



MARKET ANNOUNCEMENT

26th May 2021, Vista Group International Ltd, Auckland, New Zealand

Chair's Address and Group CEO's Address - 2021 Annual Meeting of Shareholders

Chair's Address (Susan Peterson)

I will leave it to Kimbal to take us through the financial and operational review of the business – all of which you will have heard in the full year results announcement and seen in our Annual Report. Kimbal will also comment on our progress to date in 2021 and the near term business outlook.

I would like to talk about how our team coped with the pandemic and why, going forward, we are excited about the future.

2020 certainly tested our team. In the 2020 Annual Report, Kimbal and I said “We can't think of a tougher year than what was thrown at us in 2020, nor can we think of a better group of people with whom to face such a year — to rise to the challenge and collectively see our way through”.

We are immensely grateful (and proud) of everyone in our Vista Group family across the globe for dealing with the challenging uncertainties of 2020 with such courage and decency. Our Vista Group teams pulled together to rapidly:

- Find new ways to support our customers;
- Execute a successful capital raise early to provide balance sheet confidence;
- Progress a simplification agenda to reduce complexity and sharpen our strategic focus; and
- accelerate our transition to the Cloud.

All the while, supporting each other as we endured various forms of lengthy and challenging lockdowns in our respective corners of the world.

Though our headline revenue was down almost 40%, we still managed to win new customers over the last twelve months. Though we had to implement a painful reorganisation of our

people, we retained our heart, continued to look after each other and invest in our technology so that we were well positioned for a post pandemic world. Though no-one could see how the future would play out, we acted early and decisively, and now we can see the benefits of those decisions resulting in increased strategic confidence.

Again, I cannot express enough gratitude to everyone in the Vista Group family (our people and our customers) who have made it happen. Uncertainty will continue in some of our key geographies for a while yet, but we are hopeful that some return to normality is getting closer each day for most of us, and we will continue to support the entire team for whatever lies ahead.

One of the wonderful realities of the post pandemic world is a backlog of high quality film content – and an eager audience raring to go. If “Godzilla versus Kong” can surpass US\$400m of box office with limited geographic distribution, socially distanced seating and ‘day and date’ release with streaming – we don’t need to go too far to imagine what the release of “Black Widow”, “F9”, “A Quiet Place II”, “Top Gun II”, “James Bond – No Time to Die”... will bring in the second half of 2021. 2022 is shaping up to be just as busy, and at this point is looking to be the biggest year in history for content.

While it’s great to have a weekly rollout of blockbusters from June 2021 to December 2022, the recovery will also mean a return to a broad range of diverse content released into the cinema experience. The number of films released into cinemas has grown steadily since 2000. Vista Cinema and Movio have been both the technology that helps drive this, and a significant beneficiary of this trend. We’ve been central to enabling cinemas to dynamically programme their schedules, digitally interact with distributors, and more easily find the next moviegoer.

This trend is one of the reasons that we see the opportunity to expand our reach within the film industry. We have increased our already strong international market position, we continue to focus and deliver on expanding our customer relationships, and we have strengthened the underlying technologies that support the Vista Cloud and Movio strategies.

As our key markets recover, we will continue to press forward.

We expect that Vista Cinema will continue to win market share in the medium term, we don’t view our current global market share of 51% as representing any form of ceiling. With Vista Cloud being in the market later this year and widely commercially available from early next year, we are hopeful that we may accelerate our growth of market share. We expect to see an uptick in Vista Digital customers too, which represents new business for us.

So now, after a very tough year, and with a good understanding of the path to recovery, Vista Group has a well-managed balance sheet from which to drive long term growth. We are

mindful of the continued challenges on our team, and our customers, but are confident that, as we raise our view beyond the horizon, we have a clearer path ahead than ever before.

Governance

Since Vista Group listed in 2014, the Board has been committed to balancing the best interests of the business and progressively working towards best practice governance. Board succession takes careful planning, and despite the significant challenges the pandemic raised in 2020, we successfully implemented a number of key steps in our progression towards Board independence.

I was delighted to be appointed as Chair on 1 January this year, following from Kirk Senior who will continue on the Board as a Non-Executive Director. Co-Founder, Brian Cadzow resigned as an Executive Director after more than 20 years with Vista and, we announced the appointment of Claudia Batten and James Miller as Independent Directors.

Having taken these steps, the Board now comprises a solid majority of Independent Directors, led by an Independent Chair. The NRC and the ARC committees will continue to be chaired by Independent Directors – as they always have been - and importantly, we have retained the talents, and considerable industry and technology expertise, of both Kirk and Murray at the Board table.

On behalf of the Board, and all of our Vista Group team across the globe, I would like to take this opportunity to warmly and sincerely thank Brian Cadzow for his incredible contribution to Vista Group. Brian is one of our co-founders and, together with his lovely wife Julie, has given his heart and soul to Vista Group over many years. Brian leads with purpose and we are not just *where* we are today because of Brian, but we are largely *who* we are today because of him as well. Thank you Brian and Julie – you are, and will always remain, an important part of our Vista Group family.

I would also like to warmly thank Kirk Senior for his dedicated leadership for over six years as our Executive Chair. Kirk steered Vista Group successfully through the public listing, the highs of rapid growth, and the most difficult days of the pandemic. Kirk has deep experience and long and established relationships across the global film industry and we are delighted that Kirk will remain on our Board as a Non-Executive Director.

I would like to welcome Claudia Batten to the Board. Claudia is an acknowledged “World Class New Zealander” who brings considerable experience on scaling technology companies globally. We are very fortunate to have the benefit of Claudia’s experience and she is already making a terrific contribution around how we might best harness new and emerging opportunities. As a matter of process, having been appointed by the Board, Claudia is required to seek ‘re-election’ at this meeting.

Although the total cost of the Board, including Directors fees and Executive remuneration, has reduced as a result of our transition to Board independence, it has resulted an increase in the draw on the Directors' fee pool. As a result, and as you will have seen from the Notice of Meeting, we are seeking shareholder approval to increase the Directors' fee pool from \$500,000 to \$725,000 at this meeting. In doing so, the Board is cognisant of the wider context in which this request is being made – including recent shareholder returns, particularly as a result of the pandemic.

Although Vista Group is a relatively small New Zealand technology company, it continues to have a significant, exciting and global opportunity ahead of it. To pursue that opportunity requires a highly skilled and experienced Board with a global focus. Vista Group needs to be in a position to continue to attract directors with the skills and experience required to successfully grow performance.

I would note here that the Director's fee pool has not been reviewed since Vista Group listed in 2014 (7 years ago). I would also note, that we have canvassed the views of the New Zealand Shareholders' Association and a number of our larger investors ahead of proposing this increase, and I would like to thank them for their overwhelming support.

Governance Priorities

We released our first Governance Update to the market in March 2021. We intend to provide similar updates annually moving forward. As outlined in our first Governance Update, the Board's focus in 2021 is on:

- Having innovation at our heart – Vista Cloud
- Continued operational discipline - near term focus on cash, ARR recovery and expansion of SaaS
- Expansion into attractive 'white spaces' across the world of movies, so as to be relevant to more customers
- Greater transparency in our reporting in areas such as environmental and social governance, remuneration, and our readiness for the reporting in accordance with the Taskforce for Climate related Financial Disclosure
- Prioritising the development of our team

We are in a great position to achieve all of these in the near term and we believe that we have earned the right to push even harder on the opportunities that will come our way in 2021 and 2022.

I feel privileged to Chair a business that continues to relentlessly deliver on the following objectives:

- attracting and developing a first class team
- nurturing strong customer relationships
- realising opportunities for further growth
- maintaining a strong balance sheet
- delivering margin growth

I would like to thank my fellow Directors for their support and hard work over what has been a demanding year. I would also like to thank Kimbal (and his team) for his unflinching commitment to Vista Group's mission. The efforts of the entire team over the course of last year is hugely appreciated.

Group CEO's Address (Kimbal Riley)

Thank you, Susan.

I want to talk about two things today – firstly to reflect on the important themes for us in 2020, and secondly to offer some comments on more recent times.

Our emergence from the challenges of 2020, in robust health and with a positive mindset for 2021 and beyond, came down to three key factors. We re-doubled our focus on our people and caring for them. We persisted with delivering on our core strategic themes. And we were extraordinarily diligent and imaginative in supporting our customers.

We have always had the wellbeing of our people at the forefront of our minds, but I'd have to be honest and say we learnt a lot in 2020 about putting that into deliberate and pro-active action. As a result we're better than we were at looking after our people and encouraging them to look after each other and their loved ones. One way we can see the impact of this is in our overall productivity. Despite having our working practices turned upside down by working from home, our productivity has remained measurably the same or better.

We continue to fine tune the balance between working from home and in the office, and we expect our future will be different forms of hybrid arrangements - which enable our people to organise their lives in the best way that suits their individual circumstances.

Whilst in New Zealand we have been relatively fortunate in having options to work in the office or from home for the majority of recent months, our people in other countries such as the USA, the UK, and the Netherlands have not been so lucky. Our leadership team, supported by our people teams, continue to work really hard to look after our people there.

Our people in their turn took up the challenges of getting even closer to our customers with enthusiasm and determination. In fact our people have been outstanding throughout this most challenging of circumstances. They've been staunch in the face of uncertainty, they've worked collaboratively more than ever before – both inside the company and with customers, and

they've continued to deliver exciting innovation across all our Group companies. I'm really proud to be part of this Vista Group team.

In terms of our customers, we made the deliberate and public choice to work to support our customers – even when they weren't all in a position to pay us. We felt, and events have borne this out, that our customers would respond to this once they came to re-open and their businesses returned to relative normality. And as cinemas are beginning to open on a widespread basis in our key geographies, we are seeing this to be the case. A poll conducted by Box Office magazine in April saw Vista Group named as Vendor of the year for 2020 by the exhibition community in the USA – a well-earned acknowledgement for our people.

In late 2019 we articulated a series of strategic themes we intended to pursue in 2020 and beyond. Little did we know at that point that a pandemic might get in the way. Regardless we persisted with the majority of our strategic themes – because they were the right things to do.

We continued to push ahead with simplifying our structure, moving to 100% ownership of Maccs, Numero, and Cinema Intelligence. These changes enabled us to better focus those teams and align their activities with our overall Group purpose. The resilient performance of our distributor focused businesses in 2020 – Maccs and Numero primarily – underlined the significance of these changes.

We also made some important decisions in another key strategic theme – to build our recurring revenue. Our price books for Vista Cinema and Maccs now only offer subscription-based pricing – no longer do we include the option of one-off license sales for new customers. We are seeing some existing customers starting to sign up to subscription pricing – shifting from their previous perpetual license agreements. This all builds our recurring revenue pool.

Another key project we pushed hard on in 2020 was the transformation of Vista Cinema to a SaaS platform. When we initiated this project in 2019 we planned to have our initial SaaS offering in the market in 2021. So I couldn't be more pleased that we are going to meet that deadline – we will have our SaaS offering in the market later this year.

One outcome of the organisational changes we made as part of our response to the pandemic was to reduce duplication in our business – to which end our marketing and People teams now have a Group wide mandate and operate to deliver service to all Group companies on a consistent basis. We are only beginning to see the benefits of this approach.

I'd like to conclude my comments on 2020 by reviewing some of the financial metrics we reported for the year.

I'm sure it's clear to everyone that the financial outcomes for Vista Group in 2020 were a reflection of the circumstances in which we found ourselves rather than any reflection of the

underlying strength of our business. In that context I'd like to note some key elements – firstly that our recurring revenue of \$66m (largely made up of SaaS revenue and maintenance revenue) held up much better than our overall revenue – as astute observers would have expected. Our reported EBITDA loss of \$11.4m million included non-cash provisions of \$13.2m for revenue credit risk and expected credit loss, as we took a prudent view of the range of possible outcomes for our customers.

With tremendous support from our shareholders, we raised \$62.3m of new capital, which combined with diligent cost management over the 2nd half of the year enabled us to finish with a year-end cash balance of \$67m. We managed our cash burn to a predictable level as we worked to ensure we could sustain ourselves for an extended period of uncertainty. I'd also like to acknowledge the strong support we received from our major banking partners.

2020 was a terrific overall team effort.

In preparing for this presentation, I sought an image which would illustrate the environment we have experienced, on the principle that a picture is worth 1,000 words.

Percentage of Cinemas Open



Over 80% of our business comes from the cinema segment of the film industry. The chart showing on the screen outlines the trajectory of cinema opening percentages in our key geographies – USA and Europe. We do have customers in over 110 countries, but these territories are those with the greatest concentration of large cinema circuits where Vista Group is the key partner.

It is a remarkable picture – you can see the steep drop off in the 2nd quarter of 2020, with a temporary bump of re-opening in September – and the more measured upward trajectory we are now seeing.

I want to touch on some items of note which have occurred during the first 4 months of 2021.

The trajectory of cinema opening – still a critical indicator of the rebound of our business – is heading inexorably in the right direction as you can see from the previous slide. As the year began, we anticipated significant reopening would start to occur sometime from mid Q1 to later in Q2, so we are in the range we expected which is terrific.

And as you'd expect the levels of customer activity – from cinema through distributor and studio to consumer – are ratcheting up rapidly as well. We are monitoring this closely to ensure we can deliver the levels of service our customers will require over the coming months.

Our cinema customers have been busy at work re-opening or planning to reopen, and they've been leaning heavily on our service and development teams to support them. We're very pleased to see our engagement with Odeon growing with planning well under way for an extension to take in Spain and Portugal, probably later in 2021. And on the sales front, we're seeing good uptake of subscription arrangements for new and existing customers, and the Veezi footprint continues to add net new customers every week (despite some pandemic enforced closures).

As I mentioned earlier, the Vista Cloud project proceeds at pace – still on track to have our offering in the market in 2021 per our original schedule. Conversations are under way with prospective pilot customers from amongst the managed customer base. It is my belief that we will find strong demand from new customers once we have Vista Cloud in the market and we begin active promotion. Winning new customers wasn't a major part of our initial business case – but I expect to see a considerable uptick in activity here in 2022.

As expected activity is picking up for Movio as well with a healthy level of renewals and extensions for Movio Cinema customers. Live campaigns are under way for Madex in Australia and trials for Madex are scheduled for the coming months in other territories. A highlight for Movio Media is a 10 film slate contract signed with a major US studio for direct email campaigns.

The Mica product – released by Maccs in Q3 2020 – continues to generate strong interest with now a dozen live customers and a very healthy pipeline. Activity levels are increasing with studios as release dates are finalised – with the showtimes site count for Powster growing each month. This is an interesting lead indicator of theatrical release activity.

And I'd like to end this section of my comments by noting that our smallest Group company – Flicks – is tracking ahead well ahead of 2020, but notably also ahead of 2019 – with the work they have done to spread their wings to all content – theatrical and streaming – paying dividends.

We see the outlook for 2021 and beyond as very positive – both for our industry and for Vista Group.

Speaking to the industry firstly – we’re seeing cinema opening becoming widespread, particularly in key territories such as the USA, UK, and Mexico. The film slate for the remainder of 2021 and 2022 is very strong – some might even say it is too crowded. We expect some content to move around as studios seek to find slots in the schedule that will give them the best box office return.

And in terms of box office, we are seeing the theatrical window probably settling to around 45 days overall. Most pundits would reckon this change from the previous 90 days was expected.

We do expect some content to be shown day and date – on streaming platforms on the same day as theatrical – but we look at this as representing a potential opportunity for us as a Group as studios and distributors seek to enhance their understanding of their audience’s behaviour.

There are some cinema customers still exhibiting financial stress, and there remains the possibility of ownership changes in some individual circumstances, but we’re seeing a general trend to moving on in anticipation.

Overall the picture for the film industry is very positive – as theatrical, still the critical component for most content – comes alive again.

In terms of Vista Group, the outlook is very positive as well. Our cinema customers are opening and being very active again, and our engagement with studios and distributors continues to expand. In fact, the experience through the pandemic has underlined for us the potential opportunities in the film industry beyond cinema – this is an area we are working hard to exploit.

In our 2020 results announcement in March we noted that we expected to see monthly cash burn in 2021 continue at levels similar to the 2nd half of 2020 until we saw widespread cinema reopening. I’m pleased to tell you that this is the case to date - with us tracking towards the bottom end of our forecast \$3m - \$4m monthly cash burn range. We anticipate the effects of cinema reopening will take a little while to flow into our overall cash collection efforts.

Our balance sheet remains strong and our cost management efforts remain disciplined.

If the trajectory of the industry – in particular cinema reopening – continues as currently we anticipate being able to update the market around our guidance during our half year results announcement in August.

ENDS

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