



MARKET ANNOUNCEMENT

24 March 2020, Vista Group International Ltd, Auckland, New Zealand

Update on Impact of COVID-19

The impact of COVID-19 on the film industry globally has been substantial with cinemas in many countries temporarily closing – either on their own initiative or as a result of government direction.

Vista Group companies serving the studio segment of the film industry – MACCS, Powster, and Numero – have so far not seen significant impact to their business.

Vista Group is focused on the long term sustainable success of the business, with three key priorities:

1. Supporting our staff in all countries, and ensuring they are safe and well and are able to ensure their loved ones are safe and well.
2. Supporting our customers. We are working closely with our customers who have a wide variety of circumstances. In Europe, we have seen a small number of customers reach out to accelerate initiatives whilst their cinemas are closed. In China, several customers are re-opening their cinemas with new content. While in the USA and Asia, a number of customers have asked for us to help them by varying their payment terms.
3. Implementing initiatives to sustain our strong balance sheet position with a particular emphasis on cash (see below).

All staff in all countries are working from home, an arrangement which was tested across the Group two weeks ago, and which is proving to be highly effective – and obviously necessary.

In terms of initiatives which support sustaining our balance sheet:

- The Directors have reduced their directors' fees by 30%.
- The Chief Executive Officer has voluntarily reduced his salary by 30%.
- The senior leadership team have voluntarily reduced their salaries by 25%.
- A hiring freeze has been implemented across the Group.
- Contractor resources have ceased with immediate effect, except where the resources are required for essential work.



- Staff across Vista Group have been offered the opportunity to work reduced hours (for reduced pay) and the uptake has been significant with well over 50% of staff volunteering to reduce hours by at least 20%.
- Marketing spend has been reviewed and reduced – with the majority of industry trade shows cancelled or deferred.
- On Friday last, Vista Group drew down \$20 million of its available banking facilities in addition to a regular draw down for work on the Vista Cinema SaaS project.

Vista Group Chief Executive Kimbal Riley, noted: “The health and wellbeing of our people globally remains at the forefront of our priorities – in almost all cases they are living in cities which are under some form of lock-down, and it is a testament to the capacity and resilience of our people that they continue to perform under these unprecedented circumstances.”

“We believe that we are taking the appropriate actions to continue to support our customers across the globe. We review our cost base daily and will take further measures should that become required. As cinemas re-open across the world we believe there will continue to be significant demand for the software and services Vista Group offers.”

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