

MARKET ANNOUNCEMENT

18 December 2023, Vista Group International Ltd, Auckland, New Zealand

Cloud adoption, transformation, and industry update

Vista Group International Limited (NZX & ASX:VGL) updates the market on the Cloud adoption progress, the conclusion of its transformation process announced in July 2023, and the state of the film industry.

Recent agreements

Vista Group's momentum in signing clients to the Cloud platform has continued right to the end of 2023. Most recently, over November and December, leading cinema exhibitors, Pathé Cinemas and Major Cineplex, committed to Vista Group's full Cloud offering.

Pathé Cinemas, the largest cinema exhibitor in continental Europe, signed a 5-year agreement with Vista Group in November that will see Vista Cloud deployed across all of Pathé Cinemas' 129 sites (1,300+ screens) over multiple countries, including France, the Netherlands, Belgium, Switzerland, Senegal, Tunisia, Morocco and Ivory Coast. For more information, please see the market release at <https://www.nzx.com/announcements/422076>.

The 3-year agreement with Major Cineplex, a leading Southeast Asian cinema circuit, followed closely in December, and will see Vista Cloud deployed across all of Major Cineplex's 182 sites throughout Thailand, Cambodia and Laos. For more information, please see the market release at <https://www.nzx.com/announcements/423495>.

Vista Group also announced earlier today an agreement with Cinépolis, the largest cinema exhibitor in the world in terms of ticket sales and attendance per auditorium, to transition Cinépolis' Yelmo Cine circuit in Spain to Vista Digital. The agreement will see the 50 site circuit adopt all of Vista Digital's Digital Enablement and Data Empowerment capabilities, including Vista Group's Horizon and Vista Oneview offerings. For more information, please see the market release at <https://www.nzx.com/announcements/423659>.

Organisational Transformation

Vista Group has completed the business transformation announced on 6 July 2023, and is already seeing a positive impact from the increased alignment, particularly with greater streamlining of its go-to-market priorities across the teams as they help clients embrace their own end-to-end digital transformation. As a result of natural attrition and the transformation, the global workforce has been reduced by 8%, with \$10m of annualised costs removed during 2H 2023. Reorganisation costs for 2H 2023 will be around \$4m.

"Although the transformation has been challenging, I am very proud of how well the global team has handled the changes," said Vista Group CEO, Stuart Dickinson. "It is a testament to the quality of our people that we have been able to change our business model and bring leading SaaS solutions to clients like Everyman, Cineplex, and Pathé Cinemas at the same time."

Cloud Adoption

“Our growing list of clients joining Vista Cloud and the Cloud journey speaks to the success of this transformation,” said Dickinson. “Vista Group now has major lighthouse clients transitioning to Vista Cloud across all key regions (EMEA, North America, and APAC).”

Pathé Cinemas and Major Cineplex join other key clients who committed to Vista Cloud in the last 12 months, including Cineplex (176 sites, Canada) and Australasian cinema circuit, United Cinemas, in early December. United Cinemas became the fifth client live on Vista Cloud and the first across more than one territory. The migration of its ten sites was completed within weeks and deployed in one night.

Vista Oneview, the Data Empowerment co-pilot enabling exhibition executives visibility of business performance across their entire company, is now live with three clients, including pilot client Event Cinemas (Australia and New Zealand), and has a strong delivery pipeline for 1H 2024.

By the end of calendar year 2024 Vista Group expects to have over 400 sites live on Vista Cloud, and 400 more using Vista Cloud’s digital solutions. When fully live, this represents a significant portion of the required growth in the Cinema segment to meet Vista Group’s 2025 ARR aspirations.

Vista Group remains on target to be free cashflow positive during the fourth quarter of 2024 and to achieve its aspirations of ARR between \$175m-\$205m and EBITDA of 15+%, in each case by the end of 2025.

Vista Group’s prioritisation of innovation extends beyond delivering best in class solutions to clients, as exemplified by its latest annual internal Innovation Cup, celebrated last week. Supported by Microsoft, and with a focus on accelerating the delivery of AI tools to our Vista Cloud and Digital clients, Dickinson said the outcomes of the 24-hour ‘sprint’ were impressive: “We look forward to showcasing some of them to our clients – in their Alpha/Beta form – at our Vista Group Conference, in February 2024,” he said.

Industry update

Commenting on the wider film industry, Dickinson said: “Off the back of a strong 3Q 2023 for global box office, driven by *Barbie* and *Oppenheimer*, and the return to positive cash flows for almost all key clients, it is encouraging to see the resolution of both the Hollywood writers’ and actors’ strikes. While some predict these may result in a softer 2024 box office, the industry has shown that spaces in the release calendar can quickly get filled – with *Taylor Swift: Eras Tour* a fine example of this – and I think the anticipated *Wonka* release ahead of Christmas is going to be hugely successful.

“I anticipate a 2024 of continued innovation, collaboration, and achievements as we continue to empower our clients and the global industry.”

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About Vista Group

Vista Group International Limited is a global leader in providing technology solutions to the international film industry. With brands including Vista, Veezi, Movio, Numero, Maccs, Flicks and Powster, Vista Group's expertise covers cinema management software; loyalty, moviegoer engagement and marketing; film distribution software; box office reporting; creative studio solutions; and the Flicks movie, cinema and streaming website and app.