Annual Results

1 March 2021

Vista Group International Limited

2020

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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	**Q+A**	

Enhancing the moviegoer experience

Vista Group summary

In the box seat for the future of movies

- Fantastic performance by resilient team positions Vista strongly for the future
- Confident in the resurgence of the theatrical experience
- Focused on supporting our people and our customers
- Vista Cloud project on track to have SaaS offer in market in 2021
- Simplification journey complete — 100% owned Maccs, Numero, Cinema Intelligence

- Balance sheet in good shape, cash of $67m
- $3m positive operating cashflow for the full year
- Full year 2020 revenue $88m
- Monthly cash draw for 2nd half within forecast range of $3–4m/month
- Pandemic impact on customers challenging — but limited permanent consequences to date

Financial results

Financials

Total Revenue

$88m -39%

Recurring Revenue

$66m -26%

EBITDA[1]

-$11m

Operating Profit

-$29m

Operating Cashflow

$3m -81%

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associates and joint ventures.

Trading performance

NZ$m (Year Ended – Audited)	**31 Dec 2020**	**31 Dec 2019**	**% Change**
Revenue	87.5	144.5	-39%
Expenses	(99.7)	(113.5)	-12%
Foreign exchange gains	0.8	0.1	
EBITDA[1]	**(11.4)**	**31.1**	**-137%**
Depreciation and amortisation	(17.7)	(9.7)	82%
Operating (loss) / profit	**(29.1)**	**21.4**	**-236%**
Net finance costs	(1.5)	(1.1)	
Other (incl. impairment, restructure and share of associates)	(33.7)	(1.9)	
(Loss) / profit before tax	**(64.3)**	**18.4**	
Net (loss) / profit attributable to Vista Group shareholders	(51.4)	10.8	

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associate and joint ventures.

2. Refer to section 4.1 of the 2020 Annual Report.

- EBITDA[1] includes $13.2m non-cash provision for revenue credit risk and expected credit loss
- No second half increase to non-cash impairment charges on investments, associates, intangibles and leased assets — first half was $28.4m
- $70m non-cash items[2] in net profit to operating cashflow reconciliation
- Reduced and stable cost base during second half

Second half 2020 compared

NZ$m (Six Months – Unaudited)	**H1**	**H2**	**% Change**
Revenue	44.8	42.7	-5%
Expenses	(52.7)	(47.0)	-11%
Foreign exchange gains/(losses)	1.4	(0.6)	
EBITDA[1]	**(6.5)**	**(4.9)**	**25%**
Depreciation and amortisation	(8.2)	(9.5)	16%
Operating (loss) / profit	**(14.7)**	**(14.4)**	**-2%**

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associates and joint ventures.

- H2 Revenue held up well
- EBITDA[1] in both halves significantly impacted by non-cash provision for revenue credit risk and expected credit loss
  - H1 = $7.6m
  - H2 = $5.6m
- Successfully managed costs down to sustainable levels
- Limited STI/LTI, marketing and travel in second half run rate
- Adverse swing in FX due to higher NZD v USD in H2

COVID-19, revenue and costs

Revenue

- Recurring revenue 74% of 2019
  - Gross product revenue 82% of 2019 down $7.2m
  - Gross maintenance revenue 78% of 2019 down $10.3m
- Non-recurring revenue 39% of 2019
  - On premise license sales significantly reduced
  - Lower services and development revenue
- Full year revenue provision for credit risk of $6.2m

Costs

- Salary sacrifice by Board, executives and staff Q2 and Q3
- Wage subsidies $6m offset employment costs (NZ, AU, UK and NL)
- Annualised re-organisation savings of $15m
- Non-salary costs reduced, primarily marketing, travel and cost of sales
- Non-cash $6.9m expected credit loss (ECL) increased from $5.8m as at June 2020
- No new impairment charges — H1 total $28.4m

Operating segments

31 December 2020

NZ$m (Audited)	**Cinema**	**Movio**	**AGC**	**Corporate**	**Total**
Revenue	56.8	14.8	14.4	1.5	**87.5**
EBITDA[1]	(3.5)	(0.1)	(0.3)	(7.5)	**(11.4)**
EBITDA % of revenue	-6%	-1%	-2%		**-13%**

31 December 2019

NZ$m (Audited)	**Cinema**	**Movio**	**AGC**	**Corporate**	**Total**
Revenue	99.2	25.7	17.6	2.0	**144.5**
EBITDA[1]	29.6	6.8	3.3	(8.6)	**31.1**
EBITDA % of revenue	30%	26%	19%		**22%**
Revenue growth	**-43%**	**-42%**	**-18%**		**-39%**

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associate and joint ventures.

- Core revenue (Cinema and Movio) significantly impacted by the COVID-19 pandemic
- Numero • Maccs resilient — down 12%
- Reduced Vista China maintenance
- 2021 reporting will be at the segment contribution level, changes will be outlined in H1 2021 including:
  - Centralised marketing and other group costs will not be allocated to the operating segments
  - Vista China maintenance fees will move to Vista Cinema

Financial position

NZ$m (Audited)	**31 Dec 2020**	**31 Dec 2019**	**% Change**
Cash	67.1	19.5	244%
Receivables and other current assets	40.0	58.2	-31%
Non-current assets	145.9	165.9	-12%
Current liabilities	42.8	44.5	-4%
Non-current liabilities	46.1	35.6	29%
Net Assets / Total Equity	**163.1**	**163.5**	**0%**

- Strong balance sheet maintained
- Good cash position $67.1m
- Raised $62.3m in placement and rights issue (net of transaction costs)
- Reduced receivables due to lower billing, reasonable collections and increased credit risk and expected credit loss provisions
- Non-current assets down due to non-cash impairment charges
- Liabilities up slightly, increase in payables offset by reduction in deferred revenue, and non-current up due to changes Group borrowings from the first half

COVID-19 and the balance sheet

Equity Raise

- Raised $62.3m in placement and rights issue (net of transaction costs)
- Well supported by existing retail and institutional holders

Debt

- Continued, strong support from major banking partners
- $39m undrawn facilities

Cash and Debtors

- Cash of $67m
- Debtors lower due to reduced invoicing and continued reasonable collections
- >50% of debtors outstanding is >90 days and expect some further aging until full re-opening
- 36% provisioning against our receivables and accrued revenues

Cashflow

NZ$m (Year Ended – Audited)	**31 Dec 2020**	**31 Dec 2019**	**% Change**
Receipts from customers	86.6	143.6	-40%
Payments to suppliers & employees	(90.9)	(118.0)	-23%
Tax & interest	(2.6)	(10.1)	-74%
COVID-19 related wage subsidies (NZ, AU, UK and NL)	5.9	-	
COVID-19 related tax deferrals	4.0	-	
Cash flow from operating activities	**3.0**	**15.5**	**-81%**
Investments in internally generated software and other intangibles	(12.8)	(12.6)	-2%
Other investing activities	(4.2)	(6.1)	
Cash flow from financing activities	61.8	(11.7)	
COVID-19 related support (US PPP loan)	2.7	-	
Net Movement in Cash Held	**50.5**	**(14.9)**	
Foreign exchange differences	(2.9)	-	
Cash balance	**67.1**	**19.5**	**251%**

- Cash draw of $3.7m/month in second half, well within $3–4m expected range
- Reasonable collections through to end of year
- Good cash cost management and embedded restructuring savings
- Investment in internally generated software focus on SaaS
- Completed purchase of Maccs and Cinema Intelligence
- Raised $62.3m in placement and rights issue (net of transaction costs)
- Dividend payments have been suspended

COVID-19 and our average run rates in H2

Revenue and customers

- Gross Revenue $7–9m per month
- Collecting $4–6m per month
- Gross debtors slowly growing

Expenses

- $7–8m per month cash expenses (ie. excluding share-based payments, credit risk and ECL)

Cash burn

- Cash burn $3–4m/month
- Expecting fewer one-off costs going forward. H2 included restructuring costs, modest government support in cash terms, and the acquisitions of 100% of Maccs and Cinema Intelligence
- Expecting ongoing USD headwind impact on revenue and cash, USD at 0.72 v 0.66 for much of 2020, dampens NZD inflows ($0.3–$0.5m per month)

Operational highlights

Key Group metrics

Recurring Revenue

$66m

SaaS Revenue

$28m

Sites on Vista Cloud / Digital

1

Movio Connections

2.3b[1]

Distributors on mica

6 live

% of Cinemas Open US:EU

40% : 20%

1. Total number of emails, SMS, and push notifications sent to moviegoers by Movio Cinema exhibitors

Vista Cinema

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

- As at mid-February 2021 55% of cinemas open globally, 40% US, 20% EU
- Successfully protected recurring revenue streams (primarily Maintenance)
- Cinema re-opening kit distribution continued through year end
- Odeon UK rollout completed (120 sites)
- New customers in EMEA — approx. 50 sites being implemented
- Enterprise market share (excluding China) estimated to remain at 51% — net of additions and closures (see table)
- Veezi 6% net gain in sites in 2020
- Core product innovation has been sustained — Rove product potentially exciting
- Accelerated shift to SaaS

Revenue

$56.8m

-43% vs 2019

EBITDA

-$3.5m

Vista Cinema site count[1]

Market	Channel	31 Dec 2019	New Sites	Closures / Losses	31 Dec 2020
Enterprise	Direct	5,462	216	-179	5,499
	India	1,496	tbc[3]	tbc[3]	1,496
	China	1,101	75	-604	572
	Total Enterprise	**8,059**	**291**	**-783**	**7,567**
Independent	Veezi	974	214	-153	1,035
	Veezi China	88	67	-14	141
TOTAL		**9,121**	**572**	**-950**	**8,743**

1. Management Estimate, due to COVID-19 pandemic, market data is less available
2. Ex China
3. No update available at year end for India due to pandemic

Enterprise Market Share[2]

51%

Enterprise Sites (excl China)

+37 net

The Vista Cloud journey

What we've achieved to date

- Technology platform established
- First Digital customer live with internet ticketing

Where we are now

- Digital channel priority
- Operational channel at full steam
- Majority of development resource working on Vista Cloud
- On budget, on time

What's coming in 2021

- Vista Cloud pilot customers in H2
- Digital channels pilot complete (mobile, kiosk)

Movio

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

Movio Cinema

- Strong use of Movio Cinema by exhibitors, volumes down only 23% against box office decrease of 70%
- Successful launch of Movio Metrics, a redesigned reporting platform to consolidate high-level moviegoer behaviour reporting
- Cinema Essentials development well advanced, with the aim of providing a feature rich, lighter touch solution with an overall lower cost to operate

Movio Research

- Developed and launched Research 2.0 platform

Movio Media

- Direct and digital campaigns have been deferred since March
- Madex[1] launched in Australia with exhibitor and film distribution support and a successful first campaign

Revenue

$14.8m

-42% vs 2019

EBITDA

-$0.1m

1. Madex is the market brand for the Moviegoer Audience Data Exchange.

Additional Group Companies

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Cushioned impact from COVID-19
- Numero • Maccs revenue down 12%
- 6 new customers signed up to mica
- Numero ends 2020 with 33 country dashboards — up from 24
- Sony International engagement drives further geographic expansion for Numero

Flicks

Movie and cinema review and showtime guide

- Revenue down 5%
- Expansion into streaming well received by users

Powster

World leading film marketing products

- Revenue down 39%, primarily due to lower showtimes revenue
- Cost management in place
- Extending non-film industry engagements (music, streaming)

Revenue

$14.4m

-18%

EBITDA

-$0.3m

Associate companies

Vista China: Operating Performance

- 2020 revenue down to $7.3m v $19.2m in 2019
- Strong cost cutting, loss $5.9m (Vista share $2.8m)
- 2nd half was cash neutral as cinema reopening continued
- 90+% cinemas open, with good local content availability
- Veezi site count grows to just under 150 driven by relationship with Maoyan
- 2019 proposal to acquire additional equity in Vista China terminated

Stardust

- Operating independently, ongoing funding from 3rd party shareholders

China film industry update

- Cinemas closed on 26 January 2020
- 2020 box office in China significantly impacted by COVID-19 pandemic
- Cinema re-opening progressively in second half
- Record weekends recorded in late 2020 and early 2021 with strong local content
- Successful market for WW84, similar expected for Godzilla vs. Kong

Outlook

Industry outlook

- Positive influences beginning to mount up for rebound during 2021
  - Vaccine production and distribution in key markets
  - COVID case numbers declining in key markets
  - Release schedule remaining stable
  - Box office in countries where cinemas are open and content is available performing well (Japan and China — record for Chinese New Year RMB6b)
- We acknowledge there will likely be some changes in the theatrical window — possibly shorter and perhaps more dynamic
- Confident in the future of the movies and the defining role of Vista Group

Vista Group outlook – positive

- Vista Group is stronger and more competitive in a post-COVID world given lower cost base and stronger customer engagement
- Exciting pipeline of innovation, highlighted by Vista Cloud — which we anticipate will be the basis of our platform into the future
- We are exploring strategies to increase the weighting in our business related to the studio / distribution segment
- Too early to give guidance

- Positioned to drive strong EBITDA recovery later in 2021 and 2022 and growth beyond
- Expect to continue cash draw of $3–4m per month until content free-flow, then recover progressively
- Customers still under financial stress, expecting more managed restructuring
- Pandemic experience has underlined that Vista is critical to customer success

Questions

Thank you

VISTA
GROUP