Annual Report

2020

Vista Group International Limited

Enhancing the moviegoer experience

This report is dated 26 February 2021 and signed on behalf of Vista Group International Limited by Susan Peterson and Murray Holdaway.

Susan Peterson
Chair

Murray Holdaway
Director

Contents

Dear Shareholder,

Welcome to the Annual Report for Vista Group International Limited (Vista Group) for the financial year ended 31 December 2020.

There is no doubt that 2020 has been an unprecedented year as the COVID-19 pandemic impacted the lives of us all. We extend our best wishes to you and trust that those you care about are safe and well.

For Vista Group, the 2020 year started strongly. However, by March it had become apparent that the global environment was rapidly changing as the impact of the pandemic escalated around the world. While many things became very different, we continued to focus on the same things we have always prioritised.

For us, it has always been about focusing on the wellbeing of our people, relentlessly supporting our customers to be successful, and finding new ways to increase our relevance to more customers.

Our team

Our people have been terrific — they have remained resilient and engaged despite all that 2020 threw at us. As we prioritised everyone's health, the transition to working from home was seamless (though undoubtedly for our teams in the Northern Hemisphere it is wearing very thin) and the team maintained their usual productivity. We found new ways to care for our people, including a particular focus on those who are enduring extended lockdowns. We also introduced an all employee share scheme to give our team the opportunity to share in the future success of Vista Group.

Our customers

We have sustained our unrelenting focus on supporting our customers by continuing to deliver the innovation that has helped them most throughout the year. For 2020, this meant that we have been most focused on supporting our customers to be resilient.

The work on Vista Cloud, in raising the priorities of the digital product suite, and in Movio with Cinema Essentials (making it easier for cinemas to reach the next moviegoer) and Research 2.0 (to create efficiency for Vista Group and our customers) has been impressive. This work not only maintains our lead in product development but also establishes a new platform for expanding our customer relevance moving forward.

We wish to thank all of our customers — studios, distributors, and the community of exhibitors both large and small around the world — who, despite the challenges they have been facing, have supported us throughout.

“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.

Sales and business development

We have continued to see a consistent trend of sales and business development activity — in particular with our studio and distributor customers. Naturally the level of activity was subdued compared to previous years, but new customers were won in all territories, with a solid level of follow-on business anticipated. The major implementation at Odeon Cinemas in the UK and Ireland concluded the roll-out (with all cinema software implemented) in late November 2020, and the first phase of the project is planned to finish during the first quarter of 2021. This was achieved despite the challenges of lockdown protocols in that region throughout most of the year.

With the SaaS portion of our business continuing to grow, we are moving to reporting our operating financials and performance metrics on a SaaS basis going forward. This is an important part of our transformation as it provides a more integrated customer proposition, and also enables our team to prioritise those activities that deliver us the greatest value.

Strong balance sheet

Despite the support we have provided our customers to help them remain resilient, their challenges have still had a significant impact on the financial performance of our businesses. The actions we have taken during 2020 to maintain our strong balance sheet have served us well.

We were delighted with the support that we received for our successful capital raise in April and, while the organisational restructure that we implemented across Vista Group was tough on our team, the new structure was an important enabler for the successful delivery of our integrated customer strategy. These changes have also enabled us to maintain positive cashflow from operating activities for the full year, maintain our cash draw within our forecast range, and end the year with a $67m cash balance — more than enough to see us through 2021.

The future

We are confident that the cinema experience will rebound at some point during the year, and we are in good shape to help lead that rebound.

The trajectory in China has demonstrated the rebound — cinemas in China were able to reopen in late July and have been well patronised. Since that time 90%+ of cinemas in China have remained open — heavily reliant on local content to drive box office. In the rest of the world, we saw reopening increase as the Northern Hemisphere summer progressed to the point where by October 75% of cinemas were open. However the onset of the second wave in autumn and winter saw the year end with only just over 50% of rest of world cinemas open — propped up by a strong performance in Asia Pacific.

The rebound in China (and in Australia, New Zealand, and Japan) supports our positive view of the future — when cinemas open and content flows — people flock back to the cinema experience.

Leadership changes

We would like to take this opportunity to recognise the contribution that Kirk Senior has made to our team. As Executive Chair from the time of our IPO in 2014, Kirk’s stewardship through all circumstances has earned him the admiration of all with whom he has worked. We’re very pleased to retain Kirk’s contribution as a Non-Independent Director.

In early 2021, we will farewell Brian Cadzow, one of the founders of Vista Group. Brian’s vision, leadership and humanity have been imprinted into Vista Group’s DNA. We remain deeply grateful to Brian for all that he has contributed to making Vista Group so successful, and we wish him well for his retirement.

Effective on 1 January 2021, we welcomed Claudia Batten to the Board as an Independent Director. Claudia is an acknowledged “World Class New Zealander” who is based in LA. Claudia brings deep experience in growing global technology companies successfully around the world. Claudia’s addition also means that we now have a majority of Independent Directors on the Board, including all chair roles.

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 can be rightly proud of where we stand today. It comes down to having a terrific team and enjoying tremendous support from our customers, shareholders and the communities that we serve.

Thank you all again for your continued support. We look forward to a full slate of blockbusters, warm popcorn and the experience of laughing, crying and maybe being a little frightened by great movies in 2021.

Lights, camera, action!

Susan Peterson
Chair

Kimbal Riley
CEO

Our Board

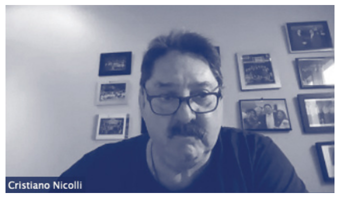
Our Board as of 1 January 2021 includes:

Susan Peterson
Independent Chair

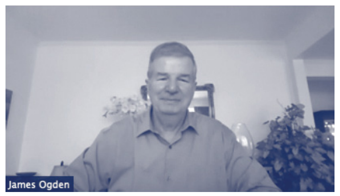
Claudia Batten
Independent Director • NRC member

Brian Cazdow
Executive Director

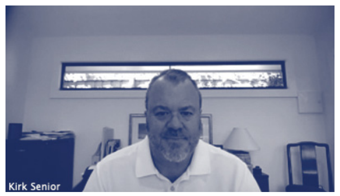
Murray Holdaway
Executive Director



Cris Nicolli
Independent Director
NRC Chair • ARC member



James Ogden
Independent Director
ARC Chair • NRC member



Kirk Senior
Non-Independent Director
ARC member

Key themes 2021

01

Bring moviegoers back

02

Build beautiful and powerful software

03

Create value through insights

04

Admired company

Group overview

Vista Group's mission is to 'enhance the moviegoer experience'. We know that if we keep the moviegoer's experience at the centre of what we do, our customers will continue to benefit from the value we deliver to their customers.

Vista Group businesses span the full value chain of the film industry, from production and distribution to cinema exhibition and the moviegoer. The graphic on the right illustrates how Vista Group views its vertical market and the fit of its products.

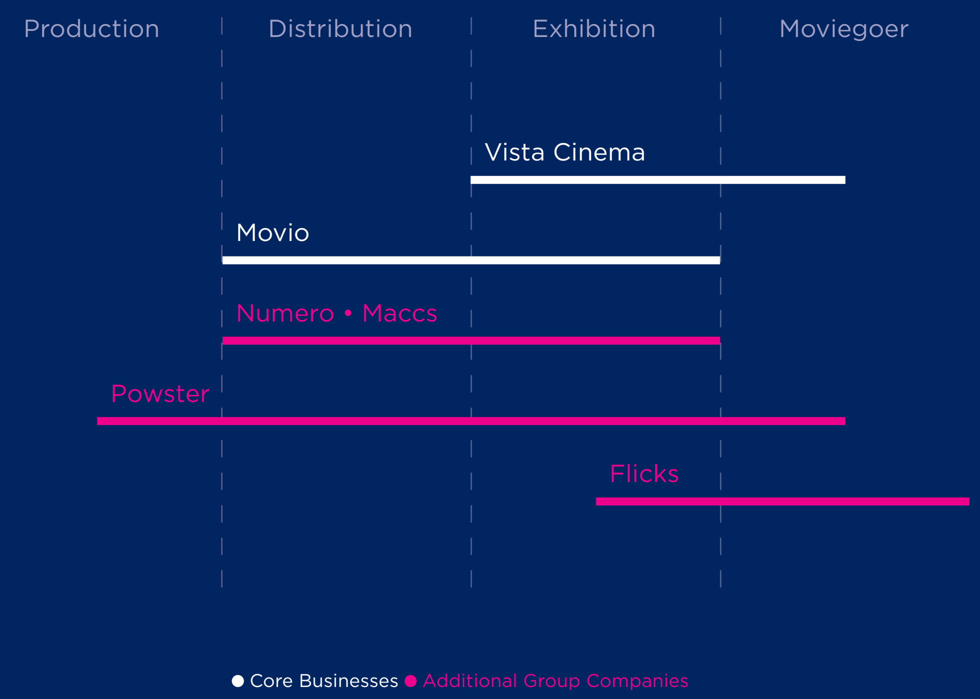
Our products follow the film from its creation through to screenings by the moviegoer — the tracking of all the data, interrelationships and information that is needed by each party for the duration of that journey. We report on the box office performance of the movie — back through the cinema exhibition channels — to the entity that made and invested in the film at the start.

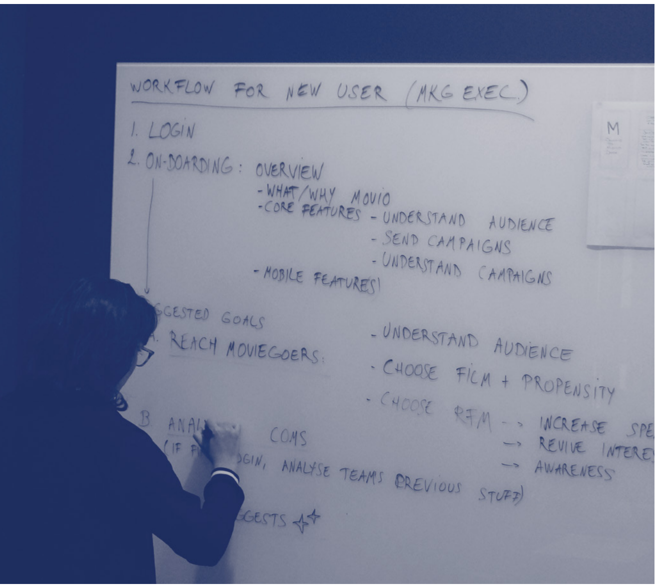
The data aggregation and analysis that is required by the film industry is significant. This provides many additional opportunities for Vista Group products such as Movio, Numero and Powster. It has also created the opportunity to enable more efficient access to data for industry participants leading to Vista Group's investment in movieXchange, Movio Media and additional modules within the Vista Cinema product set.

Despite the impact of the COVID-19 pandemic in 2020, we anticipate the global cinema market will continue to expand over time with the number of cinema screens increasing and box office revenue rebounding. Industry trends of consolidation, premiumisation, data-driven decisions and marketing, drive the product functionality of Vista Group to support industry participants across the spectrum to improve their service offerings.

Vista Group continues to lead the global industry in creating innovation-focused products and services that meet, and aim to exceed, the needs and wants of our customers and their moviegoers.

Our businesses





Customer focused innovation

Despite the disruption and uncertainty that 2020 brought, we continued our endeavors to deliver innovative new features and technology with one thing in mind — our customers. With a deep understanding of our industry and the challenges our customers were facing, we adapted to deliver new products and features that would make a difference. We share some highlights from across our Group businesses, showcasing the variety of innovation and technology delivered throughout the year.

The Ultimate Cinema Re-opening Kit

As cinemas started to re-open for the first time around the world, there was a strong emphasis on adapting. Vista Cinema had been preparing for this moment, determining the technology we could package together to help cinemas restart operations or what missing pieces of technology could be built.

After six weeks of development, the Cinema Re-opening Kit was launched in May, providing a series of products, features and suggestions that exhibitors could utilise as they resumed business. The kit takes into consideration the technology needed to support every step of the moviegoer journey — from booking tickets and seats at home to ordering and picking up concessions, and ensuring a safe experience once at the cinema. Some highlights of the kit include the following:

Social Distance Seating

The most difficult code to include in the Vista Cinema system, was a revolutionary seating solution which automatically restricts seat reservations during booking to ensure safe distances are maintained between moviegoers. The technology forces a two-seat spacing between groups within a row, as well as alternating rows to create six feet of social distancing space to the front and rear of a customer.

Contact Tracing

A concept relatively unknown at the start of 2020, contact tracing is now baked into Vista Cinema's software. Cinema operators can collect moviegoers' details from any sales channel, even third parties. If contact tracers ask an exhibitor for a list of attendees at a specific showtime and location, the cinema will have it on hand through Vista's system.

Full Self-Service Food & Beverage

A strong emphasis for the technology was on a contactless experience, ensuring the safety of staff and moviegoers. Self-service technology enables moviegoers to purchase food and beverages via exhibitors' websites, mobile app or kiosk, removing the need for direct interaction in the cinema. With a combination of digital signage and app notifications, customers can be notified when their order is ready to restrict queues and ensure minimal contact.

Madex

AI-driven tool to optimise media investment

Madex (the Moviegoer Audience Data Exchange) launched in Australia in 2020, with the first campaign run through the tool for the release of *Tenet*. The goal is to allow exhibitors and distributors to easily understand and connect with their ideal audiences via digital and social media channels, using advanced AI tools to optimise their media investment.

The omni channel digital and social solution supports Google, Facebook, Twitter, Snapchat and will be used for future digital options, such as The Trade Desk or Connected TV. Madex uses optimised versions of Movio's Propensity and Similarity Algorithm to create and target audiences.

mica

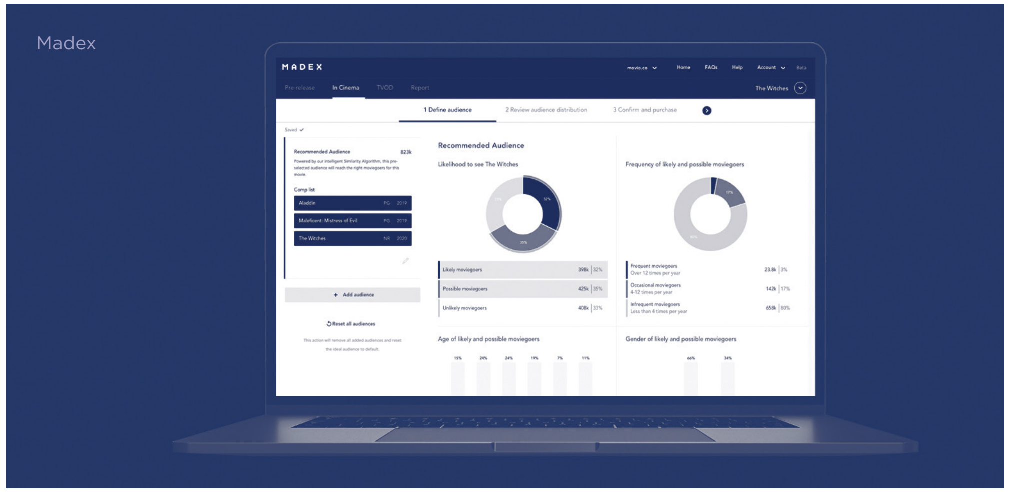
Supporting independent distribution needs

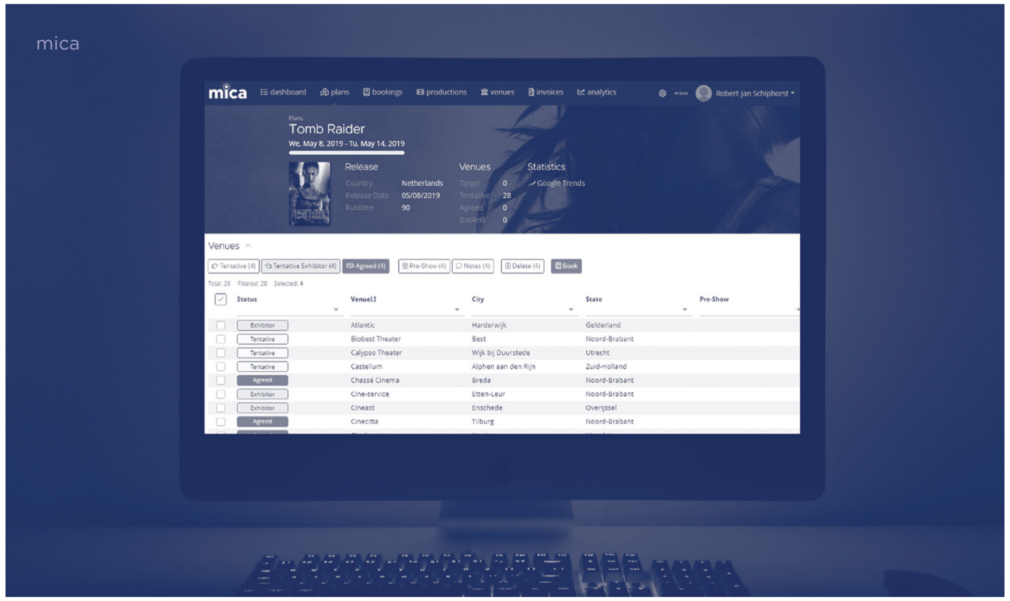
In September 2020, Maccs launched mica, a new system for independent distributors. Purpose-built from the ground up, mica meets the needs of the under-served independent distributor market at a crucial time in the global cinema environment. The new product takes the complexity out of operations and allows distributors to focus on sales and the running of the business through the automation of key tasks that previously were executed via spreadsheets and emails. Built using the latest in cloud technology, means no on-site installation, seamless updates and an interface optimised for PC, mobile and tablet.

Spotify AR

Attracting more engaged audiences

Using volumetric capture and WebAR, Powster created the first ever AR artwork on Spotify in 2020. Fans could play Sam Smith's Diamonds and scan the cover art to interact with a hologram of Sam Smith dancing right on their mobile device. Since launch, the activation has attracted and engaged fans from around the globe. As the first of its kind, the experience has garnered attention from online publishers including Rolling Stone and Musically, as well as earning an FWA award.





The Vista Cloud journey

What we've achieved to date

Digital channels

- Rove - new mobile app for concession sales
- SaaS web ticketing platform
- SaaS digital sales API

Customer benefits

- Central identity management
- All-browser cinema management suite

Cloud engineering

- Continuous delivery pipeline
- Container support for digital sales API
- Customer onboarding support
- Secure Cloud connectivity for POS, Kiosk devices

Where we are now

On target to deliver SaaS offer into market in 2021

60% of engineering resource focused on Vista Cloud

Early adopter customer framework defined

Overall on track and within budget

What's coming in 2021

Digital channels

- Full SaaS web sales platform
- Initial version of SaaS Kiosk
- Initial version of SaaS moviegoer app

Customer benefits

- Servers out of cinema
- Head Office servers in cloud
- Automated upgrades

Cloud engineering

- Licensing platform
- Rapid scalability for core services
- Localisation support for fiscal compliance, custom integrations etc.
- Monitoring and management improvements
- Cost-efficiency improvements

Our climate, people and community

While 2020 provided unanticipated challenges, we have remained focused on our goal of *nga mea pai me nga taangata pai* — doing good things with good people.

Our climate

The COVID-19 global pandemic fundamentally altered how we all worked in 2020 and has raised questions around how we will all work moving forward. Early in 2020, we cancelled all international business travel and our teams successfully transitioned to working from home. Our teams, outside New Zealand, have continued to work remotely throughout the rest of the year. The environmental benefits of this reduction in travel has reduced our carbon footprint for 2020.

Vista Group understands that we need to proactively manage the risks and opportunities that arise from climate change. Under the Risk Management Framework, the Chief Executive Officer and the Head of Risk and Sustainability are responsible for the management of climate risk, along with all other risks. Vista Group has a dedicated Head of Risk and Sustainability, who leads the assessment of climate risk and co-ordinates our response as part of Vista Group's wider ESG programme.

A management committee has been established to monitor sustainability market trends and regulatory change and makes recommendations to the Board on our responses to climate related risks. These committee meetings are attended by the Chief Executive Officer and the Head of Risk and Sustainability. The committee is overseeing the programme of work to prepare Vista Group for the recommendations and guidance from the Task Force on Climate-related Financial Disclosures (TCFD).

Our New Zealand offices:

Our New Zealand offices combined in October 2020 when we moved to a new city-centre location. This means our team have access to more local transport options and cycle lanes, significantly reducing our commute carbon footprint. Our new building provided the opportunity to move to a more efficient air conditioning system and all our organics now go into a wormfarm on site.

33% reduction in car emissions *

92% of staff working flexibly from home †

44% of staff's work-week is at home †

* Source: Reduction of commuting staff, based on car parking
† Not including COVID-19 pandemic lockdown periods

Our people

Throughout the challenges of the past year, we remained focused on doing everything we can to support our people.

Our team has been instrumental in our historic success and are key to our future recovery. At the end of 2020 all those eligible were invited to take part in a new employee share scheme, established to reward, retain and motivate staff. Thanks to the scheme we are now even more invested in the future of our customers, our industry and our company.

Half our team are based outside New Zealand and Australia, including COVID-19 pandemic hotspots. Many of these people have had over nine months in home lockdown and constant fear for their health. Supporting this remote team has been a key priority for the company in 2020 through online social events, weekly yoga and wellness classes and the creation of a new 'Wellness Advocate' programme.

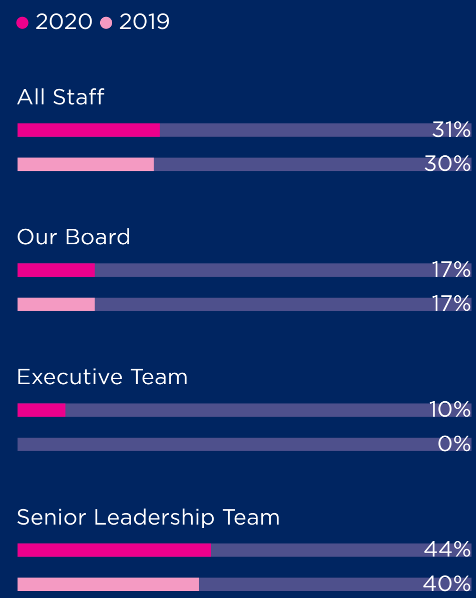
Our planned calendar of events was adapted this year, but celebrations were still held to recognise Pride, Chinese New Year, Pink Shirt Day and International Women's Day. This year we also joined together for a four-week Wellness Challenge, which was held remotely and on a global scale with teams joining from around the world. We built our challenge around a model called *Te Whare Tapa Whā*, designed by a leading Māori health advocate, Sir Mason Durie. The notion of *Te Whare Tapa Whā* underpins New Zealand's Mental Health Awareness Week, which coincided with our Wellness Challenge and was more important than ever for many of our staff.

Finally, in December people from across Vista Group in New Zealand came together for our group-wide Innovation Cup to focus on working 'Better Together', developing incredible ideas and solutions in 24 hours or less.

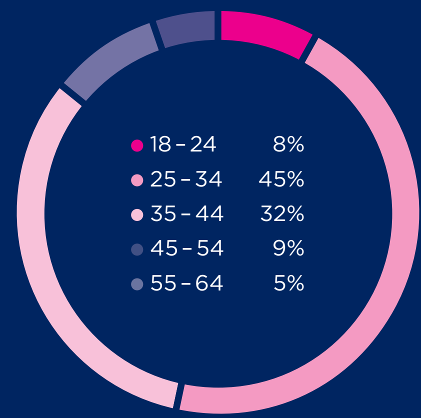
We are pleased to see some improvements in the representation of women at senior levels of business. As of 1 January 2021, our board now comprises two women and five men. We have one female now part of the Executive Team and our Senior Leadership Team is 44% female.

This year we also maintained our New Zealand Rainbow Tick accreditation and put in place some supporting initiatives; changes to our IT systems mean our team can now identify as non-binary and use pronouns.

Female representation



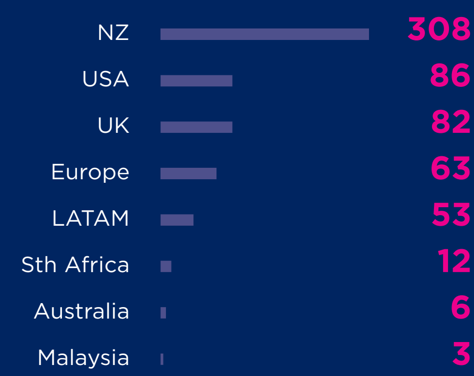
Age distribution



17
countries our people are spread across

32
languages spoken

Regional distribution



Our community

We are determined to make a positive difference in people's lives and to foster and develop community initiatives in New Zealand and across the world. Some examples from the past year include:

- We put on our best headgear in support of **Canteen NZ Bandanna Day**, which signifies the importance of friendship, staying connected and embracing *whanaungatanga* — supporting young people with cancer.
- Some brave team members took part in **Shave for a Cure** — shaving to raise funds for the Leukemia & Blood Foundation.
- Our global team took part in **Pink Shirt Day**, a day when people wear mainly a pink shirt to symbolise a stand against bullying.
- Our CEO took part in the **Auckland City Mission CEO Cook-Off**. He cooked alongside some of Auckland's top chefs to prepare a three-course meal for up to 200 Mission guests, as well as fundraising to help provide emergency food parcels for Aucklanders who would otherwise go hungry.
- Our LATAM team bought care package supplies for an organisation that **donates all earnings to local indigenous communities**.
- We donated LEGO from a Movio Hackathon to our friends at **Stanhope Road School**, we received some amazing thank you letters from the students.
- We donated food and Christmas gifts to Auckland City Mission **Auckland's Angel Appeal**.
- We donated a collection of clothes for **Dress for Success**.

Vista Foundation

Vista Group is passionate about the New Zealand film industry and its continuing assistance to the Vista Foundation is helping to foster a viable, successful, and inclusive local film industry in New Zealand.

With financial support from Vista Group, the original Vista founders and external parties, the Foundation has been able to grow its support of programmes to educate aspiring filmmakers. The Foundation also works to enable individuals and groups who have a love of film to participate and constructively grow the industry.

During 2020 the Foundation has strengthened its governance with the addition of Cliff Curtis as co-patron alongside Roger Donaldson, and the appointment of John Barnett as the new chair and Roseanne Liang as a new trustee.

The Foundation has continued to support programmes during 2020 and through the COVID-19 pandemic lockdown it used its partnership with organisations to provide a special edition of the 48 Hour Film Festival — filmed at home of course — and, to assist industry workers affected by the lack of work, it funded a counselling service with the Home & Family Counselling Group to provide support and guidance. This was especially well received through the various industry guilds.

The Foundation has also committed to support the full 48 Hour Film Festival in 2021 and has established a relationship with Compton School in Australia to run a Film Marketing Program in 2021. This will provide guidance to groups and individuals selected on the process to get a film project through to a successful theatrical release.

With established funding from the founding shareholders of Vista Group, the intent is to raise additional funds from other successful industry participants. The Vista Foundation is positioning itself to meet its principal aims for many years to come.

Group trading overview

Vista Group continues to be the global leader in delivering software and data analytics solutions to the film industry with core businesses Vista Cinema and Movio both number one globally in their respective market segments.

2020 was a year in which the performance of Vista Group was significantly impacted by the COVID-19 pandemic.

Total Revenue

$87.5m ▼ 39%

Recurring Revenue

$65.5m ▼ 26%

Operating Profit

-$29.1m

EBITDA

-$11.4m

Operating Cashflow

$3.0m ▼ 81%

This impact is best illustrated by reviewing the proportion of cinemas closed across the months of 2020. At the beginning of January 100% of cinemas worldwide were open — but by late March 98% had shuttered their doors. In July 40% were open (mainly in China); 70% were open in August but only 50% in December, with the key markets of North America and EMEA 40% open and 20% open respectively. Cinema customers who are closed have endured significant operational and financial stress, though in 2020 there were relatively few receiverships and business closures.

Though total revenue was down 39%, recurring revenue was only down 26% to $66m — a sign of the strength of the maintenance and SaaS revenue streams and Vista Group's partnership status with both theatrical and studio customers. Non-recurring revenue, primarily new on-premise licence sales in Vista Cinema, was down 61%.

Vista Group has had positive operating cash flow of $3m and maintained a strong balance sheet throughout the year, with support from banks and shareholders. Vista Group completed a successful capital raise in April 2020 and maintained a healthy year end cash position.

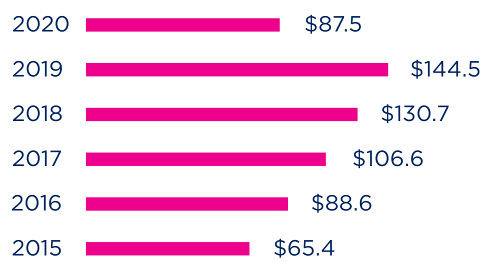
This result underlines the key financial and operating strengths of Vista Group:

- Consistent strong customer relationships
- Strong annuity revenue
- Sustained underlying profitability
- Positive operating cash generation
- Leading global position in the film industry

Despite the COVID-19 pandemic, Vista Group continues to accelerate its investment in innovation, in particular in respect of Vista Cloud and the Movio Madex solution.

Revenue

NZD millions



Cinema

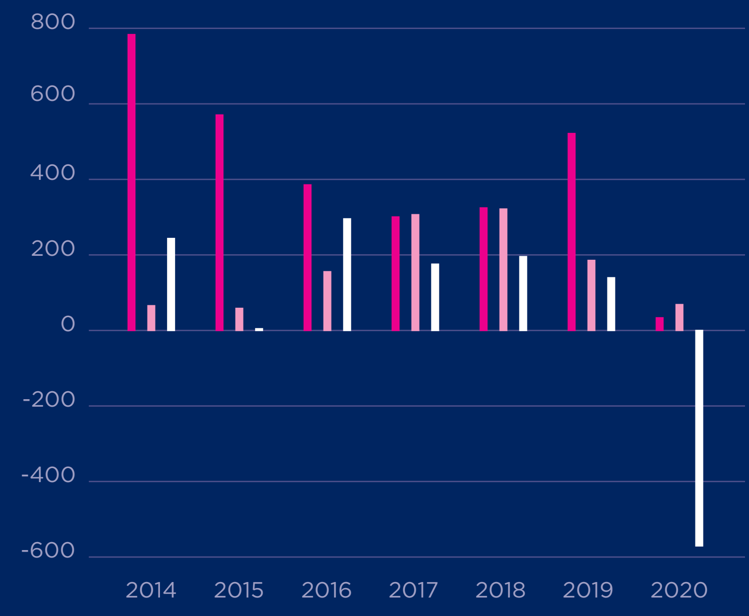
The Cinema segment is the largest within Vista Group and represents two thirds of total revenue. Cinema has worked hard to retain and support its customer base through the COVID-19 pandemic and has protected the majority of it's recurring revenue streams well over the second half of the year. Vista Cinema's purpose is 'empowering a world of cinema'.

2020 has been a very difficult year for the film industry globally and the theatrical segment in particular. With various states of closure throughout the year across the world as noted above, Cinema's customers have operated under extremely trying circumstances inspite of which the industry remains largely intact. Where sizeable portions of the theatrical market are open, particularly in Asia Pacific, the absence of blockbuster content has been filled with local content which audiences have widely supported. With the release schedule pushed back because of the second wave or awaiting critical mass of the vaccine, little content has moved away from the theatrical experience in favour of other options.

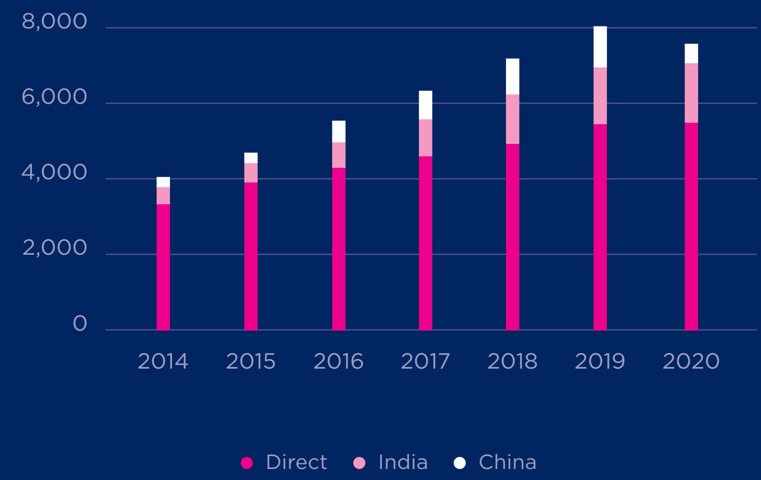
Though the results have been significantly impacted, especially new on-premise licences, Cinema has completed several new and existing projects and had a net gain of sites during the year including the completion of the Odeon UK/Ireland roll out in Q4.

Cinema maintained a balance between supporting customers with our on-premise offering and sustaining the pace of development of our new SaaS platform. The Cinema Re-opening Kit was distributed widely and the associated functionality (dynamic social distance seating, contactless purchasing, contact tracing, etc) enabled our customers to open under the various restrictions imposed on them globally. Development of the SaaS platform — Vista Cloud — continues apace and now represents approximately half of all development. We are convinced that the future, including the successful recovery of the industry, will demand new functionality that can best be delivered through the SaaS environment — seamlessly and immediately — without customers having to wait to upgrade their systems to get it. Revenue was down 43% on 2019.

Enterprise: sites added



Enterprise: total site count

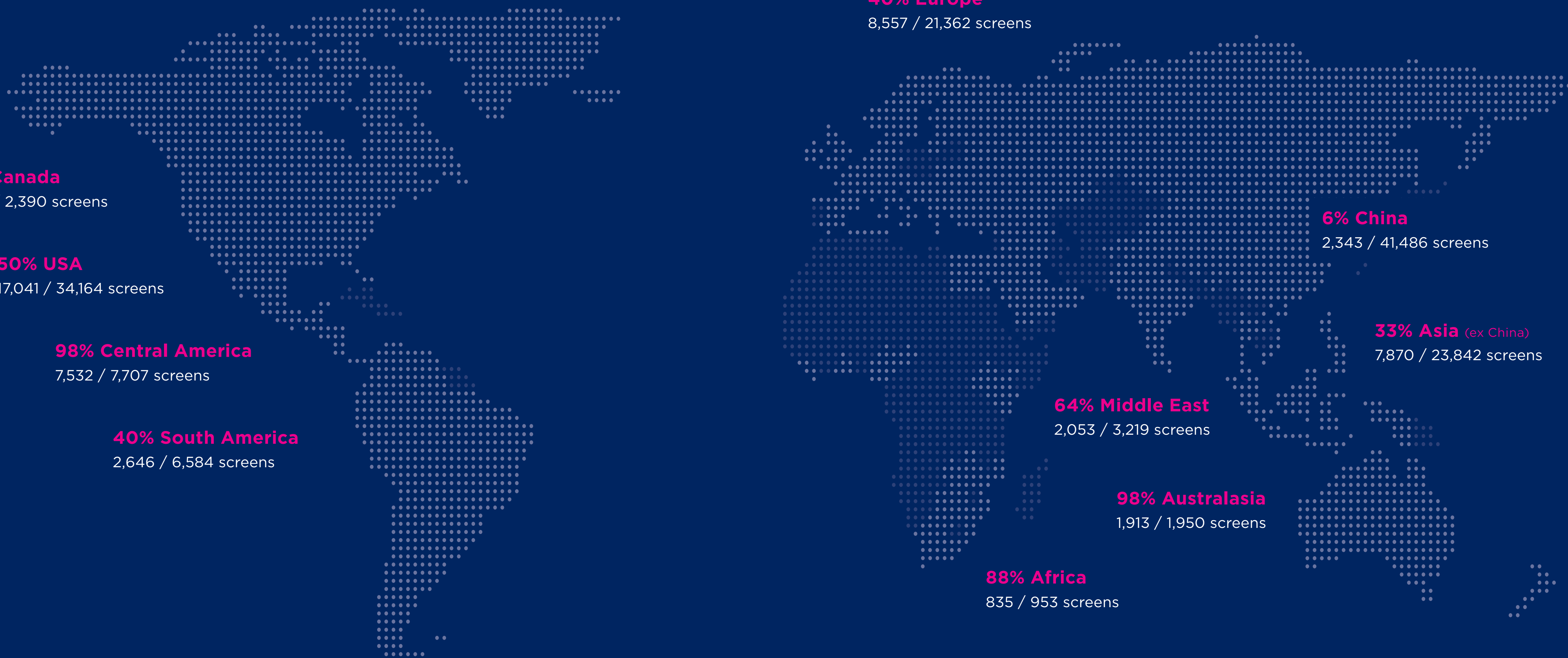


Cinema market share

Vista Cinema percentage of the world market for Cinema Exhibition Companies with 20+ screens.

38% worldwide

51% excl. China



Movio

The Movio segment is the second largest segment within Vista Group, a pure play SaaS business, it represents around one fifth of total revenue. Movio's purpose is to 'connect everyone with their ideal movie'.

Clearly a challenging year for Movio, with limited releases to drive revenue or fill the data models that allow studios and distributors to plan and execute their marketing plans. Suffice to say that the Movio AI was underused in 2020.

Revenue was down 42% for the year, ending slightly better than expected, and there was no decline in the number of cinema clients. Movio's model is less related to blockbuster releases — rather it performs better with total numbers of movies released.

The Movio team used the period of subdued cinema and studio activity to reimagine their full product suite, to revisit the first principles that started the business ten years ago, and to re-engineer each of their core offerings.

Movio Cinema Essentials is not just a refreshed, easier to use UI, but a rethinking of how theatrical customers use the power of Movio to bring in their audience — to find the next moviegoer for that movie. It automates much of the search and selection process based on years of learnings. Essentials will replace Movio Cinema over time.

Research 2.0 received a similar rethink and now enables studios and distributors greater flexibility in creating their comparison audiences and letting them spend their marketing budgets with greater purpose. Madex, which relies on new movie releases, ran a successful first campaign in Australia for *Tenet* and will be at full speed once the slate settles and movies are released regularly.

Additional Group Companies

The Additional Group Companies segment comprises the businesses of two studio and distributor focused businesses, Numero and MACCS — and two moviegoer focused businesses, Powster and Flicks.

Numero • Maccs

Vista Group completed one of the major aspects of the 'simplification' theme with the acquisition of the remaining external shareholding in our Maccs business. The integration of this business with the Numero business is well under way and will increase the proportion of our overall Group activities coming from the studio and distributor segments.

Of all our businesses Maccs and Numero were least impacted by the COVID-19 pandemic, with sustained engagement with customers in all territories, and a healthy pipeline of prospective business as the year ended.

Revenue was down 12% for the combined Numero • Maccs business. Mica, the new SaaS theatrical distribution system for independent distributors, now has six active customers and Numero continued to extend its geographical coverage with 33 dashboards internationally, adding nine during 2020. Sony Pictures International selected Numero for the exclusive supply of box office data outside the USA.

Powster

Revenue for Powster was down 39% on the previous year, with the showtimes platform heavily impacted by the lack of cinema showtimes as cinemas closed, though this was somewhat lessened by an uptick in creative project work.

Flicks

Flicks revenue was down 5% for the full year and, though it is a small business for Vista Group, it demonstrated its ability to listen to its core customers and adapt quickly to push its model back into growth in the second half of the year. The decision to include streaming content in their movie destination sites has been received positively both in New Zealand and Australia.

Associates and joint ventures

Vista Group holds investments in Vista China and Stardust at year end.

Vista China

Vista China's 2020 was a year of two halves — customers endured a long period of lockdown from January through July, then, compared to the rest of the world, a good rebound in cinema opening with strong, mostly local, content availability and the moviegoers going to the cinema. As at December 2020, approximately 90% of cinemas in China were open. This was particularly important to their business as most of the revenue of Vista China is directly correlated with ticket sales. Through a cautious and disciplined cost management, Vista China reduced its cash burn to a minimum during the period of closure and has traded on a break-even basis once the majority of cinemas opened.

Revenue was down 62% for the year and a loss after tax of $5.9m was recognised (Vista Group's share being $2.8m).

Stardust

Stardust is a social media platform that enables users to connect with other fans around their responses to film and TV content. Stardust continues to operate independently with ongoing funding provided by third party shareholders.

Corporate governance

The Investor Centre section of Vista Group's website (vistagroup.co.nz) includes copies of the following corporate governance documents referred to in this section:

- Constitution
- Corporate Governance Code and Appendices (the **Code**), including:
  - Code of Ethics
  - Audit and Risk Committee Charter (**ARC Charter**)
  - Nominations and Remuneration Committee Charter (**NRC Charter**)
  - Diversity and Inclusion Policy
- Continuous Disclosure Policy
- Share Trading Policy
- Risk and Compliance Framework Summary

The Board recognises the importance of good corporate governance, particularly its role in delivering improved corporate performance and protecting the interests of all stakeholders.

The Board is responsible for establishing and implementing Vista Group's corporate governance frameworks, and is committed to fulfilling this role in accordance with best practice while observing applicable laws, the NZX Corporate Governance Code (**NZX Recommendations**), the Financial Markets Authority Corporate Governance in New Zealand – Principles and Guidelines handbook and the Corporate Governance Principles and Recommendations (4th edition) issued by the ASX Corporate Governance Council.

The Company is listed on the NZX and has a foreign exempt listing on the ASX. As the NZX is Vista Group's home exchange, it is required primarily to comply with the NZX Listing Rules (**Listing Rules**), including in relation to corporate governance.

This corporate governance statement has been prepared against the eight principles of the NZX Recommendations.

Principle 1

Code of ethical behaviour

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Recommendation 1.1 – The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics). The code of ethics and where to find it should be communicated to the issuer's employees. Training should be provided regularly. The standards may be contained in a single policy document or more than one policy. The code of ethics should outline internal reporting procedures for any breach of ethics, and describe the issuer's expectations about behaviour, namely that every director and employee:

a. acts honestly and with personal integrity in all actions;

b. declares conflicts of interest and proactively advises of any potential conflicts;

c. undertakes proper receipt and use of corporate information, assets and property;

d. in the case of directors, gives proper attention to the matters before them;

e. acts honestly and in the best interests of the issuer, as required by law, and takes account of interests of shareholders and other stakeholders;

f. adheres to any procedures around giving and receiving gifts (for example, where gifts are given that are of value in order to influence employees and directors, such gifts should not be accepted);

g. adheres to any procedures about whistle blowing (for example, where actions of a whistle blower have complied with the issuer's procedures, an issuer should protect and support them, whether or not action is taken); and

h. manages breaches of the code.

The Board maintains high standards of ethical conduct and the Chief Executive Officer (CEO) is responsible for ensuring that such high standards are maintained by all Vista Group's employees. Director responsibilities and expectations with regards to conflicts of interest are set out in the Code. The most recent version of the Code is available on Vista Group's website.

Code of Ethics

Vista Group has adopted the Code which includes the Code of Ethics and plays a key role in establishing the framework by which Vista Group's Directors and employees are expected to conduct themselves. The Code of Ethics is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour, but rather to facilitate decisions that are consistent with Vista Group's values, business goals and legal and policy obligations, thereby enhancing performance outcomes. Directors and employees are required to familiarise themselves with Vista Group's values, as they govern their behaviour while they are engaged or employed by Vista Group. The Code of Ethics covers, among other things, conflicts of interest and receipt of gifts.

The Code of Ethics sets out:

- the practices necessary to maintain confidence in Vista Group's integrity;
- the practices necessary to take into account Vista Group's legal obligations and the reasonable expectations of its stakeholders; and
- the responsibility and accountability of individuals to report and investigate unethical practices.

Directors and the Executive Team are expected to lead Vista Group according to the Code of Ethics and to ensure that the standards set out in the Code of Ethics are communicated to the people who report to them.

Any person who becomes aware of a breach or suspected breach of the Code of Ethics is required to report it immediately in accordance with the policy.

The Code of Ethics is provided to new employees as part of their induction materials and the current version is maintained on Vista Group's internal web portal for access by employees.

Conflicts of interest

The Code of Ethics outlines the Board's policy on conflicts of interest. Where conflicts of interest do exist, Directors excuse themselves from discussions and do not exercise their right to vote in respect of such matters. Except as provided in the Listing Rules, interested Directors do not vote on any Board resolution for, or be counted in a quorum for the consideration of, any matter in which that Director is interested.

Recommendation 1.2 – An issuer should have a financial product dealing policy which applies to employees and directors.

All Directors and employees are required to comply with Vista Group's Share Trading Policy in undertaking any trading in Vista Group's shares. The Share Trading Policy is available on Vista Group's website.

Principle 2

Board composition and performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Recommendation 2.1 – The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.

The Board is the overall and final body responsible for all decision making within Vista Group, having a core objective to effectively represent and promote the interests of its shareholders with a view to adding long-term value to Vista Group.

The Code describes the Board's role and responsibilities and regulates internal Board procedures. The Board has a responsibility to work to enhance the value of Vista Group in the interests of Vista Group and its shareholders.

The Board

The Board is responsible for directing Vista Group and enhancing shareholder value in accordance with good corporate governance principles. Further, the Board has statutory responsibilities over the affairs and activities of Vista Group, with the power to delegate those responsibilities to the CEO and the Executive Team.

The main functions of the Board, the CEO and the Executive Team are set out in the Code. There is a clear delineation between the Board's responsibility for Vista Group's strategy and activities, and the day-to-day management of operations conferred upon the Executive Team.

The Board reserves certain functions to itself. These include:

- selecting and (if necessary) replacing the CEO;
- ensuring that Vista Group has adequate management to achieve its objectives and to support the CEO so that a satisfactory plan for management succession is in place;
- reviewing and approving the strategic, business and financial plans prepared by the Executive Team;
- reviewing and approving certain material transactions, and making certain investment and divestment decisions;
- approving and overseeing the administration of Vista Group's technology development strategy;
- monitoring Vista Group's performance against its approved strategic, business and financial plans and overseeing Vista Group's operating results;
- ensuring Vista Group, the Board and the Executive Team's behaviour is consistent with the Code of Ethics, including compliance with the Constitution, any relevant laws, the Listing Rules and regulations and any relevant auditing and accounting principles;
- implementing, and from time to time reviewing, the Code of Ethics, to foster high standards of ethical conduct and personal behaviour, and hold accountable those Directors, managers or other employees who engage in unethical behaviour;
- ensuring the quality and independence of Vista Group's external audit process; and
- assessing from time to time Vista Group's effectiveness in carrying out the functions listed above, and the other responsibilities of the Board.

Indemnities and insurance

In accordance with Section 162 of the Companies Act 1993 and the Constitution, Vista Group indemnifies the Directors in relation to potential liabilities and costs they may incur for acts or omissions in their capacity as Directors. Vista Group also maintains Directors' and Officers' liability insurance that covers risks normally covered by such policies arising out of acts or omissions of Directors and employees in their capacity as directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines which may be imposed in respect of breaches of the law.

Board meetings

In the year ended 31 December 2020 the Board met formally eight times. At each scheduled meeting the Board considers key financial and operational information as well as matters of strategic importance.

Delegation

To enhance efficiency, the Board has delegated some of its powers to Board Committees and other powers to the CEO. The day-to-day leadership and management of Vista Group is undertaken by the CEO and the Executive Team.

The CEO is responsible for:

- recommending to the Board a vision and strategy for Vista Group;
- implementing the Board approved strategy and vision;
- implementing the Board approved risk management framework and ensuring compliance;
- providing management of the day-to-day operations of Vista Group; and
- acting as the spokesperson for Vista Group.

The terms of the delegation by the Board to the CEO are documented in the Code and in Vista Group's Delegated Financial Authority Manual. This manual also establishes the authority levels for decision-making within Vista Group's Executive Team.

The CEO has also formally delegated decision making to members of the Executive Team within their respective areas of responsibility and in accordance with the Delegated Financial Authority Manual, to ensure consistent and efficient decision making across Vista Group.

Board committees

The Board has established and adopted charters for two Committees to assist in the execution of the Board's responsibilities. Board Committees do not act or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so. The current Board Committees are:

- the Audit and Risk Committee (ARC); and
- the Nominations and Remuneration Committee (NRC).

Directors who are not members of the Board Committees may still attend Committee meetings. Please see page 40 for further information on the Board Committees.

Recommendation 2.2 – Every issuer should have a procedure for the nomination and appointment of directors to the board.

Nomination and appointment

The procedures for the appointment and removal of Directors are governed by the Constitution and the Listing Rules. The Board has established the NRC which is governed by the NRC Charter. A copy of the NRC Charter is included in the Code, which is available on Vista Group's website. The primary objectives of the NRC in relation to the nomination and appointment of Directors are:

- to ensure a formal and transparent procedure for the nomination and appointment of Directors;
- to recommend Director appointments to the Board; and
- to regularly review the composition of the Board to ensure the appropriate balance is achieved.

The NRC does this by:

- making recommendations to the Board as to its size;
- reviewing the composition of the Board to ensure the most appropriate balance of skills, qualifications and experience;
- reviewing Board succession plans to maintain an appropriate balance of skills, experience and expertise on the Board;
- reviewing criteria for determining suitability of potential Directors in terms of maintaining a balance of relevant skills between Board members to ensure the Board can meet Vista Group's objectives;
- identifying and maintaining a list of suitably qualified people who could be approached for future Board positions;
- ensuring there is an appropriate induction programme in place for all new Directors; and
- making recommendations to the Board about the appointment and re-election of Directors.

When recommending suitable candidates for appointment as Directors, the NRC will review the candidate relative to the Board skills matrix to determine whether they will augment the existing Board skillset and in doing so will consider, among other things:

- the skills and capabilities required to ensure that Vista Group remains 'future fit';
- the candidate's independence, professional skills, expertise and competencies; and
- the candidate's experience as a Director.

Where the Board appoints a new Director, that person is required to stand for election by Vista Group's shareholders at the next Annual Shareholders' Meeting. Shareholders are provided with relevant information on Director candidates standing for election or re-election in the relevant notice of meeting.

Composition of the Board

At 31 December 2020, the Board comprised six Directors:

- Kirk Senior (Chair)
- Brian Cadzow
- Murray Holdaway
- Cris Nicolli
- James Ogden
- Susan Peterson

In accordance with the Listing Rules, James Ogden and Brian Cadzow retired by rotation and were re-elected at the Annual Shareholders' Meeting on 28 May 2020. At that meeting both James Ogden and Brian Cadzow advised that this would be their last term as Directors of Vista Group.

On 30 October 2020, Vista Group announced that, with effect from 1 January 2021, Claudia Batten would join the Board as an Independent Director, and that Director, Brian Cadzow, would retire from the Board with effect from 31 March 2021.

On 1 December 2020, Vista Group announced that Executive Chair, Kirk Senior, would step down as Chair, and that the Board had appointed Independent Director, Susan Peterson, to take over as Chair, in each case with effect from 1 January 2021.

On 18 January 2021, Vista Group announced that James Miller would join the Board as an Independent Director with effect from 31 August 2021.

As at 1 April 2021, the Board will have six Directors, comprised of:

- four Independent Directors: Susan Peterson (Chair), Cris Nicolli, James Ogden and Claudia Batten; and
- two Non-Independent Directors: Kirk Senior and Murray Holdaway.

Murray Holdaway is employed as Vista Group's Chief Product Officer. Kirk Senior resigned from his executive role with Vista Group, with effect from 1 January 2021.

The Board has a broad range of IT, data, film industry, financial, sales, business and other skills and expertise necessary to meet its objectives and considers that it has an appropriate mix of skills, experience and independence to ensure that Vista Group is governed in a manner that ensures that the interests of all shareholders are represented and protected. The Board has also ensured that appropriate processes are in place to address the needs and expectations of stakeholders with respect to independence in decision-making and the management of any conflicts of interest.

Recommendation 2.3 – An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

New Directors are required to consent to act as a Director and receive a formal letter of appointment which sets out their duties, responsibilities, rights and remuneration entitlements.

Executive Directors are employed under an individual employment agreement which sets out the terms on which they are employed, including details of the executive's duties, responsibilities, rights and remuneration entitlements. The employment agreement also sets out the circumstances in which employment may be terminated by either the Company or the executive.

Recommendation 2.4 – Every issuer should disclose information about each director in its annual report or on its website, including a profile of experience, length of service, independence and ownership interests and director attendance at board meetings.

Information about each Director including a profile of experience and independence is available on Vista Group's website. The remaining disclosures set out in this recommendation are included in other sections of the Annual Report.

The length of service and independence of Directors is set out in the table below:

DIRECTOR	INDEPENDENCE	APPOINTED	LENGTH OF SERVICE TO 31 DEC 2020
Brian Cadzow	Non-Independent Director	06 Aug 2003	17 yrs, 5 mths
Murray Holdaway	Non-Independent Director	06 Aug 2003	17 yrs, 5 mths
Kirk Senior	Non-Independent Director	03 Jun 2014	6 yrs, 7 mths
Susan Peterson	Independent Director	03 Jun 2014	6 yrs, 7 mths
James Ogden	Independent Director	03 Jun 2014	6 yrs, 7 mths
Cris Nicolli	Independent Director	17 Feb 2017	3 yrs, 11 mths
Claudia Batten	Independent Director	01 Jan 2021	–

James Miller will be appointed as an Independent Director on 31 August 2021.

Recommendation 2.5 – An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.

2020 Diversity and Inclusion Policy

Vista Group values and respects the contributions, ideas and experiences of people from all backgrounds and is proud of its diversity, with employees from all around the world. Vista Group has a formal Diversity and Inclusion Policy, a copy of which is available on its website. The Diversity and Inclusion Policy sets out Vista Group's commitment to achieving diversity in the attributes and experiences of the Board, the Executive Team and employees.

Vista Group set the following diversity objectives for the year ended 31 December 2020:

Objective: Improve the representation of women in senior positions within the business.

Outcome: As of 1 January 2021, our Board now comprises of two women (including the Chair) and five men. Our Executive Team now includes one female. 44% of the Senior Leadership Team are now female, expanding our bench strength of talented female leaders.

Objective: Ensure the succession plan for all Executive Team roles include at least one qualified female potential successor.

Outcome: This objective was achieved for all but two roles where there were no internal female candidates with the required experience or skills. Consequently, Vista Group supplemented its succession plan for these roles with potential external female candidates.

Objective: 100% of shortlists for all Executive Team roles must consist of one woman.

Outcome: The CEO of Maccs was the only Executive Team role that was filled during 2020. This objective was achieved in respect of the recruitment for that role, with females comprising 40% of the shortlisted candidates.

Objective: Eliminate gender pay gaps for incumbents in the same role.

Outcome: As a result of the impacts of the COVID-19 pandemic on the cinema industry, there was limited salary movement during 2020. Consequently, Vista Group did not conduct a full gender pay gap analysis as part of the process this year. This will be a key focus in 2021.

Objective: Build our Māori cultural competency in our New Zealand leaders and staff.

Proactively work to encourage Māori and Pasifika staff to move into technology careers.

Outcome: Vista Group plans to build greater Māori cultural competency by creating a relationship with the local Iwi, Te Reo language and culture training and joining TupuToa were not fully delivered to in 2020, primarily due to the lockdowns and broader disruptions resulting from the COVID-19 pandemic. The 2020 plans have been integrated into the 2021 People and Culture plan with a view to delivering on this objective during the course of 2021.

Objective: Celebrate our diverse staff and create greater understanding.

Outcome: Global lockdowns resulted in Vista Group needing to revise its planned calendar of events and deliver celebrations primarily via remote virtual mediums. Celebrations were held to recognise Pride, Chinese New Year, Pink Shirt Day and International Women's Day.

Objective: Maintain our Rainbow Tick accreditation and support rainbow initiatives in our offices globally.

Outcome: The New Zealand Rainbow Tick accreditation was maintained. Some of the supporting initiatives that we implemented were to ensure our IT systems support our people to identify as non-binary and to use pronouns.

Gender diversity statistics at 31 December 2020

	MALE		FEMALE		
31 DEC 2020	NO.	%	NO.	%	TOTAL
Board	5	83%	1	17%	6
Executive Team	9	90%	1	10%	10
Total Company	426	69%	187	31%	613

	MALE		FEMALE		
31 DEC 2019	NO.	%	NO.	%	TOTAL
Board	5	83%	1	17%	6
Executive Team	10	100%	0	0%	10
Total Company	547	70%	231	30%	778

* For the purposes of this annual report 'Executive Team' means the senior management who report directly to the CEO. The Executive Team excludes Executive Directors as they are captured in the 'Board' line.

2021 Diversity and Inclusion Policy

Vista Group has placed a high priority on improving its diversity and ensuring it has an inclusive culture in 2021. Vista Group's key diversity objectives in 2021 are:

- Ensuring there is a minimum of two females on the Board at all times.
- Implementing a target of 40:40:20* across all roles and programmes (e.g. leadership training, recruitment shortlists etc.). This will not be fully achieved across the organisation in 2021, but progress will be reported on annually going forward.
- Maintaining an inclusive culture and work environment to ensure different points of view and backgrounds are valued, and everyone feels safe and can bring their whole self to work.

* 40:40:20 reflects a 40% male/female split with the remaining unspecified to recognise that gender is non-binary and to ensure flexibility across other diversity areas of focus.

Recommendation 2.6 – Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

All Directors are responsible for ensuring they remain current in understanding their duties as Directors. To ensure ongoing education, Directors are regularly informed of developments that affect Vista Group's industry and business environment, as well as company and legal issues that impact the Directors themselves. Directors have access to the Executive Team and any additional information they consider necessary for informed decision making.

Board access to information and advice

The Chief Financial Officer (CFO), supported by the General Counsel, is responsible for supporting the effectiveness of the Board by ensuring that policies and procedures are followed and coordinating the completion and dispatch of the Board agendas and papers. All Directors have access to the Executive Team, including the CFO and the General Counsel, to discuss issues or obtain information on specific areas in relation to items to be considered at Board meetings or other areas as they consider appropriate. Further, Directors have unrestricted access to Vista Group's records and information. The Board, the Board Committees and each Director have the right, subject to the approval of the Chair of the Board, to seek independent professional advice at Vista Group's expense to assist them to carry out their responsibilities as a Director or Committee member. Further, the Board and Board Committee members have the authority to invite external advisors with relevant experience and expertise to attend Board or Board Committee meetings.

Recommendation 2.7 – The board should have a procedure to regularly assess director, board and committee performance.

Performance evaluation of the Board, its Committees and individual Directors

The Chair of the Board must ensure that rigorous, formal processes for evaluating the performance of the Board, Board Committees and individual Directors are in place and the Chair must lead such processes. As part of that evaluation process the Board must establish performance criteria for itself and review its performance against those criteria (at least) annually. The Board must also review its relationship with the Executive Team annually. As part of the review process, the Board will use, evaluate, and where necessary, action the results of a Board performance questionnaire. Further, the Board Committees undertake an annual self-review of their objectives and responsibilities. In addition, those objectives and responsibilities are also reviewed by the Board and CEO against the relevant Board Committee charter.

Performance evaluation of Executive Team members

The Board is responsible for constantly monitoring the performance of the CEO against the Board's requirements. The NRC is responsible for evaluating the performance of the CEO and oversees the CEO's evaluation of the Executive Team that report directly to the CEO. The functions of the Committee are set out in the NRC Charter. A copy of the NRC Charter is included in the Code, which is available on Vista Group's website.

Recommendation 2.8 – A majority of the board should be independent directors.

As at 31 December 2020, the Board comprised six Directors, three of which were Independent.

As part of its succession plan, the Board has announced the appointment of two new Independent Directors, Claudia Batten (effective from 1 January 2021) and James Miller (effective from 31 August 2021) and the resignation of co-founder and Director, Brian Cadzow (effective from 31 March 2021). Following these changes, the Board will comprise seven Directors, five of which will be Independent Directors.

Recommendation 2.9 – An issuer should have an independent chair of the board. If the chair is not independent, the chair and the CEO should be different people.

On 1 December 2020, the Board announced that as part of its succession plan Non-Independent Chair, Kirk Senior, would step down as Chair (but remain a Director), and that Independent Director, Susan Peterson, had been appointed as the new independent Chair, with effect from 1 January 2021.

Principle 3

Board committees

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

Recommendation 3.1 – An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the board.

Audit and Risk Committee

The Board has an ARC, the primary objective of which is to assist the Board in fulfilling its responsibilities, by:

- ensuring the quality and independence of Vista Group's external audit process;
- overseeing (among other things):
  - the integrity of external financial reporting; and
  - application of accounting policies, financial management, and the risk management framework and monitoring compliance with that framework.
- providing a formal forum for communication between the Board and the Executive Team;
- regularly reviewing Vista Group's internal controls and systems;
- undertaking an annual self-review of the Committee's objectives;
- regularly reporting to the Board on the operation of Vista Group's risk management and internal control processes; and
- providing sufficient information to the Board to allow it to report annually to stakeholders on risk identification and management procedures and relevant internal controls of Vista Group.

Charter

The ARC Charter is included in the Code, which is available on Vista Group's website.

Composition of the Audit and Risk Committee

The ARC is chaired by Independent Director, James Ogden.

As at 31 December 2020, the members of the ARC were all Non-Executive Independent Directors, James Ogden (Chair), Susan Peterson and Cris Nicolli.

From 1 January 2021, the members of the ARC comprise a majority of Non-Executive Independent Directors, James Ogden (Chair) and Cris Nicolli, and one Non-Executive Non-Independent Director, Kirk Senior.

Recommendation 3.2 – Employees should only attend audit committee meetings at the invitation of the audit committee.

The ARC Charter provides that employees and Executive Directors can only attend ARC meetings at the invitation of the ARC.

Recommendation 3.3 – An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

Nominations and Remuneration Committee

In addition to the objectives mentioned in Recommendation 2.2, further primary objectives of the NRC are to ensure that a formal and transparent method of recommending Director remuneration packages exists, and to assist the Board in the establishment of remuneration policies and practices. This includes setting and reviewing the remuneration of the Directors (Executive and Non-Executive), the CEO, and the Executive Team.

The NRC may invite such Executive Team members and any other persons, including external advisers, as the Committee considers necessary to provide information and advice. The NRC Charter provides that employees and Executive Directors can only attend NRC meetings at the invitation of the NRC.

A copy of the NRC Charter is included in the Code, which is available on Vista Group's website.

Composition of the Nominations and Remuneration Committee

As at 31 December 2020, the members of the NRC were Susan Peterson (Chair), James Ogden, Cris Nicolli.

From 1 January 2021, the members of the NRC comprised Cris Nicolli (Chair), James Ogden and Claudia Batten.

At each of their respective dates, the members of the NRC were all Non-Executive Independent Directors.

Recommendation 3.4 – An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

The NRC recommends Director appointments to the Board. A copy of the NRC Charter is included in the Code, which is available on Vista Group's website. Further information as to the primary objectives and processes of the NRC in relation to the nomination and appointment of Directors is set out in Recommendation 2.2. The composition of the NRC is described above in Recommendation 3.3.

Recommendation 3.5 – An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

The Board has established a Disclosure Committee in accordance with the Continuous Disclosure Policy (Disclosure Committee). The Disclosure Committee determines whether certain information is material and whether it should be released in accordance with the Continuous Disclosure Policy and Vista Group's obligations under the Listing Rules and relevant law. The Disclosure Committee is made up of the CEO, CFO, General Counsel and one Independent Director. Other committees may be established from time to time.

The NRC held five formal meetings during the year ended 31 December 2020 with other matters, particularly the approval of grants under the long-term incentive plan for employees dealt with by the full Board in this period. The ARC met seven times during the year. The auditors, PricewaterhouseCoopers, attended all ARC meetings. The meetings of both the NRC and ARC were attended by all members.

Recommendation 3.6 – The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. It should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

Vista Group has considered its position in relation to actions required in the event of a takeover offer for Vista Group. Vista Group has established relationships with appropriate legal and equity market advisors to support Vista Group through any offer process. Vista Group has considered the establishment of a response team to manage any process and ensure that all obligations under the Listing Rules and other regulatory frameworks are met.

Principle 4

Reporting and disclosure

"The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

Recommendation 4.1 – An issuer's board should have a written continuous disclosure policy.

Vista Group is subject to the disclosure requirements of the laws in New Zealand and Australia and is required to comply with the Listing Rules. As Vista Group has a foreign exempt listing on the ASX, Vista Group is required to immediately provide ASX with all the information that it provides to NZX that is, or is to be, made public.

Vista Group is committed to notifying the market through full and fair disclosure to the NZX and ASX of any material information that is required to be disclosed by the Listing Rules. Vista Group is mindful of the need to keep stakeholders informed through a timely, clear and balanced approach which communicates both positive and negative news. Announcements once made are also available on Vista Group's website.

Vista Group is also required to comply with the periodic disclosure requirements under the Listing Rules.

Vista Group has adopted a Continuous Disclosure Policy which establishes procedures that are aimed at ensuring that the Directors and all employees of Vista Group are aware of and fulfil their disclosure obligations under the Listing Rules. A copy of Vista Group's Continuous Disclosure Policy is available on Vista Group's website.

The Continuous Disclosure Policy has been communicated internally to ensure that it is strictly adhered to by the Board and Vista Group's employees. Information on the Disclosure Committee constituted under the Continuous Disclosure Policy is set out in Recommendation 3.5.

Recommendation 4.2 – An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Key governance documents are available in the Investor Centre section of Vista Group's website (vistagroup.co.nz).

Recommendation 4.3 – Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational and non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.

Vista Group believes its financial reports and associated investor presentations are balanced and provide an objective view of the performance of Vista Group.

Vista Group has established a risk framework focused on strategic issues within the business which is regularly updated and reviewed by the ARC along with a health and safety reporting process to ensure non-financial measures important to the business are an integral part of the operational management of Vista Group.

Vista Group is looking to evolve its disclosure of non-financial information for future reporting periods.

Principle 5

Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Recommendation 5.1 – An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.

Full details of the Directors' remuneration is set out in the disclosures section on page 49. In response to the impact of the COVID-19 pandemic on Vista Group and the cinema industry, the Directors elected to take a 30% reduction in their fees or remuneration (as applicable) between 1 April and 31 July 2020, with the Non-Executive Directors electing to continue to take a 15% reduction in their fees between 1 August and 30 September 2020.

Until 31 October 2020, the Non-Executive Directors' base fees were $80,000 per annum each, with Non-Executive Directors receiving an additional $10,000 where they Chaired the ARC or NRC, or $5,000 where they were a member of the ARC or NRC (without being the Chair). The Executive Directors (including the Executive Chair of the Board, but excluding Brian Cadzow after he resigned from his executive role with Vista Group) received salaries from Vista Group and were not paid any Directors' fees.

The Non-Executive Directors' base fees have remained unchanged at $80,000 per annum since 2016, and the Committee Chair and Committee membership fees have remained unchanged since 2018. From 1 November 2020, in order to increase Vista Group's ability to attract suitable qualified Independent Director candidates, the Board approved an increase in the Non-Executive Directors' base fees to $85,000 per annum, the Committee Chair fees to $15,000 per annum and the Committee membership fees to $10,000 per annum.

Directors are also entitled to be paid for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with the performance of their duties.

The Directors' fee pool has remained unchanged since Vista Group listed in 2014 and will be reviewed in 2021 in connection with the increase of Independent and Non-Executive Directors on the Board and the appointment of an Independent Chair.

Recommendation 5.2 – An issuer should have a remuneration policy for remuneration of directors and officers, which outlines the relative weightings of remuneration components and, where applicable, relevant performance criteria.

The Board recognises it is desirable that the remuneration of the Executive Team (including Executive Directors) should include an element dependent upon the performance of both the Company and the Executive Team member.

Executive Team remuneration currently comprises three components: fixed remuneration, short-term performance incentives (STI) and long-term performance incentives (LTI). This is to ensure appropriate weighting of incentives between short and longer-term performance, and to align Executive Team members' remuneration with longer-term shareholder value.

Fixed remuneration

Fixed remuneration consists of base salary and benefits.

STI

For the year commencing 1 January 2021, the Executive Team STI is an annual risk performance bonus expressed as a specific percentage of each Executive Team member's base salary. The STI ranges from 20% to 50% of base salary. Achievement of the STI is determined based on financial performance (revenue and earnings) of Vista Group (70%), customer measures (15%) and employee engagement (15%).

LTI

Vista Group established an LTI plan for the Executive Team and other senior employees in 2015. The LTI Plan aims to further align the interests of Vista Group's employees with those of its shareholders, by giving employees the opportunity to receive a proportion of their remuneration in Vista Group shares on an 'at-risk' basis based on the achievement of defined performance targets determined annually by the Board. Grants have been made between 2015 to 2020 with commencement dates predominantly being 1 January in each of those years.

Shares vested in 2020 for Executive Team members include:

- Tranche three of the 2018 LTI grant vested and 19,018 shares were issued in April 2020, representing a 100% vesting rate.
- Tranche three of the Group CEO retention scheme 150,000 shares vested in April 2020.
- The Board approved a one-off grant of 15,000 to the Group CFO which vested in March 2020.

Vesting dates for the Executive Team in the upcoming year are:

- March 2021 for tranche one to four of the Movio CEO (Variable) grant, where the performance conditions of these tranches have not been met. Tranche one and two rights will lapse, along with 50% of tranche three and four. The remaining rights for tranche three and four can be earned under 2021 performance conditions.
- April 2021 for tranche four to six of the 2018 LTI grant, which will lapse as the conditions have not been met.
- April 2021 for tranche one to four of the 2019 LTI grant, where the performance conditions of these tranches have not been met. 100% of these rights can be earned under 2021 performance conditions.
- April 2021 for tranche four of the Group CEO retention scheme, where the conditions have been met and 100% of the 200,000 rights will vest.

Vista Group's remuneration policy is set out in the NRC Charter, which is available on Vista Group's website.

Recommendation 5.3 – An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance based payments.

The elements of the current CEO's remuneration are set out below:

FOR THE YEAR ENDED 31 DEC 2020	NZ$
Remuneration	
Salary and fees	371,940
Southern Cross	5,709
Kiwisaver contributions	11,844
Pay for performance	
STI [1]	22,860
LTI [2]	158,944
Total remuneration	**571,297**

1 STI for FY2019 performance paid in FY2020.

2 The CEO received 150,000 shares in April 2020 as part of the Group CEO LTI Retention Plan and 7,215 shares in April 2020 from vesting under tranche 3 of the 2018 LTI Plan.

DESCRIPTION OF CEO STI AND LTI PLANS FOR THE YEAR ENDED 31 DEC 2020

PLAN	DESCRIPTION	PERFORMANCE MEASURES	% ACHIEVED
STI	Set at 30% of base salary	50% weighting of Vista Group revenue. The threshold to achieve was 85% with pro-rata payment through to 100%, and over-achievement to 150% was possible.	51%
		50% weighting of strategic goals set by the Board.	33%
LTI	As a result of the COVID-19 pandemic, Vista Group did not grant rights under a 2020 LTI plan. 7,215 shares vested in April 2020 relating to the 2018 LTI Plan. Under the Group CEO LTI Retention Plan, 150,000 shares vested based on tenure in April 2020.		

Principle 6

Risk management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Recommendation 6.1 – An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. A framework should also be put in place to manage any existing risks and to report the material risks facing the business and how these are being managed.

Risk Framework

The identification and effective management of Vista Group's risks are a priority of the Board. The CEO is accountable for all operational and compliance risk across all Vista Group's operations and businesses. The Commercial Director has management accountability for the effective implementation of the Board approved Risk Framework (as defined below) across all Vista Group's businesses.

Vista Group has in place an overarching Risk and Compliance Framework (**Risk Framework**), supported by operating risk and compliance policies that aim to ensure that Vista Group, its Directors and employees comply with relevant legal and regulatory requirements.

The purpose of the Risk Framework is to ensure a consistent approach to operating and compliance risk across all Vista Group's businesses in all geographies where Vista Group operates. The Risk Framework sets out the specific areas for which the CEO, CFO and Commercial Director are accountable.

As outlined previously, the Board has established an ARC whose primary objective is to assist the Board in fulfilling its responsibilities. The ARC's responsibilities are set out in Recommendation 3.1.

Review of Risk Framework

In addition to the Risk Framework, the Code provides that the ARC will regularly report to the Board on the operation of Vista Group's risk management and internal control processes, and provide sufficient information to the Board to allow the Board to report annually to shareholders and stakeholders on risk identification, management procedures and relevant internal controls of Vista Group. The Executive Team reports regularly on the established Risk Register and provides updates to the Risk Register.

Recommendation 6.2 – An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management.

Vista Group operates under a Health and Safety and Wellness Policy that has been approved by the Board. A report is provided by the Executive Team to the Board on performance against the policy, policy initiatives and incident reporting.

Principle 7

Auditors

"The board should ensure the quality and independence of the external audit process."

Recommendation 7.1 – The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:

a. for sustaining communication with the issuer's external auditors;

b. to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;

c. to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and

d. to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

The Board's framework for Vista Group's relationship with its external auditors is in the External Audit Policy set out in the Code, which is available on Vista Group's website. The External Audit Policy covers matters relating to the appointment of auditors, the independence of auditors, transparent dialogue with auditors, rotation of the audit leader, reporting on audit fees and non-audit work.

The ARC assists the Board in fulfilling its responsibility to ensure the quality and independence of Vista Group's external audit process. Pursuant to the ARC Charter, the Board has delegated the ARC the responsibility to monitor all aspects of the external audit of Vista Group's affairs including:

- considering the appointment of auditors, audit fees and any issues on an auditor's resignation or dismissal;
- discussing with auditors, before the commencement of each audit, the nature and scope of their audit;
- reviewing auditors' service delivery plan;
- reviewing Vista Group's letter of representation to auditors; and
- discussing with auditors any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board.

Vista Group's current auditors are PricewaterhouseCoopers. Vista Group rotated audit partners at the beginning of 2020.

Recommendation 7.2 – The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

The external auditor attends the Annual Shareholders' Meeting. Shareholders are given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the audit report, Vista Group's accounting policies and the independence of the auditor.

Recommendation 7.3 – Internal audit functions should be disclosed.

While Vista Group does not have an internal audit function, Vista Group fosters a culture of excellence in all areas of risk management and takes all operating and compliance risk obligations seriously.

The CEO is accountable for all operational and compliance risks across all Vista Group's operations and businesses. The Commercial Director is accountable for the effective implementation of the Risk Framework across all Vista Group's businesses.

All individual employees of Vista Group are accountable for their personal compliance with the Risk Framework and supporting policies. At the time of employment, all new employees are required to confirm that they have read and are aware of Vista Group's policies. On an annual basis, all employees are required to re-confirm awareness of and adherence to policies.

Principle 8

Shareholder rights and relations

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Recommendation 8.1 – An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

The Investor Centre section of Vista Group's website, provides information to shareholders and investors about Vista Group. The website includes copies of past annual reports, results announcements, media releases and general company information.

Recommendation 8.2 – An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.

Vista Group takes appropriate steps to keep shareholders informed about its activities and to listen to any issues or concerns raised by shareholders.

All shareholders have the option of electing to receive Vista Group shareholder communications by email.

Vista Group's share register is managed and maintained by Link Market Services Limited. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by contacting Link Market Services Limited.

All announcements made to the NZX and the ASX are available to shareholders by email notification where a shareholder has provided Link Market Services Limited with an email address and elected to be notified of all such announcements.

A section of the Code is dedicated to shareholder participation. This section of the Code is designed to:

- highlight the Board's accountability to shareholders;
- encourage shareholders to use the Annual Shareholders' Meeting to ask questions and make comments on the performance of Vista Group;
- highlight that the Board welcomes input from shareholders and encourages shareholders to submit questions in writing prior to the Annual Shareholders' Meeting; and
- indicate that the Board will ensure that Vista Group's external auditors are available for questioning by shareholders at the Annual Shareholders' Meeting.

Recommendation 8.3 – Shareholders should have the right to vote on major decisions which may change the nature of the company in which they are invested.

Vista Group will comply with its obligations under the Companies Act 1993 to obtain shareholder approval under a special resolution for any major transactions. Vista Group will also comply with Listing Rule requirements to obtain shareholder approval for any transaction, or a series of transactions, that would significantly change, either directly or indirectly, the nature of Vista Group's business or involves a gross value above 50% of the average market capitalisation of Vista Group.

Recommendation 8.4 – If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

During the year ended 31 December 2020, Vista Group undertook a capital raise of $65m ($62m net of transaction fees), by way of a $25m underwritten placement to institutional investors and a $40m 1 for 4.37 pro-rata non-renounceable accelerated entitlement offer.

The Board took this recommendation into account, along with a number of other factors, when Vista Group undertook this capital raise.

Vista Group's capital raise received strong support from Vista Group's shareholders, with an effective 90% take up rate by Vista Group's retail investors, including by way of the oversubscriptions facility, and a 94.5% take up rate by Vista Group's institutional investors.

Ultimately, the Board considered what was necessary and desirable to achieve the best outcomes for Vista Group in its determination of the optimal structure and delivery of the capital raise.

Recommendation 8.5 – The board should ensure that the notices of annual or special meetings of shareholders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Once the date of the Annual Shareholders' Meeting is confirmed, Vista Group notifies the market by way of announcements made to the NZX and ASX. This notification is also available on Vista Group's website. Vista Group provides notice of the Annual Shareholders' Meeting to shareholders in accordance with the requirements of the Companies Act 1993 and the Listing Rules. The notice is sent to shareholders, notified to the market by way of announcements made to the NZX and ASX and made available on Vista Group's website at least 20 working days prior to the date of the meeting.

Vista Group's Annual Shareholders' Meeting will be held in Auckland on 26 May 2021 at 3:00pm. A notice of Annual Meeting and Proxy Form will be circulated to shareholders in April 2021.

Disclosures

Directors

The names of Vista Group's Directors in office during the year ended 31 December 2020 and as at the date of this report are as follows:

Susan Peterson, BCom, LLB (Independent Chair) – appointed to Independent Chair with effect from 1 January 2021

Claudia Batten, BCom, LLB (Hons) (Independent Director) – appointed to the Board with effect from 1 January 2021

Brian Cadzow, BCom (Executive Director) – retiring with effect from 31 March 2021

Murray Holdaway, BSc, BCom (Executive Director)

Cris Nicolli, BMBS, FAICD (Independent Director)

James Ogden, BCA Hons, FCA, CFInstD (Independent Director)

Kirk Senior, BCom, CA (Non-Independent Director) – resigned as Executive Chair with effect from 1 January 2021

Directors were in office for this entire period unless otherwise stated.

Stock exchange listings

Vista Group's ordinary shares are listed and quoted on the NZX and on the ASX (as an ASX Foreign Exempt Listing).

Entries recorded in the interests register

Vista Group maintains an Interests Register in accordance with the Companies Act 1993 and the Financial Markets Conduct Act 2013 and associated regulations. The following are particulars of entries made in the Interests Register during the year ended 31 December 2020.

Directors' interests, Directors' disclosed interests, or cessations of interest, in the following entities pursuant to section 140 of the Companies Act 1993 during the year ended 31 December 2020:

NAME OF DIRECTOR	ENTITY	NATURE OF GENERAL DISCLOSURE
Susan Peterson	Arvida Group Limited (NZX:ARV)	Director
	Property for Industry Limited (NZX:PFI)	Director – Chair of Audit and Risk Committee and member of the Remuneration Committee
	Trustpower Limited (NZX:TPW)	Director – Chair of People and Remuneration Committee, and Audit and Risk Committee
	Xero Limited (ASX:XRO)	Director – Chair of People and Remuneration Committee, and member of the Nomination Committee
	Organic Initiative Limited	Co-Chair and shareholder
	NZ Markets Disciplinary Tribunal	Member
	Global Women	Trustee
	Peterson Mellsop Family Trust	Trustee and beneficiary
Claudia Batten	Serko Limited (NZX:SKO)	Non-Executive Chair
	Westpac New Zealand Limited	Digital Adviser to the Board
Brian Cadzow	B&J Associates Consulting Limited	Director and shareholder
	Invista Share Nominee Limited	Director and shareholder
	Kaha Software Limited	Director and beneficial shareholder
	Titirangi Golf Club Inc.	Board member. Vista has provided some limited sponsorship to the Titirangi Golf Club Inc.
	Vista Foundation	Trustee
	A J Cadzow Trust	Trustee
	B&J Cadzow Family Trust	Trustee
	K A Cadzow Trust	Trustee
	Grandma's Trust	Trustee
	Waiotahi Trust	Trustee
Murray Holdaway	Invista Share Nominee Limited	Director and shareholder
	Kaha Software Limited	Director and beneficial shareholder
	Lido Cinema Limited	Beneficial shareholder
	Auckland United Football Club	Chairman. As a result of the 2020 Auckland office move, Vista Group donated chattels to Auckland United Football Club. These chattels had no resale value.
	The Awhero Nui Trust	Trustee
	Holdaway and Geary Trust	Trustee
Cris Nicolli	Empired Limited (ASX:EPD)	Non-Executive Director, and Chair of Nominations and Remuneration Committee
	Playside Studios Limited	Non-Executive Chair (from 1 November 2020)
	ReadCloud Limited	Non-Executive Director
	Kadasig Aid & Development (Not For Profit Charity)	Treasurer
	Nicolli Holdings Pty Ltd (Family Investment)	Director
	Nicolli Family Superannuation Fund	Trustee

NAME OF DIRECTOR	ENTITY	NATURE OF GENERAL DISCLOSURE
James Ogden	Summerset Group Holdings Limited (NZX:SUM)	Director, and Chair of Audit and Risk Committee
	Foundation Life (NZ) Limited	Director
	NZ Markets Disciplinary Tribunal	Member, Chair of Special Division
	Crown Forest Rental Trust	Member of the Audit and Risk Committee
	Pencarrow Private Equity Fund	Independent Chair of the Investment Committee
	Pencarrow Bridge Fund GP Limited (General Partner of the Pencarrow Bridge Fund)	Director
Kirk Senior	Outpost Central Ltd (trading as Wildeye)	Consultant
	Kirk Senior Pty Limited	Director and shareholder
	Senior Family Super Fund Pty Limited	Director and shareholder
	Honey For Life Pty Ltd	Shareholder
	Kirk Senior Family Trust	Trustee

Share dealings of Directors

Directors disclosed, pursuant to section 148 of the Companies Act 1993 and section 304 of the Financial Markets Conduct Act 2013, the following acquisitions and disposals of relevant interests in Vista Group shares during the year ended 31 December 2020:

NAME OF DIRECTOR	DATE OF ACQUISITION OR DISPOSAL	NO. OF ORDINARY SHARES ACQUIRED OR (DISPOSED)	NATURE OF RELEVANT INTEREST	CONSIDERATION PAID OR RECEIVED (NZ$)
Brian Cadzow	13 May 2020	1,142,858	Beneficial as a trustee of the B&J Cadzow Family Trust	1,200,001
Murray Holdaway	13 May 2020	1,048,551	Beneficial as trustees of the Holdaway and Geary Trust	1,100,978
Cris Nicolli	13 May 2020	9,609	Beneficial as a beneficiary of the Nicolli Family Superannuation Fund	10,089
	13 May 2020	47,543	Legal and beneficial owner	49,920
James Ogden	13 May 2020	142,996	Legal and beneficial owner	150,146
Susan Peterson	13 May 2020	33,365	Legal and beneficial owner	35,033
Kirk Senior	14 April 2020	4,216	Legal and beneficial owner	Acquired as part of LTI Plan
	13 May 2020	8,785	Legal and beneficial owner	9,224
	13 May 2020	230,886	Beneficial – Director and shareholder of Kirk Senior Pty Limited as trustee of the Kirk Senior Family Trust	242,430

As disclosed at the relevant time, Vista Group's founders, Directors and members of the Executive Team, together committed to subscribe for approximately $4.7m of new shares, as part of Vista Group's capital raise in 2020, with the balance of the capital raise fully underwritten.

Shareholdings of Directors at 31 December 2020

NAME OF DIRECTOR	DIRECTLY HELD	HELD BY ASSOCIATED PERSONS
Brian Cadzow	—	7,049,065
Murray Holdaway	—	6,786,000
Cris Nicolli	47,543	39,609
James Ogden	522,996	—
Susan Peterson	122,271	—
Kirk Senior	36,210	825,726

Directors fees and remuneration for Executive Directors

Details of the total remuneration of, and the value of other benefits received by, each Director of Vista Group during the year ended 31 December 2020 are as follows:

DIRECTOR (NZ$)	BOARD FEES	ARC FEES	NRC FEES	TOTAL DIRECTOR FEES[1]	EXECUTIVE REMUNERATION	COST TO VISTA GROUP
Brian Cadzow	53,125	-	-	53,125	52,163	105,288
Murray Holdaway	-	-	-	-	171,039	171,039
Cris Nicolli	70,833	5,208	5,208	81,250	-	81,250
James Ogden	70,833	9,583[2]	5,208	85,625	-	85,625
Susan Peterson	70,833	5,208	9,583[2]	85,625	-	85,625
Kirk Senior	-	-	-	-	349,536	349,536
Total	**265,625**	**20,000**	**20,000**	**305,625**	**572,738**	**878,363**

1 Within Directors Fee Pool.

2 During the year ended 31 December 2020, James Ogden was the Chair of the ARC and Susan Peterson was the Chair of the NRC.

Brian Cadzow and Kirk Senior have resigned from their executive roles with Vista Group. Brian Cadzow resigned effective 31 March 2020, with all fees paid subsequent to this date being classified as Director fees. Kirk Senior resigned effective 31 December 2020, such that all fees during 2020 are classified as executive remuneration.

In response to the impact of the COVID-19 pandemic on Vista Group and the cinema industry, the Directors elected to take a 30% reduction in their fees or remuneration (as applicable) between 1 April and 31 July 2020, with the Non-Executive Directors electing to continue to take a 15% reduction in their fees between 1 August and 30 September 2020.

Employee remuneration

The following table shows the number of employees whose remuneration and benefits for the year ended 31 December 2020 were within the specified bands above $100,000. The remuneration figures shown in the table include all monetary payments actually paid during the year ended 31 December 2020. The table does not include amounts paid post 31 December 2020 that related to the year ended 31 December 2020, such as STI bonuses. The table below includes the remuneration of Murray Holdaway, Brian Cadzow and Kirk Senior. No Director of a subsidiary receives or retains any remuneration or other benefits from Vista Group for acting as such.

EMPLOYEE REMUNERATION (NZD$)			NUMBER OF EMPLOYEES
100,000	-	110,000	61
110,001	-	120,000	40
120,001	-	130,000	35
130,001	-	140,000	18
140,001	-	150,000	20
150,001	-	160,000	9
160,001	-	170,000	9
170,001	-	180,000	10
180,001	-	190,000	3
190,001	-	200,000	4
200,001	-	210,000	4
210,001	-	220,000	6
220,001	-	230,000	1
230,001	-	240,000	2
240,001	-	250,000	3
250,001	-	260,000	1
260,001	-	270,000	1
280,001	-	290,000	1
290,001	-	300,000	1
310,001	-	320,000	2
320,001	-	330,000	2
340,001	-	350,000	1
350,001	-	360,000	1
400,001	-	410,000	1
410,001	-	420,000	2
480,001	-	490,000	1
530,001	-	540,000	1
540,001	-	550,000	3
560,001	-	570,000	1
Total			**244**

Analysis of shareholdings at 31 January 2021

RANGE	NO. OF HOLDERS	ISSUED CAPITAL	ISSUED CAPITAL %
1 – 1,000	1,361	758,167	0.33
1,001 – 5,000	1,818	4,665,237	2.04
5,001 – 10,000	542	4,014,343	1.76
10,001 – 50,000	567	11,792,969	5.16
50,001 – 100,000	52	3,518,070	1.54
> 100,000	76	203,866,026	89.17
Total	**4,416**	**228,614,812**	**100.00**

Twenty largest shareholders at 31 January 2021

REGISTER	RANK	INVESTOR NAME	TOTAL UNITS	% ISSUED CAPITAL
NZL	1	Fisher Funds Management Limited	34,180,502	14.95
NZL	2	HSBC Nominees (New Zealand) Limited	16,078,212	7.03
AUS	3	J P Morgan Nominees Australia Pty Limited	14,627,031	6.40
NZL	4	Citibank Nominees (New Zealand) Limited	13,480,836	5.90
AUS	5	HSBC Custody Nominees (Australia) Limited	11,749,343	5.14
AUS	6	National Nominees Limited	8,630,675	3.78
NZL	7	Brian John Cadzow & Julie Ann Cadzow & Peter Allen Lewis	7,049,065	3.08
NZL	8	Murray Lawrence Holdaway & Helen Rachel Geary & Stephen John Mcdonald	6,786,000	2.97
NZL	9	BNP Paribas Nominees (NZ) Limited	6,328,043	2.77
NZL	10	Hobson Wealth Custodian Limited	5,800,891	2.54
NZL	11	New Zealand Depository Nominee	5,738,469	2.51
NZL	12	National Nominees New Zealand Limited	5,133,328	2.25
NZL	13	J P Morgan Chase Bank NA NZ Branch-Segregated Clients Acct	5,040,505	2.20
AUS	14	Citicorp Nominees Pty Limited	4,948,075	2.16
NZL	15	Accident Compensation Corporation	4,659,986	2.04
NZL	16	MMC—Queen Street Nominees ACF Pie Funds	4,068,457	1.78
NZL	17	T.E.A. Custodians Limited — Client Property Trust Account	3,891,057	1.70
NZL	18	BNP Paribas Nominees (NZ) Limited	3,863,548	1.69
NZL	19	HSBC Nominees a/c NZ Superannuation Fund Nominees Limited	3,847,986	1.68
NZL	20	Bruce Alexander Wighton & Marianne Bachler & Peter John Clark	3,668,995	1.60
Top 20 shareholders			**169,571,004**	**74.17**
Total shares on issue			**228,614,812**	**100.00**

Substantial Product Holders

According to notices given under the Financial Markets Conduct Act 2013, the following persons were Substantial Product Holders in Vista Group at 31 December 2020 in respect of the number of voting securities set opposite their names:

NAME OF SUBSTANTIAL PRODUCT HOLDER	NUMBER OF SHARES
Fisher Funds Management Limited	34,180,502
FIL Limited	22,686,346
Harbour Asset Management Limited and Jarden Securities Limited	12,824,515
Investment Services Group Limited	12,569,073

Options

Nil

Performance Rights

In the year ended 31 December 2020, the following changes occurred to Vista Group employee share schemes:

- **Vista Group Recognition Scheme:** Vista Group issued 2,853,621 rights in 2020 to all employees (excluding the Executive Team) with vesting conditional on continued tenure through to November 2021.
- **Group CEO Retention Plan:** Vista Group issued 700,000 rights in 2018 and a further 500,000 in rights in 2020. This plan is conditional on continued tenure with shares vesting annually. In prior years 350,000 of these rights have vested under this plan, with a further 150,000 vesting in April 2020. The remaining 700,000 rights are due to vest between 2021 and 2023.
- **2017 LTI Plan (TSR):** Vista Group issued 418,010 performance rights in 2017 with 190,950 of these rights already vested in April 2019. In 2020, the total shareholder return performance condition was not achieved with all remaining shares lapsing in April 2020. This scheme is now closed.
- **2018 LTI Plan (Group Results):** Vista Group issued 328,390 performance rights in 2018 with 190,760 of these rights already vested in April 2019. In April 2020, 50,414 performance rights under tranche three vested. Tranches four to six of this plan can be earned in April 2021 based on 2020 revenue and EBITDA, however these performance conditions have not been achieved and will lapse. This scheme will close in April 2021.
- **2019 LTI Plan (Group Results):** Vista Group issued 275,310 performance rights in 2019 with no rights yet to vest. Tranches one to six of this plan can be earned in April 2022 based on 2021 revenue and EBITDA.
- **Segmental Results Plan:** Vista Group issued 197,194 performance rights in 2018, with 54,857 rights vesting in April 2020. The remaining shares have lapsed and the scheme is now closed.
- **Movio CEO (Variable) Plan:** Vista Group issued a variable amount of performance rights in 2019 with no rights yet to vest. Tranches one to five of this plan can be earned in March 2022, and tranche six can be earned in March 2023. Using variables at 31 December 2020, an external valuation (using a Monte Carlo model) project 85,172 rights may vest.
- **Group CFO One-Off Award:** Vista Group issued 15,000 rights in 2020 which vested in April 2020. No more rights are due under this scheme.

The table below shows the grants and outstanding rights at 31 December 2020:

		VESTING YEAR			
GRANT YEAR	PLAN TYPE	2021	2022	2023	OUTSTANDING RIGHTS
2018	Group CEO Retention Plan	200,000	-	-	200,000
2018	LTI Plan (Group Results)	164,640	-	-	164,640
2019	LTI Plan (Group Results)	183,540	91,770	-	275,310
2019	Movio CEO (Variable) Plan	12,929	42,586	29,656	85,172
2020	Vista Group Recognition Scheme	2,853,621	-	-	2,853,621
2020	Group CEO Retention Plan	-	100,000	400,000	500,000
Total		**3,414,730**	**234,356**	**429,656**	**4,078,743**

The vesting of each tranche is subject to Vista Group achieving certain performance hurdles contained within the LTI Plan. Upon vesting each performance right will entitle the holder to one ordinary share.

Auditor fees

Vista Group confirmed the re-appointment of PricewaterhouseCoopers as its auditor at its Annual Shareholders' Meeting on 28 May 2020. The amount payable to PricewaterhouseCoopers by Vista Group and its subsidiaries for audit and non-audit services work for the year ended 31 December 2020 is disclosed in section 2.3 to the financial statements. The Board considers that due to the nature and quantum of the non-audit services work the auditors' independence is not compromised.

Subsidiary company Directors

The following people held office as Directors of subsidiary companies at 31 December 2020:

- **Kirk Senior:** Numero (Aust) Pty Ltd, Powster Ltd and Powster, Inc.
- **Brian Cadzow:** Book My Show Ltd, Book My Show (NZ) Ltd and Vista Latin America, S.A. de C.V.
- **Murray Holdaway:** Vista Entertainment Solutions (Spain). S.L.U., Book My Show Ltd, Book My Show (NZ) Ltd and Vista Latin America, S.A. de C.V.
- **Kimbal Riley:** Vista Entertainment Solutions Ltd, Virtual Concepts Limited, Movio Limited, Flicks Ltd, Numero Ltd, MovieXchange International Ltd, MovieXchange Ltd, Vista (IP) Limited, Movio (IP) Limited, Vista Entertainment Solutions (USA), Inc, Movio, Inc, Vista Entertainment Solutions (Canada) Ltd, Vista Entertainment Solutions (UK) Ltd, Vista Entertainment Solutions (NL) B.V., Vista Entertainment Solutions (Spain). S.L.U., Vista International Entertainment Solutions South Africa (PTY) Ltd, Vista Entertainment Solutions (Asia) Sdn Bhd, Numero (Aust) Pty Limited, Maccs US, Powster Ltd and Vista Latin America, S.A. de C.V.
- **Matthew Cawte:** Vista Entertainment Solutions Ltd, Virtual Concepts Limited, Movio Limited, Flicks Ltd, Numero Ltd, MovieXchange International Ltd, MovieXchange Ltd, Vista (IP) Limited, Movio (IP) Limited, Vista Entertainment Solutions (USA), Inc, Movio, Inc, Vista Entertainment Solutions (Canada) Ltd, Vista Entertainment Solutions (UK) Ltd, Vista Entertainment Solutions (NL) B.V., Vista Entertainment Solutions (Spain). S.L.U., Vista International Entertainment Solutions South Africa (PTY) Ltd, Vista Entertainment Solutions (Asia) Sdn Bhd, Maccs US, and Numero (Aust) Pty Limited.
- **Kelvin Preston:** Vista Entertainment Solutions Ltd, Virtual Concepts Limited, Movio Limited, Flicks Ltd, Numero Ltd, MovieXchange International Ltd, MovieXchange Ltd, Vista Group Limited, Vista (IP) Limited, Movio (IP) Limited, Vista Entertainment Solutions (USA), Inc, Movio, Inc, Vista Entertainment Solutions (Canada) Ltd, Vista Entertainment Solutions (UK) Ltd, Vista Entertainment Solutions (NL) B.V., Vista Entertainment Solutions (Spain). S.L.U., Vista International Entertainment Solutions South Africa (PTY) Ltd, Vista Entertainment Solutions (Asia) Sdn Bhd, Maccs US, and Numero (Aust) Pty Limited.
- **Armando Mejias:** Vista Latin America, S.A. de C.V. and Senda DO Brasil Servios de Tecnologia LTDA.
- **Gustavo Ortega:** Vista Latin America, S.A. de C.V. and Senda DO Brasil Servios de Tecnologia LTDA.
- **Steven Thompson:** Powster Ltd and Powster, Inc.
- **Nicholas Patsides:** Powster Ltd.
- **Rajesh Chandrakant Balpande:** Book My Show Ltd and Book My Show (NZ) Ltd.
- **Huang Swee Lin:** Vista Entertainment Solutions (Asia) Sdn Bhd.

Other disclosures

Vista Group did not apply for, nor did it have granted, nor did it rely on any waivers from the NZX during the year ended 31 December 2020.

NZX did not exercise any of its powers under NZX Listing Rule 9.9.3 in relation to Vista Group during the year ended 31 December 2020.

Vista Group has no credit rating.

Vista Group made donations of $103,399 (2019: $114,246) during the 2020 financial year. This included a donation of $100,000 to the Vista Foundation. Vista Group did not make any donations to a political party during the year ended 31 December 2020.

Financial statements

Directors' report

The Board of Directors present the financial statements of Vista Group for the year ended 31 December 2020 and the independent auditor's report thereon.

The Directors are responsible, on behalf of the Company, for presenting these consolidated financial statements in accordance with applicable New Zealand legislation and Generally Acceptable Accounting Practices in New Zealand in order to present consolidated financial statements that present fairly, in all material respects, the financial position of Vista Group as at 31 December 2020 and the results of Vista Group's operations and cash flows for the year then ended.

For and on behalf of the Board of Directors who approved these financial statements for issue on 26 February 2021.

Susan Peterson
Chair

James Ogden
Chair Audit and Risk Committee

Income statement

For the year ended 31 December 2020

CONTINUING OPERATIONS	SECTION	2020 NZ$m	2019 NZ$m
Total revenue	2.1, 2.2	**87.5**	**144.5**
Sales and marketing expenses	2.3	3.5	9.5
Operating expenses	2.3	55.4	68.2
Administration expenses	2.3	58.5	45.5
Foreign currency gains		(0.8)	(0.1)
Total expenses		**116.6**	**123.1**
Operating (loss) / profit [2]		**(29.1)**	**21.4**
Finance costs		(2.2)	(1.7)
Finance income		0.7	0.6
Acquisition expenses		(0.2)	(0.1)
Share of equity accounted loss from associates and JVs	5.3	(3.0)	(1.6)
Impairment charges	2.3	(28.4)	(0.6)
Restructuring costs	2.3	(2.1)	-
Capital gains and losses	2.3	-	0.4
(Loss) / profit before tax		**(64.3)**	**18.4**
Taxation	6.1	7.6	(5.6)
(Loss) / profit for the year		**(56.7)**	**12.8**
(Loss) / profit for the year is attributable to:			
Owners of the parent		(51.4)	10.8
Non-controlling interests		(5.3)	2.0
(Loss) / profit for the year		**(56.7)**	**12.8**
Basic and diluted earnings per share (cents) [1]	7.2	($0.24)	$0.06

Simplified EBITDA reconciliation

Operating (loss) / profit [2]		(29.1)	21.4
Depreciation and amortisation	2.3	17.7	9.7
EBITDA [2]	2.2	**(11.4)**	**31.1**

1 The comparative earnings per share have been re-presented following the rights issue detailed in section 7.2.

2 Operating (loss) / profit and EBITDA are non-GAAP measures. See section 2.2 for full definitions and reconciliations.

The above statement should be read in conjunction with the accompanying notes.

Statement of other comprehensive income

For the year ended 31 December 2020

	2020 NZ$m	2019 NZ$m
Items that may be reclassified subsequently to the income statement		
Translation of foreign operations	(2.9)	(0.6)
Total other comprehensive loss [1]	**(2.9)**	**(0.6)**
(Loss) / profit for the year	(56.7)	12.8
Total comprehensive (loss) / income for the year	**(59.6)**	**12.2**
Total comprehensive (loss) / income for the year is attributable to:		
Owners of the parent	(54.5)	10.2
Non-controlling interests	(5.1)	2.0
Total comprehensive (loss) / income for the year	**(59.6)**	**12.2**

1 Items of other comprehensive income will be reclassified to the income statement when specific conditions are met.

 The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2020

		ATTRIBUTABLE TO THE OWNERS OF THE PARENT						
2020	SECTION	CONTRIBUTED EQUITY NZ$m	RETAINED EARNINGS $NZm	FOREIGN CURRENCY RESERVE NZ$m	SHARE-BASED PAYMENT RESERVE NZ$m	TOTAL NZ$m	NON-CONTROLLING INTERESTS NZ$m	TOTAL EQUITY NZ$m
Balance at 1 January 2020		61.8	85.8	2.6	2.1	152.3	11.2	163.5
Loss for the year		-	(51.4)	-	-	(51.4)	(5.3)	(56.7)
Other comprehensive (loss) / income		-	-	(3.1)	-	(3.1)	0.2	(2.9)
Total comprehensive loss		**-**	**(51.4)**	**(3.1)**	**-**	**(54.5)**	**(5.1)**	**(59.6)**
Transactions with owners:								
Issue of equity	7.1	62.3	-	-	-	62.3	-	62.3
Step acquisitions - Maccs and Cinema Intelligence	7.1	0.6	-	-	-	0.6	(2.8)	(2.2)
Share-based payments	7.1, 7.5	1.3	-	-	(0.8)	0.5	-	0.5
Dividends paid		-	-	-	-	-	(1.4)	(1.4)
Balance at 31 December 2020		**126.0**	**34.4**	**(0.5)**	**1.3**	**161.2**	**1.9**	**163.1**
2019								
Balance at 1 January 2019		59.4	80.5	3.2	2.8	145.9	13.0	158.9
Profit for the year		-	10.8	-	-	10.8	2.0	12.8
Other comprehensive loss		-	-	(0.6)	-	(0.6)	-	(0.6)
Total comprehensive income / (loss)		**-**	**10.8**	**(0.6)**	**-**	**10.2**	**2.0**	**12.2**
Transactions with owners:								
Non-controlling interest change		-	-	-	-	-	(1.3)	(1.3)
Share-based payments	7.1, 7.5	2.4	-	-	(0.7)	1.7	-	1.7
Dividends paid	7.3	-	(5.5)	-	-	(5.5)	(2.5)	(8.0)
Balance at 31 December 2019		**61.8**	**85.8**	**2.6**	**2.1**	**152.3**	**11.2**	**163.5**

1 Items of other comprehensive income will be reclassified to the income statement when specific conditions are met.

The above statement should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 December 2020

	SECTION	2020 NZ$m	2019 NZ$m
CURRENT ASSETS			
Cash		67.1	19.5
Trade and other receivables	5.1	38.6	56.2
Income tax receivable		0.4	2.0
Total current assets		**106.1**	**77.7**
NON-CURRENT ASSETS			
Property, plant and equipment	5.2	4.8	7.3
Lease assets	5.7	20.8	21.8
Investment in associates and JVs	5.3	13.6	31.6
Goodwill	5.4	54.7	69.9
Other intangible assets	5.5	35.1	27.4
Deferred tax asset	6.2	16.9	7.9
Total non-current assets		**145.9**	**165.9**
Total assets		**252.0**	**243.6**
CURRENT LIABILITIES			
Borrowings - related party	4.3	-	0.2
Trade and other payables	5.6	17.9	13.2
Lease liabilities	5.7	3.3	6.1
Deferred revenue	5.8	19.0	22.9
Contingent consideration		0.4	0.4
Provisions	5.9	1.8	-
Income tax payable		0.4	1.7
Total current liabilities		**42.8**	**44.5**
NON-CURRENT LIABILITIES			
Borrowings - related party	4.3	-	0.7
Borrowings - external	4.3	18.1	10.9
Lease liabilities	5.7	19.7	17.4
Deferred revenue	5.8	0.5	0.2
Provisions	5.9	0.1	0.6
Deferred tax liability	6.2	7.7	5.8
Total non-current liabilities		**46.1**	**35.6**
Total liabilities		**88.9**	**80.1**
Net assets		**163.1**	**163.5**
EQUITY			
Contributed equity	7.1	126.0	61.8
Retained earnings		34.4	85.8
Foreign currency reserve		(0.5)	2.6
Share-based payment reserve		1.3	2.1
Total equity attributable to owners of the parent		**161.2**	**152.3**
Non-controlling interests		1.9	11.2
Total equity		**163.1**	**163.5**

For and on behalf of the Board who authorised these financial statements for issue on 26 February 2021.

Susan Peterson
Chair

James Ogden
Chair Audit and Risk Committee

 The above statement should be read in conjunction with the accompanying notes.

Statement of cashflows

For the year ended 31 December 2020

	SECTION	2020 NZ$m	2019 NZ$m
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		86.6	143.6
Payments to suppliers and employees		(90.9)	(118.0)
COVID-19 pandemic related wage subsidies	2.3	5.9	-
COVID-19 pandemic related tax deferrals	4.2	4.0	-
Taxes paid		(0.9)	(9.1)
Interest paid		(1.7)	(1.0)
Net cash inflow from operating activities	4.1	**3.0**	**15.5**
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5.2	(1.4)	(4.1)
Purchase of internally generated software and other intangibles	5.5	(12.8)	(12.6)
Interest received		0.5	-
Related party loan advance - Numero		-	(0.7)
Derecognition of Stardust cash balances		-	(1.5)
Step acquisitions - Maccs and Cinema Intelligence	7.1	(3.3)	-
Numero acquisition, net of cash acquired	3	-	0.2
Vista China acquisition deposit	5.1	-	(0.4)
Vista China dividends received	10.1	-	0.4
Net cash applied to investing activities		**(17.0)**	**(18.7)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares	7.1	62.3	-
Lease payments (principal elements)	5.7	(5.6)	(3.7)
Loan repayment - related parties	4.3	(0.9)	-
Loan repayment - ASB	4.3	(24.1)	-
Loan drawdown - ASB	4.3	31.2	-
Loan drawdown - HSBC PPP	4.3	3.2	-
Loan establishment fees - ASB		(0.2)	-
Dividends paid to non-controlling interests		(1.4)	(2.5)
Dividends paid to the owners of the parent	7.3	-	(5.5)
Net cash inflow / (applied) to financing activities		**64.5**	**(11.7)**
Net increase / (decrease) in cash		50.5	(14.9)
Cash at beginning of year		19.5	34.4
Foreign exchange differences		(2.9)	-
Cash at year end		**67.1**	**19.5**

The above statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

General information

The notes are consolidated into ten sections. Each section contains an introduction which is indicated by the symbol on the left. The first section outlines general information about Vista Group International Limited (the Company and its subsidiaries, collectively Vista Group) and guidance on how to navigate through this document.

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out throughout the document, where applicable. These policies have been consistently applied to all years presented, unless otherwise stated. Accounting policies are identified by the symbol above.

Significant accounting judgements and sources of estimation uncertainty

Significant accounting judgements are those judgements that Vista Group makes when applying its accounting policies that may have a significant effect on amounts that are recognised in these financial statements.

Significant sources of estimation uncertainty relate to assumptions and estimates made at the end of the current reporting year that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In applying its accounting policies, Vista Group continually evaluates judgements and estimates based on experience and other factors, including expectations of future events that may have an impact on Vista Group. All judgements and estimates made are believed to be reasonable based on the most current set of circumstances available to Vista Group. Actual results may differ from the judgements and estimates applied.

Significant accounting judgements and estimates made by Vista Group in the preparation of these financial statements are outlined within the following financial statement notes:

Section 2.1	Revenue provisioning
Section 2.3	Recognition of government grants
Section 3	Fair value of intangible assets acquired in a business combination
Section 5.1	Expected credit loss provisioning
Section 5.3	Impairment of carrying value of investment in associates and joint ventures
Section 5.4	Impairment testing of goodwill
Section 5.5	Capitalisation of development costs
Section 5.5	Impairment testing of internally generated software
Section 6.2	Recognition of deferred tax assets

Information about the impact of the COVID-19 pandemic, the cancellation of the 2019 dividend and Vista Group's going concern assessment are included in section 10.3.

1. General information

These financial statements are for Vista Group which is a company incorporated and domiciled in New Zealand, and whose shares are publicly traded on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of Vista Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

In accordance with the Financial Markets Conduct Act 2013, because financial statements are prepared and presented for Vista Group, separate financial statements for the Company are not presented.

The principal activity of Vista Group is the sale, support and associated development of software for the film industry. These financial statements were approved by the Board on 26 February 2021.

2. Financial performance

This section outlines further details of Vista Group's financial performance by building on information presented in the income statement.

2.1 Revenue

Vista Group recognises revenue when performance obligations have been settled. A performance obligation is settled when the customer has received all the benefits associated with the performance obligation.

The following details revenue types recognised within each category:

Product: Within the Cinema segment, product revenue relates to fees charged for perpetual software licenses and subscription-based software which is charged periodically.

Movio segment product revenue relates to annual access fees for cloud-hosted marketing and analytics platforms.

The Additional Group Companies segment recognises product revenue for perpetual and recurring licensing (Maccs) and the website and marketing platform revenue (Powster).

Maintenance: Revenue relating to fees charged for support services and upgrades to software applications. Maintenance services are billed in advance for a fixed term. Revenue is recorded within deferred revenue on the statement of financial position and recognised on a straight-line basis over the term of the contract billing period, as services are provided.

Service: Fees charged for one-off value-add services. Revenue is recognised when the service is complete or on a stage of completion basis.

Development: Revenue associated with bespoke development effort as requested and paid for by customers. This revenue is recognised on a stage of completion basis as the performance obligations are delivered.

Hardware: Revenue from the sale of hardware is recognised at a point in time when delivery has been made.

Other revenue: Other revenue comprise revenue earned primarily from advertising and variable processing fees.

Revenue by category

	2020		2019	
	NZ$m	%	NZ$m	%
Product	33.9		41.1	
Maintenance	36.8		47.1	
Revenue provision - credit risk	(5.2)		-	
Recurring revenue	**65.5**	**75%**	**88.2**	**61%**
Product	7.2		30.2	
Services	10.0		14.9	
Development	2.5		5.4	
Hardware	3.4		5.5	
Revenue provision - credit risk	(1.1)		-	
Other	-		0.3	
Non-recurring revenue	**22.0**	**25%**	**56.3**	**39%**
Total revenue	**87.5**	**100%**	**144.5**	**100%**

Recurring and non-recurring revenues

Recurring and non-recurring revenues are non-GAAP financial measures that the Chief Operating Decision Maker (CODM) uses to help evaluate the financial performance of Vista Group and its operating segments. Recurring revenue is the portion of revenues that are expected to give rise to recurring cash receipts that will continue until the service is cancelled. Unlike non-recurring revenues, these revenues are predictable, stable and can be expected to occur at regular intervals going forward with a relatively high degree of certainty.

No individual customer exceeded 10% of revenue in either the current or prior comparative year.

Revenue provisioning (significant judgement / estimate)

As a result of the COVID-19 pandemic, there is a risk that Vista Group is not able to recover all amounts billed due to the financial distress of its customers. In accordance with NZ IFRS 15 *Revenue from Contracts with Customers*, revenue can only be recognised when it is probable that the entity will collect the consideration. Accordingly, all revenue recognised after 1 March 2020 (the month when the COVID-19 pandemic forced worldwide cinema closures) has been treated as variable consideration as on average, the amount of consideration to which Vista Group ultimately collects is expected to be less than the price stated in the contract.

At 31 December 2020, Vista Group applied judgement in determining the amount of consideration expected to be received from its customers. Such revenue provisioning is highly subjective due to it not being clear when cinemas will operate at normal capacity levels, nor is the financial position of customers necessarily known. Judgements made in the revenue provisioning include:

- **Concession discounts:** Many of Vista Group's core customers are located in regions which have been affected by the spread of the COVID-19 pandemic (such as North America, Europe and Asia), where the majority of cinemas have been closed. To ensure timely payment, or to facilitate support to customers, Vista Group have granted concessions to payment terms or discounts to recurring fees. Vista Group has worked closely with its customer base to provide appropriate relief, whilst seeking to reserve its position in respect of amounts contractually owed.

  At 31 December 2020, concession discounts are only recognised when they have been agreed, or where the customer has a reasonable expectation of being entitled to a discount. Vista Group has applied judgement when determining the customers who have a reasonable expectation to receive a concession discount.

  For agreed concession discounts, a reduction in revenue and trade receivables were recognised throughout the year. For expected concession discounts, a reduction in revenue was recognised with a corresponding recognition of a concession discount provision, as presented in section 5.1.

  The revenue presented in the previous table is net of agreed and expected concession discounts.

- **Credit risk – specific:** For revenue recognised after 1 March 2020, Vista Group applied judgement in assessing each of its customers for any known risk that may impact the ability to collect the associated consideration and their ability to pay the amounts invoiced. Where these facts are known, judgement has been applied to assess the amount that will probably be collected.

- **Credit risk – general (core businesses):** On top of the specific provision above, Vista Group applied judgement in determining a general provision for collectability to account for customers not currently known to be experiencing financial distress. Accordingly, Vista Group determined approximately 15% of trade receivables and accrued revenues in the Cinema and Movio segments, where customers are predominantly cinemas, may not be collectible.

- **Credit risk – general (Additional Group Companies segment):** Customers in this segment are predominantly studios, each of whom have more diversified revenues (i.e. video on demand, television etc.). These customers have predominantly continued settling their invoices during the COVID-19 pandemic and are not anticipated to have the same level of collectability issues. Accordingly, only minimal provisioning has been required on a customer-by-customer basis (within the specific provision).

  The total credit risk provision as presented in the previous table reduces the net revenue after concession discount by $6.3m.

See section 5.1 for further details of the revenue provisions at 31 December 2020, including how these provisions add to the expected credit loss (ECL) provisions to show the proportion of total provisions against trade receivables and accrued revenues. A sensitivity analysis of credit risk is also available in section 9.4.

Due to the statement of financial position spot exchange rates being significantly different to the income statement average exchange rates, the values recognised as part of the trade and other receivables on the statement of financial position will not tie to those recognised within revenue. For example, the difference between the USD and GBP spot/average rates at 31 December 2020 are 11% and 5%, respectively.

Process and policy

The tables below provide further information on the application of NZ IFRS 15, across the most significant revenue streams of Vista Group.

Vista Cinema Segment

REVENUE TYPE	DESCRIPTION	KEY JUDGEMENTS	OUTCOME	TIMING OF REVENUE RECOGNITION
Product – Cinema	**Non-recurring revenue** Perpetual ERP software license targeted at larger cinema circuits.	Determining the distinct performance obligations and whether items are required to be bundled to form a distinct performance obligation.	Providing a software license is a distinct performance obligation and is not required to be bundled with other performance obligations.	**Point in time** Recognised at the point in time when the software goes live, which is when the customer can benefit from using the software.
Product – Veezi	**Recurring revenue** Subscription-based software targeted at small and independent theatres. Revenue includes a fixed monthly fee plus a variable component based on the number of tickets sold.	Determining whether a sales-based license of intellectual property exists. Determining whether there is a sales-based variable component.	The subscription to Veezi is a sales-based license of intellectual property. There is a sales-based variable component.	**Point in time** Recognised at the end of each month, once the sales-based variable usage is known.
Maintenance – Cinema	**Recurring revenue** Basic support and any enhancements or upgrade to the software.	No major judgement required, other than confirming the scope and period of the maintenance contract.	N/A	**Over time** Benefits are simultaneously received and consumed; revenue is recognised over the maintenance term.
Services and Development	**Non-recurring revenue** Value-add services, implementation services and bespoke development of the software.	Determining whether the services and development provided are a distinct performance obligation.	Services and development are a distinct performance obligation as they are not highly dependent or interrelated to other performance obligations in the contract.	**Over time** Recognised when the service or development is complete or on a stage of completion basis.

Movio Segment

REVENUE TYPE	DESCRIPTION	KEY JUDGEMENTS	OUTCOME	TIMING OF REVENUE RECOGNITION
Product – Cinema	**Recurring revenue** Movio Cinema cloud-hosted data, marketing and analytics platform. Customers are charged an annual access fee to platform plus a variable component (see below).	Determining whether the platform access is a distinct performance obligation.	Access to the platform is a distinct performance obligation and is not required to be bundled with other performance obligations.	**Over time** Platform access is recognised over time as benefits are simultaneously received and consumed.
	Recurring revenue Variable revenue based on the number of active members managed and the number of promotional messages sent during a given period.	Determining if a usage-based license of intellectual property exists.	The variable revenue is a usage-based license of intellectual property.	**Point in time** Variable license revenue is recognised at the end of each month once usage-based quantities are known.
Product – Media	**Recurring revenue** Movio Media cloud-hosted data, marketing and analytics platform.	Determining whether the platform access is a distinct performance obligation.	Access to the platform is a distinct performance obligation and is not required to be bundled with other performance obligations.	**Over time** Platform access is recognised over time as benefits are simultaneously received and consumed.
	Non-recurring revenue Targeted marketing campaigns, digital advertising and reports.	No major judgement required.	N/A	**Point in time** Revenue is recognised when the campaigns and reports are completed.
Services	**Non-recurring revenue** Value-add services, data scientist services and setup and configuration.	Determining whether the services provided are a distinct performance obligation.	The services are distinct performance obligations as they are not highly dependent or interrelated to other performance obligations in the contract.	**Over time** Recognised when the services are complete or on a stage of completion basis.

Additional Group Companies Segment

REVENUE TYPE	DESCRIPTION	KEY JUDGEMENTS	OUTCOME	TIMING OF REVENUE RECOGNITION
Product – Showtimes Platform	**Recurring revenue** Website and marketing platform for feature films, incorporating Showtimes data.	Determining the distinct performance obligations and the requirements to bundle performance obligations.	Two distinct performance obligations exist: Platform creation and incorporating Showtimes data.	**Point in time** Recognised at a point in time when the Platform is live and subsequently when the Showtimes data is incorporated.
Product – Maccs	**Non-recurring revenue** Perpetual theatrical distribution software for film distributors.	Determining the distinct performance obligations and whether they are required to be bundled as one performance obligation.	Provision of the software license is a distinct performance obligation but is required to be bundled with development where the license is dependent on the development.	**Point in time** Recognised at a point in time when the territory is live on the software and the customer can benefit from the software license.
Maintenance – Maccs	**Recurring revenue** Basic support and any enhancements or upgrades of the software.	No major judgement required, other than confirming the scope and period of the maintenance contract.	N/A	**Over time** Benefits are simultaneously received and consumed; revenue recognised over the maintenance term.
Services and Development	**Non-recurring revenue** Value-add services, implementation services and bespoke development of the software.	Determining the distinct performance obligation and whether the service or development is required to be bundled to form a distinct performance obligation.	Where the services and development are highly interrelated to a license, they are bundled with the license as a single performance obligation. Otherwise, the services and development are a distinct performance obligation.	**Over time** Recognised when the services and development are complete or on a stage of completion basis.

2.2 Operating segments

Vista Group operates in the vertical cinema/film market via three reportable segments and a corporate segment. Due to a significant overlap in current and expected customer base of the Early Stage Investments and Cinema segments, Vista Group changed its operating segments during the year for management reporting purposes. The previously reported Early Stage Investments segment is now included within the Cinema segment and the comparative segmental disclosures below have been restated for the change in operating segments.

The Chief Executive and Board of Vista Group are collectively considered to be the CODM in terms of NZ IFRS 8 *Operating Segments*. These segments have been defined based on the reports regularly reviewed by the CODM to make strategic decisions.

Cinema segment

Software associated with cinema management via the Vista software suite of products, plus the cloud based Veezi product for smaller scale cinemas. This segment now also includes movieXchange and Share Dimension (Cinema Intelligence), which were previously reported under the prior year Early Stage Investments segment.

Movio segment

Includes the Movio Cinema and Media products, both of which provide data analytics and campaign management.

Additional Group Companies segment (AGC)

An aggregation of Maccs, Powster, Flicks, plus the addition of Numero from 14 October 2019. None of these businesses individually exceed the 10% threshold for segment revenue or profitability that would require separate disclosure under NZ IFRS 8.

Corporate segment

The shared services functions associated with Vista Group, being legal, finance and senior management. Revenue received from Vista China, an associate company, is recognised within this segment.

Full legal names of each entity can be obtained from section 8.3.

Operating segment performance

Vista Group has adjusted its definition of EBITDA[3] to also exclude restructuring costs due to it being a one-off, non-trading related cost. The CODM also excludes these costs when measuring the performance of Vista Group. More information on restructuring costs is available in section 2.3.

Year ended 31 December 2020	CINEMA[1] NZ$m	MOVIO NZ$m	AGC[2] NZ$m	CORPORATE NZ$m	TOTAL NZ$m
Recurring revenue	39.1	13.5	11.4	1.5	65.5
Non-recurring revenue	17.7	1.3	3.0	-	22.0
Total revenue	**56.8**	**14.8**	**14.4**	**1.5**	**87.5**
Operating expenses	(38.8)	(8.5)	(8.4)	0.3	(55.4)
Sales, marketing and admin expenses	(22.8)	(6.1)	(6.2)	(9.2)	(44.3)
Foreign currency gains / (losses)	1.3	(0.3)	(0.1)	(0.1)	0.8
EBITDA[3]	**(3.5)**	**(0.1)**	**(0.3)**	**(7.5)**	**(11.4)**
EBITDA margin[4]	*-6%*	*-1%*	*-2%*		*-13%*
Year ended 31 December 2019 (restated)					
Recurring revenue	52.4	19.8	14.0	2.0	88.2
Non-recurring revenue	46.8	5.9	3.6	-	56.3
Total revenue	**99.2**	**25.7**	**17.6**	**2.0**	**144.5**
Operating expenses	(49.9)	(10.6)	(7.5)	(0.2)	(68.2)
Sales, marketing and admin expenses	(20.0)	(8.4)	(6.5)	(10.4)	(45.3)
Foreign currency gains / (losses)	0.3	0.1	(0.3)	-	0.1
EBITDA[3]	**29.6**	**6.8**	**3.3**	**(8.6)**	**31.1**
EBITDA margin[4]	*30%*	*26%*	*19%*		*22%*

Reconciliation of EBITDA to (loss) / profit before tax

	2020 NZ$m	2019 NZ$m
EBITDA[3]	(11.4)	31.1
Depreciation and amortisation	(17.7)	(9.7)
Operating (loss) / profit[5]	(29.1)	21.4
Finance costs	(2.2)	(1.7)
Finance income	0.7	0.6
Acquisition expenses	(0.2)	(0.1)
Share of equity accounted loss from associates and JVs	(3.0)	(1.6)
Impairment charges	(28.4)	(0.6)
Restructuring costs	(2.1)	-
Capital gains and losses	-	0.4
(Loss) / profit before tax	**(64.3)**	**18.4**

1 Includes results of Stardust until 25 February 2019, when it ceased to be a controlled entity.

2 Includes results of Numero from 14 October 2019, when control was obtained through the step acquisition (see section 3).

3 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.

4 EBITDA margin is a non-GAAP measure which the CODM regularly reviews and is calculated as EBITDA over total revenue.

5 Operating (loss) / profit is a non-GAAP measure and is defined as earnings before net finance costs, income tax, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associates and joint ventures.

Timing of revenue recognition by segment

Year ended 31 December 2020	CINEMA NZ$m	MOVIO NZ$m	AGC NZ$m	CORPORATE NZ$m	TOTAL NZ$m
At a point in time	17.8	6.2	8.0	-	32.0
Over time	39.0	8.6	6.4	1.5	55.5
Total revenue	**56.8**	**14.8**	**14.4**	**1.5**	**87.5**
Year ended 31 December 2019 (restated)					
At a point in time	40.8	9.5	3.9	-	54.2
Over time	58.4	16.2	13.7	2.0	90.3
Total revenue	**99.2**	**25.7**	**17.6**	**2.0**	**144.5**

Revenue by domicile of entity

Vista Group recognises revenue within entities across several jurisdictions. Revenue is allocated to geographical regions based on where the sale is recorded by each operating entity within Vista Group. Independent resellers are used to promote Vista Group's products in multiple jurisdictions. The revenues recognised via these independent resellers are not allocated geographically, rather they are shown within the New Zealand and United Kingdom jurisdictions based on the location of the transacting Vista Group entity.

	2020 NZ$m	2019 NZ$m
New Zealand	17.7	28.9
United States	29.4	54.5
United Kingdom	24.8	34.4
Mexico	5.9	15.7
Other[1]	9.7	11.0
Total revenue	**87.5**	**144.5**

Non-current assets by domicile of entity

Non-current operating assets by location of the reporting entity are presented in the following table.

	2020 NZ$m	2019 NZ$m
New Zealand	59.6	55.7
United States	21.4	25.7
United Kingdom	10.0	12.5
Mexico	10.8	11.7
Other[1]	13.6	20.8
Non-current assets (excluding DTA and associates)	**115.4**	**126.4**

As required by NZ IFRS 8, the table above excludes deferred tax assets and investments in associates and joint ventures.

1 The 'other' category in the tables presented include entities in the Netherlands, Germany, Malaysia, Romania and South Africa.

2.3 Expenses

Impairment charges

	SECTION	2020 NZ$m	2019 NZ$m
Goodwill	5.4	11.6	-
Intangible assets	5.5	1.8	-
Investment in joint venture - Stardust	5.3	1.3	-
Investment in associate - Vista China	5.3	13.7	-
Investment in associate - Numero		-	0.6
Total impairment charges		**28.4**	**0.6**

All impairment charges relating to goodwill and investments in associates are attributable to the Corporate operating segment. The investment in Vista China is attributable to the Cinema operating segment. Of the impairment charges relating to intangible assets, $1.2m relates to the Cinema operating segment, $0.4m relates to Movio and $0.2m relates to AGC.

Capital gains and losses

	2020 NZ$m	2019 NZ$m
Capital gain – derecognition of Stardust	-	0.1
Capital gain – step acquisition of Numero	-	0.3
Total capital gains and losses	**-**	**0.4**

Restructuring costs

On 4 June 2020, Vista Group announced it had begun consultation with its New Zealand and United Kingdom based staff around a proposed new structure for its core businesses (Vista Group, Vista Cinema and Movio). Staff based in the United States were also included in this organisation restructuring in the second half of the year. Vista Group incurred a total of $2.1m of restructuring costs which have been excluded from EBITDA (see section 2.2 for the EBITDA definition).

Auditor's remuneration included in administration expenses

	2020 NZ$m	2019 NZ$m
Audit of financial statements		
Audit and review of financial statements - PwC	0.5	0.5
Total audit fees	**0.5**	**0.5**

Vista Group engaged PwC to perform non-audit services relating to:

- **Assurances services:** Relating to a review of R&D growth grants $15k (2019: $15k).
- **Advisory services:** Tax advisory relating to long-term employee incentive schemes $89k (2019: $7k) and the preparation of an immaterial subsidiary's financial statements $nil (2019: $12k).

Fees paid to other audit firms for the audit of local subsidiary financial statements was less than $0.1m (2019: less than $0.1m). The non-audit services provided by these firms was also less than $0.1m (2019: less than $0.1m).

Recognition of government grants (significant judgement / estimate)

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised within the income statement as an offset to either operating expenses or administration expenses.

Total government grants recognised in the income statement during the year were $8.5m (2019: $4.2m), which is made up of:

- **Wage subsidies:** In the current year, Vista Group received $5.9m of wage subsidies from various governments including New Zealand, Australia, Netherlands and United Kingdom. The purpose of these subsidies was to help incentivise businesses to retain as many employees as possible. At 31 December 2020, all these grants have been released to the income statement.
- **Growth grants:** During the year, Vista Group recognised a total of $2.6m (2019: $4.2m) of grants from Callaghan Innovation in New Zealand (Callaghan) and Ministry of Economic Affairs (WBSO) in Netherlands to assist with research and development.

  At 31 December 2020, the Callaghan scheme includes a 10% retention amount of $0.2m (2019: $0.4m) yet to be paid and subject to independent auditor review.
- **HSBC PPP loan:** In the current year, Vista Group entered into a US$2.0m loan arrangement with HSBC as part of the US government paycheck protection program (PPP). This loan is a US government designed incentive for businesses impacted by the COVID-19 pandemic to keep staff on their payroll. Vista Group can apply for this loan to be forgiven if all employees are kept on the payroll for at least eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

  Application for forgiveness of this loan is expected to occur in 2021. However, as the rules of this scheme continue to change, Vista Group does not yet have sufficient certainty that the loan will be forgiven. Accordingly, the HSBC PPP loan will only be de-recognised and the income relating to forgiveness will only be recognised if the application is accepted, with $nil recognised as a government grant in 2020.

  See section 4.3 for more details of the HSBC PPP loan.

Other expenses

Sales and marketing expenses are those costs incurred by Vista Group in directly selling or marketing its products, along with the associated personnel costs.

Operating expenses include those costs incurred by Vista Group in running its business operations. Such costs include hosting, research, maintenance, development and the associated personnel costs. Vista Group has expensed $20.0m of aggregated software related research and development expenditure that does not meet the capitalisation criteria in section 5.5 (2019: $25.4m) within this operating expense line.

Administration expenses include the overhead costs incurred by Vista Group that are not directly associated with sales, marketing or costs incurred in running its business operations. The following depreciation and amortisation costs are also included within administration expenses.

	SECTION	2020 NZ$m	2019 NZ$m
Depreciation of property, plant and equipment	5.2	3.8	2.1
Depreciation of lease assets	5.7	6.6	3.9
Amortisation of intangible assets	5.5	7.3	3.7
Total depreciation and amortisation costs		**17.7**	**9.7**

3. Business combinations

This section outlines the final acquisition accounting of Numero, which was acquired in 2019.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises cash and the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired as well as any liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Vista Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Goodwill represents the excess of purchase considerations over the fair value of net assets acquired in a business combination. Goodwill is allocated to cash generating units (CGUs), which are the lowest level of assets for which separately identifiable cash flows can be attributed. See section 5.4 for more detail on the components of goodwill recognised. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate applied is the entity's incremental borrowing rate (being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions).

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes recognised in the income statement.

If a business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the income statement.

Fair value of intangible assets acquired in a business combination (significant judgement / estimate)

On 14 October 2019, Vista Group announced it had acquired the remaining 50% stake in Numero. This transaction resulted in Vista Group obtaining control of Numero and it was therefore consolidated into Vista Group's results from the date of the transaction.

Due to the Numero transaction completing close to 31 December 2019, the fair value of net assets were provisional which excluded the valuation of intangible assets acquired and the related deferred tax. Due to their significance, the fair value of the acquired intangible assets amounting to $4.0m were determined by external valuation experts. A $1.2m of deferred tax liability was also recognised.

As a result, the final goodwill recognised is $2.7m lower than the provisional goodwill (section 5.4).

Judgement was also required to determine how an external market participant would determine the fair value of the Numero borrowings from Vista Group. While the total borrowings on the date of acquisition were $9.1 million, Vista Group concluded the previously recognised provision for impairment on the receivable of $3.6 million at 30 June 2019 remained appropriate, meaning the fair value of the receivables owed to Vista Group by Numero were $5.5 million. This fair value is confirmed using a 5-year discounted cash flow (DCF) of Numero's future cash flows, which is a level 3 fair value measurement technique.

Goodwill is attributable to future growth in Numero obtained from future operating synergies and the ability to leverage Vista Group's existing infrastructure and customer network. Lastly, the goodwill will include a portion relating to the assembled workforce, which does not meet the NZ IAS 38 *Intangible Assets* recognition criteria.

The 12 month provisional accounting period for this acquisition has now concluded and the fair value of the net assets acquired, along with the components that form consideration, are as follows:

	SECTION	NUMERO NZ$m
Fair value of net assets acquired		
Cash		0.3
Intangible assets - customer relationships	5.5	1.3
Intangible assets - software	5.5	2.4
Intangible assets - intellectual property	5.5	0.3
Deferred tax liability in respect of intangible assets	6.2	(1.2)
Trade and other receivables		0.4
Trade and other payables		(0.8)
Deferred revenue		(0.1)
Lease assets		0.1
Lease liabilities - current		(0.1)
Net assets acquired		**2.6**
Goodwill	5.4	3.4
Total consideration		**6.0**
Consideration is satisfied by:		
Cash consideration		0.1
Cash contingent consideration		0.1
Derecognition of receivables owed to Vista Group		5.5
Fair value of previously held equity interest		0.3
Total consideration		**6.0**
Net cash outflow arising on acquisition		
Cash consideration		(0.1)
Cash acquired		0.3
Net cash inflow		**0.2**

Further details of this acquisition are included in the 2019 Annual Report.

4. Cash flows and borrowings

This section builds on information from the statement of cashflows. Cash comprises cash at bank and on hand.

4.1 Reconciliation of net profit to operating cash flows

	SECTION	2020 NZ$m	2019 NZ$m
(Loss) / profit for the year		**(56.7)**	**12.8**
Non-cash items:			
Amortisation	5.5	7.3	3.7
Depreciation	5.2, 5.7	10.4	6.0
Impairment charges	2.3	28.4	0.6
Share-based payment expense	5.6	0.5	1.7
Non-cash finance charges		0.5	0.7
Acquisition expenses		-	0.1
Capital gains and losses	2.3	-	(0.4)
Share of equity accounted loss from associates and JVs	5.3	3.0	1.6
Foreign currency gains		(0.8)	(0.2)
Expected credit loss expense	5.1	6.9	(0.7)
Movement in revenue provision - concession discounts	5.1	5.7	-
Movement in revenue provision - credit risk	5.1	6.3	-
Movement in other provisions	5.9	1.3	-
Net non-cash items		**69.5**	**13.1**
Movements in working capital:			
Increase / (decrease) in related party trade and other payables		0.6	(4.7)
(Increase) / decrease in related party trade and other receivables, net of deferred revenue		(0.6)	6.0
Increase in trade and other payables		4.9	0.6
Increase in trade and other receivables, net of deferred revenue		(6.6)	(8.8)
Increase in net taxation receivable		(8.1)	(3.5)
Net change in working capital		**(9.8)**	**(10.4)**
Net cash inflow from operating activities		**3.0**	**15.5**

4.2 COVID-19 pandemic related tax deferrals

To enable the reader to better understand the composition of the net cash inflow from operating activities on the statement of cash flows, the following items have been disaggregated from cash payments to suppliers and cash taxes paid.

	2020 NZ$m	2019 NZ$m
Government assistance - NZ payroll tax deferral	2.2	-
Government assistance - NZ loss carry back scheme	1.8	-
COVID-19 pandemic related tax deferrals	**4.0**	**-**

4.3 Borrowings

Borrowings are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowing costs are expensed as incurred.

	2020 NZ$m	2019 NZ$m
Borrowings - related party	-	0.9
Borrowings - external	18.1	10.9
Total borrowings	**18.1**	**11.8**
Current	-	0.2
Non-current	18.1	11.6
Total borrowings	**18.1**	**11.8**

The table below details the movement in borrowings during the year:

	2020 NZ$m	2019 NZ$m
Borrowings - related party:		
Balance at 1 January	0.9	0.9
Repayments during the year	(0.9)	-
Balance at year end	**-**	**0.9**
Borrowings - external:		
Balance at 1 January	10.9	11.1
Repayments during the year	(24.1)	-
Drawdowns during the year	34.4	-
Movement in foreign exchange	(3.1)	(0.2)
Balance at year end	**18.1**	**10.9**

A schedule of all debt facilities is shown below:

				INTEREST RATE		DEBT DRAWN (NZ$m)	
FACILITY PROVIDER	REASON FOR LOAN	EXPIRY DATE	CURRENT LIMIT (m)	2020	2019	2020	2019
ASB - revolving credit	General commercial/ Future acquisitions/ SaaS project	Jan 2023	NZ$52.0	1.40%	3.81%	15.4	10.9
ASB - overdraft	Working capital	On demand	NZ$2.0	4.59%	6.08%	-	-
HSBC - PPP loan	Working capital	May 2025	US$2.0	1.00%	-	2.7	-
Total borrowings - external			**NZ$57.1**			**18.1**	**10.9**
Maccs				-	5.00%	-	0.2
Cinema Intelligence				-	5.00%	-	0.7
Total borrowings - related party			**NZ$57.1**			**-**	**0.9**

A line fee of 1.0% is also paid on the credit limit of the ASB revolving credit facility.

ASB facilities

On 31 January 2020, Vista Group entered into a refinancing arrangement with ASB. This facility was drawn upon in 2020 to provide additional cash certainty throughout the COVID-19 pandemic lockdown. It was partially repaid with the funds raised from the April 2020 placement and rights issue.

All ASB facilities are secured by a general security agreement under which the bank has a security interest in Vista Group's tangible assets. Agreed covenants include:

- Gearing ratio of not greater than 2.5 times.
- Interest cover of equal or greater than 3.0 times.
- Normalised EBITDA of the charging group not being less than 80% of Vista Group.

In April 2020, ASB provided relief to the normalised EBITDA of the charging group covenant with the new requirement being:

- 50% for the rolling 12 months to 31 December 2020.
- 60% for the rolling 12 months between 1 January 2021 to 30 June 2021.
- 70% for the rolling 12 months between 1 July 2021 to 31 December 2021.
- 80% for the rolling 12 months from 1 January 2022.

Vista Group has been compliant with all covenants for both the current and prior reporting years. Vista Group is also projecting that it will be compliant with these covenants for at least the next 12 months.

HSBC PPP loan

The loan presented in the table is unsecured and represents the full amount drawn down from HSBC Bank. See section 2.3 for further details on the potential forgiveness of this loan.

5. Assets and liabilities

This section outlines further details of Vista Group's financial performance by building on information presented in the statement of financial position.

5.1 Trade and other receivables

Trade and other receivables at 31 December were as follows:

	SECTION	2020 NZ$m	2019 NZ$m
Trade receivables		47.5	36.6
Accrued revenues		5.9	13.2
Revenue provision - concession discount	2.1	(5.5)	-
Revenue provision - credit risk	2.1	(6.2)	-
ECL provision		(7.7)	(1.2)
Sundry receivables		1.7	3.8
Prepayments		2.5	3.4
Vista China acquisition deposit		0.4	0.4
Total trade and other receivables		**38.6**	**56.2**

Due to the statement of financial position spot exchange rates being significantly different to the income statement average exchange rates, the amounts recognised on the income statement for the concession discount provision was $5.7m, the credit risk provision was $6.3m and the ECL expense was $6.9m.

Trade receivables

Included within trade receivables is a receivable from Vista China of $1.8m (2019: $0.9m), see section 10.1 for further details of Vista China related party transactions.

Accrued revenues

Accrued revenues are contract assets related to revenue that are recognised on customer contracts where Vista Group's performance obligations have been fully satisfied, but billing is not contractually due until a subsequent date.

The movement in accrued revenues during the year was as follows:

	2020 NZ$m	2019 NZ$m
Balance at 1 January	13.2	4.9
Amounts included in opening balance released in the current year	(10.3)	(4.9)
Additional accrued revenues recognised during the year	3.0	13.1
Exchange movements	-	0.1
Accrued revenues at year end	**5.9**	**13.2**

ECL provisioning (significant judgement / estimate)

For trade receivables and accrued revenues, Vista Group applies the simplified approach permitted by NZ IFRS 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables and accrued revenues are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Vista Group and a failure to make contractual payments for a period of greater than 180 days past due.

As described in section 2.1, all revenue recognised after 1 March 2020 has been treated as variable consideration. Accordingly, there is no ECL provision in relation to this revenue as any collectability provisions are a reduction to revenue. The ECL provision only applies to revenue recognised before 1 March 2020 because at that time the likelihood of concessions and collectability provisions due to the effect of the COVID-19 pandemic had not been anticipated.

To measure ECL, trade receivables and accrued revenues have been grouped and reviewed based on the number of days past due. The expected credit loss has been calculated by considering the impact of the following characteristics:

- The baseline characteristic considers the age of each invoice and applying an increasing expected credit loss estimate as the trade receivable ages.
- The aging and write off characteristics consider the history of write off related to the specific customer and the relative size of aged debt to current debt. If the trade receivable aged over 180 days makes up more than 45% of the total trade receivable for a specific customer, a further provision for ECL is added.
- The country, customer and market characteristics consider the relative risk related to the country and/or region within which the customer resides and assesses the financial strength of the customer and the market position that Vista Group has achieved within that market.

On top of the above, the COVID-19 pandemic has resulted in a significant level of risk that Vista Group is not able to recover all trade receivables and accrued revenues due to its customers' financial distress, including where those customers suffer insolvency. Accordingly, Vista Group applied additional judgement in determining the ECL provision at 31 December 2020.

- **Specific provision:** All customer invoices and accrued revenues have been reviewed with a specific provision made for customers that are known to have liquidity/solvency issues, or where the debt is older than 180 days.
- **General provision:** Vista Group applies an ECL matrix to its trade receivables and accrued revenues to determine its general ECL provision. This matrix was prepared using historical loss rates, updated to also include both the current and future economic environment (both of which are largely unknown). Accordingly, at 31 December 2020 Vista Group applied judgement by including a 15% insolvency risk for all Cinema or Movio segment customers. This risk has been reflected within the aging, write offs and collectability category on the following page.

  To avoid double counting, the specific and general ECL provisions are calculated after deducting the associated amount recognised as a revenue provision (see section 2.1 for more details). Also see section 9.4 for a sensitivity analysis related to this significant estimate.

The movement in the ECL provision during the year was as follows:

	2020 NZ$m	2019 NZ$m
Balance at 1 January	1.2	1.9
Bad debts written off	(1.0)	(1.4)
Change in provision	7.5	0.7
ECL provision at year end	**7.7**	**1.2**

The table below illustrates how the carrying value of the ECL has been derived:

2020	0-90 DAYS NZ$m	91-180 DAYS NZ$m	181-270 DAYS NZ$m	271-360 DAYS NZ$m	361+ DAYS NZ$m	TOTAL NZ$m
Net trade receivables and accrued revenues[1]	25.8	6.8	4.3	2.9	1.9	41.7
Baseline	0.2	0.1	0.1	0.1	-	0.5
Aging, write offs and collection	2.3	0.4	0.2	0.3	-	3.2
Country, customer and market	0.1	-	-	-	-	0.1
ECL - general provision	2.6	0.5	0.3	0.4	-	3.8
ECL - specific provision	0.1	-	0.2	1.7	1.9	3.9
Total ECL provision	**2.7**	**0.5**	**0.5**	**2.1**	**1.9**	**7.7**
General provision effective rate	*10.1%*	*7.4%*	*7.0%*	*13.8%*	-	*9.1%*

2019	0-90 DAYS NZ$m	91-180 DAYS NZ$m	181-270 DAYS NZ$m	271-360 DAYS NZ$m	361+ DAYS NZ$m	TOTAL NZ$m
Net trade receivables and accrued revenues[1]	41.9	3.8	2.6	0.8	0.7	49.8
Baseline	0.1	-	0.1	-	-	0.2
Aging, write offs and collection	-	-	-	-	0.1	0.1
Country, customer and market	0.1	-	-	-	-	0.1
ECL - general provision	0.2	-	0.1	-	0.1	0.4
ECL - specific provision	-	-	0.1	0.3	0.4	0.8
Total ECL provision	**0.2**	**-**	**0.2**	**0.3**	**0.5**	**1.2**
General provision effective rate	*0.5%*	-	*3.8%*	-	*14.3%*	*0.8%*

1 Net trade receivables and accrued revenue excludes the impact of concession discounts and credit risk provisioning.

Total revenue and ECL provisioning

The below table highlights the proportion of total provisioning made against trade receivables and accrued revenues. Vista Group believe that cumulative ECL and revenue provisions of 36.3% was a reasonable level to provide against trade receivables and accrued revenues in such an uncertain time.

	2020 NZ$m	2019 NZ$m
Trade receivables and accrued revenues	**53.4**	**49.8**
Revenue provision - concession discount	5.5	-
Revenue provision - credit risk	6.2	-
ECL provision	7.7	1.2
Total provisioning	**19.4**	**1.2**
Total provisioning effective rate	*36.3%*	*2.4%*

5.2 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment charges. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on assets is charged on a straight-line basis to allocate the differences between their original cost and the residual values over their estimated useful lives, as follows:

- Fixtures and fittings 7 to 10 years, or the term of any associated property lease
- Computer equipment 2 to 5 years

The residual values and useful lives of assets are reviewed and adjusted if appropriate. If an asset's carrying amount is greater than its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

The carrying amount of property, plant and equipment is represented as follows:

2020	FIXTURES & FITTINGS NZ$m	COMPUTER EQUIPMENT NZ$m	TOTAL NZ$m
Gross carrying amount			
Balance at 1 January	7.9	3.5	11.4
Additions	0.6	0.8	1.4
Disposals	(2.3)	(0.1)	(2.4)
Exchange differences	0.2	0.1	0.3
Balance at year end	**6.4**	**4.3**	**10.7**
Accumulated depreciation			
Balance at 1 January	(2.3)	(1.8)	(4.1)
Current year depreciation	(2.7)	(1.1)	(3.8)
Disposals	2.3	0.1	2.4
Exchange differences	(0.2)	(0.2)	(0.4)
Balance at year end	**(2.9)**	**(3.0)**	**(5.9)**
Property, plant and equipment at 31 December 2020	**3.5**	**1.3**	**4.8**
2019			
Gross carrying amount			
Balance at 1 January	5.8	4.9	10.7
Additions	2.8	1.3	4.1
Disposals	(0.3)	(2.5)	(2.8)
Exchange differences	(0.4)	(0.2)	(0.6)
Balance at year end	**7.9**	**3.5**	**11.4**
Accumulated depreciation			
Balance at 1 January	(2.1)	(3.2)	(5.3)
Current year depreciation	(0.9)	(1.2)	(2.1)
Disposals	0.3	2.5	2.8
Exchange differences	0.4	0.1	0.5
Balance at year end	**(2.3)**	**(1.8)**	**(4.1)**
Property, plant and equipment at 31 December 2019	**5.6**	**1.7**	**7.3**

5.3 Investment in associates and joint ventures

Associates are entities which Vista Group has significant influence but not control or joint control. This is generally the case where Vista Group holds between 20% and 50% of the voting rights.

Joint ventures are entities which Vista Group has a joint arrangement where two or more of the parties have joint control of the arrangement and have rights to the net assets of the arrangement.

Investments in both associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Equity accounted results continue to reflect depreciation based on the original cost of the assets.

In the event of loss of control of a subsidiary, resulting in an associate company, the carrying amount of the associate is recognised initially at fair value. The carrying amount of the investment in an associate is increased or decreased to recognise Vista Group's share of the profit or loss and other comprehensive income of the associate after the acquisition date. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When Vista Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, Vista Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments are tested for impairment in accordance with NZ IAS 28 *Investments in Associates and Joint Ventures*, where an impairment review is completed at the end of any reporting period if (and only if) there is objective evidence of impairment. Paragraph 41A of the standard defines the loss events that would trigger an impairment review in any reporting period.

The financial statements of associates and joint ventures are prepared for the same reporting period as Vista Group. When necessary, adjustments are made to bring the accounting policies in line with those of Vista Group.

Holdings in associates and joint ventures

The principal associates and joint ventures all have share capital consisting solely of ordinary shares. None of these entities are considered strategic to Vista Group's core operations.

NAME OF ENTITY	ASSOCIATE OR JOINT VENTURE	COUNTRY OF INCORPORATION	PRINCIPAL PLACE OF BUSINESS	HOLDING PERCENTAGE 2020	HOLDING PERCENTAGE 2019
Vista Entertainment Solutions (Shanghai) Limited	Associate	China	China	47.5%	47.5%
Stardust Solutions Limited	Joint Venture	New Zealand	United States	43.8%	55.9%

Carrying value of associates and joint ventures

	STARDUST 2020 NZ$m	STARDUST 2019 NZ$m	VISTA CHINA 2020 NZ$m	VISTA CHINA 2019 NZ$m
Opening net assets	2.3	-	20.8	24.6
Initial recognition of Stardust at 25 Feb 2019	-	3.2	-	-
Loss for the year	(0.6)	(0.9)	(5.9)	(2.3)
Capital contributed by other shareholders	0.9	-	-	-
Dividends declared	-	-	-	(1.5)
Closing net assets	**2.6**	**2.3**	**14.9**	**20.8**
Vista Group weighted average interest for the year	48.5%	55.9%	47.5%	47.5%
Vista Group's share of closing net assets	1.3	1.3	7.1	9.9
Goodwill	-	0.2	20.2	20.2
Impairment charges	(1.3)	-	(13.7)	-
Carrying value of associates and JVs at year end	**-**	**1.5**	**13.6**	**30.1**

Impairment of carrying value of investment in Vista China (significant judgement / estimate)

At 30 June 2020, Vista Group reviewed its net investment in Vista China for objective evidence of impairment and concluded this definition was met due to significant adverse effects in the Chinese cinema industry. For example, all cinemas either had been, or continued to be, closed for an undetermined period due to the COVID-19 pandemic. This resulted in a decline of Vista China's current cash inflows and Vista Group expect Vista China to have sustained effects in their medium-term cash inflows as the business recovers from the pandemic.

Accordingly, an independent valuation of Vista China was prepared by an external valuation expert using a combined DCF and capitalisation of revenue method. This combined approach represents a fair value less costs to dispose (FVLCD) methodology which uses level 3 fair value measurements. The key inputs applied by the external valuation expert into the valuation models were:

- Revenue multiple: a range of 2.0x to 2.5x (2019: 4.0x to 5.0x), based on a comparison to Vista Group's historical trading multiples.
- Discount rate applied in DCF: a range of 13.0-16.0% (2019: 20.0-25.0%), based on authoritative studies into the rates of return required by venture capital firms of China-based companies. The range declined on the prior year as a higher exit multiple had been applied in previous years, whereas in the current period they had been revised to a more conservative value given the current economic environment.
- Exit multiple applied in DCF terminal growth: 2.5x (2019: 4.8x), based on the upper end of the revenue multiple range, as by 2030 Vista China is assumed to be well established in the Chinese market.
- Revenue CAGR applied in DCF: Between 2019 and 2030, the effective revenue CAGR is 3.5%.

A control discount of 10.0% and selling costs of 2.0% of Vista Group's 47.5% stake were applied to the valuation (2019: 10.0% and 2.0% respectively).

To be cautious in a time of such uncertainty, Vista Group applied judgement by applying the lower end of the valuation range. The result of this external valuation was Vista Group's equity accounted carrying value of Vista China ($28.3m) exceeded its recoverable amount ($14.6m) by $13.7m and therefore a corresponding impairment charge has been recognised in the income statement.

The external valuation and the impairment charge recognised are sensitive to a change in the above key inputs. The following summarises the effect of a change in these key inputs, with all other assumptions remaining constant:

		DOWNSIDE SCENARIOS			UPSIDE SCENARIOS		
	BASE CASE INPUT APPLIED	SENSITISED INPUT APPLIED	IMPAIRMENT CHARGE NZ$m	INCREASED IMPAIRMENT CHARGE NZ$m	SENSITISED INPUT APPLIED	IMPAIRMENT CHARGE NZ$m	INCREASED IMPAIRMENT CHARGE NZ$m
Revenue multiple	2.25x	1.75x	14.7	1.0	2.75x	12.6	(1.1)
Discount rate	14.5%	16.0%	14.1	0.4	13.0%	13.1	(0.6)
Exit multiple	2.00x	1.50x	14.4	0.7	2.50x	12.8	(0.9)
Revenue CAGR	3.5%	2.5%	13.9	0.2	4.5%	13.3	(0.4)

At 31 December 2020, Vista Group reviewed its net investment in Vista China again for objective evidence of impairment. As none of the loss events defined in NZ IAS 28 had occurred in the second half of the year, no further impairment review was required.

Proposed Vista China step acquisition

On 20 March 2020, Vista Group announced that it had cancelled the agreement to acquire a further 14.5% of Vista China, which had previously been announced to the market on 20 December 2019.

Vista China summarised financial position

A summarised statement of financial position of Vista Group's only material associate or joint venture, Vista China, is presented below:

	VISTA CHINA 2020 NZ$m	2019 NZ$m
Cash	8.8	12.6
Trade and other receivables	11.9	14.4
Total current assets	20.7	27.0
Total non-current assets	2.8	3.0
Total assets	**23.5**	**30.0**
Total current liabilities	(6.5)	(7.9)
Total non-current liabilities	(0.5)	-
Total liabilities	**(7.0)**	**(7.9)**
Effect of translation	(1.6)	(1.3)
Net assets	**14.9**	**20.8**

Vista China summarised trading results

A summarised income statement of Vista Group's only material associate or joint venture, Vista China, is presented below. Included in this table is a reconciliation to the equity accounted losses recognised in Vista Group. All losses are derived from continuing operations and there were no movements to report in other comprehensive income. Adjustments have been applied to align the accounting policies of Vista China to those of Vista Group.

	VISTA CHINA 2020 NZ$m	2019 NZ$m
Revenue	7.3	19.2
Total expenses	(13.2)	(21.5)
Loss for the year	**(5.9)**	**(2.3)**
Vista Group equity accounted interest	47.5%	47.5%
Vista Group share of equity accounted loss for the year	**(2.8)**	**(1.0)**

For the year ended 31 December 2020, the total equity accounted loss from associates and joint ventures was $3.0m and includes $0.2m from Stardust (2019: $1.6m includes $0.6m from Stardust).

Impairment of carrying value of investment in Stardust (significant judgement / estimate)

Vista Group reviewed its net investment in Stardust for objective evidence of impairment at 30 June 2020 and concluded this definition was met due to significant financial difficulty in the joint venture. This is due to a combination of the revenue streams yet to be commercialised; an unsuccessful search for external investors; the current COVID-19 pandemic environment; and the reliance on existing shareholders to continue cash funding of the business operations.

Due to the above objective evidence of impairment, Vista Group determined there were no reasonable valuation techniques that would indicate this entity to have any value. Accordingly, Vista Group Board have taken a prudent approach of determining the recoverable amount as $nil with an impairment charge of $1.3m being recognised on the income statement.

As this investment has no carrying value, Vista Group discontinued recognising its share of future Stardust losses from 1 July 2020.

5.4 Goodwill

The amount of goodwill initially recognised is a function of the allocated purchase price to the fair value of the identifiable net assets acquired. The determination of the net assets fair value, particularly intangible assets, is to a considerable extent based on management judgement.

Goodwill is not amortised and is tested for impairment annually irrespective of whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. After initial recognition, goodwill is measured at cost less any accumulated impairment charges.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment charge is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment charges are recognised in the income statement.

The recoverable amount of an asset is the greater of its value in use (VIU) and its FVLCD, however in line with NZ IAS 36 *Impairment of Assets*, FVLCD is only determined where VIU would result in an impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (i.e. CGUs). The allocation is made to those CGUs that are expected to benefit from the business combination in which goodwill arose. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Carrying value of goodwill

	SECTION	2020 NZ$m	2019 NZ$m
Gross carrying amount			
Balance at 1 January		73.5	67.5
Numero acquisition	3	(2.7)	6.1
Exchange differences		(0.9)	(0.1)
Gross carrying amount at year end		**69.9**	**73.5**
Accumulated impairment			
Balance at 1 January		(3.6)	(3.6)
Impairment charges recognised during the year	2.3	(11.6)	-
Accumulated impairment at year end		**(15.2)**	**(3.6)**
Goodwill at year end		**54.7**	**69.9**

Goodwill by CGU

	2020 NZ$m	2019 NZ$m
Vista Entertainment Solutions Limited (VESL)	23.1	24.4
Virtual Concepts Limited (Movio)	17.0	17.0
MACCS International BV (Maccs)	5.7	12.3
Share Dimension BV (Cinema Intelligence)	2.0	1.9
Powster Limited (Powster)	6.1	7.6
Flicks.co.nz Limited (Flicks)	0.2	0.6
Numero Limited (Numero)	0.6	6.1
Goodwill at year end	**54.7**	**69.9**

The above CGUs are business operations at their lowest level where goodwill is monitored for internal management reporting purposes. VIU calculations are used in determining the recoverable amount of each CGU. Cash flows were projected based on a 5-year business model for each CGU. Determination of appropriate post-tax cash flows, terminal growth rates and discount rates for the calculation of VIU is subjective and requires significant judgement to determine the growth in revenue and EBITDA, timing and quantum of future capital expenditure, working capital, long-term growth rates (LTGR) and the selection of discount rates to reflect the risks involved.

Impairment indicators were identified at 30 June 2020 due to all cinemas worldwide being closed during the COVID-19 pandemic for an undetermined period and the reduction in Vista Group's market capitalisation. Accordingly, Vista Group prepared impairment tests for all CGUs at 30 June 2020, which led to impairment charges totaling $11.6 million.

The impairment tests were updated as at 31 August 2020, which is the usual time for the annual impairment tests for Vista Group, and impairment indicators were assessed as at 31 December 2020. No further impairments were recognised.

The disclosures below relate to the impairment tests at 30 June 2020 for the four CGUs where goodwill was impaired. Information on the 30 June 2020 impairment tests for the other three CGUs is also disclosed for consistency and because there were no changes in later impairment tests that significantly increase the risk of impairments for those CGUs.

Impairment testing of goodwill (significant judgement / estimate)

Vista Group applied judgement in determining that a VIU method for each CGU would result in a higher recoverable amount than a FVLCD as:

- Willing buyers appeared to demand a discount in the COVID-19 pandemic economic environment.
- A DCF was used to determine the FVLCD, whereby inputs into the VIU models are adjusted for how an external market participant may restructure and scale the CGU. However, in all cases it was determined the recoverable amount from the VIU was higher than the FVLCD.

Accordingly, Vista Group determined the recoverable amount of all CGUs would equate to their VIU with:

- Cash flows projected based on management approved 5-year business models for each CGU.
- Discount rate determined by an independent adviser using the Capital Asset Pricing Model (CAPM) methodology of determining the weighted average cost of capital (WACC), using market specific inputs.
- LTGR determined by an independent adviser, being the 2024 consumer price inflation (CPI) of the country each CGU is headquartered (source: The Economist Intelligence Unit).
- Terminal growth being calculated at 30 June 2025 applying the LTGR.

The key assumptions applied to each CGU are as follows:

	5-YEAR REVENUE CAGR		PRE-TAX WACC		LONG-TERM GROWTH RATE	
CGU	JUN-2020 VIU	DEC-2019 VIU	JUN-2020 VIU	DEC-2019 VIU	JUN-2020 VIU	DEC-2019 VIU
VESL	5.9%	10.7%	14.8%	12.8%	2.0%	2.5%
Movio	6.3%	17.0%	15.5%	13.3%	2.0%	2.5%
Flicks	9.0%	14.3%	17.4%	16.1%	2.0%	2.5%
Maccs	6.9%	10.9%	15.2%	14.1%	2.0%	2.5%
Powster	6.2%	12.6%	15.2%	16.4%	1.5%	2.5%
Cinema Intelligence	13.2%	26.3%	15.8%	14.6%	2.0%	2.5%
Numero	15.5%	20.7%	17.2%	17.5%	2.0%	2.5%

With cinemas that are not open and able to function to capacity, the COVID-19 pandemic had directly impacted all parts of the cinema industry. For each of the Vista Group's CGUs, their short-term revenue streams were directly impacted through lower demand from cinemas, studios and distributors.

For the medium-term, Vista Group took a cautious approach in forecasting the recovery of the cinema industry, with the continued risk of future cinema closures through additional waves of the COVID-19 pandemic. The CGUs resulting in an impairment charge are below:

CGU	CARRYING VALUE NZ$m	RECOVERABLE AMOUNT (VIU) NZ$m	IMPAIRMENT CHARGE NZ$m
Flicks	0.7	0.3	0.4
Maccs	16.3	9.2	7.1
Powster	12.3	11.0	1.3
Numero	6.5	3.7	2.8
Total	**35.8**	**24.2**	**11.6**

Based on previous experience, Vista Group applied judgement in determining a reasonably possible change in the key assumptions in the VIU models. The additional CGUs that would result in a potential impairment scenario are as follows:

		INPUT REQUIRED FOR THE VIU TO EQUATE TO THE CARRYING VALUE		
CGU	AMOUNT THE VIU EXCEEDS CARRYING VALUE NZ$m	5-YEAR REVENUE CAGR	PRE-TAX WACC	LONG-TERM GROWTH RATE
VESL	70.1	4.5%	Not sensitive	Not sensitive
Movio	24.2	4.0%	Not sensitive	Not sensitive
Cinema Intelligence	0.7	12.7%	18.7%	Not sensitive

For the CGUs that recognised an impairment charge at 30 June 2020, their respective carrying values equate to their VIU. This means they are all sensitive to any adverse change in the key assumptions. As an illustrative example, the below table shows the impact of a 1.0% reduction in the revenue CAGR and LTGR, and a 1.0% increase in the pre-tax WACC.

	5-YEAR REVENUE CAGR		PRE-TAX WACC		LONG-TERM GROWTH RATE	
CGU	DECREASED RATE	REVISED IMPAIRMENT CHARGE NZ$m	INCREASED RATE	REVISED IMPAIRMENT CHARGE NZ$m	INCREASED RATE	REVISED IMPAIRMENT CHARGE NZ$m
Flicks	8.0%	0.8	18.4%	0.4	1.0%	0.4
Maccs	5.9%	10.7	16.2%	8.0	1.0%	7.8
Powster	5.2%	7.6	16.2%	2.2	0.5%	2.0
Numero	14.5%	3.7	18.2%	3.1	1.0%	3.0

Vista Group completed its annual impairment review of goodwill under a VIU method. As the review is required to be completed at the same time each year, which for Vista Group is 31 August 2020, the cashflows, pre-tax WACC and LTGR were the same as those applied to the half year review (see previous table). This review showed there was no further impairment charge required.

At 31 December 2020, Vista Group completed a further review for indicators of impairment. No indicators were identified that would be significant enough to result in a further impairment charge.

5.5 Other intangible assets

Intangible assets

Intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment charges.

Intangible assets with finite lives are amortised over their useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least annually.

Development costs and internally generated software

Maintenance: Costs associated with maintaining computer software programmes are recognised as an expense within the income statement as incurred.

Development – capitalised: Internally developed software is capitalised as an intangible asset when they meet the recognition criteria of NZ IAS 38 (see below).

Development – other: Other development expenditures that do not meet the recognition criteria are classified as operating expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Other intangible assets

Intangible assets are amortised on a straight-line basis over the following useful economic lives:

- Intellectual property — 4 to 15 years
- Customer relationships — 4 to 15 years
- Software licenses — 2 to 15 years
- Internally generated software — 3 to 5 years based on their estimated useful life.

Capitalisation of development costs (significant judgement / estimate)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Vista Group are only recognised as intangible assets when all the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use.
- management intends to complete the software product and use or sell it.
- there is an ability to use or sell the software product.
- it can be demonstrated how the software product will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- the expenditure attributable to the software product during its development can be reliably measured.

Impairment testing of internally generated software (significant judgement / estimate)

Vista Group reviewed all internally generated software assets for impairment at 30 June 2020 and 31 December 2020. When doing so, the recoverable amount of each asset is estimated as the future economic benefits they are expected to derive, which requires significant judgement. The delta between the recoverable amount (calculated using a VIU method) and the carrying value of each asset has been recognised as an impairment charge in 2020.

The recoverable amount for the portion of internally generated software which an impairment charge has been recognised is $1.8m. The discount rate applied in present valuing was 2.4%, which equated to Vista Group's cost of ASB debt (inclusive of the line fee) at 30 June 2020.

Carrying amount of intangible assets

2020	SECTION	INTERNALLY GENERATED SOFTWARE NZ$m	SOFTWARE LICENSES NZ$m	INTELLECTUAL PROPERTY NZ$m	CUSTOMER RELATIONSHIPS NZ$m	TOTAL NZ$m
Gross carrying amount						
Balance at 1 January		27.5	2.5	2.4	5.5	37.9
Additions		12.8	-	-	-	12.8
Numero acquisition	3	-	2.4	0.3	1.3	4.0
Impairment charges		(2.2)	-	-	-	(2.2)
Balance at year end		**38.1**	**4.9**	**2.7**	**6.8**	**52.5**
Accumulated amortisation						
Balance at 1 January		(4.6)	(1.3)	(1.4)	(3.2)	(10.5)
Current year amortisation		(5.2)	(0.8)	(0.3)	(1.0)	(7.3)
Impairment charges		0.4	-	-	-	0.4
Balance at year end		**(9.4)**	**(2.1)**	**(1.7)**	**(4.2)**	**(17.4)**
Intangible assets at 31 December 2020		**28.7**	**2.8**	**1.0**	**2.6**	**35.1**

2019						
Gross carrying amount						
Balance at 1 January		17.7	2.6	2.2	4.9	27.4
Additions		11.7	-	0.2	0.7	12.6
Disposals - deconsolidation of Stardust		(1.9)	-	-	-	(1.9)
Exchange differences		-	(0.1)	-	(0.1)	(0.2)
Balance at year end		**27.5**	**2.5**	**2.4**	**5.5**	**37.9**
Accumulated amortisation						
Balance at 1 January		(1.9)	(1.3)	(1.0)	(2.7)	(6.9)
Current year amortisation		(2.7)	(0.2)	(0.4)	(0.4)	(3.7)
Exchange differences		-	0.2	-	(0.1)	0.1
Balance at year end		**(4.6)**	**(1.3)**	**(1.4)**	**(3.2)**	**(10.5)**
Intangible assets at 31 December 2019		**22.9**	**1.2**	**1.0**	**2.3**	**27.4**

5.6 Trade and other payables

	2020 NZ$m	2019 NZ$m
Trade payables	5.0	0.3
Sundry accruals	3.5	6.6
Employee benefits	9.4	6.3
Total trade and other payables	**17.9**	**13.2**

Included in trade payables is a balance of $0.7m (2019: $0.1m) payable to the associate company Vista China, see section 10.1 for further details of Vista China related party transactions.

Employee benefits

Accruals for wages, salaries, including non-monetary benefits, commissions and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid using the remuneration rate expected to apply at the time of settlement, on an undiscounted basis. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Vista Group has pension obligations in respect of various defined contribution plans. Vista Group pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. Vista Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee entitlement expense when they are due.

Employee expenses included in total expenses:

	2020 NZ$m	2019 *Restated* NZ$m
Wages and salaries	69.4	71.6
Share-based payment expense	0.5	1.7
Defined contribution plans and employee insurances	7.1	6.9
Total employee benefit expenses	**77.0**	**80.2**

5.7 Lease assets and liabilities

Vista Group predominantly leases property for fixed periods of 1-7 years, but these leases often have extension options. These extension options are usually at the discretion of Vista Group and are included in the measurement of the lease asset if management is reasonably certain the extension will be exercised.

The lease term is reassessed if an option is actually exercised (or not exercised) or if Vista Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Leases are recognised as a right of use asset (lease asset) and a corresponding lease liability at the date at which the leased asset is available for use by Vista Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. The lease asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Vista Group elected to apply NZ IFRS 16 *Leases* to all short-term leases.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Lease assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Vista Group is reasonably certain to exercise a purchase option, the lease asset is depreciated over the underlying asset's useful life.

Vista Group has received COVID-19 pandemic related rent concessions through deferral of lease payments. The concession is in the form of the lease payments being rescheduled rather than reduced, thus the consideration for the lease has not changed. Vista Group assessed that since the deferral is proportionate, it is not considered as a lease modification. Accordingly, the lease liability was adjusted, and any corresponding gain was recognised at the time when the deferral was granted.

Carrying value of lease assets

	2020 NZ$m	2019 NZ$m
Balance at 1 January	21.8	-
Additions due to first-time adoption of NZ IFRS 16	-	6.1
Additions during the year	7.4	19.3
Adjustments in respect of assumed lease term	(1.2)	-
Current year depreciation	(6.6)	(3.9)
Exchange differences	(0.6)	0.3
Lease assets at year end	**20.8**	**21.8**

The lease asset includes $0.7m relating to extension options that Vista Group believe will be taken up.

Carrying value of lease liabilities

	2020 NZ$m	2019 NZ$m
Balance at 1 January	23.5	-
Additions due to first-time adoption of NZ IFRS 16	-	7.2
Additions during the year	7.4	19.3
Adjustments in respect of assumed lease term	(1.3)	-
Interest expense relating to lease liabilities	0.8	0.6
Repayment of lease liabilities (including interest)	(6.4)	(3.7)
Exchange differences	(1.0)	0.1
Lease liabilities at year end	**23.0**	**23.5**

Maturity of lease liabilities

	2020 NZ$m	2019 NZ$m
Less than one year	3.3	6.1
One to five years	17.9	13.5
More than five years	1.8	3.9
Lease liabilities at year end	**23.0**	**23.5**

5.8 Deferred revenues

Deferred revenues are contract liabilities related to revenue that are recognised on customer contracts where Vista Group's performance obligations have not been fully satisfied.

The following table represents the revenues recognised during the year relating to carried forward deferred revenue, as well as the additional deferred revenues recognised at year end where the performance obligations are yet to be satisfied.

	2020 NZ$m	2019 NZ$m
Balance at 1 January	23.1	25.9
Revenue recognised from performance obligations satisfied in the year	(21.0)	(20.7)
Additional deferred revenues from unsatisfied performance obligations	16.9	17.5
Exchange movements	0.5	0.4
Deferred revenues at year end	**19.5**	**23.1**
Represented by:		
Current portion	19.0	22.9
Non-current portion	0.5	0.2
Deferred revenues at year end	**19.5**	**23.1**

5.9 Provisions

Carrying value of provisions

	2020 NZ$m	2019 NZ$m
Lease dilapidations	0.5	0.6
Organisation restructuring	0.1	-
Onerous contracts	0.8	-
Other	0.5	-
Total provisions at year end	**1.9**	**0.6**
Represented by:		
Current	1.8	-
Non-current	0.1	0.6
Total provisions at year end	**1.9**	**0.6**

Movement in provisions

	2020 NZ$m	2019 NZ$m
Balance at 1 January	0.6	0.5
Organisation restructuring	0.1	-
Movement in lease dilapidations	(0.1)	0.1
Onerous contracts	0.8	-
Other movements	0.5	-
Total provisions at year end	**1.9**	**0.6**

6. Taxation

This section outlines details of the income tax expense incurred by Vista Group and the deferred taxes recognised on the statement of financial position.

6.1 Income Tax Expense

The income tax expense for the year comprises current and deferred tax. Taxation is recognised in profit or loss in the income statement, except when it relates to items recognised directly in equity (in which case the income tax is recognised in the statement of comprehensive income). Income tax expense is based on tax rates and regulation enacted, or substantively enacted at the balance date, in the jurisdiction in which the respective entity operate.

Income tax is comprised of:

	SECTION	2020 NZ$m	2019 NZ$m
Current tax expense		0.7	5.6
Deferred tax expense	6.2	(8.3)	-
Total tax (benefit) / expense		**(7.6)**	**5.6**

Reconciliation of income tax expense

The relationship between the expected tax expense based on the domestic effective tax rate of the Company at 28% (2019: 28%) and the reported tax expense in the income statement can be reconciled as follows:

	2020 NZ$m	2019 NZ$m
(Loss) / profit before tax (taxable income)	(64.3)	18.4
Domestic tax rate for Vista Group International Limited	28%	28%
Expected tax (benefit) / expense	**(18.0)**	**5.2**
Foreign subsidiary company tax	0.4	(0.1)
Non-assessable income / non-deductible expenses	9.0	0.4
Prior year adjustments	(0.1)	(1.0)
Other	1.1	1.1
Total tax (benefit) / expense	**(7.6)**	**5.6**
Effective tax rate	12%	30%

As at 31 December 2020, Vista Group has $12.0m (2019: $16.0m) of imputation credits available for use in subsequent reporting years. Vista Group also has $0.8m (2019: $0.4m) of unused tax losses for which no deferred tax asset has been recognised, as they do not meet the recognition criteria.

6.2 Deferred tax assets and liabilities

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the year.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Recognition of deferred tax assets (significant judgement / estimate)

Deferred tax at year end includes temporary timing differences and income tax losses available to carry forward against future profits. A deferred tax asset is recognised on losses, only when it is considered probable that sufficient taxable profits will be available to utilise the losses in the near future. Vista Group applies judgement when reviewing current business plans and forecasts to ascertain the likelihood of future taxable profits. The financial forecasts used in this assessment are the same as those used in the impairment review of goodwill and other assets in section 5.4.

Deferred taxes can be summarised as follows:

2020	OPENING BALANCE NZ$m	ACQUIRED AS PART OF A BUSINESS COMBINATION NZ$m	INITIAL RECOGNITION OF IFRS 16 NZ$m	RECOGNISED IN INCOME STATEMENT NZ$m	CLOSING BALANCE NZ$m
Trade and other receivables	0.2	-	-	4.6	4.8
Property, plant and equipment	(0.1)	-	-	(0.8)	(0.9)
Lease assets	(4.4)	-	-	(0.5)	(4.9)
Intangible assets	(1.3)	(1.2)	-	0.6	(1.9)
Employee benefits	1.1	-	-	0.4	1.5
Lease liabilities	4.8	-	-	0.7	5.5
Unused tax losses	1.7	-	-	2.9	4.6
Other	0.1	-	-	0.4	0.5
Deferred tax net asset at 31 December 2020	**2.1**	**(1.2)**	**-**	**8.3**	**9.2**
2019					
Trade and other receivables	0.4	-	-	(0.2)	0.2
Property, plant and equipment	(0.1)	-	-	-	(0.1)
Lease assets	-	-	(1.5)	(2.9)	(4.4)
Intangible assets	(1.3)	-	-	-	(1.3)
Employee benefits	1.6	-	-	(0.5)	1.1
Lease liabilities	-	-	1.8	3.0	4.8
Unused tax losses	1.1	-	-	0.6	1.7
Other	0.1	-	-	-	0.1
Deferred tax net asset at 31 December 2019	**1.8**	**-**	**0.3**	**-**	**2.1**

Deferred tax is represented by:

	2020 NZ$m	2019 NZ$m
Deferred tax asset	16.9	7.9
Deferred tax liability	(7.7)	(5.8)
Deferred tax net asset	**9.2**	**2.1**

7. Capital structure

This section outlines Vista Group's capital structure, earnings per share and share-based employee incentives which have an impact on Vista Group's equity.

Components of equity

Contributed equity: The value of shares that have been issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. All transactions with owners of the parent are recorded separately within share capital. All shares are ordinary, authorised, issued and fully paid shares. They all have equal voting rights and share equally in dividends and any surplus on winding up. The shares have no par value.

Retained earnings: All current and prior year retained profits and losses.

Dividend payments: Dividends payable to equity shareholders are included in trade and other payables when the dividends have been approved by the Board on or before the end of the reporting year but not yet distributed.

Foreign currency reserve: This reserve is used to record cumulative translation differences on the assets and liabilities of foreign operations. The cumulative translation differences are recycled to the income statement on disposal of the foreign operation.

Share-based payment reserve: This reserve is used to record any equity share-based incentives. The reserve value represents the difference between the value at the time of allocation and the cash incentives received, plus the equity component of contingent consideration payable.

7.1 Contributed equity

During the 2020 financial year, 62,217,222 shares were issued (2019: 861,704). The following reflects where these shares were allocated:

	MILLIONS OF SHARES		NZ$m	
	2020	2019	2020	2019
Shares issued and fully paid:				
Balance at 1 January	166.4	165.5	61.8	59.4
Ordinary shares issued during the year:				
2020 placement and rights issue (net of costs)	61.9	-	62.3	-
Employee incentives	0.3	0.9	1.3	2.4
Step acquisition - Maccs	-	-	3.2	-
Step acquisition - Cinema Intelligence	-	-	(2.6)	-
Total contributed equity at year end	**228.6**	**166.4**	**126.0**	**61.8**

On 16 April 2020, Vista Group announced a $25.0m placement and a 1 for 4.37 rights issue, which cumulatively resulted in 61,946,951 additional ordinary shares being issued at $1.05 per share. The combined impact was that Vista Group raised a total of $65.1m, before $2.8m expenses and as a result Vista Group's share capital increased by $62.3 million.

On 25 September 2020, Vista Group announced it had acquired the remaining 49.9% stake in Maccs for cash consideration totaling $2.0 million. As prior to the transaction Maccs was already controlled by Vista Group, this transaction is adjusted through equity rather than being recognised as a business combination. The $3.2 million adjustment is the delta between the $2.0 million cash consideration and the previously held $5.2 million non-controlling interest balance.

On 3 December 2020, Vista Group announced it had acquired the remaining 50.0% stake Cinema Intelligence for cash consideration totaling $1.3 million. As prior to the transaction Cinema Intelligence was already controlled by Vista Group, this transaction is adjusted through equity rather than being recognised as a business combination. The $2.6 million adjustment is the delta between the $1.3 million cash consideration and the previously held -$1.3 million non-controlling interest balance.

7.2 Earnings per share

Vista Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to owners of the parent and the weighted average number of ordinary shares in issue during the year for the effects of all dilutive potential ordinary shares, which for Vista Group comprise share-based payments and performance rights. Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

	NUMBER OF SHARES (MILLIONS)	
	2020	2019 *Restated*
Weighted average ordinary shares for basic EPS	**213.8**	**180.6**
Effect of dilution:		
Share options and awards	3.9	1.4
Weighted average ordinary shares adjusted for the effect of dilution	**217.7**	**182.0**
(Loss) / profit for the year attributable to owners of the parent (NZ$m)	(51.4)	10.8
Basic and diluted EPS (cents)[1]	**($0.24)**	**$0.06**

1 Shares are only treated as dilutive when their conversion would decrease basic earnings per share.

On 16 April 2020, Vista Group issued 61,946,951 new ordinary shares of $1.05 each through a placement and rights issue. Accordingly, the number of shares previously used to calculate basic and diluted EPS have been amended in the table above. A bonus factor of 1.0870 has been applied, based on the ratio of:

- an adjusted closing share price of $1.4900 per share on 20 April 2020, the business day before the shares started trading ex-rights; and
- the theoretical ex-rights price at that date of $1.3708 per share.

Prior to this restatement, the basic and diluted EPS for the year ended 31 December 2019 were $0.07 and $0.06, respectively.

7.3 Dividends

No dividends were paid during the year. The following table reflects the dividends paid by Vista Group in the prior year:

DIVIDEND	PAYMENT DATE	VISTA GROUP NUMBER OF SHARES (MILLIONS)	NZ$ PER SHARE	NZ$m
2019 interim dividend	27 September 2019	166.4	$0.0120	2.0
2018 final dividend	22 March 2019	165.5	$0.0210	3.5

7.4 Foreign currency reserve

Items included in the financial statements of each of Vista Group's entities are measured using the currency of the primary economic environment in which the entity operates (the Functional Currency). The financial statements are presented in New Zealand Dollars (NZD), which is Vista Group's presentation currency. All financial information has been presented rounded as millions of dollars (NZ$m).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

7.5 Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value includes the effect of market based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed evenly over the vesting period within administration expenses, based on Vista Group's estimate of equity instruments that will eventually vest. At each balance date, Vista Group revise the estimated number of equity instruments expected to vest as a result of the non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

The share-based payment reserve is used to record any equity share-based incentives.

Share-based payment expense

The share-based payment expense relating to each scheme is as follows:

	2020 NZ$m	2019 NZ$m
Retention Scheme - Vista Group Recognition Scheme	0.4	-
Retention Scheme - Group CEO	0.4	0.6
LTI Scheme - Group Results	-	0.4
LTI Scheme - Total Shareholder Return	-	0.1
LTI Scheme - Segmental Results	-	0.1
LTI Scheme - Movio CEO (Variable)	(0.3)	0.5
Total share-based payment expense	**0.5**	**1.7**

Judgement was applied in assuming that predominantly all of the LTI Schemes contained conditions would not be achieved, hence why the cost is either nil or negative. The Retention Schemes are however expected to be fully achieved.

Summary of performance rights

The movement in the number of performance rights outstanding is summarised in the following table:

	RETENTION SCHEMES		LONG-TERM INCENTIVE SCHEMES					
NUMBER OF RIGHTS (MILLIONS)	VISTA GROUP RECOGNITION	GROUP CEO	GROUP RESULTS	TSR	SEGMENTAL RESULTS	MOVIO CEO (TERMINAL)	MOVIO CEO (VARIABLE)	TOTAL
Rights at 1 January 2019	-	0.5	0.3	0.9	0.2	-	-	1.9
Granted	-	-	0.4	-	-	0.3	0.4	1.1
Forfeited	-	-	-	(0.1)	-	(0.3)	(0.1)	(0.5)
Exercised	-	(0.1)	(0.2)	(0.6)	-	-	-	(0.9)
Rights at 1 January 2020	-	0.4	0.5	0.2	0.2	-	0.3	1.6
Granted	2.9	0.5	-	-	-	-	-	3.4
Forfeited	-	-	(0.2)	(0.2)	(0.1)	-	(0.2)	(0.7)
Exercised	-	(0.2)	(0.1)	-	(0.1)	-	-	(0.4)
Rights at 31 December 2020	**2.9**	**0.7**	**0.2**	**-**	**-**	**-**	**0.1**	**3.9**

The share price of awards on the date of exercise for the Group Results scheme was $1.00 (2019: $4.85); the Segmental Results scheme was $2.88 (2019: $4.85); and the Group CEO scheme was $1.00 (2019: $5.54).

At 31 December 2020, no rights are exercisable as all are issued when they vest (2019: none). As all rights are granted at nil cost, the weighted average exercise price of the rights at all times is $nil.

The weighted average contractual life of the outstanding performance rights is 1.0 year (2019: 1.2 years).

Assumptions

The below assumptions were applied when using the Black-Scholes and Monte Carlo option pricing models to determine the fair value of rights granted:

	2020		2019		
ASSUMPTION	GROUP CEO	VISTA GROUP RECOGNITION	GROUP RESULTS	MOVIO CEO (TERMINAL)	MOVIO CEO (VARIABLE)
Share price on grant date (NZ$)	$1.98	$1.75	$3.78	$5.53	$5.53
Vesting period (months)	20-32	12	12-36	19-31	9-33

As all performance rights are granted at nil-cost, the exercise price is nil and therefore no volatility or risk-free rates are required.

The expected dividend yield for each of the above schemes was assumed to be nil for schemes granted in 2020 (2019: less than 1%).

Vista Group determined the performance of all new rights granted would be 100% achieved.

The assumed December 2021 proportion of Movio/Vista Group revenues applied to the Movio CEO (Terminal) scheme was 18%.

Retention Scheme – Vista Group Recognition Scheme

This scheme was approved by the Board with awards issued in 2020. Awards under this scheme are granted to Vista Group employees to promote alignment with shareholder's interests and ensure continued retention.

The share rights vest in 12 months dependent on continued tenure, with no further performance obligations. Share rights are granted for no consideration and carry no dividend or voting rights until vested.

The fair value of interests awarded under this scheme was determined using the Black-Scholes option pricing model.

Retention Scheme – Group CEO

This scheme was approved by the Board with awards issued in 2018 and 2020. Awards under this scheme are granted to the Vista Group CEO to promote alignment with shareholder's interests and ensure continued retention.

The share rights vest on an annual basis dependent on continued tenure with no further performance requirements. Share rights are granted for no consideration and carry no dividend or voting rights until vested.

The fair value of interests awarded under this scheme was determined using the Black-Scholes option pricing model.

LTI Scheme – Group Results

This scheme was approved by the Board with awards issued in 2018 and 2019. Awards under this scheme are granted to eligible employees meeting criteria determined by the Board to help incentivise sustained performance over the long-term and to promote alignment with the shareholders' interests. The scheme identifies revenue and EBITDA targets over a three-year performance period, with vesting split into 6 tranches, being one per year for each specified target.

This scheme allows the carry forward of any performance rights that do not vest in each vesting period to be eligible to vest in future vesting periods.

Performance rights are granted under the plan for no consideration and carry no dividend or voting rights.

The vesting of interests granted to eligible employees is subject to the option holder continuing to be an employee. The fair value of interests awarded under this scheme was determined using the Black-Scholes option pricing model.

LTI Scheme – Movio CEO (Variable)

This scheme was approved by the Board with awards issued in 2019. Awards under this scheme are granted to the Movio CEO to ensure continued retention, incentivise sustained performance over the long-term and to promote alignment with shareholders' interests. The share rights vest on an annual basis dependent on continued tenure along with achieving annual Movio revenue and EBITDA targets.

The allocation of performance rights is variable determined by the proportion of increased Vista Group market capitalisation that is attributable to Movio. Awards vest annually over a three-year period. This scheme allows 50% of any performance rights to be eligible to vest in the next vesting period should the annual targets not be achieved.

The calculation of Movio's approximated market capitalisation is determined as a proportion of Movio revenues to those of Vista Group.

Performance rights are granted under the plan for no consideration and carry no dividend or voting rights.

The vesting of interests granted is subject to the option holder continuing to be an employee. The fair value of interests awarded under this scheme was determined using a Monte Carlo simulation (using 100,000 trials) to predict Vista Group's future share price and the resulting variable number of shares that are predicted to vest.

Other schemes

Each of the following schemes related to prior year awards which have no rights eligible to vest at 31 December 2020. Details of these schemes are available in the 2019 annual report.

- **Total Shareholder Return (TSR):** Awards issued between 2015 and 2017.
- **Segmental Results:** Awards issued in 2018.
- **Movio CEO (Terminal):** Awards issued in 2019.

8. Basis of preparation and accounting policies

This section outlines the legislation and accounting standards which have been followed in the preparation of these financial statements along with explaining how the information has been aggregated.

8.1 Key legislation and accounting standards

The financial statements of Vista Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). Vista Group is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand financial reporting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

The financial statements have been prepared at historical cost, except for contingent consideration which is measured at fair value.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by Vista Group. These standards are not expected to have a material impact on Vista Group in the current or future reporting periods, or on foreseeable future transactions.

8.2 Basis of consolidation

Vista Group's financial statements consolidate those of the Company and its subsidiaries as at 31 December 2020. A subsidiary is an entity over which Vista Group has control. Control is achieved when Vista Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the activities of the investee.

Consolidation of a subsidiary begins when Vista Group obtains control over the subsidiary and ceases when Vista Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included within the income statement from the date Vista Group gains control until the date Vista Group ceases to control the subsidiary. All subsidiaries have a reporting date of 31 December. In preparing the financial statements, all inter-entity balances and transactions, and unrealised profits and losses, arising within the consolidated entity have been eliminated in full. A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by Vista Group. Vista Group attributes total comprehensive income to the Company and the non-controlling interests based on their ownership interests.

Vista Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of the Company.

8.3 Group companies

The results and financial position of all Vista Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency (NZD) are translated into the presentation currency as follows.

a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

b) income and expenses for each of the income statement and statement of other comprehensive income, are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

c) all resulting exchange differences are recognised in other comprehensive income; and

d) goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Foreign exchange gains and losses are presented in the income statement on a net basis within other expenses.

Group information

These financial statements consolidate the following subsidiaries of the Company:

NAME	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	SHAREHOLDING 2020	SHAREHOLDING 2019
Book My Show Limited	Inactive	New Zealand	74%	74%
Book My Show (NZ) Limited	Inactive	New Zealand	74%	74%
Flicks Limited	Advertising sales	New Zealand	100%	100%
Maccs International B.V.	Software development & licensing	Netherlands	100%	50%
Maccs US	Software licensing	United States	100%	50%
MovieXchange International Limited	Web platform development & licensing	New Zealand	100%	100%
MovieXchange Limited	Web platform licensing	New Zealand	100%	100%
Movio (IP) Limited	Inactive	New Zealand	100%	-
Movio Limited	Provision of online loyalty, data analytics & marketing	New Zealand	100%	100%
Movio, Inc.	Provision of online loyalty, data analytics & marketing	United States	100%	100%
Numero Limited	Holding company	New Zealand	100%	100%
Numero (Aust) Pty Ltd	Software development & licensing	Australia	100%	100%
Powster, Inc.	Marketing & creative solutions	United States	50%	50%
Powster Ltd	Marketing & creative solutions	United Kingdom	50%	50%
S.C. Share Dimension S.R.L.	Software development	Romania	100%	50%
Senda DO Brasil Serviços de Tecnológia LTDA.	Software licensing	Brazil	60%	60%
Share Dimension B.V.	Software development & licensing	Netherlands	100%	50%
Virtual Concepts Limited	Holding company	New Zealand	100%	100%
Vista (IP) Limited	Inactive	New Zealand	100%	-
Vista Entertainment Solutions Limited	Software development & licensing	New Zealand	100%	100%
Vista Entertainment Solutions (Asia) Sdn. Bhd.	Software licensing	Malaysia	100%	100%
Vista Entertainment Solutions (Canada) Limited	Inactive	Canada	100%	100%
Vista Entertainment Solutions (NL) B.V.	Software licensing	Netherlands	100%	100%
Vista Entertainment Solutions (Spain), S.L.U.	Inactive	Spain	100%	100%
Vista Entertainment Solutions (UK) Limited	Software licensing	United Kingdom	100%	100%
Vista Entertainment Solutions (USA), Inc.	Software licensing	United States	100%	100%
Vista Group Limited	Inactive	New Zealand	100%	100%
Vista International Entertainment Solutions South Africa (Pty) Ltd	Software licensing	South Africa	100%	100%
Vista Latin America, S.A. de C.V.	Software licensing	Mexico	60%	60%
VPF Hub GmbH	Inactive	Germany	90%	45%

9. Financial risk management

Vista Group is exposed to three main types of risk in relation to financial instruments, which are market (foreign currency risk and interest rate risk), credit and liquidity.

Vista Group's risk management framework is set by the Board and implemented by management. The framework focus includes actively monitoring and securing Vista Group's short to medium-term cash flows by minimising the exposure to financial markets. The most significant financial risks to which Vista Group is exposed are described below.

9.1 Capital management

The following table summarises the capital of Vista Group:

	2020 NZ$m	2019 NZ$m
Borrowings - related party	-	0.9
Borrowings - external	18.1	10.9
Equity	163.1	163.5
Total capital	**181.2**	**175.3**

Vista Group's policy is to use a mixture of capital raised on the NZX/ASX exchanges and borrowing facilities to meet anticipated funding requirements. These borrowings together with cash generated from operations, are loaned internally, or contributed as equity to certain subsidiaries.

9.2 Foreign currency risk

Vista Group operates internationally and is exposed to foreign exchange risk in US Dollars (USD), Pounds Sterling (GBP), Euros (EUR), Chinese Yuan Renminbi (CNY) and Australian Dollars (AUD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

To mitigate exposure to foreign currency risk, foreign currency cash flows are monitored in accordance with Vista Group's risk management policies. Vista Group's risk management policies include treasury management and foreign exchange policies, the implementation of which is set and reviewed regularly by the Board. Vista Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. The foreign exchange policy allows for the use of hedging activity, and although Vista Group use its debt facilities as a natural hedge, no other financial instruments have been used (i.e. derivatives).

Foreign currency denominated financial assets and liabilities which expose Vista Group to currency risk are disclosed in the following table. The amounts shown are those reported to key management translated into NZD at the closing rate.

2020	USD NZ$m	GBP NZ$m	EUR NZ$m	CNY NZ$m	AUD NZ$m
Financial assets					
Cash	13.2	1.8	1.4	-	1.0
Trade receivables	32.8	4.3	5.2	2.2	2.5
Sundry receivables	0.4	0.5	0.2	-	-
Financial liabilities					
Trade payables	(4.4)	(0.4)	(0.2)	-	-
Sundry payables	(0.7)	(0.2)	(0.2)	-	-
Borrowings - external	(18.1)	-	-	-	-
Contingent consideration	(0.3)	-	-	-	(0.1)
Net exposure	**22.9**	**6.0**	**6.4**	**2.2**	**3.4**
2019					
Financial assets					
Cash	11.5	2.8	2.0	-	0.8
Trade receivables	25.6	3.0	5.0	0.8	1.8
Sundry receivables	0.5	0.6	0.3	0.4	-
Financial liabilities					
Trade payables	(0.2)	-	(0.1)	-	-
Sundry payables	(2.0)	(1.2)	(0.5)	-	-
Borrowings - external	(5.9)	-	(5.0)	-	-
Borrowings - related party	-	-	(0.9)	-	-
Contingent consideration	(0.3)	-	-	-	(0.1)
Net exposure	**29.2**	**5.2**	**0.8**	**1.2**	**2.5**

The following table illustrates the sensitivity of profit or loss and equity in regard to Vista Group's financial assets and liabilities affected by exchange rates with 'all other things being equal'. It assumes a +/- 10% change of the NZD to currency exchange rate for the year ended 31 December 2020 (2019: 10%). The sensitivity analysis is based on Vista Group's foreign currency financial instruments held at each reporting date.

			PROFIT / EQUITY		
2020	USD NZ$m	GBP NZ$m	EUR NZ$m	CNY NZ$m	AUD NZ$m
10% strengthening in NZD	(2.1)	(0.6)	(0.6)	(0.2)	(0.3)
10% weakening in NZD	2.5	0.7	0.7	0.2	0.4
2019					
10% strengthening in NZD	(2.6)	(0.5)	(0.1)	(0.1)	(0.2)
10% weakening in NZD	3.2	0.6	0.1	0.1	0.3

Exposure to foreign exchange rates varies during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of Vista Group's exposure to market risk.

9.3 Interest rate risk

Vista Group's interest rate risk primarily arises from long-term borrowing, lease liabilities and cash. Borrowings and deposits at variable rates expose Vista Group to cash flow interest rate risk. Borrowings and deposits at fixed rates expose Vista Group to fair value interest rate risk.

The following tables set out the interest rate repricing profile and current interest rate of the interest-bearing financial assets and liabilities:

2020	EFFECTIVE INTEREST RATE	FLOATING NZ$m	FIXED UP TO 3 MONTHS NZ$m	FIXED UP TO 6 MONTHS NZ$m	FIXED UP TO 5 YEARS NZ$m	TOTAL NZ$m
Financial assets						
Cash	0.5%	32.1	7.0	28.0	-	67.1
Financial liabilities						
Borrowings - external	2.2%	-	-	-	(18.1)	(18.1)
Lease liabilities	3.9%	-	-	(1.2)	(21.8)	(23.0)
Net exposure		**32.1**	**7.0**	**26.8**	**(39.9)**	**26.0**
2019						
Financial assets						
Cash	-	19.5	-	-	-	19.5
Financial liabilities						
Borrowings - external	4.1%	-	-	-	(10.9)	(10.9)
Borrowings - related party	5.0%	-	-	-	(0.9)	(0.9)
Lease liabilities	3.9%	-	(0.1)	-	(23.4)	(23.5)
Net exposure		**19.5**	**(0.1)**	**-**	**(35.2)**	**(15.8)**

Profit or loss is sensitive to higher/lower interest income/expense from cash as a result of changes in interest rates.

2020	EFFECTIVE INTEREST RATE +1% NZ$m	EFFECTIVE INTEREST RATE -1% NZ$m
Cash	0.7	(0.7)
Borrowings - external	(0.2)	0.2
Lease liabilities	(0.2)	0.2
Net exposure	**0.3**	**(0.3)**

9.4 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to Vista Group. Vista Group is predominantly exposed to this risk for trade receivables and accrued revenues. The maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December, as summarised in section 10.2.

Vista Group continuously monitors defaults of customers and other counterparties, identified either individually or by Vista Group, and incorporates this information into its credit risk controls.

At 31 December 2020, Vista Group has certain trade receivables and accrued revenues that have not been settled by the contractual due date but are not considered to be impaired because of the nature of contracts and/or the longevity of ongoing customer relationships. At balance date, the overdue trade receivables, net of all provisioning (concession discounts, credit risk provisions and ECL), are below.

	2020 NZ$m	2019 NZ$m
Not more than 6 months	2.6	3.8
Between 6 months and 9 months	1.4	2.4
Over 9 months	(1.6)	0.7
Overdue trade receivables and accrued revenues (net of provisioning)	**2.4**	**6.9**

Trade receivables consist of many customers in various industries and geographical areas.

Judgement has been applied to the recoverability of all trade receivables and accrued revenues, with Vista Group determining that the net balances receivable is recoverable and not impaired (see sections 2.1 and 5.1 for more detail of how judgement has been applied, including the impact of the COVID-19 pandemic). One of the key judgements was that 15% of core business receivables may not be collectable. The following illustrates the sensitivity of this judgement.

2020	10% JUDGEMENT NZ$m	15% JUDGEMENT NZ$m	20% JUDGEMENT NZ$m
Revenue provision - concession discount	5.5	5.5	5.5
Revenue provision - credit risk	5.4	6.2	7.0
ECL provision	6.7	7.7	8.6
Total provisioning of trade receivables and accrued revenues	**17.6**	**19.4**	**21.1**
Total provisioning effective rate	*33.0%*	*36.3%*	*39.5%*

Vista Group has financial assets classified and measured at amortised cost that are subject to the ECL model requirements of NZ IFRS 9 (see section 5.1 for the ECL recognised on trade receivables and accrued revenues balances). The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

9.5 Liquidity Risk

Liquidity risk is the risk that Vista Group might be unable to meet its obligations. Vista Group's objective is to maintain a balance between continuity of funding and flexibility through monitoring of cash and the use of bank overdrafts and loans. Vista Group's policy is that not more than 25% of borrowings should mature within the next 12-month period. Vista Group assessed the concentration of risk with respect to refinancing its debt as being low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

At 31 December 2020, Vista Group had cash balances totaling $67.1m, along with $38.6m undrawn on its ASB revolving credit facility. Forecasts show that this level of cash and undrawn loans will be sufficient for Vista Group to continue operations for at least the next 12 months.

The table below summarises the maturity profile of Vista Group's non-derivative financial liabilities based on contractual undiscounted payments.

	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
2020	NZ$m	NZ$m	NZ$m	NZ$m	NZ$m
Trade payables	5.0	-	-	-	5.0
Sundry payables	3.3	-	-	-	3.3
Borrowings - external	-	-	18.1	-	18.1
Interest on borrowings	0.1	0.3	0.5	-	0.9
Lease liabilities	0.8	2.5	17.9	1.8	23.0
Contingent consideration	0.1	0.3	-	-	0.4
Total liquidity risk	**9.3**	**3.1**	**36.5**	**1.8**	**50.7**
2019					
Trade payables	0.3	-	-	-	0.3
Sundry payables	5.6	-	-	-	5.6
Borrowings - external	-	-	10.9	-	10.9
Borrowings - related party	-	0.2	0.7	-	0.9
Interest on borrowings	0.1	0.4	0.8	-	1.3
Lease liabilities	1.5	4.6	13.5	3.9	23.5
Contingent consideration	-	0.4	-	-	0.4
Total liquidity risk	**7.5**	**5.6**	**25.9**	**3.9**	**42.9**

10. Other information

10.1 Related parties

Vista Group has various types of transactions with related parties. Section 4.3 contains details of related party borrowings, with other related party transactions detailed below.

Key management personnel transactions

Key management personnel include Vista Group's Board (executive and non-executive) and the Executive Team (defined as personnel that report directly to the Vista Group's Chief Executive). Key management personnel include 16 individuals (6 Directors and 10 Executive Team members) (2019: 18 individuals, being 6 Directors and 12 Executive Team members).

The compensation paid to key management personnel includes the following amounts:

	2020 NZ$m	2019 NZ$m
Salaries including bonuses	4.5	5.6
Share based payments	0.2	1.2
Director fees	0.3	0.3
Total key management personnel transactions	**5.0**	**7.1**

No dividends were paid to key management personnel on their Vista Group shareholdings during the year (2019: $0.6m).

Other related party transactions

The following table represents amounts due to and from related parties, excluding key management personnel.

	AMOUNTS OWED BY RELATED PARTIES		AMOUNTS OWED TO RELATED PARTIES	
	2020 NZ$m	2019 NZ$m	2020 NZ$m	2019 NZ$m
Associates and joint ventures[1]	1.8	1.0	(0.7)	(0.5)

Vista Group's associate and joint venture related party transactions were as follows:

	ASSOCIATES AND JOINT VENTURES[1]	
	2020 NZ$m	2019 NZ$m
Receiving of services	(0.8)	(0.8)
Rendering of services	1.8	0.9
Dividends received[2]	-	0.7
Interest on loan balances	-	(0.2)
Vista China acquisition deposit	-	(0.4)
Total related party transactions	**1.0**	**0.2**

1 Numero has been classified as a subsidiary of Vista Group from 14 October 2019, while Stardust was classified as a subsidiary until 25 February 2019. The tables above reflect the transactions that occurred while these entities were not classified as a subsidiary.

2 Of the $0.7m dividend received from Vista China in 2019, $0.4m had been received in cash by 31 December 2020 (2019: $0.4m). The remaining balance was held as a related party receivable.

Details of significant related party transactions of Vista Group:

- During the year, Vista Group recognised $1.7m of maintenance revenue from Vista China (2019: $2.0m), which is recognised in the Corporate segment.

Details of significant related party transactions of Vista China:

- On 30 January 2019, Vista China provided a retention accommodation loan of $4.3m (CNY20.0m) to the CEO of Vista China. This loan is interest free, partially secured against equity in Vista China and matures on 30 January 2022.
- On 23 December 2019, Vista China provided a shareholder loan of $3.0m (CNY14.3m) to Beijing Weying Technology Co. Ltd ("Weying"). This loan has matured and is now repayable on demand by the Vista China Board. Vista China and Weying are currently assessing options for the settlement of this loan.

10.2 Financial instruments

Fair value of financial assets and liabilities

Vista Group carried out a fair value assessment of its financial assets and liabilities at 31 December 2020 in accordance with NZ IFRS 9. Accordingly, financial instruments are classified as either measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Vista Group's financial instruments that are measured after initial recognition at fair value are grouped into levels based on the degree to which the fair value is observable:

Level 1 Fair value measurements derived from quoted prices in active markets for identical assets.

Level 2 Fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Fair value measurements derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data.

Vista Group's financial assets and liabilities by category are summarised as follows:

- **Cash:** Held at carrying value which also equates to fair value.
- **Trade, related party and other receivables:** Assets that are generally short-term in nature and are reviewed for impairment. The carrying value approximates their fair value.
- **Trade, related party and other payables:** Liabilities that are generally short-term in nature with the carrying value approximating their fair value.
- **Borrowings:** Initially are held at fair value but adjusted to amortised cost by any borrowing costs. Interest rates are generally fixed.
- **Lease assets and liabilities:** Assets and liabilities arising from a lease are initially measured on a present value basis using the lessee's incremental borrowing rate.
- **Contingent consideration:** These liabilities typically arise from a business combination or a reacquired right. Fair value of elements greater than 12 months are determined on a present value basis using the Vista Group's incremental borrowing rate.

Vista Group's policy is that no speculative trading in financial instruments may be undertaken.

Financial instruments by category

2020	FINANCIAL ASSETS AT AMORTISED COST NZ$m	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS NZ$m	FINANCIAL LIABILITIES AT AMORTISED COST NZ$m	TOTAL NZ$m
Cash	67.1	-	-	67.1
Trade receivables	28.1	-	-	28.1
Sundry receivables	1.7	-	-	1.7
Total financial assets	**96.9**	**-**	**-**	**96.9**
Borrowings - external	-	-	18.1	18.1
Trade payables	-	-	5.0	5.0
Sundry payables	-	-	3.3	3.3
Lease liabilities	-	-	23.0	23.0
Contingent consideration	-	0.4	-	0.4
Total financial liabilities	**-**	**0.4**	**49.4**	**49.8**
2019				
Cash	19.5	-	-	19.5
Trade receivables	35.4	-	-	35.4
Sundry receivables	2.9	-	-	2.9
Total financial assets	**57.8**	**-**	**-**	**57.8**
Borrowings - related party	-	-	0.9	0.9
Borrowings - external	-	-	10.9	10.9
Trade payables	-	-	0.3	0.3
Sundry payables	-	-	5.6	5.6
Lease liabilities	-	-	23.5	23.5
Contingent consideration	-	0.4	-	0.4
Total financial liabilities	**-**	**0.4**	**41.2**	**41.6**

10.3 Other disclosures

COVID-19 pandemic

On 11 March 2020, the World Health Organization declared a global pandemic due to the outbreak and spread of COVID-19. Following this, governments worldwide were forced to order all non-essential businesses, such as cinemas, to close. The shutdown has severely impacted Vista Group's trading and will continue to have an impact until cinemas are able to open in a meaningful way. Vista Group continues to assess the likely impact on the business from the rapidly evolving COVID-19 pandemic situation.

An assessment of the impact of the COVID-19 pandemic on Vista Group's statement of financial position is set out below, based on information available at the time of preparing the financial statements:

STATEMENT OF FINANCIAL POSITION ITEM	COVID-19 PANDEMIC ASSESSMENT	SECTION
Cash / borrowings	Cash balances have increased due to the rights issue completed in April 2020, along with the drawing down of banking facilities.	4.3, 7.1
Trade and other receivables	Vista Group has increased the provision for ECL and revenue provisions to reflect expected financial difficulties of customers.	5.1
Investments in associates and joint ventures / goodwill	Vista Group has considered the impacts of COVID-19 pandemic in the assumptions used in the carrying value assessment of Vista China, Stardust and all goodwill CGUs. As a result, impairment charges have been recognised.	5.3, 5.4
Other intangible assets	Vista Group performed a review of the carrying value of internally generated software, which is held at cost. As a result, impairment charges have been recognised.	5.5

Dividends

On 27 February 2020, the Board approved a fully imputed dividend of 2.10 cents per share. After the issue of the 2019 financial statements, on 17 March 2020 Vista Group announced it had cancelled payment of the 2019 final dividend.

In accordance with its dividend policy, the Board has resolved that a 2020 final dividend will not be paid.

Going concern

As a result of the COVID-19 pandemic, there are inherent uncertainties in all markets relating to the impact of continued cinema closures, delayed film content and the deterioration in general economic conditions. Accordingly, the Board consider it appropriate to take a cautious outlook on the cinema industry.

At the date of signing these financial statements, Vista Group had put in place significant initiatives to protect the financial strength of the Group, including:

- Successfully completing a $65 million capital raise, with excellent support from its existing institutional and retail shareholders.
- Applying for and receiving government relief for its businesses in New Zealand, Australia, United States, United Kingdom and Netherlands.
- Cancelling the 2019 final dividend.
- Terminating the agreement to acquire a further 14.5% stake in Vista China.
- Cost containment initiatives, including the Board and management temporarily reducing their remuneration and the core business organisation restructuring.
- Maintaining engagement with customers to ensure Vista Group's products and services remain relevant throughout the COVID-19 pandemic.

At 31 December 2020, Vista Group had cash balances totaling $67.1m, along with $38.6m undrawn on its ASB revolving credit facility.

The Board believe that the actions taken, current cash levels, an anticipation of a recovery from the COVID-19 pandemic in the medium-term, and the continued support of ASB Bank ensures that Vista Group can continue to adopt a going concern basis of accounting for a period of at least twelve months from the date of these financial statements being issued.

Contingent liabilities

There were no contingent liabilities for Vista Group at 31 December 2020 (2019: $nil).

Capital commitments

There were no capital commitments for Vista Group at 31 December 2020 (2019: $nil).

Events after balance date

There were no significant events between balance date and the date these financial statements were authorised for issue.

Independent auditor's report

To the shareholders of Vista Group International Limited

Our opinion

In our opinion, the accompanying financial statements of Vista Group International Limited (the Company), including its subsidiaries (Vista Group), present fairly, in all material respects, the financial position of Vista Group as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

Vista Group's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the income statement for the year then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cashflows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Vista Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for Vista Group in the areas of audit-related assurance services (R&D Growth Grant review) and tax advisory services in relation to long term employee incentive schemes. The provision of these other services has not impaired our independence as auditor of Vista Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Description of key audit matter	How our audit addressed the key audit matter
Revenue, trade receivables and accrued revenue provisions Section 5.1 of the financial statements provides details of various provisions totalling $19.4 million at 31 December 2020 that are recognised in relation to the Vista Group's trade receivables and accrued revenues balances. Section 2.1 also provides details of the accounting treatment of these provisions. Due to the impact of the COVID-19 pandemic on Vista Group's customers there is significant estimation uncertainty regarding the amount that may be collected for Vista Group's products and services. Vista Group has entered into price concession arrangements and has had collection challenges. Further concessions and write-offs are probable and therefore management has made provisions for these outcomes. Management considered the requirements of the accounting standards to assess whether the provisions should be recognised as expenses or as reductions to revenue. This requires some judgement regarding the circumstances related to each of Vista Group's revenue arrangements. Management assessed the recoverability of receivables, which involved judgements in relation to assessing the credit risk of the associated customers and expected future cash flows based on payment history, age of the debt, agreed and proposed payment plans and concessions, whether the customer is in a form of insolvency, and other information from communications with the customers. Given the level of uncertainty and judgement in this area, the amounts finally collected for the receivables and accrued revenue may be materially different to the net balances recognised. Our audit focused on this area due to the value of the net trade and other receivables balance and the provisions within that balance, the judgement involved in the application of the accounting standards, the significant estimation uncertainty as a result of COVID-19 and level of judgement involved in determining the appropriate provisions.	Our audit procedures in relation to revenue concession and receivables (trade receivables and accrued revenue) provisions included the following: ● We assessed management's analysis of the appropriate accounting treatment for the provisions by reference to the relevant accounting standards; ● We gained an understanding of management's approach to developing the assumptions and provisioning method, and the business processes and controls applied by management in relation to revenue concessions and receivables provisioning; ● We obtained the calculation performed by management which includes key assumptions and estimates used by management for revenue concessions and receivables provisioning; ● We tested on a sample basis the accuracy of the provisioning model, including the inputs, the mathematical accuracy of the calculations and consistency with management's intended methodology; ● On a sample basis we obtained evidence of the communications with customers to establish whether Vista Group had entered into payment plan and/or price concession arrangements; ● We held discussions with account managers at the local entity level to gain an understanding of selected customers' financial condition, ability to make payments, and recent payment history; ● We assessed the reasonableness of the total provision in comparison to previously reported gross receivable balances and provisions at dates pre and post the start of the COVID-19 pandemic, and by analysis of the ageing profile of the gross and net receivable balances at 31 December 2020; ● We considered the projected time to settle outstanding net balance based on the recent average monthly cash collections; ● We considered the possible impact of events after year-end, including cash collections and new information regarding the financial condition of customers on a sample basis; and ● We assessed the adequacy of disclosures in the financial statements, including the description of significant assumptions and the possibility of collections being different to those assumptions. We have no matters to report as a result of our procedures.

PwC

Description of key audit matter	How our audit addressed the key audit matter
Impairment testing of the investment in Vista Entertainment Solutions Shanghai Limited (Vista China) As disclosed in section 5.3, the carrying value of Vista Group's investment in Vista China is $13.6 million at 31 December 2020, after an impairment of $13.7 million that was recognised during the year. Vista Group uses the equity method of accounting for its investment. At 30 June 2020 management identified impairment indicators, in accordance with the accounting standards, as a result of the impact of the COVID-19 pandemic on the cinema industry in China. At this date management undertook an assessment of the recoverable value of its investment in Vista China to assess whether there had been any impairment. This assessment involved significant management judgement in determining key assumptions and estimates and included consideration of: ● An independent expert's business valuation prepared in accordance with Advisory Engagement Standard No 2 Independent Business Valuation Engagements, issued by Chartered Accountants Australia and New Zealand; ● Management cash flow forecasts of Vista China for five years and the independent expert's extrapolation of those forecasts for another five years; and ● Assumptions relating to the revenue and earnings growth, exit multiple, control discount, transaction costs and discount rate. As a result of this impairment test Vista Group recognised the impairment charge of $13.7 million, applying the lower end of the valuation range given the level of uncertainty No additional factors were identified by management during the remainder of the year that caused the impairment charge to change. Our audit focused on this area due to the value of Vista Group's investment in Vista China, the quantum of the impairment and the level of judgement involved in assessing the recoverable amount of the investment.	Our audit procedures in relation to the impairment test of the investment in Vista China included the following: ● We held discussions with management to gain an understanding of the situation with the cinema industry in China, and the performance and strategy of Vista China; ● We obtained management's independent expert's business valuation report; ● We engaged our own expert to consider the valuation methodology utilised by management's independent expert and the key assumptions made, in particular the revenue and earnings growth expectations, exit multiple, control discount, transaction costs and discount rate; ● We supported our own expert's analysis by assessing management's and their expert's forecasts against Vista China's previous performance, known changes in the business, industry and economic forecasts and understanding how management considered the impact of the COVID-19 pandemic on forecast cash flows; ● We compared our expert's reasonable range of the recoverable amount of the investment to the carrying value recognised after impairment; and ● We assessed the adequacy of disclosures in the financial statements. We also obtained and evaluated management's assessment of impairment factors during the remainder of the year. We have no matters to report as a result of our procedures.

PwC

Description of key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill Section 5.4 of the financial statements provides details of the goodwill balance of $54.7 million as at 31 December 2020, which comprised balances in seven cash generating units (CGUs). At 30 June 2020, management determined there were impairment indicators for all CGUs as a result of the impact of the COVID-19 pandemic on Vista Group's operations. Management performed impairment tests as at 30 June 2020 to determine whether there was any impairment of goodwill. Management utilised a value in use (VIU) methodology to determine the recoverable amount of each CGU using discounted cash flows models. These VIUs were then compared to the carrying amount of the associated net assets, including goodwill, of each CGU as at 30 June 2020. The estimated cash flows used in the VIU model were based on Board approved forecasts for the following five years. Management also considered a fair value less cost of disposal (FVLCD) approach to determining the recoverable amount. However they concluded that the VIU would lead to a higher recoverable amount. As a result of the COVID-19 pandemic impacts and related future uncertainties on the cinema industry, the valuations involve the application of significant judgement in forecasting future business performance and determining certain key assumptions and estimates, in particular: ● Revenue growth rates for the five year forecast period; ● The long term growth rates for cash flows beyond the five year forecast period; and ● The appropriate discount rate for each CGU. As disclosed in section 5.4, an impairment charge of $11.6 million across four CGUs was recognised as a result of the 30 June 2020 impairment tests. The impairment tests were updated as at 31 August 2020, which is the usual time for the annual impairment tests for Vista Group, and impairment indicators were assessed as at 31 December 2020. No further impairments were recognised. Our audit focused on this area due to the value of the goodwill balance, the quantum of the impairment and the level of judgement involved in assessing the recoverable amount of each CGU.	Our audit procedures in relation to management's impairment testing of goodwill at 30 June 2020 and updated at 31 August 2020 included the following: ● We gained an understanding of the business processes and controls applied by management in performing the impairment tests; ● We tested the calculations of the VIU model, including the inputs and the mathematical accuracy and compared the resulting balances to the relevant net assets of each CGU; ● We assessed the key estimates and assumptions made by management in the CGUs' VIU models, by performing the following procedures: – Obtained an understanding of how management prepared its budget and forecasts and the associated review and approval processes; – Assessed management's ability to accurately forecast by comparing historical forecasts to actual results; – Assessed the growth rates used over the five year forecast period including how management considered the impact of COVID-19 in the forecasted cash flows; – Obtained and evaluated management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions. We also performed our own sensitivity analysis across a reasonable range of changes in the discount rate, forecasted cash flows and terminal growth rates; and – Engaged our own experts to evaluate the long term growth rates and discount rates used in the VIU models by comparing with those of similar market participants, and to review the audit work we performed. ● We assessed whether management's FVLCD approach would lead to a higher recoverable amount than the VIUs; and ● We assessed the adequacy of disclosures in the financial statements. We also obtained and assessed management's assessment of impairment indicators at year-end. We have no matters to report as a result of our procedures.

Our audit approach

Overview

Overall group materiality: $1.24 million, which represents approximately 5% of weighted average profit/loss before tax over the past three years, excluding capital gains, restructuring expenses and impairment of intangible assets.

We chose to use a weighted average of the last three years profit/loss before tax and to adjust it as described above because, in our view, it provides a more stable measure of Vista Group's performance by moderating the impact of the COVID-19 pandemic in the current year.

We selected transactions and balances to audit based on their materiality to Vista Group, rather than determining the scope of procedures to perform by auditing only specific subsidiaries or locations.

As reported above, we have three key audit matters, being:

- Revenue, trade receivables and accrued revenue provisions
- Impairment testing of goodwill
- Impairment testing of the investment in Vista Entertainment Solutions Shanghai Limited (Vista China)

Each of these key audit matters is affected to varying degrees by the economic uncertainty created by the COVID-19 pandemic. These uncertainties have been reflected in management's approach and our audit procedures, as described in the key audit matters.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing Vista Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate Vista Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Troy Florence.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
26 February 2021

Auckland

Corporate information

Directors	Susan Peterson • Chair Claudia Batten • 1 January 2021 Brian Cadzow Murray Holdaway Cris Nicolli James Ogden Kirk Senior		
Registered office	Shed 12, City Works Depot 90 Wellesley St West Auckland 1010 New Zealand Phone +64 9 984 4570		
Nature of business	Provision of management solutions for the film industry		
Company number	1353402		
ARBN	600 417 203		
Auditor	PricewaterhouseCoopers 15 Customs St West Auckland 1010		
Solicitors	**New Zealand** Chapman Tripp 35 Albert St Auckland 1010	DLA Piper 50 – 64 Customhouse Quay Wellington 6140	Hudson Gavin Martin Level 8 2 Commerce St Auckland 1010
Share registry	**New Zealand** Link Market Services Ltd Level 11, Deloitte Centre 80 Queen St Auckland 1010	**Australia** Link Market Services Ltd Level 12, 680 George St Sydney NSW 2000	
Bankers	**New Zealand** ASB Bank Limited ASB North Wharf 12 Jellicoe St Auckland 1010	HSBC 188 Quay St Auckland 1010	

Annual Shareholders' Meeting

Vista Group's Annual Shareholders' Meeting will be held in Auckland on 26 May 2021 at 3:00pm. A notice of Annual Meeting and Proxy Form will be circulated to shareholders in April 2021.

Vista Group International Limited

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