

## MARKET ANNOUNCEMENT

6 July 2023, Vista Group International Ltd, Auckland, New Zealand

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### **Business transformation to accelerate strategy and Q4 2024 free cashflow**

Vista Group International Limited (NZX & ASX:VGL) today announced that it has commenced an organisational transformation to support its vision and strategy, drive greater client alignment, and deliver improved financial performance. The transformation will bring together Vista Group's business brands under a unified business model, supported by a global senior leadership team. The reprofiling of its capital expenditure will make Vista Group free cashflow positive during Q4 2024 – a year earlier than previous guidance.

Stuart Dickinson, Vista Group CEO, said: "Since starting as CEO, we've met and talked to many of our global clients, investors and employees to understand what makes Vista Group unique, and also the areas where there is room for improvement. From these conversations we can see an opportunity to build a more connected business that continues to keep the client at the centre of everything we do, and also accelerates our growth as a global tech company. To deliver this successfully and cost effectively for our clients, we need to better integrate our business, simplify our go-to-market and current product focused approach, and transform to a SaaS driven client centric business model."

The business change will see Vista Group move from the current multiple companies approach to operate as a single business with segment-based expertise focused on Vista Group's studio and cinema clients. "As our clients continue to embrace end-to-end digital transformation, it is vitally important that we focus on enabling their operational efficiency and delivering a heightened digital experience for their customers, moviegoers, with connected and innovative platform and product offerings." said Dickinson.

As part of the business transformation the streamlining of operations is expected to result in a reduction in its global workforce of between 6-8%. The reduction will occur through natural attrition and a phased, top down, transformation program, expected to be completed by the end of 2023.

As highlighted in the Annual Shareholders' Meeting in May 2023, Vista Group has also reviewed the timing of its development capital expenditure for the medium term. Vista Group now expects the 'capex bump' outlined in the 2022 Investor Day to be spread over four years rather than the 24 months previously indicated. Total capital expenditure is now expected to be approximately \$20m per year ongoing. This updated, more stable, development program should result in a modest reduction in the total spend over time and a lower cash consumption in the near term.

Through the organisational changes and the updated capital expenditure program, Vista Group now expects to be free cashflow positive during the fourth quarter of 2024, twelve months earlier than previous guidance. Vista Group remains on target to achieve its aspirations of ARR between \$175m-\$205m and EBITDA of 15+%, in each case by the end of 2025.

In addition to delivering better client outcomes, these changes are expected to improve shareholder returns, delivering improved operating cash flow and profitability for Vista Group. Further detail will be provided as part of Vista Group's release of its H1 financial results on 25 August and at its US Investor Day on 13 September.

“These proposed changes will deliver increased role clarity and enable faster execution and decision making that our people have asked for. We also recognise that in putting together these organisational changes, we’ve had to make hard decisions that will impact our people. We will support each impacted team member through the process. We believe these changes are necessary to fulfil our purpose, secure short and long-term success, and prioritise and focus on delivering world leading tech solutions to the global film industry.” said Dickinson.

Vista Group remains positioned to enable best in class client centricity, sales, delivery and financial performance for film and cinema industry clients.

Authorised for release by Vista Group’s Board of Directors.

For further information please contact:

Matt Cawte  
Chief Financial Officer  
Vista Group International Limited  
Contact: +64 9 984 4570

Kelvin Preston  
Group General Counsel & Company Secretary  
Vista Group International Limited  
Contact: +64 9 984 4570