Vista Group Annual Report 2023

Management commentary
(no financial statements)

VISTA GROUP

Vista Group's purpose is to bring more people together to share the magic of cinema.

This report is dated 27 February 2024 and signed on behalf of Vista Group International Limited by Susan Peterson and James Miller.

Susan Peterson
Chair

James Miller
Chair Audit and Risk Committee

Contents

Highlights	4
From our Chair and CEO	6
Vista Group overview	16
Key strategies for 2024	18
Group trading overview	30
Sustainability	36
Remuneration report	48
Corporate governance	62
Financial statements	92
Independent auditor's report	139
Directory	145
Glossary of terms	146

Management commentary
(no financial statements)

Highlights

Metric	2023	Change	2023	2022	2021
Total Revenue	$143.0m	▲ 6%	$143.0m	$135.1m	$98.1m
Recurring Revenue	$124.0m	▲ 10%	$124.0m	$112.3m	$81.4m
SaaS Revenue	$45.9m	▲ 20%	$45.9m	$38.4m	$27.8m
ARR	$126.3m	▲ 7%	$126.3m	$118.0m	$96.7m
EBITDA	$13.3m	▲ 25%	$13.3m	$10.6m	$6.5m
Net profit after tax	-$13.6m	▲ 35%	-$13.6m	-$20.9m	-$9.9m
Operating Cashflow[1] (Including business transformation items)	$9.0m	▼ 27%	$9.0m	$12.4m	$11.3m

1 Operating Cashflow has been presented including $5.0m of payments associated with the business transformation and CEO transition.

Management commentary
(no financial statements)

From our Chair

This has been a year of growing momentum as we have systematically transformed Vista Group to deliver greater value for our clients, people and shareholders.

A year of transformation

A key focus for 2023 has been the successful transformation of Vista Group to enable faster execution, support more clients in their success, and to increase operational efficiency of our business to drive sustainable and profitable growth.

An important first step has been the appointment of Stuart Dickinson as our CEO. Stuart joined Vista Group in April and brings with him a proven track record of delivering significant transformative programmes of work.

The transformational change that has been achieved under Stuart's leadership and new strategy has already yielded significant value, including over $10.0m of annualised costs savings. Not only are more of our clients starting to unlock the many benefits of our Cloud offerings, but we have started to see an acceleration of execution delivery through the alignment of the operating structure, the creation of clearer roles and responsibilities for our people and greater streamlining of our go-to-market priorities.

An outstanding business and team

The results we have reported for the year are a reflection of the Vista Group's underlying key strengths:

- Strong and enduring client relationships.
- Strong annuity revenue and accelerating SaaS solutions revenue.
- A leading global position in the film industry.
- A passionate and focused team.

In addition to our Global Senior Leadership Team (**GSLT**), on behalf of the Board, I want to thank all of our people for all of their contributions to the success of Vista Group and our clients throughout the year. The passion and energy from everyone in our team is fantastic, and we very much appreciate their support, dedication and hard work.

Looking ahead

We continue to be keenly focused on supporting our clients to be successful. With clients now operating on our cloud-based offerings, and a strong pipeline of clients signed up to be onboarded in 2024, our primary focus will be ensuring a seamless transition experience for all.

Vista Group is in a significant growth phase as we move the business and the industry to the cloud, and accordingly at this stage we are unable to declare a dividend. We are however confident that our continued investment in cloud technologies will not only unlock significant opportunities for our clients, but also help to deliver to you, as the shareholders, on our aspirations of 15%+ EBITDA margin and ARR of over $175.0m, in each case, by the end of 2025. After a careful review of our capex and business priorities, we were pleased to be able to bring forward our cash flow positive ambition to the fourth quarter of 2024.

I would personally like to thank our shareholders for their continued support. The transformation that has been delivered over the past year positions Vista Group strongly to drive sustainable, profitable growth moving forward. We have an exciting year ahead.

Ngā mihi nui.

Susan Peterson
Chair

Management commentary
(no financial statements)

From our CEO

I was excited to assume the CEO role of Vista Group in April and I am delighted with the progress we have made together so far. It is a privilege to lead a global company at an exciting time both for the business and our industry.

Since joining Vista Group, I have spent time with our team and met many of our clients and shareholders, listening closely to their views on what Vista Group is doing right and how we can improve. I have learned a huge amount through this process and have been inspired by what I have heard. Leaning on my previous experience, my initial focus has been to fully understand the value we are able to offer our different clients, across both the Cinema and Film components of our business, and within the wider film industry. I recognise a winning software offering demands that our value proposition to these important constituencies remains the driving ambition for everyone at Vista Group.

Our business transformation

In July, we commenced the process to unify our seven operating businesses into a single SaaS-focused business. This structure enables us to more seamlessly serve our clients, offer more opportunities to our people, and align the business and culture to more successfully deliver on our strategy.

The transformation process was completed in December. We now have an integrated global business model in place led by a refreshed GSLT.

In addition to improving our business, our new, simplified operating structure will also enable us to be more efficient and grow operating leverage as the cloud transformation for our cinema clients accelerates.

Change processes like this are never easy and it is a testament to the entire Vista Group team that momentum across client delivery, support, and on-boarding has continued successfully throughout.

With this structure now in place, we will also be simplifying our segment reporting moving forward to focus on Cinema (which includes Vista Cinema, Veezi and Movio Cinema EQ) and Film (which includes our Movio Media, Numero, Maccs, Powster and Flicks solutions).

Cloud adoption

I am pleased with the level of client adoption of Vista Cloud which has accelerated through 2023, with marquee clients such as *Everyman Cinemas, Pathé, Major Cineplex, United Cinemas* and *Cinépolis' Yelmo Cine* circuit in Spain all committing to Vista Cloud.

We have seen an increased number of clients across the entire business making commitments and going live with our new technology. As we closed out 2023, 15 clients covering 121 sites in our newly defined Cinema segment have either started their cloud transformation through the adoption of our digital solutions, or have completed migration to Vista Cloud. In our newly defined Film segment, the acceleration of our next generation Mica distribution platform and client adoption by distributors such as *Angel Studios* has been particularly pleasing.

Our performance

In July 2023, we brought forward our positive free cash flow ambition to the fourth quarter of 2024, a year ahead of our previous plans. We remain on track to reach this, along with ARR of over $175.0m by the end of 2025.

Despite the headwinds of the writers and actors strike during the year, it is pleasing to see our revenue in the original guidance range at $143.0m (up 6% on the prior year), together with a solid EBITDA of $13.3m. It is also pleasing to see our cash usage (net of one-off

Management commentary
(no financial statements)

transformation costs) drop from $1.2m per month in the first half to $0.6m in the second half.

In addition to our financial performance we also achieved a number of other key milestones and recognition during 2023. These are detailed on page 13 of this report, but amongst the most pleasing was the award for 2degrees Employer of the Year acknowledging our commitment to team development and wellbeing.

Supporting our clients' success

The continued support of our clients is core to Vista Group. Today, almost half of the world's enterprise cinemas (excluding China and India), driving over US$15b of global box office, and every major studio and distributor, use Vista Group solutions and technology.

When movies such as *Barbie, Oppenheimer,* and *Taylor Swift: The Eras Tour* go on sale, our solutions seamlessly ticket and seat the moviegoers, while also enabling marketing, digital subscription, loyalty, and F&B experiences. When the money and box office needs to be counted, settled and the next sessions confirmed, our film distribution solutions enable this process.

In 2023, the industry we serve experienced the highs of true event cinema with the global phenomena of "Barbenheimer" and the challenges of an extended writers and actors strike.

For our cinema clients, the ability to leverage our solutions to help diversification of revenue, through our ability to support experiences that incentivise attendance beyond the content on screen (for example, through food and beverage offerings, premiumisation and full family entertainment centres), has never been more important. Vista Group has become a true strategic partner to fulfil these broader ambitions.

At a client operational level, our cloud solutions are designed to reduce client workload and therefore their operating costs. Our cloud solutions also provide enhanced security confidence to our clients and an increased flexibility to innovate over time.

As we provide critical infrastructure for cinemas and distributors, we implement each transition carefully. This approach to client care, supported by our great relationships and a clear understanding from our clients of the value that we bring, ensures that we are successfully maintaining these relationships throughout the cloud transition.

In late 2022, we launched Movio Cinema EQ which offers a smarter, faster, and more streamlined solution for cinemas to improve the way they market movies, create audience engagement, and drive upsell opportunities to moviegoers. The adoption of our Lumos digital channels and Movio marketing and loyalty solutions has accelerated in 2023 as our clients continue to build differentiation beyond the physical property and screen experiences.

For our clients, the opportunity to move from a traditional infrastructure-based IT model is becoming more and more essential as clients know that the ability to adapt and innovate with new AI and general cloud technologies are critical aspects of their future success.

Looking ahead

Across the business, 2024 will be focused on building on the accelerated momentum we achieved at the end of 2023.

With a clear understanding of cloud transition progress and adoption for our cinema clients we have refreshed a simplified set of strategic objectives for 2024/25 across three pillars:

- **People:** Stronger together.
- **Clients:** Enabling our clients to thrive.
- **Solutions:** Deliver remarkable cloud solutions.

Supporting our strategy, we unveiled our refreshed Cinema go-to-market approach and cloud adoption journey at our 10th Vista Group conference, which was held in Auckland in February 2024. Bringing together a global portfolio of our clients for the conference we showcased our ecosystem and solution innovations, setting the agenda for a busy year.

In both our newly defined Cinema and Film segments, we have a busy schedule of delivery for our cloud-based solutions. This will enable our clients to gain the benefits of our latest software and, as more of our clients go live on Vista Cloud, we will realise more of our revenue, ARR, EBITDA and free cash flow ambitions.

For our team, the opportunity to work together in our more integrated structure enables a greater level of collaboration and development opportunity, as well as faster decision making and execution acceleration.

Our team works passionately and tirelessly to fulfil our purpose to power the moviegoer experience and to help our clients to be more successful. In what has been a year filled with transformation, I would like to personally thank every one of our team members for their dedicated contribution to the success of Vista Group throughout the year. It is very much appreciated.

I am excited about the year ahead and thank our shareholders for their trust placed in Vista Group.

Ngā mihi nui,

Stuart Dickinson
CEO

Sustainability journey

In 2023, we published our first voluntary Climate-related Financial Disclosures report aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (**TCFD**). We have also completed scenario analysis to test the resilience of our business model and strategy to climate change. Vista Group will publish further details of our climate impacts in our Group Climate Statement in April 2024.

Whilst Vista Group itself is not a large carbon emitter, we recognise the meaningful opportunity we have to assist our clients to reduce their carbon footprint through smarter use of technology.

We have continued to enhance our sustainability report, confirming our approach and progress. Integrated with our business strategy, our forward-looking sustainability framework is built around three pillars:

People: Stronger together.

Trust: Building greater trust.

Environment: Consuming responsibly and impactful innovation.

During the year, we have continued to focus on improving inclusion and equality across the business with updated gender pay gap reporting as well as enhanced parental leave policies.

Vista Group's prioritisation of innovation extends beyond delivering best-in-class solutions to clients, as exemplified by our annual internal Innovation Cup. Supported by Microsoft, and with a focus on accelerating the delivery of AI tools to our Vista Group cloud clients, the outcomes of the 24-hour 'sprint' were impressive.

46%

Cinema market share[1]

1 Management estimate of Vista Cinema's percentage of the world market share (excluding China and India) for Cinema Exhibition Companies with 20+ screens.

Our recognition

By fostering a collaborative environment with a collective focus on innovation, we have been able to achieve a wide range of milestones across the business. Many of these milestones were recognised through nominations and wins in several prestigious New Zealand awards in 2023.

2degrees Auckland Business Awards Employer of the Year

This award comes as a result of Vista Group's commitment to employee wellbeing and development.

TIN 100 Companies to Watch

This award was presented to TIN 100 companies who demonstrated the largest revenue growth in 2023.

NZ Hi-Tech Company of the Year *Finalist*

This recognition came as a result of Vista Group's success as a global hi-tech company.

Most Innovative Hi-Tech Software Solution *Finalist*

Movio Cinema EQ was named as a finalist for the Most Innovative Software Solution at the NZ Hi-Tech Awards in 2023. This category recognised solutions demonstrating clear and noteworthy levels of innovation that set them up well for future success.

NZ International Business Awards Best Large Business *Finalist*

Vista Group was announced as a finalist for the NZ International Business Awards Best Large Business category.

NZ International Business Awards Excellence in Innovation *Finalist*

Vista Group was also announced as a finalist for the NZ International Business Awards Excellence in Innovation category.

2023 Mumbrella Publish Awards Website of the Year *Nominee*

Flicks was nominated for Mumbrella's Website of the Year award. This Australian award recognises websites that deliver innovative and engaging website content with a high attention to detail.

Prosple Top 100 Graduate Employers

Vista Group was ranked 25 in Prosple's Top 100 Graduate Employers list. This recognises our commitment to graduate talent and attracting top-tier candidates.

The industry our solutions support

For the first time since 1998, the top 3 grossing movies internationally were original titles.

Moviegoers' demand for the magic of cinema in 2023 remained as strong as ever. This year's results relied less on franchises and sequels, demonstrating a desire from moviegoers to see new and diverse stories. In fact, for the first time since 1998, the top 3 grossing movies internationally were original titles not part of a movie franchise, namely *Barbie* (US$1.4b), *The Super Mario Bros. Movie* (US$1.4b), and *Oppenheimer* (US$1.0b). *Barbie* and *The Super Mario Bros. Movie* are recognisable consumer products and reflect a growing trend of sourcing intellectual property from other sectors, notably including the video game industry.

The middle of the year was particularly buoyant:

- In the Domestic market, the summer box office season (which runs from the first Friday in May until the Labour Day weekend) grossed US$4.0b, just 4% below the average of the 2017-19 domestic summer seasons.[1]
- Led by *Barbie* and *Oppenheimer*, July's global box office of US$4.5b was up 17% on the 2017-19 monthly average for July. The Domestic market was up 11% on the 2017-19 average, with the International market (excluding China) up 7% and China up 53%.[2]
- August achieved a global box office total of US$3.6b, 1% above the 2017-19 monthly average for August. By the end of August, cumulative global box office was US$24.6b, 9% behind the 2017-19 average, having caught up 8 percentage points from the end of June.[2]

The year also saw non-traditional movies make significant impacts. *Taylor Swift: The Eras Tour* set a worldwide record for a concert movie, grossing US$250m worldwide, while *Renaissance: a Film by Beyoncé* earned US$36m worldwide. The faith-based movie, *The Sound of Freedom* earned US$250m worldwide, in part by adopting an innovative 'pay it forward' ticketing strategy. The weekend of December 8 saw two Japanese specialty titles take the first (*The Boy and the Heron*) and third slots (*Godzilla Minus One*) in the domestic box office.

Barbie
Released July 2023
US$1.4b (#1)

The Super Mario Bros. Movie
Released April 2023
US$1.4b (#2)

Oppenheimer
Released July 2023
US$1.0b (#3)

Despite the successes of the first half of 2023, the latter half of the year saw challenges caused by a reduction in major movie releases largely due to the Writers Guild of America strike (2 May - 26 September) and the SAG-AFTRA strike (14 July - 9 November).

According to The Numbers, in 2023, 74 titles were released in at least 2,500 domestic theatres. This compares favourably to the 65 titles in 2022, but still a long way off the average of 95 titles released on 2,500 domestic screens between 2017-19.

The record 118-day actors' strike caused several 2023 releases to be postponed because the leading actors were not permitted to promote their movies (most notably *Dune: Part Two* was delayed from November 2023 until March 2024). Ensuing production delays also postponed the release of many titles initially scheduled for release in 2024.

However, opposing the pandemic trend, no major titles initially intended for theatrical release were sent directly to streaming in 2023.

Instead, we saw numerous examples of the inverse, with titles slated to debut on streaming services instead receiving theatrical releases. *Mean Girls*, which was initially intended to debut of Paramount+, most recently received a global theatrical release instead, and has now grossed US$98m as of mid-February 2024. Disney also announced the theatrical release of *Moana 2* in November 2024, following the decision to re-purpose plans for a TV series into a feature film.

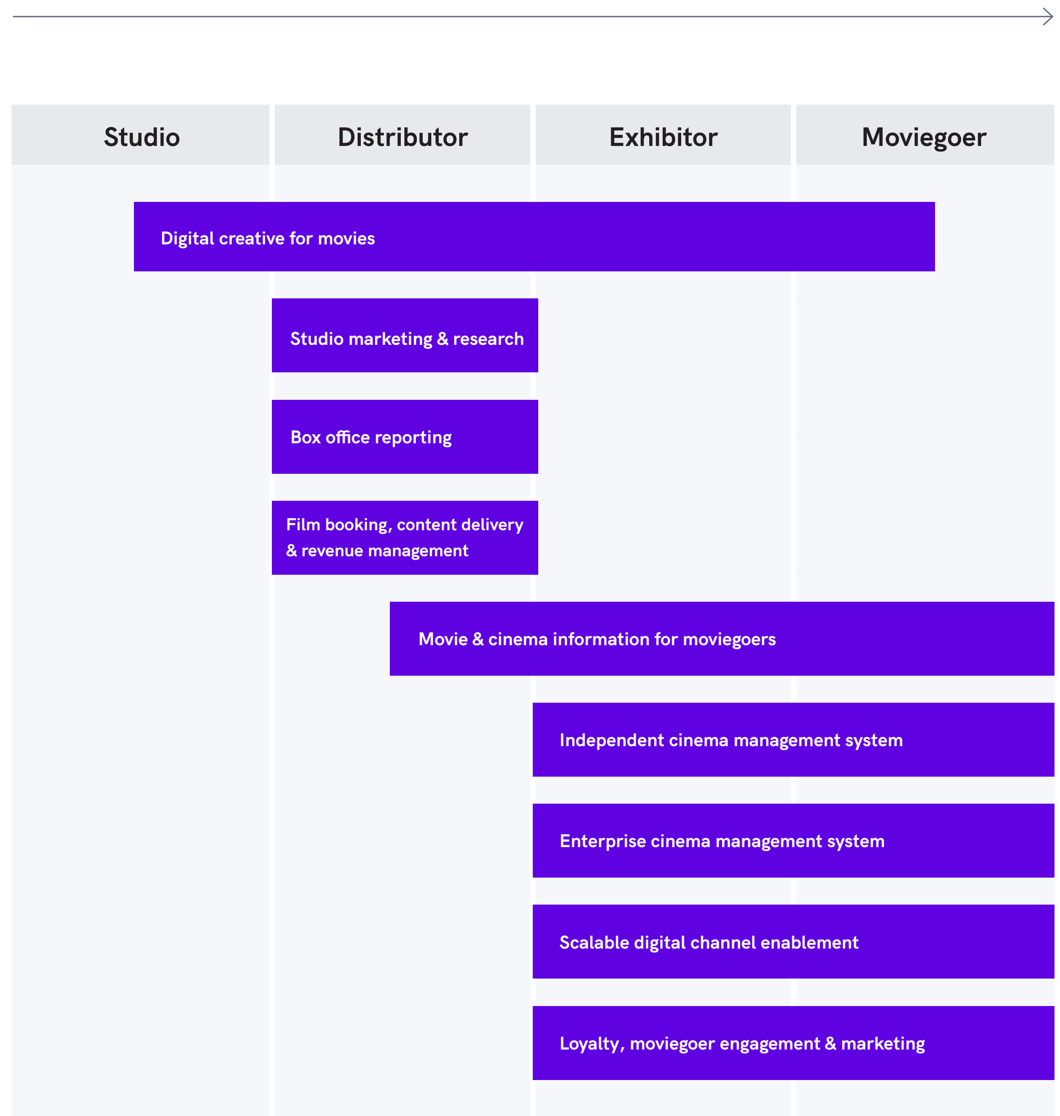
The Domestic market remained the top global market in 2023 with an estimated US$9.1b, up 21% year-on-year, but still 21% behind the 2017-2019 average. Gower Street Analytics estimates 2023 Global box office hit US$33.9b through to December 2023. This represented a 31% gain on 2022, continuing global box office recovery. However, it remains 15% behind the average of the last three pre-pandemic years (2017-2019).

1 Source: Box Office Mojo
2 Source: Gower Street Analytics

Management commentary
(no financial statements)

Vista Group overview

Our connected ecosystem supports the entire industry value chain



Our purpose

Vista Group's purpose is to bring more people together to share the magic of cinema.

Our vision

Vista Group's vision is for our digital ecosystem to connect the film industry and power the moviegoer experience.

This purpose drives our team, fueling our commitment to innovation and allowing us to deliver significant value to the industry. As part of our commitment, Vista Group undertook a significant organisational transformation in 2023, to align ourselves with the needs of our clients and remove the barriers to deeper collaboration and innovation.

Our unified, client-centred business model brings together our brands to provide a more integrated and innovative range of technology solutions across the industry. We have accelerated momentum throughout 2023, continuing to grow our ecosystem and support the entire value chain of the film industry.
Our solutions empower industry stakeholders right from a film's inception, all the way to its exhibition in cinemas, and subsequent box office reporting and moviegoer insights.

Management commentary
(no financial statements)

Key strategies for 2024

Driven by Vista Group's overarching purpose, our key strategies orient us to progress our ecosystem that connects the industry and powers the moviegoer experience. By bringing our people together and focusing on client success and innovation, our strategy will deliver tangible benefits for the industry and enhancements to transform the cinema experience.

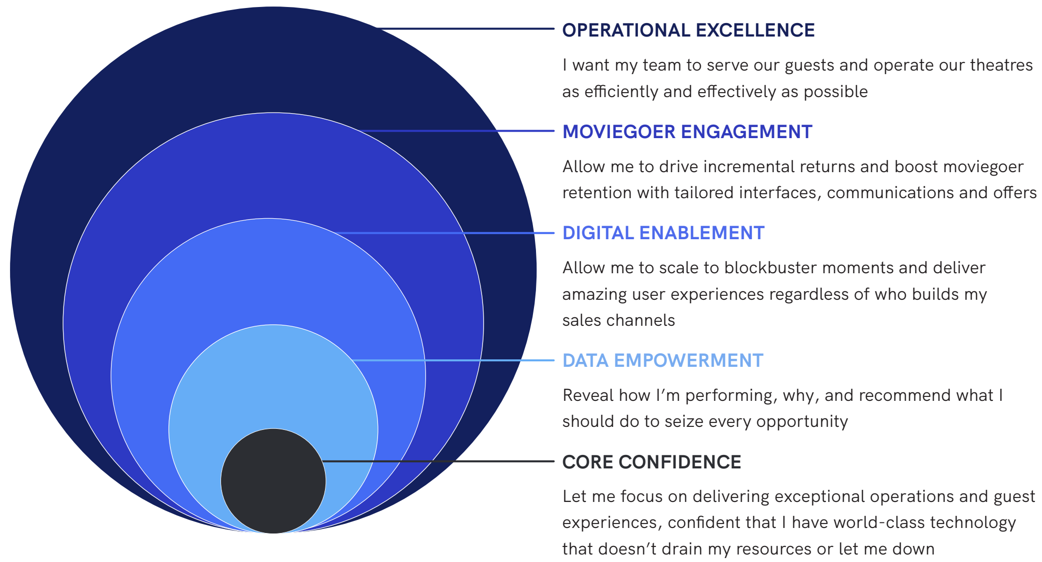
Strategy area	Stronger together — OUR PEOPLE	Enable our clients to thrive — OUR CLIENTS	Deliver remarkable cloud solutions — OUR SOLUTIONS
Objective	Vibrant and unified culture, enabling our people to thrive	Exceptional service with clients at the heart of everything we do	Connected, compelling, reliable, and secure solutions that our clients need and value
Key priorities for 2024	• Evolve Vista Groups' culture post transformation • Implement an aligned, transparent framework for goals, performance and reward • Enable learning and development across the organisation to improve knowledge and development • Aligned, equipped and enabled teams to support our growth ambitions	• A refreshed client engagement and success program across both our new Cinema and Film segments • A clear transformation pathway for all our Cinema clients • Deliver client onboarding projects and commitments • Market coverage growth across our Film solutions	• Integrated product and platform development plans that support our business strategy and client objectives • Acceleration in our Cinema cloud onboarding process • Product and platform roadmap delivery • Capacity expansion and maturity within SaaS platform operations including achievement of SOC 2 compliance in target solutions

Management commentary
(no financial statements)

Strategy focus area

Management commentary
(no financial statements)

Strategy focus area: Deliver remarkable cloud solutions



Vista Cloud

Some of the most significant benefits of our organisational transformation come from uniting the Vista Cinema, Movio, and Numero product and innovation teams. By removing the barriers between these teams we are able to combine our expertise, functionality, and data, resulting in a unified focus on delivering our objectives and product roadmap. Not only has this created exciting new opportunities, but it has also allowed us to identify and remove duplication and devote greater resources to driving 'what comes next' for our industry and clients.

Reassuringly familiar and radically superior, Vista Cloud propels exhibitors into the future

Vista Cloud is our next generation solution for exhibitors, perfectly balancing the familiar with the new to provide all the capabilities of our industry-leading software with all of the advantages of a SaaS solution.

Vista Cloud is an evolution of our existing Vista Cinema software, allowing exhibitors to achieve their desired outcomes with improved workflows and increased efficiency.

At the same time, Vista Cloud is a revolution in the service we provide. We undertake the heavy lifting for our clients, maintaining a stable, secure, and scalable environment for them, and seamlessly delivering our latest enhancements and innovations. This allows exhibitors to focus on delivering their ideal moviegoer experiences as efficiently and effectively as possible.

> "Vista Cloud is definitely the future and we look forward to exciting features being rolled out"
>
> *Jeff Geiger, CEO at NCG Cinemas*

Vista Cloud is the ecosystem for exhibition success

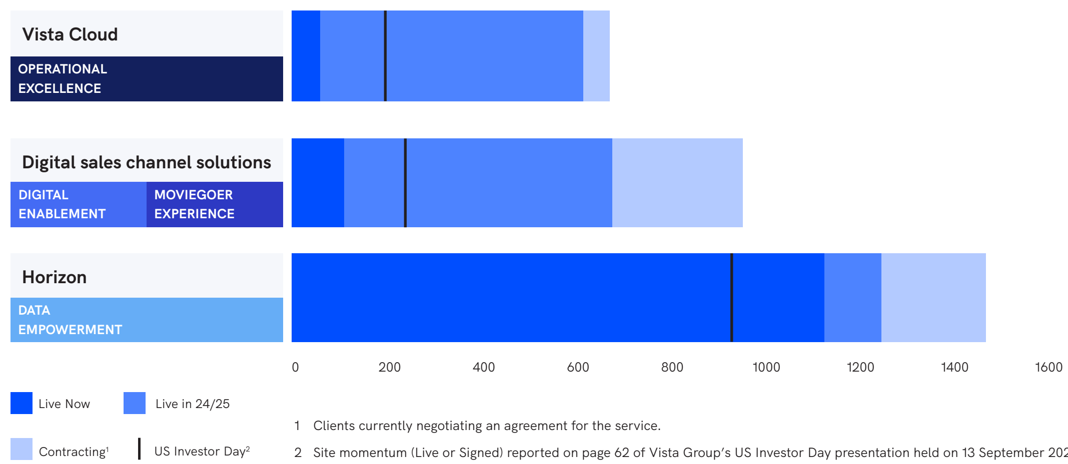
By harnessing the power of Vista Cinema, Movio, and Numero, Vista Cloud provides exhibitors with a complete picture of their business, along with the tools to take advantage of the opportunities in front of them. Built upon a robust core platform, Vista Cloud's four capabilities are oriented around key exhibition drivers, as set out in the following diagram.

Vista Cloud is the destination, clients direct their journey

We recognise that exhibitors are at different stages of Cloud readiness, and have unique focuses and business objectives. For that reason, we have designed an adoption and onboarding approach that allows exhibitors to adopt and implement elements of Vista Cloud at their preferred pace and path. Clients can commence their Cloud journey based on what their business needs are today, and to make the most of our innovation, they will have access to all features from previous stages as they progress.

The journey to Vista Cloud

As Vista Cloud continues to advance, more exhibition clients have commenced their journey, providing strong momentum toward our 2025 aspirations.



1 Clients currently negotiating an agreement for the service.

2 Site momentum (Live or Signed) reported on page 62 of Vista Group's US Investor Day presentation held on 13 September 2023.

Management commentary (no financial statements)

The Vista Cloud journey for our cinema clients

	CORE CONFIDENCE	DATA EMPOWERMENT	DIGITAL ENABLEMENT	MOVIEGOER ENGAGEMENT	OPERATIONAL EXCELLENCE
Where we are now	• Significant progress for onboarding readiness at scale. • Enhanced platform maturity with advanced proactive monitoring, offline, and rollback capabilities.	• Launched Vista Oneview, our senior executive app, uniting data from Vista Cinema, Movio, and Numero. • 31 Horizon clients. • Six Oneview clients. • An enriched dashboard suite.	• All Lumos sales channels live with clients, including Lumos Order and Lumos Kiosk. • 13 clients live with Lumos Web, four of which are also live with Lumos Mobile.	• Movio Cinema EQ is now available for 90% of existing Movio clients, with over 50% active already. • Strong progress on EQ functionality, with 80% of Movio Cinema Classic features now included. • EQ unveiled a movie content library for efficient marketing campaigns, and tailored customer journeys to transactional behaviour.	• Strong signing of clients to Vista Cloud and its digital solutions. • Enhanced user experience and features focused on improved productivity for cinema staff.
What's coming in 2024 and beyond	• Continued focus on onboarding and updating the platform at scale. • Ongoing emphasis on platform capability and maturity.	• Expand the role of Horizon to become the central database for all Cinema solutions for our exhibitor clients. • Continue to grow Oneview's scope and capabilities, including business performance summaries delivered by generative AI text-to-voice.	• Build additional F&B functionality in APIs and Lumos channels. • Focus on Lumos+ delivery for bespoke browsing websites with out-of-the-box transaction flows. • Expand MovieXchange Film coverage and capability. • Lumos sales channels actively displacing legacy products.	• Complete outcome parity in Movio Cinema EQ in order to commence deprecation of Movio Cinema Classic. • New enhancements to EQ, including additional communication channels, generative AI to expedite draft campaigns, and insights to predict moviegoer lifetime value and churn. • New functionality to collect moviegoer sentiment on films, trailers, and their experience to augment behavioural data-efficient marketing campaigns, and tailored customer journeys to transactional behaviour.	• Maximise pricing flexibility and decision support to drive incremental profit on headline and targeted levels. • Strengthen film and attendance forecasting capabilities as a central utility for Vista Cloud. • Build APIs in essential areas where Vista Cloud does not currently have core focus.

Management commentary
(no financial statements)

Accelerated, holistic innovation

Innovation has been at Vista Group's core since its inception in 1995. Over the past year we have organised ourselves to accelerate our pace, and to enhance the way our products solve our clients' most pressing challenges. We were excited to deliver a number of innovations to our clients across the industry in 2023, including the introduction of Presale Comparisons to Numero, the launch of Mica's Sales Planning Tool, and the launch of Lumos Order for a self-service food and beverage experience.

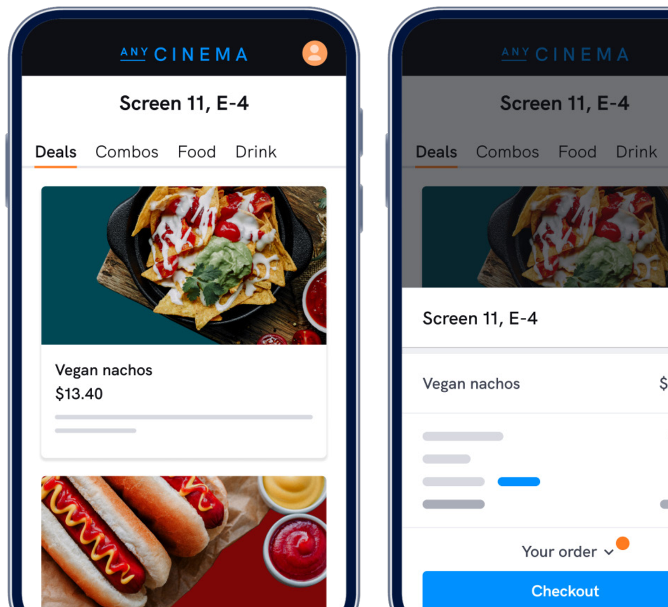
Numero's Presale Comparison and Analytics solution allows users to evaluate the performance of films, circuits, and theatres for any upcoming movie. These insights allow exhibitors to optimise programming and labour for each theatre in their circuit. Distributors can adjust marketing campaigns, seek additional showtimes, and accurately forecast both internally and with their creative partners.

"The Presale Box Office Data and Comparison Reports offered by Numero have been a game changer for us. Having an accurate read on box office grosses in advance of the opening weekend for each of our films allows us to work with exhibitors to optimise programming and also provide audience purchase behaviour metrics that our marketing team can use to adjust campaigns. Ultimately, Numero's Presales reporting helps us understand the demand for each of our films as it happens and maximise box office performance."

Andrew Cripps, President, International Distribution, Warner Bros. Studios

Mica's Sales Planning tool launched in 2023, and is now used by the majority of Mica clients in the days, weeks, and months preceding a movie's release. This functionality allows users to update thousands of booking proposals with just a few clicks, reducing work that can take minutes or hours in competitors' software to only a few seconds. In the fourth quarter of 2023, *Angel Studios* utilised this feature to manage over 2,700 theatrical engagements of their release *After Death.*

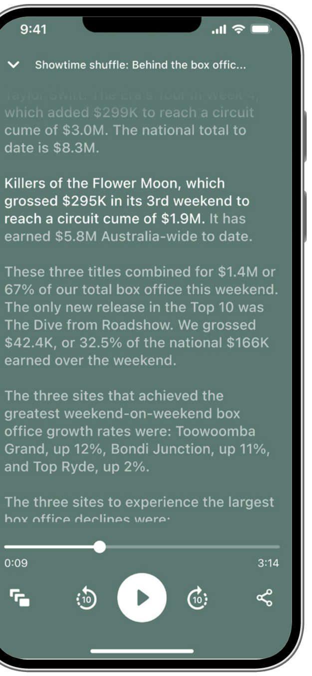
Lumos Order launched with its first client, *Everyman Cinemas*, in late 2023. This solution allows moviegoers to order food and beverages using self-service QR-codes from their seats. Lumos Order reduces the labour required to provide in-theatre dining and is highly integrated into the wider product suite of Vista Cloud, allowing moviegoers to redeem loyalty rewards and display their orders on the Vista Cloud kitchen management solutions.

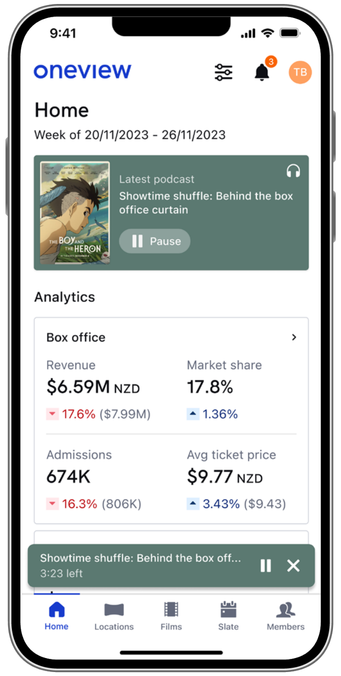


Management commentary
(no financial statements)

AI-driven solutions to empower our clients

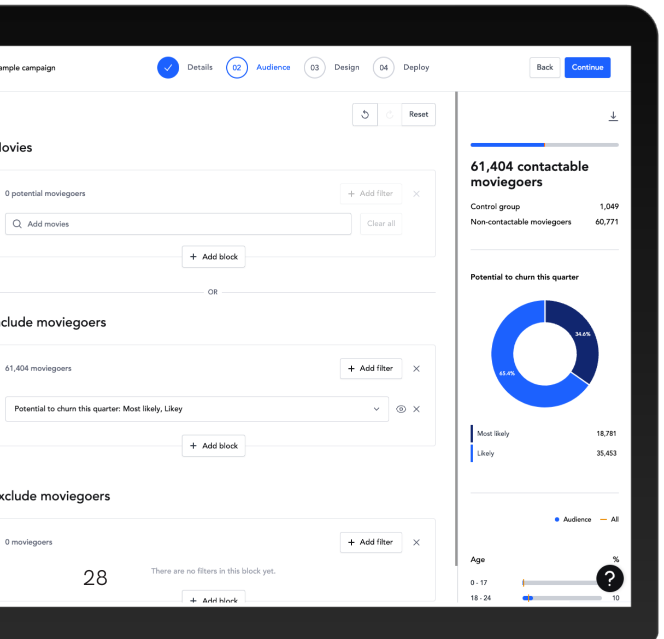
The following are examples of some of the ways in which Vista Group is harnessing artificial intelligence to benefit our clients:





Oneview/Microsoft 'podcast' commentary

Oneview was chosen for Microsoft's AI First Movers Program. For this program, we are using AI to create a brief 'podcast' commentary of key performance insights from the prior day's business. This involves converting data in tables into a written script and then using text-to-speech to create a spoken version. The objective is to give senior executives audio highlights on their business' performance as they start their day.

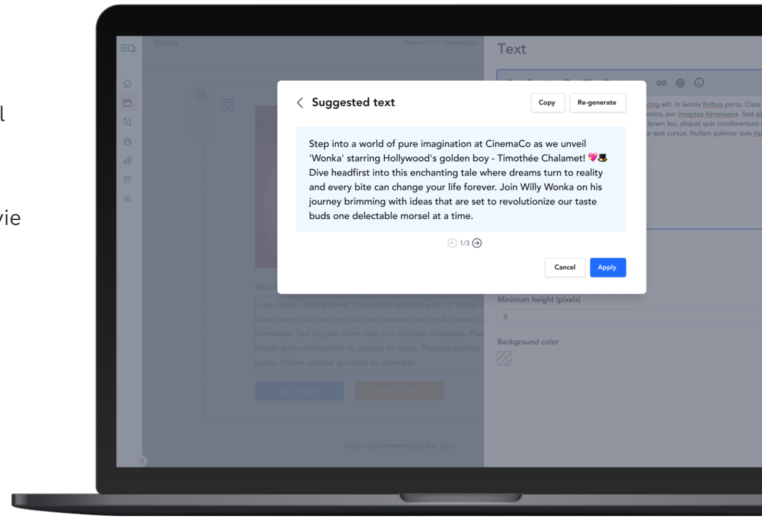


Moviegoer lifetime value and churn

Vista Group's Data Scientists have developed an algorithm to predict the likelihood of an individual loyalty member visiting a client's cinema, and how much they are likely to spend in a future period (for example, over the next quarter). This information can be used in Movio Cinema EQ to devise marketing campaigns to increase moviegoer frequency and spend. The predictions for individual moviegoers can also be aggregated to give an overall projection of a program's likely contribution to the business.

First Draft

Movio Cinema EQ's First Draft feature uses generative AI to automatically populate email communications with recommended text, adopting the unique tone of voice of the respective exhibitor's brand. This allows movie marketers to save time drafting individual communications whilst allowing them to send more campaigns tailored to individual moviegoers.



Interactive fan experiences

Powster uses AI to enable studio clients to provide unique fan experiences which create emotive moviegoer engagement in the build-up prior to a movie's release. The application of generative AI through photobooth experiences allows fans to craft their own original content, characterising themselves in the style of a particular film with unique, sharable images. Conversational AI additionally enhances connection by empowering interactive experiences that facilitate dynamic conversations between fans and virtual characters.

Management commentary
(no financial statements)

Group trading overview

Management commentary
(no financial statements)

Group trading overview

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

Total Revenue

$143.0m ▲ 6%

Recurring Revenue

$124.0m ▲ 10%

SaaS Revenue

$45.9m ▲ 20%

ARR

$126.3m ▲ 7%

EDITDA

$13.3m ▲ 25%

Net profit after tax

-$13.6m ▲ 35%

Operating Cashflow[1]

(Including business transformation items)

$9.0m ▼ 27%

1 Operating Cashflow has been presented including $5.0m of payments associated with the business transformation and CEO transition.

Vista Group had a strong trading performance in 2023. The film industry saw significant improvement in market conditions, with the more frequent release of blockbuster movies resulting in the global box office reaching US$34b.

Vista Group's 2023 revenue of $143.0m was up 6% on 2022, with recurring revenue of $124.0m up 10% and SaaS revenue of $45.9m up 20%. ARR closed at $126.3m up 7% on 2022. Non-recurring revenue, primarily from new on-premise licences and hardware sales, was down 17% to $19.0m.

EBITDA of $13.3m was up 25% on 2022, and up 32% after adjusting for foreign exchange.

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

- Strong and enduring client relationships.
- Strong annuity revenue and accelerating SaaS solutions revenue.
- A leading global position in the film industry.
- A passionate and focused team.

Vista Group continues to deliver new innovation across each of its operating segments, focusing on SaaS solutions such as Mica, Movio Cinema EQ, Veezi, and Vista Cloud.

Revenue

NZ$m

Management commentary
(no financial statements)

Cinema

Cinema is the largest segment within Vista Group and represents over two thirds of Vista Group's total revenue. It provides almost half of the world's cinemas (outside China and India) with the technology platform to run multi-site, multi-screen and increasingly, multi-territory cinema businesses.

Cinema global market share of enterprise clients, excluding China and India, is 46% at 31 December 2023. This now includes the removal of *Cinemex* sites noted in the interim announcement.

Total revenue for the Cinema segment was $97.7m, up 4% on 2022, with recurring revenue up 10% and SaaS revenue up 42% on 2022.

The 2023 box office of US$34b was up 17% on 2022 and only 15% behind the 2017-2019 average. Innovative and diverse content in the second half of 2023, including the 'Barbenheimer' phenomenon (both original content) and *Taylor Swift: The Eras Tour*, continues to prove the economic benefits of the theatrical release.

Client signings to Vista Cloud continue to expand, with *Pathé*, *Major Cineplex* and *United Cinemas* joining the pipeline. Vista Group sees this as a strong market validation, with 15% of existing clients (by sites) now due to shift their businesses to Vista Cloud capabilities by the end of 2024. *Everyman Cinemas* in the United Kingdom is now live on Vista Cloud's Digital Enablement solution, and are due to complete their journey to Cloud in the second quarter of 2024. The pilot sites of *Cineplex* in Canada are now live on the Moviegoer Engagement capability with the roll out due to finish in the second quarter of 2024.

With its focus on the independent market, Veezi is expanding its functionality and staying ahead of its competition.

Movio

Movio is the second largest segment within Vista Group. A pure play SaaS business, it represents 13% of Vista Group's total revenue. Movio's purpose is to 'connect everyone with their ideal movie' and it achieves this through a range of campaign, analytics and research products for cinema exhibitors, studios and distributors.

Movio Cinema usage continued to increase, with connections of 4.7b by the year end, up from 4.2b in 2022. The roll out of Movio Cinema EQ, the next generation AI enabled data analytics and campaign management solution, has been successful with transition plans for all clients complete by the end of 2023 and cost reduction plans to exit the Classic version now under way. Clients who have migrated to EQ are already seeing successful campaigns that reach more moviegoers and connect them with their ideal movies, saving cinema circuits time on their marketing and driving additional revenue growth opportunities through AI.

Movio Research, which studios and distributors use to assess potential audiences, continues to be used widely as studio and distributor clients search for their perfect audience.

Movio Media, which helps studios and distributors access their potential digital audiences, continued to underperform in the second half of 2023 and is being reviewed for its portfolio fit going forward.

For Movio, revenue was down 3% on 2022 due to the roll off of the Fox contract following the merger of Disney and 21st Century Fox.

Additional Group Companies

The Additional Group Companies (**AGC**) segment comprises the businesses of two studio and distributor focused businesses - Numero and Maccs - and two moviegoer focused businesses - Powster and Flicks.

Numero • Maccs

Numero and Maccs, which form the key elements Vista Group's Film segment going forward, continue to improve their EBITDA performance, with recurring revenue up 21% and total revenue also up 22%.

Maccs 10, the latest version of the on-premise theatrical distribution system, and Mica, the SaaS platform for studios and distributors to streamline their global cinema releases, continue to gain market traction, most recently adding *Angel Studios* to the client list. Numero continues to add global clients and extend its geographical coverage.

Powster

Revenue for Powster was up 15% on the previous year, driven by strong recurring showtimes platform revenue, up 25%, based on the increased range of movies released to the market. Creative revenue was down 10% on 2022 as Powster is one of the few Vista Group businesses that was directly impacted by the writers and actors strikes.

Flicks

Revenue for Flicks was up 28% for the full year driven by good traffic and advertising growth across its two key markets, Australia and New Zealand, with a good supporting role from early growth in the United Kingdom.

Management commentary
(no financial statements)

Sustainability

Management commentary
(no financial statements)

Our sustainability approach

As the world continues to face big challenges, we recognise that we have our part to play in making a difference to the world we connect with.

In 2022, we developed our sustainability framework to complement Vista Group's strategy. Our purpose was to put a fresh focus on sustainability topics likely to affect Vista Group in our efforts towards a sustainable future.

Our framework evolved during the year with the integration of our people priority—'Stronger together' (previously 'Caring for our people and communities')—into our overarching Vista Group strategy. We will continue to evolve the framework and enhance initiatives where we have the greatest potential to make a positive impact.

Vista Group's Board has overarching responsibility for sustainability. The Board provides strategic direction and guidance for our pathway. Oversight on the delivery of our approach is delegated to the ARC and NRC, who focus on specific areas of sustainability, including climate change, and make recommendations to the Board for consideration.

Our framework is core to our sustainability approach. The focus areas assist our GSLT to inform and guide how we manage our business, and the targets hold us to account and drive us to deliver the positive impact we make on society and the planet. Our forward-looking framework is built around the following three pillars:

- **People:** Stronger together.
- **Trust:** Building greater trust.
- **Environment:** Consuming responsibly and impactful innovation.

Our FY23 sustainability progress

During 2023 we focussed on continuing to build our foundations. This resulted in reviewing and updating a number of our targets to better align with our strategy. The table below outlines our progress for 2023 against our sustainability targets.

TARGET	FY23	PERFORMANCE AGAINST TARGET
STRONGER TOGETHER		
Aspire to 40:40:20 gender diversity (all employees) by 2030	In progress	Our organisational transformation in 2023 was key in setting us up for future success – as a unified, streamlined and connected business. For our people, this provides greater clarity on our vision and strategy, simplified business processes and increased opportunities for growth and development. We expect to see improvement across all our people metrics in 2024 onwards.
An eNPS score ≥45	Not achieved	
A wellbeing score >50	Not achieved	
Expand leadership development and mentoring programmes to all regions	In progress	
Report and take action to minimise the gender pay gap	In progress	Reported with actions being taken.
BUILDING GREATER TRUST		
No notifiable privacy breaches or critical security incidents	Achieved	Vista Group did not have any notifiable privacy breaches or critical security incidents impacting Vista Cloud during 2023.
Maintain annual Board governance roadshows	Achieved	Our governance roadshows were held in March and well attended by investors, banks, and our major shareholders. In response to feedback received at the roadshows we have changed the frequency from annual to at least every 2 years.
ISAE (NZ) 3000 / SAE 3150 controls assurance report for Vista Cinema (NZ equivalent to SOC 2 report)	In progress	Good progress was made during 2023 to uplift, formalise or in some instances implement policies and procedures. This work will continue into 2024 through our SOC 2 project.
CONSUMING RESPONSIBLY & IMPACTFUL INNOVATION		
Verification of our 2022 baseline year greenhouse gas emissions by Toitū Envirocare	Achieved	Vista Group became a Toitū carbonreduce certified organisation in April 2023.
Publish first voluntary climate-related financial disclosure statement	Achieved	Vista Group published its first voluntary climate report in April 2023 aligned to the TCFD framework. This report is available on vistagroup.co.nz/investor-centre.
Undertake climate change scenario analysis	Achieved	We will provide more detail about the process and outcomes of our analysis in the strategy section of our FY23 Group Climate Statement, to be published by 30 April 2024.
Integrate environmental expectations into Supplier Code of Conduct	In progress	This activity will continue into 2024 as we develop our climate ambitions and ensure our expectations of our value chain align.
1600 - 2400 client sites on the platform by December 2025	In progress	We have made good progress with significant signings for Vista Cloud announced during 2023. We have replaced this target with an aspirational target that better aligns with our strategy. The new target we will report on from FY24 is 100% of enterprise clients on cloud solutions by 2030.

Management commentary
(no financial statements)

Sustainability framework

	STRONGER TOGETHER	BUILDING GREATER TRUST	CONSUMING RESPONSIBLY & IMPACTFUL INNOVATION
Focus area	• Create a unified and vibrant culture that enables our people to thrive • Clear lines of accountability, aligning individual objectives to our strategy • Consistent and equitable approach to performance and remuneration • Develop our people through career opportunities and learning activities	• Improved and highly reliable cinema-branded digital channels • Maintaining an effective governance and decision-making structure • Continuous improvement to safeguard critical systems and protecting data • Responsible business conduct and ethics • Maintaining an adequate and effective risk management and internal control system	• Understand, measure, and reduce Vista Group's carbon footprint • Through innovation assist our clients to reduce their carbon footprint • Develop responsible procurement practices
Targets	• Aspire to 40:40:20 gender diversity (all employees) by 2030 • An eNPS score aligned to the median for the technology sector • A wellbeing score aligned to the median for the technology sector • Invest in enhanced learning and development programmes • Report and take action to minimise the gender pay gap	• ISAE (NZ) 3000 / SAE 3150 controls assurance report for Vista Cinema (NZ equivalent to SOC 2 report) • No notifiable privacy breaches or critical security incidents • Maintain Board governance roadshows, at least every 2 years	• 100% of enterprise clients on cloud solutions by 2030 • Publish our first Aotearoa New Zealand Climate Standards aligned climate statement • Maintain Toitū carbonreduce certification • Measure remaining Scope 3 operational GHG emission categories
United nations sustainable development goals	3 Good health and well-being 4 Quality education 5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities	9 Industry, innovation and infrastructure 12 Responsible consumption and production	12 Responsible consumption and production 13 Climate action

Management commentary
(no financial statements)

Stronger together

In July 2023 we commenced an organisational transformation to support our new vision and strategy, drive greater client alignment, and deliver improved business sustainability. The transformation brought together Vista Group's business brands under a unified business model, supported by a GSLT, with segment-based expertise focused on Vista Group's film and cinema clients.

With the organisational structure transformation concluding towards the end of 2023, we shifted our attention to the next phase; building a unified culture and aligning our global processes and initiatives.

Throughout the transformation, we have continued to support our people through a range of actions and initiatives. Central to the change programme was enhanced frequency and quality of communications, providing regular updates through town hall meetings, newsletters, and on our intranet to ensure that key information was available and easily accessible. In addition, those directly impacted by the transformation received one on one communication and support through the process.

Wellbeing and connection continued to be important for our people. Activities ranged from regular team check-ins and opportunities to come together at social events, through to increased tools, resources, and seminars on topics such as mindfulness. We will be refreshing and expanding on our wellbeing programmes as we move into 2024.

We were pleased to be able to launch our online Learning Portal early in 2023, offering a huge range of content and courses to support growth and development. Key to the success of the Learning Portal has been linking relevant courses to individual roles and teams, enabling our people to know what learning content to focus on for their development. We also introduced 'Lunch and Learn' sessions providing a range of content from technical skills and product information, through to key business operations and Vista Group "know how". Finally, we have continued to expand our leadership development programmes, with face-to-face courses offered from new manager training through to executive development.

Our commitment to fostering a diverse and inclusive culture remains unwavering. We completed, and publicly reported, our first gender pay gap calculation in early 2023. We have been proactively reviewing all pay-related decisions with a gender lens to ensure fair and equitable outcomes. We also reviewed and significantly enhanced our parental leave policies across New Zealand, the United States, and the United Kingdom, which reflects our dedication to creating a workplace that prioritises the wellbeing of our employees and their families.

Our people demographics

Regional distribution

New Zealand	366
United Kingdom	88
United States	76
Mexico	70
Europe	67
South Africa	34
Australia	7
Malaysia	4
Brazil	4
Total	**716**

Age distribution

18 - 27	**112 (16%)**
28 - 37	**304 (42%)**
38 - 47	**212 (30%)**
48 - 57	**68 (9%)**
58 - 67	**19 (3%)**
68+	**1 (0%)**

Female representation

Our People	2023	30% (213 of 716)
	2022	32% (252 of 779)
Our Board	2023	33% (2 of 6)
	2022	33% (2 of 6)
GSLT	2023	9% (1 of 11)
	2022	27% (3 of 11)

See page 76 for details on the diversity objectives Vista Group is striving towards along with progress made in 2023.

Gender pay gap 9.9%

Vista Group has completed its annual gender pay gap analysis across all permanent and fixed term employees globally, and has been calculated as the difference between the median pay of all female and male employees.

Year on year the pay gap decreased slightly from 10.1% to 9.9%. Vista Group continues to follow robust pay decision processes to ensure that men and women are paid the same amount for the same work undertaken (i.e. like for like gender pay).

Building greater trust

We know that trust is key to our success. We strive to always do the right thing, and being transparent is fundamental to building trust. We are evolving from being a trusted software provider to being a trusted SaaS provider.

Data security

With Vista Cloud, our responsibility for data security increases, so it is even more important we deliver a reliable and secure environment to meet the expectations of our clients and retain their trust.

Our business transformation saw the appointment of Vista Group's Chief Technology Officer, who is responsible for our cybersecurity programme. This appointment provides strategic oversight of all our security practices and ensures that we invest accordingly as we continue to strengthen our security posture across all of our software solutions.

During 2023, we made good progress towards our commitment to achieve certification against a globally recognised and independently audited cybersecurity compliance framework (such as SOC 2 Type 1) for Vista Cloud. This has seen us formalise and implement new policies and procedures and review and update our existing policies to ensure they align with our new business model. We will continue this programme of work, with a focus on achieving certification for Vista Cloud during 2024.

Strengthening our risk practises

Effective management of risk is fundamental to achieving our strategic objectives. Following the refresh of our risk appetite statement and risk management policy in 2022, we have continued to embed our risk management practices.

Our focus to continually uplift and strengthen our practices has been complemented by our review and enhancement of our control framework in preparation for our SOC 2 Type 1 review. A key risk management focus in 2024 will be to apply our uplifted control assessment programme for monitoring the effectiveness of our controls.

Turn to page 77 to read more about our risk management and key risks.

Consuming responsibly and impactful innovation

At Vista Group, we embrace our responsibility to operate sustainably and reduce the climate impact of our business. Our environmental footprint is largely made up by office energy consumption, third party data centres, business travel, technology consumables and shipping. We believe our purpose also extends to developing meaningful solutions that help our clients reduce the environmental impact of their businesses.

Empowering our cinema clients

Our platform is transforming cinema operations for our clients and encouraging sustainability-focused behaviours with opportunities to reduce their carbon footprint by being more energy and resource efficient.

The serverless innovation of Vista Cloud and Movio Cinema EQ removes the need and costs for our cinema clients to house on-site servers. On-site servers require a constant power supply, a cooling system to avoid overheating, investment to maintain and upgrade, and ongoing e-waste disposal when the equipment lifecycle ends. Vista Cloud empowers our clients to invest more in other aspects of their business while also reducing their carbon footprint.

In 2022 we set a target to have 1600-2400 cinema client sites on Vista Cloud by 2025. We have made good progress with a number of significant signings to Vista Cloud during 2023.

As we upscale our data storage loads, we anticipate our carbon emissions for our cloud storage and hosted data centre services will increase for a period. To minimise this impact, we have been working to improve the efficiency of our various compute workloads, as well as progressing our containerisation strategy to increase the deployment density in Vista Cloud. This means that we can run more workloads on the same—or less—infrastructure, decreasing energy consumption per Vista Cloud client.

To further support us to reduce our carbon footprint, Vista Group has partnered with Microsoft Azure for hosting our cloud-based platforms. Microsoft Azure have been carbon neutral since 2012 and have made a commitment to be carbon negative by 2030.

Climate reporting and our carbon footprint

In 2022, we established our operational greenhouse gas (**GHG**) emissions baseline year for measuring our carbon footprint.

Our footprint covers Scope 1, Scope 2, and selected Scope 3 emissions from each of our entities around the world within our financial control. Our 2022 emissions inventory was verified by Toitū Envirocare and in April 2023 Vista Group became a Toitū carbonreduce certified organisation. To achieve this certification, we were required to measure our GHG emissions in accordance with ISO 14064-1 and the GHG protocol.

In April 2023, we published our first annual Climate Report, a significant early step in our climate journey. The report was prepared on a voluntary basis and aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (**TCFD**). Along with our climate roadmap for the first two years, the report includes our 2022 GHG emissions inventory.

Our 2022 Climate Report is available at vistagroup.co.nz/investor-centre.

Vista Group is a climate-reporting entity under the Financial Markets Conduct Act 2013.

The External Reporting Board published the Aotearoa New Zealand Climate Standards on 14 December 2022. These standards are mandatory for Vista Group to report against for the 2023 reporting period.

During the year our focus has been on further developing our reporting to align to these standards by expanding the boundary of our GHG emissions inventory and conducting scenario analysis to identify the climate-related physical and transition risks and opportunities. This is so we better understand how climate change is currently impacting our business and how it may do so in the future.

Vista Group is relying on the Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2023.[1] We intend to publish our first Aotearoa New Zealand Climate Standards aligned climate statement at vistagroup.co.nz/investor-centre by 30 April 2024.

1 This Exemption Notice provides relief to climate reporting entities from the requirement to include in the annual report a copy of or link to the climate statement.

Management commentary (no financial statements)

Remuneration report

Letter from the Chair of the NRC

Dear Shareholder,

As Chair of the Nominations and Remuneration Committee (**NRC**), it is my pleasure to present Vista Group's Remuneration Report for the year ended 31 December 2023.

This has been a year of significant transformation for Vista Group as we seek to advance our vision and strategy, drive greater client alignment, and deliver improved financial performance. To initiate this Board led journey, we appointed Stuart Dickinson as Vista Group's CEO in April 2023 and the subsequent formation of a new GSLT in August 2023, who have been critical, under Stuart's leadership, in executing our transition towards a unified business model.

In the wake of these structural changes, Vista Group's Board remains committed to a remuneration strategy and framework that drives and rewards achievement of both short-term and medium-term goals. The alignment of incentives to key financial outcomes, coupled with non-financial goals, are aimed at delivering strong client and people outcomes while increasing sustainable shareholder value. The Board is committed to continue demonstrating an increased level of transparency in its remuneration policies, practices and reporting.

The report outlines Vista Group's remuneration strategy and approach, with a particular focus on the remuneration framework for the CEO and the GSLT.

The NRC and the Board's support from the People and Culture team in this transformative period has been invaluable in ensuring that the business and our people globally navigate these changes effectively while maintaining the goals set by the business.

Vista Group operates in a very competitive global and local market for skills and capabilities. It is a Board priority to ensure the retention of key people and the attraction of new talent is reflected in the remuneration and employee benefits that form part of the value proposition and are aligned to the remuneration strategy. The approach is aimed at reward for achieving financial and non-financial performance that are aligned to shareholder value.

Thank you for your continued support as we enter 2024 in a stronger position to deliver on our purpose of providing world-leading technology solutions to the global film industry.

Regards,

Cris Nicolli
Chair of the Nominations and Remuneration Committee

Management commentary
(no financial statements)

Executive appointment and remuneration

Vista Group's remuneration policy for the CEO and GSLT is based on the principles that the remuneration framework will:

- be simple, clear and understandable by all stakeholders;
- be fair, equitable and flexible;
- support Vista Group attracting, retaining and engaging employees;
- reward targeted performance – financial and non-financial;
- create alignment with Vista Group's values, culture and corporate strategy;
- appropriately reflect market conditions and the organisational context; and
- align with creating and increasing shareholder value.

The NRC reviews Vista Group's remuneration policy and principles on a regular basis.

Total remuneration consists of fixed remuneration, short-term incentives (**STI**), and long-term incentives (**LTI**). STI and LTI are 'at risk' as outcomes are determined based on the achievement or otherwise of financial and non-financial performance based targets and conditions set annually by the Board on the recommendation of the NRC.

The remuneration package of the CEO is approved by the Board on the recommendation of the NRC. The remuneration packages of the GSLT (other than the CEO), including fixed remuneration, STI and LTI objectives and achievement, are regularly reviewed by the NRC. The remuneration packages of the CEO and GSLT are benchmarked to market remuneration data to ensure competitiveness relative to Vista Group's comparable market peers.

Employee remuneration

The following table shows the number of employees whose remuneration and benefits for the year ended 31 December 2023 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 2023, including STI payments made in respect of the 2022 STI scheme. The table does not include amounts paid post 31 December 2023 that related to the year ended 31 December 2023, such as STI bonuses in respect of the 2023 STI scheme, or the value attributed to shares issued under LTI schemes during the year ended 31 December 2023.

SALARY BAND (NZ$)			TOTAL GROUP EMPLOYEES
100,000	-	109,999	60
110,000	-	119,999	61
120,000	-	129,999	67
130,000	-	139,999	50
140,000	-	149,999	35
150,000	-	159,999	41
160,000	-	169,999	21
170,000	-	179,999	21
180,000	-	189,999	16
190,000	-	199,999	12
200,000	-	209,999	11
210,000	-	219,999	9
220,000	-	229,999	3
230,000	-	239,999	6
240,000	-	249,999	4
250,000	-	259,999	4
260,000	-	269,999	2
270,000	-	279,999	1
290,000	-	299,999	1
310,000	-	319,999	1
320,000	-	329,999	4
330,000	-	339,999	1
340,000	-	349,999	1
370,000	-	379,999	2
380,000	-	389,999	1
390,000	-	399,999	2
430,000	-	439,999	1
440,000	-	449,999	1
460,000	-	469,999	1
480,000	-	489,999	1
490,000	-	499,999	2
500,000	-	509,999	1
510,000	-	519,999	1
540,000	-	549,999	1
590,000	-	599,999	1
610,000	-	619,999	1
630,000	-	639,999	1
650,000	-	659,999	1
670,000	-	679,999	1
760,000	-	769,999	1
1,180,000	-	1,189,999	1
Total			**453**

Management commentary
(no financial statements)

Fixed remuneration

Fixed remuneration at Vista Group consists of base salary and country specific benefits. While flexibility exists where specific circumstances require it, base salaries are typically reviewed annually. Vista Group provides a range of benefits to its employees specific to the country in which an employee is employed:

COUNTRY	BENEFITS
New Zealand	– Kiwisaver contribution up to 3% – Health insurance – Life insurance – Employee assistance program
United States	– 401k contribution up to 2% – Health insurance – Life & long-term disability insurance – On site paid gym membership – Employee assistance program
United Kingdom	– Pension up to 4% – Health insurance – Employee assistance program – Perkbox: employee perks and benefits – Discounted gym memberships – Access to salary sacrifice scheme
Netherlands	– Pension scheme – Health insurance – Employee assistance program – Perkbox: employee perks and benefits
South Africa	– Health insurance – Vitality flexible benefits – Employee assistance program – Perkbox: employee perks and benefits
Mexico	– Health insurance – Food coupons
Malaysia	– Reimbursement for medical bills – Mobile phone allowance – Parking allowance
Romania	– Private medical services – Subsidised optical – Subsidised gym membership

The provision of fixed remuneration (comprising of a base salary and country specific benefits) is applied consistently across Vista Group, including for the CEO and GSLT.

Short-term incentives

Vista Group's STI is an at-risk incentive that may be offered to an employee in respect of a specific year. The STI is set as a fixed percentage of the participating employee's base salary. The STI outcomes are determined based on the achievement of financial and non-financial performance based targets applicable to the relevant employee. The STI, once achieved, is paid in cash.

The STI targets for the CEO and GSLT are set by the Board on the recommendation of the NRC. The key targets, percentages and terms of the 2023 STI scheme are set out in the table below:

2023 TARGETS	HURDLE
Recurring revenue/ total revenue	Results of between 95% to 110% of the target equates to STI achievement of between 95% and 120% (capped). No STI is achieved below 95%.
Vista Group EBITDA	Results of between 90% to 110% of the target equates to STI achievement of between 90% and 120% (capped). No STI is achieved below 90%.
cNPS	If achieved, then 100% of the applicable STI is payable.
eNPS	If achieved, then 100% of the applicable STI is payable.

The Board retains discretion over the final outcome of STIs, to allow appropriate adjustments where unanticipated circumstances impact performance, positively or negatively.

Under the 2023 STI scheme, the Board granted the following awards to the CEO and GSLT members:

- **Previous CEO:** 48% of base salary, pro-rated to 10 April 2023.
- **Present CEO:** 48% of base salary.
- **Relevant GSLT members:** Between 20%– 40% of base salary.

Long-term incentive scheme

Vista Group's LTI is a share scheme offered at the discretion of the Board on the recommendation of the NRC. The LTI is set as a fixed percentage of the participating employee's base salary. The number of rights granted to a participating employee is determined based on the participation value divided by the volume weighted average price (**VWAP**) of Vista Group's shares over a specified period before the grant date. The share rights granted under the LTI are eligible to vest and convert into Vista Group shares based on the achievement or otherwise of certain targets and satisfaction of certain conditions over a specified number of years.

Under the terms of the 2023 LTI schemes, half of the rights were classified as 'share rights', with the other half classified as 'performance rights'.
One third of these share rights and performance rights are eligible to vest each year of the three year term of the scheme based on:

- **Share Rights:** continued tenure with Vista Group, with rights vesting annually when the condition has been satisfied (annually representing one sixth of the total LTI).
- **Performance Rights:** achievement of Vista Group recurring revenue targets set by the Board, with vesting annually on achievement of the target, assuming also continued tenure (annually representing one sixth of the total LTI).

Under the 2023 LTI scheme, the Board granted the following awards to the CEO and GSLT members:

- **Previous CEO:** no rights granted.
- **Present CEO:** 48% of base salary.
- **Relevant GSLT members:** Between 20%– 66% of base salary.

Management commentary
(no financial statements)

Retention schemes

The CEO also participates in a Group CEO Retention Scheme. Under the terms of this scheme, the CEO is granted a specified number of rights that are eligible to vest annually based on continued tenure with Vista Group. In April 2023:

- **Previous CEO:** 400,000 share rights vested, comprising the last tranche of the share rights granted in 2020 under the 2020 Group CEO Retention Scheme; and
- **Present CEO:** 200,000 share rights were granted. Subject to the CEO's continued tenure with Vista Group, 100,000 of these share rights are due to vest in April 2024, with the remaining 100,000 share rights due to vest in April 2025.

Certain employees also participate in a Senior Management & Executive Retention Scheme. Under the terms of this scheme, the relevant participants are granted a specified number of rights that are eligible to vest each year of the term of the scheme based on continued tenure with Vista Group. Grants under this scheme were made in:

- **2022:** 300,000 share rights were granted under this scheme. Subject to continued tenure of each participant, 100,000 of those share rights are due to vest in April 2024 with the remaining 200,000 share rights due to vest in April 2025.
- **2023:** 300,000 share rights were granted under the 2023 Senior Leadership Retention Scheme. Subject to continued tenure of each participant, all 300,000 of the share rights are due to vest in April 2024.

Breakdown of CEO pay for performance (2023)

Stuart Dickinson commenced as CEO, replacing Kimbal Riley (previous CEO), on 11 April 2023. The table below represents the pay for performance remuneration expected to be received by the CEO relating to the 2023 financial year. These STI amounts and LTI shares will be settled in 2024.

DESCRIPTION		PERFORMANCE MEASURES	% ACHIEVED	AMOUNT ACHIEVED NZ$
STI	48% of base salary	30% weighting of Vista Group recurring revenue. Results of between 95% to 110% of the target equates to STI achievement of between 95% and 120% (capped). No STI is achieved below 95%.	97.0%	87,300
		40% weighting of Vista Group EBITDA. Results of between 90% to 110% of the target equates to STI achievement of between 90% and 120% (capped). No STI is achieved below 90%.	100.0%	120,000
		15% weighting on cNPS. If achieved, then 100% of the applicable STI is payable.	50.0%	22,500
		15% weighting on eNPS. If achieved, then 100% of the applicable STI is payable.	75.0%	33,750
		The 2023 STI included a cash collection hurdle focused on receipts from clients keeping pace with, or exceeding, Vista Group's 2023 total revenue. An achievement of less than 95% would result in 50% of the total STI being forfeit. A result between 95% and 105% would equate to between a 95% and 105% (capped) STI multiplier to all of the above STI performance measures.	104.0%	10,542
	TOTAL STI		**91.4%**	**274,092**

DESCRIPTION		PERFORMANCE MEASURES	% ACHIEVED	NUMBER OF LTI SHARES	VALUE OF LTI SHARES NZ$
LTI	2023 Group CEO Retention Plan[1]	100% weighting on continued tenure. An allocation of 100,000 rights are due to vest in April 2024.	100.0%	100,000	165,000
	2023 LTI Plan[1]	50% weighting on Vista Group recurring revenue in 2023, 2024 and 2025. The threshold to achieve is 90% with pro-rata payment through to 100%.	72.7%	26,051	42,984
		50% weighting on continued tenure to April 2024, April 2025 and April 2026.	100.0%	35,820	59,103
	TOTAL LTI		**94.3%**	**161,871**	**267,087**
	TOTAL STI & LTI		**92.8%**	**161,871**	**541,179**

1 These rights convert to shares in April 2024. The share price at 31 December 2023 of $1.65 per share was used for calculating the value of the shares expected to be issued under the LTI schemes.

CEO remuneration

Kimbal Riley retired as CEO on 11 April 2023. The total remuneration received by Kimbal Riley as CEO until 11 April 2023 was as follows, including under the STI and LTI schemes for the 2022 financial year:

YEAR	BASE SALARY[1]	TAXABLE BENEFITS	FIXED REMUNERATION	STI[2]	2023 PARTIAL YEAR STI	NUMBER OF LTI SHARES	VALUE OF LTI SHARES NZ$[3]	TOTAL REMUNERATION
2023	174,373	7,935	182,308	273,000	130,750	508,936	671,796	1,257,854
2022	633,979	28,595	662,575	172,656	-	138,834	261,250	1,096,481

1 The 2023 base salary of the previous CEO was $625,000 in both 2023 and 2022. The values included in this table may represent additional amounts required to be paid under New Zealand legislation when an employee takes annual leave.

2 The STI, LTI shares represented in this table relate to amounts paid or shares issued rights settled in the relevant financial year (for example, the 2022 STI is reflected in 2023, being the year it was paid).

3 The share price on the date of vesting was used for calculating the value of shares issued.

Stuart Dickinson commenced as CEO on 11 April 2023. The total remuneration received by Stuart Dickinson as CEO between 11 April 2023 and 31 December 2023 was as follows:

YEAR	BASE SALARY[1]	TAXABLE BENEFITS	FIXED REMUNERATION	STI[2]	SIGNING BONUS	NUMBER OF LTI SHARES	VALUE OF LTI SHARES NZ$[2]	TOTAL REMUNERATION
2023	451,919	19,770	471,689	-	200,000	-	-	671,689

1 The 2023 base salary of the CEO is $625,000. The value included in this table may represent additional amounts required to be paid under New Zealand legislation when an employee takes annual leave.

2 The STI, LTI shares represented in this table relate to amounts paid or shares issued rights settled in the relevant financial year (for example, the 2022 STI is reflected in 2023, being the year it was paid).

The current CEO's total remuneration for 2024, assuming 100% of LTI shares are issued, is expected to be:

YEAR	BASE SALARY	TAXABLE BENEFITS	FIXED REMUNERATION	STI[1]	NUMBER OF LTI SHARES[2]	VALUE OF LTI SHARES NZ$[3]	TOTAL REMUNERATION
2024	625,000	27,351	652,351	274,092	161,871	267,087	1,193,530

1 This is the STI amount for 2023 expected to be paid to the CEO during 2024. See the table on page 55 for further details.

2 This is the number of LTI shares for 2023 expected to be issued to the CEO during 2024. See the table on page 55 for further details.

3 The share price at 31 December 2023 of $1.65 per share has been used for calculating the value of the LTI shares.

In 2023, the current CEO was granted the following share rights and performance rights under the following LTI schemes:

LTI SCHEME	NUMBER	TYPE	PERFORMANCE MEASURES	VESTING DATE(S)	VALUE OF LTI SHARES NZ$m[1]
2023 Group CEO Retention Plan	100,000	Share rights	100% weighting on continued tenure to April 2024.	April 2024	165,000
	100,000	Share rights	100% weighting on continued tenure to April 2025.	April 2025	165,000
2023 LTI Plan	35,820	Performance rights	100% weighting on achievement of Vista Group 2023 recurring revenue target.	April 2024	59,103
	35,820	Performance rights	100% weighting on achievement of Vista Group 2024 recurring revenue target.	April 2025	59,103
	35,820	Performance rights	100% weighting on achievement of Vista Group 2025 recurring revenue target.	April 2026	59,103
	35,820	Share rights	100% weighting on continued tenure to April 2024.	April 2024	59,103
	35,820	Share rights	100% weighting on continued tenure to April 2025.	April 2025	59,103
	35,820	Share rights	100% weighting on continued tenure to April 2026.	April 2026	59,103
Total	**414,920**				**684,618**

1 This assumes that the relevant performance measures are fully achieved and so 100% of the relevant Rights vest. The share price at 31 December 2023 of $1.65 per share was used for calculating the value of these LTI shares.

The employment agreements of the CEO and GSLT do not include the ability to be paid a transaction bonus in the event of a takeover of Vista Group.

Management commentary
(no financial statements)

Share-based schemes

Rights granted in 2023

2023 LTI Scheme: In April 2023, Vista Group granted 1,650,654 rights to GSLT and other selected senior management under this scheme. Half of the rights are classified as 'share rights', with the other half classified as 'performance rights'. One third of these share rights and performance rights are eligible to vest each year of the three year term of the scheme based on:

- **Share Rights:** Continued tenure with Vista Group, with rights vesting annually when the condition has been satisfied (annually representing one sixth of the total LTI).
- **Performance Rights:** Achievement of Vista Group recurring revenue targets set by the Board, with vesting annually on achievement of the target, assuming also continued tenure (annually representing one sixth of the total LTI). Performance rights that do not vest are eligible to roll over and vest if targets in future years have been achieved.

2023 Senior Leadership Retention Scheme: In April 2023, Vista Group granted 300,000 rights to selected employees under this scheme. All rights will vest in April 2024, conditional on the continued tenure of the participants at the relevant vesting date.

2023 CEO Retention Scheme: In April 2023, Vista Group granted 200,000 rights to the CEO under this scheme. Subject to the CEO's continued tenure with Vista Group, 100,000 of these share rights are due to vest in April 2024, with the remaining 100,000 share rights due to vest in April 2025.

Share-based schemes with conditions met

The following share-based schemes met the required performance targets resulting in rights vesting and converting into shares in the year ended 31 December 2023:

2021 & 2022 LTI Scheme: Vista Group granted:

- 1,237,668 rights to GSLT and other selected senior management under the 2021 LTI Scheme in April 2021; and
- 1,268,112 rights under the 2022 LTI Scheme in April 2022.

Half of the rights are classified as 'share rights', with the other half classified as 'performance rights'. One third of these share rights and performance rights are eligible to vest each year of the three-year term of the scheme based on:

- **Share Rights:** Continued tenure with Vista Group, with rights vesting annually when the condition has been satisfied (annually representing one sixth of the total LTI).
- **Performance Rights:** Achievement of Vista Group recurring revenue targets set by the Board, with vesting annually on achievement of the target, assuming also continued tenure (annually representing one sixth of the total LTI). Performance rights that do not vest are eligible to roll over and vest if targets in future years have been achieved.

In April 2023, 799,887 Vista Group shares were issued to participants following the vesting of:

- 214,245 performance rights and 168,346 share rights under the 2021 LTI Scheme; and
- 208,648 performance rights and 208,648 share rights under the 2022 LTI Scheme.

2020 Group CEO Retention Scheme: In April 2020, the previous CEO, Kimbal Riley, was granted 500,000 share rights under the Group CEO Retention Scheme, with vesting conditional on the CEO's continued tenure. In April 2023, 400,000 Vista Group shares were issued to the previous CEO under this scheme.

2022 Vista Group Recognition Scheme: Vista Group granted 2,110,769 rights to all Vista Group employees based in New Zealand, the United Kingdom and the United States (excluding the CEO) to recognise the performance of employees. In April 2023, 1,851,062 Vista Group shares were issued to all participants still employed with Vista Group.

Performance rights outstanding

The total number of outstanding rights granted to Vista Group employees (less known leavers) at 31 December 2023 are detailed in the following table:

GRANT YEAR	PLAN TYPE	VESTING YEAR 2024	2025	2026	TOTAL OUTSTANDING RIGHTS
2021	LTI Scheme	261,615	-	-	261,615
2022	LTI Scheme	330,930	330,930	-	661,860
2022	Senior Leadership & Executive Retention Scheme	100,000	200,000	-	300,000
2023	LTI Scheme	504,509	504,509	504,509	1,513,527
2023	Senior Leadership & Executive Retention Scheme	250,000	-	-	250,000
2023	CEO Retention Scheme	100,000	100,000	-	200,000
Total rights able to vest		**1,547,054**	**1,135,439**	**504,509**	**3,187,002**

2023 director remuneration

Director remuneration is paid from the total directors' fee pool of $725,000 approved by Vista Group's shareholders at the ASM held on 26 May 2021. No increase to the fee pool is proposed for 2024. Directors' fees in 2023 were calculated as set out below:

POSITION HELD	NZ$
Chair	180,000
Director	85,000
ARC Chair	15,000
ARC member	10,000
NRC Chair	15,000
NRC member	10,000

The 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 2023 are set out in the table below:

DIRECTOR	FURTHER DETAILS	BOARD FEES NZ$	ARC FEES NZ$	NRC FEES NZ$	TOTAL DIRECTOR FEES NZ$
Susan Peterson	Chair	180,000	-	-	180,000
Claudia Batten		85,000	-	10,000	95,000
Murray Holdaway		85,000	-	-	85,000
James Miller	ARC Chair	85,000	15,000	-	100,000
Cris Nicolli	NRC Chair	85,000	10,000	15,000	110,000
Kirk Senior		85,000	10,000	10,000	105,000
Total		**605,000**	**35,000**	**35,000**	**675,000**

The total fees paid to directors of $675,000 is within the $725,000 directors' fee pool approved at the ASM held on 26 May 2021.

Directors are reimbursed for all reasonable and properly documented expenses incurred in performing their duties as Vista Group directors. No additional payments or benefits were received by directors during 2023.

Management commentary
(no financial statements)

Corporate governance

This corporate governance statement has been prepared in accordance with NZX Listing Rule 3.8.1(a) and was approved by the Board of Vista Group on 27 February 2024. The information contained in this statement is current as at that date, unless otherwise noted.

Vista Group is committed to high standards of governance.

The core of Vista Group's governance framework is its commitment to protect and enhance the interests of its shareholders through high standards of governance, business behaviour and transparency.

Vista Group's governance framework ensures Board accountability to our shareholders and provides for an appropriate delegation of responsibilities to our CEO and our GSLT.

The Board reviews Vista Group's governance policies and practices regularly to ensure compliance with NZX and ASX standards (Vista Group is an ASX Foreign Exempt Listed company) and reflects the governance expectations of its shareholders in New Zealand and Australia.

At the date of this Annual Report, Vista Group's governance practices over the reporting year were in compliance with the NZX Corporate Governance Code and, while not required due to our ASX foreign-exempt listing status, were also in compliance with the ASX Corporate Governance Principles and Recommendations (fourth edition).

Vista Group has reported against the NZX Corporate Governance Code dated 1 April 2023. A table setting out where the principles and recommendations in the NZX Corporate Governance Code are addressed in this annual report is included on pages 90 and 91.

Management commentary
(no financial statements)

Vista Group's Board

The directors of Vista Group as at the date of this Annual Report are as follows:

Susan Peterson
BCom, LLB
Independent Chair

Claudia Batten
BCom, LLB (Hons)
Independent Director

Murray Holdaway
BSc, BCom
Executive Director

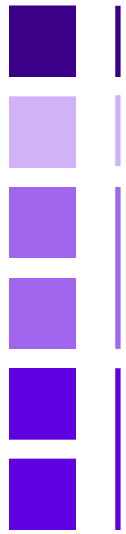
James Miller
BCom, FCA
Independent Director

Cristiano (Cris) Nicolli
BMS, FAICD
Independent Director

Kirk Senior
BCom, CA
Non-Independent
Non-Executive Director

Board composition and characteristics

Six Board members



Executive Directors (male)

Non-Independent
Non-Executive Directors (male)

Independent
Non-Executive Directors (male)

Independent
Non-Executive Directors (female)

A brief profile, including the relevant qualifications and experience, of each director can be found at vistagroup.co.nz/board-management.

Vista Group's constitution does not allow the appointment of a director by a single shareholder pursuant to NZX Listing Rule 2.4.

Board structure

The Board is structured to ensure that as a collective group it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities. The Board's responsibilities are set out in Vista Group's Corporate Governance Code which is available in the Investor Centre section of Vista Group's website at vistagroup.co.nz/investor-centre.

Management commentary
(no financial statements)

Board skills matrix

The Board focuses on ensuring it takes advantage of, and benefits from, the diversity of skills, backgrounds and experiences of the individual directors, and that its culture reflects Vista Group's values.

During the reporting year, the NRC assessed the skills of the Board and reviewed the Board skills matrix. A summary of the Board skills matrix is set out on the opposite page.

The Board skills matrix enables an assessment of skills and experience of individual directors, and how the directors work together as a whole.

It is considered that addressing the level of skills and experience collectively is a better indicator of Board capability overall. Accordingly, the level of skills and experience is assessed collectively.

The key skills and experience which individual directors contribute to the Vista Group's Board can be found at vistagroup.co.nz/board-management.

Six Board members

CAPABILITIES

1. Software, cloud, online and operating platforms
2. Digital product management and marketing
3. Data
4. Strategy and development
5. Go-to-market in international markets
6. Financial expertise
7. Listed company
8. People and culture
9. Film industry
10. Sustainability

PROFICIENCY GUIDE: Low / Medium / High

CAPABILITY DESCRIPTION						
1. Expertise and experience in the development and delivery of software and digital solutions through on-premise, managed services, cloud and/or online platforms	Medium	High	High	High	High	High
2. Expertise and experience in digital product marketing and management, including an understanding of technology trends and implications and the software and technology value chain	Low	Low	Medium	High	High	High
3. Expertise in the collection, processing, and commercialisation of data and marketing applications, including the use of AI and experience with data protection legislation in Vista Group's key international markets	Low	Medium	Medium	Medium	Medium	High
4. Expertise in corporate strategy and the developing early stage businesses, including strategic reviews, M&A and strategic partnerships	High	High	High	High	High	High
5. Deep customer insight and advocacy. Go-to-market expertise including direct sales, internet sales, new markets, and/or specific customer channel experience in the technology, cinema, film, studio or media sectors in Vista Group's key international markets (North America, South America, EMEA, APAC)	Low	Medium	High	High	High	High
6. Financial expertise with significant public company experience in finance, accounting, capital markets, credit markets, banking and investor relations.	High	High	High	Medium	Medium	Medium
7. Depth of expertise on listed company boards, including experience in governance, compliance and risk management and health and safety	High	High	High	High	Medium	Medium
8. Remuneration, retention, workforce planning, talent, culture and diversity and inclusion	High	High	High	Medium	Medium	Medium
9. Depth of experience in the film industry, including in film exhibition and/or distribution	Low	Low	Low	Medium	High	High
10. Deep understanding of the environmental, social and governance considerations in a strategic and operational context and the applicable legislative framework, including the TCFD	Low	Low	Low	Medium	High	High

Management commentary
(no financial statements)

Independence and conflicts

Four of Vista Group's six directors (Susan Peterson (Chair), Claudia Batten, James Miller and Cris Nicolli) are considered by the Board to be Independent Directors. This determination is made on the basis that these directors are Non-Executive Directors who are not substantial shareholders and who are free of any interest, business or other relationship that would materially interfere with, or could reasonably be seen to materially interfere with, the independent exercise of their judgement. None of the Independent Directors have been employed or retained, within the last three years, to provide material professional services to Vista Group.

Two of Vista Group's six directors (Kirk Senior and Murray Holdaway) are not considered to be Independent Directors. Kirk Senior held the position of Executive Chair until he resigned as Chair and as an executive with effect from 1 January 2021. Considering all relevant factors, including his previous executive position, the Board has determined that Kirk Senior is not an Independent Director.

Murray Holdaway is the co-founder of Vista Group, holds 2.87% of Vista Group's ordinary shares, and was Vista Group's Chief Product Officer until he resigned as an executive in 2022. Considering all relevant factors, the Board has determined that Murray Holdaway is not an Independent Director.

None of the directors are a:

- partner, director, senior executive or material shareholder of a firm that provided material professional services to Vista Group or any of its subsidiaries (within the past twelve months);
- current or past senior employee or partner of Vista Group's auditor PwC;
- material supplier to Vista Group or has any other material contractual relationship with Vista Group or any of its subsidiaries other than as a director of Vista Group or, in respect of Kirk Senior and Murray Holdaway only, as an employee of Vista Group or one of its subsidiaries (within the past three years); or
- recipient of performance-based remuneration from, or participating in, Vista Group's employee share schemes.

No director controls, or is an executive or other representative of an entity which controls, 5% or more of Vista Group's voting securities.

The Board considers that the roles of the Chair and the CEO should remain separate. The CEO is not a director of Vista Group and the Chair is independent of the CEO.

Responsibilities

The Board is responsible for Vista Group's strategic direction and operation and has delegated certain responsibilities to the CEO and the GSLT. Vista Group's Board is committed to creating long-term value for shareholders and safeguarding the highest standards of governance, corporate behaviour and accountability.

The Board's responsibilities are set out in Vista Group's Corporate Governance Code, and include:

Strategy and planning

- 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 GSLT;
- Reviewing and approving certain material transactions, and making certain investment and divestment decisions; and
- Approving and overseeing the administration of Vista Group's technology development strategy.

Financial performance and integrity

- Monitoring Vista Group's performance against its approved strategic, business and financial plans and overseeing Vista Group's operating results.

Code of ethics

- Ensuring Vista Group, the Board and the GSLT's behaviour is consistent with the Code of Ethics, including compliance with the constitution, any applicable laws and regulations, NZX Listing Rules, and any relevant auditing and accounting principles; and
- 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.

Risk and audit

- Ensuring the quality and independence of Vista Group's external audit process.

The terms of the delegation by the Board to the CEO and GSLT are documented in Vista Group's Corporate Governance Code and Delegated Financial Authority Manual. The CEO and GSLT are responsible for:

- developing and making recommendations to the Board on Vista Group strategies and associated initiatives;
- managing and implementing strategies approved by the Board;
- formulating and implementing policies and reporting procedures for management;
- decision making compatible with Vista Group's Delegated Financial Authority Manual;
- managing business risk and implementing the Board approved risk management framework and ensuring compliance; and
- the day-to-day leadership and management of Vista Group.

The CEO and GSLT have appropriate employment agreements setting out their roles and conditions of employment.

The CEO's performance is reviewed by the NRC regularly against objectives and measures set by the Board on the recommendation of the NRC. The CEO's performance was evaluated during the reporting year on this basis. The NRC is also responsible for overseeing the CEO's evaluation of the GSLT. Further details are contained in the Remuneration Report.

Directors' remuneration

Full details regarding Vista Group's remuneration of its directors are set out in the Remuneration Report on page 61.

Management commentary
(no financial statements)

Governance at Vista Group

Selection, nomination and appointment

Vista Group undertakes appropriate checks before appointing a director or putting forward any candidate for election as a director in accordance with Vista Group's governance processes.

All directors are elected by Vista Group's shareholders (other than directors appointed by the Board, who must retire and stand for election at the next meeting of shareholders) with rotation and retirement determined in accordance with the NZX Listing Rules. The Board is responsible for considering and appointing directors to the Board after candidates have been identified by the NRC.

Vista Group has a written agreement with each director set out in a standard form letter of appointment containing the terms and conditions of their appointment. In addition, Vista Group has also entered into a deed of indemnity and insurance which applies to each director, under which Vista Group indemnifies, and provides insurance to, directors in accordance with Vista Group's constitution and the Companies Act 1993.

Induction and development

All new directors participate in an induction programme and receive significant induction materials so as to familiarise them with Vista Group's businesses and the international film industry in which those businesses operate.

The Board receives regular briefings from management on Vista Group's business operations, changes to the operating environment, health and safety, and other wellness matters. Board strategy days are held during the year to consider matters of strategic importance to Vista Group.

Vista Group provides regular development opportunities for directors through Director Education Sessions. During 2023, Vista Group hosted a Director Education Session where external experts presented on the topic of the future of responsible usage of AI. Outside of Director Education Sessions, the directors undertake appropriate training to remain current on how to best perform their duties as directors of an issuer by attending relevant courses, conferences and briefings.

It is fundamental to the Board that directors have and are committing sufficient time to perform their duties properly and effectively. The Board has considered this issue during the reporting year and is satisfied that, taking into account all of their commitments, each director had sufficient time to perform their Vista Group duties.

2023 governance calendar and attendance

Vista Group's 2023 governance calendar is set out in the table below:

MEETINGS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Board	●	●●		●	●		●●	●	●		●	●
Board Sub-Committee		●						●				
Disclosure Committee			●			●				●		
ARC	●	●●			●		●	●●				●
NRC	●	●			●			●				●
ASM					●							

With the exception of Murray Holdaway due to sickness, all directors attended the 2023 ASM. Details regarding the directors' attendance of the 2023 governance meetings is set out in the table below:

MEETINGS	BOARD ATTENDANCE	BOARD	BOARD SUB	ARC	NRC
Susan Peterson	100%	●●●●●●●●●●●	●●	○○○○○○○○	○○○○○
Claudia Batten	100%	●●●●●●●●●●●		○○○○○○○○	●●●●●
Murray Holdaway	91%	●–●●●●●●●●●		○○○○○–○○	○○○○○
James Miller	100%	●●●●●●●●●●●	●●	●●●●●●●●	–○○○○
Cris Nicolli	100%	●●●●●●●●●●●	●●	●●●●●●●●	●●●●●
Kirk Senior	100%	●●●●●●●●●●●		●●●●●●●●	●●●●●

● Board or Committee Member present ○ Non-Committee Member present

Each Committee Charter provides that employees and non-member Executive Directors can only attend Committee meetings at the invitation of the Chair of the relevant Committee.

Management commentary
(no financial statements)

Reviewing performance

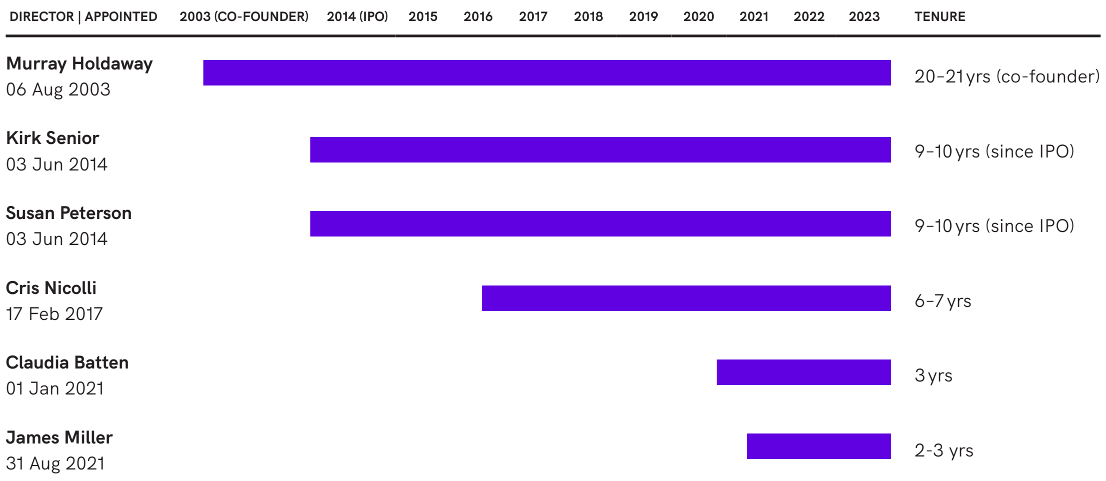
The performance of the directors (individually and collectively), and the effectiveness of Board processes and committees, are regularly evaluated using a variety of methods, including questionnaires, Board discussion, and an evaluation at the end of each Board meeting. A performance review led by the Chair was carried out during the reporting year. The next review will be carried out during 2024.

Tenure

Vista Group notifies shareholders each year of their right to nominate a candidate for election as a director. Where any director election or re-election is to occur at a shareholder meeting, the Notice of Meeting includes all information on candidates for director election or re-election that the Board considers may be useful for shareholders to receive.

As required by the NZX Listing Rules, directors must retire every three years and, if desired, seek re-election. In accordance with NZX Corporate Governance Code recommendation, the Board takes director tenure into account in considering whether a director is an Independent Director.

The date of appointment and tenure of each director is set out in the table below:



Although Murray Holdaway has served as a director since 2003, as a co-founder of Vista Group, Murray's deep understanding of Vista Group's businesses and the film industry is considered a valuable addition to the Board's skills matrix.

Board committees

The Board has two standing committees: the ARC and the NRC. The members of those committees are set out in the tables below:

ARC

DIRECTOR	INDEPENDENCE
James Miller (Chair)	Independent
Cris Nicolli	Independent
Kirk Senior	Non-Independent

NRC

DIRECTOR	INDEPENDENCE
Cris Nicolli (Chair)	Independent
Claudia Batten	Independent
Kirk Senior	Non-Independent

Vista Group does not have a separate Nominations Committee or a separate Remuneration Committee. Rather, the NRC fulfils the functions of both those committees. The role and responsibilities of the ARC and NRC are set out in the Committee Charters that form part of Vista Group's Corporate Governance Code which is available at vistagroup.co.nz/investor-centre.

The Disclosure Committee was constituted in 2020 under Vista Group's Continuous Disclosure Policy and is comprised of Cris Nicolli (Independent Director), the General Counsel and Company Secretary, the CEO and the CFO. The Disclosure Committee convenes each month in which a Board meeting does not occur in order to monitor Vista Group's compliance with its continuous disclosure obligations under the NZX Listing Rules and the Financial Markets Conduct Act 2013.

Each committee focuses on specific areas of governance. Together, the committees strengthen the Board's oversight of Vista Group. Committee meetings are scheduled to coordinate with the Board meeting cycle. Each committee reports to the Board at the subsequent Board meeting and makes recommendations to the Board for consideration and approval as appropriate.

Vista Group assesses on a regular basis whether additional standing or ad hoc committees are required. Additional temporary committees are established from time to time, including as required to provide governance oversight on short-term projects. At the date of this statement, Vista Group has determined that no standing committees are required other than the Disclosure Committee.

Committee charters

Each standing committee operates in accordance with a written charter approved by the Board and reviewed as required at least every two years. The committee charters form part of Vista Group's Corporate Governance Code which is available at vistagroup.co.nz/investor-centre.

Directors' shareholdings in Vista Group

The Board encourages the alignment of directors' interests with those of shareholders and with Vista Group's strategic aims. To improve this alignment, the Board encourages directors to hold shares in Vista Group, with the final determination left to individual directors' personal circumstances. Further details of directors' shareholdings in Vista Group are set out in Directors' Disclosures on page 84.

Access to advice together with the General Counsel and Company Secretary

Directors may access such information and seek such independent advice as they consider necessary or desirable, individually or collectively, to fulfil their responsibilities and permit independent judgement in decision making. They are entitled to have access to internal and external auditors without management present and, with the Chair's consent, seek independent professional advice at Vista Group's expense.

All directors have access to the advice and services of the General Counsel and Company Secretary for the purposes of the Board's affairs. The General Counsel and Company Secretary was appointed on the joint approval of the CEO and the Chair. The General Counsel and Company Secretary is accountable to the Board, through the Chair, on all governance matters.

Assurance and managing risk

Audit plan and role of the external auditor

PwC is Vista Group's current external auditor and has served since its appointment in April 2015. The NZX Listing Rules require rotation of the key audit partner at least every five years. Vista Group last rotated its key audit partner in January 2020 and, assuming that PwC continue as Vista Group's auditor, the next rotation is expected to occur in January 2025. Vista Group's audit partner, Troy Florence, attended Vista Group's 2023 ASM and was available to Vista Group's shareholders to answer questions relevant to PwC's audit.

Details of the work (both audit and non-audit) undertaken by, and fees paid to, PwC during 2023 are included in section 2.3 of the Financial Statements.

The Board considers that due to the nature and quantum of the non-audit services work, the independence of PwC is not compromised.

External audit policy

The Board's framework for Vista Group's relationship with its external auditor is in the External Audit Policy set out in the Corporate Governance Code which is available at vistagroup.co.nz/investor-centre. The External Audit Policy covers matters relating to the appointment of the auditor, the independence of the auditor, transparent dialogue with the auditor, rotation of the audit partner, 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 of monitoring all aspects of the external audit of Vista Group's affairs including:

- considering the appointment of the auditor, audit fees and any issues on an auditor's resignation or dismissal;
- ensuring the independence, objectivity and effectiveness of the auditor;
- reviewing the audit plan, nature and scope of the audit before commencement;
- reviewing Vista Group's letter of representation to the auditor; and
- discussion with the auditor of any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board.

Audit conflict safeguard and resolution process

It is the responsibility of the ARC to ensure audit independence. The committee ensures this by requiring the audit engagement partner to discuss any non-audit services provided by the external audit firm with the ARC Chair prior to the commencement of any non-audit services. The non-audit services will only be provided if both the audit engagement partner and ARC Chair agree that there are no reasonable threats to independence.

As part of the external auditor's reporting to the ARC, the external auditor is required to submit an annual independence report confirming that PwC remains independent of Vista Group. This annual independence report documents any risks to independence and safeguards related to non-audit services. The ARC reviews this report, with any concerns raised with the Chair of the Board and Disclosure Committee (see page 73) to determine whether any market announcement is required.

The external auditor's report to shareholders on page 139 discloses all non-audit services and any other relevant independence considerations.

Timely and balanced disclosure

Shareholders and markets

Vista Group is committed to maintaining a fully informed market through effective communication with the NZX and ASX, shareholders and investors, analysts, media and other interested parties. Vista Group provides all stakeholders with equal and timely access to material information that is accurate, balanced, meaningful and consistent. Where Vista Group provides a new and substantive investor or analyst presentation, it ensures the presentation materials are released to the NZX and ASX announcement platforms ahead of the presentation.

Vista Group's Continuous Disclosure Policy is designed to ensure material information is released to the NZX and ASX announcement platforms in compliance with Vista Group's continuous disclosure obligations under the NZX Listing Rules and the Financial Markets Conduct Act 2013. The Continuous Disclosure Policy is available at vistagroup.co.nz/investor-centre.

The Disclosure Committee is responsible for administering the Continuous Disclosure Policy and ensuring that Vista Group complies with its continuous disclosure obligations. The Disclosure Committee comprises one Independent Director (Cris Nicolli), the General Counsel and Company Secretary, the CEO and the CFO.

The CEO and GSLT are responsible for ensuring that all material information relating to their areas of responsibility is reported to the Disclosure Committee promptly and without delay. The Disclosure Committee is responsible for determining whether information received from the CEO or GSLT requires disclosure on the NZX and ASX announcement platforms.

The Disclosure Committee is required to refer information regarding matters of fundamental significance to Vista Group, including financial results, earnings guidance, dividend policy determinations, transformational transactions, and significant resignations, to the Board (or where the Board is not available, an Approval Committee) for its determination.

Disclosures relating to the annual and interim financial statements must be reviewed by the ARC before being approved by the Board. Once approved for disclosure, the CFO or the General Counsel and Company Secretary is responsible for releasing material information on the NZX and ASX announcement platforms. Directors consider at each Board meeting whether there is any material information which should be disclosed to the market.

Integrity of reporting

The CEO and the CFO are required each full year to provide a letter of representation to the Board confirming that the financial statements have been prepared in accordance with legal requirements, comply with generally accepted accounting practice and present fairly, in all material respects, the financial position of Vista Group and the results of its operations and its cash flows.

A letter of representation confirming those matters was received by the Board with respect to Vista Group's 2023 financial statements.

Management commentary
(no financial statements)

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 prohibits and will not tolerate discrimination on the grounds of personal characteristics such as age, ethnic origin, marital status, religion, gender identity, sexual orientation or social origin. Vista Group has a formal Diversity and Inclusion Policy, which is available at vistagroup.co.nz/investor-centre. The Diversity and Inclusion Policy sets out Vista Group's commitment to achieving diversity in the attributes and experiences of the Board, the GSLT and employees.

Vista Group set the following diversity objectives for the year ended 31 December 2023:

OBJECTIVE	OUTCOME
Ensuring there is a minimum of two females on the Board at all times	Vista Group has maintained a gender representation on its Board, with Susan Peterson as Chair and Claudia Batten as an Independent Non-Executive Director.
Progressing towards our aspiration of 40:40:20[1] gender diversity (across all employees by 2030)	At 31 December 2023, women comprised 9% of the GSLT. Women comprised 29% of all new hires in 2023. In addition, of those participating in leadership development programmes, 29% have been women in 2023. The focus area for leadership development was in the engineering department where the female representation is lower than in other parts of the business. Vista Group will continue to drive leadership development training to support its transformation efforts. This outcome shows a movement towards achieving the 40:40:20 split across leadership teams and programmes.
Report on a full Gender Pay Gap analysis annually and actions undertaking to minimise the gap	A comprehensive Gender Pay Gap analysis has been completed across all permanent and fixed term employees globally, which compared the median hourly rates and variable pay of men and women. Based on a weighted average of the size of each location, Vista Group's global gender pay gap is 9.9%. The detailed analysis of the gender gap by location, pay quartile and job level has been reviewed to assess root causes as well as actions and initiatives to lower the gap.
Continuing to create and maintain an inclusive culture and work environment with a focus on women, ethnic minorities and those who identify as LGBTQI+	Vista Group actively works with its local leaders and affiliation groups to promote and support inclusive work practices and to embrace the diversity of our people. This has included celebrating key cultural events such as International Women's Day, Pride Month, Matariki, Diwali and Día de los Muertos (Day of the Dead). A key element of many of our events is to provide education and raise awareness across the organisation. We continue to be an accredited Rainbow Tick organisation as well as a Global Women partner and a member of Champions for Change.

1 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.

See page 43 for disclosure regarding the gender diversity at 31 December 2023.

Risk management

Risk management is an integral part of Vista Group. The Board has established a Risk Management Framework which is designed to identify material financial and non-financial risks that may impact our ability to achieve our strategic objectives.

The ARC is responsible for overseeing, reviewing, and providing advice to the Board on areas of focus. The CEO and GSLT are responsible for ensuring compliance with the risk management framework and promoting a culture of good risk practices.

Our people have a responsibility to apply good risk management practices in their day-to-day work, by following business parameters set through policies, procedures, systems and controls. The Board seeks regular independent assurance and advice on the effectiveness of the framework and risk and control management.

Key risks

Risk assessments are carried out by the GSLT and other senior leadership teams annually in accordance with Vista Group's Risk Management Policy. A risk assessment includes identification of material risks, assessment of the consequences and likelihood of the risk, and development of controls to achieve a level of residual risk that is within Board defined tolerances based on the Board approved risk appetite statement.

The following table outlines some of Vista Group's key business risks and the high-level mitigation strategies and activities for each risk.

Management commentary
(no financial statements)

KEY RISKS	MITIGATION STRATEGIES AND ACTIVITIES
HEALTH, SAFETY AND WELLBEING Ability to protect our people's health, safety and wellbeing.	• Board oversight through monthly health, safety and wellbeing report against Vista Group policies • Dedicated Work Well programme to support our people's wellbeing • A global network of volunteer Wellness Advocates that support their peers and lead wellbeing initiatives • Flexible work arrangements including 4.5-day work week
REGULATORY COMPLIANCE Ability to identify and manage new, changed or reinterpreted laws and regulations, as our global operations increases the complexity of compliance. Instances of non-compliance could result in brand and reputational loss, along with litigation, fines and financial loss.	• Board oversight through reporting of compliance related programmes • Policies and procedures covering key regulatory and compliance areas • Global legal team provides input on emerging changes and potential business impacts
ATTRACT AND RETAIN TALENT Ability to attract, develop and retain skilled people in a highly competitive industry to be able to deliver on our strategy.	• Board oversight by the Nominations and Remuneration Committee through the People & Culture report • Succession planning for senior leadership and critical roles • Leadership development and mentoring programme • Focus on people value proposition through proactive communication strategy internally and externally
ACCESS TO CAPITAL AND CAPITAL MANAGEMENT Our ability to raise capital when required and to appropriately allocate capital as we invest and transition to the platform.	• Board oversight of capital allocation and budgeting • Capital Allocation Policy approved by the Board • Long-term forecasting through the financial strategic plan • Maintain a strong relationship with our investors and banking partners
DATA PRIVACY Vista Group's global footprint exposes us to various global data privacy laws and regulations. Failure to comply with the applicable laws and regulations and protect personal data, through how Vista Group collects, uses and processes personal data and information, could result in financial penalties, regulatory intervention and reputational damage.	• Board oversight through reporting of compliance related programmes • Group policies relating to data protection, data retention and IT and information security • Multi-jurisdictional Data Protection Officer provides support and independent assurance • Awareness training on data privacy and security • ISAE (NZ) 3000 / SAE 3150 assurance report (equivalent to SOC 2 Type 1) in progress for Vista Cloud
STRATEGY EXECUTION Inability to execute our strategic initiatives that leads to reputational impacts and reduced revenue growth.	• Board approved strategy and oversight through regular reporting on initiatives and challenges • Executive sponsorship and accountability for strategic initiatives • Programme review for improving operational alignment to strategic initiatives

KEY RISKS	MITIGATION STRATEGIES AND ACTIVITIES
PLATFORM STABILITY AND DATA SECURITY Failure to maintain security controls and processes which expose Vista Group to cyber-attacks, a loss of service or unplanned outages of applications, disrupting clients' businesses leading to client churn and/or reputational damage.	• Board oversight through the Chief Technology Officer security report • Approved suite of IT related policies • External parties for independent testing • Continuous monitoring of platforms • Incident management and response process • Data hosted in Microsoft Azure & Amazon Web Services data centres • Enterprise grade security tools and applications • ISAE (NZ) 3000 / SAE 3150 assurance report (equivalent to SOC 2 Type 1) in progress for Vista Cloud
ADVERSE GLOBAL EVENTS Vista Group's global footprint in 100+ countries means it is exposed it to a variety of global economic and political headwinds, such as pandemics, geopolitical instability, and changes in regulatory policy. This could disrupt operations, change consumer behaviours, potentially threaten the safety of our people and adversely impact revenue and underlying profitability.	• Board oversight through the CEO report • Maintaining sufficient capital reserves • Regular financial oversight and monitoring across our markets • External advisors provide insights and guidance on jurisdictional and market activity • Regular liaison with clients on emerging industry and regional trends • Business continuity plan to respond to significant operational events
ENVIRONMENTAL (INCLUDING CLIMATE) Failure to support or transition to a lower carbon economy could lead to regulatory impacts and reputational damage.	• Board oversight through the Audit and Risk Committee of climate initiatives • Board approved climate-related disclosures • Risk Management framework and continuous improvement • Carbon emissions measurement and assurance programme • Climate roadmap to align with the Aotearoa New Zealand Climate Standards
FILM AND CINEMA INDUSTRY DISRUPTIONS Reduction in content made available for theatrical release, delays in film production, material reduction of the theatrical window, sustained poor box office performance resulting in reduced revenue growth for Vista Group.	• Board oversight through the CEO report • Maintaining sufficient capital reserves • Global diversification of clients and global vs localised content reducing exposure in a single market

Management commentary
(no financial statements)

Engaging with investors

Investor relations

Vista Group is committed to open and effective communication with its shareholders by providing comprehensive relevant information.

Vista Group communicates with its investors across a number of forums, including the Investor Centre section of Vista Group's website vistagroup.co.nz/investor-centre, regular information disclosures via the NZX and ASX announcement platforms, at the ASM, Investor Days and Governance Roadshows, in its Annual Reports and Interim Reports, and investor and analyst briefings.

Vista Group aims to provide clear communication of its strategic direction, including articulating its strategic priorities.

Investor Centre

Vista Group's dedicated Investor Centre website (vistagroup.co.nz/investor-centre) includes a comprehensive set of investor-related information and data including releases on the NZX and ASX announcement platforms, Annual Reports and Interim Reports, investor presentations, and shareholder meeting materials.

Shareholders can direct any questions and comments they may have to Vista Group by contacting Vista Group's CFO.

Annual Shareholders' Meetings

Vista Group encourages shareholders to attend ASMs and to ask questions of the Chair, Board, GSLT and auditor, including as follows:

- Vista Group takes into consideration the geographical spread of its shareholders, Vista Group carefully plans the timing and format of its ASM to allow as many shareholders as possible to attend and participate;
- shareholders are notified at least 20 working days prior to the ASM in accordance with NZX Corporate Governance Code recommendation; and
- shareholder voting is conducted via a poll, and shareholders may vote in person, electronically or by proxy.

Vista Group's 2023 ASM was held on 25 May 2023 and took place in a hybrid format (in person and online). The Notice of Meeting for the 2023 ASM was released on the NZX and ASX announcement platforms and posted on Vista Group's website at least 20 working days prior to the ASM in accordance with NZX Corporate Governance Code recommendation.

Vista Group's 2024 ASM will be held on 21 May 2024 and is again expected to take place in a hybrid format.

Electronic communications

All shareholders are encouraged to provide email addresses to Vista Group's share registrar, Link Market Services Limited, to enable them to receive shareholder communications and reports electronically. Communicating electronically is faster, more cost-effective and more environmentally sustainable. Most of Vista Group's shareholders receive information electronically. However, we understand that this does not suit everyone and so we also provide hard copy reports to shareholders who request to receive them.

Electronic versions of Vista Group's shareholder communications and reports are released on the NZX and ASX announcement platforms and are available at vistagroup.co.nz/investor-centre.

Vista Group's Code of Ethics

The Code of Ethics, which was adopted and is regularly reviewed by the Board, plays a key role in establishing the framework by which everyone at Vista Group is 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 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 GSLT 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.

Training on the Code of Ethics is delivered to all employees through Vista Group's online learning management system. Training is reinforced through regular reminders from the People and Culture team across the business. The Code of Ethics is provided to new employees as part of their induction materials. A copy of the Code of Ethics can be found at vistagroup.co.nz/investor-centre.

Management commentary
(no financial statements)

Directors’ disclosures

Disclosure of directors’ interests

Section 140(1) of the Companies Act 1993 requires a director of a company to disclose certain interests. Under subsection (2) a director can make disclosure by giving a general notice in writing to the Company of a position held by a director in another named company or entity. The particulars included in the Company’s Interests Register at 31 December 2023 are set out in the table below:

NAME OF DIRECTOR	ENTITY	NATURE OF GENERAL DISCLOSURE
Susan Peterson	Arvida Group Limited (NZX : ARV)	Non-Executive Director
	Mercury NZ Limited (NZX & ASX:MCY)	Non-Executive Director
	Xero Limited (ASX : XRO)	Non-Executive Director
	Craigs Investment Partners	Non-Executive Director
	Global Women	Trustee
	Peterson Mellsop Family Trust	Trustee and Beneficiary
Claudia Batten	Air New Zealand Limited (NZX:AIR)	Non-Executive Director
	Serko Limited (NZX : SKO)	Non-Executive Chair
	Wonderful Investments Limited	Director and Shareholder
Murray Holdaway	Kaha Software Limited	Director and Beneficial Shareholder
	Lido Cinema Limited	Beneficial Shareholder
	Auckland United Football Club	Chair
	The Awhero Nui Trust	Trustee
	Holdaway and Geary Trust	Trustee

NAME OF DIRECTOR	ENTITY	NATURE OF GENERAL DISCLOSURE
James Miller	Channel Infrastructure NZ Limited (NZX: CHI)	Non-Executive Chair
	Mercury NZ Limited (NZX & ASX: MCY)	Non-Executive Director
	Ryman Healthcare Ltd (NZX: RYM)	Non-Executive Director
Cris Nicolli	Playside Studios Limited (ASX: PLY)	Non-Executive Chair
	ReadCloud Limited (ASX: RCL)	Non-Executive Chair
	Kadasig Aid & Development (Not For Profit Charity)	Treasurer
	Nicolli Holdings Pty Ltd (Family Investment)	Director
	Nicolli Family Superannuation Fund	Trustee
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

Management commentary
(no financial statements)

Directors' disclosures

Directors' and officers' 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.

Directors' Vista Group shareholdings

The number of Vista Group shares in respect of which each director had an interest at 31 January 2024 is set out in the table below:

DIRECTOR	NUMBER OF VISTA GROUP SHARES	% OF SHARES ON ISSUE
Susan Peterson	122,271	0.052%
Claudia Batten	–	–
Murray Holdaway	6,786,000	2.872%
James Miller	74,500	0.032%
Cris Nicolli	87,152	0.037%
Kirk Senior	861,936	0.365%

Directors' Vista Group share dealings

During 2023, there were no disclosures required to be made in accordance with section 148 of the Companies Act 1993 and section 304 of the Financial Markets Conduct Act 2013.

Other disclosures

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).

Waivers from NZX or ASX

Vista Group did not apply for, was not granted, and did not rely on, any waivers from the NZX or ASX during the year ended 31 December 2023.

Exercise of NZX powers

The 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 2023.

Registration as a foreign company

Vista Group has registered with the Australian Securities and Investments Commission as a foreign company and has been issued with the Australian Registered Body Number of 600 417 203.

ASX disclosures

Vista Group holds a foreign exempt listing on the ASX. As a requirement of admission Vista Group must make the following disclosures:

- Vista Group's place of incorporation is New Zealand.
- Vista Group is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial holdings and takeovers).

Takeover offer protocol

Vista Group's Board has adopted a Takeover Response Manual that provides a comprehensive framework to be followed in the event that Vista Group receives, or anticipates receiving, a takeover offer. Vista Group has established relationships with appropriate professional advisers to support Vista Group and the Board through any takeover offer process. The Takeover Response Manual provides for the establishment of a response committee to take all necessary actions in respect of a takeover offer. The response committee is comprised of Independent Directors, excluding any director that has a direct or indirect relationship, including with the bidder or any significant shareholder in Vista Group, that could reasonably influence the director's decision making in respect of the takeover offer.

Dividends

Vista Group is currently investing in the cloud-based platform with free cash flows for either investment or dividends only expected from 2025.

Credit rating

At the date of this Annual Report, Vista Group does not have a credit rating.

Net tangible assets

Vista Group's net tangible assets per share (excluding treasury stock) at 31 December 2023 was $0.00550281 (2022: $0.08662386).

Donations and lobbying

Vista Group made donations of $21,000 during the 2023 financial year (2022: $135,000).

Vista Group does not make donations to political parties and did not make any donations to a political party during the year ended 31 December 2023.

Vista Group does not make any expenditures for lobbying purposes and did not make any expenditures for lobbying purposes during the year ended 31 December 2023.

Modern slavery and human trafficking statement

Vista Group has published a statement setting out the steps it has taken during the 2023 financial year, and the actions it will take during the 2024 financial year, to identify and mitigate potential modern slavery and human trafficking risks related to its business and in its supply chains. The statement is available at vistagroup.co.nz/investor-centre.

Subsidiary companies

The directors of subsidiaries of Vista Group at 31 December 2023 are listed in the table set out at page 136.

Management commentary
(no financial statements)

Shareholder information

Twenty largest shareholders

Vista Group's 20 largest shareholders and their shareholdings at 31 January 2024 are set out in the table below:

RANK	REGISTER	NAME OF TOP 20 SHAREHOLDERS	NUMBER OF SHARES	% OF ISSUED SHARES
1	NZL	Tea Custodians Limited[1]	40,799,338	17.27%
2	AUS	Citicorp Nominees Pty Limited	25,492,238	10.79%
3	NZL	Bnp Paribas Nominees NZ Limited Bpss40[1]	16,492,193	6.98%
4	AUS	J P Morgan Nominees Australia Pty Limited	15,225,441	6.44%
5	NZL	Accident Compensation Corporation[1]	11,399,941	4.83%
6	NZL	HSBC Nominees (New Zealand) Limited[1]	11,125,061	4.71%
7	AUS	HSBC Custody Nominees (Australia) Limited	9,834,556	4.16%
8	NZL	New Zealand Superannuation Fund Nominees Limited[1]	9,585,052	4.06%
9	NZL	Custodial Services Limited	7,356,850	3.11%
10	NZL	Brian John Cadzow & Julie Ann Cadzow & Peter Allen Lewis	7,049,065	2.98%
11	NZL	Murray Lawrence Holdaway & Helen Rachel Geary & Stephen John Mcdonald	6,786,000	2.87%
12	NZL	New Zealand Depository Nominee	6,302,639	2.67%
13	AUS	Mirrabooka Investments Limited	4,452,426	1.88%
14	NZL	Hobson Wealth Custodian Limited	3,960,900	1.68%
15	NZL	Pt Booster Investments Nominees Limited	3,702,508	1.57%
16	NZL	Bruce Alexander Wighton & Marianne Bachler & Wighton Bachler Trustee Limited	3,668,995	1.55%
17	AUS	Bnp Paribas Noms Pty Ltd	2,928,403	1.24%
18	NZL	Gregory James Trounson & Donald Mackenzie Gibson & Kathryn Mary Lee Trounson	2,763,883	1.17%
19	NZL	Kimbal Harrison Riley	1,852,665	0.78%
20	NZL	JPMORGAN Chase Bank[1]	1,774,079	0.75%
Total of top 20 shareholders			**192,552,233**	**81.51%**
Total shares on issue			**236,243,042**	**100.00%**

1 Held through New Zealand Central Securities Depository Limited (NZCSD). NZCSD provides a custodial service that allows electronic trading of securities by its members.

Analysis of shareholdings at 31 January 2024

SIZE OF HOLDING	NUMBER OF HOLDERS	NUMBER OF SHARES	HOLDING QUANTITY %
1 to 1,000	1,000	503,103	0.21%
1,001 to 5,000	1,251	3,270,522	1.38%
5,001 to 10,000	421	3,140,991	1.33%
10,001 to 50,000	404	8,330,123	3.53%
50,001 to 100,000	65	4,466,613	1.89%
> 100,000	69	216,531,690	91.66%
Total	**3,210**	**236,243,042**	**100.00%**

Substantial Product Holdings

According to notices given under the Financial Markets Conduct Act 2013, the following persons were Substantial Product Holders in Vista Group ordinary shares at 31 December 2023 in respect of the number of voting securities set opposite their names:

NAME OF SUBSTANTIAL PRODUCT HOLDER	NUMBER OF SHARES	% OF ISSUED SHARES
Fisher Funds Management Limited	34,805,332	14.73%
Spheria Asset Management Pty Ltd	32,466,361	13.74%
FIL Limited	21,163,635	8.96%
Pinnacle Investment Management Group Limited	12,226,076	5.18%

On 12 January 2024, FIL Limited announced that it had reduced its holding in Vista Group to 17,691,949 ordinary shares.

Management commentary
(no financial statements)

Information about Vista Group ordinary shares

This statement sets out information about the rights and privileges that attach to Vista Group ordinary shares.

Rights and privileges

Under Vista Group's constitution and the Companies Act 1993, each Vista Group share gives the holder a right to:

- attend and vote at a meeting of shareholders, including the right to cast one vote per share on a poll on any resolution, such as a resolution to:
  - appoint or remove a director;
  - adopt, revoke, or alter the constitution;
  - approve a major transaction (as that term is defined in the Companies Act 1993);
  - approve the amalgamation of Vista Group under section 221 of the Companies Act 1993; or
  - place Vista Group into liquidation.
- receive an equal share in any distribution, including dividends, if any, authorised by the Board and declared and paid by Vista Group in respect of that share;
- receive an equal share with other shareholders in the distribution of surplus assets in any liquidation of Vista Group;
- be sent certain information, including notices of meeting and Vista Group reports sent to shareholders generally; and
- exercise the other rights conferred upon a shareholder by the constitution and the Companies Act 1993.

Share cancellation

In certain circumstances, Vista Group shares could be cancelled by the Company through a reduction of capital, share buy-back or other form of capital reconstruction approved by the Board and, where applicable, the shareholders.

Sale of less than a Minimum Holding

Vista Group may, at any time, give notice to a shareholder holding less than a Minimum Holding of shares (as that term is defined in the NZX Listing Rules) that if, at the end of three months after the date the notice is given, shares then registered in the name of the holder are less than a Minimum Holding, Vista Group may sell those shares on market (including through a broker acting on Vista Group's behalf), and the holder is deemed to have authorised Vista Group to act on behalf of the holder and to sign all necessary documents relating to the sale.

Information for shareholders

Shareholder enquiries

Shareholders can view their investment portfolio, change their address, supply their email, update their details or payment instructions by contacting Vista Group's share registrar Link Market Services Limited (see Directory for contact details) with their CSN and FIN numbers.

Investor information

Vista Group's website at vistagroup.co.nz provides information regarding Vista Group, its Board, CEO, GSLT and businesses. The Investor Centre section of Vista Group's website includes all regular investor communications and reports, information on Vista Group's latest operating and financial results, dividend payments, news and share price.

Electronic shareholder communication

Shareholders that would like to receive Vista Group communications and reports electronically can do this by updating their details with Vista Group's share registrar, Link Market Services Limited. Shareholders can contact Link Market Services using the contact details included in the Directory.

NZX Corporate Governance Code

The following table sets out where the relevant principles and recommendations in the NZX Corporate Governance Code are addressed in this Annual Report.

PRINCIPLE / RECOMMENDATION	SECTION TITLE	LOCATION
PRINCIPLE 1 – ETHICAL STANDARDS		
1.1 Code of ethics	Vista Group's Code of Ethics	Page 81 The Code of Ethics is available within the Corporate Governance Code & Appendices at vistagroup.co.nz/investor-centre.
1.2 Financial product dealing policy		The Share Trading Policy is available at vistagroup.co.nz/investor-centre.
PRINCIPLE 2 – BOARD COMPOSITION & PERFORMANCE		
2.1 Board charter	Board structure	Page 65 The Corporate Governance Code is available at vistagroup.co.nz/investor-centre.
2.2 Board appointment and nomination	Selection, nomination and appointment	Page 70
2.3 Director agreements	Selection, nomination and appointment	Page 70
2.4 (a) Director profiles, tenure and ownership interests	Board composition and characteristics Board skills matrix Tenure	Page 65 Page 66 Page 72
(b) Director meeting attendance	2023 governance calendar and attendance	Page 71
(c) Director independence	Independence and conflicts	Page 68
2.5 Diversity policy	Diversity and inclusion policy	Page 76 The Diversity & Inclusion Policy is available at vistagroup.co.nz/investor-centre.
2.6 Director training	Induction and development	Page 70
2.7 Director performance	Reviewing performance	Page 72
2.8 Majority independent directors	Independence and conflicts	Page 68
2.9 Independent chair	Independence and conflicts	Page 68
2.10 Chair / CEO separation	Independence and conflicts	Page 68
PRINCIPLE 3 – BOARD COMMITTEE		
3.1 Audit committee	Board committees Committee charters	Page 73 The ARC Charter is available within the Corporate Governance Code & Appendices at vistagroup.co.nz/investor-centre.
3.2 Attendance at audit committee by employees by invitation	2023 governance calendar and attendance	Page 71
3.3 Remuneration committee	Board committees Committee charters	Page 73 The NRC Charter is available within the Corporate Governance Code & Appendices at vistagroup.co.nz/investor-centre.
3.4 Nomination committee	Board committees Committee charters	Page 73 The NRC Charter is available within the Corporate Governance Code & Appendices at vistagroup.co.nz/investor-centre.
	Vista Group does not have a separate Nominations Committee, or a separate Remuneration Committee. See the "Board committees" section on page 73 of this report for a full explanation of this exception.	
3.5 Other standing committees	Board committees 2023 governance calendar and attendance	Page 73 Page 71
3.6 Takeover protocol	Takeover offer protocol	Page 85

PRINCIPLE / RECOMMENDATION	SECTION TITLE	LOCATION
PRINCIPLE 4 – REPORTING & DISCLOSURE		
4.1 Continuous disclosure policy	The Continuous Disclosure Policy is available at vistagroup.co.nz/investor-centre.	
4.2 Code of ethics, charters and policies on website	The Code of Ethics, Board and Committee Charters and related policies are available within the Corporate Governance Code & Appendices at vistagroup.co.nz/investor-centre.	
4.3 Balanced, clear and objective financial reporting	The Financial Statements set out on pages 92 – 138.	
4.4 Non-financial disclosure	The Climate-related Financial Disclosures Report is available at vistagroup.co.nz/investor-centre.	
PRINCIPLE 5 – REMUNERATION		
5.1 Director remuneration policy	2023 director remuneration	Page 61 The Directors Remuneration Policy is available within the Corporate Governance Code & Appendices at vistagroup.co.nz/investor-centre.
5.2 Executive remuneration policy	Executive appointment and remuneration	Page 50
5.3 CEO remuneration	Breakdown of CEO pay for performance (2023) CEO remuneration	Page 55 Page 56
PRINCIPLE 6 – RISK MANAGEMENT		
6.1 Risk management	Risk management	Page 77 The Risk & Compliance Framework Summary is available at vistagroup.co.nz/investor-centre.
6.2 Health and safety risks	Risk management	Page 77
PRINCIPLE 7 – AUDITORS		
7.1 Audit framework	External audit policy	Page 74 The External Audit Policy is available within the Corporate Governance Code which is available at vistagroup.co.nz/investor-centre.
7.2 External auditor attends annual meeting	Audit plan and role of the external auditor	Page 74
7.3 Internal audit	Audit conflict safeguard and resolution process	Page 74
PRINCIPLE 8 – SHAREHOLDER RIGHTS & RELATIONS		
8.1 Investor website	Investor Centre	Page 80 Available at vistagroup.co.nz/investor-centre.
8.2 Shareholder communications	Electronic communications	Page 81
8.3 Right to vote	Rights and privileges	Page 88
8.4 Pro rata offers		N/A during the reporting period
8.5 Notice of meeting	Annual Shareholders' Meetings	Page 80

Management commentary
(no financial statements)

Vista Group

Group Climate Statement

2023

VISTA GROUP

Vista Group's purpose is to bring more people together to share the magic of cinema.

This report is dated 30 April 2024 and signed on behalf of Vista Group International Limited by Susan Peterson and James Miller.

Susan Peterson
Chair

James Miller
Chair Audit and Risk Committee

Contents

About this report	6
Our climate roadmap	8
Governance	10
Strategy	16
Risk management	38
Metrics and targets	42
Other information	48
Glossary of terms	60

Disclaimer

Climate change is an evolving challenge and involves high degrees of uncertainty.

This report reflects Vista Group's understanding as at 30 April 2024. It sets out our approach to scenario analysis, our understanding of, and response to, our identified climate-related risks and opportunities, and the current and anticipated impacts of climate change that we have identified as at that date. This report contains estimates and assumptions about future external physical and transitional changes driven by climate change and their anticipated impacts on our business as at that date. The representations in this report are subject to significant uncertainties and assumptions, and it should be acknowledged that the approach, understanding, responses, estimates and assumptions included in this report will continue to evolve and develop over time.

This report contains forward looking statements, including climate related scenarios, targets, assumptions, climate projections, forecasts, statements of Vista Group's future intentions, estimates and judgements. These statements involve assumptions, forecasts and projections about Vista Group's present and future strategies, the industry in which Vista Group operates, and the environment in which Vista Group will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which may be inaccurate or incomplete and is likely to change. The risks and opportunities described here, and the strategies identified to achieve any stipulated targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Vista Group's actual results, performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Vista Group's control. Vista Group has used reasonable efforts to provide a reasonable basis for forward-looking statements and is committed to progressing its response to climate-related risks and opportunities over time, but is constrained by the novel and developing nature of this subject matter and the availability and quality of the information that is available to it at the date of this report. Vista Group remains committed to progressing its response to climate-related risks and opportunities over time, and to report progress each year, but cautions any person's reliance on aspects of this report that are necessarily less reliable than other aspects of Vista Group's annual reporting. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. Unless otherwise stated, all currency amounts are in NZ dollars.

About this report

This report provides information about the actions that Vista Group is taking to identify and manage climate-related risks and opportunities.

Vista Group International Limited (**Vista Group**) is a climate-reporting entity (**CRE**) under the Financial Markets Conduct Act 2013. This climate report is for the financial year ending 31 December 2023.

While this is Vista Group's second climate-related disclosures report, this is our first year reporting in accordance with Aotearoa New Zealand Climate Standards (**NZ CS**). These climate-related disclosures comply with NZ CS issued by the External Reporting Board. In preparing this report, we have applied the following adoption provisions:[1]

- Adoption provision 2: Anticipated financial impacts
- Adoption provision 3: Transition planning
- Adoption provision 4: Scope 3 GHG emissions
- Adoption provision 5: Comparatives for Scope 3 GHG emissions
- Adoption provision 6: Comparatives for metrics
- Adoption provision 7: Analysis of trends

Vista Group has obtained external verification of our operational greenhouse gas (**GHG**) emissions calculations through certification under the Toitū Envirocare carbonreduce programme[2].

Vista Group is in the early stages of its climate reporting journey and integrating climate-related risks and opportunities into its day-to-day operations. Vista Group's disclosures will evolve, as we develop our capability and understanding of the risks and opportunities that currently present or may do so in the future.

Vista Group is committed to progressing our response to climate change and will report our progress annually to stakeholders as required by NZ CS.

1 Refer to page 50 for a description of each adoption provision and the exemption it provides Vista Group.

2 For more information about the Toitū Envirocare carbonreduce programme please refer to toitu.co.nz

TCFD

Our climate roadmap

✓ Completed ⚙ Ongoing

	Action	2022	2023	2024+
Governance	Review and confirm governance roles and responsibilities	✓		
	Grow climate capability across the business	✓	✓	⚙
	Establish reporting cadence at Vista Group's Global Senior Leadership Team level		⚙	
	Consider how climate is incorporated into remuneration policies			⚙
Strategy	Define sustainability strategy framework (including climate)	✓		
	Develop and perform climate-related scenario analysis		✓	
	Development of transition plan			⚙
	Identify anticipated financial impacts of climate-related risks and opportunities			⚙
Risk Management	Include climate in our Risk Appetite Statement	✓		
	Integrate climate change into our risk management framework, policies and practices	✓	✓	⚙
	Undertake a qualitative risk and opportunities assessment (physical and transitional)		✓	
Metrics and Targets	Measure and set Scope 1, 2 and selected Scope 3 operational GHG emissions base year	✓		
	Maintain Toitū Envirocare carbonreduce certification	✓	✓	⚙
	Set reduction targets for Scope 2 and selected Scope 3 operational emission categories		⚙	⚙
	Measure & set reduction targets across remaining Scope 3 operational emission categories		⚙	⚙
	Reduce Scope 2 and 3 operational emissions in line with science-aligned targets		⚙	⚙

Governance

TCFD

Governance

Board governance

Vista Group's Board is responsible for setting our strategic direction and operation and has overall responsibility for overseeing our performance (including Vista Group's response to climate change).

Vista Group's Audit and Risk Committee (**ARC**), on the formal delegation of Vista Group's Board, has responsibility for overseeing, reviewing, and reporting back to the Board on compliance with our risk management framework, including climate-related risks and opportunities. At the direction of the ARC, the Global Senior Leadership Team (**GSLT**) has developed the process for the preparation of this report and, with the support of third parties, prepared the contents of this report, including the identification, design and implementation of Vista Group's climate related strategies, scenarios and scenario analysis, climate risks and opportunities, and metrics and targets. These have been presented to the ARC for review, feedback and development, before being recommended by the ARC to Vista Group's Board for approval. Climate-related matters are raised by the GSLT to Vista Group's Board through the Chair of the ARC. Climate related strategies, scenarios and scenario analysis, climate risks and opportunities, and metrics and targets are monitored by the GSLT, with progress regularly reported to the ARC, and by the Chair of the ARC to Vista Group's Board.

The ARC had six meetings during the 2023 financial year with climate-related matters presented at five of those meetings.

Board climate capability

The Board is composed to ensure that as a collective group it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities. The Board's Nominations and Remuneration Committee (**NRC**), on the formal delegation of Vista Group's Board, has responsibility for assessing the skills of each individual director on Vista Group's Board and, with the support of the GSLT, undertakes a review and updates the Board skills matrix annually. Since the 2022 financial year, the skills matrix has included an assessment of each individual director's sustainability capabilities, including climate-related skills. A summary of the Board skills matrix is available on page 66 of Vista Group's 2023 Annual Report.

The Board accesses climate-related expertise from within Vista Group, and has access to external experts as required.

Vista Group's Board

The directors of Vista Group as at the date of this Group Climate Statement are as follows:

Susan Peterson
BCom, LLB
Independent Chair

Claudia Batten
BCom, LLB (Hons)
Independent Director

Murray Holdaway
BSc, BCom
Executive Director

James Miller
BCom, FCA
Independent Director

Cristiano (Cris) Nicolli
BMS, FAICD
Independent Director

Kirk Senior
BCom, CA
Non-Independent
Non-Executive Director

Integrating climate into our strategy

In 2022, Vista Group established its sustainability strategy and framework to complement Vista Group's existing strategy. This process involved a series of workshops where the GSLT analysed key material sustainability topics for the technology industry and feedback from various stakeholders. The sustainability framework has been developed around three pillars:

- **People:** Stronger together
- **Trust:** Building greater trust
- **Environment:** Consuming responsibly and impactful innovation.

At the direction of the ARC, during 2023, the GSLT conducted an annual review of the sustainability framework, including the climate-related initiatives in that framework, to ensure it continued to align with Vista Group's strategy. The ARC oversees delivery of progress against those climate-related initiatives through regular reporting from management.

The sustainability framework is monitored by the GSLT, with progress regularly reported to the ARC, and by the Chair of the ARC to Vista Group's Board.

Incentivisation and remuneration

The NRC, on the formal delegation of Vista Group's Board, has responsibility for Vista Group's remuneration framework. Vista Group's short-term incentive (**STI**) scheme includes a sustainability focused target linked to employee satisfaction. Historically, Vista Group's long-term incentive (**LTI**) scheme has not contained specific sustainability targets. The STI and LTI schemes do not contain specific climate-related targets.

As Vista Group continues to develop our climate-related metrics and targets, the NRC will consider how these may be incorporated into Vista Group's remuneration frameworks.

For more information regarding Vista Group's STI and LTI schemes please refer to page 53 of Vista Group's 2023 Annual Report.

Executive governance

Vista Group's Board is responsible for setting Vista Group's strategy. On the formal delegation of the Board, Vista Group's CEO is responsible for the delivery of the strategy through day-to-day management of Vista Group. This includes oversight of the delivery of Vista Group's sustainability framework (including climate-related risks and opportunities) and ensuring risk management practices continue to be embedded within Vista Group's systems and business processes.

At an operational level, Vista Group's General Counsel and Company Secretary and supporting team members oversee the risk management and the climate change work programmes, including weekly progress meetings, leading the assessment of climate-related risks and opportunities and coordinating Vista Group's response as part of the sustainability programme.

Our identified climate-related risks and opportunities are being integrated into our enterprise risk management framework, so they will be reported to and reviewed by the GSLT on a quarterly basis in accordance with our policy.

Strategy

TCFD

Strategy

Our purpose

Vista Group's purpose is to bring more people together to share the magic of cinema.

Our vision

Vista Group's vision is for our digital ecosystem to connect the film industry and power the moviegoer experience.

Vista Group has several brands that provide software and technology solutions across the distribution, exhibition and moviegoer sectors of the film industry. Our people are predominantly based in New Zealand, United Kingdom, United States, Mexico, South Africa and the Netherlands. Our people and solutions provide services to clients in more than 100 countries worldwide.

Our purpose drives our team, fuelling our commitment to innovation. Vista Group's unified business model brings together our brands to provide an innovative range of technology solutions across the industry. Our solutions empower industry stakeholders right from a film's inception, all the way to its exhibition in cinemas, and subsequent box office reporting and moviegoer insights.

Strategy area	Objective
OUR PEOPLE — Stronger together	Vibrant and unified culture, enabling our people to thrive
OUR CLIENTS — Enable our clients to thrive	Exceptional service with clients at the heart of everything we do
OUR SOLUTIONS — Deliver remarkable cloud solutions	Connected, compelling, reliable, and secure solutions that our clients need and value

Vista Group's strategy is complemented by our sustainability framework, developed in 2022 and built around three pillars:

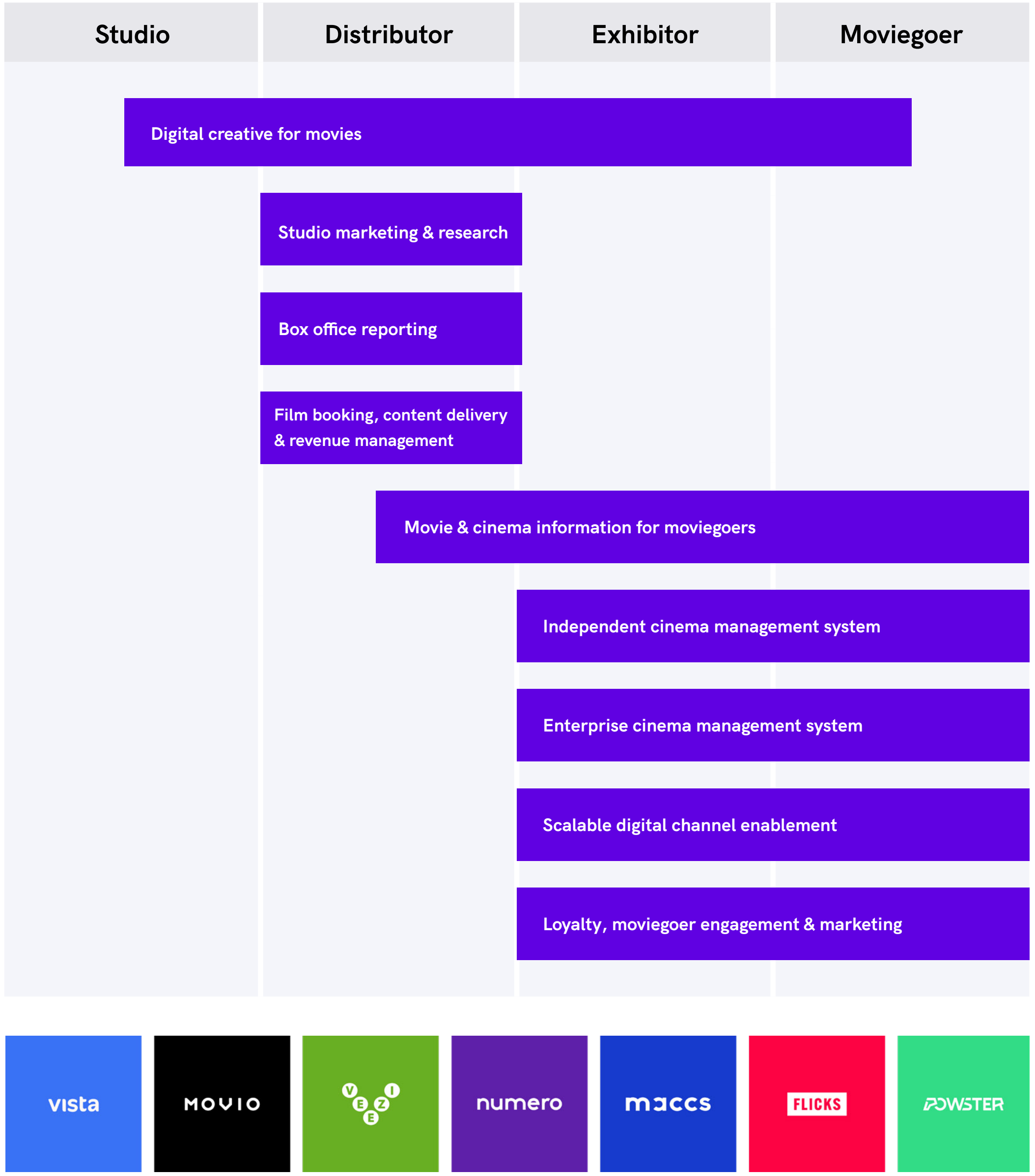
- **People:** Stronger together
- **Trust:** Building greater trust
- **Environment:** Consuming responsibly and impactful innovation.

Our focus areas are supported by annual and short-term initiatives up to 2030.

The sustainability framework informs and guides how Vista Group manages our business, and the targets are intended to measure and drive delivery of the positive impact Vista Group is seeking to achieve.

Vista Group will continue to evolve the framework and integration into our strategy as sustainability practices are further embedded into our business and support the move towards a low emissions future.

Our connected ecosystem supports the entire industry value chain



For further information about Vista Group's key strategies for 2024 refer to page 18 of Vista Group's 2023 Annual Report.

TCFD

Current climate-related impacts

Vista Group understands that climate change is a challenge that needs to be navigated today and in the future. Vista Group recognised the following two climate-related impacts (one physical and one transition) during the 2023 financial year:

1. **Extreme weather event (physical):** Vista Group experienced a minor productivity impact as an indirect result of the extreme weather events in New Zealand that occurred in January and February 2023, which impacted a small number of our people. The financial impact of this event was assessed as not being material for Vista Group.
2. **Our climate journey (transition):** Over the last three years Vista Group has actively developed its sustainability approach and climate journey as part of our transition towards a sustainable future. Our climate roadmap outlines our initial journey and the actions we need to take to build our processes and capabilities. During the 2023 financial year we engaged external advisers specialising in climate related matters to support our programme of work and the development of our capability. The financial impact of these transition services were assessed by management as not being material for Vista Group, with the associated costs all included within Vista Group's 2023 financial results.

For more information on the impact of climate-related matters on Vista Group's financial statements refer to page 100 of Vista Group's 2023 Annual Report.

Scenario analysis

Our approach

Climate change presents a global challenge of unprecedented scope, velocity, complexity, and interconnectivity. In accordance with NZ CS 1, Vista Group has used scenario analysis to test our resilience under uncertain futures. External advisers from KPMG NZ were engaged to facilitate the development of three integrated climate scenarios to enable Vista Group to test the resilience of our business model and strategy. These scenarios were created to enable the identification of climate-related physical and transition risks and opportunities that might plausibly emerge between 2023 and 2050. These scenarios do not present an ideal transition, instead they each present unique and difficult challenges for multiple plausible futures.

We believe that the scenarios selected are relevant and appropriate to test Vista Group's business model as they explore a range of warming scenarios which present varying risks and opportunities, and the scenarios are tailored to Vista Group's drivers of change.

The scenarios are not intended to be probabilistic predictions about how the future might unfold, nor are they the inevitable outcome of a given trajectory. As such, they should not, and are not intended to, be used as a lens to determine the most likely future conditions.

The purpose of the scenarios assist in identifying and interrogating the assumptions that underpin critical business decision making. With the support of advisers from KPMG NZ, Vista Group's GSLT developed the scenarios and identified the climate-related risks and opportunities. The scenarios and the identified risks and opportunities were presented to the ARC and, on the recommendation of the ARC, adopted by the Board.

The scenarios have a primary focus on Australasia (Australia and New Zealand), North and Central America (including Mexico) and Europe. These geographic regions were agreed as they are most applicable to Vista Group's operational and market footprint.

The scenarios have focused on the following three time horizons, which were chosen to fit within Vista Group's strategic planning cycles:

- **Short-term:** 2023-2028
- **Medium-term:** 2029-2039
- **Long-term:** 2040-2050

The end point of 2050 was selected to be long enough to capture the range of potential transition risks and the initiation of physical risk divergence. This end point also aligns with international standard frames of reference (e.g. Net Zero targets).

Overview of Vista Group's three climate scenarios

Vista Group provides a summary of each climate scenario developed using publicly available global references and guidance from NZ CS 1, Network for Greening the Financial System (**NGFS**) scenario guidance, and shared socio-economic pathway (**SSP**) narratives.

	1	2	3
Scenario	Net Zero 2050 (Orderly)	Delayed Transition (Disorderly)	Current Policies (Hothouse)
Policy Ambition	<1.5°C	<1.6°C	>3.0°C
Pathways	NGFS 'Net Zero 2050' IPCC AR6 RCP 1.9 SSP1: Sustainability	NGFS 'Delayed Transition' IPCC AR6 RCP 2.6 SSP2: Middle of the Road	NGFS 'Current Policy' IPCC AR6 RCP 6.0 SSP3: Regional Rivalry
Severity of physical risk	Low	Moderate	High
Severity of transition risk	Moderate	Higher	Low
Policy reaction	Immediate & smooth	Delayed	None
Regional policy variation	Medium	High	Low
Technology change	Fast	Slow then fast	Slow
Carbon dioxide removal	Medium to high	Low-medium	Low

1

Net Zero 2050 (Orderly)

An ambitious, collaborative and coordinated transition to a low-emissions, climate-resilient future. Stringent climate policies, innovation, investment, consumer behaviour change, and medium-high deployment of carbon removal (including nature-based) solutions limits warming to less than 1.5°C by 2100.

Macro-economic conditions	The immediate transition generates short-term economic turbulence but pronounced benefits in the medium and long-term. Physical impacts of climate change exert measurable but limited downward pressure on the economy.
Consumption	Consumers commit to sustainable lifestyles and purchase low-carbon goods and services. Feeling threatened from the physical effects of climate change, consumers prioritise products, experiences and services that promote their wellbeing. The democratisation and personalisation of content is a core theme of consumption as users want to define their own experience.
Society	Cities are far denser and centred around public transport hubs. The transition to a lower carbon future has substantially reallocated labour and skills to 'green' jobs in renewable energy and computing.
Economy	By 2050 the economy is highly circular and centred around low consumption. The concept of prosperity has shifted from economic to human and planetary wellbeing.
Technology	Rapid technological innovation has brought new products to market faster than predicted as money is invested into green technology. Rapid artificial intelligence (**AI**) advancements grew AI generated media and distribution channels.

2

Delayed Transition (Disorderly)

Bold action is delayed until 2030, followed by an uncoordinated transformation that causes social, political and economic turmoil. Extensive, stringent and punitive but late government intervention, in combination with consumer behaviour change and some deployment of carbon removal solutions limits warming to less than 1.6°C by 2100.

Macro-economic conditions	The delayed transition generates sharp economic downturn but eventually supports economic stability. Physical impacts of climate change exert moderate downward pressure on the economy.
Consumption	Some consumers remain committed to sustainable lifestyles and value low-carbon goods and services. Rapid transition to green products drives up prices, limiting the consumers ability to afford non-essential items.
Society	Climate migrant crisis sparks public outrage. Governments impose drastic policies reshaping our ways of living, travelling and consuming.
Economy	Some businesses invest in low emission technology and practices to align with a low-emissions future, globally weak regulation means that business as usual remains a viable option for many sectors. Governments impose sanctions on trade from countries failing to do ‘their fair share’ in the transition to a sustainable future. Domestic protection policies reduce exposure to global turmoil and protect domestic resources.
Technology	Business as usual in the 2020s means low investment and development of sustainable technologies, such as carbon capture and storage. Drastic policy changes in the early 2030s drive rapid technology development in an attempt to reduce emissions. Immature technology fails to meet energy demands.

3

Current Policies (Hothouse)

Current emissions reduction policies are implemented, and current socio-economic trends continue, seeing worsening inequality. Consumption is materially intensive, resulting in irreversible climate change and environmental degradation. Nations are distracted by concerns of resource insecurity. There is limited technology change and use of nature-based solutions to mitigate climate change, resulting in warming of greater than 3°C by 2100.

Macro-economic conditions	Physical impacts of climate change exert increasingly significant downward pressure on economy, potentially growing to destabilise financial institutions and systems by mid-century.
Consumption	By 2050, consumption is similar to the early 2020s – it is energy and material intensive. Soaring food prices have constrained the ability for consumers to afford non-essential items. Living a sustainable lifestyle is mostly a luxury choice. Damaged roads from successive weather events makes it difficult to pursue leisure activities outdoors and so discretionary leisure activities are targeted towards home or near home environments.
Society	Climate events strain government budgets, investment in education and healthcare declines, exacerbating present-day inequalities. Urban sprawl spreads and new infrastructure has resilience requirements but not low-emissions requirements. Climate migration intensifies.
Economy	Climate events drive economic volatility, including labour productivity loss during heat events, soaring food prices as entire crops are destroyed, and insurance retreat causing stranded assets. Concerns of food and energy insecurity and resulting trade wars drive a focus on domestic production and limit the free flow of goods, people and knowledge.
Technology	Energy supply is dominated by the economics of energy resource availability and energy conversion technologies. Carbon capture and storage technology falters. Investors want 'safe bets' and take immediate cash generation over the chance of long-term returns from technology investment. Consumers crave technology that helps them escape from present-day realities.

Climate-related risks and opportunities

During 2023, with the support of KPMG NZ, Vista Group's GSLT conducted a climate-related risk and opportunity workshop. The GSLT considered the three climate change scenarios, making note of whether the scenarios felt plausible, and created a system map of Vista Group's key stakeholders which highlighted that Vista Group's relationship to its cinema clients remained critical to our value creation. This system map was used as a base to explore the climate-related risks and opportunities under each scenario and time horizon. The focal question that guided this process was, 'How might climate-related risks and opportunities plausibly impact Vista Group?'

Placing Vista Group in these three challenging future scenarios, assisted the GSLT to identify key themes and a number of climate-related risks and opportunities. A summary of the themes and business impacts that could arise from these climate-related risks and opportunities is outlined in the table below.

Themes, business impacts and opportunities	Time horizon	Climate scenario	Vista Group's response
The fast pace of climate-related regulatory change (Transition)			
Direct impact - Non-compliance with internationally evolving climate-related regulations and insufficient capability, capacity or technology to achieve compliance could result in rising compliance costs (eg. carbon taxes), and reputational impacts for Vista Group.	Short-term Medium-term	Net Zero 2050 Delayed Transition	Vista Group monitors international regulatory and legislative developments in the regions it operates within. This allows Vista Group to consider any changes, assess the risks and opportunities for Vista Group and pro-actively manage a response. Vista Group has developed a climate-related work programme to respond to the current disclosure requirements. In addition, through our annual budgeted operational expenses, Vista Group engages external consultants to support internal capability development and the use of tools to support GHG emissions measurement.
Rising cost of utilities and commodities (Transition and Physical)			
Direct impact – Rising energy costs as jurisdictions decarbonise their economies could have an impact on Vista Group leading to increased operational costs.	Short-term Medium-term Long-term	Net Zero 2050 Delayed Transition Current Policies	Vista Group has set an absolute reduction target for our Scope 2 GHG emissions. Actions Vista Group may consider in order to achieve this target are: • Review of capacity and efficiency of leased premises at contract renewal. • Evaluate market based electricity options such as fully renewable energy and renewable energy certificates for our New Zealand office. Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.
Indirect impact – The rising cost of utilities and commodities (food & beverages) for cinemas could have a negative influence on Vista Group's revenue if cinemas are unable to offset costs through pricing or efficiency measures.	Short-term Medium-term Long-term	Net Zero 2050 Delayed Transition Current Policies	
Indirect impact – Moviegoers spend less when they attend the cinema or reduce attendance due to less disposable income. This could result in reduced revenue for Cinemas and could indirectly impact Vista Group's revenue.	Short-term Long-term	Net Zero 2050 Current Policies	
Indirect impact – Rising costs associated with production of movies shifts the film industry towards more low-budget movies made for in-home viewing and fewer high budget movies for in-cinema viewing. Indirectly impacting Vista Group through reduced revenue and business disruption (where extreme weather events increasingly disrupt filming.) **Opportunity** – Vista Group could develop products to support cinemas through the transition to a low carbon economy.	Medium-term Long-term	Delayed Transition Current Policies	

Climate-related risks and opportunities (continued)

Themes, business impacts and opportunities	Time horizon	Climate scenario	Vista Group's response
Increasing frequency and intensity of extreme weather events and pandemics (Physical)			
Direct impact – Risk of IT service failure or cloud disruption and damage to property through increasing frequency and intensity of extreme weather events (heatwaves, flooding, storms). This could impact Vista Group through increasing costs of insurance to meet all credit requirements. **Direct impact** – Future pandemics causing lockdowns and business disruption to Vista Group and Cinemas due to increasing temperature (and the associated spread of various disease vectors) being one of many factors that can cause pandemics. **Indirect impact** – Where cinemas are vulnerable to extreme weather events this could result in decreased cinema attendance and have negative impacts on their revenue and capital expenditure.	Long-term	Current Policies	Vista Group leverages its supplier relationships such as Microsoft Azure as a major data centre operator, to build resilience and allow for business continuity in our data centres against rising temperatures and water stress. Disaster management plans are being developed and tested to respond to events. Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.
Civil unrest, increasing inequality and geopolitical tensions (Transition)			
Direct impact – Vista Group could experience malicious attacks on IT systems and/or SaaS services as a result of civil unrest, increasing inequality and geopolitical tensions. This could lead to an increase in operational costs, an increasing difficulty to obtain insurance, regulatory or contractual penalties if data loss occurred, reputational damage and potential client churn. **Indirect impact** – Potential for decreased cinema attendance as a result of civil unrest, increasing inequality and geopolitical tensions, reducing revenue for cinemas and the potential to indirectly impact Vista Group revenue.	Medium-term Long-term	Delayed Transition Current Policies	Vista Group maintains security controls and processes to respond to cyber-attacks. A summary of these mitigation activities are available on page 79 of Vista Group's 2023 Annual Report. Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.
Stakeholder demand for climate action (Transition)			
Direct impact – Changing preferences of employees to work for employers taking climate and sustainability action resulting in lower attraction and retention of talent if Vista Group's climate change response does not meet employee expectations. **Opportunity** – To be a sustainability leader and maintain social license to operate through Vista Group's climate change response exceeding stakeholder expectations.	Short-term Medium-term	Net Zero 2050 Delayed Transition	Vista Group has developed a sustainability framework which includes environmental objectives and Vista Group's climate disclosures outlines our response to climate change.

Climate-related risks and opportunities (continued)

Vista Group's business model reliance on key stakeholders (cinemas and exhibition) could be exacerbated by climate risk leading to other indirect business risks (as outlined above), including reduced revenue for cinemas and fewer direct customers (due to reduced cinema attendance, increasing utility/commodity prices, an inability to keep pace with climate-related regulation), and higher costs of movie production for studios and distributors.

Viewed through a different lens, the strength of our relationship with our clients opens up avenues for collaboration and mutual benefit. There are opportunities for Vista Group to consider developing solutions that support cinemas to reduce operating costs associated with energy and to support cinemas with meeting their obligations under relevant climate regulations. Actions such as this have the potential to increase the value chain's resilience to the impacts of climate change. Additionally, Vista Group could consider developing low-carbon market offerings.

Themes, business impacts and opportunities	Time horizon	Climate scenario	Vista Group's response
Shifting consumer demand to value low-carbon goods and services (Transition)			
Indirect impact - Society increasingly perceives moviegoing to be environmentally-damaging, due to the carbon impact of production, travel to the cinema, or cinema infrastructure. Potentially resulting in reduced revenue for cinemas if the experience does not align with demand for low-carbon goods and services. **Opportunity** - Opportunity to expand market offering to be in line with shifting consumer expectations of low-carbon goods and services.	Short-term Medium-term	Net Zero 2050 Delayed Transition	Vista Group is continuing to assess the indirect impacts to our business to further understand the uncertainties and potential response as part of the development of our transition plan.

Next Steps

Vista Group will consider the opportunities and identify those we may progress through our strategic planning and evolve our risk management processes to embed the complexities of climate risk, including developing strategies for horizon scanning and methods for risk management that support climate uncertainty.

Vista Group has elected to apply the adoption provisions 2 and 3 available under NZ CS 2 (See page 50 for more details) for disclosing anticipated financial impacts and transition planning. Vista Group's initial actions towards our transition to a low carbon economy has been to:

- establish our sustainability framework incorporating environmental objectives and targets;
- establish the base year for measurement of our greenhouse gas emissions; and
- set an absolute target for our Scope 2 emissions, consistent with limiting global warming to 1.5°C above pre-industrial levels.

As Vista Group's climate change response journey continues, we will incorporate anticipated impacts into financial modelling, and further work through transition planning to strengthen Vista Group's business model to critical uncertainties.

Risk management

TCFD

Risk management

Risk management is an integral part of Vista Group. The Board has established an enterprise Risk Management Framework (**RMF**) which is designed to identify material financial, strategic and operational risks that may impact Vista Group's ability to achieve our strategic objectives. The ARC is responsible for oversight of the RMF, monitoring and reporting to the Board on the adequacy of Vista Group's risk management and internal control processes, and recommending to the Board any areas of focus.

The CEO is responsible for Vista Group's compliance with the RMF by ensuring Vista Group maintains processes to manage material risks (including climate-related risks) and promoting a culture of good risk practices across Vista Group's operations.

Vista Group's enterprise risk assessments are conducted by the GSLT and senior management annually in accordance with Vista Group's Risk Management Policy. This assessment includes identification of material risks. The risks are assessed against our risk matrix, based on the consequence of impact and the likelihood of occurrence, and consideration of controls and mitigation measures to achieve a level of residual risk that is within Board defined tolerances, based on the Board approved risk appetite statement.

Management reports to the ARC annually the top risks across Vista Group.

During 2023, the identification of Vista Group's climate-related risks (physical and transition) and opportunities, was conducted as a stand-alone exercise through the process of scenario analysis, as outlined on page 23. The short, medium and long-term time horizons used for assessing the climate-related risks are the same as those used for the scenario analysis. A system map of key stakeholders was developed to ensure Vista Group considered all parts of our value chain during the risk and opportunity identification workshop undertaken by the GSLT.

The identified climate-related risks and opportunities were reviewed and approved by the GSLT, presented to the ARC and recommended by the ARC for review and approval by the Board.

These climate-related risks are being integrated into our existing risk management processes, so that the risks continue to be assessed, monitored and prioritised with all other enterprise risks, relative to the risk exposure for Vista Group.

During 2024, Vista Group will continue to integrate the climate-related risks into our existing risk management processes by assigning operational ownership of the risks, considering strategies for horizon scanning, assessing the anticipated financial impacts, and determining the criteria for refreshing and reviewing scenario analysis.

Metrics and targets

TCFD

Metrics and targets

Our GHG emissions

Vista Group assesses its operational impact on the climate by measuring our absolute Scope 1, 2 and 3 GHG emissions. We first started measuring our emissions in 2022, the base year, which included Scope 1, 2 and a selected subset of Scope 3 emission sources relating to business travel, employee commuting, work from home, waste generated in our operations, freight and third-party cloud-hosted data centres. During 2023, Vista Group expanded its boundary to include capital goods and additional emissions sources from purchased goods and services. We also retrospectively measured these new sources for 2022 and have adjusted our 2022 base year accordingly.

External verification has been obtained on Vista Group's operational GHG emissions calculations through our certification under the Toitū Envirocare carbonreduce programme. Through this programme our operational GHG emissions were measured and certified in accordance with the requirements of International Standard *ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals* (ISO 14064-1:2018) and aligned with the GHG Protocol.

In 2023 Vista Group's total emissions were 3,213 tCO2e, which represents a 13% (490 tCO2e) decrease on our 2022 base year total emissions.

While we have a 15% reduction in our Scope 2 emissions for the imported energy of our office premises, we note this was primarily driven by a change in the calculation methodology of the emission factor from the Ministry for Environment for NZ electricity, which reflects the latest scientific data on carbon emissions.

Our Scope 3 emissions have reduced by 13%, primarily driven by emissions reductions across purchased goods and services and capital goods. Capital goods emissions have reduced as a result of lower expenditure, which can fluctuate due to the lifespan of our assets. The reduction in emissions for purchased goods and services is primarily due to the variability of spend by category. The Scope 3 emissions associated with 'purchased goods and services' are calculated by emissions per dollar spent with different final products and industry services attracting a different emissions factor. The difference in goods and services purchased from one measurement period to the next can result in a significant variance in the total emissions per dollar spent across measurement periods.

Scope	Emission Source	2023 tCO2e	Adjusted 2022 base year tCO2e	% change against 2022 base year
Scope 1	Direct emissions and removals	-	-	-
Scope 2	Office electricity[1]	104.5	123.4	(15.3%)
Total gross Scope 1 and 2 emissions		**104.5**	**123.4**	**(15.3%)**
Scope 3	Purchased goods and services	1,803.6	2,148.0	(16.0%)
	Capital goods	63.9	188.9	(66.2%)
	Fuel and energy	10.2	10.2	-
	Waste	16.4	13.1	25.2%
	Business travel	955.9	952.1	0.4%
	Employee commuting	258.8	267.8	(3.4%)
	Downstream transportation and distribution[2]	-	-	-
Total gross selected Scope 3 emissions		**3,108.8**	**3,580.1**	**(13.2%)**
Total gross emissions		**3,213.3**	**3,703.5**	**(13.2%)**

1 Emissions are calculated using the location-based method.

2 Hardware shipping, previously measured and reported within downstream transportation and distribution, required a change to the 2023 calculation methodology. The emissions relating to this source have been consolidated within purchased goods and services. This is due to the unavailability of data from third party providers. Our base year has been adjusted to enable comparability in a like for like manner.

See page 52 of this report for more information on the GHG inventory basis of preparation.

Emissions reduction target

During the 2023 financial year, Vista Group set an absolute reduction target for Scope 2 combined emissions of a 42% reduction by 2030 from our 2022 base year. This target has been set in line with the requirements of the Toitū Envirocare carbonreduce certification and developed using the Science Based Targets initiative target setting tool (version 2.2). This target is not validated by the Science Based Targets initiative.

Next steps

Vista Group's emissions measurement journey will continue into 2024. During 2024, and following completion of our transition planning, we will look to further expand our Scope 3 boundary to measure the current exclusions and, where appropriate, set value chain Scope 3 emissions reduction targets.

Other metrics

Vista Group has selected an economic intensity ratio metric which is suitable when aggregating or comparing across entities that produce different products. This metric has been set in line with the requirements of the Toitū Envirocare carbonreduce certification.

Metric	Type of metric	2023	2022
Operating Revenue (gross tCO2e per $millions)	GHG emissions intensity	22.49	27.41

As Vista Group's climate change response journey continues into 2024, we plan to incorporate anticipated impacts into our financial modelling, and work through transition planning to seek to strengthen Vista Group's business model to critical uncertainties. We expect to also develop additional metrics relating to our risks and opportunities relating to the following areas:

- Transition risks – amount or percentage of assets or business activities vulnerable to transition risks
- Physical risks – amount or percentage of assets or business activities vulnerable to physical risks
- Climate-related opportunities – amount or percentage of assets, or business activities aligned with climate-related opportunities
- Capital deployment – amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities
- Internal emissions price.

The industry standards for Vista Group's sector (software and information technology services) are not widely adopted. Vista Group will continue to monitor the adoption of these standards and we expect to develop relevant industry based metrics.

Other information

TCFD

Adoption provision exemptions

The below table outlines the adoption provision exemptions applied by Vista Group in the preparation of this Climate Statement.

Adoption provision 2: Anticipated financial impacts	This adoption provision exempts Vista Group from disclosing: • the anticipated financial impacts of climate-related risks and opportunities reasonably expected by Vista Group; • a description of the time horizons over which the anticipated financial impacts of climate-related risks and opportunities could reasonably be expected to occur; and • an explanation of why Vista Group is unable to disclose quantitative information on the anticipated financial impacts.
Adoption provision 3: Transition planning	This adoption provision exempts Vista Group from disclosing: • the transition aspects of our strategy, including how our business model and strategy might change to address our climate-related risks and opportunities; and • the extent to which the transition plan aspects of our strategy are aligned with our internal capital deployment and funding decision-making processes.
Adoption provision 4: Scope 3 GHG emissions	This adoption provision exempts Vista Group from disclosing all or a selected subset of our Scope 3 GHG emissions sources. Vista Group has not disclosed our Scope 3 GHG emissions relating to the following sources: • use of sold products; • end-of-life treatment of sold products; and • investments.
Adoption provision 5: Comparatives for Scope 3 GHG emissions	This adoption provision exempts Vista Group from disclosing comparative information for Scope 3 GHG emissions disclosed for the immediately preceding two reporting periods.
Adoption provision 6: Comparatives for metrics	This adoption provision exempts Vista Group from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.
Adoption provision 7: Analysis of trends	This adoption provision exempts Vista Group from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.

GHG inventory basis of preparation

Base year

Vista Group's base year for emissions reporting is the 2022 financial year, which is from 1 January 2022 to 31 December 2022. This base year period was selected because it represents the first year in which Vista Group had access to a considerably complete set of data records to form the inventory.

Changes to historic base

Historical recalculations of our 2022 base year were conducted in 2023, as a result of expanding our boundary for Scope 3 emissions categories. Scope 3 now includes full purchased goods and services and capital goods.

Scope	Emission Source	Previously reported 2022 base year tCO2e	Recalculation adjustments[2] tCO2e	Adjusted 2022 base year tCO2e
Scope 1	Direct emissions and removals	-	-	-
Scope 2	Office electricity[1]	123.4	-	123.4
Total gross Scope 1 and 2 emissions		**123.4**	**-**	**123.4**
Scope 3	Purchased goods and services	170.0	1978.0	2,148.0
	Capital goods	-	188.9	188.9
	Fuel and energy	10.2	-	10.2
	Waste	13.1	-	13.1
	Business travel	952.1	-	952.1
	Employee commuting	267.8	-	267.8
	Downstream transportation and distribution	34.0	(34.0)	-
Total gross selected Scope 3 emissions		**1,447.2**	**2,132.9**	**3,580.1**
Total gross emissions		**1,570.6**	**2,132.9**	**3,703.5**

1 Emissions are calculated using the location-based method.

2 Hardware shipping, previously measured and reported within downstream transportation and distribution, required a change to the 2023 calculation methodology. The emissions relating to this source have been consolidated within purchased goods and services. This is due to the unavailability of data from third party providers. Our base year has been adjusted to enable comparability in a like for like manner.

Scenario analysis limitations

Our three climate scenarios reference some of the latest scientific research and data as of June 2023 when the scenarios were prepared.

An important limitation to note is that the Network for Greening the Financial System frameworks were used to frame the context of the global policy direction for emissions under each scenario. NGFS has modelling data available, however it uses the same shared socioeconomic pathway of SSP2 throughout the scenarios. In addition, Vista Group's scenarios draw on SSP1 ('Net Zero 2050'), SSP2 ('Delayed Transition') and SSP3 ('Current Policies').

With regard to scenario design, the options for parameters and granularity were subject to data availability. As a result, some of the transition risk parameter used is for the OECD region as an approximation for Australasia (Australia and New Zealand), North and Central America (including Mexico) and Europe.

Operational boundaries

Scope 1 – Direct emissions

Vista Group's direct emissions have been assessed as de minimis, see page 59 for Scope 1 sources excluded.

Scope 2 – Office electricity

Vista Group's consumption of purchased electricity.

Scope 3 – Other indirect emissions sources

Other direct value chain emissions. Vista Group is making progress towards full value chain emissions reporting, and we expanded our Scope 3 inventory to include purchased goods and services and capital goods for the reporting period and base year. Excluded Scope 3 items are now use of sold products, end-of-life treatment of sold products and investments. See page 50 which details the adoption provision exemptions applied by Vista Group in the preparation of this Group Climate Statement.

Organisational boundaries

Vista Group uses a financial control consolidation approach, as defined in the ISO 14064-1: 2018 standard and GHG protocol. This approach aligns with Vista Group's organisational boundaries for financial reporting. It has been selected as this is where we have the greatest ability to direct the financial and operating policies of entities within Vista Group and gain access to information. A description of our financial reporting basis of consolidation is available on page 100 of Vista Group's 2023 Annual Report.

The diagram shows the subsidiaries that have been included in the context of our emissions inventory.

Vista Group subsidiaries that are inactive or holding companies are excluded as they have no emissions from their operations.

For the consolidated list of subsidiaries please refer to page 136 of Vista Group's Annual Report.

TCFD

Data collection and quantification

The table below provides detail on the methodologies and assumptions used in data collection and quantification of Vista Group's GHG emissions inventory:

Scope	Emission source	Calculation method	Data source	Assumptions and estimates	Emissions factor[1]
Scope 1	**Direct emissions and removals**	De minimis	N/A	N/A	N/A
Scope 2	**Office electricity**	Location-based method	Invoices from electricity retailers	Where data was unavailable at the time of collection, historical data and average increases were used to estimate kWh usage.	MfE, NZ IEA, France
Scope 3	**Purchased goods and services – data centre usage**	Supplier-specific pre-calculated tCO2e	GHG emissions reports from suppliers	GHG emissions usage was obtained directly from supplier provided data. Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	tCO2e provided by suppliers
	Purchased goods and services – all remaining	Spend-based method used	Financial accounting spend by category	Spend by category sourced from internal financial records and converted to NZ dollars, with NZ emissions factors assigned based on the category of the spend. High level of assumptions based on final product, changes in assumptions could significantly impact the measurement of these emissions.	Auckland Council, NZ MOTU, NZ
	Capital goods	Spend-based method used	Financial accounting spend by category	Spend by category sourced from internal financial records and converted to NZ dollars, with NZ emissions factors assigned based on the category of the spend. High level of assumptions based on final product, changes in assumptions could significantly impact the measurement of these emissions.	Auckland Council, NZ
	Fuel and energy (T&D Losses)	Location-based method used	Invoices from electricity retailers	Where data was unavailable at the time of collection, historical data and average increases were used to estimate kWh usage.	MfE, NZ IEA, France

Scope	Emission source	Calculation method	Data source	Assumptions and estimates	Emissions factor[1]
Scope 3	**Waste**	Waste weight	Supplier provided waste weight records	Waste weights by category provided by supplier. Average kilogram of waste per employee is applied at office locations where usage data is unavailable. Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	MfE, NZ DESNZ, UK
	Business travel – transportation	Distance-based	Invoices from travel providers and employee expense claims	Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	MfE, NZ DESNZ, UK EPA, US
	Business travel – accommodation	Hotel-nights	Invoices from travel providers and employee expense claims	Where data was unavailable at the time of collection, historical data and average increases were used to estimate.	MfE, NZ DESNZ, UK
	Employee commuting	Distance-based	Results from a survey of our people's commuting and working from home habits	Survey response data extrapolated for full year based on the headcount of our people.	MfE, NZ DESNZ, UK Toitū Envirocare, NZ

1 The emission factors used are drawn from a variety of sources, primarily: Government published emission factors (such as the NZ Ministry for the Environment); other government publications or data; industry publications or data; international bodies; technical reports; peer-reviewed journals or literature; the IPCC; supplier-specific data (from providers).

Full details of the sources and GWP (**Global Warming Potential**) are outlined below:

MfE, NZ	New Zealand Ministry for the Environment – MfE Guidance for Voluntary Greenhouse Gas Reporting (2023)	AR5
IEA, France	International Energy Agency – IEA Emission Factors – France (2022)	AR4
Auckland Council, NZ	Auckland Council – Consumptions Emissions Modelling 2023	AR4
MOTU, NZ	MOTU – Greenhouse Gas Emissions in New Zealand: A preliminary Consumption-Based Analysis (2014)	AR2
DESNZ, UK	UK Department for Energy Security and Net Zero – Government greenhouse gas conversion factors for company reporting (2023)	AR4, AR5
EPA, US	U.S. Environmental Protection Agency – Emission Factors for Greenhouse Gas Inventories (2023)	AR4, AR5
Toitū Envirocare, NZ	Toitū Envirocare - Emission factor derived internally - New Zealand	AR4, AR5

Exclusions: There are a number of identified emissions sources that have been excluded from our inventory due to being de minimis[1] or limitations in the availability or quality of the requisite data. These sources include Scope 1 direct emissions from refrigerants, mobile combustion from the single petrol vehicle leased by Vista Group and stationery combustion office gas usage.

As noted previously, Vista Group has also utilised the adoption provision under the climate standards and has not disclosed the full extent of our Scope 3 emissions. Sources excluded for 2023 are:

- Use of sold products;
- End-of-life treatment of sold products; and
- Investments.

Over the coming year we will expand our Scope 3 inventory to cover these remaining categories and include in our 2024 inventory if the sources are considered material to our inventory.

1 These de minimis sources form less than one percent of the total scope or category, and total emissions and removals (classified as de minimis) do not exceed five percent of our total inventory.

Glossary of terms

2022	The financial year ended 31 December 2022.
2023	The financial year ended 31 December 2023.
2024	The financial year ended 31 December 2024.
ARC	Vista Group's Audit and Risk Committee.
Board	Vista Group's Board of Directors.
CO2	Carbon dioxide.
CO2e	Carbon dioxide equivalent.
CRE	Climate-reporting entity.
GHG	Greenhouse Gas.
GHG Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).
GWP	Global Warming Potential.
GSLT	Vista Group's Global Senior Leadership Team.
IPCC	Intergovernmental Panel on Climate Change – the United Nations body for assessing the science related to climate change.
ISO 14064-1:2018	International Standard ISO 14064-1 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals (2018).
LTI	Vista Group's long-term incentive scheme.
NGFS	Network for Greening the Financial System.
NRC	Vista Group's Nominations and Remuneration Committee.
NZ CS	The Aotearoa New Zealand Climate Standards.
NZ CS 1	The Aotearoa New Zealand Climate Standard 1 - Climate-related Disclosures
NZ CS 2	The Aotearoa New Zealand Climate Standard 2 - Adoption of Aotearoa New Zealand Climate Standards
RCP	Representative Concentration Pathway.
RMF	Vista Group's risk management framework.
SSP	The shared socioeconomic pathway.
SSP1	The 'Sustainability (Taking the green road)' climate change scenario.
SSP2	The 'Middle of the road' climate change scenario.
SSP3	The 'Regional rivalry (A rocky road)' climate change scenario.
STI	Vista Group's short-term incentive scheme.
TCFD	Taskforce On Climate Related Financial Disclosures.
tCO2e	Tonnes of carbon dioxide equivalent.
Vista Group	Vista Group International Limited (NZX & ASX: VGL).
XRB	New Zealand External Reporting Board.

Vista Group International Limited

Shed 12, City Works Depot
90 Wellesley St West
Auckland 1010
New Zealand

+64 9 984 4570
info@vistagroup.co.nz
vistagroup.co

Financial statements

Directors' report

The Board of Directors present the financial statements of Vista Group for the year ended 31 December 2023 and the independent auditor's report.

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 (NZ GAAP) in New Zealand in order to present consolidated financial statements that present fairly, in all material respects, the financial position of Vista Group at 31 December 2023 and the results of Vista Group's operations and cash flows for the year.

For and on behalf of the Board of Directors who approved these financial statements for issue on 27 February 2024.

Susan Peterson
Chair

James Miller
Chair, Audit and Risk Committee

Income statement

For the year ended 31 December 2023

CONTINUING OPERATIONS	SECTION	2023 NZ$m	2022 NZ$m
Total revenue	2.1, 2.2	**143.0**	**135.1**
Cost to serve	2.3	(53.3)	(50.6)
Gross profit		**89.7**	**84.5**
Sales and marketing costs	2.3	(15.3)	(14.3)
Research and development costs	2.3	(28.4)	(27.6)
General and administration costs	2.3	(32.8)	(32.6)
Foreign currency gains		0.1	0.6
Total operating expenses		**(76.4)**	**(73.9)**
EBITDA[1]	**2.2**	**13.3**	**10.6**
Amortisation	4.5	(13.0)	(11.5)
Depreciation	4.2, 4.7	(6.9)	(5.7)
Finance costs		(2.7)	(2.1)
Finance income		1.0	0.8
Share of equity accounted loss from associate		-	(2.7)
Other gains and losses	2.3	(9.2)	(11.9)
Loss before tax		**(17.5)**	**(22.5)**
Taxation benefit	5.1	3.9	1.6
Loss for the year		**(13.6)**	**(20.9)**
Loss for the year is attributable to:			
Owners of the parent		(13.9)	(21.4)
Non-controlling interests		0.3	0.5
Loss for the year		**(13.6)**	**(20.9)**
Basic and diluted earnings per share (dollars)	6.2	($0.06)	($0.09)

1 EBITDA is a non-GAAP measure which is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3) and share of equity accounted results from associates.

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

Statement of other comprehensive income

For the year ended 31 December 2023

	SECTION	2023 NZ$m	2022 NZ$m
Items that may be reclassified subsequently to the income statement[1]			
Translation of foreign operations		0.7	2.3
Items that will not be reclassified to the income statement			
Excess income tax expense on share-based payments	6.1	(0.2)	(0.4)
Total other comprehensive income		**0.5**	**1.9**
Loss for the year		(13.6)	(20.9)
Total comprehensive loss for the year		**(13.1)**	**(19.0)**
Total comprehensive loss for the year is attributable to:			
Owners of the parent		(13.4)	(19.7)
Non-controlling interests		0.3	0.7
Total comprehensive loss for the year		**(13.1)**	**(19.0)**

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 2023

2023	SECTION	CONTRIBUTED EQUITY NZ$m	RETAINED EARNINGS NZ$m	FOREIGN CURRENCY RESERVE NZ$m	SHARE-BASED PAYMENT RESERVE NZ$m	TOTAL EQUITY ATTRIBUTABLE TO OWNERS NZ$m	NON-CONTROLLING INTERESTS NZ$m	TOTAL EQUITY NZ$m
Balance at 1 January 2023		**135.0**	**1.9**	**3.8**	**5.3**	**146.0**	**2.0**	**148.0**
Total comprehensive income movement:								
Loss for the year		-	(13.9)	-	-	(13.9)	0.3	(13.6)
Other comprehensive (loss) / income[1]		(0.2)	-	0.7	-	0.5	-	0.5
Total comprehensive (loss) / income		**(0.2)**	**(13.9)**	**0.7**	**-**	**(13.4)**	**0.3**	**(13.1)**
Transactions with owners:								
Share-based payments	6.1, 6.5	5.7	-	-	(2.5)	3.2	-	3.2
Dividends paid		-	-	-	-	-	(0.8)	(0.8)
Balance at 31 December 2023		**140.5**	**(12.0)**	**4.5**	**2.8**	**135.8**	**1.5**	**137.3**
2022								
Balance at 1 January 2022		**131.3**	**23.3**	**1.7**	**1.7**	**158.0**	**1.8**	**159.8**
Total comprehensive income movement:								
Loss for the year		-	(21.4)	-	-	(21.4)	0.5	(20.9)
Other comprehensive (loss) / income[1]		(0.4)	-	2.1	-	1.7	0.2	1.9
Total comprehensive (loss) / income		**(0.4)**	**(21.4)**	**2.1**	**-**	**(19.7)**	**0.7**	**(19.0)**
Transactions with owners:								
Retriever acquisition		3.2	-	-	-	3.2	-	3.2
Share-based payments	6.1, 6.5	0.9	-	-	3.6	4.5	-	4.5
Dividends paid		-	-	-	-	-	(0.5)	(0.5)
Balance at 31 December 2022		**135.0**	**1.9**	**3.8**	**5.3**	**146.0**	**2.0**	**148.0**

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 2023

	SECTION	2023 NZ$m	2022 NZ$m
CURRENT ASSETS			
Cash		28.5	46.0
Trade and other receivables	4.1	38.4	36.4
Contract assets	4.1	4.1	4.9
Income tax receivable		0.4	1.3
Total current assets		**71.4**	**88.6**
NON-CURRENT ASSETS			
Contract assets	4.1	0.5	0.4
Property, plant and equipment	4.2	3.2	4.7
Lease assets	4.7	8.7	12.3
Net investment in sublease	4.8	-	1.2
Goodwill	4.4	57.7	57.1
Other intangible assets	4.5	54.8	53.0
Deferred tax asset	5.2	24.1	17.8
Total non-current assets		**149.0**	**146.5**
Total assets		**220.4**	**235.1**
CURRENT LIABILITIES			
Borrowings	3.2	1.0	0.5
Trade and other payables	4.6	22.3	23.6
Lease liabilities	4.7	5.5	5.3
Deferred revenue	4.9	26.7	22.3
Provisions	4.10	1.2	0.6
Contingent consideration	4.11	0.5	1.4
Income tax payable		0.1	0.4
Total current liabilities		**57.3**	**54.1**
NON-CURRENT LIABILITIES			
Borrowings	3.2	17.6	17.6
Lease liabilities	4.7	7.0	13.3
Deferred revenue	4.9	0.5	0.4
Provisions	4.10	0.1	0.1
Contingent consideration	4.11	-	1.5
Deferred tax liability	5.2	0.6	0.1
Total non-current liabilities		**25.8**	**33.0**
Total liabilities		**83.1**	**87.1**
Net assets		**137.3**	**148.0**
EQUITY			
Contributed equity	6.1	140.5	135.0
Retained earnings		(12.0)	1.9
Foreign currency reserve	6.4	4.5	3.8
Share-based payment reserve	6.5	2.8	5.3
Total equity attributable to owners of the parent		**135.8**	**146.0**
Non-controlling interests		1.5	2.0
Total equity		**137.3**	**148.0**

For, and on behalf of, the Board who approved these financial statements for issue on 27 February 2024.

Susan Peterson
Chair

James Miller
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 2023

	SECTION	2023 NZ$m	2022 NZ$m
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from clients		149.2	131.5
Payments to suppliers and employees		(132.8)	(117.6)
Payments associated with the business transformation and CEO transition	2.3	(5.0)	-
Taxes received		0.1	0.4
Interest paid		(2.5)	(1.9)
Net cash inflow from operating activities	3.1	**9.0**	**12.4**
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4.2	(0.8)	(2.1)
Purchase of internally generated software and other intangibles	4.5	(19.5)	(16.8)
Interest received		1.1	0.4
Contingent consideration paid	4.11	(1.3)	-
Retriever acquisition, net of cash acquired		-	(3.3)
Net cash applied to investing activities		**(20.5)**	**(21.8)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Lease payments - principal elements	4.7	(5.3)	(5.1)
Loan drawdown - RDTI loan	3.2	0.5	-
Loan repayment - related parties	3.2	(0.1)	(0.1)
Dividends paid to non-controlling interests		(0.8)	(0.5)
Net cash applied to financing activities		**(5.7)**	**(5.7)**
Net decrease in cash		(17.2)	(15.1)
Cash at beginning of year		46.0	60.4
Foreign exchange differences		(0.3)	0.7
Cash at year end		**28.5**	**46.0**

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

Notes to the financial statements

1. Basis of preparation

General information

The notes are consolidated into eight 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.

Material accounting policies

Material accounting policies adopted in the preparation of these financial statements are detailed throughout the document, where applicable. These policies have been consistently applied to all years presented, unless otherwise stated. Various accounting policies disclosed in the prior year financial statements have been removed from this document, as they are not deemed material to the reader of these financial statements. 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 2.3	Recognition of Government grants
Section 4.1	Revenue and expected credit loss (**ECL**) provisioning
Section 4.4 & 4.5	Impairment testing of goodwill and intangible assets
Section 4.5	Capitalisation of development costs
Section 5.2	Recognition of deferred tax assets

Recognition of Government grants has been included as a significant judgement in 2023 due to a US$2.0m claim from the US Government associated to wage costs incurred during the pandemic. While Vista Group believes it is eligible to make this claim, due to its complexity and various procedural factors, Vista Group applied judgement by not recognising this grant in the 2023 financial year.

Impairment testing of associate companies is no longer classified as a significant source of estimation uncertainty as Vista Group has continued to recognise a nil carrying value to Vista China.

The carrying amount of net investment in sublease is no longer classified as a significant source of estimation uncertainty as there were no sublease arrangements in place at 31 December 2023.

1.1 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 NZX Main Board (**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, separate financial statements for the Company are not presented because group financial statements are prepared and presented for the Company and its subsidiaries.

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 27 February 2024.

1.2 Summary of material accounting policies

Basis of preparation

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 Accounting Standards**) and interpretations issued by the IFRS Interpretations Committee (**IFRS IC**) applicable to companies reporting under IFRS Accounting Standards.

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

Basis of consolidation

Vista Group's financial statements consolidate those of the Company and its subsidiaries as at 31 December 2023. 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.

Impact of climate-related matters on these financial statements

Vista Group continues to assess the impact of climate change on its business along with plans to set targets and to reduce its emissions. The current commitments made by Vista Group are detailed within the 2022 Climate-related Financial Disclosures Report, located at vistagroup.co.nz/investor-centre. The main emission commitments include:

1. Setting reduction targets for Scope 2 and selected Scope 3 operational emission categories;
2. Measuring and setting reduction targets across remaining Scope 3 operational emission categories; and
3. Reducing Scope 2 and 3 operational emissions in line with science-aligned targets.

When preparing these financial statements, Vista Group determined there were no material impacts from climate-related matters on the financial statements, including sources of estimation uncertainty or significant judgements.

New IFRS accounting standards

Certain new IFRS accounting standards and interpretations have been published that are not mandatory for the 31 December 2023 reporting year 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 years, or on foreseeable future transactions.

No new or amended standards and interpretations have been adopted in the 2023 financial year that have a material impact on Vista Group.

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 client has received all the benefits associated with the performance obligation.

Revenue by category

	2023		2022	
	NZ$m	%	NZ$m	%
SaaS revenue	45.9		38.4	
Non-SaaS revenue	78.1		73.9	
Recurring revenue	**124.0**	**87%**	**112.3**	**83%**
Perpetual software	4.5		6.3	
Hardware	3.7		6.2	
Services & development - one off	10.2		10.0	
Other revenue	0.6		0.3	
Non-recurring revenue	**19.0**	**13%**	**22.8**	**17%**
Total revenue[1]	**143.0**	**100%**	**135.1**	**100%**

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

Non-GAAP financial measures

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. This classification of revenue is also expected to help investors understand the nature of Vista Group's revenue.

SaaS Revenues are those derived from subscription-based cloud-hosted software, with the software located on externally provided servers.

Non-SaaS Revenues are those derived from recurring revenue streams that are not cloud-hosted software.

Non-GAAP financial information does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

Revenue process and policy

The following details Vista Group's approach to categorising revenue:

REVENUE CATEGORY	REVENUE TYPE	SEGMENT	DESCRIPTION	TIMING OF REVENUE RECOGNITION
SaaS revenue *Recurring revenue*	**Vista recurring subscriptions – annual fee**	**Vista Cinema**	A subscription for the right to access the Vista Cinema cloud-hosted software.	**Over time** - Benefits are simultaneously received and consumed; revenue is recognised over the contract term.
	Vista recurring subscriptions – variable fee	**Vista Cinema**	Variable revenue based on the number of tickets sold.	**Point in time** - Variable fees recognised at the end of each month once usage-based quantities are known.
	Movio Cinema – annual fee	**Movio**	Movio Cinema cloud-hosted data, marketing and analytics platform. Clients are charged an annual access fee to the platform plus a variable component (see below).	**Over time** - Platform access is recognised over time as benefits are simultaneously received and consumed.
	Movio Cinema – variable fee	**Movio**	Variable revenue based on the number of active members managed and the number of promotional messages sent during a given period.	**Point in time** - Variable license revenue is recognised at the end of each month once usage-based quantities are known.
	Movio Research – platform fee	**Movio**	Movio Research cloud-hosted data, marketing and analytics platform.	**Over time** - Platform access is recognised over time as benefits are simultaneously received and consumed.
	Maccs platforms – annual fee	**AGC (Maccs)**	A subscription for the right to access the Maccs platforms, including Maccs Box, DCHub and Theatrical Distribution Services.	**Over time** - Platform access is recognised over time as benefits are simultaneously received and consumed.
	Maccs platforms – variable fee	**AGC (Maccs)**	Variable revenue based on the use of Maccs platforms, including Maccs Box, DCHub and Theatrical Distribution Services.	**Point in time** - Variable license revenue is recognised at the end of each month once usage-based quantities are known.
	Numero platform	**AGC (Numero)**	A subscription for the right to access cloud-hosted regular box office reporting.	**Over time** - Platform access is recognised over time as benefits are simultaneously received and consumed.
Non-SaaS revenue ***Recurring revenue***	**On-premise subscription fees**	**Vista Cinema**	A subscription for the right to access on-premise software (i.e. not hosted on the Cloud). This service includes the right to basic support and any enhancements or upgrades in the software.	**Over time** - Benefits are simultaneously received and consumed; revenue is recognised over the subscription term.
	Maintenance	**Vista Cinema / AGC (Maccs & Numero)**	Basic support and any enhancements or upgrade to the software.	**Over time** - Benefits are simultaneously received and consumed; revenue is recognised over the maintenance term.
	Services & development - recurring	**Vista Cinema / Movio / AGC (Maccs)**	Annually committed bespoke development of software.	**Over time** - Recognised when the service or development is complete or on a stage of completion basis.
	Showtimes platform	**AGC (Powster)**	Website and marketing platform for feature films, incorporating Showtimes data.	**Point in time** - Recognised when the platform is made available to the client.
Non-recurring revenue	**Perpetual software**	**Vista Cinema / AGC (Maccs)**	Perpetual ERP software license targeted at larger cinema circuits.	**Point in time** - Recognised at the point in time when the software goes live, which is when the client can benefit from using the software.
	Movio Media – targeted campaigns	**Movio**	Targeted marketing campaigns, digital advertising and reports.	**Point in time** - Revenue is recognised when the campaigns and reports are completed.
	Website development	**AGC (Powster)**	Creation of websites for new films about to be released.	**Point in time** - Recognised when the website has been delivered to the client.
	Services & development – one off	**Vista Cinema / Movio / AGC (Maccs)**	Fees charged for one off value-add services, implementation services and bespoke development of software.	**Over time** - Recognised when the service or development is complete or on a stage of completion basis.
	Hardware	**Vista Cinema**	Revenue from the one-off sale of hardware.	**Point in time** - Recognised at a point in time when delivery has been made.

2.2 Operating segments

Current operating segments

Vista Group operates in the vertical cinema/film market via the following three reportable segments and a corporate segment.

- **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 also includes the Retriever client contracts acquired in 2022, movieXchange and Share Dimension products, and maintenance revenues from Vista China (an associate company).
- **Movio segment:** Includes the Movio Cinema and Movio Media products, both of which provide data analytics and campaign management.
- **Additional Group Companies segment (AGC):** An aggregation of Maccs, Powster, Flicks and Numero. None of these businesses individually exceed the 10% threshold for segment revenue or profitability that would require separate disclosure under NZ IFRS 8 *Operating Segments*.
- **Corporate segment:** The shared services functions associated with Vista Group, being legal, finance, people and culture, marketing and Vista Group's CEO.

Vista Group's CEO is the CODM in terms of NZ IFRS 8. These segments have been defined based on the reports regularly reviewed by the CODM to make strategic decisions during the 2023 financial year.

Future operating segments

Reports regularly reviewed by the CODM to make strategic decisions will change in the 2024 financial year to align to the newly transformed business. The operating segments will therefore change to as follows.

- **Cinema segment:** Software products predominantly sold to the cinema industry, including Vista Cinema, Veezi, Share Dimension and movieXchange (each previously included within the old Cinema segment), and also includes Movio Classic and Movio Cinema EQ (previously included within the Movio segment).
- **Film segment:** Software products predominantly sold to film studios and distributors, including Maccs and Numero (both being box office reporting software products), Movio Research and Movio Media (each previously included within the old Movio segment), Powster and Flicks.

Unaudited future operating segmental results which contain historical comparative values will be published on Vista Group's investor website vistagroup.co.nz/investor-centre shortly after these financial statements have been published.

Non-GAAP financial measures

EBITDA is a non-GAAP financial measure that the CODM uses to evaluate the financial performance of Vista Group and its operating segments, because it closely correlates to operating cashflows, and therefore is considered useful to investors. It is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3) and share of equity accounted results from associates. A reconciliation is provided on the income statement.

See section 2.1 for definitions of recurring revenue, non-recurring revenue, SaaS revenue and non-SaaS revenue.

Non-GAAP financial information does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

Current operating segment performance[1]

2023	CINEMA NZ$m	MOVIO NZ$m	AGC NZ$m	CORPORATE NZ$m	TOTAL NZ$m	% OF REVENUE
SaaS revenue	20.2	17.2	8.5	-	45.9	
Non-SaaS revenue	63.3	1.0	13.8	-	78.1	
Recurring revenue	**83.5**	**18.2**	**22.3**	**-**	**124.0**	
Non-recurring revenue	14.2	1.1	3.7	-	19.0	
Total revenue	**97.7**	**19.3**	**26.0**	**-**	**143.0**	
Cost to serve	(35.8)	(6.1)	(8.8)	-	(50.7)	*35%*
Hardware cost of sales	(2.6)	-	-	-	(2.6)	
Gross profit	**59.3**	**13.2**	**17.2**	**-**	**89.7**	
Gross profit %[2]	*61%*	*68%*	*66%*		*63%*	
Sales and marketing costs	(10.3)	(2.7)	(2.3)	-	(15.3)	*11%*
Research and development costs	(19.7)	(3.5)	(5.2)	-	(28.4)	*20%*
General and administration costs	(9.5)	(2.0)	(6.4)	(15.6)	(33.5)	*23%*
Movement in ECL provision through P&L[3]	0.4	0.1	0.2	-	0.7	
Foreign currency gains / (losses)	0.4	(0.1)	(0.2)	-	0.1	
EBITDA[2]	**20.6**	**5.0**	**3.3**	**(15.6)**	**13.3**	
EBITDA margin[2]	*21%*	*26%*	*13%*		*9%*	
2022						
SaaS revenue	14.2	17.5	6.7	-	38.4	
Non-SaaS revenue	61.6	0.8	11.5	-	73.9	
Recurring revenue	**75.8**	**18.3**	**18.2**	**-**	**112.3**	
Non-recurring revenue	17.7	1.6	3.5	-	22.8	
Total revenue	**93.5**	**19.9**	**21.7**	**-**	**135.1**	
Cost to serve	(31.5)	(6.9)	(7.5)	-	(45.9)	*34%*
Hardware cost of sales	(4.7)	-	-	-	(4.7)	
Gross profit	**57.3**	**13.0**	**14.2**	**-**	**84.5**	
Gross profit %[2]	*61%*	*65%*	*65%*		*63%*	
Sales and marketing costs	(9.0)	(2.9)	(2.2)	(0.2)	(14.3)	*11%*
Research and development costs	(19.7)	(3.7)	(4.2)	-	(27.6)	*20%*
General and administration costs	(10.2)	(1.9)	(6.0)	(15.5)	(33.6)	*25%*
Movement in ECL provision through P&L[3]	1.0	-	-	-	1.0	
Foreign currency (losses) / gains	(0.1)	0.4	0.3	-	0.6	
EBITDA[2]	**19.3**	**4.9**	**2.1**	**(15.7)**	**10.6**	
EBITDA margin[2]	*21%*	*25%*	*10%*		*8%*	

1 The CODM does not regularly review assets and liabilities for each reportable segment.

2 EBITDA is defined in the non-GAAP financial measures section on page 104. Gross profit % and EBITDA margin are calculated as gross profit over total revenue and EBITDA over total revenue, respectively.

3 The movement in ECL provision through P&L represents the reduction in the prior year ECL provision which has been recognised in the income statement, as the associated cash has either been received, or is now considered highly probable to be received. This value is reported in section 4.1.

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 jurisdictions based on the location of the transacting Vista Group entity.

	SECTION	2023 NZ$m	2022 NZ$m
New Zealand		26.3	27.6
United States		51.8	50.8
United Kingdom		38.3	34.2
Mexico		12.5	10.9
Other[1]		14.1	11.6
Total revenue	**2.1**	**143.0**	**135.1**

1 The other category includes entities in Australia, Brazil, Malaysia, Netherlands, Romania and South Africa.

Non-current assets by domicile of entity

Non-current operating assets[2] by location of the reporting entity are presented in the following table.

	2023 NZ$m	2022 NZ$m
New Zealand	69.3	65.3
United States	20.7	26.4
United Kingdom	8.5	10.2
Mexico	12.3	12.4
Other[1]	14.1	14.4
Non-current assets[2]	**124.9**	**128.7**

1 The other category includes entities in Australia, Brazil, Malaysia, Netherlands, Romania and South Africa.

2 As required by NZ IFRS 8, non-current operating assets in the table above exclude deferred tax assets.

2.3 Expenses and other income

Total cost to serve and operating expenses

Costs to serve: are the incremental direct cash costs incurred in deriving Vista Group's revenue. Examples of such costs include hosting, technical staff, transaction fees and the cost of hardware.

Sales and marketing costs: are those costs incurred by Vista Group in directly selling or marketing its products, including associated personnel costs, sales commissions, trade shows and client conferences.

Research and development costs: include staffing and supplier costs directly associated with the researching, developing and maintaining Vista Group's software platforms. These costs are net of development costs which meet the criteria of being capitalised as an intangible asset.

General and administration costs: are the overhead costs incurred by Vista Group that are not directly associated with costs to serve, sales and marketing costs, or research and development costs. Amortisation and depreciation are separated from this category as they are non-cash costs, and it also allows Vista Group's non-GAAP financial measure, EBITDA (as defined in section 2.2) to be presented clearly on the income statement.

Total cost to serve and operating expenses

The table below provides a breakdown of the various types of expenditure incurred within 'cost to serve' and 'operating expenses'.

	SECTION	2023 NZ$m	2022 NZ$m
Direct cost of sales (excl. hardware and personnel)		15.6	15.8
Hardware cost of sales		2.6	4.7
Personnel costs		90.9	81.8
Share-based payment expense	6.5	3.2	4.5
Defined contribution plans and employee insurances		9.7	8.2
Capitalised development	4.5	(18.7)	(15.9)
Government grants	2.3	(0.6)	(0.2)
Computer equipment and software		6.1	5.2
Marketing costs		2.0	2.1
Travel related costs		2.5	3.3
ECL benefit	4.1	(2.3)	(1.0)
Bad debt expense	4.1	1.6	0.6
Foreign currency gains		(0.1)	(0.6)
Group auditor remuneration	2.3	0.6	0.5
Other operating expenses		16.6	15.5
Total cost to serve and operating expenses		**129.7**	**124.5**

Government grants (significant accounting judgement)

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 in the income statement within operating expenses on a systematic basis over the periods in which Vista Group recognises the related costs that the grants are intended to compensate. Grants relating to capitalised development are included within the cost of the developed intangible asset recognised.

Total Government grants recognised in the income statement during the year were $0.6m (2022: $0.2m). Details of these grants are as follows:

- **Employee Retention Credit (ERC):** Vista Group has made an ERC claim with the US Government which could refund up to US$2.0m of wage costs incurred during the pandemic. While Vista Group believes it is eligible to make this claim, due to its complexity and various procedural factors, Vista Group applied judgement when determining reasonable assurance will only likely be achieved when the claim has been accepted, meaning no ERC claim was recognised in the 2023 financial year.
- **Research & development grants:** Vista Group recognised $1.8m of Government grants associated to the New Zealand Research & Development Tax Incentive (**RDTI**) (2022: $nil). The amount recognised on the income statement was $0.4m (2022: $nil) and the amount recognised as an offset to capitalised intangible asset costs was $1.4m (2022: $nil). Vista Group determines claims under the RDTI are reasonably probable when a general approval has been approved by the Inland Revenue.

Auditor's remuneration

Included within general and administration costs are the following costs paid to Vista Group's auditor, PwC:

- **Audit services:** For the audit and review of Vista Group's financial statements $0.6m (2022: $0.5m).
- **Non-audit services relating to advisory services:** Workshop facilitation in relation to sustainability and climate change strategy and reporting $5k (2022: $33k).

Fees paid to other audit firms for the audit of local subsidiary financial statements was less than $0.1m (2022: less than $0.1m). The non-audit services provided by these firms total $0.9m and were all provided to Vista Group entities not audited by these firms (2022: $0.6m).

Other gains and losses

'Other gains and losses' are excluded from operating expenses and EBITDA because they result from non-cash activities, or are not derived in the ordinary course of business. They have been disclosed separately in order to improve a reader's understanding of the financial statements.

	SECTION	2023 NZ$m	2022 NZ$m
Acquisition expenses		-	(0.2)
Business transformation costs		(5.4)	-
CEO transition costs		(1.1)	-
Fair value movements on contingent consideration	4.11	1.1	-
Impairment charges - Contract assets	4.1	(0.2)	-
Impairment charges - Internally generated software	4.5	(1.8)	-
Impairment charges - Retriever client contracts	4.5	(2.4)	-
Impairment reversal / (charges) - Sublease asset	4.8	0.6	(1.5)
Impairment charges - Vista China intangibles	4.5	-	(1.3)
Impairment charges - Vista China investment	4.3	-	(8.9)
Total other gains and losses		**(9.2)**	**(11.9)**

- **Business transformation costs:** On 6 July 2023, Vista Group announced it had begun consultation with its people around a proposed business transformation designed to streamline operations into a single business approach and reduce the global workforce by 6-8%. These costs are considered unusual as they are non-recurring in nature and have been presented separately to ensure the reader can better project future cashflows. Included within business transformation costs is $4.5m of payments made (or expected to be made) to employees after their role was disestablished; $0.6m of other directly related project costs; and a $0.3m provision for office move costs.
- **CEO transition costs:** To help facilitate a seamless CEO transition where momentum has been maintained, Vista Group's Board agreed to a cross-over consulting arrangement with the incoming and departing CEOs. These incremental costs have been presented separately to ensure the reader can better project future cashflows.
- **Impairment charges:** These have been presented separately within other gains and losses as they generally relate to fair value movements or are non-cash related. More detail on each is provided within the identified section.

The total cash outflow relating to the business transformation and CEO transition total $5.0m. A further $1.0m is expected to be settled in cash and $0.5m through share awards, both in the 2024 financial year.

3. Cash flows and borrowings

This section outlines further details of Vista Group's cash flows and liquidity.

3.1 Cash flows

Reconciliation of net profit to operating cash flows

	SECTION	2023 NZ$m	2022 NZ$m
Loss for the year		**(13.6)**	**(20.9)**
Non-cash items:			
Amortisation	4.5	13.0	11.5
Depreciation	4.2, 4.7	6.9	5.7
Impairment charges	2.3	3.8	11.7
Fair value movements in contingent consideration	2.3	(1.1)	-
Share-based payment expense	6.5	3.2	4.5
Deferred tax benefit	5.1	(6.0)	(4.4)
Non-cash finance charges		0.2	0.2
Share of equity accounted loss from associate		-	2.7
Unrealised foreign currency gains		(0.2)	(1.8)
Movement in ECL provision and bad debts through the income statement	4.1	(2.3)	(1.0)
Movement in revenue provision - concession discounts	4.1	(0.8)	(0.6)
Movement in revenue provision - credit risk	4.1	(4.1)	(3.8)
Movement in other provisions	4.10	0.6	(0.4)
Net non-cash items		**13.2**	**24.3**
Movements in working capital:			
Decrease in related party trade and other payables		(0.4)	(0.8)
Decrease / (increase) in related party trade and other receivables, net of deferred revenue		1.4	(1.5)
(Decrease) / increase in trade and other payables, including contingent consideration		(2.8)	8.2
Decrease in trade and other receivables, net of deferred revenue		10.5	2.0
Decrease in net taxation receivable		0.7	1.1
Net change in working capital		**9.4**	**9.0**
Net cash inflow from operating activities		**9.0**	**12.4**

3.2 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.

Carrying amount of borrowings

	2023 NZ$m	2022 NZ$m
Balance at 1 January	18.1	16.8
Repayments during the year	(0.1)	(0.1)
Drawdowns during the year	0.5	-
Movement in foreign exchange	0.1	1.4
Total borrowings at year end	**18.6**	**18.1**
Represented by:		
Current portion	1.0	0.5
Non-current portion	17.6	17.6
Total borrowings at year end	**18.6**	**18.1**

Summary of debt facilities

				INTEREST RATE		DEBT DRAWN (NZ$m)	
FACILITY PROVIDER	REASON FOR LOAN	EXPIRY DATE	CURRENT LIMIT NZ$m	2023	2022	2023	2022
ASB - revolving credit	General commercial / Future acquisitions	Jan 2026	40.0	7.43%	6.96%	17.6	17.6
ASB - overdraft	Working capital	On demand	2.0	10.13%	8.73%	-	-
Related parties	Working capital	On demand	0.5	4.00%	4.00%	0.5	0.5
NZ Government - RDTI loan	Government grants	Dec 2024	0.5	-	-	0.5	-
Total borrowings at year end						**18.6**	**18.1**

ASB facilities

A line fee of 1.45% is also paid on the credit limit of the ASB revolving credit facility.

ASB facilities are secured by an interest in Vista Group's tangible assets and are not linked to any climate-related targets. Agreed covenants include:

- Gearing ratio of not greater than 2.5 times.
- Interest cover of equal or greater than 3.0 times.
- A rolling 12 month normalised EBITDA of the charging group not being less than 80% of Vista Group.

Vista Group has been compliant with all ASB covenants for both the current and prior reporting years. Vista Group has no reason to believe that it will not be compliant with these covenants for at least the next 12 months.

Other borrowings

The related party loan has been provided by the co-shareholder of Powster. This is unsecured, incurs interest at 4% per annum and is repayable on demand. Cash repayments of $0.1m were made to the co-shareholder in both the current and prior year.

The New Zealand Government have provided a $0.5m RDTI loan during the year which is linked to the RDTI Government grant (see section 2.3). This loan is interest free and repayable when the RDTI claim has been processed.

4. 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.

4.1 Trade and other receivables

Carrying amount of trade and other receivables

	2023 NZ$m	2022 NZ$m
Trade receivables	31.5	31.6
Sundry receivables	2.2	1.2
Prepayments	4.7	3.6
Total trade and other receivables	**38.4**	**36.4**

No balances relating to Vista China are included within trade receivables (2022: $1.4m, which was fully provisioned). See section 8.1 for further details of Vista China related party transactions.

Contract assets

Contract assets primarily relate to Vista Group's rights to consideration for performance obligations completed but not billed at the reporting date. Vista Group also recognises contract assets for 'costs to fulfil a contract' (i.e. Vista Cloud implementation costs), where direct costs are incurred with the performance obligations being settled over time.

The movement in contract assets during the year was as follows:

	SECTION	2023 NZ$m	2022 NZ$m
Balance at 1 January		5.3	4.6
Amounts included in opening balance released in the current year		(4.5)	(4.5)
Additional contract assets recognised during the year		3.8	4.9
Impairment charges	2.3	(0.2)	-
Exchange movements		0.2	0.3
Contract assets at year end		**4.6**	**5.3**
Represented by:			
Current portion		4.1	4.9
Non-current portion		0.5	0.4
Contract assets at year end		**4.6**	**5.3**

Revenue provisioning (significant estimation uncertainty)

During the pandemic period, Vista Group was required to assess its trade receivable and contract asset balances for revenue related provisions as follows:

- **Credit risk provision:** During the initial impact of the pandemic (March 2020 to June 2021), Vista Group applied 'variable consideration' rules when recognising revenue from each of its clients. This was because NZ IFRS 15 *Revenue from Contracts with Customers* only permits revenue to be recognised when it is probable that Vista Group will collect the consideration.

  All receivables relating to this period, but still on balance sheet at 31 December 2023 have incurred a 100% revenue provision. An exception is made for any clients which have agreed and are adhering to a payment plan, or if recovery of the debt is considered highly probable. These balances have not been written off as Vista Group continues to seek recovery of these amounts owed.

- **Concession discounts:** To ensure timely payment from clients, or to facilitate support to clients during the pandemic, Vista Group granted concessions to payment terms or discounts to recurring fees. Concession discounts are recognised as a reduction to revenue when they have been agreed, or where the client has a reasonable expectation of being entitled to a discount.

Trade receivable and contract asset balances relating to the post-pandemic period do not require significant credit risk provisioning, and concession discounts are less common with $nil recognised at 31 December 2023 (2022: $0.8m).

Included within total revenue is $3.1m relating to a reversal of prior period revenue provisioning, where the performance obligations were performed in a prior period (2022: $0.4m).

ECL provisioning (significant estimation uncertainty)

For trade receivables and contract assets, 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 contract assets 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.

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

- The baseline characteristic considers the age of each invoice and applies an increasing ECL estimate as the trade receivable ages.
- The aging and write off characteristics consider the history of write off related to the specific client 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 client, a further provision for ECL is added.
- The country, client and market characteristics consider the relative risk related to the country and / or region within which the client resides and assesses the financial strength of the client and the market position that Vista Group has achieved within that market.

To avoid double counting, the specific and general ECL provisions are calculated after deducting the associated amount recognised as a revenue provision.

Vista Group applied additional judgement in determining the ECL provision:

- **Specific provision:** All client invoices and contract assets have been reviewed with a specific provision made for clients that are known to have liquidity / solvency issues, or where the debt is older than 180 days. Vista Group takes into account any forward-looking information (such as macro-economic variables) when applying the provision to each specific client.

  At 31 December 2022, Vista Group applied caution while the cinema industry was recovering by prudently including an additional 10% insolvency risk ECL provision to all Cinema or Movio segment clients.

  At 31 December 2023, Vista Group determined no additional insolvency risk ECL provision was required due to observations around the cinema industry, and strong collections from clients in 2023.

- **General provision:** Vista Group applies an ECL matrix to its trade receivables and contract assets 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).

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

	2023 NZ$m	2022 NZ$m
Balance at 1 January	4.4	4.6
Bad debts written off	(1.6)	(0.6)
Movement in provision through the income statement	(0.7)	(0.4)
Movement in provision through deferred revenue	(0.7)	-
Exchange differences	0.1	0.8
ECL provision at year end	**1.5**	**4.4**

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

2023	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 contract assets[1]	**33.2**	**2.6**	**0.8**	**0.3**	**0.7**	**37.6**
Baseline	0.1	-	-	-	-	0.1
Aging, write offs and collection	-	-	-	-	-	-
Country, client and market	0.1	-	-	-	-	0.1
ECL - general provision	0.2	-	-	-	-	0.2
ECL - specific provision	0.2	0.3	0.1	0.1	0.6	1.3
Total ECL provision	**0.4**	**0.3**	**0.1**	**0.1**	**0.6**	**1.5**
General provision effective rate	*0.6%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.5%*
2022						
Net trade receivables and contract assets[1]	**30.4**	**4.1**	**3.1**	**2.0**	**1.7**	**41.3**
Baseline	0.4	0.1	0.1	-	-	0.6
Aging, write offs and collection	-	-	0.1	-	0.1	0.2
Country, client and market	0.1	-	-	-	-	0.1
ECL - general provision	0.5	0.1	0.2	-	0.1	0.9
ECL - specific provision	1.5	0.5	0.5	0.1	0.9	3.5
Total ECL provision	**2.0**	**0.6**	**0.7**	**0.1**	**1.0**	**4.4**
General provision effective rate	*1.6%*	*2.4%*	*6.5%*	*0.0%*	*5.9%*	*2.2%*

1 Net trade receivables and contract assets have been adjusted for 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 contract assets. Vista Group believes that cumulative ECL and revenue provisions of 6.5% was a reasonable level to provide against trade receivables and contract assets.

	2023 NZ$m	2022 NZ$m
Trade receivables and contract assets	**38.6**	**47.2**
Revenue provision - concession discounts	-	0.8
Revenue provision - credit risk	1.0	5.1
ECL provision	1.5	4.4
Total provisioning	**2.5**	**10.3**
Total provisioning effective rate	*6.5%*	*21.8%*

4.2 Property, plant and equipment

Carrying amount of property, plant and equipment

2023	FIXTURES & FITTINGS NZ$m	COMPUTER EQUIPMENT NZ$m	TOTAL NZ$m
Gross carrying amount			
Balance at 1 January	5.0	3.4	8.4
Additions	0.1	0.7	0.8
Disposals	(0.6)	(0.6)	(1.2)
Balance at year end	**4.5**	**3.5**	**8.0**
Accumulated depreciation			
Balance at 1 January	(2.4)	(1.3)	(3.7)
Current year depreciation	(0.7)	(1.5)	(2.2)
Disposals	0.6	0.6	1.2
Exchange differences	(0.1)	-	(0.1)
Balance at year end	**(2.6)**	**(2.2)**	**(4.8)**
Property, plant and equipment at 31 December 2023	**1.9**	**1.3**	**3.2**

2022			
Gross carrying amount			
Balance at 1 January	5.3	2.3	7.6
Additions	-	2.1	2.1
Disposals	(0.5)	(1.2)	(1.7)
Exchange differences	0.2	0.2	0.4
Balance at year end	**5.0**	**3.4**	**8.4**
Accumulated depreciation			
Balance at 1 January	(2.3)	(1.3)	(3.6)
Current year depreciation	(0.5)	(1.2)	(1.7)
Disposals	0.5	1.1	1.6
Exchange differences	(0.1)	0.1	-
Balance at year end	**(2.4)**	**(1.3)**	**(3.7)**
Property, plant and equipment at 31 December 2022	**2.6**	**2.1**	**4.7**

Depreciation on assets is charged on a straight-line basis as follows:

- **Fixtures and fittings:** 3 to 14 years, or the term of any associated property lease.
- **Computer equipment:** 1.5 to 5 years.

4.3 Investment in associates

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

Investments in associates utilise 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. 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 is 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.

Impairment losses on equity-accounted investments may be reversed if there is objective evidence that investment has a value greater than the carrying amount.

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

Holdings in associates

Vista Group has one associate company which has share capital consisting of ordinary shares.

NAME OF ENTITY	INVESTMENT TYPE	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	2023 HOLDING %	2022 HOLDING %
Vista Entertainment Solutions (Shanghai) Limited (**Vista China**)	Associate	China	China	47.5%	47.5%

Impairment of Vista China

In accordance with NZ IAS 28, Vista Group concluded on 30 June 2022 that there was objective evidence of impairment in its investment in Vista China due to there being a 'significant financial difficulty of the associate' (subsection 41A(a)). This was due to the Chinese Government's continued 'zero-covid' public health response, including broad based lockdowns across many major cities, negatively impacting the Chinese cinema industry and box office in 2022. At the beginning of June 2022 lockdowns were eased with the box office in China showing modest signs of recovery. Accordingly, Vista Group concluded on 30 June 2022 that the entire carrying value was impaired, with an impairment charge of $8.9m being recognised (see section 2.3).

At both 31 December 2022 and 31 December 2023, Vista Group reviewed its investment in Vista China for objective evidence that its fair value may be materially higher than its nil carrying value. No such objective evidence was noted.

See section 8.1 for more details on Vista China's significant related party transactions.

4.4 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 fair value less costs to dispose (**FVLCD**). In accordance with NZ IAS 36 *Impairment of Assets*, FVLCD is only determined where the VIU would result in an impairment charge. 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. Cash Generating Units, or **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 amount of goodwill

	2023 NZ$m	2022 NZ$m
Gross carrying amount		
Balance at 1 January	72.3	70.9
Exchange differences	0.6	1.4
Gross carrying amount at year end	**72.9**	**72.3**
Accumulated impairment		
Balance at 1 January	(15.2)	(15.2)
Accumulated impairment at year end	**(15.2)**	**(15.2)**
Goodwill at year end	**57.7**	**57.1**

Goodwill by CGU

	2023 NZ$m	2022 NZ$m
Vista Cinema	27.6	27.6
Movio Limited (**Movio**)	17.0	17.0
Maccs International BV (**Maccs**)	5.8	5.6
Powster Ltd (**Powster**)	6.5	6.1
Flicks Limited (**Flicks**)	0.2	0.2
Numero Limited (**Numero**)	0.6	0.6
Goodwill at year end	**57.7**	**57.1**

2023 impairment testing of goodwill (significant estimation uncertainty)

Vista Group completed its annual goodwill impairment review under a VIU method at 31 August 2023 (same month as prior years). The review concluded there was no impairment of goodwill or other assets, with key inputs into the VIU models including:

- **Cash flows:** projected based on management approved 5-year business models for each CGU.
- **Discount rate:** determined by an independent adviser using a capital asset pricing model methodology of determining the weighted average cost of capital (**WACC**), using market specific inputs.
- **Long-term growth rate (LTGR):** determined by an independent adviser.
- **Terminal growth:** being calculated at 2027 applying the LTGR of 2.0%.

Specific VIU inputs, along with values required for the recoverable amount to equate to the carrying value are included in the table below:

			REVENUE CAGR IN YEAR 5		EBITDA MARGIN IN YEAR 5	
CURRENT CGU	AMOUNT THE VIU EXCEEDS THE CARRYING VALUE (NZ$m)	PRE-TAX WACC APPLIED TO THE 2023 VIU	VALUE APPLIED TO THE 2023 VIU	VALUE REQUIRED FOR NIL HEADROOM	VALUE APPLIED TO THE 2023 VIU	VALUE REQUIRED FOR NIL HEADROOM
Vista Cinema	44.9	15.8%	13.2%	8.6%	26.4%	22.4%
Movio	47.2	16.8%	14.3%	Not sensitive	39.1%	18.6%
Flicks	0.8	19.7%	14.4%	8.9%	23.6%	20.0%
Maccs	4.4	16.9%	7.1%	2.3%	34.9%	29.3%
Powster	19.5	16.7%	11.7%	Not sensitive	31.2%	14.7%
Numero	8.7	18.7%	14.1%	Not sensitive	23.3%	6.4%

No CGUs were sensitive to the pre-tax WACC or the LTGR.

The revenue Compound Annual Growth Rate (**CAGR**) in year 5 is a function of the management approved 5-year business model. When calculating the reduced revenue CAGR required for an impairment scenario to exist, there have been no adjustments to the costs or capital expenditure in the 5-year business models – despite this being a probable reaction to help address profitability and cash flows.

4.5 Other intangible assets

Development costs and internally generated software (significant accounting judgement)

Development – capitalised: Internally developed software is capitalised as an intangible asset when it meets the recognition criteria of NZ IAS 38 *Intangible Assets*, which includes evidence that the expenditure can be reliably measured, and the development is:

- technically feasible;
- likely to be completed and then used or sold;
- likely to generate probable future economic benefits; and
- Vista Group will have adequate technical, financial and other resources available to complete the development.

Development – other: Other development expenditures that do not meet the NZ IAS 38 capitalisation recognition criteria are classified as operating expenses as incurred.

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

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

- **Intellectual property:** 4 to 15 years.
- **Client relationships:** 2.5 to 15 years.
- **Software licenses:** 2 to 10 years.
- **Internally generated software:** 2.5 to 5 years.

Carrying amount of intangible assets

2023	SECTION	INTERNALLY GENERATED SOFTWARE NZ$m	SOFTWARE LICENSES NZ$m	INTELLECTUAL PROPERTY NZ$m	CLIENT RELATIONSHIPS NZ$m	TOTAL NZ$m
Gross carrying amount						
Balance at 1 January		64.7	4.5	2.6	16.2	88.0
Additions		18.7	-	-	-	18.7
Disposals		(0.7)	-	-	-	(0.7)
Impairment charges	2.3	(2.0)	-	-	(2.4)	(4.4)
Exchange differences		0.2	0.1	(0.1)	0.2	0.4
Balance at year end		**80.9**	**4.6**	**2.5**	**14.0**	**102.0**
Accumulated amortisation						
Balance at 1 January		(24.1)	(2.9)	(1.9)	(6.1)	(35.0)
Current year amortisation		(10.7)	(0.6)	(0.2)	(1.5)	(13.0)
Disposals		0.7	-	-	-	0.7
Impairment charges	2.3	0.2	-	-	-	0.2
Exchange differences		-	-	-	(0.1)	(0.1)
Balance at year end		**(33.9)**	**(3.5)**	**(2.1)**	**(7.7)**	**(47.2)**
Intangible assets at 31 December 2023		**47.0**	**1.1**	**0.4**	**6.3**	**54.8**

2022	SECTION	INTERNALLY GENERATED SOFTWARE NZ$m	SOFTWARE LICENSES NZ$m	INTELLECTUAL PROPERTY NZ$m	CLIENT RELATIONSHIPS NZ$m	TOTAL NZ$m
Gross carrying amount						
Balance at 1 January		50.6	4.6	2.6	6.0	63.8
Additions		15.9	-	-	9.6	25.5
Disposals		(1.3)	(0.1)	-	-	(1.4)
Impairment charges	2.3	(0.5)	-	-	-	(0.5)
Exchange differences		-	-	-	0.6	0.6
Balance at year end		**64.7**	**4.5**	**2.6**	**16.2**	**88.0**
Accumulated amortisation						
Balance at 1 January		(15.7)	(2.4)	(1.8)	(4.1)	(24.0)
Current year amortisation		(8.9)	(0.6)	(0.2)	(1.8)	(11.5)
Disposals		1.3	0.1	-	-	1.4
Impairment charges	2.3	(0.8)	-	-	-	(0.8)
Exchange differences		-	-	0.1	(0.2)	(0.1)
Balance at year end		**(24.1)**	**(2.9)**	**(1.9)**	**(6.1)**	**(35.0)**
Intangible assets at 31 December 2022		**40.6**	**1.6**	**0.7**	**10.1**	**53.0**

Internally generated software additions for the year of $18.7m include an accrual of $0.8m for an RDTI Government grant (see section 2.3). The total cash outflow for the year was therefore $19.5m.

Internally generated software additions for the prior year of $15.9m exclude a 2021 trade payable of $0.9m. The total cash outflow for the prior year was therefore $16.8m.

Impairment of intangible assets (significant estimation uncertainty)

Vista Group reviewed the carrying value of its internally generated software for indicators of impairment and recognised the following impairment changes:

- **Capitalised development:** Due to a change in the expectations of the Madex product, the carrying value has been fully impaired resulting in an impairment charge of $1.8m being recognised within 'other gains and losses' (see section 2.3).
- **Retriever client contracts:** On 16 February 2022, Vista Group announced it acquired the client relationships assets of Retriever Software Inc. (**Retriever**). The fundamental driver behind this transaction was to sign their largest North American client to Vista Cloud, which has created significant intrinsic value in assisting Vista Cloud's development. The secondary driver was to transfer their smaller clients to the Veezi platform.

  Vista Group progressed with the closure of the Retriever legacy platform on 31 July 2023 which resulted in a higher client churn rate than anticipated. An impairment review was performed using a multi-excess earnings method (MEEM), which is a FVLCD model that uses level 3 fair value measurement techniques. This model concluded that the $8.0m carrying value exceeded the $5.6m recoverable amount by $2.4m. Vista Group has recognised the $2.4m as an impairment charge within 'other gains and losses' (see section 2.3).

  The key inputs applied to the MEEM include:

	RATE ASSUMED	SENSITIVITY APPLIED	IMPAIRMENT CHARGE ADJUSTMENT IF SENSITIVITY IS APPLIED
Future cash flows: 5-year revenue CAGR	4.4%	+/- 1.0%	+/- $0.1m
Future cash flows: Direct costs	46.0%	+/- 5.0%	+/- $0.4m
WACC	17.0%	+/- 2.0%	+/- $0.5m
LTGR	2.5%	+/- 1.0%	+/- $0.1m

- **Vista China intangibles:** In the prior year, Vista Group reviewed the carrying value of its internally generated software assets for indicators of impairment at 30 June 2022 and determined all intangible assets owned by Vista Group relating to Vista China specific software were fully impaired. This resulted in an impairment charge of $1.3m being recognised in the prior year.

4.6 Trade and other payables

Carrying amount of trade and other payables

	2023 NZ$m	2022 NZ$m
Trade payables	7.6	7.7
Sundry accruals	4.4	5.4
Employee benefits	10.3	10.5
Total trade and other payables	**22.3**	**23.6**

No balances relating to Vista China are included within trade payables (2022: $0.4m). See section 8.1 for further details of Vista China related party transactions.

4.7 Lease assets and lease liabilities

Carrying amount of lease assets

	SECTION	2023 NZ$m	2022 NZ$m
Balance at 1 January		12.3	15.6
Additions during the year		0.3	1.8
Additions relating to previously subleased premises	4.8	1.8	-
Adjustments in respect of assumed lease term		(1.3)	(1.5)
Current year depreciation		(4.7)	(4.0)
Exchange differences		0.3	0.4
Lease assets at year end		**8.7**	**12.3**

Lease assets at year end also include the property that was formerly subleased, as discussed in section 4.8. Following termination of this sublease the net investment in the sublease balance now represents a right of use asset of Vista Group. This subleased asset will revert to a subleased asset once a new tenant is occupying the space.

Vista Group predominantly leases property for fixed periods of 1-7 years.

Carrying amount of lease liabilities

	2023 NZ$m	2022 NZ$m
Balance at 1 January	18.6	22.6
Additions during the year	0.3	1.8
Adjustments in respect of assumed lease term	(1.3)	(1.5)
Interest expense relating to lease liabilities	0.7	0.8
Repayment of lease liabilities (including interest)	(6.0)	(5.9)
Exchange differences	0.2	0.8
Lease liabilities at year end	**12.5**	**18.6**

Maturity of lease liabilities

	2023 NZ$m	2022 NZ$m
Less than one year	5.5	5.3
One to five years	7.0	13.3
More than five years	-	-
Lease liabilities at year end	**12.5**	**18.6**

4.8 Net investment in sublease asset

When Vista Group acts as a sublessor, it determines at the inception of the contract whether the lease is a finance lease (where the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset) or an operating lease (any lease that does not fit the criteria of a finance lease).

A sublease that fits the finance lease criteria is recognised as an asset by present valuing all future lease payments. The sublease asset reduces on receipt of future lease payments. Unwinding of the present valued subleased asset is recognised on the income statement as finance income. At the end of each reporting period, the subleased asset is tested for impairment.

A gain or loss is recognised at the start of the sublease where there is a difference between the value of the sublease and the amount of the existing lease asset that is de-recognised.

A sublease that fits the criteria as an operating lease is not recognised as an asset, instead it is recognised as other income on the income statement when the receipt is contractually due.

Carrying amount of net investment in sublease asset

	SECTION	2023 NZ$m	2022 NZ$m
Balance at 1 January		1.2	2.7
Impairment reversal / (charge)	2.3	0.6	(1.5)
Amounts reclassified to right of use assets	4.7	(1.8)	-
Lease payments received (including interest)		-	(0.1)
Exchange differences		-	0.1
Net investment in sublease at year end		**-**	**1.2**

In the prior year, the subtenant of Vista Group's Los Angeles premises abandoned their sublease with 4 years remaining on its term. Prior to the end of 2022 the sublease was terminated. Vista Group reviewed the sublease asset for impairment at 31 December 2022 and recognised an impairment charge on the income statement of $1.5m (see section 2.3).

Following termination of the sublease, the asset reverted to being a right of use asset of Vista Group, presented separately as Vista Group was pursuing a new subtenant. At 30 June 2023, these assets were re-presented together as Vista Group started using the space and it was at that time considered unlikely to be re-sublet on its own. At 31 December 2023, Vista Group had found a new subtenant for this office space with the new sublease expected to commence in March 2024. The net result is a $0.6m impairment reversal being recognised at 31 December 2023. The new sublease asset will be reclassified from lease assets and recognised as a sublease asset in 2024, when a new tenant is occupying this space.

4.9 Deferred revenues

Deferred revenues are contract liabilities related to revenue that are recognised on client 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.

	2023 NZ$m	2022 NZ$m
Balance at 1 January	22.7	20.9
Revenue recognised from performance obligations satisfied in the year	(21.4)	(20.3)
Additional deferred revenues from unsatisfied performance obligations	25.4	21.7
Exchange movements	0.5	0.4
Deferred revenues at year end	**27.2**	**22.7**
Represented by:		
Current portion	26.7	22.3
Non-current portion	0.5	0.4
Deferred revenues at year end	**27.2**	**22.7**

4.10 Provisions

A provision is a liability of uncertain timing or amount and is recognised when Vista Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Carrying amount of provisions

	SECTION	2023 NZ$m	2022 NZ$m
US sales taxes		-	0.3
Business transformation constructive obligations	2.3	0.8	-
Lease dilapidations		0.5	0.4
Total provisions at year end		**1.3**	**0.7**
Represented by:			
Current		1.2	0.6
Non-current		0.1	0.1
Total provisions at year end		**1.3**	**0.7**

Movement in provisions

	SECTION	2023 NZ$m	2022 NZ$m
Balance at 1 January		0.7	3.2
US sales taxes		(0.3)	(2.5)
Business transformation constructive obligations	2.3	0.8	-
Lease dilapidations		0.1	-
Total provisions at year end		**1.3**	**0.7**

More detail on the business transformation is included in section 2.3.

4.11 Contingent consideration

Contingent consideration is an obligation for Vista Group to transfer additional consideration to the vendor of a business acquisition if future events occur or conditions are met. A contingent consideration liability is initially measured at fair value on the acquisition date and is remeasured to fair value at each reporting date, with changes included in the income statement in the year of remeasurement.

Movement in contingent consideration

	SECTION	2023 NZ$m	2022 NZ$m
Balance at 1 January		2.9	-
Retriever acquisition - revenue earn-out		-	1.5
Retriever acquisition - transition earn-out		-	1.6
Amounts settled in cash during the year		(1.3)	-
Movements in fair value through the income statement	2.3	(1.1)	-
Exchange movements		-	(0.2)
Total contingent consideration at year end		**0.5**	**2.9**
Represented by:			
Current		0.5	1.4
Non-current		-	1.5
Total contingent consideration at year end		**0.5**	**2.9**

The acquisition price for Retriever included contingent cash consideration through the following earn-outs:

- **Revenue earn-out:** $1.5m was payable before 30 April 2023 if specific revenue targets were achieved. In the current year Vista Group settled $1.3m of this earn-out in cash.
- **Transition earn-out:** $1.6m remains payable in Q1 2024 based on the retention and integration of key clients to Vista Group's platforms. Vista Group project $0.5m of this earn-out will be achieved and ultimately payable.

Vista Group recognised a fair value gain of $1.1m in the current year relating to the reduction in these contingent cash consideration liabilities (see section 2.3). See section 4.5 for details of the $2.4m impairment charge relating to the Retriever client contracts (intangible asset).

5. 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.

5.1 Income tax expense

The income tax expense for the year comprises current and deferred tax. Taxation is recognised 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 other 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 operates.

Composition of income tax expense

	SECTION	2023 NZ$m	2022 NZ$m
Current tax expense		2.1	2.8
Deferred tax benefit	5.2	(6.0)	(4.4)
Total taxation benefit		**(3.9)**	**(1.6)**

Reconciliation of income tax expense

The relationship between the expected tax expense based on the domestic effective tax rate of the Company at 28% (2022: 28%) and the reported tax expense in the income statement can be reconciled as follows:

	2023 NZ$m	2022 NZ$m
Loss before tax	(17.5)	(22.5)
Domestic tax rate for Vista Group International Limited	28%	28%
Expected taxation benefit	**(4.9)**	**(6.3)**
Foreign subsidiary company tax	0.1	(0.1)
Non-assessable income / non-deductible expenses	0.4	5.7
Prior year adjustments	(0.2)	(0.5)
Other	0.7	(0.4)
Total taxation benefit	**(3.9)**	**(1.6)**
Effective tax rate	*22%*	*7%*

At 31 December 2023, Vista Group had $10.9m (2022: $11.2m) of imputation credits available for use in subsequent reporting years. Vista Group also had $3.2m (2022: $1.1m) of unused tax losses for which no deferred tax asset has been recognised, as they did not meet the recognition criteria.

5.2 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 for the asset to be utilised.

Recognition of deferred tax assets (significant estimation uncertainty)

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 4.4.

Deferred taxes can be summarised as follows:

2023	OPENING BALANCE NZ$m	RECOGNISED IN OTHER COMPREHENSIVE INCOME NZ$m	RECOGNISED IN INCOME STATEMENT NZ$m	CLOSING BALANCE NZ$m
Trade and other receivables	2.6	-	(1.6)	1.0
Property, plant and equipment	(2.2)	-	(0.5)	(2.7)
Lease assets	(2.7)	-	0.5	(2.2)
Intangible assets	(1.0)	-	0.4	(0.6)
Employee benefits	3.2	(0.2)	(0.1)	2.9
Lease liabilities	3.8	-	(0.7)	3.1
Available tax losses	13.9	-	7.4	21.3
Other	0.1	-	0.6	0.7
Deferred tax net asset at 31 December 2023	**17.7**	**(0.2)**	**6.0**	**23.5**
2022				
Trade and other receivables	3.5	-	(0.9)	2.6
Property, plant and equipment	(2.0)	-	(0.2)	(2.2)
Lease assets	(3.8)	-	1.1	(2.7)
Intangible assets	(1.6)	-	0.6	(1.0)
Employee benefits	2.2	(0.4)	1.4	3.2
Lease liabilities	5.6	-	(1.8)	3.8
Available tax losses	9.9	-	4.0	13.9
Other	(0.1)	-	0.2	0.1
Deferred tax net asset at 31 December 2022	**13.7**	**(0.4)**	**4.4**	**17.7**

Deferred tax net asset is represented by:

	2023 NZ$m	2022 NZ$m
Deferred tax asset	24.1	17.8
Deferred tax liability	(0.6)	(0.1)
Deferred tax net asset	**23.5**	**17.7**

The deferred tax asset of $21.3m recognised for available tax losses relate to the New Zealand ($19.6m), United States ($0.9m), Netherlands ($0.5m) and United Kingdom ($0.3m) tax jurisdictions. As none of these jurisdictions impose an expiry date on tax losses, and due to management prepared 5-year business models projecting a return to profitability, Vista Group applied judgement in determining it is probable that these tax losses will be utilised.

6. 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: Represents 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.

6.1 Contributed equity

At 31 December 2023, there were 236,243,042 shares in issue (2022: 233,192,093). The following reflects where these shares were allocated:

	MILLIONS OF SHARES		NZ$m	
	2023	2022	2023	2022
Shares issued and fully paid:				
Balance at 1 January	233.2	231.2	135.0	131.3
Ordinary shares issued during the year:				
Shares issued as part of Retriever asset acquisition	-	1.5	-	3.2
Employee incentives	3.0	0.5	5.7	0.9
Excess income tax expense on share-based payments	-	-	(0.2)	(0.4)
Total contributed equity at year end	**236.2**	**233.2**	**140.5**	**135.0**

Vista Group issued 1,529,987 shares on 16 February 2022 which formed part of the consideration transferred for the Retriever asset acquisition.

6.2 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 rights 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.

Earnings per share calculation

	2023	2022
Weighted average ordinary shares for basic EPS (millions)	**235.4**	**232.9**
Effect of dilution:		
Share options and awards (millions)	3.2	4.5
Weighted average ordinary shares adjusted for the effect of dilution (millions)	**238.6**	**237.4**
Loss for the year attributable to owners of the parent (NZ$m)	(13.9)	(21.4)
Basic and diluted EPS (dollars)	**($0.06)**	**($0.09)**

6.3 Dividends

No dividends were paid during the year (2022: $nil).

6.4 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 income statement.

6.5 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 total operating expenses, based on Vista Group's estimate of equity instruments that will eventually vest. At each balance date, Vista Group revises 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:

	2023 NZ$m	2022 NZ$m
Vista Group Recognition Scheme (VGRS)	0.8	2.5
Group CEO Retention Scheme (Group CEO)	0.3	0.3
Senior Management & Executive Retention Scheme (Executive Retention)	0.5	0.2
LTI Scheme - Share Rights (LTI Share Rights)	0.9	0.8
LTI Scheme - Performance Rights (LTI Performance Rights)	0.7	0.7
Total share-based payment expense	**3.2**	**4.5**

Summary of performance rights

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

	RETENTION SCHEMES				PERFORMANCE SCHEMES	
MILLIONS OF RIGHTS	VGRS	GROUP CEO	EXECUTIVE RETENTION	LTI - SHARE RIGHTS	LTI - PERFORMANCE RIGHTS	TOTAL
At 1 January 2022	-	0.5	-	0.5	0.7	1.7
Granted	2.1	-	0.3	0.6	0.6	3.6
Lapsed / Forfeited	(0.2)	-	-	-	(0.1)	(0.3)
Vested / Exercised	-	(0.1)	-	(0.2)	(0.2)	(0.5)
At 31 December 2022	1.9	0.4	0.3	0.9	1.0	4.5
Granted	-	0.2	0.3	0.8	0.8	2.1
Lapsed / Forfeited	-	-	-	(0.2)	(0.2)	(0.4)
Vested / Exercised	(1.9)	(0.4)	-	(0.3)	(0.4)	(3.0)
At 31 December 2023	**-**	**0.2**	**0.6**	**1.2**	**1.2**	**3.2**

The share price of awards on the date of vesting in 2023 was $1.23 for the Group CEO scheme, and $1.32 for the VGRS, LTI Share Rights / LTI Performance Rights schemes. The share price of awards on the date of vesting in 2022 was $1.87 for the Group CEO scheme, and $1.86 for the LTI Share Rights / LTI Performance Rights schemes.

No shares under these schemes are 'exercisable', as all rights convert into shares on the vesting date. As all rights are granted at nil cost, the weighted average exercise price of all rights is $nil.

The weighted average contractual life of the outstanding performance rights is 1.0 years (2022: 0.7 years).

Fair value assumptions

When using the Black-Scholes pricing model to determine the fair value of rights granted, the following assumptions were applied:

- As all rights are granted at no cost, the exercise price is always $nil and therefore no volatility or risk-free rates are required.
- For schemes granted in 2023, no dividend yield has been assumed (2022: nil) and the awards are assumed to be 100% achieved (2022: 100%).

Retention schemes

At 31 December 2023, Vista Group was operating the following retention schemes:

	2023			2022		
ASSUMPTION	GROUP CEO	EXECUTIVE RETENTION	LTI SHARE RIGHTS	VGRS	EXECUTIVE RETENTION	LTI SHARE RIGHTS
Share price on grant date (NZ$)	$1.51	$1.47	$1.37	$1.83	$1.80	$1.86
Vesting period (months)	13-25	16	13-37	13	25-37	13-37

- **Group CEO:** On 9 December 2022, Vista Group announced the appointment of Stuart Dickinson as Vista Group's new Chief Executive Officer with effect from 11 April 2023. As part of the employment agreement, the Board agreed to terms on a retention scheme with 200,000 share rights, with 50% vesting in April 2024 and 50% in April 2025. This grant was not included in the summary of performance rights until employment commenced in April 2023.
- **Executive Retention:** The Board approved awards to be issued under this scheme in 2023 and 2022 to select senior management. These awards are subject to continued tenure of each participant, with all awards granted in 2023 due to vest in April 2024. The 2022 award has 100,000 share rights due to vest in April 2024, with the remaining 200,000 share rights due to vest in April 2025.
- **LTI Share Rights:** The Board approved awards to be issued under this scheme in both 2023 and 2022 to eligible senior management. The share rights are split into three tranches and vest annually over a three-year period.
- **VGRS:** The Board approved awards to be issued under this scheme in 2022 to permanent staff based in New Zealand, United Kingdom and United States. These rights vested in full in April 2023 to all participants still employed.

Awards under each of these schemes are designed to promote alignment with shareholder's interests and ensure continued retention. Share rights are granted for no consideration and carry no dividend or voting rights until vested. These awards are contingent on continued tenure, with no further performance obligations.

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

Performance schemes

At 31 December 2023, Vista Group was operating the following performance schemes:

- **LTI Performance Rights:** The Board approved awards to be issued under this scheme in both 2023 and 2022 to eligible senior management. The scheme requires achievement of recurring revenue targets set by the Board with vesting occurring annually over three years, on achievement of the target and continued tenure. The fair value of interests awarded under this scheme was determined using the Black-Scholes option pricing model, with the share price on grant date and vesting periods aligning to those of the LTI Share Rights scheme.

Awards under performance schemes are designed to ensure continued retention, incentivise sustained performance over the long-term and to promote alignment with shareholders' interests. These schemes allow the carry forward of any performance rights that do not vest in each vesting period to be eligible to vest in future vesting periods. Rights are granted for no consideration and carry no dividend or voting rights until vested. The awards are also contingent on continued tenure.

7. 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.

7.1 Capital management

The following table summarises the capital of Vista Group:

	2023 NZ$m	2022 NZ$m
Borrowings	18.6	18.1
Equity	137.3	148.0
Total capital	**155.9**	**166.1**

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.

7.2 Foreign currency risk

Vista Group operates internationally and is exposed to foreign exchange risk in US Dollars (**USD**), Pounds Sterling (**GBP**), Euros (**EUR**), 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 uses 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.

2023	USD NZ$m	GBP NZ$m	EUR NZ$m	AUD NZ$m
Financial assets				
Cash	13.1	2.9	1.7	1.0
Trade receivables	20.5	5.2	6.6	1.2
Sundry receivables	0.4	0.5	-	-
Financial liabilities				
Borrowings	(17.5)	(0.5)	-	-
Trade payables	(3.1)	(0.4)	(0.1)	-
Sundry payables	(1.4)	(0.4)	(0.1)	(0.1)
Lease liabilities	(7.5)	(1.0)	(0.3)	-
Contingent consideration	(0.5)	-	-	-
Net foreign currency risk	**4.0**	**6.3**	**7.8**	**2.1**

2022	USD NZ$m	GBP NZ$m	EUR NZ$m	AUD NZ$m
Financial assets				
Cash	11.3	3.0	1.4	0.5
Trade receivables	26.2	5.6	5.6	1.3
Sundry receivables	0.5	0.5	-	-
Net investment in sublease	1.2	-	-	-
Financial liabilities				
Borrowings	(17.6)	(0.5)	-	-
Trade payables	(5.5)	(0.1)	(0.1)	(0.3)
Sundry payables	(1.3)	(0.6)	(0.3)	(0.1)
Lease liabilities	(10.2)	(2.9)	(0.4)	-
Contingent consideration	(2.9)	-	-	-
Net foreign currency risk	**1.7**	**5.0**	**6.2**	**1.4**

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 each year presented. The sensitivity analysis is based on Vista Group's foreign currency financial instruments held at each reporting date.

2023	USD NZ$m	GBP NZ$m	EUR NZ$m	AUD NZ$m
10% strengthening in NZD	(0.4)	(0.6)	(0.7)	(0.2)
10% weakening in NZD	0.4	0.7	0.9	0.2
2022				
10% strengthening in NZD	(0.2)	(0.5)	(0.6)	(0.1)
10% weakening in NZD	0.2	0.6	0.7	0.2

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.

7.3 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:

2023	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	3.5%	23.5	5.0	-	-	28.5
Financial liabilities						
Borrowings	7.1%	-	-	-	(18.6)	(18.6)
Lease liabilities	4.1%	-	-	(0.3)	(12.2)	(12.5)
Net interest risk		**23.5**	**5.0**	**(0.3)**	**(30.8)**	**(2.6)**
2022						
Financial assets						
Cash	2.3%	22.0	11.0	5.0	8.0	46.0
Net investment in sublease	6.3%	-	-	-	1.2	1.2
Financial liabilities						
Borrowings	7.0%	-	-	-	(18.1)	(18.1)
Lease liabilities	4.0%	-	-	-	(18.6)	(18.6)
Net interest risk		**22.0**	**11.0**	**5.0**	**(27.5)**	**10.5**

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

2023	EFFECTIVE INTEREST RATE +1% NZ$m	EFFECTIVE INTEREST RATE -1% NZ$m
Cash	0.3	(0.3)
Borrowings	(0.2)	0.2
Lease liabilities	(0.1)	0.1
Sensitised net interest risk	**-**	**-**

Vista Group's bank deposits are predominantly held with top tier Australasian banks and HSBC.

7.4 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 contract assets. The maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December, as summarised in section 7.6.

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

At 31 December 2023, Vista Group has certain trade receivables and contract assets that have not been settled by their contractual due date but are not considered to be impaired because of the nature of contracts and / or the longevity of ongoing client relationships. At balance date, the overdue trade receivables (representing those over 90 days), net of all provisioning (concession discounts, credit risk provisions and ECL), are below.

	SECTION	2023 NZ$m	2022 NZ$m
Not more than 6 months	4.1	2.3	3.5
Between 6 months and 9 months	4.1	0.7	2.4
Over 9 months	4.1	0.3	2.6
Overdue trade receivables and contract assets (net of provisioning)		**3.3**	**8.5**

Trade receivables consist of many clients in various geographical areas, but predominantly within the cinema and film industry.

Judgement has been applied to the recoverability of all trade receivables and contract assets, with Vista Group determining that the net balances receivable are recoverable and not impaired. See section 4.1 for more detail of how judgement has been applied.

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 4.1 for details on how ECL has been recognised on trade receivables and contract asset balances. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

7.5 Liquidity Risk

Liquidity risk is the risk that Vista Group might be unable to meet its obligations when they fall due. 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.

At 31 December 2023, Vista Group had cash balances of $28.5m, along with $24.4m undrawn on its ASB revolving credit and overdraft facilities. 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 (representing the minimum requirement for going concern purposes).

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

2023	LESS THAN 3 MONTHS NZ$m	3 TO 12 MONTHS NZ$m	1 TO 5 YEARS NZ$m	> 5 YEARS NZ$m	TOTAL NZ$m
Borrowings	-	1.0	17.6	-	18.6
Trade payables	7.6	-	-	-	7.6
Sundry payables	4.0	-	-	-	4.0
Interest on borrowings	0.4	1.2	1.5	-	3.1
Lease liabilities (including interest)	1.8	5.3	8.8	-	15.9
Contingent consideration	0.5	-	-	-	0.5
Total liquidity risk	**14.3**	**7.5**	**27.9**	**-**	**49.7**
2022					
Borrowings	-	0.5	17.6	-	18.1
Trade payables	7.7	-	-	-	7.7
Sundry payables	4.9	-	-	-	4.9
Interest on borrowings	0.4	1.1	3.0	-	4.5
Lease liabilities (including interest)	1.7	5.5	16.8	-	24.0
Contingent consideration	-	1.4	1.5	-	2.9
Total liquidity risk	**14.7**	**8.5**	**38.9**	**-**	**62.1**

7.6 Financial instruments

Fair value of financial assets and liabilities

Vista Group undertook a fair value assessment of its financial assets and liabilities at 31 December 2023 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.

During the current year, there have been no transfers between fair value measurement levels. The contingent consideration of the Retriever asset acquisition is subsequently fair valued using level 3 measurements, such as the probability Vista Group deem the earnouts are likely to be earned and movements in exchange.

Financial instruments by category

2023	FINANCIAL ASSETS AT AMORTISED COST NZ$m	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH P&L NZ$m	FINANCIAL LIABILITIES AT AMORTISED COST NZ$m
Cash	28.5	-	-
Trade receivables	31.5	-	-
Sundry receivables	2.2	-	-
Total financial assets	**62.2**	**-**	**-**
Borrowings	-	-	18.6
Trade payables	-	-	7.6
Sundry payables	-	-	4.0
Lease liabilities	-	-	12.5
Contingent consideration	-	0.5	-
Total financial liabilities	**-**	**0.5**	**42.7**

2022			
Cash	46.0	-	-
Trade receivables	31.6	-	-
Sundry receivables	1.2	-	-
Net investment in sublease	1.2	-	-
Total financial assets	**80.0**	**-**	**-**
Borrowings	-	-	18.1
Trade payables	-	-	7.7
Sundry payables	-	-	4.9
Lease liabilities	-	-	18.6
Contingent consideration	-	2.9	-
Total financial liabilities	**-**	**2.9**	**49.3**

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.
- **Net investment in sublease:** A receivable from a sublessee that is initially measured on a present value basis using the underlying lease's incremental borrowing rate, and subsequently held at amortised cost. This asset is impairment tested and the carrying value approximates the fair value.
- **Borrowings:** Initially are held at fair value but adjusted to amortised cost by any borrowing costs. Interest rates are generally fixed.
- **Trade, related party and other payables:** Liabilities that are generally short-term in nature with the carrying value approximating their fair value.
- **Lease liabilities:** 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.

8. Other information

8.1 Related parties

Vista Group has various types of transactions with related parties. Section 3.2 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 and the Global Senior Leadership Team (**GSLT**), which represent the personnel who report directly to the Vista Group's CEO. Key management personnel at 31 December 2023 include 17 individuals (6 Directors and 11 GSLT members) (2022: 17 individuals, being 6 Directors and 11 GSLT members).

	2023 NZ$m	2022 NZ$m
Salaries (including bonuses)	6.2	5.5
Share-based payments	1.3	0.5
Director fees	0.7	0.7
Total key management personnel transactions	**8.2**	**6.7**

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	
	2023 NZ$m	2022 NZ$m	2023 NZ$m	2022 NZ$m
Associate company	-	1.4	-	(0.4)

Vista Group's associate company related party transactions were as follows:

	ASSOCIATE COMPANY	
	2023 NZ$m	2022 NZ$m
Receiving of services	(0.3)	(0.2)
Rendering of services	-	2.4
Total related party transactions	**(0.3)**	**2.2**

Details of significant related party transactions of Vista Group

Vista Cinema recognised $1.2m of maintenance revenue from Vista China during the year (2022: $0.9m).

Details of significant related party transactions of Vista China

On 18 December 2023, the Board of Vista China resolved to terminate their reseller agreement with Vista Group and to waive the below related party loans:

- **Vista China CEO retention accommodation loan:** This $4.5m (CNY 20.0m) loan was provided by Vista China to the CEO of Vista China on 30 January 2019.
- **Weying shareholder loan:** This $3.2m (CNY 14.3m) loan was provided by Vista China to Weying, who are a 47.5% shareholder of Vista China.

In prior years, Vista Group has attributed a 100% ECL provision on these loans when determining the appropriate carrying value of Vista China, and any equity accounted results recognised from Vista China. Vista Group has also attributed $nil carrying value to Vista China since 30 June 2022.

8.2 Group companies

These financial statements consolidate the following subsidiaries of the Company:

COMPANY NAME	COUNTRY OF INCORPORATION	DIRECTORS	PRINCIPAL ACTIVITY	FURTHER INFORMATION	SHAREHOLDING 2023	SHAREHOLDING 2022
Flicks Limited	New Zealand	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Advertising sales	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Maccs International B.V.	Netherlands	Vista Entertainment Solutions (NL) B.V.	Software development & licensing	No changes	100%	100%
MovieXchange Limited	New Zealand	None		Amalgamated into Vista Group (NZ) Limited	-	100%
MovieXchange Limited	New Zealand	Kelvin Preston	Inactive	Newly incorporated entity to preserve brand name	100%	-
Movio (IP) Limited	New Zealand	None		Amalgamated into Vista Group (IP) Limited	-	100%
Movio Limited	New Zealand	None		Amalgamated into Vista Group (NZ) Limited	-	100%
Movio Limited	New Zealand	Kelvin Preston	Inactive	Newly incorporated entity to preserve brand name	100%	-
Movio, Inc.	United States	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Data analytics & marketing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Numero Limited	New Zealand	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Holding company	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Numero (Aust) Pty Ltd	Australia	Matthew Cawte, Kelvin Preston, Stuart Dickinson, Kirk Senior	Software development & licensing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Powster, Inc.	United States	Stuart Dickinson, Steven Thompson	Marketing & creative solutions	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	50%	50%
Powster Ltd	United Kingdom	Stuart Dickinson, Steven Thompson	Marketing & creative solutions	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	50%	50%
S.C. Share Dimension S.R.L.	Romania	Share Dimension B.V.	Software development	No changes	100%	100%
Senda DO Brasil Serviços de Tecnológia LTDA.	Brazil	Armando Mejias, Gustavo Ortega	Software licensing	No changes	60%	60%
Share Dimension B.V.	Netherlands	Vista Entertainment Solutions (NL) B.V.	Software development & licensing	No changes	100%	100%
Vista (IP) Limited	New Zealand	None		Amalgamated into Vista Group (IP) Limited	-	100%
Vista Entertainment Solutions (Asia) Sdn. Bhd.	Malaysia	Matthew Cawte, Kelvin Preston, Stuart Dickinson, Huang Swee Lin	Software licensing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Vista Entertainment Solutions (Canada) Limited	Canada	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Inactive	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Vista Entertainment Solutions (NL) B.V.	Netherlands	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Software licensing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Vista Entertainment Solutions (Spain), S.L.U.	Spain	Kelvin Preston, Kimbal Riley	Inactive	Resignation of Kimbal Riley and appointment of Stuart Dickinson and Matthew Cawte underway	100%	100%
Vista Entertainment Solutions (UK) Limited	United Kingdom	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Software licensing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Vista Entertainment Solutions (USA), Inc.	United States	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Software licensing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Vista Entertainment Solutions Limited	New Zealand	None		Amalgamated into Vista Group (NZ) Limited	-	100%
Vista Entertainment Solutions Limited	New Zealand	Kelvin Preston	Inactive	Newly incorporated entity to preserve brand name	100%	-
Vista Group (IP) Limited	New Zealand	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Distributor of intellectual property	Amalgamated with Movio (IP) Limited on 1 December 2023, re-named from Vista (IP) Limited to Vista Group (IP) Limited	100%	-
Vista Group (NZ) Limited	New Zealand	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Software licensing	Amalgamated with Movio Limited and MovieXchange Limited on 1 December 2023, re-named from Vista Entertainment Solutions Limited to Vista Group (NZ) Limited	100%	-
Vista Group Limited	New Zealand	Kelvin Preston, Stuart Dickinson	Inactive	Appointment of Stuart Dickinson	100%	100%
Vista International Entertainment Solutions South Africa (Pty) Ltd	South Africa	Matthew Cawte, Kelvin Preston, Stuart Dickinson	Software licensing	Resignation of Kimbal Riley. Appointment of Stuart Dickinson	100%	100%
Vista Latin America, S.A. de C.V.	Mexico	Murray Holdaway, Kimbal Riley, Brian Cadzow, Armando Mejias, Gustavo Ortega	Software licensing	No changes	60%	60%

Other information

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:

- 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.
- 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).
- all resulting exchange differences are recognised in other comprehensive income.
- 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.

8.3 Going concern

These financial statements have been prepared on a going concern basis, which requires the Board to have reasonable grounds to believe that Vista Group will be able to pay their debts as and when they become due. The minimum requirement by NZ IAS 1 *Presentation of Financial Statements* being at least, but not limited to, twelve months from the end of the reporting period.

Vista Group has prepared cash flow projections factoring in the current market, covering a period of at least twelve months after these financial statements have been authorised for issue. This takes into account forecast revenue, operating cash flows, forecast capital expenditure and Vista Group's liquidity position.

At 31 December 2023, Vista Group had $52.9m in cash liquidity, with $28.5m in cash and $24.4m of undrawn ASB revolving credit and overdraft facilities. In addition to this, Vista Group's EBITDA and operating cash flows are accretive. The ASB facilities are due to mature in January 2026.

Due to the above, the Board determined that the going concern basis of accounting is appropriate in the preparation of these financial statements.

8.4 Capital commitments

There were no capital commitments for Vista Group at 31 December 2023 (2022: $nil).

8.5 Events after balance date

In February 2024, Vista Group reached a conditional agreement to sublease a portion of its Los Angeles premises from March 2024 to July 2026. This will result in a balance sheet reclassification of approximately $1.2m (from lease asset to a subleased asset) in 2024. Vista Group considered the lease asset for impairment at 31 December 2023 and determined no further impairment charge or reversal was required.

There were no other significant events between balance date and the date these financial statements were approved 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 2023, 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 Accounting Standards (IFRS Accounting Standards).

What we have audited

Vista Group's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- 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, comprising material accounting policy information 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 area of workshop facilitation in relation to sustainability and climate change strategy and reporting. The provision of this other service 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.

PricewaterhouseCoopers, 15 Customs Street West, Private Bag 92162, Auckland 1142, New Zealand
T: +64 9 355 8000, pwc.co.nz

Description of the key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill Section 4.4 of the financial statements provides details of the goodwill balance of $57.7 million as at 31 December 2023, which comprised balances in six cash generating units (CGUs). The impairment tests were performed as at 31 August 2023, which is the established time for the annual impairment tests for Vista Group. Management utilised a value in use (VIU) methodology to determine the recoverable amount of each CGU, using discounted cash flow models. These VIUs were then compared to the carrying amount of the associated net assets, including goodwill, of each CGU as at 31 August 2023. The estimated cash flows used in the VIU models were based on the management approved five year business plans. 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 and EBITDA margins for the five year forecast period; ● Long term growth rates for cash flows beyond the five year forecast period; and ● The appropriate discount rate for each CGU. A further assessment of indicators of impairment was made as at 31 December 2023. No impairment charges were recognised. Our audit focused on this area as a key audit matter due to the value of the goodwill balance, and the level of judgement and estimation involved in assessing the recoverable amount of each CGU.	Our audit procedures in relation to management's impairment testing of goodwill at 31 August 2023 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 models, including the inputs and 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 for the material impairment tests: – Obtained an understanding of how management prepared its plans and forecasts, and the associated review and approval processes; – Assessed management's ability to accurately forecast by comparing historical forecasts to actual results; – Held discussions with management for each CGU to gain an understanding of the business strategies, forecast assumptions and risks for the CGUs, including the implications from the current business transformation and progress with product and platform developments; – Assessed the revenue and expense growth rates used over the five year forecast period in light of the discussions and other supporting information from management; – Obtained and evaluated management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions; and – Engaged our own expert to assess whether the long term growth rates and discount rates used in the VIU models are reasonable. ● We assessed the adequacy of disclosures in the financial statements. We also obtained and assessed management's assessment of impairment indicators at year-end.

Description of the key audit matter	How our audit addressed the key audit matter
Revenue and expected credit loss provisioning Section 4.1 of the financial statements provides details of various provisions totalling $2.5 million at 31 December 2023 that are recognised in relation to Vista Group's trade receivables and contract assets balances. There is significant estimation uncertainty regarding the amount that may be collected for Vista Group's products and services. While ageing has improved, the quantum of gross trade receivables, contract assets and provisions remains highly material. Management assessed the recoverability of trade receivables and contract assets, 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 trade receivables and contract assets may be materially different to the net balances recognised. Our audit focused on this area as a key audit matter due to: ● the value of the net trade receivables and contract assets balances and the provisions within those balances, and ● the significant estimation uncertainty as a result of the level of judgement involved in determining the appropriate provisions.	Our audit procedures in relation to the provisions against trade receivables and contract assets included the following: ● 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, revenue credit risk and expected credit loss provisioning; ● We obtained the calculation performed by management which includes key assumptions and estimates used by management for revenue concessions, revenue credit risk and expected credit loss 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; ● We obtained assessments from account managers at the local entity level to gain an understanding of selected customers' financial condition, ability to make payments, and / or recent payment history; ● We assessed the reasonableness of the total provisions, by understanding the reasons for changes in provisioning rates, performing an analysis and sensitivity check of the ageing profile of the gross and net trade receivable balances as at 31 December 2023 and comparing to the 31 December 2022 balances; ● We calculated the projected time to settle the outstanding net balance, based on the recent average monthly cash collections, and assessed whether this indicated collection issues; ● We performed lookback procedures on the provisions for the 31 December 2022 balances of a sample of customers, which were estimated using a similar approach to the current provisions, and assessed the accuracy of those provisions based on subsequent cash collections or write-offs; ● We considered the possible impact of events after year-end, including the effect of credit notes issued after year-end and customers that have entered a formal insolvency process; and

Description of the key audit matter	How our audit addressed the key audit matter
	● 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.

Our audit approach

Overview

	Overall group materiality: $1.07 million, which represents 0.75% of total revenues. We chose total revenues as the benchmark because, in our view, it is a key financial statement metric used in assessing the performance and growth of Vista Group and it is a generally accepted benchmark.
	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 two key audit matters, being: ● Impairment testing of goodwill ● Revenue and expected credit loss provisioning

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.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of Vista Group, the accounting processes and controls, and the industry in which Vista Group operates.

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 Accounting Standards, 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
27 February 2024

Auckland

Directory

Directors	Susan Peterson • Chair Claudia Batten Murray Holdaway James Miller Cris Nicolli 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 Level 27, PwC Tower 15 Customs Street West Auckland 1010	
Solicitors	**New Zealand** Chapman Tripp Level 34, PwC Tower 15 Customs Street West Auckland 1010	 Hudson Gavin Martin Level 16 45 Queen Street Auckland 1010
Share registry	**New Zealand** Link Market Services Ltd Level 30, PwC Tower 15 Customs Street West 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

Glossary of terms

AGC	Additional Group Companies segment of Vista Group.
AMPTP	The Alliance of Motion Picture and Television Producers.
API	Application Programming Interface, a way for two or more software applications to communicate with each other.
ARC	The Audit and Risk Committee of Vista Group.
ARR	Annualised Recurring Revenue, which is a KPI calculated as trailing three month Recurring Revenue multiplied by four.
ASM	The Annual Shareholders' Meeting.
ASX	Australian Securities Exchange, which is the stock exchange Vista Group is dual listed as an ASX Foreign Exempt Listing.
Barbenheimer	The simultaneous theatrical release of two films, Warner Bros. Pictures' *Barbie* and Universal Pictures' *Oppenheimer*, on July 21, 2023.
Board	The Board of Directors of Vista Group.
CAGR	Compound Annual Growth Rate.
Cash Usage	Cash Usage is a non-GAAP measure which is calculated using the net movement in cash held, less cash applied to business acquisitions / earn-outs, and less cash used to settle exceptional items included within "other gains and losses".
CGU	Cash Generating Unit.
Client	End users of Vista Group's solutions and services.
cNPS	Client Net Promoter Score, a client loyalty and satisfaction measurement.
CODM	The Chief Operating Decision Maker, which is Vista Group's CEO.
CSN	Common Shareholder Number.
Directors	The Directors of Vista Group International Limited whose names are set out on page 64.
Distributor	A company responsible for marketing and distribution of a film for cinema exhibition. The distribution company may be the same as, or different from, the production company.
Domestic Box Office	The gross box office revenue from North America (United States and Canada).
EBITDA	Earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3) and share of equity accounted results from associates. A reconciliation is provided on the income statement.
ECL	Expected Credit Loss.
eNPS	Employee Net Promoter Score, an employee loyalty and satisfaction measurement.
Enterprise Cinema	A cinema exhibitor company with 20+ screens.
EPS	Earnings per share.
ERC	Employee Retention Credit.
Exhibitor	A cinema exhibitor company.
Exhibition	The public screening of a movie or a film's release in cinemas.
F&B	Food and beverage.
FCF	Free Cash Flow is a non-GAAP measure which is calculated using the net movement in cash held, less cash applied to business acquisitions / earn-outs, and less cash used to settle exceptional items included within "other gains and losses".
Film Industry	The film industry or motion picture industry comprises the technological and commercial institutions involved in the production, distribution, and exhibition of films.
FIN	Faster Identification Number.
FVLCD	Fair Value Less Costs to Dispose.
GDPR	General Data Protection Regulation, as defined by Regulation (EU) 2016/679.
GHG	Green house gases.
GSLT	The Global Senior Leadership Team of Vista Group, comprising the people that report directly to Vista Group's CEO.

Horizon	Vista's cloud-based data warehouse and business intelligence solution.
IAS	International Accounting Standards.
IFRS Accounting Standards	International Financial Reporting Standards.
International Box Office	The global gross box office revenue, excluding Domestic Box Office.
IPO	Initial Public Offering of Vista Group International Limited's shares in 2014.
KPI	Key Performance Indicator.
LTGR	Long-Term Growth Rate.
LTI	Long-Term Incentive.
Lumos	Vista Cloud's suite of digital sales channels.
Moviegoer	A person who goes to the cinema.
NCI	Non-controlling interest.
Non-GAAP	Financial information that does not have a standardised meaning prescribed by NZ GAAP.
NRC	Nominations and Remuneration Committee.
NZ GAAP	Generally Accepted Accounting Practice in New Zealand.
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards.
NZX	New Zealand Exchange Main Board, which is the stock exchange on which Vista Group is primarily listed.
Other gains and losses	Items that, by virtue of the nature and incidence, have been disclosed separately in order to draw attention of the reader of the financial statements. For example, they may include (but are necessarily limited to) profits or losses arising on the acquisition/disposal of an operation, fair value movements through the income statement, restructuring costs, movements in contingent consideration, or impairment charges.
PwC	Vista Group's auditor, PricewaterhouseCoopers.
RDTI	Research & Development Tax Incentive.
Recurring Revenue	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.
SaaS	Software as a Service, which allows users to connect to and use cloud-based software over the internet.
SaaS Revenue	Revenues derived from subscription-based cloud-hosted software, with the software located on externally provided servers.
SAG-AFTRA	The Screen Actors Guild-American Federation of Television and Radio Artists.
SOC 2 Type 1	The Service Organisation Control Type 1, which is a cybersecurity compliance framework.
STI	Short-term incentive.
Studio	A major entertainment company that makes films.
TCFD	Taskforce on Climate-Related Financial Disclosures.
Theatrical	A movie specifically made to be shown in a theatre or cinema, as opposed to a made-for-television film, or a film released directly to video or streaming.
VGRS	Vista Group Recognition Scheme.
Vista Group	Vista Group International Limited and its subsidiaries (collectively Vista Group).
VIU	Value in Use.
WACC	Weighted Average Cost of Capital.
WGA	Writers Guild of America.
Writers and Actors Strike	The strikes arising as a result of the labour dispute between SAG-AFTRA and AMPTP which occurred between 14 July - 9 November 2023 and the labour dispute between WGA and AMPTP which occurred between 2 May - 27 September 2023.

Vista Group International Limited

Shed 12, City Works Depot
90 Wellesley St West
Auckland 1010
New Zealand

+64 9 984 4570
info@vistagroup.co.nz
vistagroup.co