



16 April 2020

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## **VISTA GROUP INTERNATIONAL LIMITED ANNOUNCES NZ\$65 MILLION EQUITY RAISING TO IMPROVE BALANCE SHEET FLEXIBILITY AND LIQUIDITY**

Vista Group International Limited (**Vista Group**) has announced its intention to raise approximately NZ\$65 million via a NZ\$25 million underwritten placement (**Placement**) to institutional investors, together with an approximately NZ\$40 million 1 for 4.37 pro-rata non-renounceable accelerated entitlement offer (**Entitlement Offer**) (together the **Offer**). Founders, directors and senior management have committed to subscribe for \$4.7 million of the New Shares to be issued, with the balance of the equity raise fully underwritten by Macquarie Capital (New Zealand) Limited (acting through and in conjunction with its affiliates) and Craigs Investment Partners Limited.

Chairman, Kirk Senior said “The outbreak of COVID-19 and the actions taken by governments in response, are having, and will continue to have, a substantial impact on Vista Group and the global film industry more generally. Almost all of our customers are significantly impacted by the restriction of movement and the duration of cinema closures is unpredictable. The equity raising combined with the already announced measures to reduce operating costs, defer certain capital expenditure projects and cancelling the FY19 final dividend provide a comprehensive plan to strengthen and provide liquidity to the business in order to remain well capitalised during this difficult time and, importantly, position Vista Group for growth post COVID-19.”

### **Key highlights**

- Vista Group is undertaking a NZ\$65 million equity raising at an offer price of NZ\$1.05 per share via a NZ\$25 million underwritten Placement, together with an approximately \$40 million 1 for 4.37 Entitlement Offer to support the business through the significant disruption caused by the COVID-19 pandemic. NZ\$35.3 million of the Entitlement Offer is underwritten, with the balance having been committed to by founders, directors and executive management.
- Vista Group entered the COVID-19 pandemic with a strong underlying business as a global leader in software and data solutions for the film industry.
- The impact of COVID-19 on the film industry globally has been substantial and is expected to be material on the operational and financial performance of Vista Group. Vista Group is actively engaged with its customers to help support them through this difficult time. While Vista Group expects to continue booking recurring revenue, it is working with its customers to manage their payment schedules.
- Vista Group has announced a number of proactive initiatives to increase its financial flexibility, having acted quickly to reduce costs and capital expenditure.
- The Board believes it prudent to also pursue an equity raising to improve balance sheet flexibility and ensure it remains well capitalised during this period and is well placed to trade and take advantage of opportunities post COVID-19.
- Post the equity raising, Vista Group expects to have liquidity of approximately NZ\$125 million, comprising cash and existing undrawn facilities (NZ\$18 million of which is specifically available to fund the SaaS development project). In addition, Vista Group has engaged with, and continues to be well supported by its debt provider.
- Notwithstanding this temporary period of uncertain economic outlook, Vista Group is well positioned for recovery when cinemas begin to re-open, being the largest provider of business-critical software and data analytics solutions to the global film industry.

## Improving balance sheet flexibility and liquidity position

Whilst the health and safety of its staff and customers remains Vista Group's paramount concern, Vista Group's management and Board have taken decisive action to address the impacts of COVID-19 on its business, maintain business continuity and increase the business' financial flexibility.

Vista Group has already announced a number of cost control and cash flow support initiatives covering people, capital expenditure, leases and other operating expenditure. The government wage subsidy scheme in New Zealand is also contributing to offset labour costs. Specific detail is outlined in the investor presentation that accompanies this announcement.

Vista Group has also been actively engaging with its debt provider who remains supportive through existing facilities. Vista Group had \$40 million of cash as at 31 March 2020 and \$23 million of additional headroom across its current debt facility, of which \$18 million is specifically available to fund the SaaS development project. Following completion of the Offer, Vista Group anticipates it will have sufficient liquidity to comply with its financial covenants through to 31 December 2021 under downside scenarios.

In addition to the above measures, the Board believes it is prudent to pursue an equity raising to improve liquidity and balance sheet flexibility and ensure Vista Group remains well capitalised during this period. The additional liquidity provided by the equity raise is expected to provide Vista Group with the ability to meet its cash flow obligations through to 31 December 2021 under downside scenarios and provide flexibility to commence capital spend, continued SaaS conversion and growth projects in line with recovery post COVID-19.

## Equity raising details

The fully underwritten NZ\$65 million equity raise comprises a NZ\$25 million Placement and an NZ\$40 million Entitlement Offer.

Under the Entitlement Offer, eligible shareholders may subscribe for 1 new ordinary share for every 4.37 existing shares held as at 7.00pm (NZST) (5.00pm (AEST)) on the Record Date of Monday 20 April 2020, at an application price of NZ\$1.05 per new share (the final Australian dollar offer price will be the Australian dollar equivalent of NZ\$1.05 Australian determined using a closing AUD/NZD exchange rate on Thursday, 16 April 2020 and announced by Vista on Friday, 17 April 2020). The application price reflects a 25.0% discount to NZ\$1.40, being the last closing price of Vista Group's shares on the NZX on Wednesday 15 April 2020, and a 19.5% discount to the theoretical ex-rights price of NZ\$1.31 (TERP)<sup>1</sup>.

The transaction will be supported by Vista Group's founders, directors and senior management who have committed to subscribe for \$4.7 million of new shares, and the balance of the equity raise is fully underwritten.

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<sup>1</sup> TERP is the Theoretical Ex-Rights Price at which Vista Group's ordinary shares would trade immediately after the ex-rights date for the Offer. TERP is calculated with reference to Vista Group's closing share price of NZ\$1.40 on 15 April 2020 and includes all new shares issued under the placement and the Offer. TERP is a theoretical calculation only and the actual price at which Vista Group's ordinary shares will trade immediately after the ex-rights date for the Offer will depend on many factors and may not be equal to TERP

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## Placement details

The Placement to institutional investors will raise \$25 million at the offer price of \$1.05 per share. The Placement comprises the issue of 23.8 million shares to eligible, sophisticated and other institutional investors located in New Zealand, Australia and other selected international jurisdictions. The placement represents 10.4% of Vista Group's ordinary shares on issue following the Entitlement Offer.

The Placement is within Vista Group's existing capacity under NZX Listing Rule 4.5 and accordingly no shareholder approval is required to issue the New Shares.

Settlement of the Placement is scheduled to take place on Thursday 23 April 2020 on ASX and Friday 24 April 2020 on NZX, with commencement of trading of new shares on the NZX and ASX on Friday 24 April 2020.

## Entitlement offer details

The 1 for 4.37 Entitlement Offer will raise a total of approximately \$40m at an application price of \$1.05 per share. The Entitlement Offer will be conducted in two parts, a component to institutional investors (**Institutional Entitlement Offer**) and a component to retail shareholders (**Retail Entitlement Offer**). The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferrable.

Eligible shareholders under the Institutional Entitlement Offer include sophisticated, professional and other institutional shareholders located in Australia, New Zealand and select international jurisdictions as at 7.00pm (NZST) on the Record Date of Monday 20 April 2020 (**Eligible Institutional Shareholders**). The Institutional Entitlement Offer will be accelerated and will close on Thursday 16 April 2020.

The Retail Entitlement Offer will be offered to eligible retail shareholders with registered addresses in Australia and New Zealand as at 7.00pm (NZST) on the Record Date (**Eligible Retail Shareholders**). The Retail Entitlement Offer will open on Thursday 23 April 2020, and close on Tuesday 5 May 2020 (unless extended). Provided they have taken up their full entitlement, eligible retail shareholders may also apply for additional new shares not taken up by other retail shareholders up to a maximum of 40% above their pro-rata entitlement.<sup>2</sup> The Retail Offer Document, containing full details of the Entitlement Offer, will be sent to Eligible Retail Shareholders on Thursday 23 April 2020.

The rights will not be listed on NZX or ASX and there will be no shortfall bookbuild for those entitlements not taken up. Those shareholders who do not exercise their entitlements, or who are ineligible to do so, will have their shareholdings diluted. Retail shareholders are strongly encouraged to complete applications online via [www.vistashareoffer.co.nz](http://www.vistashareoffer.co.nz) given the likelihood of delays with the postal system at this time. Those that do apply for shares by postal applications are strongly encouraged to mail their applications as early as possible during the offer period.

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<sup>2</sup> Eligible Retail Shareholders who take up 140% of their Entitlements in the Offer will be diluted by approximately 4.5%.

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### Indicative timetable<sup>3</sup>

Event	Date
Announcement of equity raising and trading halt pre market open	Thursday, 16 April 2020
Institutional Entitlement Offer and Placement opens	Thursday, 16 April 2020
Institutional Entitlement Offer and Placement closes	Thursday, 16 April 2020
Announce Results of Institutional Entitlement Offer	Friday, 17 April 2020
Trading halt lifted and shares recommence trading on NZX on an ex-entitlement basis	Friday, 17 April 2020
Trading halt lifted and shares recommence trading on ASX on an 'ex-entitlement' basis	Monday, 20 April 2020
Record Date for the Entitlement Offer	Monday, 20 April 2020
Retail Entitlement Offer opens	Thursday, 23 April 2020
Dispatch of the Offer Document and Entitlement and Acceptance Forms to Eligible Retail Shareholders	Thursday, 23 April 2020
Settlement of Placement and Institutional Entitlement Offer on ASX	Thursday, 23 April
Settlement of Placement and Institutional Entitlement Offer on NZX and commencement of trading of allotted New Shares on the NZX and ASX	Friday, 24 April 2020
Retail Entitlement Offer closes	Tuesday, 5 May 2020
Announce results for Retail Entitlement Offer	Friday, 8 May 2020
Settlement of Retail Entitlement Offer on ASX	Tuesday, 12 May 2020
Settlement of Retail Entitlement Offer on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board	Wednesday, 13 May 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 13 May 2020
Commencement of trading of allotted New Shares on ASX	Thursday, 14 May 2020

### Additional information

Additional information regarding the Offer is contained in the investor presentation accompanying this announcement. The investor presentation contains important information including key risks and foreign selling restrictions with respect to the Offer.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors are encouraged to seek appropriate professional advice before making any investment decision.

<sup>3</sup> This timetable is indicative only and may change without notice at the Company's discretion or subject to the requirements of the NZX Listing Rules. Vista Group has the ability at its discretion to make changes including to extend the closing date for the Retail Entitlement Offer, to withdraw the Entitlement Offer at any time prior to the issue of the New Shares and/or to accept late applications either generally or in specific areas.

For any questions in respect of the Retail Entitlement Offer, please visit [www.vistashareoffer.co.nz](http://www.vistashareoffer.co.nz) or call Link Market Services Limited on +64 9 375 5998 (within New Zealand) or +61 1300 554 474 (within Australia) between 8:30am and 5.00pm (NZST) Monday to Friday during the Retail Entitlement Offer Period. For other questions, investors should contact their broker, solicitor, accountant, financial adviser or other professional adviser.

**For more information on the content of this announcement, please contact:**

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**Important Notices and Disclaimer**

This announcement has been prepared for publication in New Zealand and Australia, and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

**Forward-looking statements**

This announcement contains certain forward-looking statements about Vista Group. The "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding: statements regarding plans, strategies, growth initiatives and objectives of management, timing, expected costs for Vista Group, based on its estimates for 2020 and beyond and the future operation and financial performance of Vista Group, and the outcome of the Placement and the Entitlement Offer and the use of proceeds therefrom. Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Vista Group). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Vista Group assumes no obligation to update such information.

All dollar values are in New Zealand dollars (" \$" or "NZ\$") unless stated otherwise.

This announcement contains certain financial measures that are "non-IFRS financial information" under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by AAS and IFRS and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned not to place undue reliance on any non-IFRS/non-GAAP financial information included in this announcement.

In addition, the pro forma historical financial information included in this announcement does not purport to be in compliance with Article 11 of Regulation S-X under the US Securities Act and was not prepared with a view towards compliance with the rules and regulations or guidelines of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants for the preparation and presentation of pro forma financial information.

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