technology and the moviegoing experience, Vista Group is ideally placed to support our clients to successfully adapt to these changes.

Our industry leading Vista Cloud SaaS platform delivers innovation to our clients more quickly and provides confidence that their systems give their customers the best possible experience. At an operational level, our platform reduces our clients' workload and, as a result, provides confidence to our clients that they have the best systems available at the lowest possible cost.

Our Vista Cloud platform has ignited strong interest from cinemas who are excited about a SaaS future. In 2022, we welcomed the Australian circuit Wallis Cinema as our first client to go live on the platform. Since then, Cineplex (a major Canadian cinema circuit), and others have committed to transition to Vista Cloud. As we provide business critical infrastructure for cinemas, we implement each transition carefully. This approach, supported by our great relationships and a clear understanding by our clients of the value that we bring to their business, ensures that we are successfully maintaining these relationships throughout the platform transition.

As a key part of the platform, we were delighted to launch Movio Cinema EQ in November. EQ offers a smarter, faster and more streamlined solution for cinemas to improve the way they market movies to moviegoers. This launch also cemented the powerful partnership of EQ and Vista Digital. In the post-pandemic era, there has been a swing to purchasing tickets, food and beverage through digital channels. EQ and Vista Digital provide our exhibitors with new and innovative ways to serve moviegoers via web, social, mobile and kiosk. We have included in this report stories from our clients who are experiencing the benefits that our platform has brought to their business.

Our performance

At our October Investor Day, we talked in greater detail about how our platform enables us to significantly increase our total addressable market. We remain on track to reach Annual Recurring Revenue of $175-205 million and deliver positive free cash flow in 2025.

It is pleasing to see our revenue ahead of updated guidance at $135.1 million, together with a solid EBITDA of $10.6 million and our cash result being consistent with forecast. These results reflect our key financial and operating strengths which include our long-term client relationships, our leading position in the global film industry, our strong annuity-based revenue and sustained profitability. Moving forward, we will maintain our careful financial discipline so we can realise the operating leverage generated through our platform.

It has been pleasing to see that cinema attendance across the globe continues to be strong, which is demonstrated by a number of box office highlights. Two of the most recognisable names in the business – Tom Cruise and James Cameron – marked their return to cinema in 2022 and, in doing so, shattered records. With titles like *Avatar: The Way of Water, Top Gun: Maverick* and *Black Panther: Wakanda Forever* bringing in record numbers in 2022, we expect to see large audiences enjoying a diverse film slate in 2023 that once again includes highly anticipated blockbusters.

Looking ahead

In 2023, we will expand our capabilities to further support our clients' ongoing success. An example of this is Vista Oneview, a mobile app that enables our cinema executives to keep their finger on the pulse of their business in real-time. The first phase of our next-generation business intelligence and decision support tools for the exhibition industry, it combines theatre, movie and moviegoer data from Vista, Numero and Movio.

Madex, from Movio, is the audience exchange platform connecting film distributors and cinema exhibitors with the ideal moviegoers for each film. After an initial limited release, we're excited to be expanding the reach and capabilities of Madex in 2023. This enables cinemas to better understand where their moviegoers are spending their time digitally so that they can look to connect with them in the most relevant way. This gives our clients confidence that they are optimising their marketing investment.

Sustainability journey

We have our part to play in making a difference to the world in which we operate. We call that *ngā mea pai me ngā tangata pai* - doing good things with good people.

We are pleased to share our first sustainability report, outlining our approach and progress thus far. Our forward-looking sustainability framework is built around three pillars:

- People: Caring for our people and communities
- Trust: Building greater trust
- Environment: Impactful innovation and consuming responsibly.

Due to the success of 'R&R Friday's', the 4.5-day work week trial that we undertook in 2021, we were delighted to make this a permanent initiative as we continue to encourage balance for our people. We found that our dedicated team have been able to sustain the productivity that our clients demand, and our regular monthly team surveys have consistently highlighted the positive working culture that this initiative has created. We have also invested in a new learning management platform which will be rolled out to our team in early 2023.

We have continued to focus on encouraging a happy and inclusive work environment where diversity is embraced. This year, we have welcomed two more female members to the Executive Leadership Team; Sarah Lewthwaite (CEO, Movio), and Anna Ferguson (Chief People Officer, Vista Group). We have also now commenced reporting to understand our gender pay gap and what steps we might take to bring transparency around any areas of opportunity.

We are also measuring our carbon footprint and we intend to publish our first voluntary carbon statement in 2023, using the standards of TCFD reporting. We are excited that our Vista Cloud strategy will also assist our clients to reduce their carbon footprint.

Executive changes

In June 2022, Murray Holdaway, Vista's co-founder, stepped down from his role of Chief Product Officer. Murray remains as a director on our Board and so we will continue to benefit from his deep understanding of the business and the industry.

In December 2022, Kimbal Riley announced his retirement after five years as Group CEO and nearly a decade at the company overall. On behalf of our Board and management team, I would like to warmly thank Kimbal for all that he has contributed during his time at Vista. Kimbal's leadership through the challenges that the pandemic presented the film industry and driving Vista Group's strategically important SaaS platform future have been standout highlights. Kimbal is a wonderful colleague, mentor and friend for many and will be greatly missed.

We are delighted that Stuart Dickinson will commence as our Group CEO in April 2023. Stuart is an experienced global technology executive, with more than 25 years of technology leadership experience, most recently as APAC applications practice leader and New Zealand Country Manager of NYSE listed DXC Technology (NYSE:DXC). Stuart has led significant transformation programmes in solutions and systems integration internationally and we extend a very warm welcome to him.

We are looking forward to a tremendously exciting 2023. Our team works passionately and tirelessly to fulfil our purpose to power the moviegoer experience, and to help more of our clients to be more successful. I'd like to personally thank each and every one of our team members for their dedicated contribution throughout the year.

Thank you for the trust you place in Vista Group and we hope that you and your loved ones remain safe and well.

Ngā mihi nui.

Susan Peterson
Chair

Group overview

Our 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.

This purpose serves as the driving force behind the Vista Cloud SaaS platform, bringing intention to our innovation and delivering value to our clients' customers - the moviegoer.

Our platform serves the full value chain of the film industry, from production and distribution to cinema exhibition and the moviegoer. The graphic on the opposite page illustrates how Vista Group views its vertical market and the fit of its solutions.

Our solutions follow the film from its creation through to screenings by cinemas for the moviegoer - the tracking of all the data, interrelationships and information that is needed by each party for the duration of that journey. We report on the box office performance of the movie - back through the cinema exhibition channels - to the entity that made and invested in the film at the start.

Our businesses

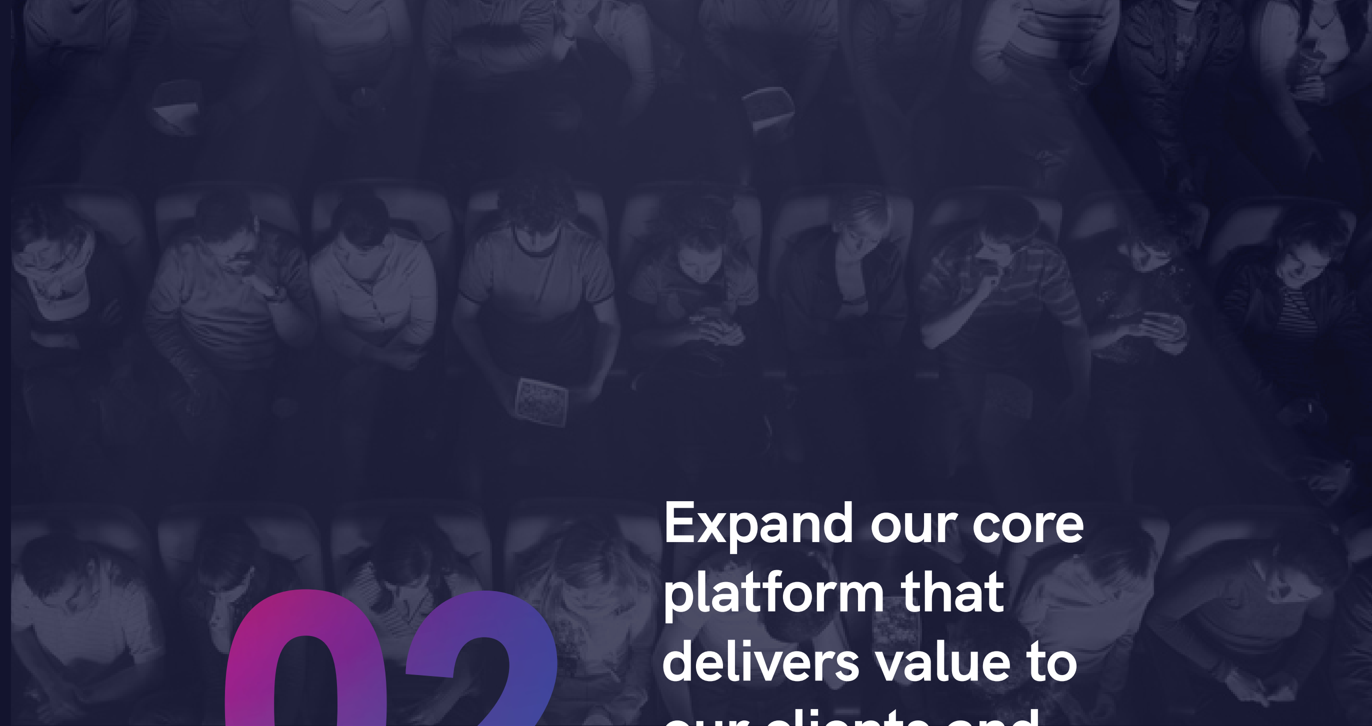
A year of continued Annualised Recurring Revenue growth as industry-leading SaaS platform gains momentum

			2022	2021	2020
Total revenue	$135.1m	▲ 38%	$135m	$98m	$88m
Recurring revenue[1]	$112.3m	▲ 38%	$112m	$81m	$66m
SaaS revenue[2]	$38.4m	▲ 38%	$38m	$28m	$24m
ARR[3]	$118m	▲ 22%	$118m	$97m	$87m
EBITDA[4]	$10.6m	▲ 63%	$11m	$7m	-$11m
Net profit after tax	-$20.9m	▼ -111%	-$21m	-$10m	-$57m
Operating cashflow	$12.4m	▲ 10%	$12m	$11m	$3m

1 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.
2 SaaS revenues are those derived from subscription-based cloud-hosted software, with the software located on externally provided servers.
3 ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.
4 EBITDA is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3 of the financial statements) and share of equity accounted results from associates.

Key strategies for 2023

Our purpose-driven strategy is to build a sustainable platform that will connect the industry and power the moviegoer experience. The strategy means we can accelerate our innovation, empowering our clients to give moviegoers the fullest possible experience and motivate people to see movies more often. There are three key parts to our strategy:



01 Support our clients to rebuild their business

02 Expand our core platform that delivers value to our clients and connects moviegoers

03 Create and invest in new opportunities

Key Strategies for 2023

Support our clients to rebuild their business

Building momentum

2022 demonstrated cinema exhibition's resilience. Global box office was up 22% on prior year[1], with North America – the highest grossing region - up 64% on 2021 and earning more than the prior two years combined.[2]

While there is further ground to make up, research proves that the most avid streamers are also the most enthusiastic cinemagoers[3]. The major studios have renewed their love affair with cinema, and analysis demonstrates that almost 100% of a major movie's box office is achieved well within the new 45-day theatrical window standard.

Studio executives are seeing the strengths of cinema and streaming providers co-existing, with the theatrical experience serving as a key part of the economic model of content development. Originally slated to have a streaming release, *Magic Mike's Last Dance* shifted to a theatrical release, and Amazon's upcoming sports drama, *Air*, will have a global theatrical release before premiering on Amazon Prime Video.

"I've seen the data… A movie that opens in theaters performs five times as well as when it goes directly to streaming."

David Zaslav
President and CEO of Warner Bros. Discovery

"Theatrical still has the greatest impact. That sort of theatrical release, 45 days later to streaming, that's working beautifully. The bigger the hit in theatres, the greater the impact in streaming. The path to monetization now is greater."

Brian Robbins
President and CEO of Paramount Pictures

"We're back to the theatres. Around the world, people are going back to theatres ... we're seeing, as a society, we need this. We need to go to movie theatres and have that experience."

James Cameron
Director-Producer *Avatar: The Way of Water*

1 Source: Omdia
2 Source: BMO
3 Source: Morning Consult

Domestic[1] box office records Dec 2021 – Dec 2022

Two of the top 5 highest grossing movies of all time were released post pandemic:

Spider-Man: No Way Home
Released December 2021
$814M USD (#3)

Top Gun: Maverick
Released May 2022
$718M USD (#5)

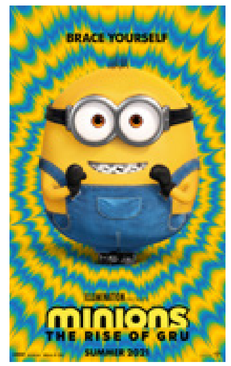
Post pandemic records also set:

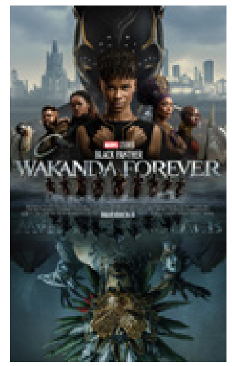
Biggest 4th July opening weekend:
Minions: The Rise of Gru - Released July 2022 | **$123M USD**

Biggest Memorial Day opening weekend:
Top Gun: Maverick - Released May 2022 | **$160M USD**

Biggest November opening weekend ever:
Black Panther: Wakanda Forever - Released November 2022 | **$181M USD**

The 6th movie to ever cross $2 billion USD worldwide:
Avatar: The Way of Water - Released December 2022 | **$2.2B USD**

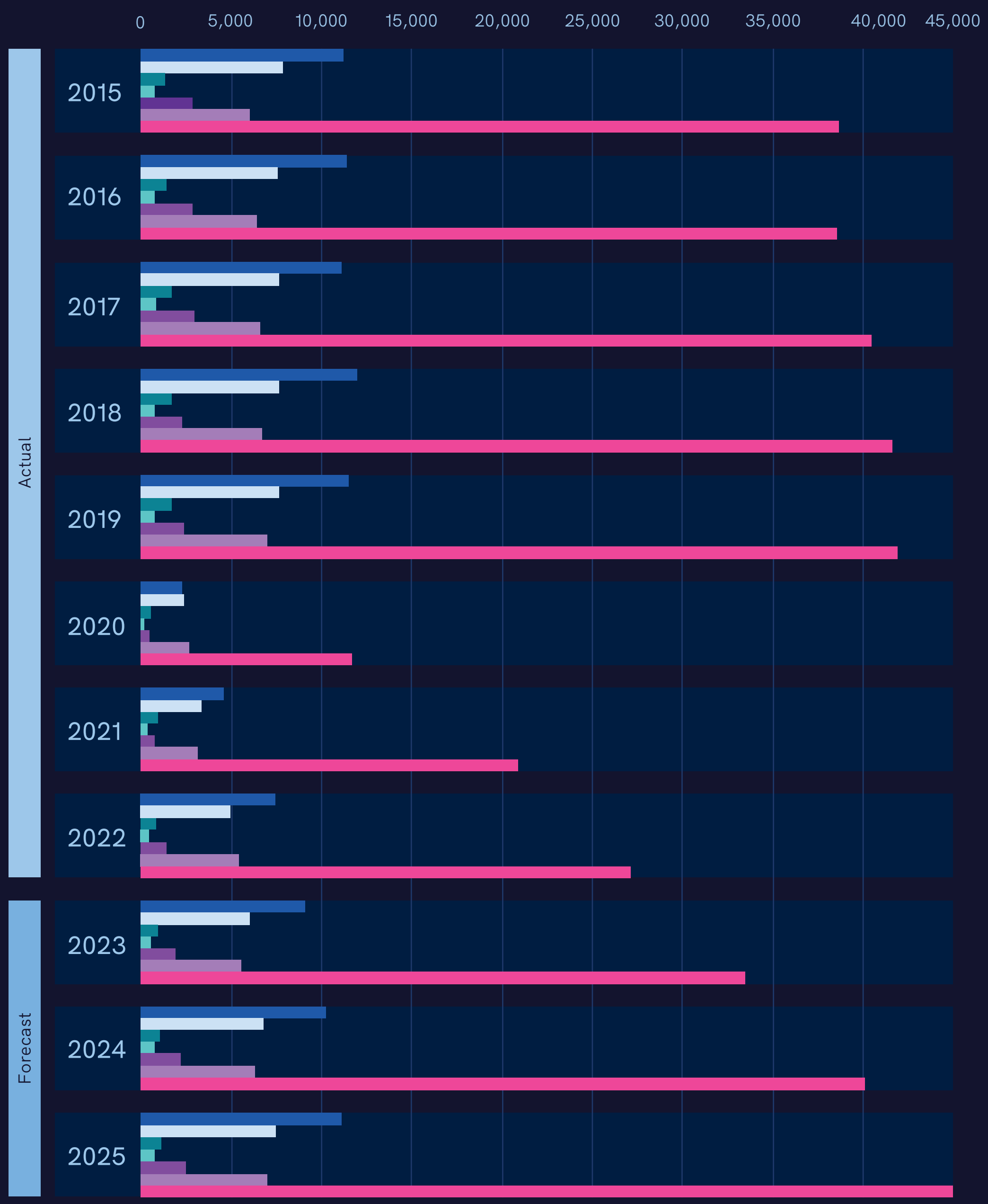




1. Domestic refers to box office reporting for the United States and Canada

Global box office (US$m)

2015 - 2025



Source: Omdia

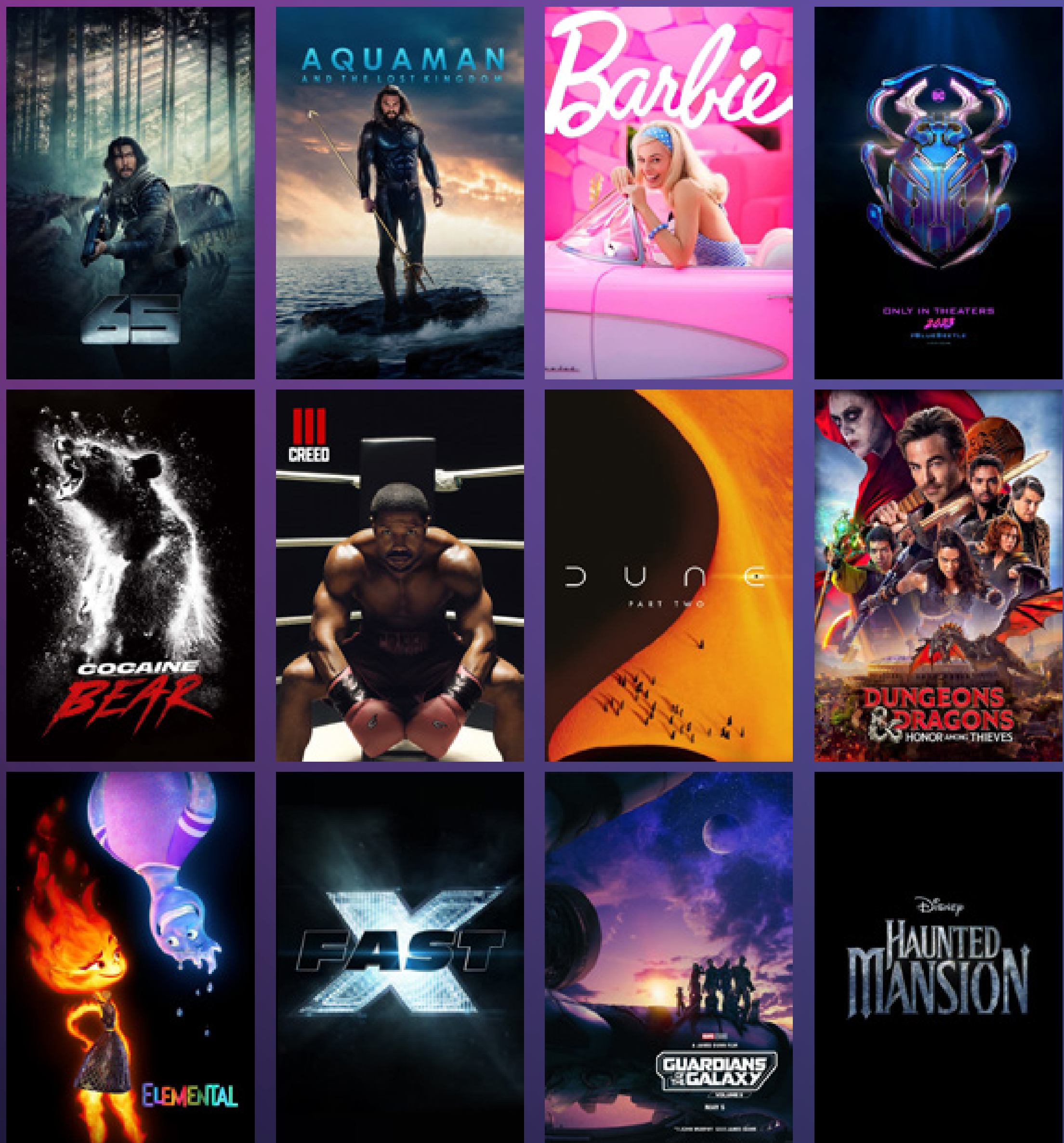
Moviegoing desire is strong

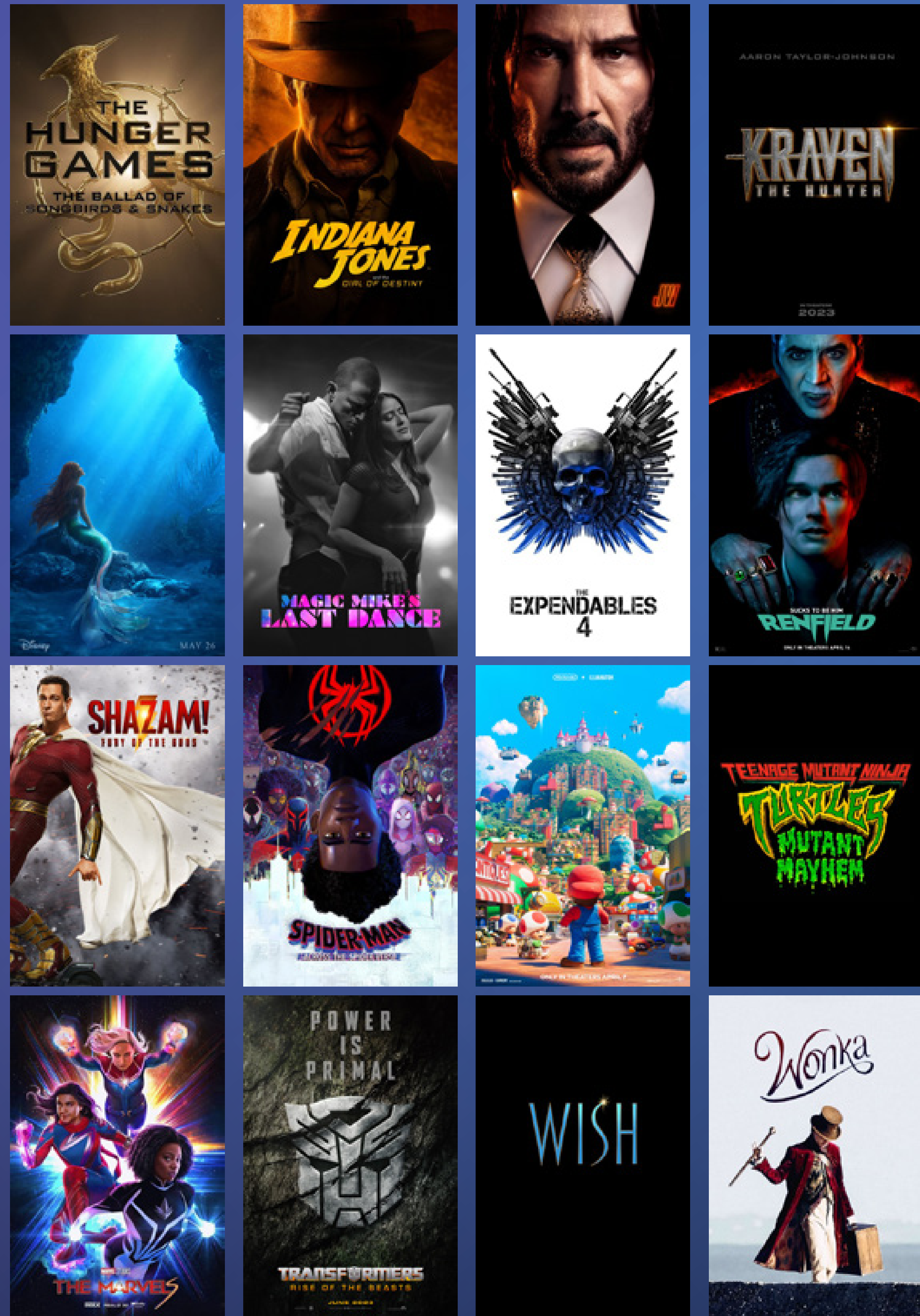
A 2022 survey conducted by BFI IMAX in the UK of 2,000 adults found that:

- 56% feel more immersed and connected to a blockbuster film if they watch it in a cinema
- 41% of adults regretted watching a blockbuster at home
- 71% think the big screen experience is the main draw to watching a film at the cinema
- 48% wish they went to the cinema more often.

Battle of the blockbusters

There is a wealth of content to look forward to in 2023 and beyond. Blockbusters are once again competing for the prime release dates but there is also the return of variety of genres to appeal to a variety of moviegoers. Horror, comedy, rom-coms and awards friendly titles are all back in cinemas.





From our clients

Curzon | Vista Digital

Curzon Cinema reopens with an enhanced user experience powered by Vista Digital.

Curzon Cinemas is an independent cinema group based in the UK with 55 screens. Following the closure of their cinema doors in March 2020, Curzon didn't want to merely survive the pandemic, but to bring about expansion once live screening commenced again.

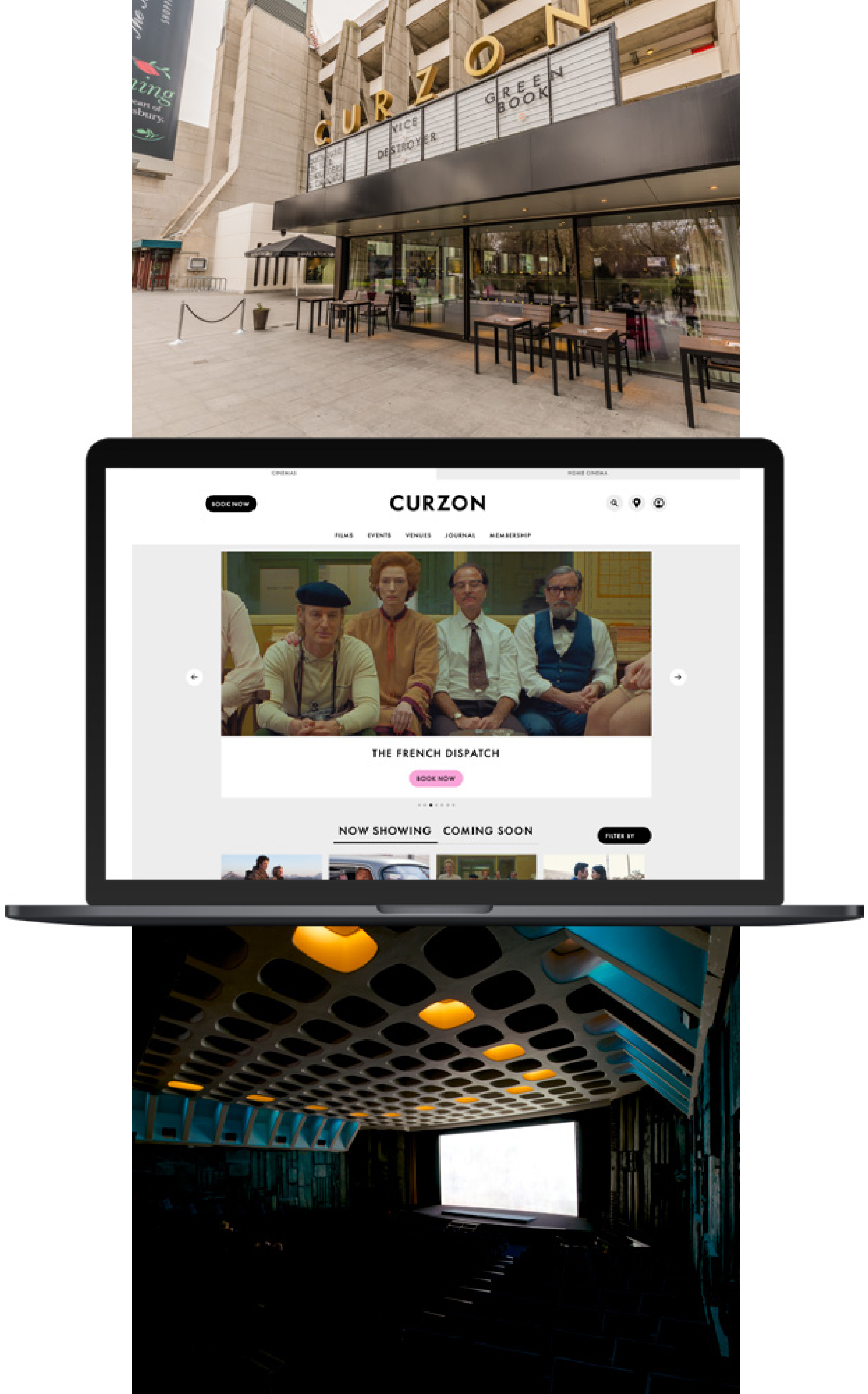
Partnering with Vista Digital for design services, web development, custom integrations, and loyalty reorganisation, Curzon aimed to unify its digital presence and offer consistent moviegoer experiences.

Omnia, Vista's in-house digital agency which leverages Vista Cloud technology to build digital experiences, led the redesign. Omnia's skilled designers, developers, testers, and all-round digital experts put together a completely tailor-made digital design seamlessly integrating home and in-theatre cinema to support Curzon's business goals and meet their vision.

Curzon's ambitious redesign required a depth of technical customisation only possible with Omnia and SaaS technology. It included cloud-hosting, an embedded payment connector, automation of film media content through MX Film and CDN, and a feature-rich membership section—with custom Loyalty and Subscriptions integrations into the video on demand (VOD) platform - as well as an innovative e-ticket, Living Ticket, which reflects live booking details and places moviegoers in control of their cinema experience.

"In a very short time, we got what we needed from the Vista team: shared payments, revenue expansion, consolidated memberships, and a single user experience and brand," said Leo Brend, Director of Technology at Curzon. "The process for booking tickets has never been smoother. The number of paid subscribers is growing fast."

As a result, engaging with their members is easier than ever, and allows moviegoers to take full advantage of their incredible cinema and VOD offering. Looking ahead, Curzon's website means the fundamentals of their business are now easily scalable, creating a smooth pathway for effective expansion both within the UK and internationally. Curzon's partnership with Vista will continue to support and advance their overall mission of transforming the moviegoer experience.



Key Strategies for 2023

Expand our core platform that delivers value to our clients and connects moviegoers

A platform to power the global industry

As the industry and box office continues its positive trajectory, we have continued accelerating our platform strategy to empower the cinema of the future and enhance the moviegoer experience.

MOVIO CINEMA EQ

Connecting every moviegoer to their ideal movie

VISTA DIGITAL

Delivering the best digital experience for moviegoers

VISTA CLOUD

The future of cinema management

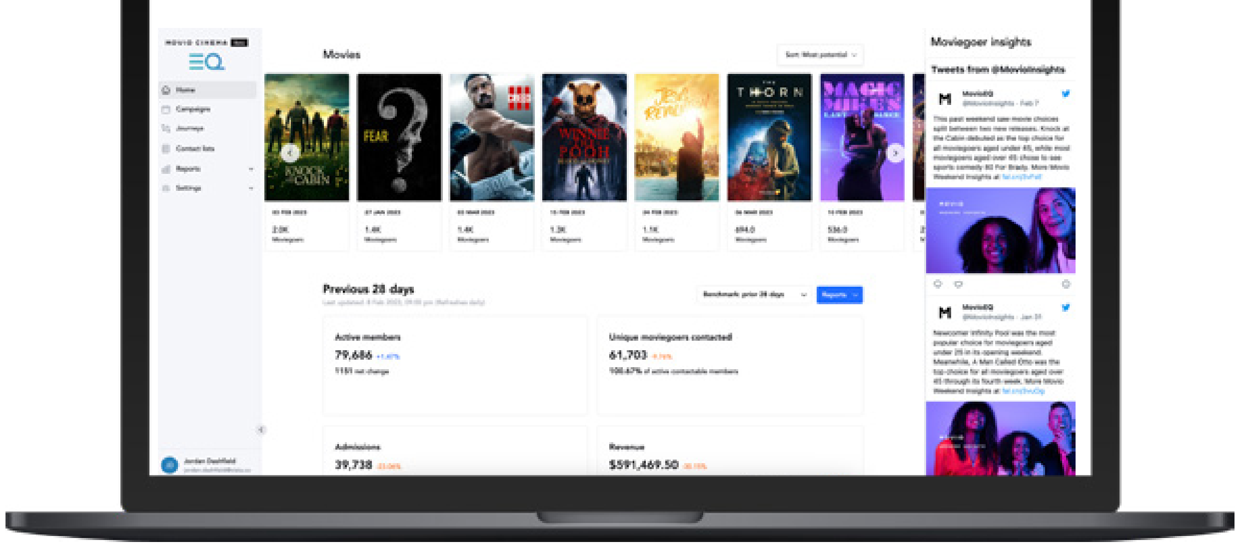
Enhanced experience, measurable impact

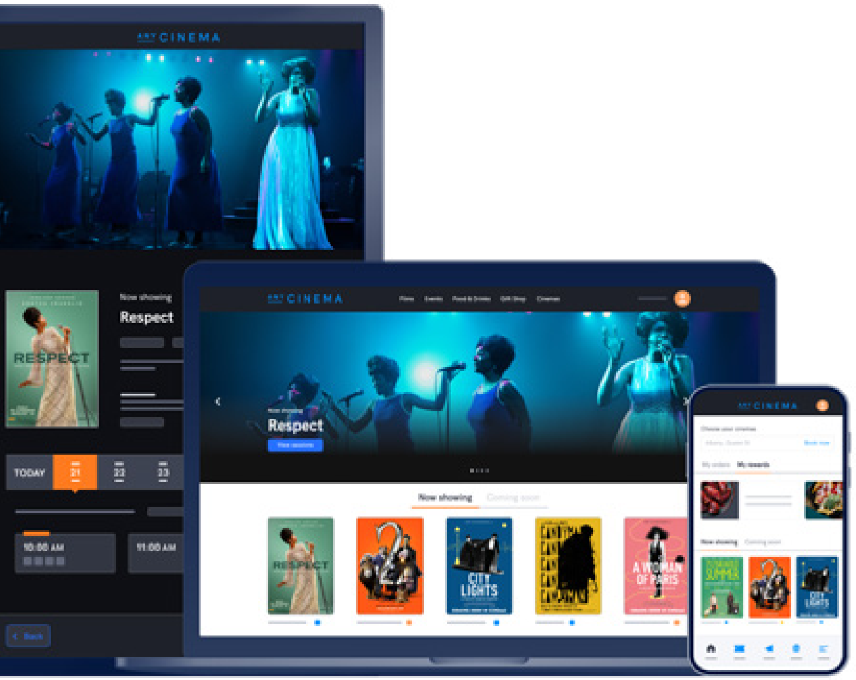
By delivering rapid innovation, a scalable and secure platform, and efficient client support experiences, the technical tasks of managing an on-premise software stack are largely removed for cinemas, meaning they can spend more time focusing on the moviegoer experience.

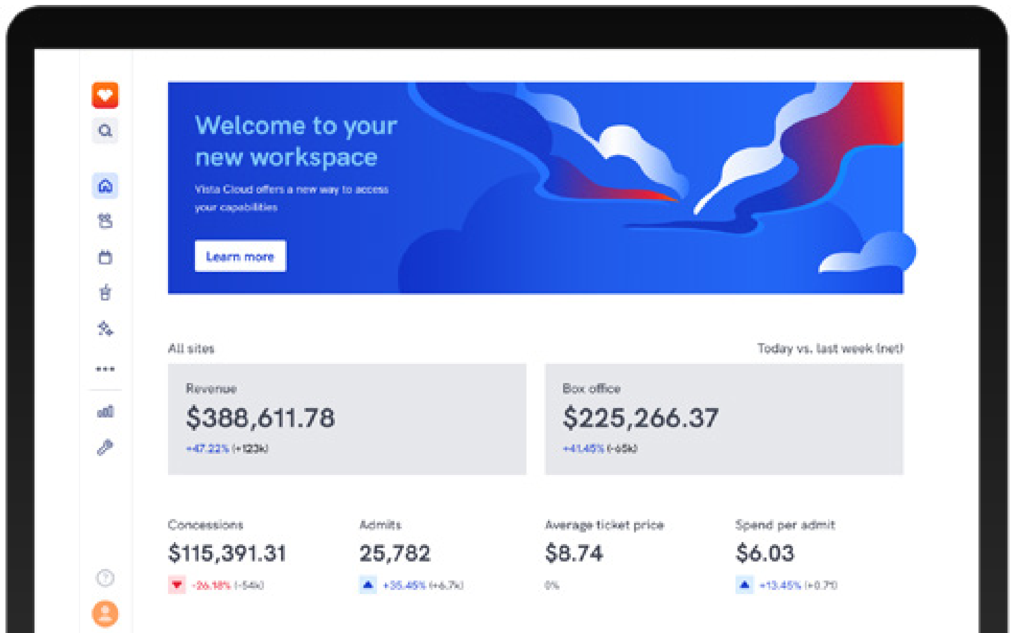
The platform's simple software solutions fosters productivity, provides efficiencies to drive both attendance and spend, while taking the guesswork out of targeted marketing. In a world where cinemas are data-rich and time poor, and with a broad entertainment landscape from TikTok to streaming, delivering targeted content is the proven way for cinemas to cut through the noise and deliver a unique, immersive experience, free of distraction. Here, EQ improves the way cinemas market movies to their audiences.

The platform-based strategy enables us to significantly increase our total addressable market, drive operating leverage, see reduced working capital, and align revenue with client success. We're on track with our platform progress and in 2023 we are looking forward to building on the momentum of its development. Client interest is strong and our value proposition is clear. As we amplify the opportunity for our organisation we will continue to provide technology that makes a measurable difference for our clients and powers a better moviegoer experience.

Our platform is transforming cinema operations for our exhibitor clients. From simple and serverless innovation with Vista Cloud, to rich digital experiences for moviegoers with Vista Digital, and streamlined marketing solutions with Movio Cinema EQ, our platform will power the industry globally.







The platform

Movio Cinema EQ

Movio launched their latest innovative SaaS product, Movio Cinema EQ, in November 2022. Building on Movio's previous products, EQ offers a smarter, faster and more streamlined solution for cinemas to improve the way they market movies to moviegoers. The new solution harnesses more than a decade of movie marketing expertise, empowering cinemas to enhance their connection with moviegoers, drive guest engagement, and increase attendance and spend. EQ improves the experience for marketers and moviegoers, creating impactful marketing campaigns that draw from moviegoers' habits and motivations, to reach cinemas' target audiences with the right message at the optimal time.

Turn to page 32 to hear Cineplexx Greece's experience as an EQ client.

Vista Digital

Vista Digital is responding to the needs of moviegoers, offering a flexible and modern solution without compromising on security or reliability. With a focus on enhancing the moviegoer experience, Vista Digital enables clients to thrive in a digital-first environment, where we frequently see more than 70% of moviegoers choosing to transact, and with the expectation of a seamless digital experience.

The self-service tools provide an overall richer experience and we're bringing modern solutions to clients with Vista Digital, including Lumos, Vista's sleek and configurable out-of-the box solution for websites, apps and kiosk; and Omnia, delivering a bespoke digital experience, tailored to a cinemas desired user interface and user experience.

Hear more about Vista Digital from Vista Cinema's Chief Revenue Officer, Mischa Kay, on page 35.

Vista Cloud

Vista Cloud is the future of cinema management. Its innovation maximises efficiency for clients in their everyday operations, providing a comprehensive, reliable, and secure solution that powers all areas of their business. In 2022 we welcomed our first clients to Vista Cloud, providing simple and serverless innovation that helps them ensure moviegoers enjoy the fullest possible experience. As the core of the platform, Vista Cloud sees a transfer of responsibility from the on-premise model of Vista Cinema to the SaaS world of cloud, which requires less maintenance, direct operation from clients and a simpler fee system. Vista Cloud today has outcome parity, ensuring broad market-fit and ease of adoption. It is a highly functional and reliable platform to build upon.

Turn to page 30 to see the platform journey.

The platform journey

Significant progress has been made on the Vista Cloud SaaS platform, and early adopters are getting the first experience of the best technology the market has to offer.

	Where are we now	What's coming in 2023 and beyond
Movio Cinema EQ	• 2022 target of seven Movio Cinema clients migrated to EQ achieved • Learnings from Alpha and early Beta clients incorporated into next round of client onboarding • Additional Movio Cinema features delivered for EQ: Journeys and enhanced reporting • 15+ EQ clients confirmed for migration in next round of Beta	• EQ delivering full feature suite from Movio Cinema legacy platform • Additional EQ features: non-loyalty member targeting and multi-channel campaigns/Journeys, and additional marketing channels • Continuing to evolve AI segmentation and content creation to establish deeper & wider data profile of movie-going public • Complete migration of all remaining Movio Cinema clients to EQ and depreciate Movio Cinema legacy platform • Business development to onboard new Movio clients direct to EQ
Vista Digital	• Strong offer – focus on Vista Digital technology roadmap delivering client value at scale • Lumos Mobile – live with first US client	• Lumos Kiosk – live with first clients. Web and mobile channels actively displacing legacy products • Next-gen Digital – industry-leading moviegoer experiences and personalisation features to capture market share.
Vista Cloud	• Platform readiness – stability and manageability improvements made across the platform • Completing the suite – cloud identity, networking and security now integrated across entire product portfolio	• Onboarding readiness for scale – significant reduction in deployment time and effort to enable onboarding and updating the platform at scale to target adoption rates • Platform capability and maturity – essential modernisation of business critical services and offline capabilities to improve performance, reliability, manageability and cost to serve • Marketplace – initial commercial marketplace iteration, live and learning • Cloud benefits – enhanced user experience, productivity and decision support features to deliver continuous value for Cloud clients and motivate late adopters

From our clients

Cineplexx Greece | Movio Cinema EQ

A Movio client since 2019, and a Movio Cinema EQ client since October 2022, Cineplexx International were one of Movio's early adopters of EQ. Cineplexx International is one of Europe's most expansive chains, with over 60 cinemas in 12 European countries. As one of their first territories to transition to EQ, Cineplexx Greece has been enjoying both the business and operational benefits that the new product provides.

Cineplexx Greece strives to enhance the moviegoing experience before the moviegoer steps foot into the cinema. As a comprehensive campaign management and targeted marketing solution, EQ has provided Cineplexx Greece with an improved toolkit for building and implementing highly personalised campaigns.

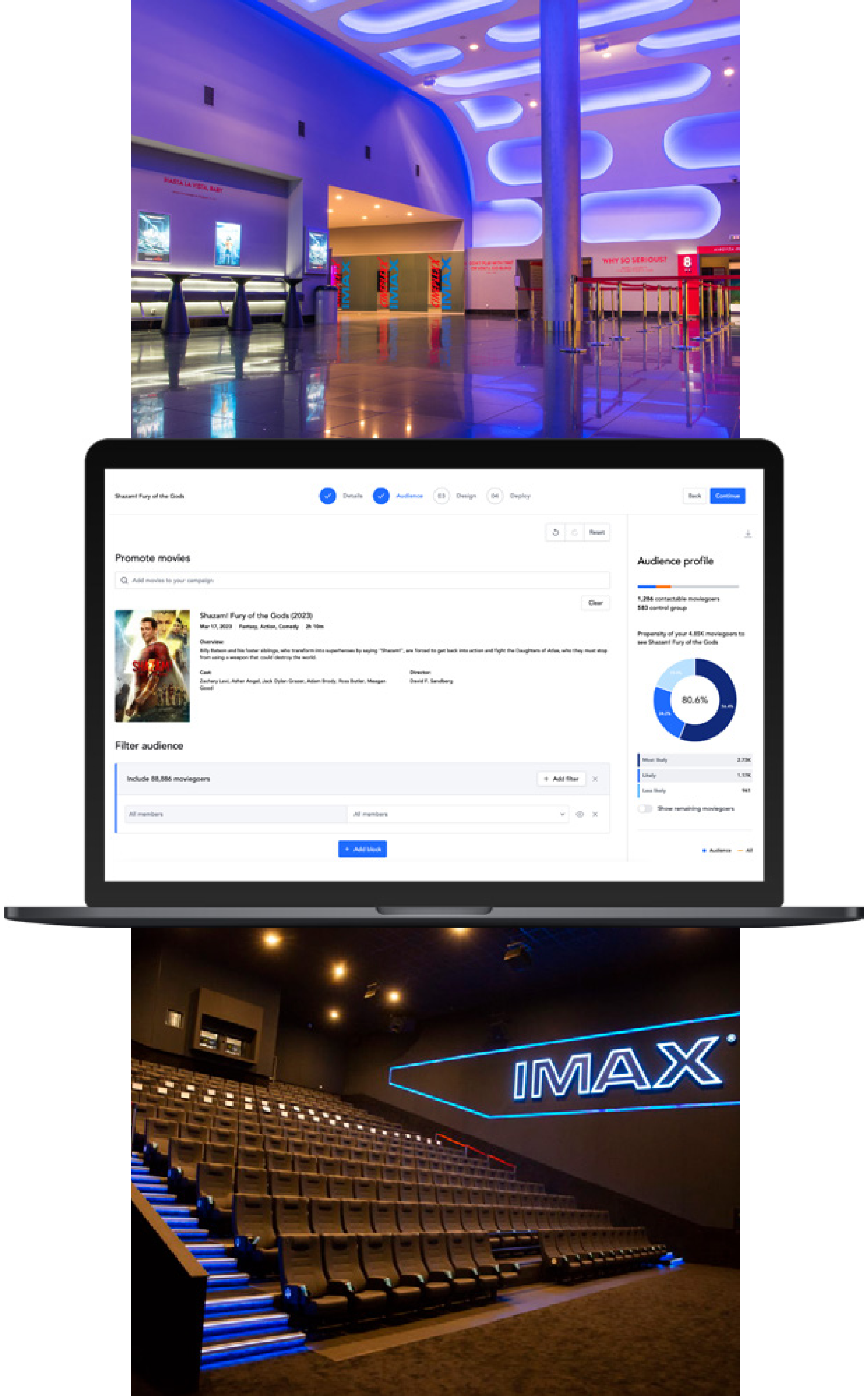
EQ's unique AI functionality allows Cineplexx Greece to benefit from a smarter, data-driven approach to their targeting. While in the past, Cineplexx Greece has relied on moviegoer lists based on age, gender, or genre, EQ's propensity algorithm finds and targets the most relevant audience based on their past movie-watching behaviour. This takes the guesswork out of their targeted marketing and is particularly valuable for the regular email newsletters Cineplexx Greece send to their customers, enabling them to dynamically automate personalised content that entices more people to go to the movies. With EQ enabling a laser focus on the moviegoer experience and a new approach to their marketing, Cineplexx Greece are now able to increase engagement, and get a clearer picture of how their campaigns are positively impacting moviegoer spend and behaviour.

For Cineplexx Greece and many other cinema circuits around the world, automated communications via EQ offer a new and improved level of efficiency and the ability to remain in consistent, positive contact with moviegoers. EQ's new Journeys feature provides ultra-personalised campaigns to help cinemas regularly and effectively engage with moviegoers. With access to pre-configured Journey templates, along with options to formulate their own, Cineplexx Greece can leverage creative journeys such as Moviegoer's Birthday, New Member, and Last Transacted to drive business results while minimising configuration time by their team.

As Cineplexx Greece builds more campaigns to engage and connect with their moviegoers, they look forward to the continued efficiency EQ provides.

"Our mission is to provide a premium moviegoing experience for our customers, which builds a long-term relationship between us. That starts with relevant and personalised communications that maximise customer engagement and drive visitation. With EQ, the process to achieve this has been significantly streamlined, as has our ability to understand who is visiting and why. We're looking forward to many more successful campaigns with EQ, reaching more moviegoers and connecting them with their ideal movies."

Mag. Christof Papousek
Managing Partner - CINEPLEXX International



From our leaders

Sarah Lewthwaite | CEO, Movio

What is your vision for Movio Cinema EQ?

EQ will reshape how cinemas market to moviegoers. We've taken all that we've learnt and built over the past decade, and have reinvented Movio to be a faster, simpler and smarter platform. With Movio's revolutionary data science capabilities at its core, and a newly imagined user experience, EQ will automatically help cinema marketers to surface and connect with the right audience segment no matter what the film, stage of release cycle, or KPI they are focused on.

What impact will EQ have for clients and the wider industry?

EQ will help marketers who may be increasingly stretched for time and resources deliver impactful marketing campaigns at all digital touchpoints, with ease. We've proven that Movio's data science and dynamic marketing tools deliver incremental attendance and spend. With EQ, we will make this even easier for our clients, taking the guesswork out of their targeted marketing, ensuring that moviegoers enjoy the most personalised experience, and that our clients are delivering the most value back to their bottom line.

Discuss the strength of EQ within the context of the platform.

The Vista Group platform is an unbeatable combination of products that will enable cinemas to deliver integrated digital experiences to their guests. While EQ empowers cinemas to deliver highly targeted, data-driven campaigns across several digital marketing channels, the partnership with Vista Cloud and Vista Digital will take that strategy one step further. Cinemas will be able to begin personalising their sales channels, such as their website and kiosk, with Movio-driven recommendations and targeted offers. This push and pull of data, campaigns and offers in near-real time across the products within the platform, will ensure that the guest experience is enriched at all touchpoints. This is only possible for our clients that implement EQ as part of their strategy.

What movie are you most excited to see in cinema this year?

The Little Mermaid: I just hope cinemas offer a singalong version!

Mischa Kay | Chief Revenue Officer, Vista Cinema

What is your vision for Cloud and Digital?

For Vista Cloud it is as simple as empowering cinema teams to focus on operating the best possible exhibition business they can. Vista Cloud is the cinema management product we've always wanted to provide – rapid innovation cycles, fully managed upgrades, and enhanced support capabilities wrapped up in a secure, reliable service.

Vista Digital goes a step further by not only providing the best digital tools for cinema, but also focusing in on the moviegoer experience; how we build digital channels that encourage repeat behaviour, reduce abandoned transactions, and create upsell opportunities is at the forefront of our thinking behind Vista Digital.

What impact will these solutions have for clients and the wider industry?

We believe that the products we build empower cinemas to be their very best as they can focus on the business of the movies and we take care of the rest. We can do much of the heavy lifting in the background while our clients and the wider industry focuses on recovering the box office.

How does Movio Cinema EQ complement Vista Digital?

Movio Cinema EQ and Vista Digital were made for each other, the perfect partnership delivering moviegoer insights and experiences through data and technology. By combining

these two products we are able to provide solutions to cinemas and moviegoers alike that no other software can come even close to achieving. I am particularly excited to see what's possible as these product offers evolve.

What movie are you most excited to see in cinema this year?

There are so many great films coming out this year. First place in terms of my excitement goes to the second instalment of *Dune*, but I am looking forward to *Beau is Afraid, Oppenheimer, Mission Impossible: Dead Reckoning, Indiana Jones, John Wick 4*, and *Scream 6*. Oh, and unashamedly, *Barbie* – the teaser trailer is a play on *2001: A Space Odyssey*, so I have to assume we are in for a wild ride on that one.

Key strategies for 2023

Create and invest in new opportunities

Innovation for the future of cinema

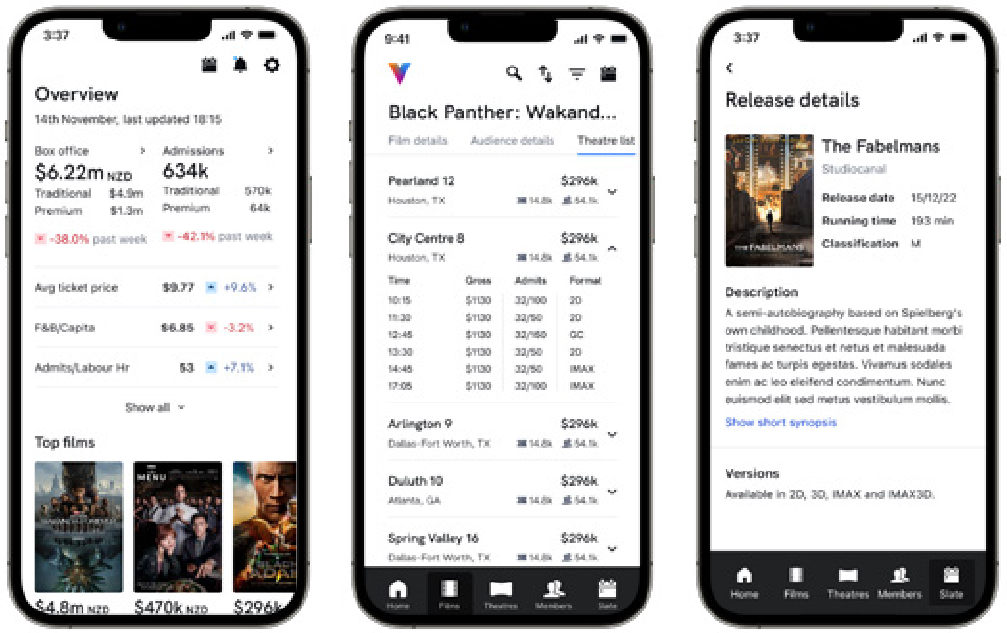
We're excited to be delivering innovation to our clients and the industry in 2023. The new capabilities we have to offer support the mission of our core platform and strengthen our purpose.

Vista Oneview

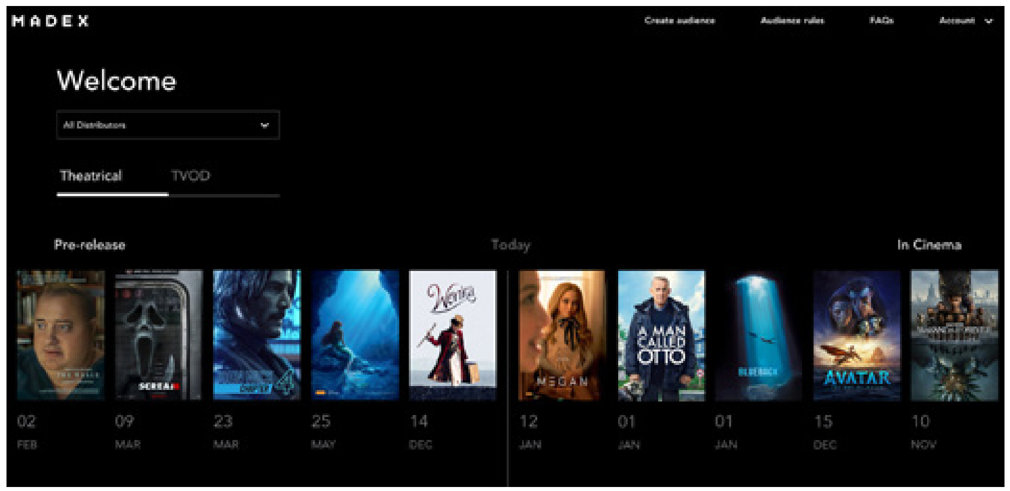
Vista Oneview is the home of clarity for executive cinema leaders. A mobile app that enables leaders to keep their finger on the pulse of their business in real-time. Oneview harnesses the best of Vista Group, uniting theatre, movie and moviegoer data from Vista, Movio and Numero in a contextually relevant way. Users will be able to easily absorb insights, effortlessly trigger actions to rapidly drive performance and remain connected to their cinemas. This app marks the first phase of our next-generation business intelligence and decision support tools for the exhibition industry and we are excited to get it into the hands of our cinema clients in 2023.

Madex

Madex is an audience exchange platform connecting film distributors and cinemas with the ideal moviegoers for each film. After an initial limited release, we're excited to be expanding the reach and capabilities of Madex in 2023. The platform enables distributors to access and build highly-targeted audiences for every theatrical release – sourced from cinema loyalty programmes – with AI-driven propensity tied to similar movies people have seen. An added benefit, cinemas can now connect with moviegoers where they are spending more of their time digitally, including YouTube, Facebook, Instagram, Snapchat, and Twitter, while maintaining a highly targeted audience to maximise their digital spend.



Vista Oneview



Madex

From our leaders

Matthew Liebmann | Chief Innovation Officer, Vista Group

How do you see the cinema industry evolving this year and beyond?

We must consider two drivers: are people willing to return to the cinema, and is there a large and diverse slate of movies to watch when they do? In 2022, *Top Gun: Maverick, Avatar: The Way of Water, Minions: The Rise of Gru, Elvis, The Lost City, Smile*, and *Everything Everywhere All At Once* proved that various segments will return. The movie slate for 2023 already looks substantially better with more movies still to be scheduled. So, the building blocks are there for a really exciting year for the industry and moviegoers alike.

How will the role of data evolve for the industry this year?

Our industry has primarily used data for marketing: to identify audience segments and connect them to their ideal movies. I see this expanding in two ways. First, harnessing data to make operations more efficient and effective in these cost-constrained times. And second, to measure, monitor and enhance the experience exhibitors deliver to their guests.

How is Vista Oneview showcasing Vista Group's innovation for our clients' benefit?

Oneview is the first Vista Group product developed specifically for cinema CEOs and their executives. A mobile app, it allows these leaders to keep their finger on the pulse of their moviegoer, theatre and movie performance in real time and on the go by combining Vista, Numero and Movio data in one platform for the first time.

What areas of innovation will most benefit our cinema clients and moviegoers?

Delivering an 'experience' has never been more critical for cinema, and that experience must address how the movie is shown, the theatre itself and the people operating it. Our technological innovations must enable our clients to identify and attract moviegoers, streamline transactional workflows and empower lean front-line teams to consistently deliver outstanding service within amazing facilities.

What movie are you most excited to see in cinema this year?

Without doubt, *Indiana Jones and the Dial of Destiny.*

Gabriel Swartland | SVP, Client Services, Movio

What Movio innovations is Madex leveraging to increase its effectiveness and user experience?

Movio's propensity algorithm sits at the heart of Madex's targeting and segmentation functionality. The algorithm uses moviegoer past behaviour to determine the likelihood to watch a given film, and ranks the potential audience accordingly. This innovation has delivered great conversions for Movio's cinema partners for some time, and it keeps getting smarter. It also unlocks behavioural-based insights and tactics for studios, helping them market more effectively and more efficiently.

How is Madex benefitting studios, cinemas and, in turn, moviegoers?

Connecting to moviegoers where they are is essential. Madex has direct integrations with all the major social and digital platforms which enables cinemas and studios to put the right message, in the right format in front of the right moviegoer. Moviegoers expect this level of personalisation when it comes to the marketing messages they receive and with tools like Madex, cinemas and studios can ensure their marketing budgets are well spent.

What role does data play in powering the moviegoer experience and encouraging people to see movies more frequently?

It all starts with the data. We are fortunate that being in a leisure industry, the value exchange for moviegoers sharing their data is quite straightforward. Cinemas collect only the necessary data points that will help them deliver a premium level of personalised service that moviegoers have come to expect. By understanding how people spend their time and money at the cinema, which touch points they use and when, cinemas are able to influence attendance and drive that movie-going habit.

What movie are you most excited to see in cinema this year?

I love a *Mission Impossible* film so I'm excited about the next one, and I can't wait for *Dune* later in the year. The film I'm most excited about is *Oppenheimer* from Christopher Nolan. He is a genius filmmaker, and the prospect of something so cinematic AND original is what I cannot wait for.

Sustainability

Sustainability

Our sustainability approach

As the world continues to face big challenges, we recognise that we have our part to play in making a difference to the world we connect with. We call that *ngā mea pai me ngā tangata pai* - doing good things with good people.

During 2022, we decided to put a fresh focus on sustainability topics likely to affect Vista Group in our efforts towards a sustainable future. We began developing a sustainability strategy that initially complements, then will be embedded into the Vista Group strategy. We are excited to provide our first sustainability report, which outlines the topics that are most important to us now, our progress in 2022 and our future ambitions.

In September 2022, we engaged an independent consultant to guide us in developing our sustainability strategy and framework. This process involved a series of workshops where members of our executive and senior leadership teams analysed key material topics for the technology industry and considered day to day feedback from our stakeholders. This allowed us to articulate the topics we value as critical to Vista Group and our stakeholders and refine our aspirations. Our framework will evolve as we continue the conversation with our stakeholders, which will enable us to enhance initiatives where we have the greatest potential to make a positive impact.

Vista Group's Board of Directors has overarching responsibility for sustainability. They provide strategic direction and guidance for our pathway and have adopted our framework. Oversight on the delivery of our approach is delegated to the Audit and Risk Committee and Nominations and Remuneration Committee, who focus on specific areas of sustainability, including climate change, and make recommendations to the Board for consideration.

The framework is core to our approach. The focus areas assist our Executive Leadership Team to inform and guide how we manage our business, and the targets hold us to account and drive us to deliver the positive impact we make on society and the planet. Our forward-looking framework is built around the following three pillars that supports our purpose-driven strategy to build a sustainable platform that will connect the industry and power the moviegoer experience:

- People: Caring for our people and communities
- Trust: Building greater trust
- Environment: Impactful innovation and consuming responsibly.

Sustainability Journey

Looking ahead to 2023 our focus will continue to be on building our foundations.

Consuming responsibly & impactful innovation

- Verification of baseline year greenhouse gas emissions by Toitū
- Publish first voluntary climate-related financial disclosure statement
- Undertake climate change scenario analysis
- Continue to implement process improvement for greenhouse gas data capture

Building greater trust

- ISAE (NZ) 3000 / SAE 3150 assurance review finalised – Vista Cinema
- Board Governance roadshow

Caring for our people and communities

- Report and take action to minimise the gender pay gap

Sustainability framework

Priorities	Caring for our people and communities	Building greater trust	Consuming responsibly & impactful innovation
Focus areas	• Health, safety and wellbeing is an integral part of our everyday business and culture • Provide an engaging employment experience where our people can grow and excel • Diversity that reflects our communities • Safe, supportive and inclusive culture • Consistent and equitable approach in measuring performance and potential	• Improved & highly reliable cinema - branded digital channels • Maintaining an effective governance and decision-making structure • Continuous improvement to safeguard critical systems and protecting data • Responsible business conduct and ethics • Maintaining an adequate and effective risk management and internal control system	• Understand, measure and reduce Vista Group's carbon footprint • Through innovation assist our clients to reduce their carbon footprint • Develop responsible procurement practices
Targets	• Aspire to 40/40/20 gender diversity (all employees) by 2030 • An eNPS score ≥45 • A wellbeing score >50 • Expand leadership development and mentoring programmes to all regions • Report and take action to minimise the gender pay gap	• ISAE (NZ) 3000 / SAE 3150 controls assurance report for Vista Cinema (NZ equivalent to SOC 2 report) • No notifiable privacy breaches or critical security incidents • Maintain annual Board governance roadshows	• 1600 - 2400 client sites on the platform by December 2025 • Publish first voluntary climate-related financial disclosures for FY22 • Integrate environmental expectations into Supplier Code of Conduct
United Nations Sustainable Development Goals	3 Good Health and Well-Being 4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth 10 Reduced Inequalities	9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production	12 Responsible Consumption and Production 13 Climate Action

Caring for our people and communities

2022 was a great year, with a clear strategy and direction and more of our people returning to the office again, we built momentum towards achieving our goal of becoming a cloud-based company.

Our people are at the heart of our ongoing success, and we take care to ensure they engage meaningfully with their work, connect with our purpose and have opportunities for growth and development. We take pride in the positive culture we have fostered and in the level of commitment and engagement of our people. Vista Group has continued to increase our high employee engagement, with an employee net promoter score (eNPS) of +49, up from 42 in 2021, which is now in the top quartile in the technology industry.

While we continue to offer flexibility through our Work Well programme, it has also been great to see our people returning to the office again to connect and collaborate. Across all our locations, there have been a range of activities to welcome our people back to the office - from group wide meetings, strategy sessions, development workshops, team events and social activities. In late 2022, the global Executive Leadership Team also had the opportunity to meet together in person again for the first time since the borders opened.

The ethnic diversity of our people was highlighted through the course of the year with local events throughout the year. Highlights included Diwali, the Hindu festival of light, in Auckland and Día de los Muertos, also known as Day of the Dead, in our Mexico City and Los Angeles offices. Celebrations such as these are led by our employees for their colleagues, with a focus on building a shared understanding of culturally significant occasions and fostering inclusion.

Following an initial trial of a 4.5 day working week, we are pleased to now have made this a permanent benefit to our people. It has proved to have a significant positive impact on general wellbeing while maintaining a high level of productivity.

As inflation rates steadily increase across the globe and with energy prices soaring in Europe, the cost of living has been a real concern to our people. To address this, Vista Group paid a cost-of living bonus to our most impacted employees to help alleviate some of that cost. The bonus was paid in additional to the annual salary review.

Despite these external challenges, Vista Group has maintained great people experience by looking after and growing our people while trying to secure additional talent to deliver our strategic goals.

We have increased the investment in the growth and development of our people, introducing new learning and development initiatives, from leadership development and coaching through to wellbeing workshops. We have also invested in a new learning management platform which will be rolled out to our employees in early 2023, with an initial focus on a best practice onboarding experience for our new joiners.

It is important to us as a company and as individuals to contribute to our communities. In 2022, Vista Group donated $85,000 to the Vista Foundation. The Vista Foundation undertakes initiatives to nurture the continued growth and success of the New Zealand film industry and is the naming sponsor of the 48Hours film festival.

Together with our people, we contributed $8,200 to support the humanitarian response in Ukraine, $4,800 by participating in Sweat with Pride, and provided both financial and competition preparedness support to the Lynfield College robotics team.

From our people

Vicki Parry
Documentation Manager

What are the values of Vista that resonated with you when you started?

Like many New Zealand technical writers, I came into the field purely by chance. Eleven years ago, after deciding to pursue a career in technical writing, I joined Vista in one of their few technical writer roles.

The recruiter had spoken highly of Vista, the family vibe, and the people-focused culture. Those attributes were important to me and still are.

Since then, Vista's family has grown immensely. However, the culture and feeling of being family have survived, along with my sense of satisfaction at working for a successful company. For me, feeling I am part of something significant is essential.

What is it that still excites you about Vista?

I have seen Vista go from being privately owned to being a publicly-listed group of companies. We found our way through the global pandemic and have moved from being an on-premise solution to a cloud offering.

There has been a lot of change, and I recognise that further change is required to see the platform grow into a mature cloud software solution. Being part of a New Zealand headquartered company determined to make the change to further develop the company's global presence is exciting to me.

What is a project you've been proud to work on at Vista?

There is always a sense of drive and commitment from our people across our strategic and objective projects. However, I felt an incredible sense of pride in being part of the collaborative effort across the organisation to develop the Covid-19 Cinema Reopening Kit. All aspects of the business were considered and included, ensuring we supported our clients to recover from the impact of the pandemic.

What are you looking forward to in 2023?

The importance of well-constructed documentation is often overlooked. However, Vista is fortunate to have a team of highly-skilled technical writers in our Knowledge Services team. I'm looking forward to seeing their work showcased in our Vista Cloud and Veezi Help Centres. Providing good publicly accessible documentation, delivered as a modern, pleasant reading experience, improves client satisfaction and enhances Vista's marketing efforts. It also allows for feedback and data analytics and reduces pressure on our customer support teams by deflecting customer service calls.

Galina Vidrio Uribe
Graphic Designer

What aspects of the company drew you to Vista Group?

What charmed me the most was the different ways Vista Group has an impact on the client journey. At every step of the way, Vista takes into account everyone who is involved in the cinema experience - from the software powering the day to day management of cinemas, to the moviegoers' experience of watching a movie.

What parts of your role at Movio excite you?

What I like about working at Movio are the points of contact with moviegoers, the way the platform takes care of loyalty information, and email communications (or Facebook campaign, SMS), and how we put it all together into reports, graphics, and numbers, and more.

As a graphic designer, I am into the behind-the-scenes of email development: coding. I also love movie posters, and Movio allows me to explore more design skills such as animation.

What is a project in LATAM that you've been proud to work on at Movio?

If I had to choose a project, it would be the development of the digital layout for Cinemark. We created the concept, the look and feel, and the graphics and put them all together into a mail layout. It was a great experience.

What are you most looking forward to working on in 2023?

I am thrilled about working on Movio Cinema EQ and discovering this new phase. I am also excited to keep learning about Movio templates and how they are used in other countries. In short, I want to keep learning, improving, and growing.

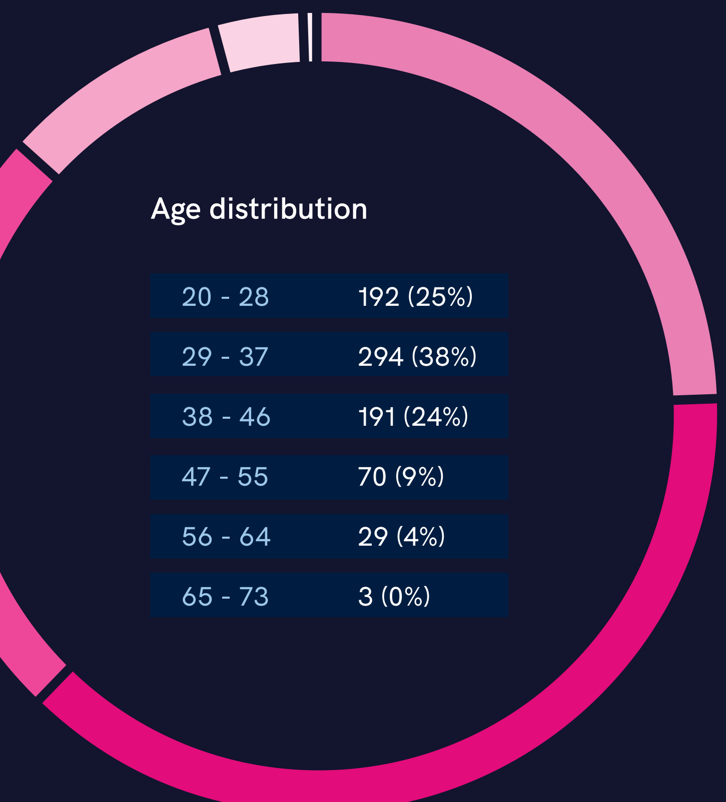
Demographics

Regional distribution

New Zealand	371
United States	101
United Kingdom	92
Mexico	91
Europe	81
South Africa	33
Australia	6
Malaysia	4

Female representation

Our people	2022	32% (252)
	2021	30% (192)
Our board[1]	2022	33% (2)
	2021	29% (2)
Executive leadership team	2022	27% (3)
	2021	22% (2)
Senior leadership team[2]	2022	37% (3)
	2021	43% (3)



Age distribution

20 - 28	192 (25%)
29 - 37	294 (38%)
38 - 46	191 (24%)
47 - 55	70 (9%)
56 - 64	29 (4%)
65 - 73	3 (0%)

33

Languages spoken

16

Countries our people reside in

10.1%

Gender pay gap

Vista Group has an established process to ensure that men and women are paid the same amount for the same work undertaken. This includes reviewing and adjusting, where needed, pay decisions at the point of recruitment, remuneration reviews and promotions, to ensure that pay is fair and equitable.

In addition, a comprehensive gender pay gap analysis was completed in 2022 across all permanent and fixed term employees globally, which compared the median hourly rates and variable pay of men and women.

Based on a weighted average of the size of each location, Vista Group's global gender pay gap is 10.1%. The detailed analysis of the gender gap by location, pay quartile and job level has been reviewed to assess root causes as well as actions and initiatives to lower the gap.

1. James Ogden retired from the Board at the 2022 ASM
2. The composition of the senior leadership team has been adjusted from 7 to 8 individuals in line with the change in our business. However, we have continued to have 3 females in that cohort.

Building greater trust

We know that a key to success for everything we do is trust. We strive to do the right thing in everything that we do. Being transparent is fundamental to building trust. During 2022 we delivered an Investor Day to provide investors and stakeholders with an overview of key corporate governance developments, an update on our strategy and industry outlook, and an opportunity to ask questions and interact with our Board and Executive Leadership Team.

Data security

Companies are facing a growing threat landscape, making information and data security a top priority. With Vista Cloud, responsibility for data security increases, so it's even more important we deliver a reliable and secure environment to meet the expectations of our clients and retain their trust.

Vista Cinema has engaged an independent qualified auditor to provide an assurance opinion on its information security management in accordance with the requirements of ISAE (NZ) 3150 – Assurance Engagements on Controls. This is a voluntary assurance review that focuses on the systems and controls we have in place to meet the Trust Services Criteria: security, availability, and confidentiality. The report will provide assurance to our clients, regulators and other stakeholders on the management of our security standards. This report will also provide us with insight on areas for improvement so we can continue to strengthen our practices.

Strengthening our risk practises

Effective management of risk is fundamental to achieving our strategic objectives. In late 2021, we engaged a third-party specialist to provide guidance on Vista Group's risk management framework and policies. This engagement continued into 2022 and resulted in a refreshed risk appetite statement and risk management policy approved by the Vista Group Board in May.

To support the continuous improvement of our risk management practices, we introduced two newly created Group risk roles to lead the implementation of our refreshed policy, and to provide guidance and support to the business on security compliance.

In addition, we assessed our risk management platform for suitability, and members of our executive and senior leadership teams participated in a series of risk and control assessment workshops.

Turn to page 93 to hear more about our risk management and key risks.

Consuming responsibly and impactful innovation

At Vista Group, we embrace our responsibility to operate sustainably and reduce the climate impact of our business. Our environmental footprint is relatively small and is largely made up by office energy consumption, third party data centres, business travel, technology consumables and shipping. We are working towards reducing our footprint even further. Our commitment extends to developing solutions that help our clients reduce the environmental impact of their businesses.

Empowering our cinema clients

Our platform is transforming cinema operations for our clients, encouraging sustainability-focused behaviours, through opportunities to reduce their carbon footprint by being more energy and resource efficient.

The serverless innovation of Vista Cloud and Movio Cinema EQ removes the need and costs for our cinema clients to house on-site servers. On-site servers require a constant power supply, a cooling system to avoid overheating, investment to maintain and upgrade and ongoing e-waste disposal when the equipment lifecycle ends. This empowers clients to invest more in other aspects of their business while also reducing their carbon footprint.

Our target is to have 1600-2400 cinema client sites on our SaaS platform by 2025. As we upscale our data storage loads, we anticipate our carbon emissions will increase for a period. To support us to reduce our carbon footprint, Vista Group have partnered with Microsoft Azure for hosting our cloud-based platforms. Microsoft Azure have been carbon neutral since 2012 and have made a commitment to be carbon negative by 2030. Microsoft Azure provides us with the capability to measure and monitor the carbon emissions produced from our data centre usage.

Innovation for the future of our planet with living ticket

The environmental impact of one movie ticket may not seem much but consider: if all 1.244 billion admissions reported in the USA and Canada in 2019 were printed on regular tickets[1] and connected end-to-end, it would stretch more than half the distance between Earth and the Moon. Besides the costs to cinemas for acquiring the paper, printers, and energy needed to print, it also puts the environment at risk through deforestation and inefficient waste management.

Ticketing has moved through several phases, from tickets purchased at the box office and PDFs printed at home, to online bookings with counter/kiosk pick up, but electronic ticketing is gaining popularity. The upward trend in moviegoer preference for remote sales channels can be attributed to this. With more and more moviegoers booking in advance either via web or cinema apps to avoid queues at the counter and prevent physical contact, the use of electronic tickets throughout the entire cinema trip is becoming increasingly common.

1 Ticket size considered 2" x 5.25"

Living Ticket -Paperless ticketing has multiple advantages for our cloud hosted clients.

Paperless ticketing has multiple advantages for our cloud hosted clients. Not only does Living Ticket lessen environmental damage, it provides saving costs, and going paperless frees cinema managers and floor staff from low-value tasks like stocking paper, replacing paper rolls, and printer troubleshooting.

Our carbon footprint

In 2022 we established our emissions baseline year for measuring our carbon footprint. During the year we've been working with Toitū Envirocare (Toitū) and an independent consultant to better understand our value chain and our ability to capture data to measure our greenhouse gas emissions (GHGs).

Our footprint covers GHGs from each of our entities around the world within our financial control. Measuring and reporting on our footprint will allow us to be transparent with our stakeholders, and enable us to make informed decisions and impactful progress on managing our GHGs reduction.

To ensure the integrity of our GHGs, we have engaged Toitū to certify our 2022 baseline year emissions. The certification is in accordance with ISO 14064-1 guidelines and will be independently verified annually to maintain our certification.

We intend to publish our first voluntary carbon statement in 2023. The External Reporting Board published the Aotearoa New Zealand Climate Reporting Standards on 14 December 2022. These standards will be mandatory for Vista Group to report against from the 2023 reporting period.

In next year's sustainability report, we will report on our carbon emissions and climate risks and opportunities in accordance with these climate reporting standards.

Group trading overview

Vista Group continues to be the global leader in delivering software and data analytics solutions to the film industry with core group companies, Vista Cinema and Movio, both number one globally in their respective market segments.

Vista Group recorded strong revenue growth of 38% to $135.1m and corresponding improvements in EBITDA.

Total Revenue

$135.1m ▲ 38%

Recurring Revenue[1]

$112.3m ▲ 38%

SaaS Revenue[2]

$38.4m ▲ 38%

ARR[3]

$118m ▲$22m

EDITDA[4]

$10.6m ▲ 63%

Net profit after tax

-$20.9m ▼ -111%

Operating Cashflow

$12.4m ▲ 10%

1 Recurring revenue is the portion of revenues that are expected to give rise to recurring cash receipts that will continue until the service is canceled.

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

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

4 EBITDA is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3 of the financial statements) and share of equity accounted results from associates.

The trading performance for 2022 was strong and the industry and Vista Group have seen a significant improvement in market conditions over 2021, with the more regular release of blockbusters and global box office hitting $29b.

Vista Group revenue of $135.1m was up 38% on 2021 with recurring revenue and SaaS revenue also up 38%. ARR closed at $118m up 22% on 2021. Non-recurring revenue, primarily new on-premise licences and hardware sales in Vista Cinema, was up 37% to $23m. A sizeable portion of the hardware sales were driven by a one-off requirement for upgrading client technology around the Retriever acquisition.

EBITDA of $10.6m was up 63% on 2021, and up 131% after adjusting for expected credit loss provisions and foreign exchange.

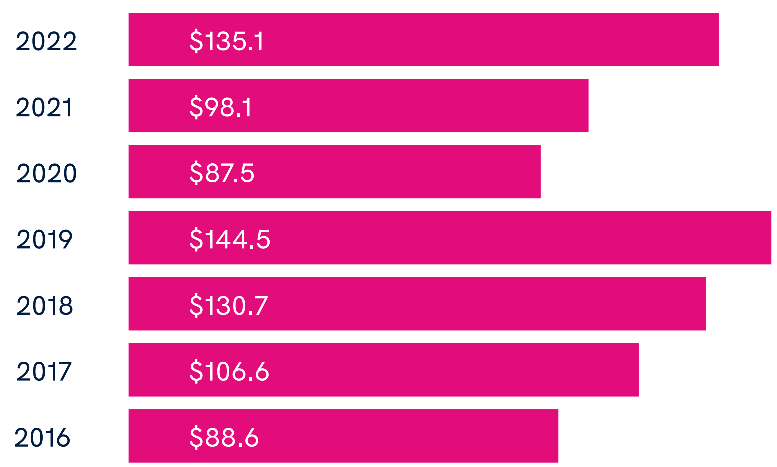
This result underlines the key financial and operating strengths of Vista Group:

- Consistent strong client relationships
- Strong annuity revenue
- Sustained underlined profitability
- Leading global position in the film industry

Vista Group continues to deliver new innovation across each of its operating segments, particularly in respect of Movio Cinema EQ, Vista Digital and Vista Cloud.

Revenue

NZD millions



Vista Cinema

Vista Cinema is the largest segment within Vista Group and represents over two thirds of Vista Group's total revenue. It provides more than 50% of the world's cinemas (outside China and India) with the technology platform to run multi-site, multi-screen and increasingly, multi-territory cinema businesses.

Much like 2021 ending on a high with *Spider-Man: No Way Home*, 2022 closed with *Avatar: The Way of Water* breaking new box office expectations globally. With box office in key markets between 70-80%, Vista Cinema client activity was returning to pre-pandemic levels and supported strong revenue growth. The overall health of the client base has been improving, and although it may still take a while before the industry passes 2019 box office levels, receivables and cash management remain a key focus. In Decemeber 2022, Vista Group signed trade agreements with key client Cineworld as part of its chapter 11 process in the United States, under which Cineworld committed to continue to use Vista Group Solutions.

The Vista Cloud SaaS platform celebrated its first full year of successful operations. Two large client contracts were signed during 2022 and represent 10% of Vista Cinema's total site count. Significant technology progress has been made on the SaaS platform, particularly with Vista Digital tools, allowing clients new robust ways to engage their moviegoers. Spend on the platform now represents the majority of Vista Group's innovation investment.

For Vista Cinema, revenue was up 41% on prior year to $93.5m, with recurring revenue up 42%.

Movio

Movio is the second largest segment within Vista Group. A pure play SaaS business, it represents about 15% of Vista Group's total revenue. Movio's purpose is to 'connect everyone with their ideal movie' and it achieves this through a range of campaign, analytics and research products for cinema exhibitors, studios and distributors.

In 2022, there was a steady increase in the use of Movio Cinema, which allows cinema circuits to connect more effectively with their moviegoers, with connections of 4.2b by the year end, significantly up from a busy 2021.

Movio Cinema EQ, the replacement for Movio Cinema, was successfully launched late in the year and live with seven clients by the end of 2022. EQ greatly increases the breadth and depth of the moviegoer analytics and extensively automates the moviegoer engagement process, saving clients time and money in an area where they are resource and expertise constrained.

Movio Research, which studios and distributors use to assess potential audiences, continues to be used widely as studio and distributor clients search for their perfect audience.

Movio Media, which helps studios and distributors access their potential digital audiences, remains subdued early in the year, but increased with the wider range of movies released later in the second half of 2022.

For Movio, revenue was up 32% on 2021, with recurring revenue up 27%.

Additional Group Companies

The Additional Group Companies segment comprises the businesses of two studio and distributor focused businesses - Numero and Maccs - and two moviegoer focused businesses - Powster and Flicks.

Numero • Maccs

Numero and Maccs performed well in 2022, with recurring revenue up 22% and total revenue up 24%. Maccs 10, the latest version of the on premise theatrical distribution system, is being rolled out across the client base and Mica, the SaaS platform for studios and distributors to streamline their global cinema releases, continues to expand, particularly in North America. Numero continues to add global clients and extend its geographical coverage.

Powster

Revenue for Powster was up 42% on the previous year, driven by strong showtimes platform revenue based on the increased range of movies released to the market. Creative content also improved by 31% as studio marketing budgets matched the improved box office.

Flicks

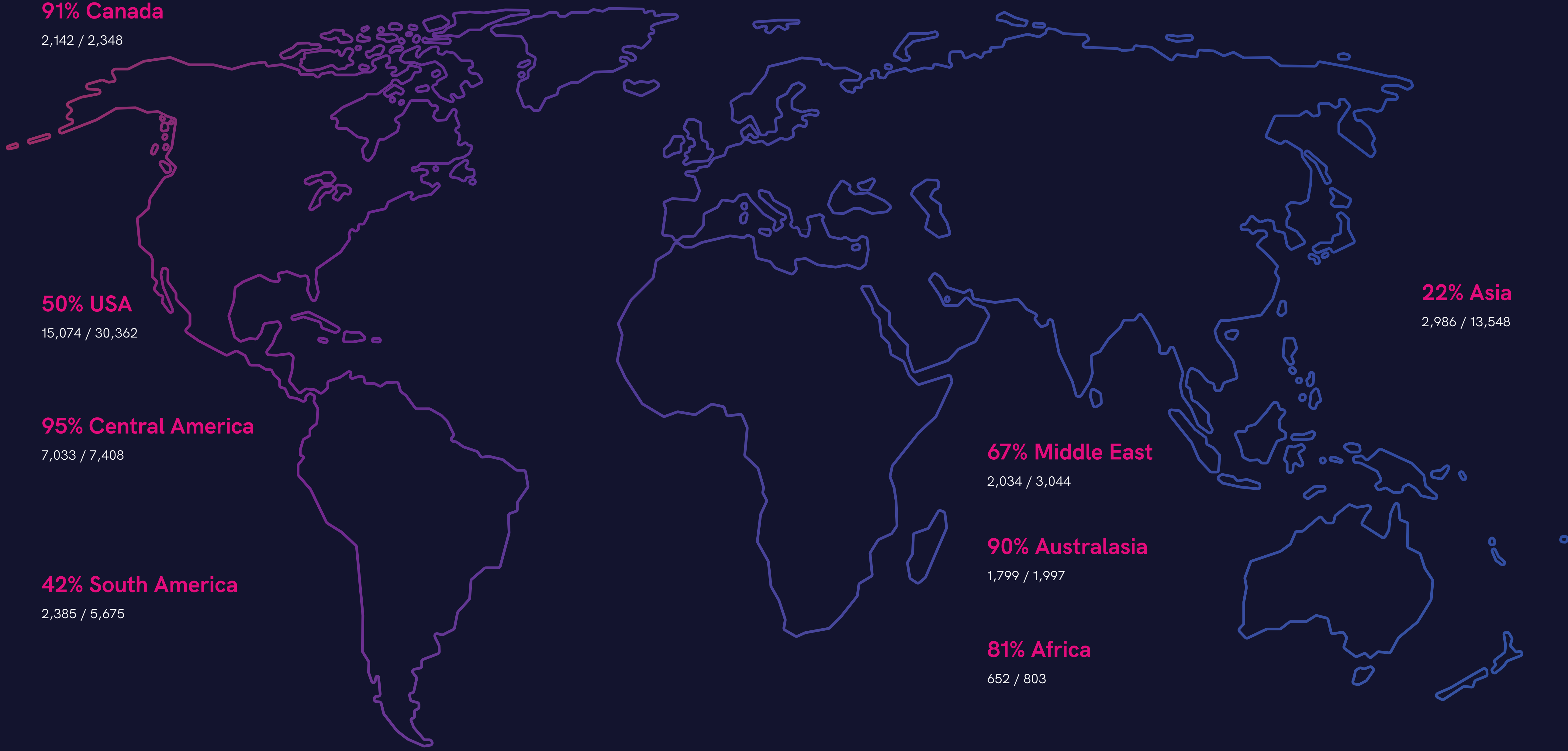
Revenue for Flicks was up 22% for the full year driven by good growth in both New Zealand and the United Kingdom, with a consistent performance in the Australian market.

Cinema market share

Vista Cinema percentage of the world market for Cinema Exhibition Companies with 20+ screens.

33% Worldwide

51% excl. China



43% Europe
9,199 / 21,499

91% Canada
2,142 / 2,348

50% USA
15,074 / 30,362

95% Central America
7,033 / 7,408

42% South America
2,385 / 5,675

22% Asia
2,986 / 13,548

67% Middle East
2,034 / 3,044

90% Australasia
1,799 / 1,997

81% Africa
652 / 803

Source derived from management estimates

Remuneration report

Letter from the Chair of the NRC

As Chair of the Nominations and Remuneration Committee (NRC), it is my pleasure to present Vista Group's Remuneration Report for the year ended 31 December 2022.

The report outlines Vista Group's remuneration strategy and approach, with a particular focus on the remuneration framework for the Group CEO and the Executive Leadership Team (ELT).

Vista Group's Board continues to be committed to a remuneration framework that is aligned to reward for achieving targeted performance and the culture and leadership of looking after our people and our clients. The rewards are aligned to both short-term and medium-term goals to achieve key objectives and deliver sustainable value for shareholders. The Board is committed to demonstrating an increased level of transparency in its remuneration policies, practices and reporting.

The NRC and the Board are supported by the People and Culture team who have been influential in supporting the business and employees globally especially given the varied economic and industry impacts.

Vista Group operates in a very competitive global and local market for skills and capabilities. It is a Board priority to ensure the retention of key employees and the attraction of new talent is reflected in the remuneration and employee benefits that form part of the value proposition and is aligned to the remuneration strategy. The approach is aimed at reward for achieving financial and non-financial performance that are aligned to shareholder value.

Regards,

Cris Nicolli
Chair of the Nominations and Remuneration Committee
Vista Group International Limited

Executive appointment and remuneration

Vista Group's remuneration policy for the CEO and Executive Leadership Team is based on the principles that the remuneration framework will:

- be simple, clear and understandable by all stakeholders
- be fair, equitable and flexible
- support Vista Group attracting, retaining and engaging employees
- reward targeted performance – financial and non-financial
- create alignment with Vista Group's values, culture and corporate strategy
- appropriately reflect market conditions and the organisational context
- align with creating and increasing shareholder value.

The NRC reviews Vista Group's remuneration policy and principles on a regular basis.

Total remuneration consists of fixed remuneration, short-term incentives (STI), and long-term incentives (LTI). STI and LTI are 'at risk' as outcomes are determined based on the achievement or otherwise of financial and non-financial performance based targets and conditions set by the Board on the recommendation of the NRC. All Vista Group employees based in New Zealand, the United Kingdom and the USA (other than the CEO and ELT) in March 2022 were also eligible to participate in the Vista Group Recognition Scheme – a share rights scheme with vesting conditional only on continued tenure until April 2023.

The remuneration package of the CEO is approved by the Board, on the recommendation of the NRC. The remuneration packages of the ELT (other than the CEO), including fixed remuneration, STI and LTI objectives and achievement, are regularly reviewed by the NRC. The remuneration packages of the CEO and ELT are benchmarked to market remuneration data to ensure competitiveness relative to comparable market peers.

In 2022 Vista Group and a third party specialist firm conducted a comprehensive and robust Chief Executive search process in line with the Nomination and Remuneration Committee Charter, leading to the appointment of incoming Chief Executive, Stuart Dickinson.

Employee remuneration

The following table shows the number of employees whose remuneration and benefits for the year ended 31 December 2022 were within the specified bands above $100,000. The remuneration figures shown in the table include all monetary payments actually paid during the year ended 31 December 2022, including 2021 STI payments. The table does not include amounts paid post 31 December 2022 that related to the year ended 31 December 2022, such as STI bonuses.

SALARY BAND (NZ$)			TOTAL GROUP EMPLOYEES
100,000	-	109,999	44
110,000	-	119,999	54
120,000	-	129,999	53
130,000	-	139,999	35
140,000	-	149,999	31
150,000	-	159,999	19
160,000	-	169,999	15
170,000	-	179,999	17
180,000	-	189,999	10
190,000	-	199,999	7
200,000	-	209,999	11
210,000	-	219,999	3
220,000	-	229,999	5
230,000	-	239,999	3
240,000	-	249,999	4
250,000	-	259,999	1
260,000	-	269,999	1
270,000	-	279,999	1
280,000	-	289,999	1
290,000	-	299,999	1
310,000	-	319,999	2
340,000	-	349,999	1
370,000	-	379,999	3
400,000	-	409,999	1
410,000	-	419,999	1
420,000	-	429,999	1
430,000	-	439,999	1
450,000	-	459,999	1
480,000	-	489,999	2
510,000	-	519,999	1
640,000	-	649,999	1
980,000	-	989,999	1
1,060,000	-	1,069,999	1
Total			**336**

Fixed remuneration

Fixed remuneration consists of base salary and benefits. While flexibility exists where specific circumstances require it, base salaries are typically reviewed annually. Vista Group provides a range of benefits to its employees specific to the country in which the employee works:

COUNTRY	BENEFITS
New Zealand	• Kiwisaver contribution up to 3% • Health insurance • Life insurance • Vista Group Recognition Scheme • Long service benefits • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer day
United States	• 401k contribution up to 2% • Health insurance (including dental and vision) • Life & accidental death & dismemberment insurance • Vista Group Recognition Scheme • Long-term disability insurance • On site paid gym membership • Flexible spending accounts (employee sponsored) • Volunteer day • Employee Assistance Programme (w/24 hr. mental health crisis support) • Cost of Living Bonus for those on lower incomes • 4.5 day working week
United Kingdom	• Royal London Pension up to 4% • Private medical health coverage for employee and their family + dental and eye care contributions • Vista Group Recognition Scheme • 24 hour Employee Assistance Program services • Perkbox, with free perks each month, plus access to range of high street discounts and rewards • Discounted gym memberships • Access to salary sacrifice scheme • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer Day
Netherlands	• Perkbox with free perks each month, plus access to range of high street discounts and rewards • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer day

COUNTRY	BENEFITS
South Africa	• Private medical health coverage for employee and their family + dental and eye care contributions • 24 hour Employee Assistance Programme services • Perkbox with free perks each month, plus access to range of high street discounts and rewards • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer day
Mexico	• Medical insurance • Food coupons • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer day
Malaysia	• Medical claims – reimbursement for medical bills • Mobile phone allowance • Parking allowance • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer day
Romania	• Private medical services • Half reimbursement for glasses and contact lenses (up to 450 RON) • Half reimbursement of a monthly gym membership (up to 100 RON) • Cost of Living Bonus for those on lower incomes • 4.5 day working week • Volunteer day

The provision of fixed remuneration (comprising of a base salary and country specific benefits) is consistent across all employees in Vista Group, including the CEO and ELT.

Short-term incentives

The STI are at-risk incentives that may be offered to an employee in respect of a specific year. The STI is set within a range as a fixed percentage of the participating employee's base salary. The STI outcomes are determined based on the achievement of financial and non-financial performance based targets applicable to the relevant employee. STI, once achieved, are paid in cash.

The key targets, percentages and terms of the 2022 STI are set out in the table below:

TARGETS	% OF STI	HURDLE
Recurring revenue/ total revenue	50%	Results of between 95% to 110% of the target equates to STI achievement of between 95% and 120%. No STI is achieved below 95%, nor are any stretch elements available above 120% achievement.
Vista Group EBITDA	20%	Results of between 90% to 110% of the target equates to STI achievement of between 90% and 120%. No STI is achieved below 90%, nor are any stretch elements available above 120% achievement.
Customer net promoter score	15%	If achieved, then 100% of the applicable STI is payable.
Employee net promoter score	15%	If achieved, then 100% of the applicable STI is payable.

In 2022, the CEO's STI was set by the Board at 48% of his base salary, and for ELT members the STI was set within a range of 20%- 40% of the relevant ELT member's base salary.

Long-term Incentive Scheme

Vista Group's LTI is a share scheme offered at the discretion of the Board on the recommendation of the NRC. The LTI is set as a fixed percentage of the participating employee's base salary. The number of rights granted to a participating employee is determined based on the participation value divided by the volume weighted average sale price of Vista Group's shares over a specified period before the grant date. The share rights granted under the LTI are eligible to vest and convert into Vista Group shares based on the achievement or otherwise of certain targets and satisfaction of certain conditions over a specified number of years.

Under the terms of the 2021 and 2022 LTI schemes, half of the rights are classified as 'share rights', with the other half classified as 'performance rights'. One third of these share rights and performance rights are eligible to vest each year of the three year term of the scheme based on:

- Share Rights: continued tenure with Vista Group, with rights vesting annually when the condition has been satisfied (annually representing one sixth of the total LTI).
- Performance Rights: achievement of Vista Group recurring revenue targets set by the Board, with vesting annually on achievement of the target, assuming also continued tenure (annually representing one sixth of the total LTI).

Under the 2022 LTI scheme, the CEO's LTI was set by the Board at 48% of his base salary, and for ELT members the LTI was set within a range of 20%-66% of the relevant ELT member's base salary.

Retention Schemes

The CEO also participates in a Group CEO Retention Scheme. Under the terms of this scheme, the CEO is granted a specified number of rights that are eligible to vest annually based on continued tenure with Vista Group. In April 2022, 100,000 share rights were vested, comprising the first tranche of the share rights granted in 2020 under the Group CEO Retention Scheme. Subject to the continued tenure of the CEO, 400,000 share rights are due to vest in April 2023.

Certain employees also participate in a Senior Management & Executive Retention Scheme. Under the terms of this scheme, the relevant participants are granted a specified number of rights that are eligible to vest each year of the term of the scheme based on continued tenure with Vista Group. In 2022, 300,000 share rights were granted under this scheme. Subject to continued tenure of each participant, 100,000 of those share rights are due to vest in April 2024 with the remaining 200,000 share rights due to vest in April 2025.

Recognition Scheme

The 2022 Vista Group Recognition Scheme (VGRS) is a board discretionary share scheme that was offered in 2022 to all Vista Group employees based in New Zealand, the United Kingdom and the United States (excluding the CEO) to encourage retention and to recognise the performance of employees. VGRS participation was set at the greater of 7.5% of base salary, or NZ$7,500. The number of rights granted to a participating employee was determined based on participation value divided by the volume weighted average sale price of Vista Group's shares over a specified period before the grant date. The rights granted under the VGRS are eligible to vest in April 2023 based on the continued tenure of the participating employees.

Breakdown of CEO pay for performance (2022)

The table below represents the pay for performance remuneration received, or expected to be received by the CEO relating to the 2022 financial year. Settlement of parts of this table are anticipated to be settled in 2023.

DESCRIPTION		PERFORMANCE MEASURES	% ACHIEVED	AMOUNT ACHIEVED NZ$
STI	50% of base salary	50% weighting of Vista Group recurring revenue. Results of between 95% to 110% of the target equates to STI achievement of between 95% and 120%. No STI is achieved below 95%, nor are any stretch elements available above 120% of the target.		
		20% weighting of Vista Group EBITDA. Results of between 90% to 110% of the target equates to STI achievement of between 90% and 120%. No STI is achieved below 90%, nor are any stretch elements available above 120% of the target.		
		15% weighting on customer net promoter score. If achieved, then 100% of applicable STI payable. If not achieved, no STI is payable.		
		15% weighting on employee net promoter score. If achieved, then 100% of applicable STI payable. If not achieved, no STI is payable.		
	TOTAL STI		**91.0%**	**$273,000**
LTI & other rights	2020 Group CEO Retention Scheme[1]	100% weighting on continued tenure. An allocation of 400,000 of rights are due to vest in April 2023.		
	2021 LTI Plan[1]	50% weighting on Vista Group recurring revenue in 2021, 2022 and 2023. The threshold to achieve is 90% with pro-rata payment through to 100%. 50% weighting on continued tenure in 2021, 2022 and 2023.		
	2022 LTI Scheme[1]	50% weighting on Vista Group recurring revenue in 2022, 2023 and 2024. The threshold to achieve is 90% with pro-rata payment through to 100%. 50% weighting on continued tenure in 2022, 2023 and 2024.		
	TOTAL LTI & OTHER RIGHTS		**100.0%**	**$773,583**
	TOTAL STI, LTI & OTHER RIGHTS		**97.5%**	**$1,046,582**

1 These rights convert to shares in April 2023. A share price at 31 December 2022 has been used for calculating the value of the shares expected to be issued under the share schemes.

CEO remuneration

The total remuneration received by the CEO between 1 January 2022 and 31 December 2022 (including the comparative period) is as follows:

YEAR	BASE SALARY[1]	TAXABLE BENEFITS	FIXED REMUNERATION	STI[2]	LTI & OTHER RIGHTS[2]	TOTAL REMUNERATION
2022	633,979	28,595	662,575	172,656	261,250	1,096,481
2021	425,000	22,556	447,556	107,525	464,000	1,019,081

1 The 2022 base salary of the CEO is $625,000. The value included in this table represents additional amounts required to be paid under New Zealand legislation when an employee takes annual leave.

2 The STI, LTI & Other Rights represented in this table relate to amounts / rights settled in the relevant financial year (for example, the 2021 STI is reflected in 2022, being the year it was settled).

The employment agreements of the CEO and ELT do not include the ability to be paid a transaction bonus in the event of a takeover of Vista Group.

Share-based schemes

Share schemes in 2022

In the year ended 31 December 2022, Vista Group granted rights under the following employee share-based schemes:

2022 LTI Scheme: Vista Group granted 1,268,112 rights to ELT and other selected senior management under this scheme during 2022. Half of the rights are classified as 'share rights', with the other half classified as 'performance rights'. One third of these share rights and performance rights are eligible to vest each year of the three year term of the scheme based on:

- Share Rights: continued tenure with Vista Group, with rights vesting annually when the condition has been satisfied (annually representing one sixth of the total LTI).
- Performance Rights: achievement of Vista Group recurring revenue or total revenue targets set by the Board, with vesting annually on achievement of the target, assuming also continued tenure (annually representing one sixth of the total LTI). Performance rights that do not vest are eligible to vest of the scheme.

2022 Senior Management & Executive Retention Scheme: Vista Group granted 300,000 rights to selected employees under this scheme during 2022. Of these, 100,000 will vest in April 2024, and 200,000 will vest in April 2025, conditional on the continued tenure of the participants at the relevant vesting date.

2022 Vista Group Recognition Scheme: Vista Group granted 2,110,769 share rights to all Vista Group employees based in New Zealand, the United Kingdom and the United States (excluding the CEO) to encourage retention and to recognise the performance of employees. These share rights will vest in April 2023, conditional on the continued tenure of the participants at the relevant vesting date.

Share-based schemes with conditions met

The following share-based schemes met the required performance targets resulting in rights vesting in the year ended 31 December 2022:

- **2021 LTI Scheme:** Vista Group granted 1,237,668 rights to ELT and other selected senior management under this scheme in 2021. Half of the rights are classified as 'share rights', with the other half classified as 'performance rights'. One third of these share rights and performance rights are eligible to vest each year of the three-year term of the scheme based on:
  - Share Rights: continued tenure with Vista Group, with rights vesting annually when the condition has been satisfied (annually representing one sixth of the total LTI).
  - Performance Rights: achievement of Vista Group recurring revenue or total revenue targets set by the Board, with vesting annually on achievement of the target, assuming also continued tenure (annually representing one sixth of the total LTI). Performance rights that do not vest are eligible to vest of the scheme.

  In April 2022, 336,611 Vista Group shares were issued to participating ELT following the vesting of 194,871 share rights and 141,740 performance rights under the scheme.
- **2020 Group CEO Retention Scheme:** In 2020, the CEO was granted 500,000 share rights under the Group CEO Retention Scheme with vesting conditional on the CEO's continued tenure. In April 2022, 100,000 Vista Group shares were issued to the CEO following the vesting of 100,000 share rights under the scheme, and 400,000 share rights will vest in April 2023 conditional on the continued tenure of the CEO.

Performance rights outstanding

The total number of outstanding rights granted to Vista Group employees (less known leavers) at 31 December 2022 are detailed in the following table:

GRANT YEAR	PLAN TYPE	2023	2024	2025	OUTSTANDING RIGHTS
2020	Group CEO Retention Scheme	400,000	-	-	400,000
2021	LTI Scheme	382,591	336,692	-	719,283
2022	LTI Scheme	417,296	417,296	417,296	1,251,888
2022	Vista Group Recognition Scheme	1,863,113	-	-	1,863,113
2022	Senior Management & Executive Retention Scheme	-	100,000	200,000	300,000
Total outstanding rights		**3,063,000**	**853,988**	**617,296**	**4,534,284**

The table above does not include the Group CEO Retention Scheme for the incoming CEO, as the grant is contingent on commencement of employment.

2022 director remuneration

Director remuneration is paid from the total directors' fee pool of $725,000 approved by Vista Group's shareholders at the ASM held on 26 May 2021. No increase to the fee pool is proposed for 2023. Directors' fees are calculated as set out below:

POSITION HELD	NZ$
Chair	$180,000
Director	$85,000
ARC Chair	$15,000
ARC member	$10,000
NRC Chair	$15,000
NRC member	$10,000

The details of the total remuneration of, and the value of other benefits received by, each director of Vista Group during the year ended 31 December 2022 are set out in the table below:

DIRECTOR	FURTHER DETAILS	BOARD FEES	ARC FEES	NRC FEES	TOTAL DIRECTOR FEES[1]	EXECUTIVE REM	TOTAL DIRECTOR COST
Susan Peterson	Chair	180,000	-	-	180,000	-	180,000
Claudia Batten		85,000	-	10,000	95,000	-	95,000
Murray Holdaway[2]	Retired as Chief Product Officer in June 2022	42,500	-	-	42,500	181,430	223,930
James Miller	Appointed ARC Chair in May 2022	85,000	12,997	-	97,997	-	97,997
Cris Nicolli	NRC Chair	85,000	10,000	15,000	110,000	-	110,000
James Ogden	Retired in May 2022	34,274	6,048	4,032	44,355	-	44,355
Kirk Senior		85,000	10,000	-	95,000	-	95,000
Total		**596,774**	**39,046**	**29,032**	**664,852**	**181,430**	**846,282**

1 Total director fees of $664,852 is within the $725,000 directors' fee pool approved
2 Murray Holdaway retired from his executive role as Chief Product Officer in June 2022. He remained as a director of Vista Group from that date.

Directors are reimbursed for all reasonable and properly documented expenses incurred in performing their duties as Vista Group directors. With the exception of Murray Holdaway in his previous position of Chief Product Officer until his retirement from that role in June 2022, no additional payments or benefits were received by directors during 2022.

In his position of Chief Product Officer, Murray Holdaway was entitled to taxable benefits, including 3% employer KiwiSaver contributions on base salary, employer sponsored Southern Cross health insurance, and employer sponsored life insurance.

Corporate governance

This Corporate Governance statement has been prepared in accordance with NZX Listing Rule 3.8.1(a) and was approved by the Board of Vista Group on 28 February 2023. The information contained in this statement is current as at that date, unless otherwise noted.

Vista Group is committed to high standards of governance.

Vista Group's key governance documents are available in the Investor Centre section of Vista Group's website at www.vistagroup.co.nz/investor-centre - these include Vista Group's constitution, the Corporate Governance Code (including the Code of Ethics, Audit and Risk Committee Charter and Nominations and Remuneration Committee Charter), Risk and Compliance Framework Summary, Continuous Disclosure Policy, Diversity and Inclusion Policy, Share Trading Policy, Modern Slavery Statement and Modern Slavery Policy. The core of Vista Group's governance framework is its commitment to protect and enhance the interests of its shareholders through high standards of governance, business behaviour and transparency.

Vista Group's governance framework ensures Board accountability to our shareholders and provides for an appropriate delegation of responsibilities to our CEO and our Executive Leadership Team (**ELT**).

The Board reviews Vista Group's governance policies and practices regularly to ensure compliance with NZX and ASX standards (Vista Group is an ASX Foreign Exempt Listed company) and reflects the governance expectations of its shareholders in New Zealand and Australia.

As at the date of this Annual Report, Vista Group's governance practices over the reporting period were in compliance with the NZX Corporate Governance Code and, whilst not required due to our ASX foreign-exempt listing status, the ASX Corporate Governance Principles and Recommendations (fourth edition).

Vista Group's Board

The directors of Vista Group as at the date of this Annual Report are as follows:

Susan Peterson
BCom, LLB
Independent Chair

Claudia Batten
BCom, LLB (Hons)
Independent Director

Murray Holdaway
BSc, BCom
Executive Director

James Miller
BCom, FCA
Independent Director

Cristiano (Cris) Nicolli
BMS, FAICD
Independent Director

Kirk Senior
BCom, CA
Non-Independent
Non-Executive Director

Board composition and characteristics

During 2022, the Board continued to implement its succession plan to achieve greater independent governance. This involved:

- Independent Director, James Ogden retiring from the Board after 8 years of service – with effect from 26 May 2022; and
- Murray Holdaway retiring as a Vista Group executive, but continuing on the Board as an Executive Director – with effect from June 2022.

A brief profile, including the relevant qualifications and experience, of each director can be found at www.vistagroup.co.nz/board-management.

Vista Group's constitution does not allow the appointment of a director by a single shareholder pursuant to NZX Listing Rule 2.4.

Structure

The Board is structured to ensure that as a collective group it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities. The Board's responsibilities are set out in Vista Group's Corporate Governance Code which is available in the Investor Centre section of Vista Group's website at www.vistagroup.co.nz/investor-centre.

Board skills matrix

The Board focuses on ensuring it takes advantage of, and benefits from, the diversity of skills, backgrounds and experiences of the individual directors and that its culture reflects Vista Group's values.

During the reporting period, the Nominations and Remuneration Committee (NRC) has assessed the skills of the Board and reviewed and updated the Board skills matrix. A summary of the Board skills matrix is set out on the opposite page.

The refreshed skills matrix enables an assessment of skills and experience of individual directors, and how the directors work together as a whole.

It is considered that addressing the level of skills and experience collectively is a better indicator of Board capability overall. Accordingly, the level of skills and experience is assessed collectively.

The key skills and experience which individual directors contribute to the Vista Group's Board can be found at www.vistagroup.co.nz/board-management.

Six board members

Capabilities

- 1. Software, Cloud, Online and Operating Platforms
- 2. Digital product management and marketing
- 3. Data
- 4. Strategy and development
- 5. Go-to-market in international markets
- 6. Financial Expertise
- 7. Listed company
- 8. People and culture
- 9. Film Industry
- 10. Sustainability

Capability description

Proficiency guide: Low, Medium, High

Capability description						
1. Expertise and experience in the development and delivery of software and digital solutions through on-premise, managed services, cloud and/or online platforms	Medium	High	High	High	High	High
2. Expertise and experience in digital product marketing and management, including an understanding of technology trends and implications and the software and technology value chain	Low	Low	Medium	High	High	High
3. Expertise in the collection, processing, and commercialisation of data and marketing applications, including the use of AI and experience with data protection legislation in Vista Group's key international markets	Low	Medium	Medium	Medium	Medium	High
4. Expertise in corporate strategy and the developing early stage businesses, including strategic reviews, M&A and strategic partnerships	High	High	High	High	High	High
5. Deep customer insight and advocacy. Go-to-market expertise including direct sales, internet sales, new markets, and/or specific customer channel experience in the technology, cinema, film, studio or media sectors in Vista Group's key international markets (North America, South America, EMEA, APAC)	Low	Medium	High	High	High	High
6. Financial expertise with significant public company experience in finance, accounting, capital markets, credit markets, banking and investor relations.	High	High	High	Medium	Medium	Medium
7. Depth of expertise on listed company boards, including experience in governance, compliance and risk management and health and safety	High	High	High	High	Medium	Medium
8. Remuneration, retention, workforce planning, talent, culture and diversity and inclusion	High	High	High	Medium	Medium	Medium
9. Depth of experience in the film industry, including in film exhibition and/or distribution	Low	Low	Low	Medium	High	High
10. Deep understanding of the environmental, social and governance considerations in a strategic and operational context and the applicable legislative framework, including the TCFD	Low	Low	Low	Medium	High	High

Independence and conflicts

Four of Vista Group's six directors (Susan Peterson (Chair), Claudia Batten, James Miller and Cris Nicolli) are considered by the Board to be Independent Directors. This determination is made on the basis that these directors are Non-Executive Directors who are not substantial shareholders and who are free of any interest, business or other relationship that would materially interfere with, or could reasonably be seen to materially interfere with, the independent exercise of their judgement. None of the Independent Directors have been employed or retained, within the last three years, to provide material professional services to Vista Group.

Two of Vista Group's six directors (Kirk Senior and Murray Holdaway) are not considered to be Independent Directors. Kirk Senior held the position of Executive Chair until he resigned as Chair and as a member of the ELT with effect from 1 January 2021. Based on his previous ELT position, the Board has determined that Kirk Senior is not an Independent Director. Murray Holdaway is the co-founder of Vista Group, holds 2.91% of Vista Group's ordinary shares, and was a member of the ELT as Vista Group's Chief Product Officer until he resigned as a member of the ELT in 2022. Based on these factors, the Board has determined that Murray Holdaway is not an Independent Director.

Within the last 12 months, none of the directors were a partner, director, senior executive or material shareholder of a firm that provided material professional services to Vista Group or any of its subsidiaries. None of the directors is a current or past senior employee or partner of Vista Group's auditors PricewaterhouseCoopers. None of the directors has been, within the last three years, a material supplier to Vista Group or has any other material contractual relationship with Vista Group or any of its subsidiaries other than as a director of Vista Group or, in respect of Kirk Senior and Murray Holdaway only, as an employee of Vista Group or one of its subsidiaries. None of the directors receives performance-based remuneration from, or participates in, Vista Group's employee share schemes. No director controls, or is an executive or other representative of an entity which controls, 5% or more of Vista Group's voting securities.

The Board considers that the roles of the Chair and the CEO must be separate. The CEO is not a director of Vista Group and the Chair is independent of the CEO.

Responsibilities

The Board is responsible for Vista Group's strategic direction and operation and has delegated certain responsibilities to the CEO and the ELT. Vista Group's Board is committed to creating long-term value for shareholders and safeguarding the highest standards of governance, corporate behaviour and accountability.

The Board's responsibilities are set out in Vista Group's Corporate Governance Code, and include:

Strategy and Planning

- selecting and, if necessary, replacing the CEO
- ensuring that Vista Group has adequate management to achieve its objectives and to support the CEO so that a satisfactory plan for management succession is in place
- reviewing and approving the strategic, business and financial plans prepared by the ELT
- reviewing and approving certain material transactions, and making certain investment and divestment decisions
- approving and overseeing the administration of Vista Group's technology development strategy

Financial Performance and Integrity

- monitoring Vista Group's performance against its approved strategic, business and financial plans and overseeing Vista Group's operating results

Code of Ethics

- ensuring Vista Group, the Board and the ELT's behaviour is consistent with the Code of Ethics, including compliance with the constitution, any applicable laws and regulations, NZX Listing Rules, and any relevant auditing and accounting principles
- implementing, and from time to time reviewing, the Code of Ethics, to foster high standards of ethical conduct and personal behaviour, and hold accountable those directors, managers or other employees who engage in unethical behaviour

Risk and Audit

- ensuring the quality and independence of Vista Group's external audit process

The terms of the delegation by the Board to the CEO and ELT are documented in Vista Group's Corporate Governance Code and Delegated Financial Authority Manual. The CEO and ELT are responsible for:

- developing and making recommendations to the Board on Vista Group strategies and associated initiatives;
- managing and implementing strategies approved by the Board;
- formulating and implementing policies and reporting procedures for management;
- decision making compatible with Vista Group's Delegated Financial Authority Manual;
- managing business risk and implementing the Board approved risk management framework and ensuring compliance; and
- the day-to-day leadership and management of Vista Group.

The CEO and ELT have appropriate employment agreements setting out their roles and conditions of employment.

The CEO's performance is reviewed by the NRC regularly against objectives and measures set by the Board. The CEO's performance was evaluated during the reporting period on this basis. The NRC is also responsible for overseeing the CEO's evaluation of the ELT. Further details are contained in the Remuneration Report on page 64.

Directors' remuneration

Full details regarding Vista Group's remuneration of its directors are set out in the Remuneration Report on page 64.

Governance at Vista Group

Selection, nomination and appointment

Vista Group undertakes appropriate checks before appointing a director or putting forward any candidate for election as a director in accordance with Vista Group's governance processes.

All directors are elected by Vista Group's shareholders (other than directors appointed by the Board to fill casual vacancies, who must retire and stand for election at the next meeting of shareholders) with rotation and retirement determined in accordance with the NZX Listing Rules. The Board is responsible for considering and appointing directors to the Board after candidates have been identified by the NRC.

Vista Group has a written agreement with each director set out in a standard form letter of appointment containing the terms and conditions of their appointment. In addition, Vista Group has also entered into a deed of indemnity and insurance which applies to each director, under which Vista Group indemnifies, and provides insurance to, directors in accordance with Vista Group's constitution and the Companies Act 1993.

Induction and development

All new directors participate in an induction programme and receive significant induction materials so as to familiarise them with Vista Group's businesses and the international film industry in which those businesses operate.

The Board receives regular briefings from management on Vista Group's business operations, changes to the operating environment, and health and safety and wellness matters. Board strategy days are held during the year to consider matters of strategic importance to Vista Group.

Vista Group provides regular development opportunities for directors through Director Education Sessions. During 2022, Vista Group hosted two Director Education Sessions where external experts presented on the topics of building high performance cultures and cybersecurity trends and practices. Outside of the Director Education Sessions, the directors undertake appropriate training to remain current on how to best perform their duties as directors of an issuer by attending relevant courses, conferences and briefings.

It is fundamental to the Board that directors have and are committing sufficient time to perform their duties properly and effectively. The Board has considered this issue during the reporting period and is satisfied that, taking into account all of their commitments, each director had sufficient time to perform their Vista Group duties.

2022 governance calendar and attendance

Vista Group's 2022 governance calendar recording the meetings of the Board, Board Sub-Committee, Audit and Risk Committee (ARC), Nominations and Remuneration Committee (NRC), Disclosure Committee, and the Annual Meeting of Shareholders (ASM) is set out in the table below:

MEETINGS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board	●	●●		●	●	●	●	●	●		●	●
Board Sub-Committee		●										
Disclosure Committee			●			●				●		
ARC	●	●●			●		●	●●			●	
NRC	●	●			●			●			●	
ASM					●							

All directors attended the 2022 ASM. Details regarding the directors' attendance of the meetings of the Board, Board Sub-Committee, the ARC and the NRC during 2022 is set out in the table below:

MEETINGS	BOARD ATTENDANCE	BOARD										BOARD SUB	ARC								NRC				
Susan Peterson	100%	●	●	●	●	●	●	●	●	●	●	●	○	○	○	○	○	○	○	○	○	○	○	○	○
Claudia Batten	100%	●	●	●	●	●	●	●	●	●	●			○	○	○	○		○	○	●	●	●	●	●
Murray Holdaway	100%	●	●	●	●	●	●	●	●	●	●		○	○		○	○	○	○	○	○			○	○
James Miller [2]	100%	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●		○	○	○	○
Cris Nicolli	100%	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
James Ogden [1]	100%	●	●	●	●	●							●	●	●	●					●	●	●		
Kirk Senior [3]	100%	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	○		○	●	●

● Board or Committee Member present ○ Non-Committee Member present

1 James Ogden retired from the Board on 26 May 2022
2 James Miller appointed to Chair of the ARC on 26 May 2022
3 Kirk Senior appointed as committee member of the NRC on 26 May 2022

Each Committee Charter provides that employees and Executive Directors can only attend Committee meetings at the invitation of the Chair of the relevant Committee.

Reviewing performance

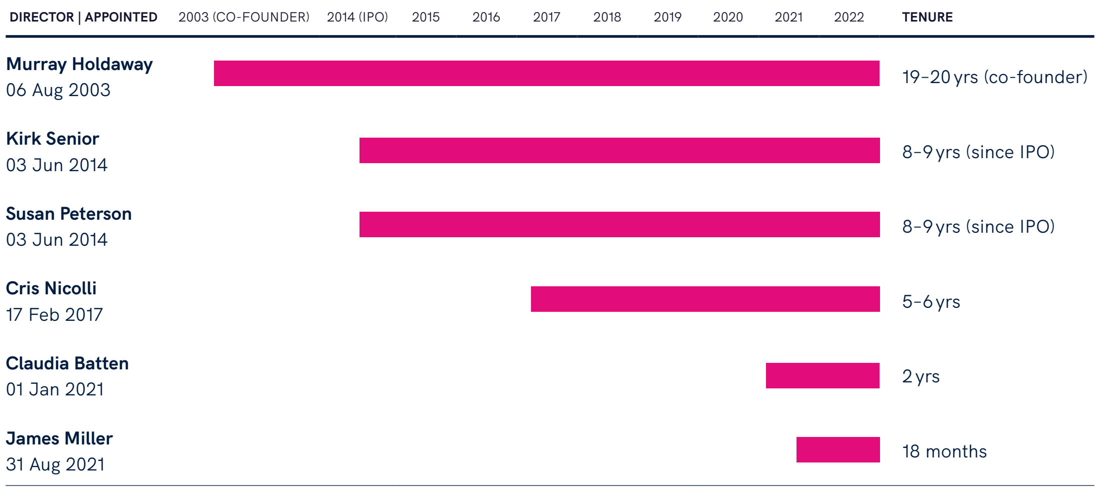
The performance of the directors (individually and collectively), and the effectiveness of Board processes and committees, are regularly evaluated using a variety of methods, including questionnaires, Board discussion, and an evaluation at the end of each Board meeting. A performance review led by the Chair was carried out during the reporting period. The next review will be carried out during 2023.

Tenure

Vista Group notifies shareholders each year of their right to nominate a candidate for election as a director. Where any director election or re-election is to occur at a shareholder meeting, the Notice of Meeting includes all information on candidates for director election or re-election that the Board considers may be useful for shareholders to receive.

As required by the NZX Listing Rules, directors must retire every three years and, if desired, seek re-election. In accordance with NZX Corporate Governance Code recommendation, the Board takes director tenure into account in considering whether a director is an Independent Director.

The date of appointment and tenure of each director is set out in the table below:



Although Murray Holdaway has served as a director since 2003, as a co-founder of Vista Group, Murray's deep understanding of Vista Group's businesses and the film industry is considered a valuable addition to the Board's skills matrix.

Board committees

The Board has two standing committees: the ARC and the NRC. The members of those committees are set out in the tables below:

ARC

Director	Independence
James Miller (Chair)	Independent
Cris Nicolli	Independent
Kirk Senior	Non-Independent

NRC

Director	Independence
Cris Nicolli (Chair)	Independent
Claudia Batten	Independent
Kirk Senior	Non-Independent

Vista Group does not have a separate Nominations Committee, or a separate Remuneration Committee. Rather, the NRC fulfils the functions of both those committees. The role and responsibilities of the ARC and NRC are set out in the Committee Charters that form part of Vista Group's Corporate Governance Code which is available at www.vistagroup.co.nz/investor-centre.

The Disclosure Committee was constituted in 2020 under Vista Group's Continuous Disclosure Policy and is comprised of Cris Nicolli (Independent Director), the CEO, the CFO and the General Counsel and Company Secretary. The Disclosure Committee convene each month in which a Board meeting does not occur in order to monitor Vista Group's compliance with its continuous disclosure obligations under the NZX Listing Rules and the Financial Markets Conduct Act 2013.

Each committee focuses on specific areas of governance. Together, the committees strengthen the Board's oversight of Vista Group. Committee meetings are scheduled to coordinate with the Board meeting cycle. Each committee reports to the Board at the subsequent Board meeting and makes recommendations to the Board for consideration and approval as appropriate.

Vista Group assesses on a regular basis whether additional standing or ad hoc committees are required. Additional temporary committees are established from time to time, including as required to provide governance oversight on short-term projects. As at the date of this statement, Vista Group has determined that no other standing committees are required.

Committee charters

Each standing committee operates in accordance with a written charter approved by the Board and reviewed as required at least every two years. The committee charters form part of Vista Group's Corporate Governance Code which is available at www.vistagroup.co.nz/investor-centre.

Directors' Vista Group shareholdings

The Board encourages the alignment of directors' interests with those of shareholders and with Vista Group's strategic aims. To improve this alignment, the Board encourages directors to hold shares in Vista Group, with final determination left to individual director's personal circumstances. Further details of directors' shareholdings in Vista Group are set out in Directors' Disclosures on page 100.

Access to advice and general counsel and company secretary

Directors may access such information and seek such independent advice as they consider necessary or desirable, individually or collectively, to fulfil their responsibilities and permit independent judgement in decision making. They are entitled to have access to internal and external auditors without management present and, with the Chair's consent, seek independent professional advice at Vista Group's expense.

All directors have access to the advice and services of the General Counsel and Company Secretary for the purposes of the Board's affairs. The General Counsel and Company Secretary was appointed on the joint approval of the CEO and the Chair. The General Counsel and Company Secretary is accountable to the Board, through the Chair, on all governance matters.

Assurance and managing risk

Audit plan and role of the external auditor

PricewaterhouseCoopers is Vista Group's current external auditor and has served since its appointment in April 2015. The NZX Listing Rules require rotation of the key audit partner at least every five years. Vista Group last rotated its key audit partner in January 2020 and, assuming that PricewaterhouseCoopers continue as Vista Group's auditor, the next rotation is expected to occur in January 2025. Vista Group's audit partner (Troy Florence) attended Vista Group's 2022 Annual Meeting of Shareholders (ASM) and was available to Vista Group's shareholders to answer questions relevant to PricewaterhouseCoopers' audit.

Details of the work (both audit and non-audit) undertaken by, and fees paid to, PricewaterhouseCoopers during 2022 are included in section 2.3 of the Financial Statements.

The Board considers that due to the nature and quantum of the non-audit services work, the independence of PricewaterhouseCoopers is not compromised.

External audit policy

The Board's framework for Vista Group's relationship with its external auditor is in the External Audit Policy set out in the Corporate Governance Code which is available at www.vistagroup.co.nz/investor-centre. The External Audit Policy covers matters relating to the appointment of the auditor, the independence of the auditor, transparent dialogue with the auditor, rotation of the audit partner, reporting on audit fees and non-audit work. The ARC assists the Board in fulfilling its responsibility to ensure the quality and independence of Vista Group's external audit process. Pursuant to the ARC Charter, the Board has delegated the ARC the responsibility of monitoring all aspects of the external audit of Vista Group's affairs including:

- considering the appointment of the auditor, audit fees and any issues on an auditor's resignation or dismissal;
- ensuring the independence, objectivity and effectiveness of the auditor;
- reviewing the audit plan, nature and scope of the audit before commencement;
- reviewing Vista Group's letter of representation to the auditor; and
- discussion with the auditor of any problems, reservations or issues arising from the audit and referring matters of a material or serious nature to the Board.

Audit conflict safeguard and resolution process

It is the responsibility of the ARC to ensure audit independence. The committee ensures this by requiring the audit engagement partner to discuss any non-audit services provided by the external audit firm with the ARC Chair prior to the commencement of any non-audit services. The non- audit services will only be provided if both the audit engagement partner and ARC Chair agree that there are no reasonable threats to independence.

As part of the external auditor's reporting to the ARC, the external auditor is required to submit an annual independence report confirming that PricewaterhouseCoopers remains independent of Vista Group. This annual independence report documents any risks to independence and safeguards related to non-audit services. The ARC reviews this report, with any concerns raised with the Chair of the Board and Disclosure Committee (see page 89) to determine whether any market announcement is required.

The external auditor's report to shareholders discloses all non-audit services and any other relevant independence considerations.

Timely and balanced disclosure

Shareholders and markets

Vista Group is committed to maintaining a fully informed market through effective communication with the NZX and ASX, our shareholders and investors, analysts, media and other interested parties. Vista Group provides all stakeholders with equal and timely access to material information that is accurate, balanced, meaningful and consistent.

Where Vista Group provides a new and substantive investor or analyst presentation, it ensures the presentation materials are released to the NZX and ASX announcement platforms ahead of the presentation.

Vista Group's Continuous Disclosure Policy is designed to ensure material information is released to the NZX and ASX announcement platforms in compliance with Vista Group's continuous disclosure obligations under the NZX Listing Rules and the Financial Markets Conduct Act 2013. The Continuous Disclosure Policy is available at www.vistagroup.co.nz/investor-centre.

The Disclosure Committee is responsible for administering the Continuous Disclosure Policy and ensuring that Vista Group complies with its continuous disclosure obligations. The Disclosure Committee comprises one Independent Director (Cris Nicolli), the CEO, the CFO, and the General Counsel and Company Secretary.

The CEO, ELT and management are responsible for ensuring that all material information relating to their areas of responsibility is reported to the Disclosure Committee promptly and without delay. The Disclosure Committee is responsible for determining whether information received from the CEO, ELT or management requires disclosure on the NZX and ASX announcement platforms. The Disclosure Committee is required to refer information regarding matters of fundamental significance to Vista Group, including financial results, earning guidance, dividend policy determinations, transformational transactions, and significant resignations, to the Board (or where the Board is not available, an Approval Committee) for its determination.

Disclosures relating to the annual and interim financial statements must be reviewed by the ARC before being approved by the Board. Once approved for disclosure, the CFO or General Counsel and Company Secretary is responsible for releasing material information on the NZX and ASX announcement platforms. Directors consider at each Board meeting whether there is any material information which should be disclosed to the market.

Integrity of reporting

The CEO and the CFO are required each full year to provide a letter of representation to the Board confirming that the financial statements have been prepared in accordance with legal requirements, comply with generally accepted accounting practice and present fairly, in all material respects, the financial position of Vista Group and the results of its operations and its cash flows.

A letter of representation confirming those matters was received by the Board with respect to Vista Group's 2022 financial statements.

Risk management

Risk management is an integral part of Vista Group's businesses. The Board has established a Risk Management Framework which is designed to identify material financial and non-financial risks that may impact our ability to achieve our strategic objectives.

The ARC is responsible for overseeing, reviewing, and providing advice to the Board on areas of focus. The ELT is responsible for ensuring compliance with the risk management framework and promoting a culture of good risk practices. All Vista employees have a responsibility to apply good risk management practices in their day-to-day work, by following business parameters set through policies, procedures, systems and controls. The Board seeks regular independent assurance and advice on the effectiveness of the framework and risk and control management.

Key risks

Risk assessments are carried out by our ELT and senior leadership teams annually in accordance with Vista Group's Risk Management Policy. A risk assessment includes identification of material risks, assessment of the consequences and likelihood of the risk and development of controls to achieve a level of residual risk that is within Board defined tolerances based on the Board approved risk appetite statement.

The following table outlines some of Vista Group's key business risks following the latest refresh of its risk register and the mitigation strategies and activities for each risk.

Key Risks	Mitigation strategies and activities
Health, safety and wellbeing Protecting our employee's health, safety and wellbeing as the risk of physical illness and mental health effects from Covid-19 remain, combined with the workforce impacts of delivering to our Cloud strategy.	• Board oversight through monthly health, safety and wellbeing report. • Dedicated Work Well programme to support employee wellbeing. • A global network of volunteer Wellness Advocates that support their peers and lead wellbeing initiatives. • Flexible work arrangements including 4.5-day work week.
Regulatory compliance Ability to identify and manage new, changed or reinterpreted laws and regulations, as our global operations increases the complexity of compliance. Instances of non-compliance could result in brand and reputational loss, along with litigation, fines and financial loss.	• Policies and procedures covering key regulatory and compliance areas. • Global legal team provides input on emerging changes and potential business impacts.
Attract and retain talent Ability to attract, develop and retain skilled employees in a highly competitive industry to be able to deliver on our strategy.	• Succession planning for senior leadership and critical roles. • Leadership development and mentoring programme. • Focus on employee value proposition through proactive communication strategy internally and externally.
Access to capital and capital management Our ability to raise capital when required and to appropriately allocate capital as we invest and transition to the platform.	• Maintain a strong relationship with our investors and banking partners. • Oversight of capital allocation and budgeting by the Board. • Rigorous Capital Allocation Policy approved by the Board. • Long-term forecasting through the financial strategic plan.
Data privacy Vista Group's global footprint exposes us to various global data privacy laws and regulations. Failure to comply with the applicable laws and regulations and protect personal data, through how Vista collects, uses and processes personal data and information, could result in financial penalties, regulatory intervention and reputational damage.	• Multi-jurisdictional Data Protection Officer provides support and independent assurance. • Staff awareness training on data privacy and security. • Relevant Group policies relating to data protection, data retention and IT and information security. • Roadmap to enhance data governance practices.

Key Risks	Mitigation strategies and activities
Platform stability and data security Failure to maintain security controls and processes which expose the Group to cyber-attacks, a loss of service or unplanned outages of applications, disrupting clients' businesses leading to client churn and/or reputational damage.	• External parties for independent testing • Continuous monitoring of platforms • Incident management and response process • Data hosted in Microsoft Azure & Amazon Web Services data centres. • Enterprise grade security tools and applications. • ISAE(NZ)3000/SAE 3150 assurance report (equivalent to SOC 2 Type I) in progress for Vista Cinema.
Strategy execution Inability to execute our strategic initiatives that leads to reputational impacts and reduced revenue growth.	• Executive sponsorship and accountability for strategic initiatives. • Program review for improving operational alignment to strategic initiatives. • Board approved strategy and oversight from regular reporting on progress and challenges.
Adverse global events Vista Group's global footprint in 100+ countries exposes us to a variety of global economic and political headwinds, such as pandemics, geopolitical instability, and changes in regulatory policy. This could disrupt operations, change consumer behaviours, potentially threaten the safety of our people and adversely impact revenue and our underlying profitability.	• Maintaining sufficient capital reserves • Regular financial oversight and monitoring across our markets • External advisors provide insights and guidance on jurisdictional and market activity. • Regular liaison with clients on emerging industry and regional trends
Environmental (including climate) Failure to support or transition to a lower carbon economy could lead to regulatory impacts and reputational damage.	• Development of a sustainability programme • Enhanced Risk Management framework • Carbon emissions measurement and assurance programme • Review and oversight of climate initiatives by the Audit and Risk Committee.

Engaging with investors

Investor relations

Vista Group is committed to open and effective communication with its shareholders by providing comprehensive relevant information.

Vista Group communicates with its investors across a number of forums, including the Investor Centre section of Vista Group's website, regular information disclosures via the NZX and ASX announcement platforms, at the ASM, Investor Day and Governance Roadshows, in its Annual Reports and Interim Reports, and investor and analyst briefings.

Vista Group aims to provide clear communication of its strategic direction, including articulating its strategic priorities.

Investor Centre

Vista Group's website has a dedicated Investor Centre. Vista Group's Investor Centre includes a comprehensive set of investor-related information and data including releases on the NZX and ASX announcement platforms, Annual Reports and Interim Reports, investor presentations, and shareholder meeting materials.

Shareholders can direct any questions and comments they may have to Vista Group by contacting Vista Group's CFO.

Annual Shareholders' Meetings

Vista Group encourages shareholders to attend its ASMs and to ask questions of the Chair, Board, ELT and auditor, including as follows:

- Vista Group takes into consideration the geographical spread of its shareholders, Vista Group carefully plans the timing and format of its ASM to allow as many shareholders as possible to attend and participate;
- shareholders are notified at least 20 working days prior to the ASM in accordance with NZX Corporate Governance Code recommendation; and
- shareholder voting is conducted via a poll, and shareholders may vote in person, electronically or by proxy.

Vista Group's 2022 ASM was held on 26 May 2022 and took place in a hybrid format (in person and online). The Notice of Meeting for the 2022 ASM was released on the NZX and ASX announcement platforms and posted on Vista Group's website at least 20 working days prior to the ASM in accordance with NZX Corporate Governance Code recommendation.

Vista Group's 2023 ASM will be held on 25 May 2023 and is again expected to take place in a hybrid format.

Electronic communications

We encourage all shareholders to provide email addresses to Vista Group's share registrar, Link Market Services Limited, to enable them to receive shareholder communications and reports electronically. Communicating electronically is faster, more cost-effective and more environmentally sustainable. Most of Vista Group's shareholders receive information electronically. However, we understand that this does not suit everyone and so we also provide hard copy reports to shareholders who request to receive them.

Electronic versions of Vista Group's shareholder communications and reports are released on the NZX and ASX announcement platforms and are available at www.vistagroup.co.nz/investor-centre.

The Vista Group Code of Ethics

The Code of Ethics, which was adopted and is regularly reviewed by the Board, plays a key role in establishing the framework by which directors and employees are expected to conduct themselves.

The Code of Ethics is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour, but rather to facilitate decisions that are consistent with Vista Group's values, business goals and legal and policy obligations, thereby enhancing performance outcomes. Directors and employees are required to familiarise themselves with Vista Group's values, as they govern their behaviour while they are engaged or employed by Vista Group.

The Code of Ethics sets out:

- the practices necessary to maintain confidence in Vista Group's integrity;
- the practices necessary to take into account Vista Group's legal obligations and the reasonable expectations of its stakeholders; and
- the responsibility and accountability of individuals to report and investigate unethical practices.

Directors and the ELT are expected to lead Vista Group according to the Code of Ethics and to ensure that the standards set out in the Code of Ethics are communicated to the people who report to them.

Any person who becomes aware of a breach or suspected breach of the Code of Ethics is required to report it immediately in accordance with the policy. The Code of Ethics is provided to new employees as part of their induction materials and the current version is maintained on Vista Group's internal web portal for access by employees.

The Code of Ethics outlines the Board's policy on conflicts of interest. Where conflicts of interest do exist, directors excuse themselves from discussions and do not exercise their right to vote in respect of such matters. Except as provided in the NZX Listing Rules, interested directors do not vote on any Board resolution for, and are not counted in a quorum for the consideration of, any matter in which that director is interested.

Diversity and inclusion

Diversity and inclusion policy

Vista Group values and respects the contributions, ideas and experiences of people from all backgrounds and is proud of its diversity, with employees from all around the world. Vista Group prohibits and will not tolerate discrimination on the grounds of personal characteristics such as age, ethnic origin, marital status, religion, gender identity, sexual orientation or social origin. Vista Group has a formal Diversity and Inclusion Policy, which is available at www.vistagroup.co.nz/investor-centre. The Diversity and Inclusion Policy sets out Vista Group's commitment to achieving diversity in the attributes and experiences of the Board, the ELT and employees.

Vista Group set the following diversity objectives for the year ended 31 December 2022:

OBJECTIVE	OUTCOME
Ensuring there is a minimum of two females on the Board at all times	Vista Group has maintained a gender balance on its Board, with Susan Peterson as Chair and Claudia Batten as an Independent Non-Executive Director.
Implementing a target of 40:40:20[1] across all roles and programmes (e.g. leadership training, recruitment shortlists etc.)	As of 31 December 2022, women made up 30% of the Executive Leadership Team and 37% of the Senior Leadership Team. Women have made up 40% of all new hires in 2022, an improvement on 38% in 2021, and 29% of all promotions have been appointed to women. In addition, of those participating in leadership development programmes, 38% have been women in 2022. This outcome shows a movement towards achieving the 40:40:20 split across our leadership teams and programmes.
Gender Pay Gap analysis	A comprehensive Gender Pay Gap analysis has been completed across all permanent and fixed term employees globally, which compared the median hourly rates and variable pay of men and women. Based on a weighted average of the size of each location, Vista Group's global gender pay gap is 10.1%. The detailed analysis of the gender gap by location, pay quartile and job level has been reviewed to assess root causes as well as actions and initiatives to lower the gap.
To build our Māori cultural competency in our New Zealand leaders and employees. Proactively work to increase the representation of Māori and Pasifika in technology careers	We have continued to build on partnerships with organisations, such as Tupu Toa, to assist us in increasing cultural awareness as well as to increase access to technology careers for Māori and Pasifika peoples. Working with Tupu Toa, we have an intern join Vista in the 2022 cohort and look forward to continuing to support those wishing to pursue a tech pathway.
Continuing to create and maintain an inclusive culture and work environment with a focus on women, ethnic minorities and those who identify as LGBTQ+	We actively work with our local leaders and affiliation groups to promote and support inclusive work practices and embrace the diversity of our people across Vista Group. This has included: celebrating key cultural events such as international Womens Day, Pride Month, Matariki, Diwali, Día de los Muertos (Day of the Dead). A key element of many of our events is to provide education and raise awareness across the organisation. We continue to be an accredited Rainbow Tick organisation as well as a Global Women partner and a member of Champions for Change.

1 40:40:20 reflects a 40% male/female split with the remaining unspecified to recognise that gender is non-binary and to ensure flexibility across other diversity areas of focus.

See page 53 for disclosure regarding the gender diversity as at 31 December 2022.

2023 Diversity and inclusion objectives

Vista Group has placed a high priority on improving its diversity and ensuring it has an inclusive culture. Vista Group's key diversity objectives in 2023 are to:

- ensure there is a minimum of two females on the Board at all times;
- progress towards our aspiration of 40:40:20 gender diversity (across all employees) by 2030;
- report on a full Gender Pay Gap Analysis annually and actions undertaking to minimise the gap;
- develop framework and commence collecting data to enable reporting on Ethnic Pay Gap; and
- continue to create and maintain an inclusive culture and work environment with a focus on ensuring women, ethnic minorities and those who identify as LGBTQ+ feel safe and able to bring their whole self to work.

Directors' disclosures

Disclosure of directors' interests

Section 140(1) of the Companies Act 1993 requires a director of a company to disclose certain interests. Under subsection (2) a director can make disclosure by giving a general notice in writing to the Company of a position held by a director in another named company or entity. The particulars included in the Company's Interests Register as at 31 December 2022 are set out in the table below:

NAME OF DIRECTOR	ENTITY	NATURE OF GENERAL DISCLOSURE
Susan Peterson	Arvida Group Limited (NZX : ARV)	Non-Executive Director
	Mercury NZ Limited (NZX & ASX:MCY)	Non-Executive Director
	Property for Industry Limited (NZX:PFI)[1]	Non-Executive Director, Chair of Audit and Risk Committee, and member of Remuneration Committee
	Xero Limited (ASX : XRO)	Non-Executive Director, Chair of People and Remuneration Committee and member of the Nominations Committee
	Craigs Investment Partners	Non-Executive Director, member of the Audit and Risk Committee, Chair of People and Remuneration Committee
	Global Women	Trustee
	Peterson Mellsop Family Trust	Trustee and Beneficiary
Claudia Batten	Air New Zealand Limited (NZX:AIR)	Non-Executive Director, member of Audit and Risk Committee
	Serko Limited (NZX : SKO)	Non-Executive Chair
	Wonderful Investments Limited	Director and Shareholder
Murray Holdaway	Kaha Software Limited	Director and Beneficial Shareholder
	Lido Cinema Limited	Beneficial Shareholder
	Auckland United Football Club	Chair
	The Awhero Nui Trust	Trustee
	Holdaway and Geary Trust	Trustee

1 Susan Peterson retired from the Board of Property for Industry Limited on 15 December 2022.

NAME OF DIRECTOR	ENTITY	NATURE OF GENERAL DISCLOSURE
James Miller	Channel Infrastructure NZ Limited (NZX: CHI)	Non-Executive Chair
	NZX Limited (NZX:NZX)	Non-Executive Chair
	Mercury NZ Limited (NZX & ASX:MCY)	Non-Executive Director
Cris Nicolli	Playside Studios Limited (ASX: PLY)	Non-Executive Chair
	ReadCloud Limited (ASX: RCL)	Non-Executive Chair
	Kadasig Aid & Development (Not For Profit Charity)	Treasurer
	Nicolli Holdings Pty Ltd (Family Investment)	Director
	Nicolli Family Superannuation Fund	Trustee
Kirk Senior	Outpost Central Ltd (trading as Wildeye)	Consultant
	Kirk Senior Pty Limited	Director and Shareholder
	Senior Family Super Fund Pty Limited	Director and Shareholder
	Honey For Life Pty Ltd	Shareholder
	Kirk Senior Family Trust	Trustee

Directors' disclosures

Directors' and officers' indemnities and insurance

In accordance with section 162 of the Companies Act 1993 and the constitution, Vista Group indemnifies the directors in relation to potential liabilities and costs they may incur for acts or omissions in their capacity as directors. Vista Group also maintains directors' and officers' liability insurance that covers risks normally covered by such policies arising out of acts or omissions of directors and employees in their capacity as directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines which may be imposed in respect of breaches of the law.

Directors' Vista Group shareholdings

The number of Vista Group shares in respect of which each director had an interest as at 31 January 2023 is set out in the table below:

DIRECTOR	NUMBER OF VISTA GROUP SHARES	% OF SHARES ON ISSUE
Susan Peterson	122,271	0.0524%
Claudia Batten	–	–
Murray Holdaway	6,786,000	2.91%
James Miller	74,500	0.0319%
Cris Nicolli	87,152	0.0374%
Kirk Senior	861,936	0.37%

Directors' Vista Group share dealings

During 2022, there were no disclosures required to be made in accordance with section 148 of the Companies Act 1993 and section 304 of the Financial Markets Conduct Act 2013.

Company disclosures

Subsidiary companies

The directors of subsidiaries of Vista Group at 31 December 2022 are listed in the table below:

COMPANY NAME			DIRECTORS	FURTHER INFORMATION
Flicks Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Maccs International B.V.	Netherlands	100%	Vista Entertainment Solutions (NL) B.V.	No changes
MovieXchange Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Movio (IP) Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Movio Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Movio, Inc.	United States	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Numero Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Numero (Aust) Pty Ltd	Australia	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley, Kirk Senior	No changes
Powster, Inc.	United States	50%	Kirk Senior, Steven Thompson	No changes
Powster Ltd	United Kingdom	50%	Kimbal Riley, Steven Thompson	Director resignations: Nicholas Patsides, Kirk Senior
S.C. Share Dimension S.R.L.	Romania	100%	Share Dimension B.V.	No changes
Senda DO Brasil Serviços de Tecnológia LTDA.	Brazil	60%	Armando Mejias, Gustavo Ortega	No changes
Share Dimension B.V.	Netherlands	100%	Vista Entertainment Solutions (NL) B.V.	No changes
Vista (IP) Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Entertainment Solutions Limited	New Zealand	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Entertainment Solutions (Asia) Sdn. Bhd.	Malaysia	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley, Huang Swee Lin	No changes
Vista Entertainment Solutions (Canada) Limited	Canada	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Entertainment Solutions (NL) B.V.	Netherlands	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Entertainment Solutions (Spain), S.L.U.	Spain	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Entertainment Solutions (UK) Limited	United Kingdom	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Entertainment Solutions (USA), Inc.	United States	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Group Limited	New Zealand	100%	Kelvin Preston	No changes
Vista International Entertainment Solutions South Africa (Pty) Ltd	South Africa	100%	Matthew Cawte, Kelvin Preston, Kimbal Riley	No changes
Vista Latin America, S.A. de C.V.	Mexico	60%	Murray Holdaway, Kimbal Riley, Brian Cadzow, Armando Mejias, Gustavo Ortega	No changes

Shareholder information

Twenty largest shareholders

Vista Group's 20 largest shareholders and their shareholdings at 31 January 2023 are set out in the table below:

RANK	REGISTER	NAME OF TOP 20 SHAREHOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
1	NZL	Tea Custodians Limited [1]	38,842,987	16.66%
2	AUS	J P Morgan Nominees Australia Pty Limited	18,256,616	7.83%
3	AUS	Citicorp Nominees Pty Limited	16,837,721	7.22%
4	NZL	Bnp Paribas Nominees NZ Limited Bpss401 [1]	11,823,509	5.07%
5	NZL	Accident Compensation Corporation [1]	11,806,494	5.06%
6	AUS	HSBC Custody Nominees (Australia) Limited	9,744,457	4.18%
7	NZL	National Nominees New Zealand Limited [1]	9,201,525	3.95%
8	NZL	New Zealand Superannuation Fund Nominees Limited [1]	7,414,661	3.18%
9	NZL	Brian John Cadzow & Julie Ann Cadzow & Peter Allen Lewis	7,049,065	3.02%
10	NZL	Murray Lawrence Holdaway & Helen Rachel Geary & Stephen John Mcdonald	6,786,000	2.91%
11	NZL	Custodial Services Limited	6,731,917	2.89%
12	AUS	Bnp Paribas Noms Pty Ltd	6,528,418	2.80%
13	NZL	HSBC Nominees (New Zealand) Limited [1]	6,184,971	2.65%
14	NZL	New Zealand Depository Nominee	5,975,983	2.56%
15	NZL	JPMORGAN Chase Bank [1]	4,924,383	2.11%
16	NZL	Hobson Wealth Custodian Limited	4,377,318	1.88%
17	NZL	Bruce Alexander Wighton & Marianne Bachler & Peter John Clark	3,668,995	1.57%
18	NZL	PT Booster Investments Nominees Limited	3,136,949	1.35%
19	AUS	National Nominees Limited	2,845,240	1.22%
20	NZL	Gregory James Trounson & Donald Mackenzie Gibson & Kathryn Mary Lee Trounson	2,763,883	1.19%
Total of top 20 shareholders			**184,901,092**	**79.29%**
Total shares on issue			**233,192,093**	**100.00%**

1 Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial service that allows electronic trading of securities by its members.

Analysis of shareholdings as at 31 January 2022

SIZE OF HOLDING	NUMBER OF HOLDERS	NUMBER OF SHARES	HOLDING QUANTITY %
1 to 1,000	1,119	567,537	0.24%
1,001 to 5,000	1,501	4,000,726	1.72%
5,001 to 10,000	481	3,527,906	1.51%
10,001 to 50,000	451	9,486,422	4.07%
50,001 to 100,000	64	4,379,029	1.88%
> 100,000	80	211,230,473	90.58%
Total	**3,696**	**233,192,093**	**100.00%**

Substantial Product Holdings

According to notices given under the Financial Markets Conduct Act 2013, the following persons were Substantial Product Holders in Vista Group ordinary shares as at 31 December 2022 in respect of the number of voting securities set opposite their names:

NAME OF SUBSTANTIAL PRODUCT HOLDER	NUMBER OF SHARES
Fisher Funds Management Limited	34,805,332
FIL Limited	21,163,635
Spheria Asset Management Pty Ltd	32,466,361

On 25 January 2023, Accident Compensation Corporation announced that it had commenced having a substantial product holding in Vista Group, holding 11,781,494 ordinary shares.

Other disclosures

Stock exchange listings

Vista Group's ordinary shares are listed and quoted on the NZX and on the ASX (as an ASX Foreign Exempt Listing).

Waivers from NZX or ASX

Vista Group did not apply for, was not granted, and did not rely on, any waivers from the NZX or ASX during the year ended 31 December 2022.

Exercise of NZX powers

The NZX did not exercise any of its powers under NZX Listing Rule 9.9.3 in relation to Vista Group during the year ended 31 December 2022.

Registration as a foreign company

Vista Group has registered with the Australian Securities and Investments Commission as a foreign company and has been issued with the Australian Registered Body Number of 600 417 203.

ASX disclosures

Vista Group holds a foreign exempt listing on the ASX. As a requirement of admission Vista Group must make the following disclosures:

- Vista Group's place of incorporation is New Zealand.
- Vista Group is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial holdings and takeovers).

Takeover offer protocol

Vista Group's Board has adopted a Takeover Response Manual that provides a comprehensive framework to be followed in the event that Vista Group receives, or anticipates receiving, a takeover offer. Vista Group has established relationships with appropriate professional advisers to support Vista Group and the Board through any takeover offer process. The Takeover Response Manual provides for the establishment of a response committee to take all necessary actions in respect of a takeover offer. The response committee is comprised of Independent Directors, excluding any director that has a direct or indirect relationship, including with the bidder or any significant shareholder in Vista Group, that could reasonably influence the director's decision making in respect of the takeover offer.

Dividends

As stated in the 2022 Investor Day, Vista Group is currently investing in the cloud-based platform with free cash flows for either investment or dividends only expected from 2025.

Credit rating

As at the date of this Annual Report, Vista Group does not have a credit rating.

Net tangible assets

Vista Group's net tangible assets per share (excluding treasury stock) as at 31 December 2022 was $0.08662386, compared with $0.21883400 at 31 December 2021.

Donations and lobbying

Vista Group made donations of $135,000 during the 2022 financial year (2021: $127,000), including $85,000 to the Vista Foundation.

Vista Group does not make donations to political parties and did not make any donations to a political party during the year ended 31 December 2022.

Vista Group does not make any expenditures for lobbying purposes and did not make any expenditures for lobbying purposes during the year ended 31 December 2022.

Modern slavery and human trafficking statement

Vista Group has published a joint statement (on behalf of itself and Vista Entertainment Solutions Limited and Vista Entertainment Solutions (UK) Limited) setting out the steps it has taken during the 2022 financial year, and the actions it will take during the 2023 financial year, to identify and mitigate potential modern slavery and human trafficking risks related to its business and in its supply chains. The statement is available at www.vistagroup.co.nz/investor-centre.

Information about Vista Group ordinary shares

This statement sets out information about the rights and privileges that attach to Vista Group ordinary shares.

Rights and privileges

Under Vista Group's constitution and the Companies Act 1993, each Vista Group share gives the holder a right to:

- attend and vote at a meeting of shareholders, including the right to cast one vote per share on a poll on any resolution, such as a resolution to:
  - appoint or remove a director;
  - adopt, revoke or alter the constitution;
  - approve a major transaction (as that term is defined in the Companies Act 1993);
  - approve the amalgamation of Vista Group under section 221 of the Companies Act 1993; or
  - place Vista Group into liquidation;
- receive an equal share in any distribution, including dividends, if any, authorised by the Board and declared and paid by Vista Group in respect of that share;
- receive an equal share with other shareholders in the distribution of surplus assets in any liquidation of Vista Group;
- be sent certain information, including notices of meeting and Vista Group reports sent to shareholders generally; and
- exercise the other rights conferred upon a shareholder by the constitution and the Companies Act 1993.

Share cancellation

In certain circumstances, Vista Group shares could be cancelled by the Company through a reduction of capital, share buy-back or other form of capital reconstruction approved by the Board and, where applicable, the shareholders.

Sale of less than a Minimum Holding

Vista Group may, at any time, give notice to a shareholder holding less than a Minimum Holding of shares (as that term is defined in the NZX Listing Rules) that if, at the end of three months after the date the notice is given, shares then registered in the name of the holder are less than a Minimum Holding, Vista Group may sell those shares on market (including through a broker acting on Vista Group's behalf), and the holder is deemed to have authorised Vista Group to act on behalf of the holder and to sign all necessary documents relating to the sale.

Information for shareholders

Shareholder enquiries

Shareholders can view their investment portfolio, change their address, supply their email, update their details or payment instructions by contacting Vista Group's share registrar Link Market Services Limited (see Directory for contact details) with their CSN and FIN numbers.

Investor information

Vista Group's website at www.vistagroup.co.nz provides information regarding Vista Group, its Board, CEO, ELT and businesses. The Investor Centre section of Vista Group's website includes all regular investor communications and reports, information on Vista Group's latest operating and financial results, dividend payments, news and share price.

Electronic shareholder communication

Shareholders that would like to receive Vista Group communications and reports electronically can do this by updating their details with Vista Group's share registrar, Link Market Services Limited. Shareholders can contact Link Market Services using the contact details included in the Directory.

Financial statements

Directors' report

The Board of Directors present the financial statements of Vista Group for the year ended 31 December 2022 and the independent auditor's report thereon.

The Directors are responsible, on behalf of the Company, for presenting these consolidated financial statements in accordance with applicable New Zealand legislation and Generally Acceptable Accounting Practices (NZ GAAP) in New Zealand in order to present consolidated financial statements that present fairly, in all material respects, the financial position of Vista Group as at 31 December 2022 and the results of Vista Group's operations and cash flows for the year then ended.

For and on behalf of the Board of Directors who approved these financial statements for issue on 28 February 2023.

Susan Peterson
Chair

James Miller
Chair, Audit and Risk Committee

Income statement

For the year ended 31 December 2022

CONTINUING OPERATIONS	SECTION	2022 NZ$m	2021 NZ$m
Total revenue	2.1, 2.2	**135.1**	**98.1**
Cost to serve	2.3	(50.6)	(36.4)
Gross profit		**84.5**	**61.7**
Sales and marketing costs	2.3	(14.3)	(9.3)
Research and development costs	2.3	(27.6)	(22.3)
General and administration costs	2.3	(32.6)	(23.1)
Foreign currency gains / (losses)	2.3	0.6	(0.5)
Total operating expenses		**(73.9)**	**(55.2)**
EBITDA[1]	**2.2**	**10.6**	**6.5**
Amortisation	5.5	(11.5)	(7.8)
Depreciation	5.2, 5.7	(5.7)	(6.1)
Finance costs		(2.1)	(2.0)
Finance income		0.8	0.5
Share of equity accounted loss from associate	5.3	(2.7)	(2.0)
Other gains and losses	2.3	(11.9)	(1.4)
Loss before tax		**(22.5)**	**(12.3)**
Taxation benefit	6.1	1.6	2.4
Loss for the year		**(20.9)**	**(9.9)**
Loss for the year is attributable to:			
Owners of the parent		(21.4)	(9.8)
Non-controlling interests		0.5	(0.1)
Loss for the year		**(20.9)**	**(9.9)**
Basic and diluted earnings per share (cents)	7.2	($0.09)	($0.04)

1 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 2.3) and share of equity accounted results from associates.

Statement of other comprehensive income

For the year ended 31 December 2022

	SECTION	2022 NZ$m	2021 NZ$m
Items that may be reclassified subsequently to the income statement[1]			
Translation of foreign operations		2.3	2.3
Items that will not be reclassified to the income statement			
Excess income tax (expense) / benefit on share-based payments	7.1	(0.4)	0.6
Total other comprehensive income		**1.9**	**2.9**
Loss for the year		(20.9)	(9.9)
Total comprehensive loss for the year		**(19.0)**	**(7.0)**
Total comprehensive loss for the year is attributable to:			
Owners of the parent		(19.7)	(7.0)
Non-controlling interests		0.7	-
Total comprehensive loss for the year		**(19.0)**	**(7.0)**

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 year ended 31 December 2022

2022	SECTION	CONTRIBUTED EQUITY $NZm	RETAINED EARNINGS $NZm	FOREIGN CURRENCY RESERVE NZ$m	SHARE-BASED PAYMENT RESERVE NZ$m	TOTAL EQUITY ATTRIBUTABLE TO OWNERS NZ$m	NON-CONTROLLING INTERESTS NZ$m	TOTAL EQUITY NZ$m
Balance at 1 January 2022		**131.3**	**23.3**	**1.7**	**1.7**	**158.0**	**1.8**	**159.8**
Total comprehensive income movement:								
Loss for the year		-	(21.4)	-	-	(21.4)	0.5	(20.9)
Other comprehensive (loss) / income[1]		(0.4)	-	2.1	-	1.7	0.2	1.9
Total comprehensive (loss) / income		**(0.4)**	**(21.4)**	**2.1**	**-**	**(19.7)**	**0.7**	**(19.0)**
Transactions with owners:								
Retriever acquisition	3	3.2	-	-	-	3.2	-	3.2
Share-based payments	7.1, 7.5	0.9	-	-	3.6	4.5	-	4.5
Dividends paid		-	-	-	-	-	(0.5)	(0.5)
Balance at 31 December 2022		**135.0**	**1.9**	**3.8**	**5.3**	**146.0**	**2.0**	**148.0**
2021								
Balance at 1 January 2021		**126.0**	**33.1**	**(0.5)**	**1.3**	**159.9**	**1.9**	**161.8**
Total comprehensive income movement:								
Loss for the year		-	(9.8)	-	-	(9.8)	(0.1)	(9.9)
Other comprehensive income[1]		0.6	-	2.2	-	2.8	0.1	2.9
Total comprehensive income / (loss)		**0.6**	**(9.8)**	**2.2**	-	**(7.0)**	**-**	**(7.0)**
Transactions with owners:								
Share-based payments	7.1, 7.5	4.7	-	-	0.4	5.1	-	5.1
Distribution on wind-up of subsidiary		-	-	-	-	-	(0.1)	(0.1)
Balance at 31 December 2021		**131.3**	**23.3**	**1.7**	**1.7**	**158.0**	**1.8**	**159.8**

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

Statement of financial position

As at 31 December 2022

	SECTION	2022 NZ$m	2021 NZ$m
CURRENT ASSETS			
Cash		46.0	60.4
Trade and other receivables	5.1	36.4	31.9
Contract assets	5.1	4.9	4.6
Net investment in sublease	5.8	-	0.5
Income tax receivable		1.3	2.2
Total current assets		**88.6**	**99.6**
NON-CURRENT ASSETS			
Contract assets	5.1	0.4	-
Property, plant and equipment	5.2	4.7	4.0
Lease assets	5.7	12.3	15.6
Net investment in sublease	5.8	1.2	2.2
Investment in associate	5.3	-	11.6
Goodwill	5.4	57.1	55.7
Other intangible assets	5.5	53.0	39.8
Deferred tax asset	6.2	17.8	14.6
Total non-current assets		**146.5**	**143.5**
Total assets		**235.1**	**243.1**
CURRENT LIABILITIES			
Borrowings - related parties	4.2	0.5	0.6
Trade and other payables	5.6	23.6	18.7
Lease liabilities	5.7	5.3	4.8
Deferred revenue	5.9	22.3	20.5
Contingent consideration	3	1.4	-
Provisions	5.10	0.6	2.8
Income tax payable		0.4	0.2
Total current liabilities		**54.1**	**47.6**
NON-CURRENT LIABILITIES			
Borrowings - external	4.2	17.6	16.2
Lease liabilities	5.7	13.3	17.8
Deferred revenue	5.9	0.4	0.4
Contingent consideration	3	1.5	-
Provisions	5.10	0.1	0.4
Deferred tax liability	6.2	0.1	0.9
Total non-current liabilities		**33.0**	**35.7**
Total liabilities		**87.1**	**83.3**
Net assets		**148.0**	**159.8**
EQUITY			
Contributed equity	7.1	135.0	131.3
Retained earnings		1.9	23.3
Foreign currency reserve	7.4	3.8	1.7
Share-based payment reserve	7.5	5.3	1.7
Total equity attributable to owners of the parent		**146.0**	**158.0**
Non-controlling interests		2.0	1.8
Total equity		**148.0**	**159.8**

For, and on behalf of, the Board who approved these financial statements for issue on 28 February 2023.

Susan Peterson
Chair

James Miller
Chair, Audit and Risk Committee

Statement of cashflows

For the year ended 31 December 2022

	SECTION	2022 NZ$m	2021 NZ$m
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from clients		131.5	105.7
Payments to suppliers and employees		(117.6)	(92.2)
Pandemic related wage subsidies		-	3.1
Pandemic related tax deferrals		-	(2.2)
Taxes received / (paid)		0.4	(1.6)
Interest paid		(1.9)	(1.5)
Net cash inflow from operating activities	4.1	**12.4**	**11.3**
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5.2	(2.1)	(0.9)
Purchase of internally generated software and other intangibles	5.5	(16.8)	(11.9)
Interest received		0.4	0.2
Payment of contingent consideration		-	(0.3)
Retriever acquisition, net of cash acquired	3, 5.5	(3.3)	-
Net cash applied to investing activities		**(21.8)**	**(12.9)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Lease payments - principal elements	5.7	(5.1)	(3.0)
Loan repayment - HSBC PPP	4.2	-	(2.8)
Loan drawdown - related parties	4.2	-	0.6
Loan repayment - related parties	4.2	(0.1)	-
Dividends / liquidation proceeds paid to non-controlling interests		(0.5)	(0.1)
Net cash applied to financing activities		**(5.7)**	**(5.3)**
Net decrease in cash		(15.1)	(6.9)
Cash at beginning of year		60.4	67.1
Foreign exchange differences		0.7	0.2
Cash at year end		**46.0**	**60.4**

Notes to the financial statements

1. Basis of preparation

General information

The notes are consolidated into nine sections. Each section contains an introduction which is indicated by the symbol on the left. The first section outlines general information about Vista Group International Limited (the Company and its subsidiaries, collectively Vista Group) and guidance on how to navigate through this document.

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are detailed throughout the document, where applicable. These policies have been consistently applied to all years presented, unless otherwise stated. Accounting policies are identified by the symbol above.

Significant accounting judgements and sources of estimation uncertainty

Significant accounting judgements are those judgements that Vista Group makes when applying its accounting policies that may have a significant effect on amounts that are recognised in these financial statements.

Significant sources of estimation uncertainty relate to assumptions and estimates made at the end of the current reporting year that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In applying its accounting policies, Vista Group continually evaluates judgements and estimates based on experience and other factors, including expectations of future events that may have an impact on Vista Group. All judgements and estimates made are believed to be reasonable, based on the most current set of circumstances available to Vista Group. Actual results may differ from the judgements and estimates applied.

Significant accounting judgements and estimates made by Vista Group in the preparation of these financial statements are outlined within the following financial statement notes:

Section 5.1	Revenue and expected credit loss (ECL) provisioning
Section 5.3	Impairment testing of associate companies
Section 5.4	Impairment testing of goodwill
Section 5.5	Capitalisation of development costs
Section 5.8	Carrying amount of net investment in sublease
Section 6.2	Recognition of deferred tax assets

Recognition of Government grants is no longer classified as a significant source of estimation uncertainty. Most areas of uncertainty in prior years have been settled in full, with judgement only now required for the 2022 New Zealand Research & Development Tax Incentive (RDTI). No accrual has been made for the RDTI scheme due to Vista Group not yet having reasonable assurance that it will be received. Any amount received is highly likely to be capitalised in full as an intangible asset.

1.1 General information

These financial statements are for Vista Group which is a company incorporated and domiciled in New Zealand, and whose shares are publicly traded on the NZX Main Board (NZX) and the Australian Securities Exchange (ASX).

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of Vista Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

In accordance with the Financial Markets Conduct Act 2013, separate financial statements for the Company are not presented because group financial statements are prepared and presented for the Company and its subsidiaries.

The principal activity of Vista Group is the sale, support and associated development of software for the film industry. These financial statements were approved by the Board on 28 February 2023.

1.2 Summary of significant accounting policies

Basis of preparation

The 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 financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand financial reporting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

The financial statements have been prepared at historical cost, except for contingent consideration which is measured at fair value.

Basis of consolidation

Vista Group's financial statements consolidate those of the Company and its subsidiaries as at 31 December 2022. A subsidiary is an entity over which Vista Group has control. Control is achieved when Vista Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the activities of the investee.

Consolidation of a subsidiary begins when Vista Group obtains control over the subsidiary and ceases when Vista Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included within the income statement from the date Vista Group gains control until the date Vista Group ceases to control the subsidiary.

All subsidiaries have a reporting date of 31 December. In preparing the financial statements, all inter-entity balances and transactions, and unrealised profits and losses, arising within the consolidated entity have been eliminated in full. A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by Vista Group. Vista Group attributes total comprehensive income to the Company and the non-controlling interests based on their ownership interests.

Vista Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of the Company.

New accounting standards

There are no new or amended standards and interpretations which have been adopted in the year ended 31 December 2022 that have a material impact on Vista Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting year and have not been early adopted by Vista Group. These standards are not expected to have a material impact on Vista Group in the current or future reporting years, or on foreseeable future transactions.

2. Financial performance

This section outlines further details of Vista Group's financial performance by building on information presented in the income statement.

2.1 Revenue

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

Revenue by category

	2022		2021	
	NZ$m	%	NZ$m	%
SaaS revenue	38.4		27.8	
Non-SaaS revenue	73.9		53.6	
Recurring revenue	**112.3**	**83%**	**81.4**	**83%**
Perpetual software	6.3		5.4	
Hardware	6.2		1.5	
Services & development - one off	10.0		9.5	
Other revenue	0.3		0.3	
Non-recurring revenue	**22.8**	**17%**	**16.7**	**17%**
Total revenue[1]	**135.1**	**100%**	**98.1**	**100%**

1 No individual client exceeded 10% of revenue in either the current or prior comparative year.

Non-GAAP financial measures

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. This categorisation of revenue is also expected to help investors understand the nature of Vista Group's revenue.

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.

Non-GAAP financial information does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

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. Clients 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 ***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 client.
	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.

2.2 Operating segments

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

- **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 the recently acquired Retriever client contracts, movieXchange and Share Dimension products, and maintenance revenues from Vista China (an associate company).
- **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 *Operating Segments.*
- **Corporate segment:** The shared services functions associated with Vista Group, being legal, finance, people and culture, marketing and Vista Group Chief Executive.

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

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	2022 NZ$m	2021 NZ$m
New Zealand		27.6	17.7
United States		50.8	32.6
United Kingdom		34.2	29.0
Mexico		10.9	9.3
Other[1]		11.6	9.5
Total revenue	2.1	**135.1**	**98.1**

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[2] by location of the reporting entity are presented in the following table.

	2022 NZ$m	2021 NZ$m
New Zealand	65.3	62.1
United States	26.4	18.2
United Kingdom	10.2	11.6
Mexico	12.4	11.5
Other[1]	14.4	13.9
Non-current assets[2]	**128.7**	**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.

Operating segment performance[1]

2022	CINEMA NZ$m	MOVIO NZ$m	AGC NZ$m	CORPORATE NZ$m	TOTAL NZ$m	% OF REVENUE
SaaS revenue	14.2	17.5	6.7	-	38.4	
Non-SaaS revenue	61.6	0.8	11.5	-	73.9	
Recurring revenue	**75.8**	**18.3**	**18.2**	**-**	**112.3**	
Non-recurring revenue	17.7	1.6	3.5	-	22.8	
Total revenue	**93.5**	**19.9**	**21.7**	**-**	**135.1**	
Cost to serve	(36.2)	(6.9)	(7.5)	-	(50.6)	*37%*
Gross profit	**57.3**	**13.0**	**14.2**	**-**	**84.5**	
Gross profit %[2]	*61%*	*65%*	*65%*		*63%*	
Sales and marketing costs	(9.0)	(2.9)	(2.2)	(0.2)	(14.3)	*11%*
Research and development costs	(19.7)	(3.7)	(4.2)	-	(27.6)	*20%*
General and administration costs	(10.2)	(1.9)	(6.0)	(15.5)	(33.6)	*25%*
ECL benefit	1.0	-	-	-	1.0	
Foreign currency (losses) / gains	(0.1)	0.4	0.3	-	0.6	
EBITDA[2]	**19.3**	**4.9**	**2.1**	**(15.7)**	**10.6**	
EBITDA margin[2]	*21%*	*25%*	*10%*		*8%*	

2021	CINEMA NZ$m	MOVIO NZ$m	AGC NZ$m	CORPORATE NZ$m	TOTAL NZ$m	% OF REVENUE
SaaS revenue	8.9	14.0	4.9	-	27.8	
Non-SaaS revenue	44.3	0.4	8.9	-	53.6	
Recurring revenue	**53.2**	**14.4**	**13.8**	**-**	**81.4**	
Non-recurring revenue	13.3	0.7	2.7	-	16.7	
Total revenue	**66.5**	**15.1**	**16.5**	**-**	**98.1**	
Cost to serve	(25.5)	(5.1)	(5.8)	-	(36.4)	*37%*
Gross profit	**41.0**	**10.0**	**10.7**	**-**	**61.7**	
Gross profit %[2]	*62%*	*66%*	*65%*		*63%*	
Sales and marketing costs	(5.2)	(2.7)	(1.4)	-	(9.3)	*9%*
Research and development costs	(15.7)	(3.3)	(3.3)	-	(22.3)	*23%*
General and administration costs	(8.4)	(2.3)	(4.8)	(10.7)	(26.2)	*27%*
ECL benefit	2.8	0.2	0.1	-	3.1	
Foreign currency (losses) / gains	(0.7)	0.1	-	0.1	(0.5)	
EBITDA[2]	**13.8**	**2.0**	**1.3**	**(10.6)**	**6.5**	
EBITDA margin[2]	*21%*	*13%*	*8%*		*7%*	

1 The CODM does not regularly review assets and liabilities for each reportable segment.

2 EBITDA is defined in the non-GAAP financial measures section below. Gross profit % and EBITDA margin are calculated as gross margin over total revenue and EBITDA over total revenue, respectively.

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, and therefore is considered useful to investors. It is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3) and share of equity accounted results from associates. A reconciliation is provided on the income statement.

Non-GAAP financial information does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

2.3 Expenses and other income

Classification of expenses on the income statement

Costs to serve are the incremental direct cash 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 client 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 costs to serve, sales and marketing costs, or research and development costs. Amortisation and depreciation are separated from this category as they are non-cash costs, and it also allows Vista Group's non-GAAP financial measure, EBITDA (as defined in section 2.2) to be presented clearly on the income statement.

Total cost to serve and operating expenses

The table below provides a breakdown of the various types of expenditure incurred within 'cost to serve' and 'operating expenses'.

	SECTION	2022 NZ$m	2021 NZ$m
Direct cost of sales (excl. hardware and personnel)		15.8	11.2
Hardware cost of sales[1]		4.7	1.3
Personnel costs		81.8	68.0
Share-based payment expense	7.5	4.5	5.2
Defined contribution plans and employee insurances		8.2	6.7
Capitalised development	5.5	(15.9)	(12.6)
Government grants	2.3	(0.2)	(5.2)
Computer equipment and software		5.2	3.2
Marketing costs		2.1	1.1
Travel related costs		3.3	1.1
ECL benefit	5.1	(1.0)	(3.1)
Bad debt expense	5.1	0.6	0.7
Foreign currency (gains) / losses		(0.6)	0.5
Auditor's remuneration	2.3	0.5	0.5
Other operating expenses		15.5	13.0
Total cost to serve and operating expenses		**124.5**	**91.6**

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

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.

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	2022 NZ$m	2021 NZ$m
Acquisition expenses		(0.2)	-
Impairment charges - Vista China investment	5.3	(8.9)	-
Impairment charges - Vista China intangibles	5.5	(1.3)	-
Impairment charges - Sublease asset	5.7, 5.8	(1.5)	(0.7)
Sales tax expense	5.10	-	(0.7)
Total other gains and losses		**(11.9)**	**(1.4)**

- **Impairment charges - Sublease asset:** The impairment charge in 2022 relates to the Vista Cinema subleased premises in Los Angeles, where the subtenant vacated the premises with 4 years of the sublease term remaining.

  Impairment charges in 2021 relate to the Vista Cinema leased premises in Los Angeles, where Vista Group agreed to sublease a portion of the lease at an amount which was less than the cost negotiated prior to the pandemic.
- **Sales tax expense:** Vista Group completed a US sales tax economic nexus study in 2021 which revealed sales taxes should have been charged to US-based clients. The associated cost was considered one-off and exceptional in nature, as it would not have been incurred if Vista Group collected the taxes from the clients.

Auditor's remuneration included in administration costs

	2022 NZ$m	2021 NZ$m
Audit and review of financial statements - PwC	0.5	0.5
Total fees paid to the auditor of Vista Group	**0.5**	**0.5**

Vista Group engaged PwC to perform non-audit services relating to:

- **Advisory services:** Workshop facilitation in relation to sustainability and climate change strategy and reporting $33k (2021: $nil). Tax advisory relating to long-term employee incentive schemes and CEO benchmarking $nil (2021: $22k).

Fees paid to other audit firms for the audit of local subsidiary financial statements was less than $0.1m (2021: less than $0.1m). The non-audit services provided by these firms totalled $0.6m, and were all provided to Vista Group entities not audited by these firms (2021: $0.4m).

Government grants

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 year were $0.2m (2021: $5.2m). The cash amount of grants received during the year was $2.3m (2021: $3.1m). Details of these grants are as follows:

- **Wage subsidies:** Vista Group received $0.2m (2021: $0.3m) of wage subsidies during the year from various governments which has been fully recognised in the income statement in the year received.
- **HSBC PPP loan:** Forgiveness of the US Government paycheck protection program (PPP) loan was obtained in 2021, with the $2.8m loan being de-recognised in 2021 with the associated credit being classified as a Government grant within other income. See page 96 of the Vista Group 2021 Annual Report for more details.
- **Research & development grants:** Vista Group enrolled to receive the RDTI in 2021 and applied judgement by accruing $2.1m in the prior year as a Government grant on the income statement. The cash for this grant was received in 2022.

  At 31 December 2022, Vista Group was working with external experts to prepare general approvals to make a claim under the 2022 RDTI grant. Vista Group determined that reasonable assurance for this grant could not be obtained until the general approvals were accepted. Any amount received under this scheme is highly likely to be capitalised as an intangible asset.

3. Retriever acquisition

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 client relationships, with an offer of employment to all current Retriever employees. This transaction resulted in Vista Cinema adding over 100 new clients – further strengthening its market share in the US and cementing its position as the leading cinema software provider in the US market.

Using the concentration test approach the transaction was classified as an asset acquisition, rather than a business combination, because substantially all of the value in the transaction related to a single asset, being the acquired client contracts.

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

	SECTION	NZ$m
Fair value of the net assets acquired		
Client contracts	5.5	9.6
Net assets acquired		**9.6**
Total consideration satisfied by:		
Cash consideration		3.3
VGL share consideration	7.1	3.2
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 clients over the 24 month period post completion.

At 31 December 2022, the contingent consideration liability had reduced to $2.9m due to movements in the USD exchange rate and due to elements of the earnouts no longer considered likely to be achieved.

Acquisition costs in this transaction were $0.2m, which have been included on the income statement within other gains and losses (see section 2.3).

The carrying value and financial performance of the Retriever client contracts are recognised within the Cinema segment (see section 2.2).

4. Cash flows and borrowings

This section outlines further details of Vista Group's cash flows and liquidity.

4.1 Cash flows

Reconciliation of net profit to operating cash flows

	SECTION	2022 NZ$m	2021 NZ$m
Loss for the year		**(20.9)**	**(9.9)**
Non-cash items:			
Amortisation	5.5	11.5	7.8
Depreciation	5.2, 5.7	5.7	6.1
Impairment charges	2.3	11.7	0.7
Share-based payment expense	7.5	4.5	5.2
Deferred tax expense	6.1	(4.4)	(3.9)
Non-cash finance charges		0.2	-
Share of equity accounted loss from associate	5.3	2.7	2.0
Unrealised foreign currency (losses) / gains		(1.8)	1.5
ECL benefit	5.1	(1.0)	(3.1)
Movement in revenue provision - concession discounts	5.1	(0.6)	(4.1)
Movement in revenue provision - credit risk	5.1	(3.8)	2.7
Movement in other provisions	5.10	(0.4)	(0.7)
Net non-cash items		**24.3**	**14.2**
Movements in working capital:			
(Decrease) / increase in related party trade and other payables		(0.8)	0.5
(Increase) / decrease in related party trade and other receivables		(1.5)	1.8
Increase / (decrease) in trade and other payables (including contingent consideration)		8.2	(0.9)
Decrease in trade and other receivables, net of deferred revenue		2.0	7.2
Decrease / (increase) in net taxation receivable		1.1	(1.6)
Net change in working capital		**9.0**	**7.0**
Net cash inflow from operating activities		**12.4**	**11.3**

4.2 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.

Carrying amount of borrowings

	2022 NZ$m	2021 NZ$m
Balance at 1 January	16.8	18.1
Repayments during the year	(0.1)	-
Drawdowns during the year	-	0.6
PPP loan forgiveness during the year	-	(2.8)
Movement in foreign exchange	1.4	0.9
Total borrowings at year end	**18.1**	**16.8**
Represented by:		
Borrowings - external	17.6	16.2
Borrowings - related parties	0.5	0.6
Total borrowings at year end	**18.1**	**16.8**

Summary of debt facilities

			CURRENT LIMIT	INTEREST RATE		DEBT DRAWN (NZ$m)	
FACILITY PROVIDER	REASON FOR LOAN	EXPIRY DATE	NZ$m	2022	2021	2022	2021
ASB - revolving credit	General commercial / Future acquisitions	Jan 2026	40.0	6.96%	1.57%	17.6	16.2
ASB - overdraft	Working capital	On demand	2.0	8.73%	4.78%	-	-
Related parties	Working capital	On demand	0.5	4.00%	4.00%	0.5	0.6
Total borrowings at year end			**42.5**			**18.1**	**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 years. Vista Group has no reason to believe that it will not be compliant with these covenants for at least the next 12 months.

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.

5. Assets and liabilities

This section outlines further details of Vista Group's financial performance by building on information presented in the statement of financial position.

5.1 Trade and other receivables

Carrying amount of trade and other receivables

	2022 NZ$m	2021 NZ$m
Trade receivables	41.4	38.9
Revenue provision - concession discount	(0.8)	(1.4)
Revenue provision - credit risk	(5.1)	(8.9)
ECL provision	(4.4)	(4.6)
Sundry receivables	1.2	4.2
Prepayments	3.6	3.3
Vista China acquisition deposit	0.5	0.4
Total trade and other receivables	**36.4**	**31.9**

Trade receivables

Included within trade receivables is a receivable from Vista China of $1.4m (31 December 2021: $nil), with the full amount fully provisioned within the credit risk revenue provision.

Contract assets

Contract assets primarily relate to Vista Group's rights to consideration for performance obligations completed but not billed at the reporting date. Vista Group also recognises contract assets for 'costs to fulfil a contract' (i.e. Vista Cloud implementation costs), where direct costs are incurred with the performance obligations being settled over time.

The movement in contract assets during the year was as follows:

	2022 NZ$m	2021 NZ$m
Balance at 1 January	4.6	5.9
Amounts included in opening balance released in the current year	(4.5)	(5.0)
Additional contract assets recognised during the year	4.9	3.5
Exchange movements	0.3	0.2
Contract assets at year end	**5.3**	**4.6**

Revenue provisioning (significant judgement / estimate)

Vista Group has assessed receivables for revenue related provisions as follows:

- **Credit risk provision:** During the initial impact of the pandemic, Vista Group was required to apply 'variable consideration' rules when recognising revenue from each of its clients. This was because 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. These variable consideration rules meant only the estimated consideration that will be received was permitted to be recognised as revenue.

  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 assess each of its clients 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.

  Judgement was applied in determining the period that the variable consideration rules were appropriate. This period was deemed to be between 1 March 2020 (the month the pandemic forced worldwide cinema closures) and 30 June 2021 (the date Vista Group determined the health of the industry had sufficiently improved, with the risk of worldwide closures being considered less likely). Any receivables where the revenue relates to 1 July 2021 onwards are assessed for an expected credit loss (ECL) provision.

  All receivables relating to revenue earned between 1 March 2020 to 30 June 2021, but still on balance sheet at 31 December 2022 have incurred a 100% revenue provision. An exception is made for any clients which have agreed and are adhering to a payment plan, or if recovery of the debt is considered highly probable. These balances have not been written off as Vista Group continues to seek recovery of these amounts owed.

- **Concession discounts:** To ensure timely payment from clients, or to facilitate support to clients during the pandemic, Vista Group granted concessions to payment terms or discounts to recurring fees. Concession discounts are recognised as a reduction to revenue when they have been agreed, or where the client has a reasonable expectation of being entitled to a discount.

  Such discounts were less common in the current year with a provision of $0.8m being recognised as a provision at 31 December 2022.

ECL provisioning (significant judgement / estimate)

For trade receivables and contract assets, 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 contract assets 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 contract assets 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 applies 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 client 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 client, a further provision for ECL is added.
- The country, client and market characteristics consider the relative risk related to the country and / or region within which the client resides and assesses the financial strength of the client and the market position that Vista Group has achieved within that market.

To avoid double counting, the specific and general ECL provisions are calculated after deducting the associated amount recognised as a revenue provision.

Due to clients still recovering from the pandemic, Vista Group applied additional judgement in determining the ECL provision at 31 December 2022.

- **Specific provision:** All client invoices and contract assets have been reviewed with a specific provision made for clients that are known to have liquidity / solvency issues, or where the debt is older than 180 days. Vista Group takes into account any forward-looking information (such as macro-economic variables) when applying the provision to each specific client.

  At 31 December 2022, Vista Group applied judgement by including a 10% (2021: 10%) insolvency risk for all Cinema or Movio segment clients.

- **General provision:** Vista Group applies an ECL matrix to its trade receivables and contract assets 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).

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

	2022 NZ$m	2021 NZ$m
Balance at 1 January	4.6	7.7
Bad debts written off	(0.6)	(0.7)
Change in provision	(0.4)	(2.4)
Exchange differences	0.8	-
ECL provision at year end	**4.4**	**4.6**

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

2022	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 contract assets[1]	**30.4**	**4.1**	**3.1**	**2.0**	**1.7**	**41.3**
Baseline	0.4	0.1	0.1	-	-	0.6
Aging, write offs and collection	-	-	0.1	-	0.1	0.2
Country, client and market	0.1	-	-	-	-	0.1
ECL - general provision	0.5	0.1	0.2	-	0.1	0.9
ECL - specific provision	1.5	0.5	0.5	0.1	0.9	3.5
Total ECL provision	**2.0**	**0.6**	**0.7**	**0.1**	**1.0**	**4.4**
General provision effective rate	*1.6%*	*2.4%*	*6.5%*	*0.0%*	*5.9%*	*2.2%*

2021						
Net trade receivables and contract assets[1]	**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, client 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**
General provision effective rate	*2.4%*	*2.5%*	*7.7%*	*9.1%*	*5.6%*	*3.0%*

1 Net trade receivables and contract assets have been adjusted for 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 contract assets. Vista Group believes that cumulative ECL and revenue provisions of 21.8% was a reasonable level to provide against trade receivables and contract assets.

	2022 NZ$m	2021 NZ$m
Trade receivables and contract assets	**47.2**	**43.5**
Revenue provision - concession discounts	0.8	1.4
Revenue provision - credit risk	5.1	8.9
ECL provision	4.4	4.6
Total provisioning	**10.3**	**14.9**
Total provisioning effective rate	*21.8%*	*34.3%*

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

2022	5% JUDGEMENT NZ$m	10% JUDGEMENT NZ$m	15% JUDGEMENT NZ$m
Revenue provision - concession discount	0.8	0.8	0.8
Revenue provision - credit risk	4.9	5.1	5.2
ECL provision	3.8	4.4	5.0
Total provisioning	**9.5**	**10.3**	**11.0**
Total provisioning effective rate	*20.1%*	*21.8%*	*23.3%*

5.2 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on assets is charged on a straight-line basis to allocate the differences between their original cost and the residual values over their estimated useful lives, as follows:

- Fixtures and fittings — 3 to 14 years, or the term of any associated property lease
- Computer equipment — 1.5 to 5 years

The residual values and useful lives of assets are reviewed and adjusted if appropriate. If an asset's carrying amount is greater than its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

Carrying amount of property, plant and equipment

2022	FIXTURES & FITTINGS NZ$m	COMPUTER EQUIPMENT NZ$m	TOTAL NZ$m
Gross carrying amount			
Balance at 1 January	5.3	2.3	7.6
Additions	-	2.1	2.1
Disposals	(0.5)	(1.2)	(1.7)
Exchange differences	0.2	0.2	0.4
Balance at year end	**5.0**	**3.4**	**8.4**
Accumulated depreciation			
Balance at 1 January	(2.3)	(1.3)	(3.6)
Current year depreciation	(0.5)	(1.2)	(1.7)
Disposals	0.5	1.1	1.6
Exchange differences	(0.1)	0.1	-
Balance at year end	**(2.4)**	**(1.3)**	**(3.7)**
Property, plant and equipment at 31 December 2022	**2.6**	**2.1**	**4.7**

2021	FIXTURES & FITTINGS NZ$m	COMPUTER EQUIPMENT NZ$m	TOTAL NZ$m
Gross carrying amount			
Balance at 1 January	6.4	4.3	10.7
Additions	0.1	0.8	0.9
Disposals	(1.4)	(3.1)	(4.5)
Exchange differences	0.2	0.3	0.5
Balance at year end	**5.3**	**2.3**	**7.6**
Accumulated depreciation			
Balance at 1 January	(2.9)	(3.0)	(5.9)
Current year depreciation	(0.8)	(1.1)	(1.9)
Disposals	1.4	3.0	4.4
Exchange differences	-	(0.2)	(0.2)
Balance at year end	**(2.3)**	**(1.3)**	**(3.6)**
Property, plant and equipment at 31 December 2021	**3.0**	**1.0**	**4.0**

5.3 Investment in associates

Associates are entities which Vista Group has significant influence but not control or joint control. This is generally where Vista Group holds between 20% and 50% of the voting rights.

Investments in associates utilise the equity method of accounting, after initially being recognised at cost. Equity accounted results continue to reflect depreciation based on the original cost of the assets. When Vista Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, Vista Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with NZ IAS 28 *Investments in Associates and Joint Ventures*, where an impairment review is completed at the end of any reporting period if (and only if) there is objective evidence of impairment. Paragraph 41A of the standard defines the loss events that would trigger an impairment review in any reporting period.

Impairment losses on equity-accounted investments may be reversed if there is objective evidence that investment has a value greater than the carrying amount.

The financial statements of associates are prepared for the same reporting period as Vista Group. When necessary, adjustments are made to bring the accounting policies in line with those of Vista Group.

Holdings in associates

Vista Group has one associate company which has share capital consisting of ordinary shares.

				HOLDING PERCENTAGE	
NAME OF ENTITY	INVESTMENT TYPE	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	2022	2021
Vista Entertainment Solutions (Shanghai) Limited	Associate	China	China	47.5%	47.5%

Carrying value of associates

	2022 NZ$m	2021 NZ$m
Opening net assets	10.7	14.9
Loss for the year[1]	(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
Opening accumulated impairment charges	(13.7)	(13.7)
Impairment charges during the year	(8.9)	-
Carrying value of associates at year end	**-**	**11.6**

Share of equity accounted losses

	2022 NZ$m	2021 NZ$m
Loss for the year[1]	(5.7)	(4.2)
Vista Group weighted average shareholding	47.5%	47.5%
Vista Group share of equity accounted losses	**(2.7)**	**(2.0)**

1 Due to the carrying value of Vista China being nil at 30 June 2022, only losses up to 30 June 2022 are equity accounted. Subsequent losses after this date are neither reported above, nor equity accounted.

2022 impairment testing of Vista China (significant judgement / estimate)

The Chinese Government's continued 'zero-covid' public health response, including broad based lockdowns across many major cities, has negatively impacted the cinema industry and box office in China in 2022. The majority of Vista China's revenue is directly related to box office performance, and as a result revenue was significantly impacted in 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 reviewed its investment in Vista China for objective evidence of impairment. In accordance with NZ IAS 28, Vista Group has concluded that this definition was met due to there being a 'significant financial difficulty of the associate' (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 this time to be nil (using both the value in use and fair value less cost of disposal approaches). The key assumptions in determining the recoverable amount are the forecast cash flows that are expected on the assumption that there are no significant increases in cinema attendance for the remainder of 2022 and that in 2023 the business activity returned to the 2021 level, which lead to an expectation of the net cash outflows over this period eroding the value of the investment. An impairment charge of $8.9m has been recognised on the income statement (see section 2.3). There have been no subsequent indicators of a reversal of this impairment.

2021 impairment testing of Vista China

At 31 December 2021, Vista Group reviewed its net investment in Vista China for objective evidence of impairment and concluded this definition was not met. In accordance with NZ IAS 28, no impairment review was performed at 31 December 2021.

5.4 Goodwill

The amount of goodwill initially recognised is a function of the allocated purchase price to the fair value of the identifiable net assets acquired. The determination of the net assets fair value, particularly intangible assets, is to a considerable extent based on management judgement.

Goodwill is not amortised and is tested for impairment annually irrespective of whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. After initial recognition, goodwill is measured at cost less any accumulated impairment charges.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment charge is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment charges are recognised in the income statement.

The recoverable amount of an asset is the greater of its value in use (VIU) and its fair value less costs to dispose (FVLCD). In accordance with NZ IAS 36 *Impairment of Assets*, FVLCD is only determined where the VIU would result in an impairment charge. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (i.e. Cash Generating Units, or CGUs). The allocation is made to those CGUs that are expected to benefit from the business combination in which goodwill arose. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Carrying amount of goodwill

	2022 NZ$m	2021 NZ$m
Gross carrying amount		
Balance at 1 January	70.9	69.9
Exchange differences	1.4	1.0
Gross carrying amount at year end	**72.3**	**70.9**
Accumulated impairment		
Balance at 1 January	(15.2)	(15.2)
Accumulated impairment at year end	**(15.2)**	**(15.2)**
Goodwill at year end	**57.1**	**55.7**

Goodwill by CGU

	2022 NZ$m	2021 NZ$m
Vista Entertainment Solutions Limited (VESL)	27.6	26.0
Movio Limited (Movio)	17.0	17.0
Maccs International BV (Maccs)	5.6	5.5
Powster Ltd (Powster)	6.1	6.4
Flicks Limited (Flicks)	0.2	0.2
Numero Limited (Numero)	0.6	0.6
Goodwill at year end	**57.1**	**55.7**

The above CGUs are business operations at their lowest level where goodwill is monitored for internal management reporting purposes.

2022 impairment testing of goodwill (significant judgement / estimate)

Vista Group completed its annual impairment review of goodwill under a VIU method at 31 August 2022, as the review is required to be completed at the same time each year. The review concluded there was no impairment of goodwill or other assets during the year.

Key inputs into the VIU models include:

- Cash flows projected based on management approved 5-year business models for each CGU.
- Discount rate determined by an independent adviser using the Capital Asset Pricing Model (CAPM) methodology of determining the weighted average cost of capital (WACC), using market specific inputs.
- Long-term growth rate (LTGR) determined by an independent adviser.
- Terminal growth being calculated at 2027 applying the LTGR.

The key assumptions used for the VIU calculation are as follows:

	5-YEAR REVENUE CAGR		PRE-TAX WACC		LONG-TERM GROWTH RATE	
CGU	2022 VIU	2021 VIU	2022 VIU	2021 VIU	2022 VIU	2021 VIU
VESL	24.8%	20.4%	18.4%	14.4%	2.0%	2.0%
Movio	18.6%	18.5%	15.9%	15.4%	2.0%	2.0%
Flicks	49.0%	44.7%	19.5%	19.0%	2.0%	2.0%
Maccs	17.0%	14.4%	16.7%	14.4%	2.0%	2.2%
Powster	24.0%	15.7%	16.8%	14.1%	2.0%	1.7%
Numero	34.4%	29.8%	17.8%	18.6%	2.0%	1.8%

Both the Flicks and Numero revenue growth is considered riskier than other CGUs, as they include growth from a Board approved expansion into new markets (Flicks), or a reliance on obtaining cinema data from a key cinema chain (Numero). Accordingly, an additional premium has been applied to the WACC of these CGUs.

Based on previous experience, Vista Group applied judgement in determining a reasonably possible change in the key assumptions in the VIU models. Specifically pertaining to the reduced revenue CAGR, prudence has been applied in the VIU models as neither expenditure (direct or indirect) nor capital expenditure are reduced, which would likely occur if revenues did not grow at anticipated growth levels. The CGUs that would result in a potential impairment scenario are as follows:

		INPUT REQUIRED FOR THE VIU TO EQUATE TO THE CARRYING VALUE		
CGU	AMOUNT THE VIU EXCEEDS THE CARRYING VALUE NZ$m	REVENUE CAGR	WACC	GROWTH RATE
VESL	67.8	22.6%	Not sensitive	Not sensitive
Movio	37.1	14.5%	Not sensitive	Not sensitive
Flicks	7.3	44.0%	Not sensitive	Not sensitive
Maccs	4.0	16.4%	Not sensitive	Not sensitive
Powster	11.4	22.5%	Not sensitive	Not sensitive
Numero	6.8	31.9%	Not sensitive	Not sensitive

The 5-year revenue CAGR is a function of the management approved 5-year business models prepared for each CGU. When calculating the reduced revenue CAGR required for an impairment scenario to exist, there have been no adjustments to the costs included in the 5-year business models – despite this being a probable reaction to help address profitability.

5.5 Other intangible assets

Intangible assets

Intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment charges.

Intangible assets with finite lives are amortised over their useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least annually.

Development costs and internally generated software

Maintenance: Costs associated with maintaining computer software programmes are recognised as an expense within the income statement as incurred.

Development - capitalised: Internally developed software is capitalised as an intangible asset when they meet the recognition criteria of NZ IAS 38 *Intangible Assets* (see below).

Development - other: Other development expenditures that do not meet the recognition criteria are classified as operating expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Other intangible assets

Intangible assets are amortised on a straight-line basis over the following useful economic lives:

- Intellectual property 4 to 15 years
- Client relationships 2.5 to 15 years
- Software licenses 2 to 10 years
- Internally generated software 2.5 to 5 years based on their estimated useful life.

Capitalisation of development costs (significant judgement / estimate)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Vista Group are only recognised as intangible assets when all the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

2022 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 $1.3m has been recognised on the income statement during the year (see section 2.3).

Vista Group also reviewed the carrying value of its internally generated software assets for indicators of impairment at 31 December 2022 and no other indicators of impairment were noted. In accordance with NZ IAS 36, no impairment review was performed at 31 December 2022.

Carrying amount of intangible assets

2022	INTERNALLY GENERATED SOFTWARE NZ$m	SOFTWARE LICENSES NZ$m	INTELLECTUAL PROPERTY NZ$m	CLIENT RELATIONSHIPS NZ$m	TOTAL NZ$m
Gross carrying amount					
Balance at 1 January	50.6	4.6	2.6	6.0	63.8
Additions	15.9	-	-	9.6	25.5
Disposals	(1.3)	(0.1)	-	-	(1.4)
Impairment charges	(0.5)	-	-	-	(0.5)
Exchange differences	-	-	-	0.6	0.6
Balance at year end	**64.7**	**4.5**	**2.6**	**16.2**	**88.0**
Accumulated amortisation					
Balance at 1 January	(15.7)	(2.4)	(1.8)	(4.1)	(24.0)
Current year amortisation	(8.9)	(0.6)	(0.2)	(1.8)	(11.5)
Disposals	1.3	0.1	-	-	1.4
Impairment charges	(0.8)	-	-	-	(0.8)
Exchange differences	-	-	0.1	(0.2)	(0.1)
Balance at year end	**(24.1)**	**(2.9)**	**(1.9)**	**(6.1)**	**(35.0)**
Intangible assets at 31 December 2022	**40.6**	**1.6**	**0.7**	**10.1**	**53.0**

2021	INTERNALLY GENERATED SOFTWARE NZ$m	SOFTWARE LICENSES NZ$m	INTELLECTUAL PROPERTY NZ$m	CLIENT RELATIONSHIPS NZ$m	TOTAL NZ$m
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 year 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 year 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 year 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 year were $16.8m for internally generated software (inclusive of a $0.9m 2021 trade payable) and $3.3m for the Retriever client relationships (remaining $6.3m was settled with Vista Group shares, or relates to contingent consideration, see section 3).

Cash additions for the year ended 31 December 2021 were $11.9m, with $0.9m being a trade payable at 31 December 2021, and $0.2m being accrued as a receivable for the RDTI.

5.6 Trade and other payables

Carrying amount of trade and other payables

	2022 NZ$m	2021 NZ$m
Trade payables	7.7	2.1
Sundry accruals	5.4	7.0
Employee benefits	10.5	9.6
Total trade and other payables	**23.6**	**18.7**

Included in trade payables is a balance of $0.4m (2021: $1.2m) payable to the associate company Vista China, see section 9.1 for further details of Vista China related party transactions.

5.7 Lease assets and lease liabilities

Vista Group predominantly leases property for fixed periods of 1-7 years, but these leases often have extension options. These extension options are usually at the discretion of Vista Group and are included in the measurement of the lease asset if management is reasonably certain the extension will be exercised.

The lease term is reassessed if an option is actually exercised (or not exercised) or if Vista Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Leases are recognised as a right of use asset (lease asset) and a corresponding lease liability at the date at which the leased asset is available for use by Vista Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. The lease asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Vista Group applies NZ IFRS 16 *Leases* to all short-term leases.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Lease assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Vista Group is reasonably certain to exercise a purchase option, the lease asset is depreciated over the underlying asset's useful life.

Carrying amount of lease assets

	2022 NZ$m	2021 NZ$m
Balance at 1 January	15.6	20.8
Additions during the year	1.8	2.4
Adjustments in respect of assumed lease term	(1.5)	(0.5)
Current year depreciation	(4.0)	(4.2)
Amounts derecognised due to sublease	-	(2.6)
Impairment charges	-	(0.7)
Exchange differences	0.4	0.4
Lease assets at year end	**12.3**	**15.6**

Lease assets at year end also include the property that was formerly subleased, as discussed in note 5.8. Following termination of this sublease the net investment in the sublease balance now represents a right of use asset of Vista Group. This has not been included in the table above as the circumstances of this lease asset are distinct from the other lease assets.

Carrying amount of lease liabilities

	2022 NZ$m	2021 NZ$m
Balance at 1 January	22.6	23.0
Additions during the year	1.8	2.4
Adjustments in respect of assumed lease term	(1.5)	(0.5)
Interest expense relating to lease liabilities	0.8	0.8
Repayment of lease liabilities (including interest)	(5.9)	(3.8)
Exchange differences	0.8	0.7
Lease liabilities at year end	**18.6**	**22.6**

Maturity of lease liabilities

	2022 NZ$m	2021 NZ$m
Less than one year	5.3	4.8
One to five years	13.3	17.8
More than five years	-	-
Lease liabilities at year end	**18.6**	**22.6**

5.8 Net investment in sublease asset

When Vista Group acts as a sublessor, it determines at the inception of the contract whether the lease is a finance lease (where the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset) or an operating lease (any lease that does not fit the criteria of a finance lease).

A sublease that fits the finance lease criteria is recognised as an asset by present valuing all future lease payments. The sublease asset reduces on receipt of future lease payments. Unwinding of the present valued subleased asset is recognised on the income statement as finance income. At the end of each reporting period, the subleased asset is tested for impairment.

A gain or loss is recognised at the start of the sublease where there is a difference between the value of the sublease and the amount of the existing lease asset that is derecognised.

A sublease that fits the criteria as an operating lease is not recognised as an asset, instead it is recognised as other income on the income statement when the receipt is contractually due.

Carrying amount of net investment in sublease asset (significant judgement / estimate)

	2022 NZ$m	2021 NZ$m
Balance at 1 January	2.7	-
Additions during the year	-	2.7
Impairment charges	(1.5)	-
Lease payments received (including interest)	(0.1)	(0.1)
Exchange differences	0.1	0.1
Net investment in sublease at year end	**1.2**	**2.7**
Represented by:		
Current portion	-	0.5
Non-current portion	1.2	2.2
Net investment in sublease at year end	**1.2**	**2.7**

In 2021, Vista Group subleased part of its leased premised in Los Angeles and recognised the net investment in sublease asset. In 2022, the subtenant vacated these premises with 4 years of the sublease term remaining. Prior to the end of 2022 the sublease was terminated.

Vista Group reviewed the sublease asset for impairment at 30 June 2022 and again at 31 December 2022 following the subtenant vacating the premises. As a result, an impairment of $0.9m was recognised at 30 June 2022. A further impairment of $0.6m was recognised at 31 December 2022 due to a reassessment of the recoverable amount.

Vista Group has rights under the sublease 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 $1.8m, meaning any delta from the $1.5m impairment charge recognised not anticipated to be material.

Following termination, the sublease asset reverted to being a lease asset of Vista Group. This balance continues to be presented separately from other lease assets as the circumstances of this lease asset are distinct from the other lease assets.

Maturity of net investment in sublease asset

	2022 NZ$m	2021 NZ$m
Less than one year	-	0.6
One to five years	1.5	2.3
Total undiscounted lease payments receivable	**1.5**	**2.9**
Unearned finance income	(0.3)	(0.2)
Net investment in sublease at year end	**1.2**	**2.7**

5.9 Deferred revenues

Deferred revenues are contract liabilities related to revenue that are recognised on client contracts where Vista Group's performance obligations have not been fully satisfied.

The following table represents the revenues recognised during the year relating to carried forward deferred revenue, as well as the additional deferred revenues recognised at year end where the performance obligations are yet to be satisfied.

	2022 NZ$m	2021 NZ$m
Balance at 1 January	20.9	19.5
Revenue recognised from performance obligations satisfied in the year	(20.3)	(17.7)
Additional deferred revenues from unsatisfied performance obligations	21.7	18.9
Exchange movements	0.4	0.2
Deferred revenues at year end	**22.7**	**20.9**
Represented by:		
Current portion	22.3	20.5
Non-current portion	0.4	0.4
Deferred revenues at year end	**22.7**	**20.9**

5.10 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.

Carrying amount of provisions

	2022 NZ$m	2021 NZ$m
US sales taxes	0.3	2.8
Lease dilapidations	0.4	0.4
Total provisions at year end	**0.7**	**3.2**
Represented by:		
Current	0.6	2.8
Non-current	0.1	0.4
Total provisions at year end	**0.7**	**3.2**

Movement in provisions

	2022 NZ$m	2021 NZ$m
Balance at 1 January	3.2	3.9
US sales taxes	(2.5)	0.8
Organisation restructuring	-	(0.1)
Movement in lease dilapidations	-	(0.1)
Onerous contracts	-	(0.8)
Other	-	(0.5)
Total provisions at year end	**0.7**	**3.2**

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 the second half of 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 in the prior year to be $2.8m (of which $1.3m related to 2019, $0.7m related to 2020 and $0.8m related to 2021) with $2.1m being settled in cash in the current year and $0.4m being released to the income statement.

6. Taxation

This section outlines details of the income tax expense incurred by Vista Group and the deferred taxes recognised on the statement of financial position.

6.1 Income tax expense

The income tax expense for the year comprises current and deferred tax. Taxation is recognised in the income statement, except when it relates to items recognised directly in equity (in which case the income tax is recognised in the statement of other comprehensive income). Income tax expense is based on tax rates and regulation enacted, or substantively enacted at the balance date, in the jurisdiction in which the respective entity operates.

Composition of income tax expense

	SECTION	2022 NZ$m	2021 NZ$m
Current tax expense		2.8	1.5
Deferred tax expense	6.2	(4.4)	(3.9)
Total tax benefit		**(1.6)**	**(2.4)**

Reconciliation of income tax expense

The relationship between the expected tax expense based on the domestic effective tax rate of the Company at 28% (2021: 28%) and the reported tax expense in the income statement can be reconciled as follows:

	2022 NZ$m	2021 NZ$m
Loss before tax	(22.5)	(12.3)
Domestic tax rate for Vista Group International Limited	28%	28%
Expected tax benefit	**(6.3)**	**(3.4)**
Foreign subsidiary company tax	(0.1)	-
Non-assessable income / non-deductible expenses	5.7	0.2
Prior year adjustments	(0.5)	0.1
Other	(0.4)	0.7
Total tax benefit	**(1.6)**	**(2.4)**
Effective tax rate	7%	20%

At 31 December 2022, Vista Group had $11.2m (2021: $11.5m) of imputation credits available for use in subsequent reporting years. Vista Group also had $1.1m (2021: $0.7m) of unused tax losses for which no deferred tax asset has been recognised, as they did not meet the recognition criteria.

6.2 Deferred tax assets and liabilities

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the year. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Recognition of deferred tax assets (significant judgement / estimate)

Deferred tax at year end includes temporary timing differences and income tax losses available to carry forward against future profits. A deferred tax asset is recognised on losses, only when it is considered probable that sufficient taxable profits will be available to utilise the losses in the near future. Vista Group applies judgement when reviewing current business plans and forecasts to ascertain the likelihood of future taxable profits. The financial forecasts used in this assessment are the same as those used in the impairment review of goodwill and other assets in section 5.4.

Deferred taxes can be summarised as follows:

2022	OPENING BALANCE NZ$m	RECOGNISED IN OTHER COMPREHENSIVE INCOME NZ$m	RECOGNISED IN INCOME STATEMENT NZ$m	CLOSING BALANCE NZ$m
Trade and other receivables	3.5	-	(0.9)	2.6
Property, plant and equipment	(2.0)	-	(0.2)	(2.2)
Lease assets	(3.8)	-	1.1	(2.7)
Intangible assets	(1.6)	-	0.6	(1.0)
Employee benefits	2.2	(0.4)	1.4	3.2
Lease liabilities	5.6	-	(1.8)	3.8
Unused tax losses	9.9	-	4.0	13.9
Other	(0.1)	-	0.2	0.1
Deferred tax net asset at 31 December 2022	**13.7**	**(0.4)**	**4.4**	**17.7**

2021				
Trade and other receivables	4.8	-	(1.3)	3.5
Property, plant and equipment	(0.9)	-	(1.1)	(2.0)
Lease assets	(4.9)	-	1.1	(3.8)
Intangible assets	(1.9)	-	0.3	(1.6)
Employee benefits	1.5	0.6	0.1	2.2
Lease liabilities	5.5	-	0.1	5.6
Unused tax losses	4.6	-	5.3	9.9
Other	0.5	-	(0.6)	(0.1)
Deferred tax net asset at 31 December 2021	**9.2**	**0.6**	**3.9**	**13.7**

Deferred tax net asset is represented by:

	2022 NZ$m	2021 NZ$m
Deferred tax asset	17.8	14.6
Deferred tax liability	(0.1)	(0.9)
Deferred tax net asset	**17.7**	**13.7**

7. Capital structure

This section outlines Vista Group's capital structure, earnings per share and share-based employee incentives which have an impact on Vista Group's equity.

Components of equity

Contributed equity: The value of shares that have been issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. All transactions with owners of the parent are recorded separately within share capital. All shares are ordinary, authorised, issued and fully paid shares. They all have equal voting rights and share equally in dividends and any surplus on winding up. The shares have no par value.

Retained earnings: All current and prior year retained profits and losses.

Dividend payments: Dividends payable to equity shareholders are included in trade and other payables when the dividends have been approved by the Board on or before the end of the reporting year but not yet distributed.

Foreign currency reserve: This reserve is used to record cumulative translation differences on the assets and liabilities of foreign operations. The cumulative translation differences are recycled to the income statement on disposal of the foreign operation.

Share-based payment reserve: This reserve is used to record any equity share-based incentives. The reserve value represents the difference between the value at the time of allocation and the cash incentives received, plus the equity component of contingent consideration payable.

7.1 Contributed equity

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

	MILLIONS OF SHARES 2022	MILLIONS OF SHARES 2021	NZ$m 2022	NZ$m 2021
Shares issued and fully paid:				
Balance at 1 January	231.2	228.6	131.3	126.0
Ordinary shares issued during the year:				
Shares issued as part of Retriever asset acquisition	1.5	-	3.2	-
Employee incentives	0.5	2.6	0.9	4.7
Tax (expense) / benefit on share-based payments	-	-	(0.4)	0.6
Total contributed equity at year end	**233.2**	**231.2**	**135.0**	**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 3).

7.2 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 year.

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 year 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.

Earnings per share calculation

	NUMBER OF SHARES (MILLIONS)	
	2022	2021
Weighted average ordinary shares for basic EPS (millions)	**232.9**	**229.0**
Effect of dilution:		
Share options and awards (millions)	4.5	1.7
Weighted average ordinary shares adjusted for the effect of dilution	**237.4**	**230.7**
Loss for the year attributable to owners of the parent (NZ$m)	(21.4)	(9.8)
Basic and diluted EPS (cents)	**($0.09)**	**($0.04)**

7.3 Dividends

No dividends were paid during the year (2021: $nil).

7.4 Foreign currency reserve

Items included in the financial statements of each of Vista Group's entities are measured using the currency of the primary economic environment in which the entity operates (the Functional Currency). The financial statements are presented in New Zealand Dollars (NZD), which is Vista Group's presentation currency. All financial information has been presented rounded as millions of dollars (NZ$m).

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

7.5 Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value includes the effect of market based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed evenly over the vesting period within total operating expenses, based on Vista Group's estimate of equity instruments that will eventually vest. At each balance date, Vista Group revises the estimated number of equity instruments expected to vest as a result of the non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

The share-based payment reserve is used to record any equity share-based incentives.

Share-based payment expense

The share-based payment expense relating to each scheme is as follows:

	2022 NZ$m	2021 NZ$m
Vista Group Recognition Scheme (VGRS)	2.5	3.8
Group CEO Retention Scheme (Group CEO)	0.3	0.5
Senior Management & Executive Retention Scheme (Exec Retention)	0.2	-
LTI Scheme - Share Rights (LTI - Share Rights)	0.8	0.6
LTI Scheme - Performance Rights (LTI - Perf Rights)	0.7	0.6
LTI Scheme - Movio CEO (LTI - Movio CEO)	-	(0.3)
Total share-based payment expense	**4.5**	**5.2**

Summary of performance rights

The movement in the number of performance rights outstanding is summarised in the following table:

	RETENTION SCHEMES				PERFORMANCE SCHEMES		
NUMBER OF RIGHTS (MILLIONS)	VGRS	GROUP CEO	EXEC RETENTION	LTI - SHARE RIGHTS	LTI - PERF RIGHTS	LTI - MOVIO CEO	TOTAL
At 1 January 2021	2.9	0.7	-	-	0.2	0.1	3.9
Granted	-	-	-	0.6	0.7	-	1.3
Lapsed	(0.5)	-	-	(0.1)	(0.2)	(0.1)	(0.9)
Exercised	(2.4)	(0.2)	-	-	-	-	(2.6)
At 31 December 2021	-	0.5	-	0.5	0.7	-	1.7
Granted	2.1	-	0.3	0.6	0.6	-	3.6
Lapsed	(0.2)	-	-	-	(0.1)	-	(0.3)
Exercised	-	(0.1)	-	(0.2)	(0.2)	-	(0.5)
At 31 December 2022	**1.9**	**0.4**	**0.3**	**0.9**	**1.0**	**-**	**4.5**

The share price of awards on the date of vesting in 2022 was $1.87 for the Group CEO scheme, and $1.86 for the LTI - Share Rights / LTI - Perf Rights schemes. The share price of awards on the date of vesting in 2021 was $2.59 for the VGRS and $2.32 for the Group CEO scheme.

No shares under these schemes are 'exercisable', as all rights convert into shares on the vesting date. As all rights are granted at nil cost, the weighted average exercise price of all rights is $nil.

The weighted average contractual life of the outstanding performance rights is 0.7 years (2021: 1.2 years).

Fair value assumptions

When using the Black-Scholes pricing model to determine the fair value of rights granted, the following assumptions were applied:

- As all rights are granted at nil cost, the exercise price is always $nil and therefore no volatility or risk-free rates are required.
- For schemes granted in 2022, the expected dividend yield was assumed to be $nil (2021: $nil) and are assumed to be 100% achieved (2021: 100%).

Retention schemes

At 31 December 2022, Vista Group was operating the following retention schemes:

	2022			2021
ASSUMPTION	VGRS	EXEC RETENTION	LTI - SHARE RIGHTS	LTI - SHARE RIGHTS
Share price on grant date (NZ$)	$1.83	$1.80	$1.86	$2.12
Vesting period (months)	13	25-37	13-37	15-39

- **VGRS:** The Board approved awards to be issued under this scheme in 2022 to permanent staff based in New Zealand, United Kingdom and United States. These rights vest in full after a 13 month period.
- **Exec Retention:** The Board approved awards to be issued under this scheme in 2022 to select senior management. Subject to continued tenure of each participant, 100,000 of those share rights are due to vest in April 2024 with the remaining 200,000 share rights due to vest in April 2025.
- **LTI - Share Rights:** The Board approved awards to be issued under this scheme in both 2022 and 2021 to eligible senior management. The share rights are split into three tranches and vest annually over a three-year period.
- **Group CEO (current):** The Board approved awards to be issued under this scheme in 2020 to the Vista Group CEO. The share rights vest on an annual basis with 400,000 due to vest to the current Group CEO in April 2023.
- **Group CEO (incoming):** On 9 December 2022, Vista Group announced the appointment of Stuart Dickinson as Vista Group's new Chief Executive Officer with effect from 11 April 2023. As part of the employment agreement, the Board agreed to terms on a retention scheme with 200,000 share rights, with 50% vesting in April 2024 and 50% in April 2025. This grant is not included in the summary of performance rights until employment commences in April 2023.

Awards under each of these schemes are designed to promote alignment with shareholder's interests and ensure continued retention. Share rights are granted for no consideration and carry no dividend or voting rights until vested. These awards are contingent on continued tenure, with no further performance obligations.

The fair value of interests awarded was determined using the Black-Scholes option pricing model.

Performance schemes

At 31 December 2022, Vista Group was operating the following performance schemes:

- **LTI - Perf Rights:** The Board approved awards to be issued under this scheme in both 2021 and 2022 to eligible senior management. The scheme requires achievement of recurring revenue targets set by the Board with vesting annually over three years, on achievement of the target and continued tenure. The fair value of interests awarded under this scheme was determined using the Black-Scholes option pricing model, with the share price on grant date and vesting periods aligning to those of the LTI – Share Rights scheme.

Awards under performance schemes are designed to ensure continued retention, incentivise sustained performance over the long-term and to promote alignment with shareholders' interests. These schemes allow the carry forward of any performance rights that do not vest in each vesting period to be eligible to vest in future vesting periods. Rights are granted for no consideration and carry no dividend or voting rights until vested. The awards are also contingent on continued tenure.

8. Financial risk management

Vista Group is exposed to three main types of risk in relation to financial instruments, which are market (foreign currency risk and interest rate risk), credit and liquidity.

Vista Group's risk management framework is set by the Board and implemented by management. The framework focus includes actively monitoring and securing Vista Group's short to medium-term cash flows by minimising the exposure to financial markets. The most significant financial risks to which Vista Group is exposed are described below.

8.1 Capital management

The following table summarises the capital of Vista Group:

	2022 NZ$m	2021 NZ$m
Borrowings – external	17.6	16.2
Borrowings – related parties	0.5	0.6
Equity	148.0	159.8
Total capital	**166.1**	**176.6**

Vista Group's policy is to use a mixture of capital raised on the NZX / ASX exchanges and borrowing facilities to meet anticipated funding requirements. These borrowings together with cash generated from operations, are loaned internally, or contributed as equity to certain subsidiaries.

8.2 Foreign currency risk

Vista Group operates internationally and is exposed to foreign exchange risk in US Dollars (USD), Pounds Sterling (GBP), Euros (EUR), Chinese Yuan Renminbi (CNY) and Australian Dollars (AUD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

To mitigate exposure to foreign currency risk, foreign currency cash flows are monitored in accordance with Vista Group's risk management policies. Vista Group's risk management policies include treasury management and foreign exchange policies, the implementation of which is set and reviewed regularly by the Board. Vista Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. The foreign exchange policy allows for the use of hedging activity, and although Vista Group uses its debt facilities as a natural hedge, no other financial instruments have been used (i.e. derivatives).

Foreign currency denominated financial assets and liabilities which expose Vista Group to currency risk are disclosed in the following table. The amounts shown are those reported to key management translated into NZD at the closing rate.

2022	USD NZ$m	GBP NZ$m	EUR NZ$m	CNY NZ$m	AUD NZ$m
Financial assets					
Cash	11.3	3.0	1.4	-	0.5
Trade receivables	26.2	5.6	5.6	1.4	1.3
Sundry receivables	0.5	0.5	-	-	-
Net investment in sublease	1.2	-	-	-	-
Financial liabilities					
Borrowings	(17.6)	(0.5)	-	-	-
Trade payables	(5.5)	(0.1)	(0.1)	(0.4)	(0.3)
Sundry payables	(1.3)	(0.6)	(0.3)	-	(0.1)
Lease liabilities	(10.2)	(2.9)	(0.4)	-	-
Contingent consideration	(2.9)	-	-	-	-
Net foreign currency risk	**1.7**	**5.0**	**6.2**	**1.0**	**1.4**

2021	USD NZ$m	GBP NZ$m	EUR NZ$m	CNY NZ$m	AUD NZ$m
Financial assets					
Cash	15.7	3.3	3.4	-	1.1
Trade receivables	26.3	5.8	4.0	-	2.3
Sundry receivables	0.3	0.5	0.2	-	-
Net investment in sublease	2.7	-	-	-	-
Financial liabilities					
Borrowings	(16.2)	(0.6)	-	-	-
Trade payables	(1.4)	(1.6)	1.0	-	-
Sundry payables	(2.2)	(0.3)	(0.5)	-	-
Lease liabilities	(11.3)	(4.1)	(0.6)	-	-
Net foreign currency risk	**13.9**	**3.0**	**7.5**	**-**	**3.4**

Although the net foreign currency risk for USD financial assets of $1.7m are naturally hedged by the $17.6m USD denominated ASB loan (with exchange gains or losses being recognised in the income statement), components of the exchange movements in the USD denominated financial assets are recognised in the:

- Foreign currency reserve: where the assets are held in a USD functional currency entity; or
- Income statement: where the assets are held in a non-USD functional currency entity.

The following table illustrates the sensitivity of profit or loss and equity in regard to Vista Group's financial assets and liabilities affected by exchange rates with 'all other things being equal'. It assumes a +/- 10% change of the NZD to currency exchange rate for each year presented. The sensitivity analysis is based on Vista Group's foreign currency financial instruments held at each reporting date.

2022	USD NZ$m	GBP NZ$m	EUR NZ$m	CNY NZ$m	AUD NZ$m
10% strengthening in NZD	(0.2)	(0.5)	(0.6)	(0.1)	(0.1)
10% weakening in NZD	0.2	0.6	0.7	0.1	0.2
2021					
10% strengthening in NZD	(1.3)	(0.3)	(0.7)	-	(0.3)
10% weakening in NZD	1.5	0.3	0.8	-	0.4

Exposure to foreign exchange rates varies during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of Vista Group's exposure to market risk.

8.3 Interest rate risk

Vista Group's interest rate risk primarily arises from long-term borrowing, lease liabilities and cash. Borrowings and deposits at variable rates expose Vista Group to cash flow interest rate risk. Borrowings and deposits at fixed rates expose Vista Group to fair value interest rate risk.

The following tables set out the interest rate repricing profile and current interest rate of the interest-bearing financial assets and liabilities:

2022	EFFECTIVE INTEREST RATE	FLOATING NZ$m	FIXED UP TO 3 MONTHS NZ$m	FIXED UP TO 6 MONTHS NZ$m	FIXED UP TO 5 YEARS NZ$m	TOTAL NZ$m
Financial assets						
Cash	2.3%	22.0	11.0	5.0	8.0	46.0
Net investment in sublease	6.3%	-	-	-	1.2	1.2
Financial liabilities						
Borrowings - external	7.0%	-	-	-	(17.6)	(17.6)
Borrowings - related party	4.0%	-	-	-	(0.5)	(0.5)
Lease liabilities	4.0%	-	-	-	(18.6)	(18.6)
Net interest risk		**22.0**	**11.0**	**5.0**	**(27.5)**	**10.5**
2021						
Financial assets						
Cash	0.6%	35.4	7.0	6.5	11.5	60.4
Net investment in sublease	3.5%	-	-	-	2.7	2.7
Financial liabilities						
Borrowings - external	1.6%	-	-	-	(16.2)	(16.2)
Borrowings - related party	4.0%	-	-	-	(0.6)	(0.6)
Lease liabilities	4.0%	-	-	-	(22.6)	(22.6)
Net interest risk		**35.4**	**7.0**	**6.5**	**(25.2)**	**23.7**

Profit or loss is sensitive to higher / lower interest income / expense from cash as a result of changes in interest rates.

2022	EFFECTIVE INTEREST RATE +1% NZ$m	EFFECTIVE INTEREST RATE -1% NZ$m
Cash	0.5	(0.5)
Net investment in sublease	-	-
Borrowings - external	(0.2)	0.2
Borrowings - related party	-	-
Lease liabilities	(0.2)	0.2
Sensitised net interest risk	**0.1**	**(0.1)**

8.4 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to Vista Group. Vista Group is predominantly exposed to this risk for trade receivables and contract assets. The maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December, as summarised in section 8.6.

Vista Group continuously monitors defaults of clients and other counterparties, identified either individually or by Vista Group, and incorporates this information into its credit risk controls.

At 31 December 2022, Vista Group has certain trade receivables and contract assets that have not been settled by the contractual due date but are not considered to be impaired because of the nature of contracts and / or the longevity of ongoing client relationships. At balance date, the overdue trade receivables, net of all provisioning (concession discounts, credit risk provisions and ECL), are below.

	2022 NZ$m	2021 NZ$m
Not more than 6 months	3.5	3.4
Between 6 months and 9 months	2.4	1.1
Over 9 months	2.6	1.6
Overdue trade receivables and contract assets (net of provisioning)	**8.5**	**6.1**

Trade receivables consist of many clients in various industries and geographical areas.

Judgement has been applied to the recoverability of all trade receivables and contract assets, with Vista Group determining that the net balances receivable are recoverable and not impaired. See section 5.1 for more detail of how judgement has been applied, including a sensitivity analysis of the key judgement where 10% of core business receivables may not be collectable.

Vista Group has financial assets classified and measured at amortised cost that are subject to the ECL model requirements of NZ IFRS 9. See section 5.1 for details on how ECL has been recognised on trade receivables and contract asset balances. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

8.5 Liquidity Risk

Liquidity risk is the risk that Vista Group might be unable to meet its obligations when they fall due. Vista Group's objective is to maintain a balance between continuity of funding and flexibility through monitoring of cash and the use of bank overdrafts and loans. Vista Group's policy is that not more than 25% of borrowings should mature within the next 12-month period.

Vista Group assessed the concentration of risk with respect to refinancing its debt as being low.

At 31 December 2022, Vista Group had cash balances totalling $46.0m, along with $24.4m undrawn on its ASB revolving credit facility. Forecasts show that this level of cash and undrawn loans will be sufficient for Vista Group to continue operations for at least the next 12 months (representing the minimum requirement for going concern purposes).

The table below summarises the maturity profile of Vista Group's non-derivative financial liabilities based on contractual undiscounted payments.

2022	LESS THAN 3 MONTHS NZ$m	3 TO 12 MONTHS NZ$m	1 TO 5 YEARS NZ$m	> 5 YEARS NZ$m	TOTAL NZ$m
Trade payables	7.7	-	-	-	7.7
Sundry payables	4.9	-	-	-	4.9
Borrowings - external	-	-	17.6	-	17.6
Borrowings - related parties	-	0.5	-	-	0.5
Interest on borrowings	0.4	1.1	3.0	-	4.5
Lease liabilities	1.3	4.0	13.3	-	18.6
Contingent consideration	-	1.4	1.5	-	2.9
Total liquidity risk	**14.3**	**7.0**	**35.4**	**-**	**56.7**
2021					
Trade payables	2.1	-	-	-	2.1
Sundry payables	5.9	-	-	-	5.9
Borrowings - external	-	-	16.2	-	16.2
Borrowings - related parties	-	0.6	-	-	0.6
Interest on borrowings	0.1	0.3	0.1	-	0.5
Lease liabilities	1.2	3.6	17.8	-	22.6
Total liquidity risk	**9.3**	**4.5**	**34.1**	**-**	**47.9**

8.6 Financial instruments

Fair value of financial assets and liabilities

Vista Group carried out a fair value assessment of its financial assets and liabilities at 31 December 2022 in accordance with NZ IFRS 9. Accordingly, financial instruments are classified as either measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

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.

Vista Group's policy is that no speculative trading in financial instruments may be undertaken.

Financial instruments by category

2022	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
Cash	46.0	-	-	46.0
Trade receivables	31.6	-	-	31.6
Sundry receivables	1.2	-	-	1.2
Net investment in sublease	1.2	-	-	1.2
Total financial assets	**80.0**	**-**	**-**	**80.0**
Borrowings - external	-	-	17.6	17.6
Borrowings - related parties	-	-	0.5	0.5
Trade payables	-	-	7.7	7.7
Sundry payables	-	-	4.9	4.9
Lease liabilities	-	-	18.6	18.6
Contingent consideration	-	1.4	-	1.4
Total financial liabilities	**-**	**1.4**	**49.3**	**50.7**
2021				
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 assets and liabilities by category are summarised as follows:

- **Cash:** Held at carrying value which also equates to fair value.
- **Trade, related party and other receivables:** Assets that are generally short-term in nature and are reviewed for impairment. The carrying value approximates their fair value.
- **Net investment in sublease:** A receivable from a sublessee that is initially measured on a present value basis using the underlying lease's incremental borrowing rate, and subsequently held at amortised cost. This asset is impairment tested and the carrying value approximates the fair value.
- **Borrowings:** Initially are held at fair value but adjusted to amortised cost by any borrowing costs. Interest rates are generally fixed.
- **Trade, related party and other payables:** Liabilities that are generally short-term in nature with the carrying value approximating their fair value.
- **Lease liabilities:** Liabilities arising from a lease are initially measured on a present value basis using the lessee's incremental borrowing rate.
- **Contingent consideration:** These liabilities typically arise from a business combination or a reacquired right. Fair value of elements greater than 12 months are determined on a present value basis using the Vista Group's incremental borrowing rate.

9. Other information

9.1 Related parties

Vista Group has various types of transactions with related parties. Section 4.2 contains details of related party borrowings, with other related party transactions detailed below.

Key management personnel transactions

Key management personnel include Vista Group's Board (executive and non-executive) and the Executive Team (defined as personnel that report directly to the Vista Group's Chief Executive). Key management personnel at 31 December 2022 include 17 individuals (6 Directors and 11 Executive Team members) (2021: 17 individuals, being 7 Directors and 10 Executive Team members).

	2022 NZ$m	2021 NZ$m
Salaries including bonuses	5.5	3.9
Share-based payments	0.5	0.5
Director fees	0.7	0.6
Total key management personnel transactions	**6.7**	**5.0**

No dividends were paid to key management personnel on their Vista Group shareholdings during the year (2021: $nil).

Other related party transactions

The following table represents amounts due to and from related parties, excluding key management personnel.

	AMOUNTS OWED BY RELATED PARTIES		AMOUNTS OWED TO RELATED PARTIES	
	2022 NZ$m	2021 NZ$m	2022 NZ$m	2021 NZ$m
Associate company	1.4	-	(0.4)	(1.2)

Vista Group's associate company related party transactions were as follows:

	2022 NZ$m	2021 NZ$m
Receiving of services	(0.2)	(2.5)
Rendering of services	2.4	2.9
Total related party transactions	**2.2**	**0.4**

Details of significant related party transactions of Vista Group

Vista Cinema recognised $0.9m of maintenance revenue from Vista China during the year (2021: $2.2m).

9.2 Group companies

The results and financial position of all Vista Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency (NZD) are translated into the presentation currency as follows.

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- income and expenses for each of the income statement and statement of other comprehensive income, are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- all resulting exchange differences are recognised in other comprehensive income.
- goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Foreign exchange gains and losses are presented in the income statement on a net basis within other expenses.

Group information

These financial statements consolidate the following subsidiaries of the Company:

			SHAREHOLDING	
NAME	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	2022	2021
Flicks Limited	Advertising sales	New Zealand	100%	100%
Maccs International B.V.	Software development & licensing	Netherlands	100%	100%
MovieXchange Limited	Web platform licensing	New Zealand	100%	100%
Movio (IP) Limited	Distributor of intellectual property	New Zealand	100%	100%
Movio Limited	Data analytics & marketing	New Zealand	100%	100%
Movio, Inc.	Data analytics & marketing	United States	100%	100%
Numero Limited	Holding company	New Zealand	100%	100%
Numero (Aust) Pty Ltd	Software development & licensing	Australia	100%	100%
Powster, Inc.	Marketing & creative solutions	United States	50%	50%
Powster Ltd	Marketing & creative solutions	United Kingdom	50%	50%
S.C. Share Dimension S.R.L.	Software development	Romania	100%	100%
Senda DO Brasil Serviços de Tecnológia LTDA.	Software licensing	Brazil	60%	60%
Share Dimension B.V.	Software development & licensing	Netherlands	100%	100%
Vista (IP) Limited	Distributor of intellectual property	New Zealand	100%	100%
Vista Entertainment Solutions Limited	Software development & licensing	New Zealand	100%	100%
Vista Entertainment Solutions (Asia) Sdn. Bhd.	Software licensing	Malaysia	100%	100%
Vista Entertainment Solutions (Canada) Limited	Inactive	Canada	100%	100%
Vista Entertainment Solutions (NL) B.V.	Software licensing	Netherlands	100%	100%
Vista Entertainment Solutions (Spain), S.L.U.	Inactive	Spain	100%	100%
Vista Entertainment Solutions (UK) Limited	Software licensing	United Kingdom	100%	100%
Vista Entertainment Solutions (USA), Inc.	Software licensing	United States	100%	100%
Vista Group Limited	Inactive	New Zealand	100%	100%
Vista International Entertainment Solutions South Africa (Pty) Ltd	Software licensing	South Africa	100%	100%
Vista Latin America, S.A. de C.V.	Software licensing	Mexico	60%	60%
VPF Hub GmbH	Inactive	Germany	0%	90%

9.3 Going concern

These 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 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 31 December 2022, Vista Group had $70.4m in liquidity, with $46.0m in cash and $24.4m of undrawn ASB revolving credit and overdraft facilities. In addition to this, Vista Group's EBITDA and operating cash flows for the 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 is appropriate in the preparation of these financial statements.

9.4 Capital commitments

There were no capital commitments for Vista Group at 31 December 2022 (31 December 2021: $nil).

9.5 Events after balance date

Subsequent to balance date, Vista Group obtained confirmation from the Inland Revenue that key RDTI general approval applications had been approved. At the date of these financial statements being released, the resulting claims available to Vista Group on 2022 costs were still being calculated, but were expected to be up to $1.0m. It is highly likely the finalised claim will be capitalised as an offset to capitalised development costs (intangible assets).

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

Independent auditor's report

To the shareholders of Vista Group International Limited

Our opinion

In our opinion, the accompanying financial statements of Vista Group International Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 December 2022, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Group's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the income statement for the year then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cashflows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the area of workshop facilitation in relation to sustainability and climate change strategy and reporting. The provision of this other service has not impaired our independence as auditor of the Group.

PricewaterhouseCoopers, PwC Tower, 15 Customs Street West, Private Bag 92162, Auckland 1142 New Zealand
T: +64 9 355 8000, www.pwc.co.nz

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill Section 5.4 of the financial statements provides details of the goodwill balance of $57.1 million as at 31 December 2022, which comprised balances in six cash generating units (CGUs). The impairment tests were performed as at 31 August 2022, which is the established time for the annual impairment tests for Vista Group. Management utilised a value in use (VIU) methodology to determine the recoverable amount of each CGU, using discounted cash flow models. These VIUs were then compared to the carrying amount of the associated net assets, including goodwill, of each CGU as at 31 August 2022. The estimated cash flows used in the VIU models were based on the management approved five year business plans. While the current year saw a recovery from the impacts of the COVID-19 pandemic, the valuations continue to involve the application of significant judgement in forecasting future business performance and determining certain key assumptions and estimates, in particular: ● Revenue growth rates for the five year forecast period; ● The long term growth rates for cash flows beyond the five year forecast period; and ● The appropriate discount rate for each CGU. A further assessment of indicators of impairment was made as at 31 December 2022. No impairments were recognised. Our audit focused on this area as a key audit matter due to the value of the goodwill balance, and the level of judgement involved in assessing the recoverable amount of each CGU.	Our audit procedures in relation to management's impairment testing of goodwill at 31 August 2022 included the following: ● We gained an understanding of the business processes and controls applied by management in performing the impairment tests; ● We tested the calculations of the VIU models, including the inputs and mathematical accuracy and compared the resulting balances to the relevant net assets of each CGU; ● We assessed the key estimates and assumptions made by management in the CGUs' VIU models by performing the following procedures: – Obtained an understanding of how management prepared its plans and forecasts, and the associated review and approval processes; – Assessed management's ability to accurately forecast by comparing historical forecasts to actual results; – Assessed the growth rates used over the five year forecast period; – Held discussions with management for each CGU to gain an understanding of the business strategies, forecast assumptions and risks for the CGUs; – Obtained and evaluated management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions; and – Engaged our own expert to evaluate the long term growth rates and discount rates used in the VIU models by comparing with those of similar market participants, and to evaluate the reasonableness of the implied valuation multiples; and ● We assessed the adequacy of disclosures in the financial statements. We also obtained and assessed management's assessment of impairment indicators at year-end.

Description of the key audit matter	How our audit addressed the key audit matter
Revenue and expected credit loss provisioning Section 5.1 of the financial statements provides details of various provisions totalling $10.3 million at 31 December 2022 that are recognised in relation to Vista Group's trade receivables and contract asset balances. There is significant estimation uncertainty regarding the amount that may be collected for Vista Group's products and services, particularly due to the quantum of the gross trade receivables, contract assets and provisions, and the ageing of the receivables and the residual impact of the COVID-19 pandemic. Management assessed the recoverability of trade receivables and contract assets, which involved judgements in relation to assessing the credit risk of the associated customers and expected future cash flows based on payment history, age of the debt, agreed and proposed payment plans and concessions, whether the customer is in a form of insolvency, and other information from communications with the customers. Given the level of uncertainty and judgement in this area, the amounts finally collected for the trade receivables and contract assets may be materially different to the net balances recognised. Our audit focused on this area as a key audit matter due to the value of the net trade and other receivables and contract assets balances and the provisions within those balances, the significant estimation uncertainty as a result of the residual impact of the COVID-19 pandemic on the cinema industry and the level of judgement involved in determining the appropriate provisions.	Our audit procedures in relation to the provisions against trade receivables and contract assets included the following: ● We gained an understanding of management's approach to developing the assumptions and provisioning method, and the business processes and controls applied by management in relation to revenue concessions, revenue credit risk and expected credit loss provisioning; ● We obtained the calculation performed by management which includes key assumptions and estimates used by management for revenue concessions, revenue credit risk and expected credit loss provisioning; ● We tested on a sample basis the accuracy of the provisioning model, including the inputs, the mathematical accuracy of the calculations, and consistency with management's intended methodology; ● We obtained assessments from account managers at the local entity level to gain an understanding of selected customers' financial condition, ability to make payments, and recent payment history; ● We assessed the reasonableness of the total provisions by performing an analysis of the ageing profile of the gross and net trade receivable balances as at 31 December 2022 and comparing to the 31 December 2021; ● We considered the projected time to settle the outstanding net balance based on the recent average monthly cash collections; ● We performed lookback procedures on the provisions for the 31 December 2021 balances of a sample of customers, which were estimated using a similar approach to the current provisions, and assessed the accuracy of those provisions based on subsequent cash collections or write-offs; ● We considered the possible impact of events after year-end, including cash collections and new information regarding the financial condition of customers on a sample basis; and ● We assessed the adequacy of disclosures in the financial statements, including the description of significant assumptions and the possibility of collections being different to those assumptions.

Our audit approach

Overview

Overall group materiality: $1.01 million, which represents approximately 0.75% of total revenues.

We chose total revenues as the benchmark because, in our view, it is a key financial statement metric used in assessing the performance and growth of the Group and it is a generally accepted benchmark.

In recent years our approach to determining materiality has been to use an adjusted three year weighted average profit/loss before tax measure as the benchmark. We have changed our approach this year because this would have resulted in a materiality level that is below the level we consider would affect economic decisions of users of the financial statements. Using revenue as the benchmark this year results in a similar overall materiality level to previous years, which we consider is appropriate.

We selected transactions and balances to audit based on their materiality to Vista Group, rather than determining the scope of procedures to perform by auditing only specific subsidiaries or locations.

As reported above, we have two key audit matters, being:

- Impairment testing of goodwill
- Revenue and expected credit loss provisioning

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:
https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Troy Florence.

For and on behalf of:

Chartered Accountants
28 February 2023

Auckland

Directory

Directors	Susan Peterson • Chair Claudia Batten Murray Holdaway James Miller Cris Nicolli Kirk Senior	
Registered office	Shed 12, City Works Depot 90 Wellesley St West Auckland 1010 New Zealand Phone +64 9 984 4570	
Nature of business	Provision of management solutions for the film industry	
Company number	1353402	
ARBN	600 417 203	
Auditor	PricewaterhouseCoopers Level 27, PwC Tower 15 Customs Street West Auckland 1010	
Solicitors	**New Zealand** Chapman Tripp Level 34, PwC Tower 15 Customs Street West Auckland 1010	Hudson Gavin Martin Level 16 45 Queen Street Auckland 1010
Share registry	**New Zealand** Link Market Services Ltd Level 30, PwC Tower 15 Customs Street West Auckland 1010	**Australia** Link Market Services Ltd Level 12, 680 George St Sydney NSW 2000
Bankers	**New Zealand** ASB Bank Limited ASB North Wharf 12 Jellicoe St Auckland 1010	HSBC 188 Quay St Auckland 1010

VISTA GROUP

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Annual Results

1 March 2023

Vista Group
International
Limited

2022

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This presentation has been prepared by Vista Group International Limited and its related companies (collectively referred to as Vista Group). This notice applies to this presentation and the verbal or written comments of any persons presenting it.

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- may contain forward-looking statements about Vista Group and the environments in which it operates. Forward-looking statements can include words such as "expect", "intend", "believe", "continue" or similar words in connection with discussions of future operating or financial performance or conditions. Such forward-looking statements are based on significant assumptions and subjective judgements which are inherently subject to risks, uncertainties and contingencies outside of Vista Group's control.
- Although Vista Group's management may indicate and believe the assumptions underlying the forward-looking statements are reasonable, any assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised. Vista Group's actual results or performance may differ materially from any such forward looking statements; and
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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 – 2022

Continued ARR growth as SaaS platform gains momentum

- Strong financial performance highlighted by 38% revenue growth and $118.0m ARR
- Significant platform signing with Cineplex (top 5 North American circuit) committing to the platform - Digital and Cloud
- Platform now live for over a year sustaining industry leading reliability
- Blockbusters remain staple of moviegoer diet - *Avatar: The Way of Water* became the third highest grossing movie of all time globally ($2.2b)

"We're back to theaters. Around the world, people are going back to theaters...We need to go to movie theaters and have that experience."

James Cameron, January 2023

Financial results

Financials

Total Revenue
$135.1m +38%

Recurring Revenue[1]
$112.3m +38%

SaaS Revenue[1]
$38.4m +38%

ARR[2]
$118.0m +22%

EBITDA[3]
$10.6m +63%

Operating Cashflow
$12.4m +10%

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2.1 of the 2022 Annual Report.
2. ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.
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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.

Trading performance

NZ$m	2022	2021	% Change
Revenue	135.1	98.1	+38%
Expenses	(126.1)	(94.2)	+34%
ECL[1] benefit	1.0	3.1	
Foreign exchange (FX) gains/losses	0.6	(0.5)	
EBITDA[2]	**10.6**	**6.5**	**+63%**
EBITDA[2] excl ECL[1] & FX	***9.0***	***3.9***	***+131%***
Depreciation and amortisation	(17.2)	(13.9)	+24%
Net finance costs	(1.3)	(1.5)	
Other (incl. impairment, share of associates)	(14.6)	(3.4)	
Loss before tax	**(22.5)**	**(12.3)**	**-83%**
Net loss attributable to VGL shareholders	(21.4)	(9.8)	-118%

1. ECL is the non-cash Expected Credit Loss provision, see section 5.1 of the Financial Statements in the 2022 Annual 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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.

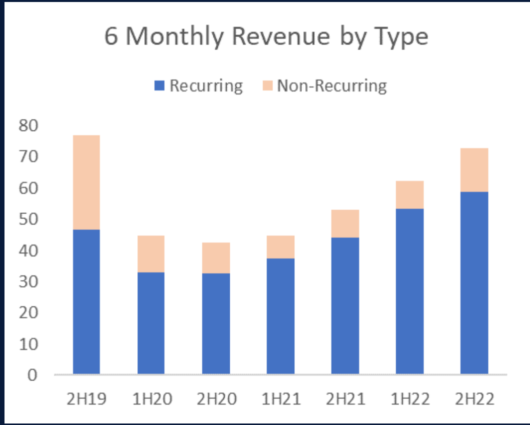
- Revenue ahead of guidance, with box office improvements supporting client recovery
- EBITDA[2] improvement of 63%, or 131% after adjusting for ECL[1] & FX
- Cost growth contained, despite inflation and wage pressure
- Loss before tax includes a one-off write down and equity accounted loss related to Vista China of $12.9m

Six monthly breakdown

NZ$m (Six months – unaudited)	**1H20**	**2H20**	**1H21**	**2H21**	**1H22**	**2H22**
Recurring Revenue[1]	32.9	32.6	37.3	44.1	53.5	58.8
Non-Recurring Revenue[1]	11.9	10.1	7.6	9.1	8.9	13.9
Total revenue	**44.8**	**42.7**	**44.9**	**53.2**	**62.4**	**72.7**
Cost to serve	19.0	18.5	16.8	19.6	24.0	26.6
Gross profit	**25.8**	**24.2**	**28.1**	**33.6**	**38.4**	**46.1**
Sales and marketing	5.1	4.7	4.2	5.1	6.8	7.5
Research and development	9.6	9.2	10.3	12.0	12.6	15.0
General and administration	13.2	13.5	11.0	15.2	15.8	17.8
ECL[2] expense/(benefit)	5.8	1.1	(3.7)	0.6	(0.1)	(0.9)
Foreign exchange (gains)/losses	(1.4)	0.6	(0.1)	0.6	0.2	(0.8)
EBITDA[3]	**(6.5)**	**(4.9)**	**6.4**	**0.1**	**3.1**	**7.5**
EBITDA[3] excl ECL[2] & FX	***(2.1)***	***(3.2)***	***2.6***	***1.3***	***3.2***	***5.8***

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2.1 of the 2022 Annual Report.
2. ECL is the non-cash Expected Credit Loss provision, see section 5.1 of the Financial Statements in the 2022 Annual Report.
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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.
4. ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.

- Six monthly recurring revenue[1] growth of 10%, or 33% year on year
- Favourable impacts of Retriever, hardware and foreign exchange
- ARR[4] of $118m as at Dec 2022 (up from $97m in Dec 2021)



Operating segments

2022

NZ$m	Cinema	Movio	AGC[1]	Corporate	Total
Revenue	93.5	19.9	21.7	-	**135.1**
EBITDA[2]	19.3	4.9	2.1	(15.7)	**10.6**
EBITDA % of revenue	21%	25%	10%		**8%**

2021

NZ$m	Cinema	Movio	AGC[1]	Corporate	Total
Revenue	66.5	15.1	16.5	-	**98.1**
EBITDA[2]	13.8	2.0	1.3	(10.6)	**6.5**
EBITDA % of revenue	21%	13%	8%		**7%**
Revenue growth	**41%**	**32%**	**32%**		**38%**

- All segments showed strong revenue growth supported by strengthening box office
- Sustained EBITDA margins[2] across Cinema and Movio
- Corporate costs include centralised shared services and increases in in-market and corporate activity (marketing, tradeshows, ESG, insurance)

1. AGC is the Additional Group Companies operating segment, as reported in section 2.2 of the 2022 Annual Report. It is an aggregation of Vista Group's portfolio companies, being Maccs, Numero, Flicks and Powster.
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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates. EBITDA margin is calculated as EBITDA over total revenue.

Financial position

NZ$m	2022	2021	% Change
Cash	46.0	60.4	-24%
Receivables and other current assets	42.6	39.2	+9%
Non-current assets	146.5	143.5	+2%
Current liabilities	(54.1)	(47.6)	-14%
Non-current liabilities	(33.0)	(35.7)	+8%
Net assets / total equity	**148.0**	**159.8**	**-7%**

- Strong balance sheet maintained and cash position of $46.0m ($28.4m net of ASB borrowings)
- Updated bank facilities to 2026
- Cash and undrawn facilities of $70.4m
- Improving aged receivables, long-term aged balances remain key focus area
- Trade agreements signed with Cineworld/Regal through its US Chapter 11 process
- 2022 net assets include the write down of Vista China

Cashflow

NZ$m	2022	2021	% Change
Receipts from clients	131.5	105.7	+24%
Payments to suppliers & employees	(115.5)	(92.2)	+25%
Settlement of US sales tax provisions	(2.1)	-	
Tax & interest	(1.5)	(3.1)	
Pandemic related subsidies / tax deferrals	-	0.9	
Cash flow from operating activities	**12.4**	**11.3**	**+10%**
Retriever acquisition	(3.3)	-	
Capitalised development[2]	(16.8)	(11.9)	+41%
Other investing activities	(1.7)	(1.0)	
Pandemic related support (US PPP loan)	-	(2.8)	
Other financing activities	(5.7)	(2.5)	
Net movement in cash held	**(15.1)**	**(6.9)**	
Opening cash	60.4	67.1	
Foreign exchange differences	0.7	0.2	
Closing cash	**46.0**	**60.4**	**-24%**

1. Cash usage is the movement in cash for the period, less the investment in Retriever and settling of US sales tax provisions.
2. Current year capitalised development includes $0.9m cash outflow for a 2021 accounts payable.

- Positive operating cash
- Capitalised development up with increased investment in SaaS platform
- Average monthly cash usage[1] of $0.8m in 2022 as platform development continues
- On target for positive free cash flow (FCF) in 2025

Operational highlights

Vista Group Strategy

01

Support our clients to rebuild their business

02

Expand our core platform that delivers value to our clients and connects moviegoers

03

Create and invest in new opportunities

Vista Cinema

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

- Strong recurring revenue[1] growth continues
- Transition of perpetual license clients to subscription progresses
- Early platform adopters experiencing the best technology the market has to offer
- Cineplex, commits to the platform strategy
- Retriever products end of life announced – accelerating transition to Cloud and Veezi
- Veezi revenue ahead of 2019
- Organisational changes to support shift to cloud continue
- Market share and recurring revenue[1] growth in EMEA

Revenue

$93.5m

+41% vs 2021

EBITDA[2]

$19.3m

+40% vs 2021

1. For a definition of Recurring Revenue, refer to section 2.1 of the 2022 Annual 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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.

Vista Cinema site count[1]

(compared to 30 June 2022)

Market	Channel	30 Jun 2022	New Sites[1]	Closures / Losses[1]	31 Dec 2022
Enterprise	Direct	5,058	139	(213)	4,984
	India	1,606	7		1,613
	China	430		(75)	355
	Total Enterprise	**7,094**	**146**	**(288)**	**6,952**
Independent	Veezi	974	55	(73)	956
	Veezi China	147			147
TOTAL		**8,215**	**201**	**(361)**	**8,055**

Enterprise Market Share[2]

51%

1. Management estimate - market data is less available post-pandemic. New sites, closures and losses for India and China are aggregated.
2. Global market share excluding China.

Movio

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

Movio Cinema EQ

- Record connections of 4.2b, up from 3.2b in 2021
- 2022 target for Movio Cinema EQ migration achieved
- Additional Movio Cinema EQ features, Journeys and Enhanced Reporting, completed and live
- 15 additional clients confirmed for the next wave of migration

Movio Research

- Research Console 3.0 launched in the US and UK
- Campaign measurement deal renewed with TikTok

Movio Media / Madex

- Increased momentum with 4 Movio Media campaigns in last quarter
- 3 campaign Studio trial of Madex underway

Revenue

$19.9m

+32% vs 2021

EBITDA[2]

$4.9m

+145% vs 2021

1. NPS is the client net promoter score and is calculated as a percentage of client promoters less the percentage of client detractors.
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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.

The platform journey

Significant progress has been made on the SaaS platform, and early adopters are getting the first experience of the best technology the market has to offer.

	Where are we now	What's coming in 2023 and beyond
Movio Cinema EQ	• 2022 target of seven Movio Cinema clients migrated to EQ achieved • Learnings from Alpha and early Beta clients incorporated into next round of client onboarding • Additional Movio Cinema features delivered for EQ: Journeys and enhanced reporting • 15+ EQ clients confirmed for migration in next round of Beta	• EQ delivering full feature suite from Movio Cinema legacy platform • Additional EQ features: non-loyalty member targeting and multi-channel campaigns/Journeys, and additional marketing channels • Continuing to evolve AI segmentation and content creation to establish deeper & wider data profile of movie-going public • Complete migration of all remaining Movio Cinema clients to EQ and depreciate Movio Cinema legacy platform • Business development to onboard new Movio clients direct to EQ
Vista Digital	• Strong offer – focus on Vista Digital technology roadmap delivering client value at scale • Lumos Mobile – live with first US client	• Lumos Kiosk – live with first clients. Web and mobile channels actively displacing legacy products • Next-gen Digital – industry-leading moviegoer experiences and personalisation features to capture market share.
Vista Cloud	• Platform readiness – stability and manageability improvements made across the platform • Completing the suite – Cloud identity, networking and security now integrated across entire product portfolio	• Onboarding readiness for scale – significant reduction in deployment time and effort to enable onboarding and updating the platform at scale to target adoption rates • Platform capability and maturity – essential modernisation of business critical services and offline capabilities to improve performance, reliability, manageability and cost to serve • Marketplace – initial commercial marketplace iteration, live and learning • Cloud benefits – enhanced user experience, productivity and decision support features to deliver continuous value for Cloud clients and motivate late adopters

Additional Group Companies (AGC[1])

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Good revenue and EBITDA[2] growth, especially in Numero
- Mica growth continues to trend upwards with 28 clients live and two deploying
- International market expansion continues for both companies

Flicks

Movie and cinema review and showtime guide

- App launched, and won Bronze at Best Design Awards (NZ)
- Good user growth in NZ, Australia and UK

Powster

World leading film marketing products

- Showtimes improvement driven by improved number of releases
- Creative revenue driven by increased studio budgets to attract moviegoers

Revenue

$21.7m

+32% vs 2021

EBITDA[2]

$2.1m

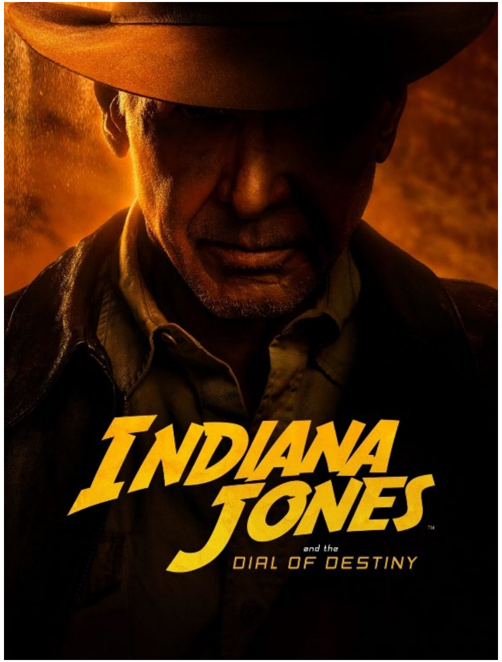
+62% vs 2021

1. AGC is the Additional Group Companies operating segment, as reported in section 2.2 of the 2022 Annual Report. It is an aggregation of Vista Group's portfolio companies, being Maccs, Numero, Flicks and Powster.
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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.

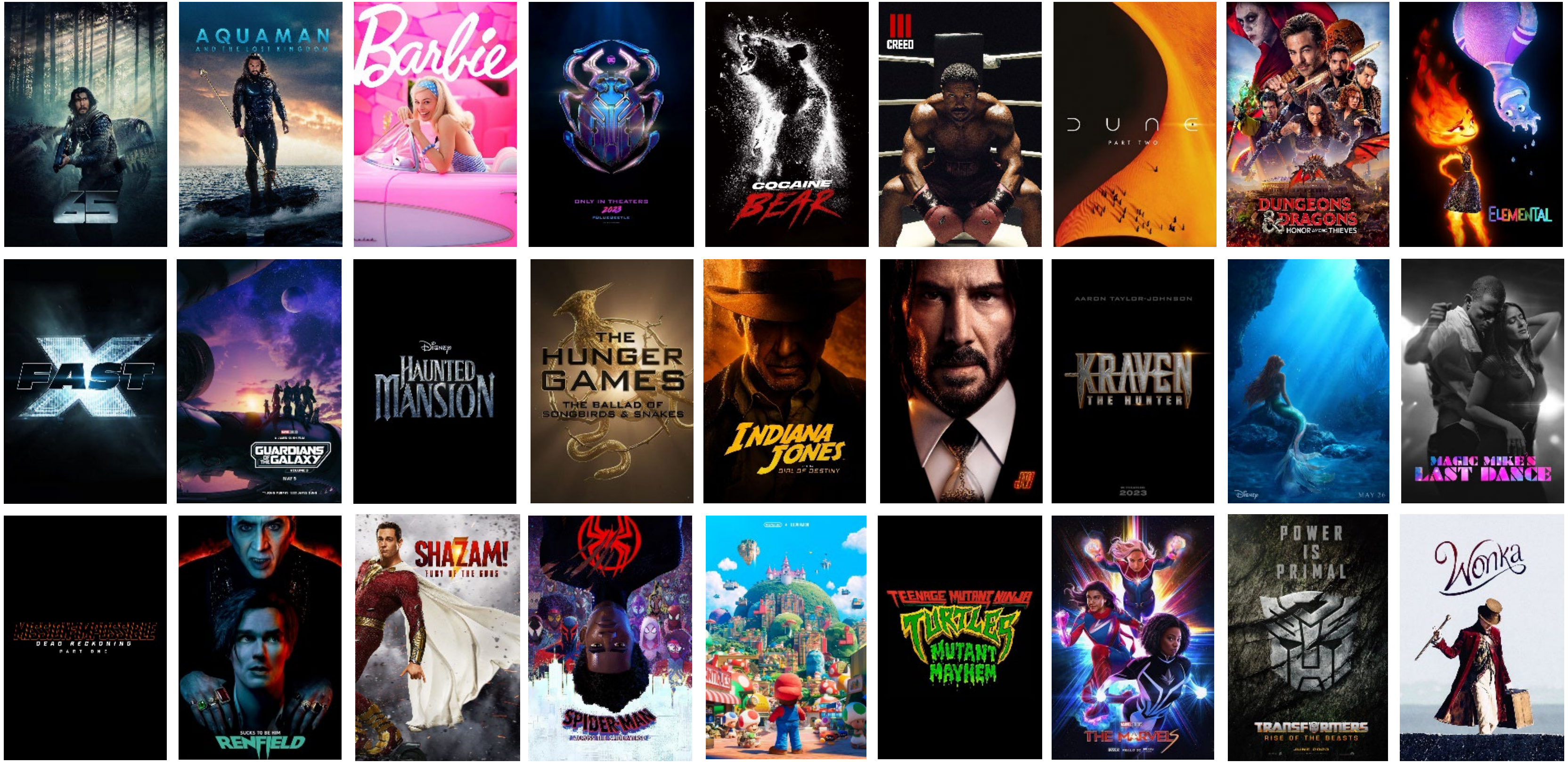
Outlook

Industry outlook

- Global cinema industry continues to build momentum, with blockbusters jostling for release dates again
- Studio pipeline of more diverse content announced for 2023
- Cinema and streaming models settling down to co-exist
- 2023 box office growth forecasts in range of 10-20%, continuing steady improvement



Upcoming Blockbusters



Vista Group Outlook

- 2023 revenue forecast in the range of $142m – $147m
- Aspirations from the October 2022 Investor Day reaffirmed
- Larger clients showing strong interest in Digital and Movio Cinema EQ led cloud strategy
- EQ migration expected to be completed by end 2023
- Engineering focus on efficiency of deployment and management
- Focus on operational efficiency

Questions

VISTA
GROUP

For immediate release

Vista Group announces continued ARR growth as industry-leading SaaS platform gains momentum

Auckland, New Zealand, 1 March 2023 – Vista Group (VGL) reported its full year results for the period ending 31 December 2022 today, showing a strong operational year with overall revenue up 38% over 2021, and ARR of $118 million.

Kimbal Riley, Vista Group Chief Executive, commented: "We're very pleased with our 2022 performance, with the highlights being strong growth and disciplined financial management. Vista Group has outperformed on almost every financial metric, despite the global box office only reaching about 60% of 2019. Importantly, we continue to invest in our transformation into a SaaS platform business, whilst retaining our dominant market share and delivering a sustainable high value recurring revenue stream."

"Our value proposition is clear, and our platform strategy has ignited strong client interest from cinemas who are excited about a SaaS future. We were delighted to welcome our first clients to Vista Cloud in 2022, rounding out a year of excellent progress with major Canadian cinema circuit, Cineplex, committing to transition to Vista Cloud and Vista Digital. By continuing to drive innovation, our strategy will increase both our relevance and value to our cinema clients. We're on track to hit our targets and to make a deeply positive contribution to the future of the film industry."

Financial Highlights

- Total revenue of $135.1m and Recurring Revenue[1] of $112.3m, both up 38% on 2021
- ARR[2] of $118.0m at 31 December 2022, up 22% on 31 December 2021
- EBITDA[3] of $10.6m (up 63% on 2021) and positive operating cashflow of $12.4m (up 10% on 2021)
- Capex investment across the SaaS platform continues with capitalised development of $15.9m for 2022

Operational Highlights

- Cineplex (top 5 North American circuit) signed to Vista Cloud and is expected to go live on Vista Digital in 2023
- Movio Cinema EQ launched, offering a smarter, faster and more streamlined solution for cinemas to improve the way they market movies to their moviegoers
- Maintained 51% market share[4] of the estimated global enterprise market (20+ screens), excluding China

Industry Highlights

- Global cinema industry continues to build momentum, with strong North American and European markets
- *Avatar: The Way of Water* is now the third highest grossing movie of all time worldwide ($2.2b)
- The battle of blockbusters is back as studios announce more diverse movies and clamour for best cinema release dates
- Cinemas excited for new digital channels to support greater engagement with their moviegoers

As the global leader in delivering software and data analytics solutions to the film industry, Vista Group's trading performance for 2022 was strong as the industry saw a significant improvement in market conditions, with the more regular release of blockbusters and the global box office hitting $26b. The year ended with the highlight of *Avatar: The Way of Water* becoming the third highest grossing movie of all time worldwide, joining *Top Gun: Maverick* and *Spider-Man: No Way Home* for 2022 box office records.

Vista Group's reported revenue of $135.1m was up 38% on 2021 and just ahead of guidance, with recurring revenue[1] and SaaS revenue[1] also up 38%. ARR[2] closed at $118.0m up 22% on 2021. EBITDA[3] of $10.6m was up 63% on 2021, and up 131% after adjusting for expected credit loss provisions and foreign exchange movements.

Vista Cinema, Vista Group's largest business, reported revenue up 41% to $93.5m, with recurring revenue[1] up 42% and non-recurring up 33%. Vista Cinema's EBITDA[3] of $19.3m was up from $13.8m in 2021. Vista Cinema is estimated to have retained a 51% share of the global enterprise market (20+ screens), excluding China.

Vista Cloud celebrated its first full year of successful operations and ended 2022 with the highlight of major Canadian cinema circuit, Cineplex, joining Vista Cloud and Vista Digital. Significant technology progress has been made on the SaaS platform, particularly with Vista Digital tools, allowing clients new robust ways to engage with their moviegoers. Spend on the development of the platform now represents the majority of Vista Group's innovation investment.

Movio, the global leader in data analytics and campaign management solutions for the cinema industry, reported revenue up 32% to $19.9m against 2021, as variable fees increased with the strengthening global box office. Movio's EBITDA[3] of $4.9m was up 145% on 2021. Movio Cinema EQ was successfully launched in Q4 of 2022 and is already improving our client engagement with moviegoers in real time. EQ is one of the centrepieces of the platform strategy.

Box office reporting platform, Numero, and film distribution software business, Maccs, reported revenue up 24%. Both Maccs and Numero continue to expand their geographic coverage, with improving box office driving increased transactional and data demands.

Creative studio Powster's revenue was up 42% after seeing an increasing demand for their Showtimes platform and creative services. The forward pipeline of activity is also growing off the back of a stronger, more diverse slate in 2023.

Cinema and streaming discovery platform, Flicks, reported revenue up 22% with improved advertising conditions and good growth in New Zealand and the United Kingdom and consistent performance in the Australian market. In March 2022 Flicks released the Flicks app, which won an award at the Best Design Awards.

Vista Group's balance sheet remains strong with cash of $46.0m (or $28.4m net of external borrowings). The Group renewed its existing ASB borrowing facilities during the year and has $24.4m of undrawn capacity available. Collections performance has continued to improve during the year and Vista Group concluded trade agreements with Cineworld/Regal, a key client, as part of its chapter 11 process in December 2022. Investing cashflow increased as planned during 2022, with the asset acquisition of Retriever and accelerated development of the SaaS platform.

Outlook
Vista Group expects 2023 total revenue to be in the range of $142m - $147m and reaffirms its aspirations from the October 2022 Investor Day of a 15%+ EBITDA margin[3], ARR[2] of between $175m - $205m and positive free cash flow, in each case by the end 2025.

Executive changes
In December 2022, Kimbal Riley announced his retirement after five years as Group CEO and nearly a decade at the company overall. Stuart Dickinson will commence as Group CEO in April 2023. Stuart is an experienced global technology executive, with more than 25 years of technology leadership experience, leading significant transformation programmes in solutions and systems integration internationally.

Susan Peterson, Vista Group's Chair, said: "On behalf of our Board and management team, I would like to warmly thank Kimbal for all that he has contributed during his time at Vista. Kimbal is a wonderful colleague, mentor and friend for many and will be greatly missed."
Peterson continued "We're delighted that Stuart will be joining as our Group CEO this year, his experience and passion will be invaluable as we continue to accelerate our industry-leading SaaS platform."

--ENDS--

For further information please contact:

Kate Ford
Communications Manager
Vista Group International Limited
Contact: +64 28 4300 866

[1] Recurring revenue and SaaS revenue are defined in section 2.1 of the 2022 Annual Report.
[2] ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.
[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 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates. EBITDA margin is EBITDA divided by total revenue.
[4] Market share is calculated using management estimates.

Vista Group International Limited Results Announcement

Results for announcement to the market		
Name of issuer	Vista Group International Limited (NZX & ASX: VGL)	
Reporting Period	12 months to 31 December 2022	
Previous Reporting Period	12 months to 31 December 2021	
Currency	New Zealand Dollars	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$135,100	37.7%
Total Revenue	$135,100	37.7%
Net profit/(loss) from continuing operations	($20,900)	(111.1%)
Total net profit/(loss)	($20,900)	(111.1%)
Final Dividend		
Amount per Quoted Equity Security	No final dividend will be paid	
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	$0.08662386	$0.21883400
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 2022 Annual Report that accompanies 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	1 March 2023	

Audited financial statements accompany this announcement.

1 March 2023

Company Announcement Office
Exchange Centre
Level 6, 20 Bridge Street
Sydney, NSW 2000
Australia

To whom it may concern,

Vista Group International Limited (ASX & NZX:VGL) – ASX Listing Rule 1.15.3

This letter is to confirm that for the purposes of ASX Listing Rule 1.15.3, Vista Group International Limited (ASX & NZX:VGL) has complied with, and continues to comply with, the NZX Listing Rules.

Yours faithfully,

Kelvin Preston
General Counsel & Company Secretary
Vista Group International Limited