

25 August 2023

FOR IMMEDIATE RELEASE

NZME 2023 Half Year Results

Please refer to the following documents in relation to the NZME Half Year Results to 30 June 2023:

1. NZME 2023 Half Year Results NZX Form
2. NZME 2023 Half Year Results Announcement
3. NZME 2023 Half Year Results Investor Presentation
4. NZME 2023 Consolidated Interim Financial Statements
5. Distribution Notice - NZX Form

Chief Executive Officer Michael Boggs, and Chief Financial Officer David Mackrell, will discuss the HY23 results by webcast at 10.00am New Zealand time today.

The webcast will be available later today at www.nzme.co.nz/investor-relations/webcasts

To register to attend please [CLICK HERE](#)

ENDS

Authorised by Michael Boggs, Chief Executive Officer.

For further information:

For Investors	For Media
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Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	NZME Limited	
Reporting Period	6 months to 30 June 2023	
Previous Reporting Period	6 months to 30 June 2022	
Currency	NZD	
	Amount (NZ\$000s)	Percentage change
Revenue from continuing operations	\$166,221	-6%
Total Revenue	\$166,221	-6%
Net profit/(loss) from continuing operations	\$1,978	-76%
Total net profit/(loss)	\$1,978	-76%
Interim/Final Dividend		
Amount per Quoted Equity Security	\$0.03000000	
Imputed amount per Quoted Equity Security	\$0.01166667	
Record Date	15 September 2023	
Dividend Payment Date	27 September 2023	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$(0.08)	\$(0.03)
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to attached NZX results announcement commentary, the 2023 Consolidated Interim Financial Statements and the 2023 Half Year Results Presentation for full commentary on the results.	
Authority for this announcement		
Name of person authorised to make this announcement	Michael Boggs, CEO	
Contact person for this announcement	David Mackrell, Chief Financial Officer	
Contact phone number	021 311 911	
Contact email address	david.mackrell@nzme.co.nz	
Date of release through MAP	25/08/2023	

Unaudited financial statements accompany this announcement.

25 August 2023

NZME expects a stronger second half and maintains dividend

AUCKLAND, 25 August 2023: NZME Limited (NZX: NZM, ASX: NZM) ("NZME") has today announced its financial results for the half year ended 30 June 2023, reporting Statutory Net Profit After Tax (NPAT)¹ of \$2 million. Operating Revenue was \$166 million for the first half of the year - down 6 percent against the first half of 2022, which was largely reflective of a difficult economic environment.

NZME also reported Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$21.3 million compared to \$28.1 million in the previous corresponding period.

Michael Boggs, NZME Chief Executive Officer, says although the first half of the year has been challenging and the economic recession has had a significant impact on the first six months of results, the second half of the year is already starting to show positive signs of growth.

"With New Zealand in economic recession for the first time in a decade, the impacts of inflationary pressures, weak consumer and business confidence, and a depressed real estate market have all contributed to lower revenue for NZME in the first half of 2023. However, we have fared well through having an effective, clear strategy and being committed to our digital transformation objectives while remaining as efficient as possible to offset inflationary cost pressures," says Boggs.

NZME's overall advertising revenue was 7 percent lower at \$116.4 million compared to H1 2022. Advertising revenues were impacted by reductions in real estate, government and retail advertising, as well as travel advertising not yet returning to pre-COVID levels. Advertising revenue across our Audio business was largely flat, year on year, but with a pleasing 28 percent growth in digital audio revenues.

"Despite the challenges we've continued to diversify the content on offer across our digital platforms – be that through audio, publishing or OneRoof, so we can grow audiences and continue to deliver results," says Boggs.

Key highlights:

- NZME achieved growth in its overall subscriptions from 209,000 at the end of 2022 to 218,000, with 123,000 of these being digital only subscriptions.
- Strong growth in digital audio revenue continued - up 28 percent in the first half of 2023 compared to the previous corresponding period.
- Radio revenue market share grew to 42.4 percent – up 1 percent compared to 2022 and the highest share it has achieved since measurement commenced in 2016.
- Despite a deflated Real Estate market and fewer property listings, OneRoof achieved a 64 percent increase in visits to its for-sale listings and a 25 percent increase in enquiries on listings year on year.
- NZME's digital audio platform – iHeartRadio continues to grow, averaging more than 6.3 million hours² of listening on a monthly basis.
- The NZME podcast network remains the top podcast network in the country, with 1 million monthly³ listeners delivering more than 44 million downloads⁴ for the first half of this year.

Capital management

Barbara Chapman, NZME Chairman says: "NZME is making good progress towards our strategic targets, broadening our portfolio of platforms and content, and making further gains in digital transformation. This is despite the current economic climate having a negative impact on company performance.

"Given the uncertain environment, the Board continues to have a desire to operate at the lower end of the target leverage ratio and will continue to review its capital management options," says Chapman.

NZME expects to see a release of working capital in the second half of 2023 and based on the expected financial performance, net debt is forecast to reduce by the end of the year resulting in net debt below the lower end of the target leverage ratio.

The NZME Board has today declared a fully imputed interim dividend of 3.0 cents per share.

Outlook

Boggs says there are signs of recovery in overall business confidence, and interest rates are peaking. In positive signs for OneRoof, real estate sentiment is also improving, and we therefore look forward to capitalising on the audience and performance gains we have made during the downturn.

“Quarter four is typically our largest quarter. 2023 will be influenced by many things, especially the New Zealand election, the Rugby World Cup and the partial recovery of the real estate market,” says Boggs.

Based on current performance, NZME confirms that it expects to be at the lower end of the EBITDA range previously issued of \$59-\$64 million for 2023.

“NZME has a clear and effective strategy, and we continue to deliver on the key elements of that strategy. I’d like to thank our commercial partners, our valued investors and our audiences for their continued support, as well as our fantastic team at NZME for their hard work, perseverance and commitment to growing our business every day,” he says.

The full suite of 2023 Interim Results material can be found [here](#).

ENDS

Source: ¹ Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however exclude exceptional items to allow for like for like comparison between the 2023 and 2022 financial periods. ²Adswizz AudioMetrix, NZME Network Stations, Monthly Average, Jan-Jun 2023. ³Triton NZ Podranker as at June 2023. ⁴Triton NZ Podranker Jan – June 2023.

For further information:

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**NZ
ME.**

NEW ZEALAND
MEDIA AND
ENTERTAINMENT

NZME LIMITED HALF YEAR REPORT

KEEPING KIWIS IN THE KNOW

FOR THE HALF YEAR ENDING 30 JUNE 2023



**EVERYONE'S
HERE.**

**NZ
ME.**
NEW ZEALAND
MEDIA AND
ENTERTAINMENT

AGENDA

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INTRODUCTION

FIRST HALF OPERATING ENVIRONMENT

- The market has continued to be challenging following the significant decline in business confidence that was experienced in the last quarter of 2022.
- Extremely low consumer confidence, linked to higher interest rates, has seen the property market stall, with new listings coming to market down 20% year on year (25% in Auckland).
- NZME's revenue declined by \$10.7m, predominantly from the Real Estate industry \$4.1m, Government \$2.7m and Retail customers down \$2.2m. Travel revenue remains \$3m below 2019 levels for the half.
- Cost efficiencies offset this reduction by \$3.9m.

SECOND HALF IMPROVEMENT

- Business confidence, while still negative, has been recovering and interest rates are peaking. Real estate sentiment is improving. However, the economic environment remains uncertain.
- The second half of 2023 has commenced well. Revenue performance is improving, with August and September bookings currently tracking to be 3% higher than the corresponding months in 2022.
- Given current performance, NZME confirms that it expects to be at the lower end of the EBITDA range previously provided of \$59-\$64 million for 2023.
- Based on the above, a working capital reduction of around \$10 million is expected by end of year, leaving net debt forecast to be below the lower end of the target leverage ratio.



RESULTS SUMMARY

For the half year ending 30 June 2023

- Strong delivery against strategic objectives despite uncertain economic environment.
- Operating revenue was 6% lower reflecting reduced business confidence and weak real estate market, however:
 - Radio market revenue share reached 42.4%², the highest since 2016.
 - Publishing subscriptions reached 218,000, including 123,000 digital only subscriptions.
 - OneRoof digital listings revenue grew 13% year on year, despite 20% reduction in new residential real estate listings coming to market.
- Operating expenses reduced by 3%, reflecting cost disciplines during challenging market.
- Operating EBITDA¹ of \$21.3 million down 24% on H1 2022.
- Statutory Net Profit After Tax of \$2.0 million for half, 76% lower than H1 2022.
- Operating Earnings Per Share¹ was 1.6 cents per share.
- Fully imputed interim dividend declared of 3.0 cents per share.
- Net debt increase reflects payment of dividends of \$11 million and increase in working capital of \$8.2 million.

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2022 and 2023 financial years. Please refer to pages 36-37 of this results presentation for a detailed reconciliation.

2. Radio Broadcasters Association Radio Market Report, rolling 12-month average to 30 June 2023. Note: excludes independent broadcasters, contra revenue, and digital audio.

\$166.0m

Operating Revenue¹
H1 2022 \$176.7m ▼ 6%

\$21.3m

Operating EBITDA¹
H1 2022 \$28.1m ▼ 24%

\$2.0m

Statutory NPAT
H1 2022 \$8.5m ▼ 76%

\$2.9m

Operating NPAT¹
H1 2022 \$9.0m ▼ 68%

1.6 cps

Operating EPS¹
H1 2022 4.6cps ▼ 65%

3.0 cps

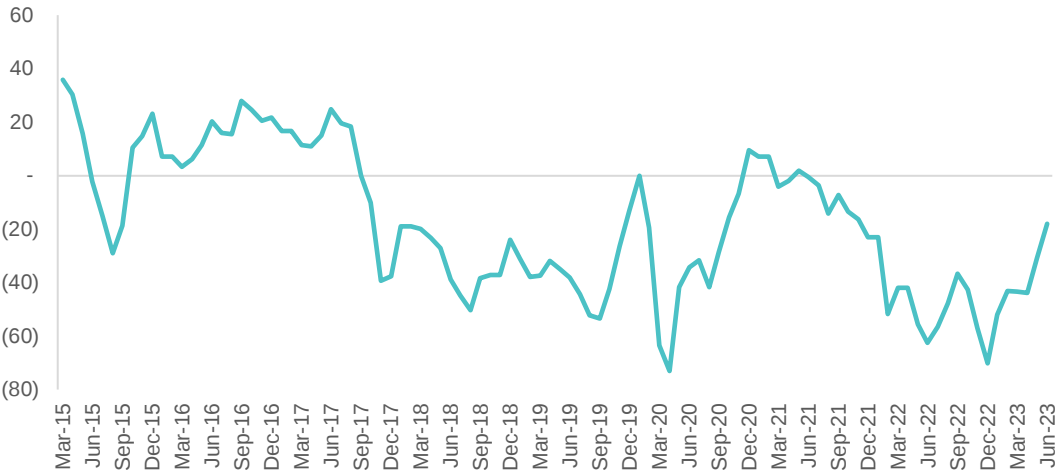
Interim Dividend
Payable on 27 Sep 2023

\$31.6m

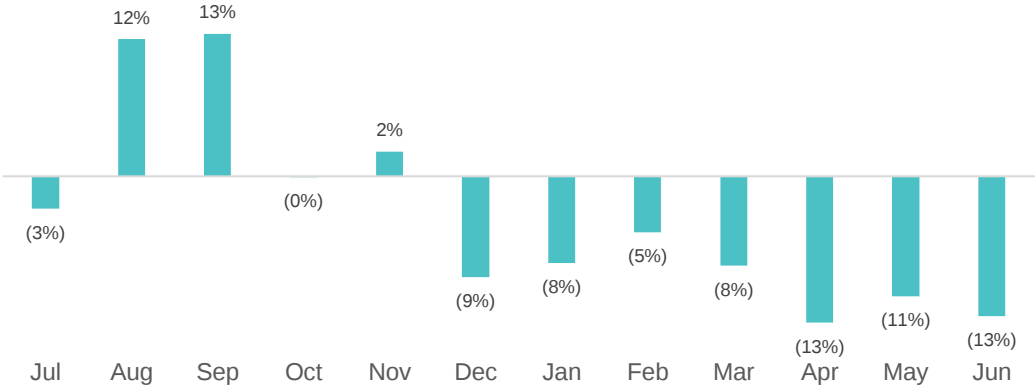
Net Debt
Increased by ▲ \$14.1m

DAMPENED MOOD DURING CHALLENGING TIMES BUT CAUTIOUS OPTIMISM FOR THE FUTURE

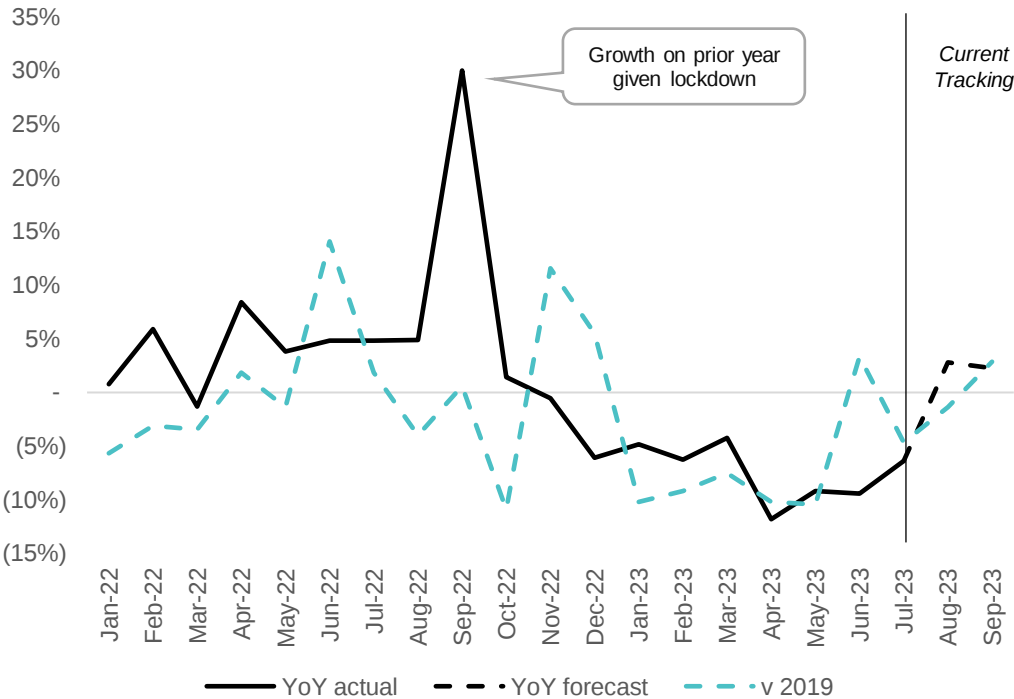
ANZ Business Confidence¹



Agency Market Advertising Revenue YoY variance²



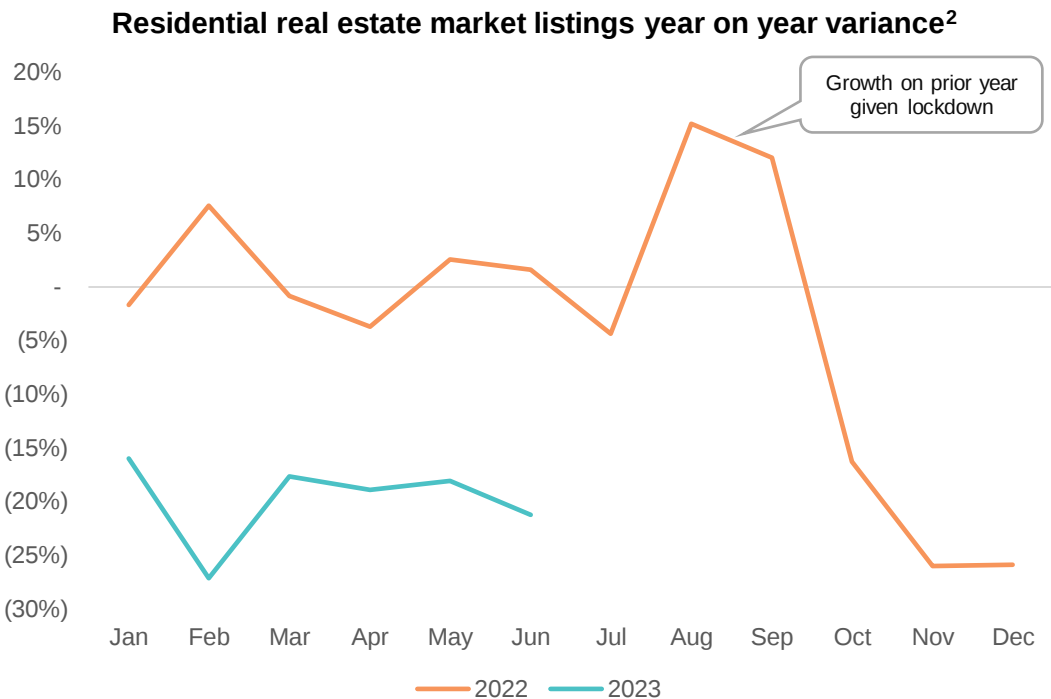
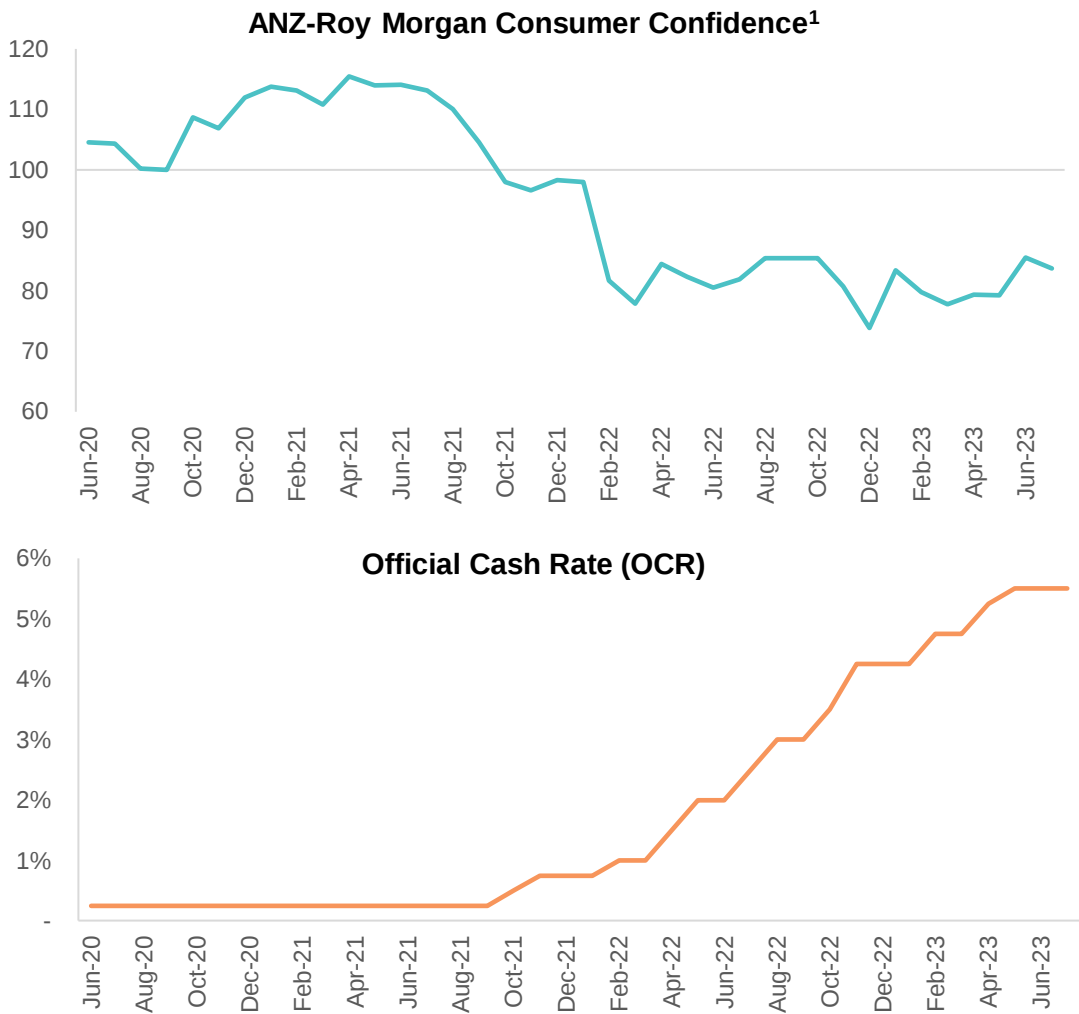
NZME Advertising Revenue Variance³



- Lower Business Confidence is reflected in total market revenue decline across all platforms.
- NZME has seen improvement in advertising revenue trend in recent months, in line with change in confidence levels.

1. ANZ Business Confidence; Net Index (% negative survey responses less % positive survey responses).
2. SMI Agency Market Revenue, YoY % change Jul 2022 – Jun 2023
3. NZME Analysis.

WITH INTEREST RATES PEAKING, IMPROVED REAL ESTATE ENVIRONMENT ANTICIPATED



- OCR has risen from 0.75% to 5.5%, median house prices² reduced 16% from Nov 21 peaks. H1 2023 listings down 20% year on year.
- Total new listings down 20% for half year, with Auckland down 25%.
- Market consensus for house price growth in H2 2023 and interest rate reductions in 2024.

1. ANZ-Roy Morgan Consumer Confidence; Net Index (% negative survey responses less % positive survey responses).
2. Real Estate Institute of New Zealand (REINZ)

STRATEGIC PRIORITIES AND MARKET PERFORMANCE

OUR THREE STRATEGIC PRIORITIES WERE SET WITH TARGETS FOR 2023



 **NEW ZEALAND'S LEADING AUDIO COMPANY**

-  Create New Zealand's best local audio content
-  Grow broadcast and digital reach
-  Grow market revenue share and digital revenue

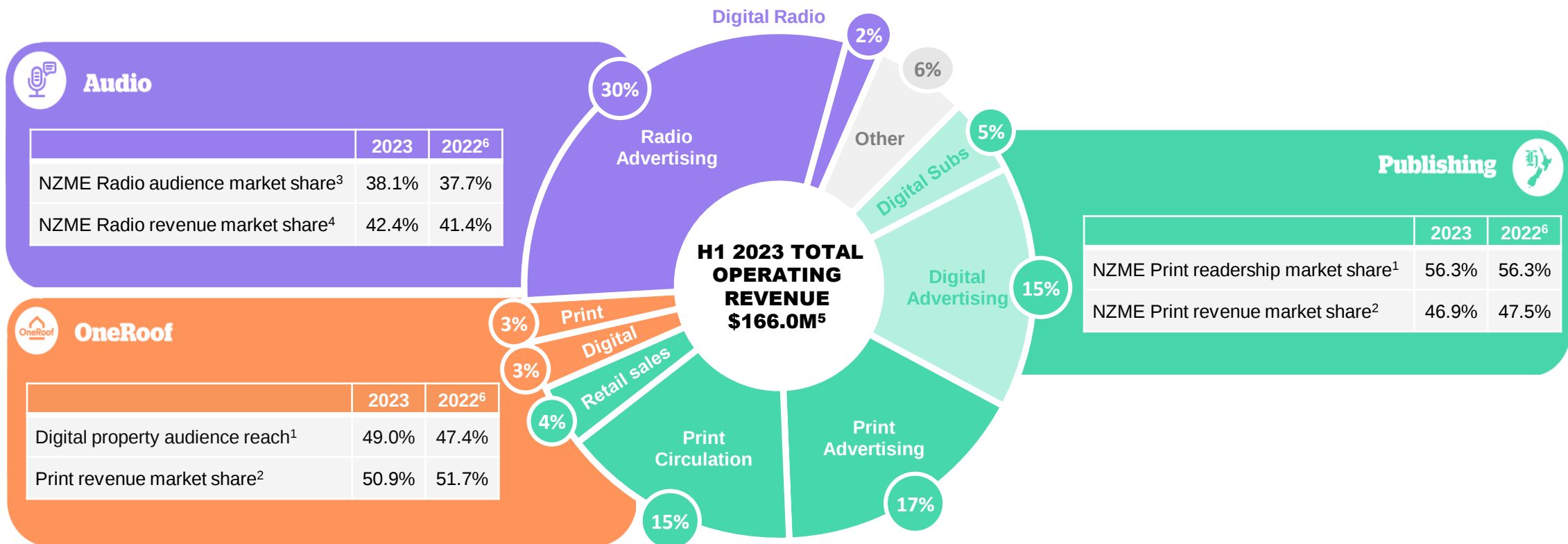
 **NEW ZEALAND'S HERALD**

-  The #1 News brand for all New Zealanders
-  Subscriber first
-  Be a safe, scalable destination for advertisers

 **YOUR COMPLETE PROPERTY DESTINATION**

-  Strengthen core residential listings business
-  Be indispensable to agents
-  Expand the portfolio

GREATER EXPOSURE TO AUCKLAND MARKET IMPACTS PRINT MARKET SHARE



1. Nielsen Consumer Media Insights Service (CMI), Q2 22 – Q1 23 Online Fused May 2023 People 15+. OneRoof reach of property visitors (property visitors=unduplicated audience of oneroof.co.nz, trademe.co.nz/property, homes.co.nz & realestate.co.nz).

2. PwC NPA quarterly performance comparison report, rolling 4-quarter average. Print Includes Publishing and OneRoof print advertising revenue. OneRoof is Property only.

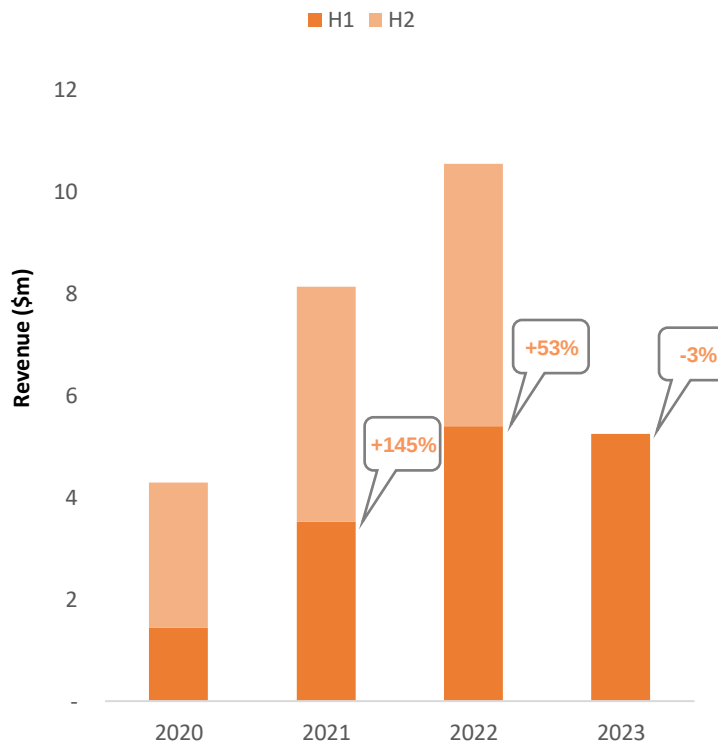
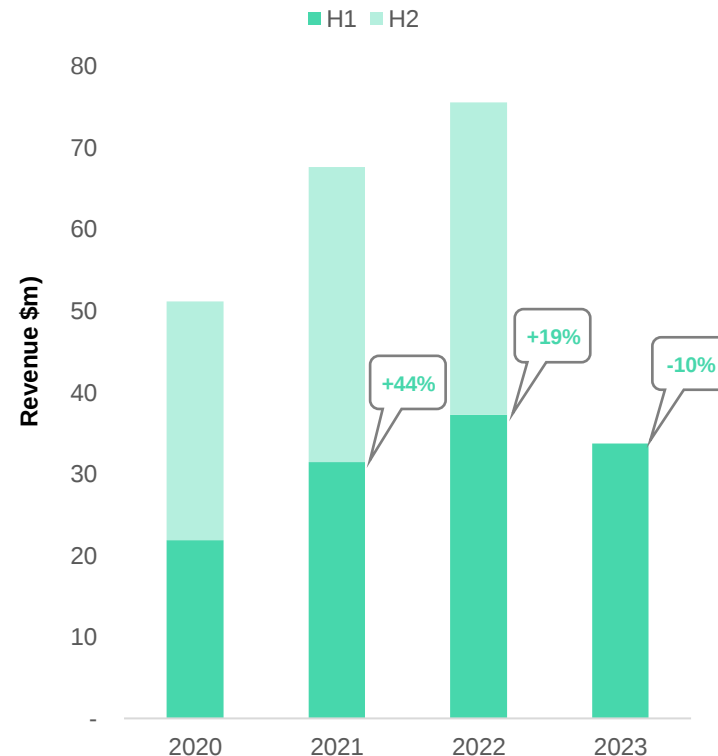
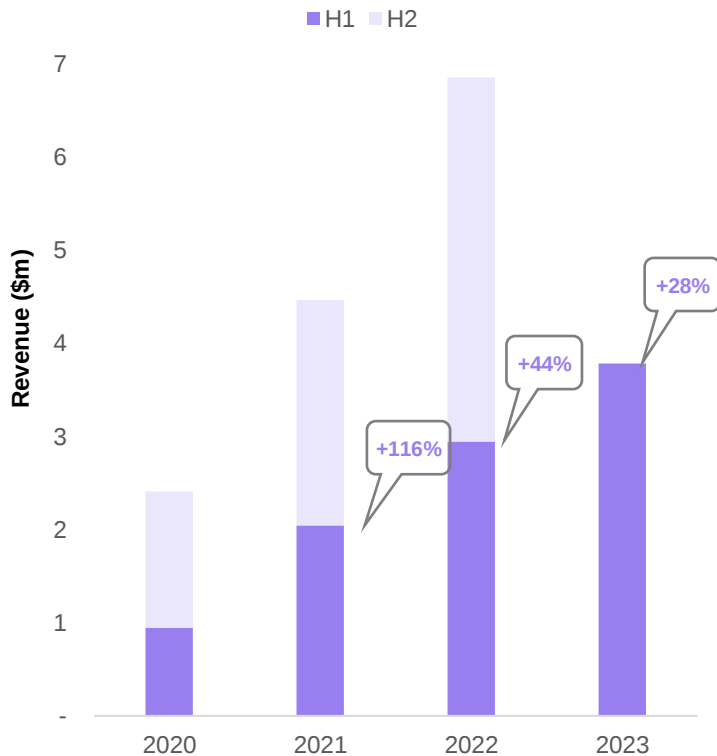
3. GfK Commercial RAM, NZME excl. Partners, Share %, M-S 12mn-12mn, Total NZ, S4 2022 & S1 2023. AP10+.

4. Radio Broadcasters Association Radio Market Report, rolling 12-month average to 30 June 2023. Note: excludes independent broadcasters, contra revenue, and digital audio.

5. NZME Consolidated Interim Financial Statements for the six months ended 30 June 2023.

6. 2022 figures shown are as presented in the 2022 Full Year Results presentation for the year ended 31 December 2022

STRONG DIGITAL AUDIO GROWTH AS OTHER PILLARS FACE MARKET HEADWINDS



Source: NZME Analysis.

2023 HALF YEAR FINANCIAL RESULTS



OPERATING RESULTS

For the half year ended 30 June 2023

Difficult market reflected in temporary reduction in revenue and profitability

- Operating revenue was down 6% compared to the first half of last year.
- Reader revenue declined by 5% as a result of the abnormal decline in print circulation revenues due to Cyclone Gabrielle.
- Advertising revenue was 7% lower driven by lower Publishing and OneRoof advertising revenues, with Audio largely flat year on year.
- Other revenue growth is primarily due to higher third-party print & distribution and events revenue.
- Strong cost management across the business more than offset inflationary cost pressures.
- Operating EBITDA was 24% lower, delivering an Operating NPAT¹ 68% lower at \$2.9 million for the half.
- Operating Earnings Per Share reduced to 1.6 cents per share due to reduced earnings, despite reduced number of shares on issue.

\$ million	H1 2023	H1 2022 ¹	% change
Reader revenue	39.8	41.8	(5%)
Advertising revenue	116.4	125.8	(7%)
Other revenue	7.1	5.8	23%
Operating Revenue²	163.3	173.3	(6%)
Other income	2.7	3.4	(21%)
Operating Revenue and Other Income²	166.0	176.7	(6%)
Operating expenses ²	(144.7)	(148.6)	(3%)
Operating EBITDA²	21.3	28.1	(24%)
Depreciation and amortisation on owned assets	(8.0)	(7.7)	5%
Depreciation on leased assets	(5.8)	(5.3)	9%
Interest income	0.2	0.2	16%
Finance cost	(3.7)	(2.9)	29%
Operating NPBT²	4.0	12.5	(68%)
Taxation expense	(1.1)	(3.4)	(67%)
Operating NPAT²	2.9	9.0	(68%)
Operating Earnings per Share (cents)²	1.6	4.6	(65%)

1. H1 2022 operating results presented reflect reclassification adjustments that differ when compared with operating results as reported for the half year ended 30 June 2022. Please refer to page 38 of this results presentation for a reconciliation.

2. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2022 and 2023 financial years. Please refer to pages 36-37 of this results presentation for a detailed reconciliation.

\$ million	H1 2023	H1 2022 ¹	% change
People	73.0	74.8	(2%)
Print and distribution	25.0	25.6	(2%)
Agency commission and marketing	18.2	20.5	(11%)
Content	9.4	9.1	3%
Other expenses:			
<i>Property</i>	3.6	3.6	(1%)
<i>IT and communications</i>	5.4	6.2	(12%)
<i>Third party fulfilment</i>	4.3	4.0	8%
<i>Other</i>	5.8	4.9	18%
Total other expenses	19.1	18.6	3%
Total operating expenses²	144.7	148.6	(3%)

Total non-recurring expenses	1.0	0.7
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EXPENSES

For the half year ended 30 June 2023

Disciplined cost management more than offsets inflationary pressure

- People costs down 2% reflects efficiencies achieved across the business, offsetting inflationary pressure.
- Print and Distribution costs were similar year on year with increased paper and distribution costs offset by lower volumes.
- Agency commission and marketing costs were 11% lower largely due to the lower revenues.
- Overall other expenses were 3% higher with lower IT and Communications costs offset by higher other costs including fulfilment costs relating to the resale of digital marketing products.
- Non-recurring expenses relate primarily to restructuring in response to weaker revenue in the period.

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\$ million	30 June 2023	31 December 2022
Trade and other receivables	45.2	48.8
Inventories	5.9	5.6
Trade and other payables	(45.5)	(52.5)
Current tax receivable / (payable)	2.9	(1.7)
Net working capital excluding cash	8.4	0.2
Plant property & equipment, intangibles and other non-current assets	170.8	174.1
Right-of-use assets (NZ IFRS 16)	59.8	63.7
Lease liabilities (NZ IFRS 16)	(86.9)	(91.2)
Finance lease receivable (NZ IFRS 16)	4.2	4.4
Net Debt	(31.6)	(17.5)
Deferred tax	4.0	4.0
Net Assets	128.7	137.8

BALANCE SHEET

For the half year ended 30 June 2023

- Net working capital excluding cash was \$8.2 million higher than December 2022, driven by
 - seasonally lower payables and accruals
 - seasonal increase in tax receivable of \$4.6 million
 - Working capital reduction of around \$10 million is expected by end of year, based on lower inventory levels and seasonality of tax payments.
- Net debt increased by \$14.1 million to \$31.6 million as at 30 June 2023 largely as a result of the payment of the final 2022 dividend in March 2023 and increase in working capital.

\$ million	H1 2023	H1 2022
Operating EBITDA¹	21.3	28.1
Interest paid on bank facilities	(1.1)	(0.5)
Interest paid on leases	(2.4)	(2.4)
Interest received on leases	0.1	0.2
Dividends and interest received	0.2	0.1
Exceptional items	(0.7)	(0.4)
Tax paid	(5.5)	(8.0)
Working capital movement (excluding tax)	(3.6)	(3.9)
Other (non-cash)	0.5	(1.4)
Cash flow from operations	8.8	11.9
Capital expenditure	(5.4)	(4.1)
Lease principal repayment	(6.3)	(5.7)
Operating free cash flow	(2.9)	2.0
BusinessDesk and Radio Wanaka purchases	-	(3.6)
Distribution to shareholders		
Final dividend paid	(11.0)	(9.9)
Share buy-back	-	(5.3)
Cash movement in Net Debt	(13.9)	(16.7)
Other movements	(0.2)	0.2
Movement in Net Debt	(14.1)	(16.4)

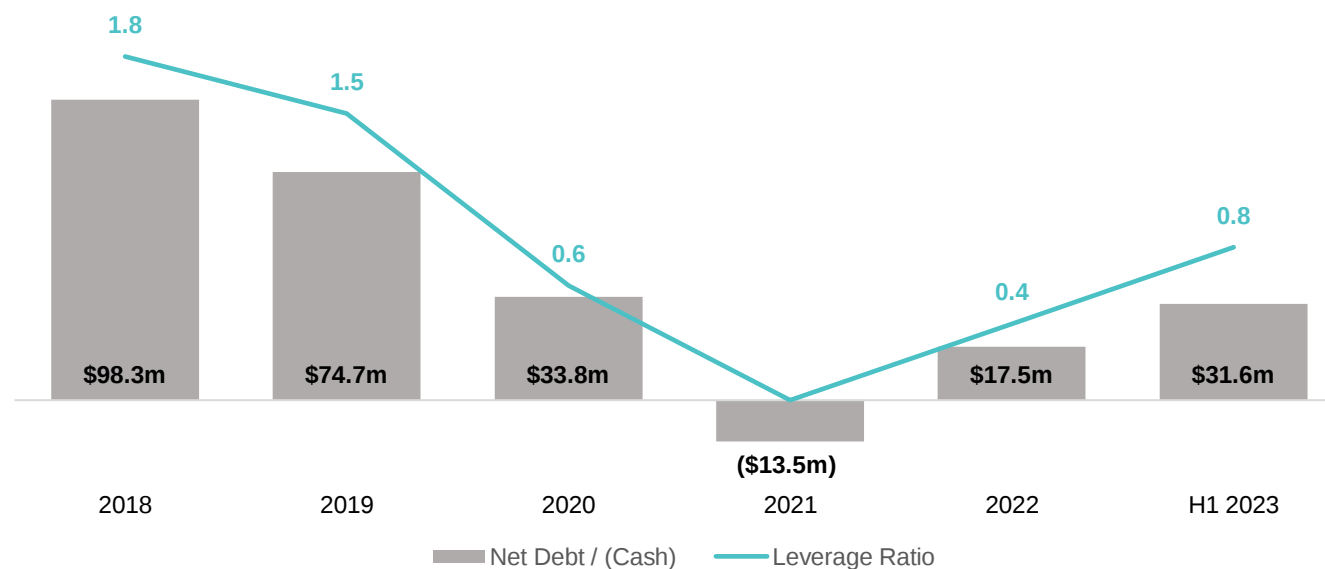
CASH FLOWS

For the half year ended 30 June 2023

- Cash flow from operations for the half was \$8.8 million, which is lower than H1 2022 due to reduced operating earnings.
- Tax paid in the half was lower due to higher tax paid in H1 2022 related to supplementary dividend payments that are treated as a tax credit.
- Tax paid is higher than tax expense as first half earnings lower and tax is paid evenly through the year.
- Capital expenditure for the first half is in line with expected full year of around \$10.0 million.
- 2022 Final Dividend of 6.0 cents per share was paid 22 March 2023.
- Expect working capital movement to reverse by the end of the 2023 year.

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2022 and 2023 financial years. Please refer to pages 36-37 of this results presentation for a detailed reconciliation.

	30 June 2023	31 December 2022
12-months Operating EBITDA (pre NZ IFRS 16) ¹	41.2	48.7
Interest Expense	1.7	1.5
Net interest cover (Operating EBITDA (pre NZ IFRS 16)¹ / Interest Expense)	24.9	46.5
Net Debt (\$ million)	31.6	17.5
Leverage Ratio (Net debt / 12-month Operating EBITDA (pre NZ IFRS 16)¹)	0.8	0.4



CAPITAL MANAGEMENT

For the half year ended 30 June 2023

- Net debt position of \$31.6 million as at 30 June 2023 is \$14.1 million higher than at the end of 2022.
- Leverage ratio has increased in the first half of this year but remains within target range of 0.5 to 1.0 times EBITDA¹ (pre IFRS 16).
- Fully imputed interim dividend declared of 3.0 cents per share, payable on 27 September 2023.

Dividend Policy

NZME intends to pay dividends of 50-80% of Free Cash Flow subject to being within its target leverage ratio and having regard to NZME's capital requirements, operating performance and financial position.

Target Leverage Ratio of 0.5 to 1.0 times rolling 12 month EBITDA¹ (pre NZ IFRS 16).

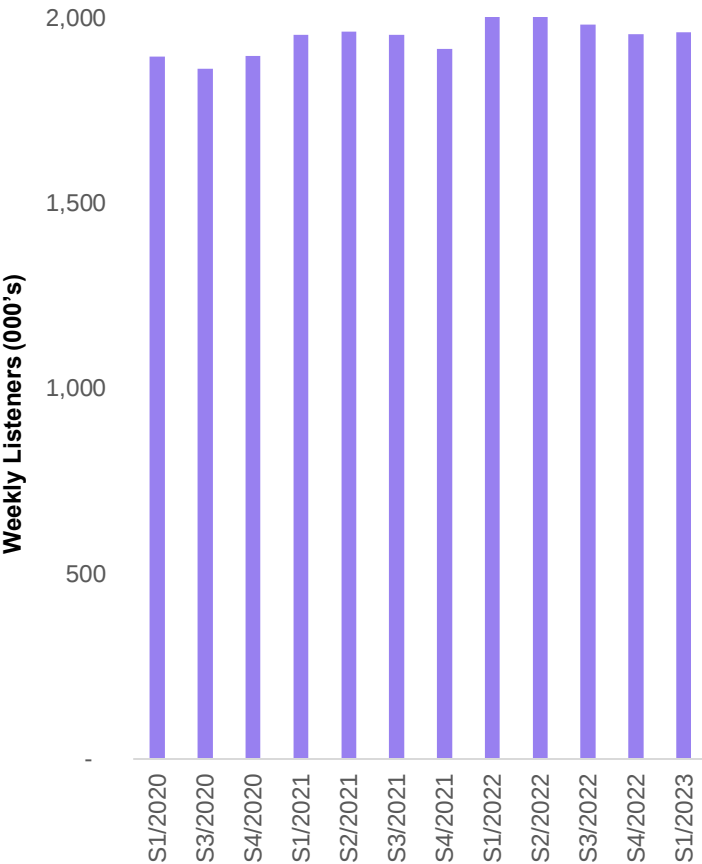
Full dividend policy is available at www.nzme.co.nz/investor-relations/dividends/

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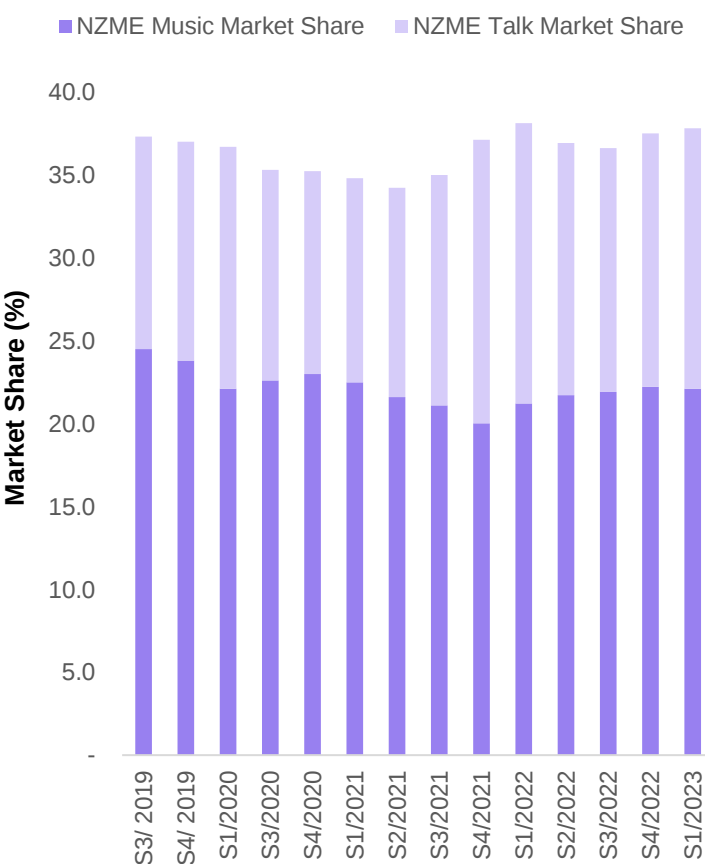
AUDIO

AUDIO LISTENERS AND MARKET SHARE

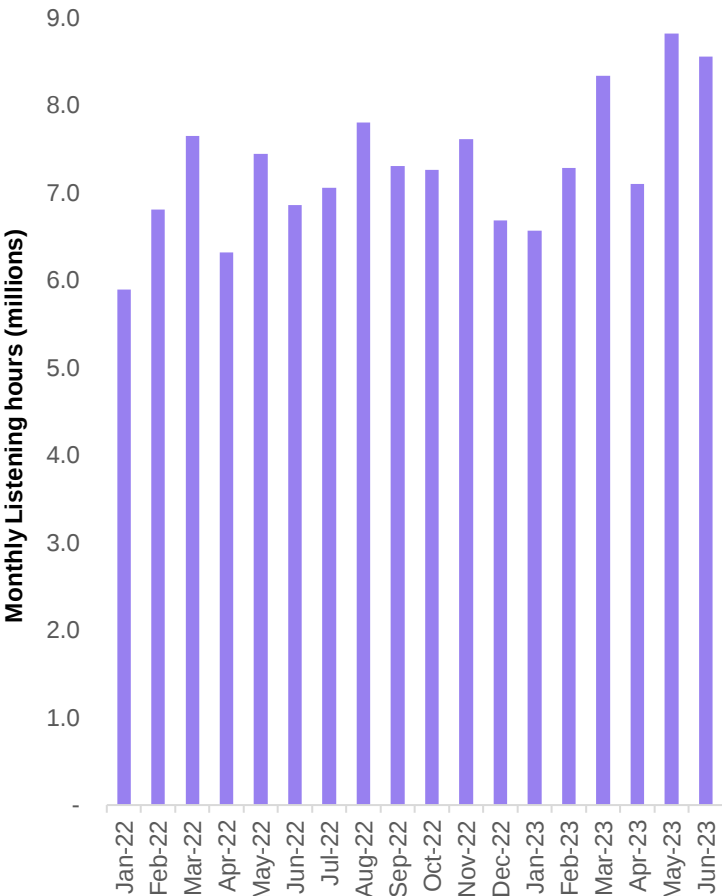
**NZME Radio weekly listeners
(Total NZ All 10+ Cume)¹**



**NZME Radio Share
(Total NZ All 10+ Share)²**



Digital Audio Total Listening Hours³



1. GfK Commercial RAM, NZME excl. Partners, Cumulative Audience 000, M-S 12mn-12mn, Total NZ, S1 2019-S1 2023. AP10+.
2. GfK Commercial RAM, NZME excl. Partners (doesn't include BBC Auckland), Market Share %, M-S 12mn-12mn, S1 2019-S1 2023, AP10+. Note: Radio Sport closed prior to S3 2020.
3. Adswizz AudioMetrix, NZME Network stations, All countries, Monthly TLH plus Triton NZ Podranker, Monthly downloaded hours Jan 2022 - Jun 2023

\$ million	H1 2023	H1 2022 ¹	% Change
Digital audio advertising	3.8	2.9	28%
Radio advertising	50.1	51.1	(2%)
Other	0.6	0.8	(23%)
Audio revenue	54.6	54.8	(1%)
People	(27.7)	(27.9)	(0%)
Agency Commission & Marketing	(6.7)	(7.7)	(13%)
Content	(3.7)	(3.3)	12%
Other	(5.9)	(6.2)	(5%)
Audio expenses	(44.1)	(45.1)	(2%)
Audio EBITDA² (incl. NZ IFRS 16)	10.5	9.7	8%
NZ IFRS 16 Adjustment	(3.9)	(3.5)	13%
Audio EBITDA² (pre NZ IFRS 16)	6.6	6.3	5%
EBITDA² Margin (pre NZ IFRS 16)	12%	11%	1 ppt

AUDIO

For the half year ending 30 June 2023

Digital revenues continue strong growth, contributing to improved profitability year on year

- Digital audio revenue grew 28% compared to the comparative period with continuing momentum.
- Overall Audio revenue was 1% lower than the first half of last year.
- Radio market share to 42.4%, up 1 percentage point compared to 2022³.
- People costs were lower in the half through initiatives to manage costs to offset wage inflationary pressure.
- Agency Commission & Marketing costs were 13% lower, reflecting lower agency revenues and reduced marketing during the half.
- EBITDA¹ margin improved 1 percentage point, despite difficult environment.

1. H1 2022 operating results presented reflect reclassification adjustments that differ when compared with operating results as reported for the half year ended 30 June 2022. Please refer to page 38 of this results presentation for a reconciliation.

2. EBITDA is a non-GAAP measure and excludes exceptional items.

3. Radio Broadcasters Association Monthly Radio Market Report, rolling 12-month average to 30 June 2023 vs 12 months to 31 December 2022. Note: report excludes independent broadcasters, contra revenue, and digital audio.

NEW ZEALAND'S LEADING AUDIO COMPANY



Metric	2023 Target set in 2020	2020 Achievement	2021 Achievement	2022 Achievement	H1 2023 Achievement	2023 Initiatives - Progress Update
NZME share of total audience	> 1% share point growth per annum	35.6% ¹	37.4% ¹	37.7% ¹	38.1% ¹	- Maintained strength of ZB and ZM in key demographics and delivered further audience share growth. - Digital Radio total Listening Hours have grown 12% to 38 million for the half⁵. - NZME Podcast network continues to lead the market with 1.0 million monthly listeners⁶ who have downloaded over 44 million podcasts in the first half of this year.
Radio Revenue Share	> 1% share point growth per annum	40.4% ²	40.9% ²	41.4% ²	42.4% ²	- Industry-wide audio advocacy programme launched to drive total radio market growth, with continued development over the remainder of 2023. - While the NZ advertising market remains challenged, NZME's audio revenue is now 5% ahead of 2019. - NZME's digital audio revenues are excluded from radio share metrics and deliver incremental revenue and share gains.
Digital audio revenue as a % of total audio revenue	5%	2.4%	3.4%	5.1%	7.0%	- Increased customer enquiry being generated across NZME customer base. - Commenced exclusive commercial representation for the second and third largest podcast networks in NZ (Audioboom and Sirius). - New iHeart features ready for launch allowing personalisation of content.
EBITDA ³ Margin Target (pre NZ IFRS16)	15 – 17%	14% ⁴	12%	13%	12%	

1. GfK Commercial RAM, NZME excl. Partners, Total NZ, M-S 12mn-12mn, Market Share %, S4 2020 – S1 2023, AP10+

2. Radio Broadcasters Association Monthly Radio Market Report, rolling 12-month average to 31 December (2020 – 2022) and 12-month average to 30 June 2023 (H1 2023). Note: report excludes independent broadcasters, contra revenue, and digital audio.

3. EBITDA is a non-GAAP measure and excludes exceptional items.

4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 10.5%.

5. Adswizz AudioMetric, NZME Network stations, All countries, Average Monthly TLH Jan-Jun 2023

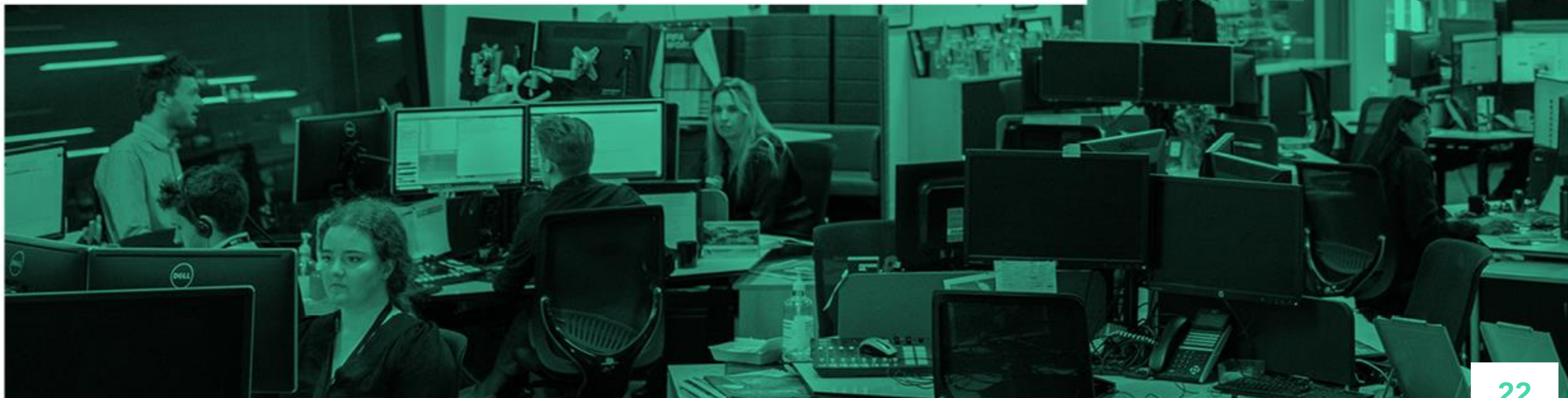
6. Triton NZ Podranker as at June 2023 *Triton NZ Podranker Jan – June 2023

REPORTERS
Kaipūrongo



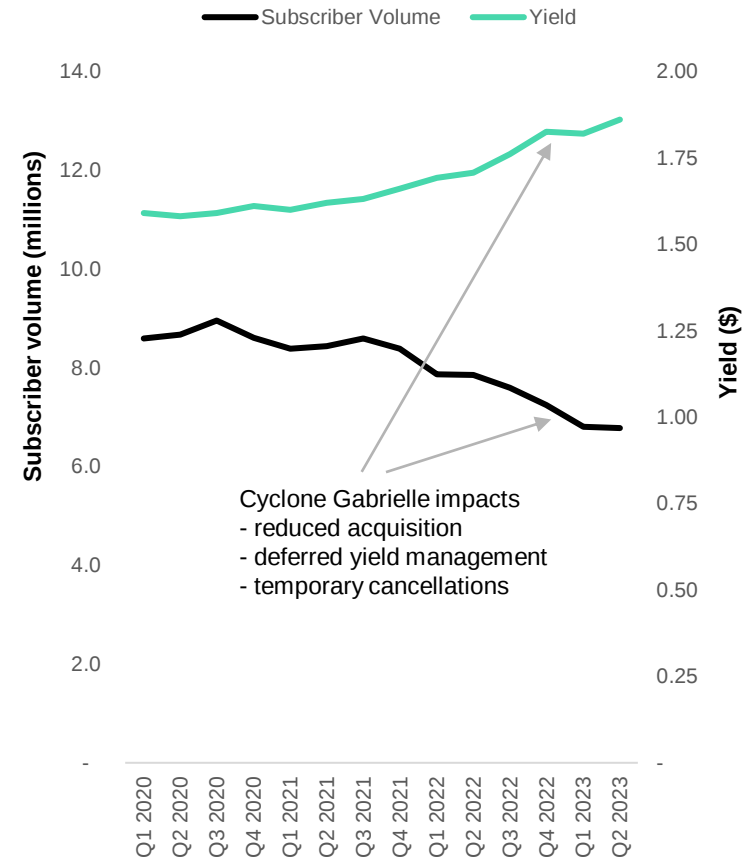
**NZ
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NEW ZEALAND
MEDIA AND
ENTERTAINMENT

PUBLISHING

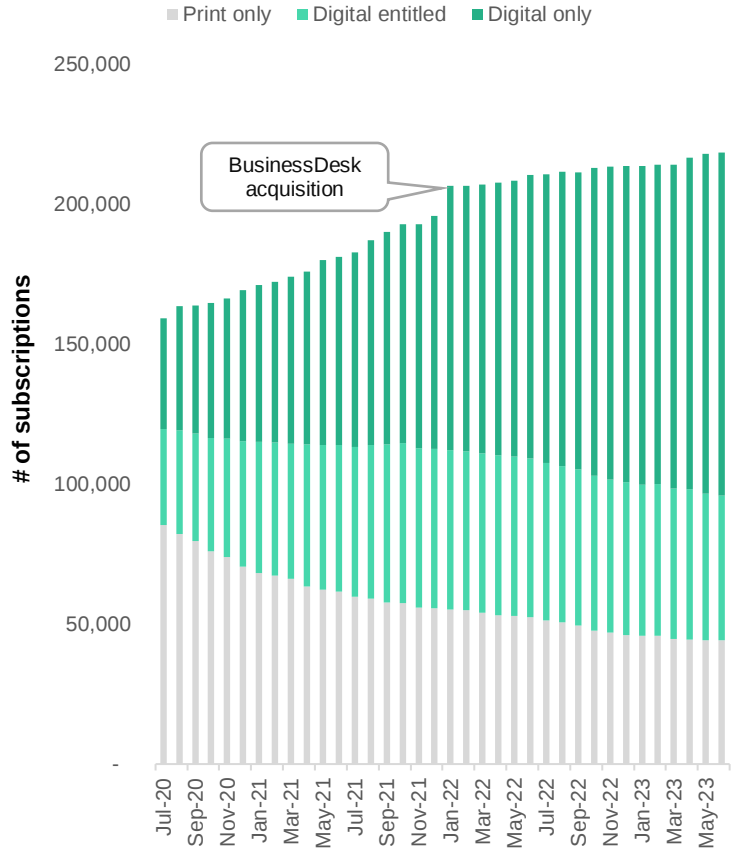


INCREASING DIGITAL SUBSCRIPTIONS

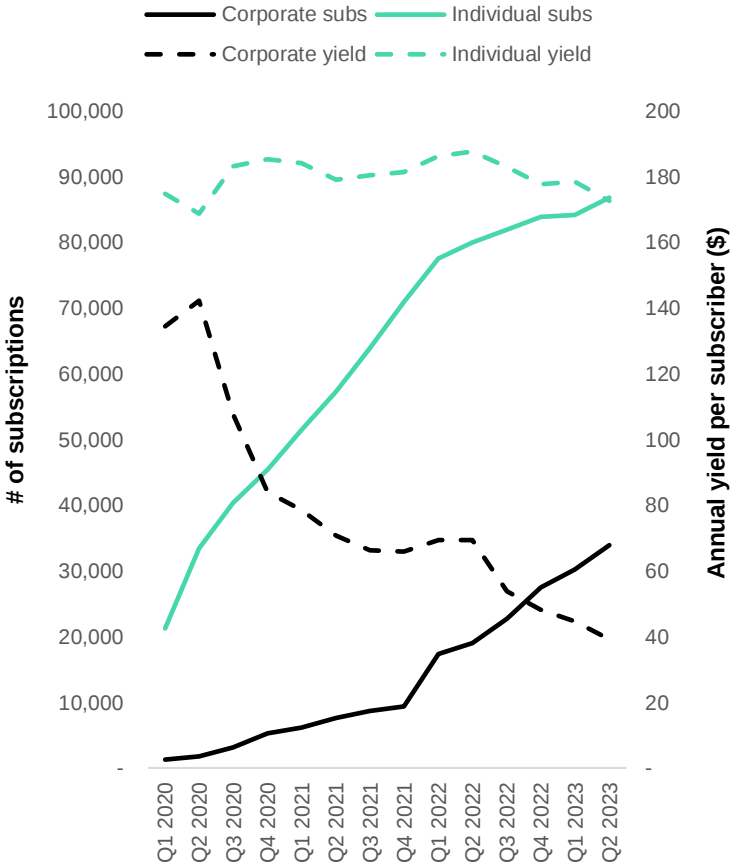
Print Subscriber volume and yield¹



Subscriptions Mix



Digital subscription volume² and yield



1. Print subscriber volume drives revenue and represents the count of individual paid papers delivered including the NZ Herald, Herald on Sunday and Regionals. Subscriber yield includes promotional volumes.
2. Digital subscription volumes, quarterly average.

\$ million	H1 2023	H1 2022 ¹	% Change
Digital subscriptions	8.1	7.9	2%
Print subscriptions	25.1	26.9	(7%)
Retail outlet sales	6.5	7.0	(6%)
Total reader revenue	39.8	41.8	(5%)
Digital advertising	25.6	29.3	(12%)
Print advertising	27.5	30.7	(10%)
Total advertising revenue	53.1	59.9	(11%)
Other	8.6	7.9	9%
Publishing revenue	101.4	109.6	(7%)
People	(40.3)	(41.4)	(3%)
Print & Distribution	(22.6)	(22.3)	1%
Agency Commission & Marketing	(7.7)	(9.4)	(18%)
Content	(4.9)	(4.8)	3%
Other	(11.0)	(10.7)	3%
Publishing expenses	(86.5)	(88.6)	(2%)
Publishing EBITDA² (incl. NZ IFRS 16)	14.9	21.0	(29%)
NZ IFRS 16 Adjustment	(4.1)	(3.8)	6%
Publishing EBITDA² (pre NZ IFRS 16)	10.8	17.1	(37%)
EBITDA² Margin (pre NZ IFRS 16)	11%	16%	-5 ppt

1. H1 2022 operating results presented reflect reclassification adjustments that differ when compared with operating results as reported for the half year ended 30 June 2022. Please refer to page 38 of this results presentation for a reconciliation.

2. EBITDA is a non-GAAP measure and excludes exceptional items.

PUBLISHING

For the half year ending 30 June 2023

Difficult economic environment impacts reader and advertising revenues

- Total reader revenue decreased 5% half-on-half, with the decline in print reader revenue and retail outlet sales offsetting revenue growth in digital subscriptions.
- Print subscription decline represents significant disruption from Cyclone Gabrielle, resulting in temporary cancellations, reduced acquisition and deferred yield enhancements.
- Total advertising revenue declined 11%, with digital advertising revenue declines slightly more than Print advertising revenue.
- Other revenue increase represents additional external print & distribution revenue.
- Lower People costs through initiatives to manage costs in response to lower revenue more than offsetting the wage inflationary pressure.
- Agency Commission & Marketing costs were 18% lower, reflecting lower revenue from Agency clients and reduced marketing spend in the half.



Metric	2023 Target set in 2020	2020 Achievement	2021 Achievement	2022 Achievement	H1 2023 Achievement	2023 Initiatives - Progress Update
Subscription Volume Target	More than 210,000 by 2023 year-end	169,000	191,000	209,000 ¹	218,000 ¹	- Strong growth in Corporate employee activations and bundled customer growth has led to lower yields. - Launched new Listener partner subscription vertical. - Herald Premium and BusinessDesk price increase implemented to lift yield on individual subscriber base. - Expanded personalisation on homepage with enhanced data models to increase audience engagement and conversion. 'What The Actual', Gen Z audience proposition launched. - Delivered biggest audience ever during Cyclone Gabrielle and raised \$14 million for relief efforts. - BusinessDesk partnered with global business publication, Wall Street Journal
Subscription Volume Mix	Digital Only > Print	32% / 68%	43% / 57%	54% / 46%	56% / 44%	
% Households Subscribing	> 12% by year-end	9% ²	10% ²	11% ²	11% ²	
Advertising Revenue Mix	> 45% Digital	42% Digital	46% Digital	48% Digital	48% Digital	
EBITDA³ Margin Target (pre NZ IFRS16)	18-19%⁵	19%⁴	18%	18%	11%	- Increased adoption of Audience Connect NZME's 1st party data portfolio to lift yields and campaign effectiveness. - New Live Shopping product launched. - New Driven Car Guide site launched to reposition as independent car advice site. - Digital 'Advertising As A Service' services launched; SEO, off network audience extensions.

1. Includes the impact of the BusinessDesk acquisition.

2. Stats.govt.nz Dwelling and household estimates: June 2023 quarter.

3. EBITDA is a non-GAAP measure and excludes exceptional items.

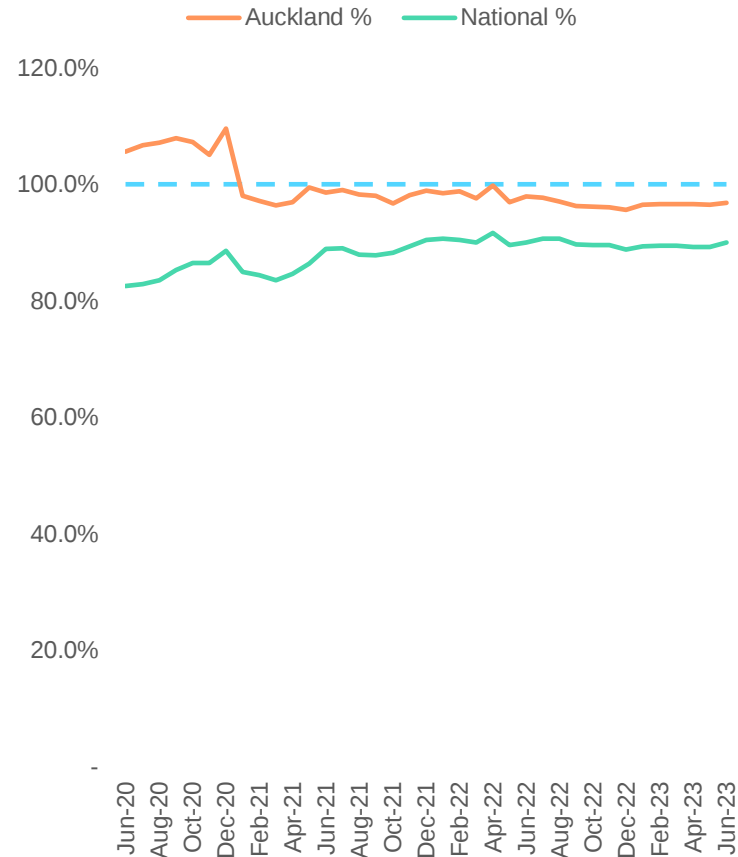
4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 17.0%.

5. Adjusted from 19-20% to reflect the change in accounting policy on SaaS arrangements. Capital expenditure is expected to reduce by a similar amount.

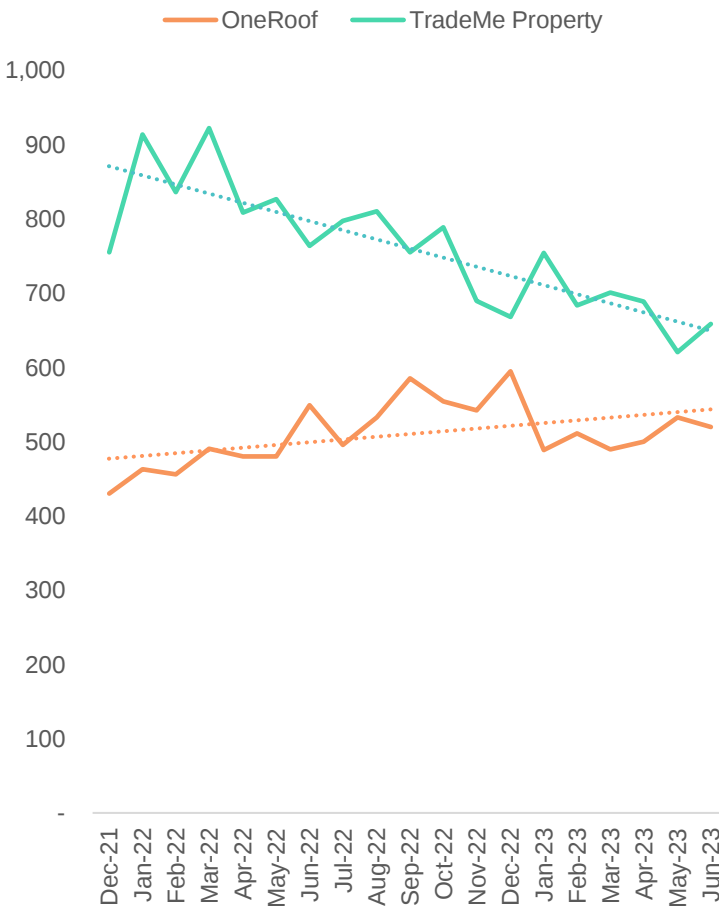
ONEROOF

ONEROOF AUDIENCE & LISTINGS

OneRoof Auckland and National Residential For-sale Listings as a % of Trade Me¹



OneRoof Monthly Online Audience compared with TradeMe Property (000's)²



OneRoof Digital Residential for-sale Listings Upgrade %³



1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Note: From June 2021 onwards lifestyle properties and sections were added to the OneRoof count.
 2. Nielsen Online Ratings - Domestic Unique Audience, Dec 2021 - Jun 2023 (does not include exclusive mobile app audience).
 3. NZME Analysis

\$ million	H1 2023	H1 2022 ¹	% Change
Digital	5.0	5.1	(1%)
Print	4.4	6.8	(36%)
Other	0.2	0.4	(38%)
OneRoof revenue	9.6	12.2	(21%)
People	(3.4)	(4.0)	(14%)
Print & Distribution	(2.4)	(3.2)	(26%)
Agency Commission & Marketing	(3.8)	(3.4)	12%
Content	(0.8)	(0.9)	(9%)
Other	(0.5)	(0.6)	(2%)
OneRoof expenses	(10.9)	(12.0)	(9%)
OneRoof EBITDA² (incl. NZ IFRS 16)	(1.3)	0.2	(660%)
NZ IFRS 16 Adjustment	(0.3)	(0.3)	(11%)
OneRoof EBITDA² (pre NZ IFRS 16)	(1.6)	(0.1)	n/a
EBITDA² Margin (pre NZ IFRS 16)	(17%)	(1%)	-16 ppt

1. H1 2022 operating results presented reflect reclassification adjustments that differ when compared with operating results as reported for the half year ended 30 June 2022. Please refer to page 38 of this results presentation for a reconciliation.

2. EBITDA is a non-GAAP measure and excludes exceptional items.

ONEROOF

For the half year ending 30 June 2023

Increased OneRoof upgrades offsets 20% decline in new listings coming to market and reduced advertising on site

- Print advertising decline reflects skews of products to higher impacted real estate markets (e.g., Auckland new listings down 25% vs. rest of NZ down 17%).
- People costs lower through initiatives to manage costs in response to lower revenue more than offsetting the wage inflationary pressure.
- Print and Distributions costs were lower with fewer and smaller publications given reduced demand.
- Marketing costs increased as OneRoof continued to focus on growing the brand and conversion rates nationwide.
- Lower overall revenue resulted in a reduction in EBITDA, although an improvement on H2 2022 despite market conditions.
- Exercised option to acquire remaining 20% of shares from joint venture partner to bring shareholding in OneRoof Limited to 100%.

YOUR COMPLETE PROPERTY DESTINATION

Metric	2023 Target set in 2020	2020 Achievement	2021 Achievement	2022 Achievement	H1 2023 Achievement	2023 Initiatives – Progress Update
Residential Listings	96% of listings (100% of non-private)	89% ¹	91% ¹	89% ¹	90% ¹	Strengthened industry and agent engagement has enabled OneRoof to achieve strong listings levels (excluding private and small independent agent listings), and now equals realestate.co.nz listing levels.
Audience	Reduce gap to #1	459k, gap to #1 of 250k ²	497k, gap to #1 of 396k ²	564k, gap to #1 of 152k ²	518k, gap to #1 of 139k ²	- Gap continues to close, despite subdued market, through growing brand awareness and content optimisation, focussed on personalisation, localised communications and in-depth category insights. - Share of audience reach continues to grow, with increased online listing views and enquiries at low marginal cost.
Listings Upgrade %⁵	50% of Auckland residential listing 22% of regional residential listings	17.6% Auckland 3.9% Regional	23.5% Auckland 5.4% Regional	38.4% Auckland 14.8% Regional	42.6% Auckland 16.8% Regional	- NZME's multi platform capabilities and reach delivering benefits with 2023 listing views up 64% and enquiries up 35% year on year. - Strengthened relationships with regional agents through increased engagement and support. - Multi-year product and pricing strategy in development.
Revenue	Digital > Print	24% / 76%	38% / 62%	46% / 54%	53% / 47%	Recent addition of publications in Queenstown and Taupo shows commitment to print where it remains relevant for certain real estate markets, enabling an improved customer offering.
EBITDA³ Margin Target (pre NZ IFRS16)	15 - 25%	8%⁴	7%	(9%)	(17%)	With continued focus and investment in growth initiatives, OneRoof is well positioned to deliver EBITDA targets as the real estate market recovers from the current downturn.

1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. June 2023 average. 2020 - 2022 figures as previously stated in 2022 Full Year results presentation.

2. Nielsen Online Ratings - Domestic Unique Audience (does not include exclusive mobile app audience), monthly average for Q2 2023. 2020 - 2022 figures as previously stated in 2022 Full Year results presentation.

3. EBITDA is a non-GAAP measure and excludes exceptional items.

4. Includes Covid-19 government wage subsidy received in 2020. Excluding the impact of the government wage subsidy received in 2020, the EBITDA margin was 4.7%.

5. As at Q4 for 2020 – 2022 and as at June for H1 2023. Updated methodology used from 2022 (multiple upgrade packages for single listings now counted as single upgrade and other categories are more clearly defined).

\$ million	H1 2023	H1 2022 ¹	% Change
Revenue	0.4	0.1	223%
People	(1.5)	(1.6)	(5%)
Other	(1.7)	(1.3)	30%
Corporate & other expenses	(3.2)	(2.9)	11%
Corporate & other EBITDA² (incl. NZ IFRS 16)	(2.8)	(2.8)	(1%)
NZ IFRS 16 Adjustment	(0.0)	(0.0)	-
Corporate & other EBITDA² (pre NZ IFRS 16)	(2.8)	(2.8)	(1%)

CORPORATE & OTHER

For the half year ended 30 June 2023

- Events business activity in the first half resulted in higher revenue and costs for the half compared to the first half of 2022 when no events were run.

1. H1 2022 operating results presented reflect reclassification adjustments that differ when compared with operating results as reported for the half year ended 30 June 2022. Please refer to page 38 of this results presentation for a reconciliation.
2. EBITDA is a non-GAAP measure and excludes exceptional items.

OUTLOOK

FINANCIAL PERFORMANCE

- Business confidence, while still negative, has been recovering and interest rates are peaking. Real estate sentiment is improving. However, the economic environment remains uncertain.
- The second half of 2023 has commenced well. Revenue performance is improving, with August and September bookings currently tracking to be 3% higher than the corresponding months in 2022.
- The fourth quarter is typically NZME's largest quarter. 2023 will be influenced by many things, especially the New Zealand election, Rugby World Cup and the partial recovery of the real estate market.
- Based on current performance, NZME confirms that it expects to be at the lower end of the EBITDA range previously issued of \$59-\$64 million for 2023.

CAPITAL MANAGEMENT

- We are pleased to have declared an interim dividend for 2023 at the same level as last year.
- We expect to see a release of working capital in the second half of 2023.
- Based on the expected financial performance, net debt is forecast to reduce by the end of the year, resulting in net debt below the lower end of the target leverage ratio.
- Given the uncertain environment, the Board continues to have a desire to operate at the lower end of the target leverage ratio and will review its capital management options together with the full year results.



Q&A



SUPPLEMENTARY INFORMATION

OUR SUSTAINABILITY COMMITMENT

NZME is committed to protecting the craft of journalism and broadcasting to keep Kiwis in the know.

We report on 27 sustainability objectives each year in our Annual Report and we have implemented numerous initiatives to ensure we have meaningful, sustainable practices for the wider community, the wellbeing of our people and the environment.

We have engaged an external consultancy to review and assist with our preparation for climate-related disclosures required as part of new government legislation to be introduced in 2024.

The following is a snapshot of our activity so far for 2023.



OUR COMMUNITIES



RESPONSIBLE REPORTING AND BROADCASTING

NZME takes its responsibility to provide a balanced reporting platform very seriously, as well as keeping Kiwis in the know on matters that might impact them.

In February 2023 New Zealand's North Island was subject to extreme weather events, which had a huge impact on people, homes, businesses and infrastructure. NZME kept impacted communities in the know through continual news updates and the distribution of a free special edition Hawke's Bay Today containing vital Civil Defence and public health information.



CONNECTING COMMUNITIES

We continue to connect our communities and offer diverse storytelling including through Talanoa, Voices of the Pacific and Kahu – home of Māori news.

Recently we welcomed the second intake of the Te Rito journalism cadetship ahead of their year of study and learnings on the job. This follows the first successful intake, which saw many cadets secure jobs through the media industry partnership, which aims to inject the industry with voices that better reflect our diverse communities.



SHARING OUR PLATFORMS

NZME partners with a number of organisations to champion charitable causes. This included helping raise \$13 million through the NZ Red Cross Disaster Relief Fund following flooding events in the North Island.

OUR PEOPLE



PROMOTING A HEALTHY, DIVERSE AND SAFE WORKPLACE

NZME is committed to being an employer of choice. In 2022, NZME finished the year with an Employee Net Promoter Score that was within the top 25 percent, and approaching the top 10%, of consumer media businesses globally.

Through the work of NZME's Diversity and Inclusion Committee, NZME continues to support and celebrate a calendar of events including Chinese New Year, Auckland Pride Parade and Matariki.



CHAMPIONING THE CRAFT

NZME has been recognised with a number of industry awards already in 2023 including: Voyager Media Awards, NZ Radio Awards, The International News Media Association (INMA) Awards, Pride in Print Awards and Best Media Business at the Beacon Awards.



EQUIPPING OUR PEOPLE

NZME launched a new leadership programme "Develop Me" to create vibrant and exceptional leadership across NZME. The first intake for the programme is underway, with the second intake due to start in Feb 2024.

OUR ENVIRONMENT



RECYCLING

NZME's print operations at Ellerslie have been awarded the Toitu enviromark gold certification – illustrating our focus on reducing waste, operating efficiently, and minimising harm to the environment.



BEST PRACTICE

NZME continues to work with our suppliers and partners to ensure our operations are best practice.

NZME introduced a Responsible Sourcing Policy, which sets out the minimum standards that all suppliers, direct or indirect, and

approved sub-contractors, are expected to comply with to do business with us.

NZME has developed and issued a Modern Slavery Statement, which explains how we proactively manage and mitigate the risk of modern slavery, including forced labour and other severe worker exploitation..



RESPONSIBILITY

The NZ Herald and NZME's other news platforms continue to cover environmental and climate change related issues. The NZ Herald online has a dedicated section online for environmental news.

2023 DIVISIONAL PERFORMANCE

For the half year ended 30 June 2023

\$ million	Audio	Publishing	OneRoof	Other	H1 23 Total	H1 22 Total	% Change
Reader Revenue:							
- Digital	-	8.1	-	-	8.1	7.9	2%
- Print	-	31.7	-	-	31.7	33.8	(6%)
Reader Revenue	-	39.8	-	-	39.8	41.8	(5%)
Advertising Revenue:							
- Digital	3.8	25.6	5.0	-	34.4	37.3	(8%)
- Radio	50.1	-	-	-	50.1	51.1	(2%)
- Print	-	27.5	4.4	-	31.8	37.4	(15%)
Advertising Revenue	53.9	53.1	9.4	-	116.4	125.8	(7%)
Other Revenue	0.6	8.6	0.2	0.4	9.8	9.2	7%
Total Revenue	54.6	101.4	9.6	0.4	166.0	176.7	(6%)
People	(27.7)	(40.3)	(3.4)	(1.5)	(73.0)	(74.8)	(2%)
Print & Distribution	-	(22.6)	(2.4)	-	(25.0)	(25.6)	(2%)
Agency Commission & Marketing	(6.7)	(7.7)	(3.8)	-	(18.2)	(20.5)	(11%)
Content	(3.7)	(4.9)	(0.8)	(0.0)	(9.4)	(9.1)	3%
Other	(5.9)	(11.0)	(0.5)	(1.7)	(19.2)	(18.6)	3%
Total Costs	(44.1)	(86.5)	(10.9)	(3.2)	(144.7)	(148.6)	(3%)
Operating EBITDA¹	10.5	14.9	(1.3)	(2.8)	21.3	28.1	(24%)
NZ IFRS 16 Adjustments	(3.9)	(4.1)	(0.3)	(0.0)	(8.3)	(7.7)	8%
EBITDA (pre NZ IFRS 16)²	6.6	10.8	(1.6)	(2.8)	13.0	20.5	(37%)
EBITDA (pre NZ IFRS 16)² Margin %	12%	11%	(17%)	-	8%	12%	-4 ppt

Cost pools that relate to multiple divisions have been allocated based on revenue, geography and headcount.

1. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2022 and 2023 financial years. Please refer to pages 36-37 of this results presentation for a detailed reconciliation.

2. EBITDA (pre IFRS 16) is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of NZ IFRS 16.

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

6 MONTHS ENDED 30 JUNE 2023						
\$ million	Operating Results excl. NZ IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. NZ IFRS 16	Reclass of items	Exceptional and Other Items	Per Financial Statements
Reader revenue	39.8	-	39.8	-	-	39.8
Advertising revenue	116.4	-	116.4	-	-	116.4
Other revenue	7.1	-	7.1	-	-	7.1
Operating revenue	163.3	-	163.3	-	-	163.3
Other income	3.1	(0.4)	2.7	0.2	-	2.9
Operating revenue and other income	166.4	(0.4)	166.0	0.2	-	166.2
Expenses	(153.4)	8.7	(144.7)	-	(1.0)	(145.7)
EBITDA	13.0	8.3	21.3	0.2	(1.0)	20.5
Depreciation and amortisation	(8.0)	(5.8)	(13.8)	-	-	(13.8)
EBIT	5.0	2.5	7.5	0.2	(1.0)	6.7
Share of loss of JV's	-	-	-	-	(0.2)	(0.2)
Net interest expense	(1.2)	(2.2)	(3.5)	(0.2)	-	(3.7)
Net profit/(loss) before tax	3.8	0.3	4.0	-	(1.2)	2.9
Tax	(1.1)	-	(1.1)	-	0.2	(0.9)
Net profit/(loss) after tax	2.6	0.3	2.9	-	(0.9)	2.0

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

6 MONTHS ENDED 30 JUNE 2022						
\$ million	Operating Results excl. NZ IFRS 16	NZ IFRS 16 Adjustments	Operating Results incl. NZ IFRS 16	Reclass of items	Exceptional and Other Items	Per Financial Statements
Reader revenue	41.8	-	41.8	-	-	41.8
Advertising revenue	125.8	-	125.8	-	-	125.8
Other revenue	5.8	-	5.8	-	-	5.8
Operating revenue	173.3	-	173.3	-	-	173.3
Other income	3.8	(0.4)	3.4	0.2	-	3.6
Operating revenue and other income	177.2	(0.4)	176.7	0.2	-	176.9
Expenses	(156.7)	8.1	(148.6)	-	(0.7)	(149.3)
EBITDA	20.5	7.7	28.1	0.2	(0.7)	27.6
Depreciation and amortisation	(7.7)	(5.3)	(13.0)	-	-	(13.0)
EBIT	12.8	2.3	15.1	0.2	(0.7)	14.6
Share of gain of JV's	-	-	-	-	0.0	0.0
Net interest expense	(0.4)	(2.3)	(2.7)	(0.2)	-	(2.9)
Net profit/(loss) before tax	12.5	-	12.5	-	(0.7)	11.8
Tax	-	-	(3.4)	-	0.1	(3.3)
Net profit/(loss) after tax	12.5	-	9.0	-	(0.6)	8.5

RESTATED¹ H1 2022 OPERATING RESULTS

For the half year ended 30 June 2022

\$ million	As reported					Adjustments					Restated				
	Audio	Publishing	OneRoof	Other	Total	Audio	Publishing	OneRoof	Other	Total	Audio	Publishing	OneRoof	Other	Total
Reader Revenue:															
- Digital	-	7.9	-	-	7.9	-	-	-	-	-	-	7.9	-	-	7.9
- Print	-	33.8	-	-	33.8	-	-	-	-	-	-	33.8	-	-	33.8
Reader Revenue	-	41.8	-	-	41.8	-	-	-	-	-	-	41.8	-	-	41.8
Advertising Revenue:															
- Digital	2.5	29.3	5.4	0.5	37.7	0.4	(0.1)	(0.3)	(0.5)	(0.4)	2.9	29.3	5.1	-	37.3
- Radio	51.1	-	-	-	51.1	-	-	-	-	-	51.1	-	-	-	51.1
- Print	-	30.7	6.8	-	37.4	-	-	-	-	-	-	30.7	6.8	-	37.4
Advertising Revenue	53.6	60.0	12.2	0.5	126.2	0.4	(0.1)	(0.3)	(0.5)	(0.4)	54.0	59.9	11.9	-	125.8
Other Revenue	0.8	7.8	-	0.1	8.8	-	0.1	0.3	-	0.4	0.8	7.9	0.4	0.1	9.2
Total Revenue	54.4	109.5	12.2	0.6	176.7	0.4	-	-	(0.4)	-	54.8	109.6	12.2	0.1	176.7
People	(28.1)	(44.1)	(4.2)	(1.8)	(78.3)	0.2	2.7	0.2	0.3	3.4	(27.9)	(41.4)	(4.0)	(1.6)	(74.8)
Print & Distribution		(22.6)	(3.2)		(25.8)		0.2	-	-	0.2	-	(22.3)	(3.2)	-	(25.6)
Agency Commission & Marketing	(8.1)	(9.7)	(3.4)	(0.1)	(21.4)	0.4	0.4	-	0.1	0.9	(7.7)	(9.4)	(3.4)	-	(20.5)
Content	(3.3)	(4.8)	(0.7)	(0.2)	(8.9)	-	-	(0.2)	0.2	-	(3.3)	(4.8)	(0.9)	-	(8.9)
Other	(5.5)	(6.9)	(0.5)	(1.3)	(14.2)	(0.7)	(3.8)	-	-	(4.5)	(6.2)	(10.7)	(0.6)	(1.3)	(18.8)
Total Costs	(45.0)	(88.1)	(12.0)	(3.5)	(148.6)	(0.1)	(0.5)	-	0.6	-	(45.1)	(88.6)	(12.0)	(2.9)	(148.6)
Operating EBITDA²	9.4	21.5	0.2	(2.9)	28.1	0.4	(0.5)	-	0.1	-	9.7	21.0	0.2	(2.8)	28.1
NZ IFRS 16 Adjustments	(3.5)	(3.8)	(0.3)	-	(7.7)	-	-	-	-	-	(3.5)	(3.8)	(0.3)	-	(7.7)
EBITDA (pre NZ IFRS 16)³	5.9	17.6	(0.1)	(2.9)	20.5	0.4	(0.5)	-	0.1	-	6.3	17.1	(0.1)	(2.8)	20.5
EBITDA (pre NZ IFRS 16)³ Margin %	11%	16%	(1%)		12%						11%	12%	(1%)		12%

1. Various expense classifications have been changed in order to more appropriately group costs. The impact of these changes on the comparative reported results are outlined in the table shown.

2. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison between 2022 and 2023 financial years. Please refer to pages 36-37 of this results presentation for a detailed reconciliation.

3. EBITDA (pre NZ IFRS 16) is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of NZ IFRS 16.

RESTATED¹ 2022 OPERATING RESULTS

For the full year ended 31 December 2022

\$ million	As reported					Adjustments					Restated				
	Audio	Publishing	OneRoof	Other	Total	Audio	Publishing	OneRoof	Other	Total	Audio	Publishing	OneRoof	Other	Total
Reader Revenue:															
- Digital	-	16.1	-	-	16.1	-	-	-	-	-	-	16.1	-	-	16.1
- Print	-	67.5	-	-	67.5	-	-	-	-	-	-	67.5	-	-	67.5
Reader Revenue	-	83.7	-	-	83.7	-	-	-	-	-	-	83.7	-	-	83.7
Advertising Revenue:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Digital	6.8	59.5	10.5	-	76.9	-	-	(0.3)	-	(0.3)	6.8	59.5	10.2	-	76.5
- Radio	105.6	-	-	-	105.6	-	-	-	-	-	105.6	-	-	-	105.6
- Print	-	63.8	12.3	-	76.1	-	-	-	-	-	-	63.8	12.3	-	76.1
Advertising Revenue	112.4	123.3	22.8	-	258.5	-	-	(0.3)	-	(0.3)	112.4	123.3	22.5	-	258.2
Other Revenue	1.5	18.5	-	2.5	22.5	-	-	0.3	-	0.3	1.5	18.5	0.4	2.5	22.8
Total Revenue	113.9	225.4	22.9	2.5	364.6	-	-	-	-	-	113.9	225.4	22.9	2.5	364.6
People	(56.2)	(88.7)	(8.3)	(2.9)	(156.0)	0.5	6.2	0.4	-	7.2	(55.6)	(82.4)	(7.9)	(2.9)	(148.9)
Print & Distribution	-	(45.8)	(6.0)	-	(51.9)	-	0.4	-	-	0.4	-	(45.4)	(6.0)	-	(51.5)
Agency Commission & Marketing	(17.0)	(19.0)	(7.4)	-	(43.4)	0.9	1.2	-	-	2.2	(16.1)	(17.7)	(7.4)	-	(41.2)
Content	(6.8)	(10.2)	(1.4)	-	(18.4)	(0.4)	0.3	(0.3)	-	(0.5)	(7.2)	(9.9)	(1.7)	-	(18.9)
Other	(11.2)	(14.3)	(1.1)	(3.6)	(30.2)	(1.0)	(8.2)	(0.1)	-	(9.3)	(12.2)	(22.5)	(1.2)	(3.6)	(39.5)
Total Costs	(91.2)	(178.0)	(24.3)	(6.5)	(299.9)	-	-	-	-	-	(91.2)	(178.0)	(24.3)	(6.5)	(299.9)
Operating EBITDA²	22.8	47.4	(1.4)	(4.1)	64.7	-	-	-	-	-	22.8	47.4	(1.4)	(4.1)	64.7
NZ IFRS 16 Adjustments	(7.5)	(7.7)	(0.8)	(0.1)	(16.0)	-	-	-	-	-	(7.5)	(7.7)	(0.8)	(0.1)	(16.0)
EBITDA (pre NZ IFRS 16)³	15.2	39.7	(2.2)	(4.1)	48.7	-	-	-	-	-	15.2	39.7	(2.2)	(4.1)	48.7
EBITDA (pre NZ IFRS 16)³ Margin %	13%	18%	(9%)		13%						13%	18%	(9%)		13%

1. Various expense classifications have been changed in order to more appropriately group costs. The impact of these changes on the comparative reported results are outlined in the table shown.

2. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison across financial years.

3. EBITDA (pre NZ IFRS 16) is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of NZ IFRS 16.

RESTATED¹ 2021 OPERATING RESULTS

For the full year ended 31 December 2021

\$ million	As reported					Adjustments					Restated				
	Audio	Publishing	OneRoof	Other	Total	Audio	Publishing	OneRoof	Other	Total	Audio	Publishing	OneRoof	Other	Total
Reader Revenue:															
- Digital	-	11.6	-	-	11.6	-	-	-	-	-	-	11.6	-	-	11.6
- Print	-	70.3	-	-	70.3	-	-	-	-	-	-	70.3	-	-	70.3
Reader Revenue	-	81.9	-	-	81.9	-	-	-	-	-	-	81.9	-	-	81.9
Advertising Revenue:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Digital	3.6	56.1	8.1	0.8	68.7	0.8	-	(0.3)	(0.8)	(0.3)	4.5	56.1	7.8	-	68.3
- Radio	101.0	-	-	-	101.0	-	-	-	-	-	101.0	-	-	-	101.0
- Print	-	65.0	13.2	-	78.3	-	-	-	-	-	-	65.0	13.2	-	78.3
Advertising Revenue	104.6	121.1	21.4	0.8	247.9	0.8	-	(0.3)	(0.8)	(0.3)	105.4	121.1	21.1	-	247.6
Other Revenue	1.1	8.9	0.1	2.3	12.4	-	-	0.3	-	0.3	1.1	8.9	0.4	2.2	12.7
Total Revenue	105.7	212.0	21.5	3.0	342.2	0.8	-	-	(0.8)	0.0	106.5	211.9	21.5	2.2	342.2
People	(52.3)	(79.6)	(6.4)	(4.5)	(142.7)	0.3	4.4	0.4	1.4	6.4	(52.0)	(75.2)	(6.0)	(3.1)	(136.4)
Print & Distribution	-	(45.2)	(6.5)	-	(51.8)	-	0.5	-	-	0.5	-	(44.8)	(6.5)	-	(51.3)
Agency Commission & Marketing	(17.6)	(20.4)	(4.4)	(0.2)	(42.6)	0.9	1.1	0.1	0.2	2.3	(16.7)	(19.3)	(4.3)	-	(40.3)
Content	(6.7)	(7.7)	(1.2)	(0.6)	(16.2)	(0.4)	-	(0.4)	0.6	(0.2)	(7.1)	(7.7)	(1.6)	-	(16.4)
Other	(9.2)	(12.5)	(0.7)	(4.0)	(26.4)	(1.0)	(8.0)	(0.1)	0.1	(9.0)	(10.2)	(20.5)	(0.8)	(3.9)	(35.4)
Total Costs	(85.7)	(165.5)	(19.3)	(9.3)	(279.8)	(0.3)	(2.0)	-	2.3	-	(85.9)	(167.5)	(19.4)	(7.0)	(279.8)
Operating EBITDA²	20.0	46.5	2.1	(6.7)	62.4	0.6	(2.1)	-	1.6	-	20.6	44.5	2.1	(4.7)	62.4
NZ IFRS 16 Adjustments	(7.0)	(7.7)	(0.6)	(0.3)	(15.6)	(0.1)	(0.1)	-	0.2	-	(7.1)	(7.9)	(0.6)	(0.1)	(15.6)
EBITDA (pre NZ IFRS 16)³	13.0	38.8	1.6	(7.0)	46.8	0.5	(2.2)	(0.1)	1.8	-	13.5	36.6	1.5	(4.8)	46.8
EBITDA (pre NZ IFRS 16)³ Margin %	13%	18%	(9%)		13%						13%	17%	7%	-	14%

1. Various expense classifications have been changed in order to more appropriately group costs. The impact of these changes on the comparative reported results are outlined in the table shown.

2. Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however, exclude exceptional items to allow for a like for like comparison across financial years.

3. EBITDA (pre NZ IFRS 16) is a non-GAAP measure equivalent to Operating EBITDA but excluding the impact of NZ IFRS 16.

DISCLAIMER

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice, legal, financial, tax or any other recommendation or advice. This presentation constitutes summary information only, and you should not rely on it in isolation from the full detail set out in NZME's Consolidated Financial Statements for the half year ended 30 June 2023.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties. There is no assurance that results contemplated in any projections or forward-looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about NZME Limited.

The Group adopted NZ IFRS 16 Leases on 1 January 2019 and IFRS Interpretations Committee's (IFRIC's) agenda decision on configuration and customisation costs in relation to Software as a Service (SaaS) arrangements in 2021. Operating results as stated throughout this presentation refer to results including the adjustments for the adoption of NZ IFRS 16, and prior to exceptional items. Please refer to pages 36-37 of this presentation for detailed reconciliation of these results to the statutory results. As stated in note 1.2.1 of the consolidated interim financial statements for the six months ended 30 June 2023, certain prior period information has been re-presented to ensure consistency with current year disclosures and to provide more meaningful comparison.

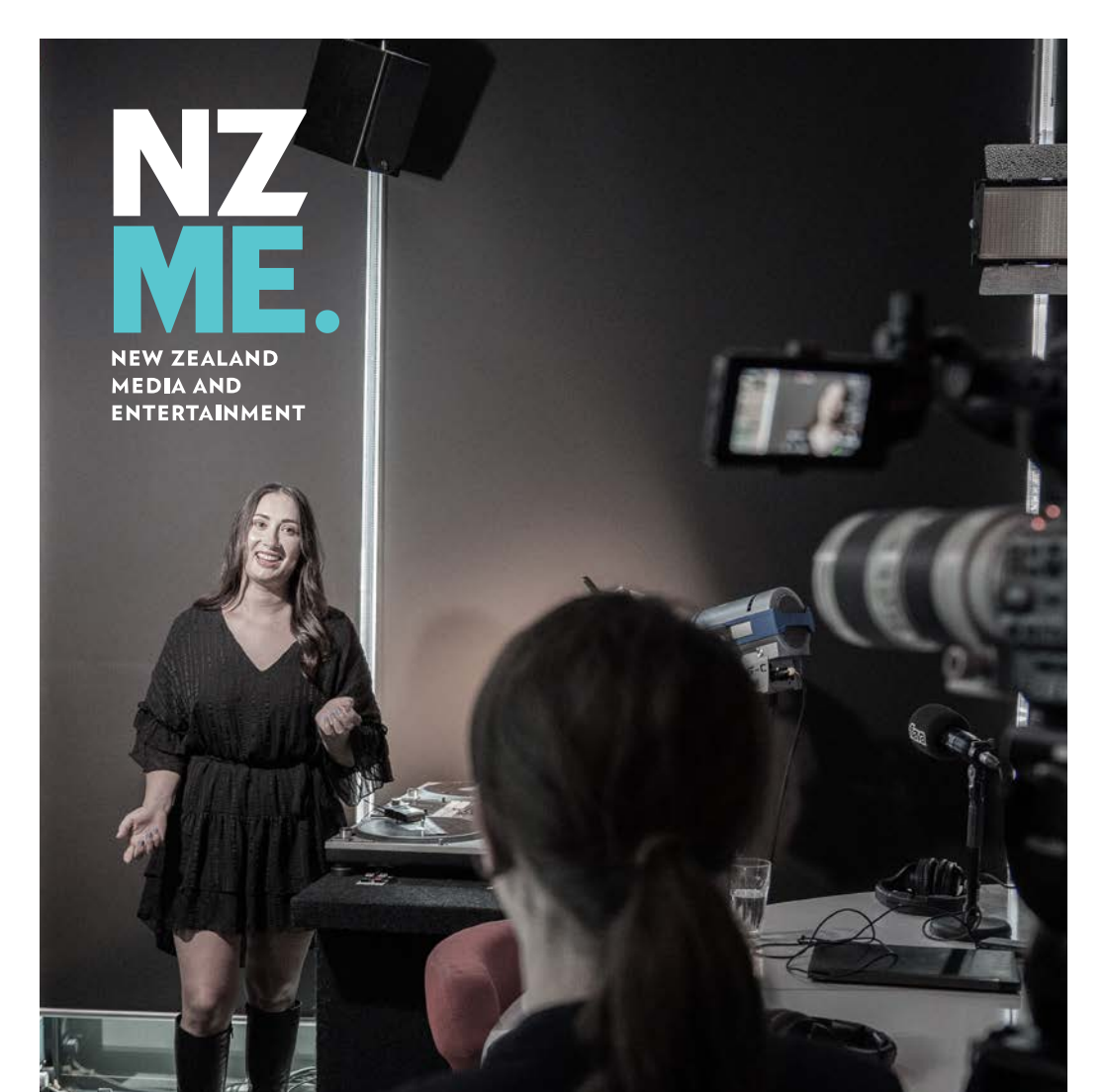
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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

KEEPING KIWIS IN THE KNOW

FOR THE SIX MONTHS ENDED 30 JUNE 2023



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* In an attempt to make these financial statements easier to read, the notes to the financial statements have been grouped into six sections; aimed at grouping items of a similar nature together. The Basis of Preparation section presents a summary of material information and general accounting policies that are necessary to understand the basis on which these consolidated interim financial statements have been prepared. A summary of the significant accounting estimates and judgements is also included under the Basis of Preparation section on page 15.

CONTENTS



CHAIRMAN AND CHIEF EXECUTIVE REPORT

Kia ora. The six months to 30 June 2023 have seen New Zealand Media and Entertainment (NZME) continue to embrace a strong programme of digital transformation, in line with the bold objectives set out in our three-year strategy.

Despite operating in a very challenging global and domestic economic environment, NZME has continued its strong focus on its three strategic pillars – Audio, Publishing and OneRoof, and we remain committed to growing our business, delivering value for shareholders, and meeting the changing needs of our customers and our audiences.

With New Zealand in economic recession for the first time in a decade, the impacts of inflationary pressures, weak business and consumer confidence and a depressed real estate market have all contributed to a lower revenue result for NZME in the first half of 2023. However, NZME has fared well through having an effective, clear strategy and being committed to our digital transformation objectives while remaining as efficient as possible to offset inflationary cost pressures.

Despite the challenges, we remain focused on broadening the content on offer across our digital platforms – be that through Audio, Publishing or OneRoof, ensuring we can grow audiences and continue to deliver results for shareholders.

NZME has continued to carefully manage costs across the business, finding some immediate cost savings and efficiencies without impacting significantly on business performance, or needing to make large scale people changes.

Financial results

NZME's Operating Revenue¹ was \$166.0 million for the first half of the year - down 6% against the first half of 2022. This was largely reflective of the aforementioned difficult economic environment.

NZME's Operating Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$21.3 million for the half, compared to \$28.1 million in the previous corresponding period.

NZME's Statutory Net Profit After Tax (NPAT) was \$2.0 million, down on the \$8.5 million for the first half of 2022.

NZME's overall advertising revenue was 7% lower at \$116.4 million compared to H1 2022. Advertising revenues were impacted by reductions in real estate, government and retail advertising, as well as travel advertising not yet returning to pre-COVID levels.

OneRoof continued to grow its audience and enquiry level. Despite achieving an increased percentage of property listing upgrades, OneRoof's advertising revenue was impacted by the nationwide downturn in the real estate market and fewer new listings coming to market. This resulted in digital revenue being 1% lower than the same period in 2022. Advertising revenue across our Audio business was largely flat, year on year, but with a pleasing 28% growth in digital audio revenues.

We are seeing some pleasing signs of recovery in several key areas leading into the next six months.

Publishing

NZME reaches more than 2.8 million² people across our publishing print and digital platforms. With tough economic conditions impacting publishing revenue, NZME was pleased to note growth in its overall subscriptions from 209,000 to 218,000 in the six months from 31 December 2022, with 123,000 of these being digital only subscriptions – up from 113,000.

We have been focused on accelerating corporate digital subscriptions, targeting key industry groups with BusinessDesk and Herald Premium bundles. Furthermore, the introduction of digital subscription offerings for Viva Premium and The New Zealand Listener, have seen us reach a range of different audiences who are willing to pay for new, high-quality, targeted content that meets their unique interests and needs.

The NZ Herald launched a large-scale marketing campaign, 'News worth knowing' across television, radio and digital platforms, which was complemented by a renewed focus on quality and trust across our journalism. This was further supported by enhanced data insights and new tools to enhance storytelling and personalise content delivered to readers.

NZME was recognised at the International News Media Association (INMA) Awards, held in New York, winning Best Innovation in Newsroom Transformation as well as taking out second and third place in other categories. NZME was

Source: ¹ Operating results presented are non-GAAP measures that include the impact of NZ IFRS 16, however exclude exceptional items to allow for like for like comparison between the 2023 and 2022 financial periods. ² Nielsen CMI Q2 22 – Q1 23 May 2023 Fused AP15+. Monthly coverage for Daily & Community titles, Weekly coverage for Newspaper Inserted Magazines, Monthly UA for Digital, Weekly Reach for Radio (GfK RAM S3 22). Note: Fused data has potential for duplication. ³ GfK RAM, Commercial Radio, Total NZ 1/2023, M-S 12mn-12mn, Cume, AP10+. ⁴ Adswizz AudioMetrix, NZME Network Stations, Monthly Average, Jan-Jun 2023. ⁵ Triton NZ Podranker as at June 2023. ⁶ Triton NZ Podranker Jan – June 2023.

also successful at the 2023 Voyager Media Awards, winning Website of the Year for a record fourth straight year, the NZ Herald winning Metropolitan Newspaper of the Year and New Zealand's overall Newspaper of the Year, alongside a range of awards for individual journalists.

Audio

NZME continues to reach more than 2.0 million³ people across our radio and digital audio platforms.

Our digital audio platform iHeartRadio continues to grow, averaging more than 6.3 million hours of listening on a monthly basis⁴.

The NZME Podcast Network remains the top podcast network in the country, with 1.0 million monthly listeners⁵ delivering more than 44.0 million downloads for the first half of this year⁶.

Our podcast network has grown exponentially, and remains an area of strategic focus, given its position as one of the fastest growing digital media platforms in the world. Be it through our independently produced podcasts, or those of our partners and external providers via our iHeartRadio platform, our breadth of content caters to a diverse audience which shows the strength of NZME's network.

NZME celebrated big wins at the NZ Radio Awards 2023, winning six of the eight premier awards, with Newstalk ZB winning Network Station of the Year, Mike Hosking named as Sir Paul Holmes Broadcaster of the Year and winning Best Talk Presenter - Breakfast or Drive, and ZM's Fletcher, Vaughan & Hayley once again winning Best Music Network Breakfast Show.

NZME is pleased to have achieved radio revenue market share of 42.4%, the highest share it has achieved since measurement commenced in 2016.

OneRoof

The nationwide downturn in the real estate market has impacted on OneRoof's revenue, with significantly fewer property listings across the country. However, OneRoof's strength is in its multi-faceted offering, with editorial content also a large part of the platform. Pleasingly, despite a decrease in new listings, we have seen a 64% increase in visits to for-sale listings and a 35% increase in enquiries on listings year on year.

Audience engagement in real estate editorial content remains high. In line with our strategic target around increasing conversion rates of listings, we've seen an increase in the number of listing conversions, with Auckland now achieving 42.6% of all listings being upgraded (up from 38.4%) and the rest of the country now at 16.8% (up from 14.8%).

Capital Management

We are making good progress towards our strategic targets and diversifying our portfolio of platforms and content, making further gains in digital transformation. This is despite the current economic climate having a significant impact on company performance.

The Board is pleased to declare a fully imputed interim dividend of 3.0 cents per share, the same level as last year.

NZME expects to see a release of working capital in the second half of 2023 and based on the expected financial performance, net debt is forecast to reduce by the end of the year resulting in net debt below the lower end of the target leverage ratio.

Given the uncertain environment, the Board continues to have a desire to operate at the lower end of the target leverage ratio and will review its capital management position options together with the full year results.

Outlook

Business confidence, while still negative, has been recovering in the first half of the year and interest rates are peaking. In positive signs for our OneRoof business, real estate sentiment is improving. However, the economic environment remains uncertain.

The second half of 2023 has commenced well. Revenue performance is improving with August and September bookings currently tracking to be 3% higher than the corresponding months in 2022.

Quarter four is typically our largest quarter. 2023 will be influenced by many things, especially the New Zealand election, the Rugby World Cup and the partial recovery of the real estate market.

Based on current performance, NZME confirms that it expects to be at the lower end of the EBITDA range previously issued of \$59-\$64 million for 2023.

NZME has a clear and effective strategy, and we continue to deliver on the key elements of our strategy. As we head into the final months of our three-year strategy, we look forward to updating shareholders in November on our strategic direction for the next three years.

We would like to acknowledge our shareholders for your valued support of NZME - we are committed to delivering value for you all, and we thank you for your continued commitment in investing in NZME as we transform the business to deliver on our targets and aspirations.

We'd also like to say a big thank you to everyone at NZME - thank you for working hard to grow our business and for your commitment and enthusiasm in your roles. We look forward to a strong finish to 2023 and further momentum as we refresh our strategy for 2024 and beyond.

Ngā mihi nui,



Barbara Chapman
Chairman



Michael Boggs
Chief Executive Officer



NZME LIMITED

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023





DIRECTORS' STATEMENT

The Directors are pleased to present the consolidated interim financial statements of NZME Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30 June 2023, incorporating the consolidated interim financial statements and the independent auditor's review report.

The Directors are responsible, on behalf of the Company, for presenting these consolidated interim financial statements in accordance with applicable New Zealand legislation and New Zealand equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting* and the NZX Listing Rules.

The consolidated interim financial statements for the Group as presented on pages 9 to 35 are signed on behalf of the Board of Directors, and are authorised for issue on the date below.

For and on behalf of the Board of Directors



Barbara Chapman
Chairman



Carol Campbell
Director

Date: 24 August 2023

CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	Note	June 2023 \$'000	June 2022 \$'000
Revenue	2.1	163,296	173,342
Finance and other income	2.1	2,925	3,594
Total revenue and other income	2.1	166,221	176,936
Expenses from operations before finance costs, depreciation and amortisation		(145,697)	(149,294)
Depreciation and amortisation	2.3.3	(13,809)	(12,998)
Finance costs	2.3.3	(3,697)	(2,874)
Share of joint ventures and associates net (loss) / profit after tax	5.2.2	(153)	13
Profit before income tax expense		2,865	11,783
Income tax expense		(887)	(3,326)
Net profit after tax		1,978	8,457
Profit for the period is attributable to:			
Owners of the Company		2,455	8,735
Non-controlling interests		(477)	(278)
		Cents	Cents
Earnings per share attributable to the ordinary shareholders of the Company			
Basic earnings per share (cents per share)	2.2	1.33	4.44
Diluted earnings per share (cents per share)	2.2	1.28	4.27

The above Consolidated Interim Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	June 2023 \$'000	June 2022 \$'000
Net profit after tax	1,978	8,457
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Effective gain on hedging instruments	9	110
Hedging reclassification to profit or loss	(216)	(23)
Net (loss) / gain on hedging instruments	(207)	87
Net exchange differences on translation of foreign operations	4	3
Other comprehensive income net of taxation	(203)	90
Total comprehensive income	1,775	8,547
Total comprehensive income attributable to:		
Owners of the Company	2,252	8,825
Non-controlling interests	(477)	(278)

CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2023

	Note	June 2023 (unaudited) \$'000	December 2022 (audited) \$'000
Current assets			
Cash and cash equivalents	4.2	5,746	5,670
Trade and other receivables	3.5	45,156	48,751
Inventories	3.6	5,900	5,644
Derivative financial instruments		59	279
Income tax receivable		2,913	-
Total current assets		59,774	60,344
Non-current assets			
Intangible assets	3.1	140,141	141,487
Property, plant and equipment	3.2	21,231	23,095
Right-of-use assets	3.3	59,789	63,657
Capital work in progress	3.4	4,404	3,795
Other financial assets		815	815
Equity accounted investments	5.2.2	3,243	3,443
Other receivables and prepayments	3.5	5,091	5,642
Deferred tax assets		3,999	3,959
Total non-current assets		238,713	245,893
Total assets		298,487	306,237
Current liabilities			
Trade and other payables		45,538	52,477
Current lease liabilities	4.2.2	11,835	11,596
Income tax payable		-	1,674
Total current liabilities		57,373	65,747
Non-current liabilities			
Non-current lease liabilities	4.2.2	75,024	79,578
Interest bearing liabilities	4.2.1	37,371	23,134
Total non-current liabilities		112,395	102,712
Total liabilities		169,768	168,459
Net assets		128,719	137,778
Equity			
Share capital		344,473	344,473
Reserves		5,279	5,282
Retained earnings		(219,767)	(211,188)
Total Company interest		129,985	138,567
Non-controlling interests		(1,266)	(789)
Total equity		128,719	137,778

The above Consolidated Interim Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

		Attributable to owners of the Company				Non-controlling interests \$'000	Total equity \$'000
	Note	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000		
Balance at 1 January 2022		361,758	4,920	(209,478)	157,200	(86)	157,114
Profit / (loss) for the period		-	-	8,735	8,735	(278)	8,457
Other comprehensive income		-	90	-	90	-	90
Total comprehensive income / (loss)		-	90	8,735	8,825	(278)	8,547
Dividends paid or declared	4.1.1	-	-	(19,556)	(19,556)	-	(19,556)
Supplementary dividends paid or declared	4.1.1	-	-	(2,354)	(2,354)	-	(2,354)
Tax credit on supplementary dividends		-	-	2,354	2,354	-	2,354
Repurchase of shares		(5,259)	-	-	(5,259)	-	(5,259)
Transfer of associates revaluation reserve		-	(259)	259	-	-	-
Share based payments		-	375	-	375	-	375
Balance at 30 June 2022		356,499	5,126	(220,040)	141,585	(364)	141,221
Balance at 1 January 2023		344,473	5,282	(211,188)	138,567	(789)	137,778
Profit / (loss) for the period		-	-	2,455	2,455	(477)	1,978
Other comprehensive loss		-	(203)	-	(203)	-	(203)
Total comprehensive (loss) / income		-	(203)	2,455	2,252	(477)	1,775
Dividends paid or declared	4.1.1	-	-	(11,034)	(11,034)	-	(11,034)
Supplementary dividends paid or declared	4.1.1	-	-	(1,514)	(1,514)	-	(1,514)
Tax credit on supplementary dividends		-	-	1,514	1,514	-	1,514
Share based payments		-	200	-	200	-	200
Balance at 30 June 2023		344,473	5,279	(219,767)	129,985	(1,266)	128,719

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	Note	June 2023 \$'000	June 2022 \$'000
Cash flows from operating activities			
Receipts from customers		166,696	168,133
Payments to suppliers and employees		(150,873)	(147,789)
Government grants		1,695	2,095
Dividends received		47	47
Interest received on bank facilities		108	47
Interest received on leases	3.5.1	121	151
Interest paid on bank facilities		(1,080)	(475)
Interest paid on leases	4.2.2	(2,362)	(2,393)
Income taxes paid		(5,511)	(7,959)
Net cash inflows from operating activities	4.3	8,841	11,857
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets (including work in progress)		(5,431)	(4,109)
Acquisition of BusinessDesk	3.8	-	(2,717)
Acquisition of Radio Wanaka assets		-	(892)
Proceeds from sale of property, plant and equipment		30	8
Net cash outflows from investing activities		(5,401)	(7,710)
Cash flows from financing activities			
Proceeds from borrowings		63,000	17,000
Repayments of borrowings		(49,000)	(7,000)
Repurchase of shares		-	(5,259)
Dividends paid to Company's shareholders	4.1.1	(11,034)	(9,878)
Payments for lease liability principal	4.2.2	(6,330)	(5,701)
Net cash outflows from financing activities		(3,364)	(10,838)
Net increase / (decrease) in cash and cash equivalents	4.2.1	76	(6,691)
Cash and cash equivalents at beginning of the period		5,670	13,538
Cash and cash equivalents at end of the period		5,746	6,847

The above Consolidated Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1.0 BASIS OF PREPARATION

1.1 REPORTING ENTITY AND STATUTORY BASE

NZME Limited (NZX:NZM, ASX:NZM) is a for-profit company limited by ordinary shares which are publicly traded on the NZX Main Board and the Australian Securities Exchange as a Foreign Exempt Listing. NZME Limited is incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993 and is a FMC reporting entity under Part 7 of the Financial Markets

Conduct Act 2013. The entity's registered office is 2 Graham Street, Auckland, 1010, New Zealand.

NZME Limited (the "Company" or "Parent") and its subsidiaries' (together the "Group") principal activity during the financial period was the operation of an integrated media and entertainment business.

1.2 GENERAL ACCOUNTING POLICIES

These consolidated interim financial statements have been prepared in accordance with New Zealand equivalent to International Accounting Standard 34: *Interim Financial Reporting*, International Accounting Standard 34: *Interim Financial Reporting* and the NZX Listing Rules.

The consolidated interim financial statements do not include all notes of the type normally included in the annual consolidated financial statements. Accordingly, these consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2022. These consolidated interim financial statements are presented for the Group.

The material accounting policies used in the preparation of these consolidated interim financial statements are generally consistent with those used in the audited consolidated financial statements for the year ended 31 December 2022. Where there have been

changes to accounting policies or the Directors consider it necessary to disclose an accounting policy in these consolidated interim financial statements, accounting policies have been included in the relevant note.

These consolidated interim financial statements are presented in New Zealand dollars, which is the Company's functional and the Group's presentation currency, and rounded to the nearest thousand, except where otherwise stated. These consolidated interim financial statements were approved for issue by the Board of Directors on 24 August 2023.

These consolidated interim financial statements have not been audited, but have been reviewed in accordance with New Zealand Standard on Review Engagement 2410: *Review of Financial Statements Performed by the Independent Auditor of the Entity*. The 30 June 2023 and 30 June 2022 figures and narrative are unaudited while those for 31 December 2022 are audited figures and narrative.

1.2.1 Comparatives

Certain prior period information has been re-presented to ensure consistency with current year disclosures and to provide more meaningful comparison.

The disaggregation of revenue and other income note (2.1) and the operating revenue and results note (2.3.2) have been restated to reflect the change in segment reporting that was adopted in the consolidated financial statements for the year ended 31 December 2022.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated interim financial statements requires the use of certain significant judgments, accounting estimates and assumptions, including judgments, estimates and assumptions concerning the future. The estimates and assumptions are based on historical experiences and other factors that are considered to be relevant. The resulting accounting estimates will by definition, seldom equal the related actual results and are reviewed on an ongoing basis. Significant areas of estimation and judgment in these consolidated interim financial statements are consistent with those disclosed in the audited

consolidated financial statements for the year ended 31 December 2022 and are as follows:

Areas of significant accounting estimates or judgements	Note
<i>Determination of the number of reportable segments</i>	2.3.1
<i>Assumptions and judgments used in the impairment review of indefinite life intangible assets</i>	3.1.1

1.4 NEW STANDARDS AND INTERPRETATIONS

There have been no changes to accounting policies or new standards adopted during the period.

The External Reporting Board (XRB) of New Zealand has issued three Climate Standards that set requirements for the Climate-related Disclosures (Aotearoa New Zealand Climate Standard 1 (NZ CS 1)); Adoption of Aotearoa New Zealand Climate Standards (NZ CS 2); and the General

Requirements for Climate-related Disclosures (NZ CS 3). The Climate Standards are effective from 1 January 2023, with mandatory assurance required on the Greenhouse Gas emissions included in the Climate Statements for the 2024 Annual Report. The Company will adopt the Climate Standards for the year ending 31 December 2023.

1.5 CYCLONE GABRIELLE

Cyclone Gabrielle caused extensive damage across New Zealand in February 2023 with its impacts continuing to affect several regions of New Zealand. Numerous road closures across the country prevented the delivery of newspapers to Northland, Coromandel and Hawke's Bay, while the

strong winds and rain destroyed a transmission tower and equipment. The financial impact on the Group's half year result was approximately \$0.9 million. Some of this impact will be mitigated by an insurance claim yet to be finalised.

1.6 WORKING CAPITAL

As at 30 June 2023 the Group had working capital of \$2.4 million compared to negative \$5.4 million as at 31 December 2022. The Group traditionally has negative working capital primarily due to deferred revenue of \$17.8 million (31 December 2022: \$16.3 million) however at 30 June 2023 the deferred revenue is offset by income tax assets and lower accruals compared to prior periods. The Directors are satisfied that there will be adequate cash flows generated from operating and financing activities to meet the obligations of the Group for at least the next 12 months.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

2.0 GROUP PERFORMANCE

2.1 DISAGGREGATION OF REVENUE AND OTHER INCOME

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
For the six months ended 30 June 2023					
Advertising	53,917	53,080	9,403	-	116,400
Circulation & subscription	-	39,761	-	-	39,761
External printing & distribution	-	3,193	-	-	3,193
Other	342	2,938	211	-	3,491
Segment revenue from integrated media and entertainment activities	54,259	98,972	9,614	-	162,845
Shared services centre	43	79	8	-	130
Events	-	-	-	321	321
Total revenue from external customers	54,302	99,051	9,622	321	163,296
Other income ^A	248	2,378	-	70	2,696
Finance income	-	-	-	229	229
Total finance and other income	248	2,378	-	299	2,925
Total revenue and other income	54,550	101,429	9,622	620	166,221

	Audio Reclassified \$'000	Publishing Reclassified \$'000	OneRoof Reclassified \$'000	Other Reclassified \$'000	Total \$'000
For the six months ended 30 June 2022					
Advertising	54,016	59,908	11,863	-	125,787
Circulation & subscription	-	41,777	-	-	41,777
External printing & distribution	-	2,257	-	-	2,257
Other	481	2,327	323	18	3,149
Segment revenue from integrated media and entertainment activities	54,497	106,269	12,186	18	172,970
Shared services centre	116	225	30	1	372
Total revenue from external customers	54,613	106,494	12,216	19	173,342
Other income ^A	228	3,066	-	102	3,396
Finance income	-	-	-	198	198
Total finance and other income	228	3,066	-	300	3,594
Total revenue and other income	54,841	109,560	12,216	319	176,936

^A Other income includes Government grants of \$1,694,649 (2022: \$2,094,530) received from the Ministry of Culture and New Zealand On Air for the production of content, journalism training & creating greater cultural awareness. There are no unfulfilled conditions or contingencies attaching to these grants. The Group did not benefit directly from any other forms of Government assistance.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

2.2 EARNINGS PER SHARE

	June 2023 \$'000	June 2022 \$'000
Reconciliation of earnings used in calculating basic / diluted earnings per share (EPS)		
Profit attributable to owners of the parent entity	2,455	8,735
	June 2023 Number	June 2022 Number
Weighted average number of shares		
Weighted average number of shares for calculating basic EPS	183,913,614	196,698,866
Adjusted for calculation of diluted EPS	7,274,146	7,716,996
Weighted average number of shares in the denominator in calculating diluted EPS	191,187,760	204,415,862
	June 2023 Cents	June 2022 Cents
Basic / diluted earnings per share		
Basic earnings per share (cents per share)	1.33	4.44
Diluted earnings per share (cents per share)	1.28	4.27

2.3 SEGMENT INFORMATION

2.3.1 Determination and description of segments

Significant judgement: The Group has three operating segments – being "Audio", "Publishing" and "OneRoof". All significant operating decisions are based upon analysis of NZME as three operating segments. The Executive Team and the Board of Directors have been identified as the Chief Operating Decision Maker. The Group's major products and services are split into the three segments with revenue, income, direct and allocated costs reported to the Chief Operating Decision Maker on this basis. Although the Group operates in many different markets within New Zealand, for management reporting purposes the Group operates in one principal geographical area being New Zealand as a whole.

The Group operates an integrated media and entertainment business that incorporates the sale of advertising, goods and services generated from the audiences attached to the Group's media platforms.

The operating segments for the Group are:

- **Audio** - terrestrial radio stations, digital iHeartRadio, podcasts and Radio brand websites.
- **Publishing** - print publications (excluding dedicated real estate publications) and digital news websites including nzherald.co.nz. and BusinessDesk.
- **OneRoof** - comprises oneroof.co.nz and dedicated real estate print publications.

Operating expenses comprise those costs that are directly attributable to each segment and allocated costs that are allocated based on different criteria depending on the expense type.

Revenue and expenses that are not included in one of the three operating segments are grouped together in Other. This grouping includes corporate costs.

2.3.2 Operating revenues and results

The operating information provided to the Directors and the Executive Team, based on the reporting segments for six months ended 30 June 2023 is as follows:

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
For the six months ended 30 June 2023					
Revenue	54,302	99,051	9,622	321	163,296
Other income ^A	248	2,378	-	70	2,696
Operating expenses	(44,051)	(86,518)	(10,909)	(3,213)	(144,691)
Total operating adjusted EBITDA ^B	10,499	14,911	(1,287)	(2,822)	21,301

	Audio Reclassified \$'000	Publishing Reclassified \$'000	OneRoof Reclassified \$'000	Other Reclassified \$'000	Total \$'000
For the six months ended 30 June 2022					
Revenue	54,613	106,494	12,216	19	173,342
Other income ^A	228	3,066	-	102	3,396
Operating expenses	(45,130)	(88,583)	(11,986)	(2,904)	(148,603)
Total operating adjusted EBITDA ^B	9,711	20,977	230	(2,783)	28,135

^A Other income includes rental income of \$70,011 relating to operating sub-leases on right-of-use assets (2022: \$102,361). See note 3.5.1 for the income received from the finance sub-leases on right-of-use assets.

^B Adjusted Earnings before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA) from continuing operations which excludes exceptional items, is a non-GAAP measure that represents the Group's total segment result which is regularly monitored by the Chief Operating Decision Maker. Exceptional items are those gains, losses, income and expense items that are not directly related to the primary business activities of the Group which are determined in accordance with the NZME Exceptional Items Recognition Framework adopted by the Board. Exceptional items include redundancies, impairment, one-off projects and the disposal of properties or businesses. These items are excluded from the segment result that is regularly reviewed by the Chief Operating Decision Maker.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

2.3.3 Reconciliation of operating adjusted EBITDA to net profit before income tax expense

	Note	June 2023 \$'000	June 2022 \$'000
For the six months ended 30 June 2023			
Operating adjusted EBITDA	2.3.2	21,301	28,135
Finance income		229	198
Depreciation and amortisation		(13,809)	(12,998)
Finance costs		(3,697)	(2,874)
Share of joint ventures and associates net (loss) / profit after tax	5.2.2	(153)	13
<i>Exceptional items:</i>			
Other lease adjustments		(71)	(29)
Redundancies and associated costs ^A		(740)	(146)
Costs in relation to one-off projects ^B		(195)	(516)
Net profit before income tax expense		2,865	11,783

^A The redundancies and associated costs relate to the restructuring of the Group's operations.

^B The 2023 costs primarily relate to the BusinessDesk earn-out-provision while the 2022 costs primarily relate to the sub-lease of Graham Street and the disposal of assets in relation to the Wellington office space.

See note 3.9 for the segment assets and liabilities of the Group.

3.0 OPERATING ASSETS AND LIABILITIES

3.1 INTANGIBLE ASSETS

	Goodwill \$'000	Software \$'000	Masthead brands \$'000	Radio licences \$'000	Brands \$'000	Total \$'000
As at 31 December 2022						
Cost	2,693	53,844	146,976	79,948	55,249	338,710
Accumulated amortisation and impairment	-	(43,911)	(74,336)	(53,499)	(25,477)	(197,223)
Net book value	2,693	9,933	72,640	26,449	29,772	141,487
For the period ended 30 June 2023						
Opening net book value	2,693	9,933	72,640	26,449	29,772	141,487
Additions	-	-	-	291	-	291
Amortisation	-	(2,578)	-	(1,611)	-	(4,189)
Adjustment and transfers	-	(6)	-	-	-	(6)
Transfers from capitalised work in progress	-	2,558	-	-	-	2,558
Net book value	2,693	9,907	72,640	25,129	29,772	140,141
As at 30 June 2023						
Cost	2,693	56,396	146,976	80,239	55,249	341,553
Accumulated amortisation and impairment	-	(46,489)	(74,336)	(55,110)	(25,477)	(201,412)
Net book value	2,693	9,907	72,640	25,129	29,772	140,141

3.1.1 Half year impairment review

Significant judgement: As disclosed in note 2.3.1 the Directors have determined that the Group has three reportable segments – being "Audio", "Publishing" and "OneRoof". The Directors have also determined that there are three cash generating units (CGU) for impairment testing because these are the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. Note 3.9 contains the allocation of the Group's assets and liabilities across the CGUs except for financing and equity accounted investments. Those assets and liabilities that do not relate to one of the three CGUs are grouped as "Other". In the consolidated financial statements for the year ended 31 December 2022 it was stated by Management that there were no reasonably possible changes to key assumptions which could result in impairment. Management has conducted a review of possible impairment indicators as at 30 June 2023 and concluded that there are no such indicators which would require a full impairment assessment to be performed. Specifically, Management has considered the trading performance of the Group compared to forecasts used in the impairment assessment at 31 December 2022 as well as the market capitalisation of the Group at 30 June 2023.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

3.2 PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
As at 31 December 2022					
Cost or fair value	265	67	14,425	254,804	269,561
Accumulated depreciation and impairment	-	(11)	(11,004)	(235,451)	(246,466)
Net book value	265	56	3,421	19,353	23,095
For the period ended 30 June 2023					
Opening net book value	265	56	3,421	19,353	23,095
Additions	-	-	-	11	11
Disposals	-	-	-	(30)	(30)
Depreciation	-	-	(486)	(3,326)	(3,812)
Transfers and other adjustments	-	(1)	-	6	5
Transfers from capitalised work in progress	-	-	351	1,611	1,962
Net book value	265	55	3,286	17,625	21,231
As at 30 June 2023					
Cost or fair value	265	67	14,776	249,755	264,863
Accumulated depreciation and impairment	-	(12)	(11,490)	(232,130)	(243,632)
Net book value	265	55	3,286	17,625	21,231

3.3 RIGHT-OF-USE ASSETS

	Buildings \$'000	Transmission \$'000	Vehicles \$'000	Other \$'000	Total \$'000
As at 31 December 2022					
Net book value	39,410	23,269	934	44	63,657
For the period ended 30 June 2023					
Additions	-	-	249	-	249
Depreciation	(3,685)	(1,826)	(292)	(5)	(5,808)
Transfer to lease receivables	(4)	-	-	-	(4)
Changes in lease payments or lease terms	1,687	-	8	-	1,695
Net book value	37,408	21,443	899	39	59,789

3.4 CAPITAL WORK IN PROGRESS

	\$'000
As at 31 December 2022	3,795
Additions	5,129
Transfers to property, plant and equipment	(1,962)
Transfers to intangible assets	(2,558)
As at 30 June 2023	4,404

Capital work in progress is transferred to the relevant asset category once the project is completed. Capitalised work in progress is not depreciated or amortised prior to being transferred to the relevant asset category.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

3.5 TRADE AND OTHER RECEIVABLES

The following table details the Group's current and non-current trade and other receivables at 30 June 2023.

	Note	June 2023 \$'000	December 2022 \$'000
Trade receivables net of provisions		39,356	42,018
Amounts due from related companies	6.1	125	65
Finance lease receivables	3.5.1	552	528
Other receivables and prepayments		5,123	6,140
Total current trade and other receivables		45,156	48,751
Other receivables and prepayments		935	1,207
Finance lease receivables	3.5.1	4,156	4,435
Total non-current other receivables and prepayments		5,091	5,642

3.5.1 Finance lease receivables

	\$'000
As at 31 December 2022	
Current assets	528
Non-current assets	4,435
Net investment in lease receivables at 31 December 2022	4,963
Interest on lease receivables	121
Transfer from right-of-use assets	4
Total lease receivables before cash payments	5,088
Interest received	(121)
Principal received	(259)
Net investment in lease receivables at 30 June 2023	4,708
Current assets	552
Non-current assets	4,156
Net investment in lease receivables at 30 June 2023	4,708

3.6 INVENTORIES

Inventories is predominantly the stock of newsprint held at the Ellerslie print plant and is valued at cost. The stock of newsprint held is, on average nineteen weeks supply. The longevity of the commodity, and the short period of time that stock is on hand, reduces the Group's risk of holding obsolete stock.

3.7 NET TANGIBLE ASSETS AND LIABILITIES

Net tangible assets per share is a non-GAAP measure that is required to be disclosed by the NZX Listing Rules. The calculation of the Group's net tangible assets per share and its reconciliation to the consolidated balance sheet is presented below:

	June 2023 \$'000	December 2022 \$'000
Total assets	298,487	306,237
Deferred tax asset	(3,999)	(3,959)
Intangible assets	(140,141)	(141,487)
Total liabilities	(169,768)	(168,459)
Net tangible liabilities	(15,421)	(7,668)
Minority interest	1,266	789
Net tangible liabilities for the owners of the company	(14,155)	(6,879)
Number of shares issued (in thousands)	183,914	183,914
Net tangible liabilities per share (in \$)	(\$0.08)	(\$0.04)

3.8 BUSINESSDESK ACQUISITION

In January 2022 the Group acquired the assets, certain liabilities and the business of BusinessDesk from Content Limited. The 30 June 2022 consolidated interim financial statements contained the provisional purchase transaction which was finalised by

31 December 2022. Note 3.10 of the audited consolidated financial statements for the year ended 31 December 2022 contains the finalised details of the purchase transaction.

3.9 SEGMENT ASSETS AND LIABILITIES

The segment assets and liabilities of the Group are shown in the following table. The segment assets and liabilities are measured in the same way as in the consolidated financial statements.

The "Other" grouping includes the deferred tax assets and the current tax provision of the Group as well as the assets and liabilities of the Group that are not directly attributable to the segments or allocated to them.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
As at 30 June 2023					
Goodwill	-	2,693	-	-	2,693
Masthead brands	-	72,640	-	-	72,640
Brands	29,169	603	-	-	29,772
Non-amortising intangible assets	29,169	75,936	-	-	105,105
Other assets	88,194	86,047	9,231	9,910	193,382
Total assets	117,363	161,983	9,231	9,910	298,487
Total liabilities	64,423	95,745	5,673	3,927	169,768
Net assets	52,940	66,238	3,558	5,983	128,719

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
As at 31 December 2022					
Goodwill	-	2,693	-	-	2,693
Masthead brands	-	72,640	-	-	72,640
Brands	29,169	603	-	-	29,772
Non-amortising intangible assets	29,169	75,936	-	-	105,105
Other assets	91,749	91,779	10,543	7,061	201,132
Total assets	120,918	167,715	10,543	7,061	306,237
Total liabilities	60,948	96,483	7,039	3,989	168,459
Net assets	59,970	71,232	3,504	3,072	137,778

4.0 CAPITAL MANAGEMENT

4.1 DIVIDENDS

4.1.1 Dividends paid and declared

Amounts recognised as distributions to equity holders during the six months ended 30 June 2023:

	June 2023 Cents per Share	June 2022 Cents per Share	June 2023 \$'000	June 2022 \$'000
Final dividend declared 21 February 2023, paid 22 March 2023 ^A	6.0	5.0	11,034	9,878
Special dividend, declared 20 June 2022, paid 12 July 2022 ^B	-	5.0	-	9,678
Total dividends declared during the period			11,034	19,556
Supplementary final dividend for 2022 paid 22 March 2023	1.06	0.88	1,514	1,166
Supplementary special dividend paid 12 July 2022	-	0.88	-	1,188
Total supplementary dividends declared during the period			1,514	2,354
Proposed interim dividend for the year ended 31 December 2023	3.0	3.0	5,517	5,795

^A The final dividend for 2022 was not franked while the 2021 final dividend was fully franked.

^B Dividend was partially franked.

Supplementary dividends were paid to registered shareholders who were not tax residents in New Zealand and who held less than 10% of the shares in the Company at the record date for the related distribution.

The proposed dividend, declared by the Board of Directors on 24 August 2023, is to be paid on 27 September 2023 to registered shareholders as at 15 September 2023.

The dividends declared and paid were approved by the Directors to be paid out of profits from NZME Limited, as a standalone legal entity, which had been specifically earmarked as being available for the declaration of the dividend and had not been appropriated or earmarked for other purposes.

4.1.2 Imputation credits

	June 2023 \$'000	December 2022 \$'000
Imputation credits available for subsequent reporting periods based on the New Zealand 28% tax rate for the Group	NZ\$ 23,752	NZ\$ 24,211

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

4.2 INTEREST BEARING LIABILITIES

The following table details the Group's combined net debt at 30 June 2023.

The movements in these balances during the year are provided in notes 4.2.1 Secured bank loans and note 4.2.2 Lease liabilities.

	\$'000
Bank loans	37,371
Cash and cash equivalents	(5,746)
Net bank debt	31,625
Lease liabilities	86,859
Net debt at 30 June 2023	118,484

4.2.1 Secured bank loans

	\$'000
Bank loans	
As at 31 December 2022	23,134
Net cash flows	14,000
Gain on loan modification release	188
Amortisation of borrowing costs	49
As at 30 June 2023	37,371
Cash and cash equivalents	
As at 31 December 2022	(5,670)
Net cash flows	(76)
Net bank debt at 30 June 2023	31,625

Capitalised borrowing costs of \$253,304 (31 December 2022: \$302,331) are included in the secured bank loans balance at 30 June 2023. Capitalised borrowing costs are the costs incurred on acquiring the loan less accumulated amortisation to 30 June 2023 with the costs being amortised over the period of the loan.

The Group is funded from a combination of its own cash reserves and NZ\$50 million bilateral bank loan facilities, which NZME refinanced on 21 November 2018, 22 July 2020 and 9 December 2022, of which \$38.0 million (31 December 2022: \$24.0 million) is drawn and \$12.0 million (31 December 2022: \$26.0 million) is undrawn as at 30 June 2023. This facility expires on 31 January 2026.

The interest rate for the drawn facility is the BKBM plus credit margin.

The NZME bilateral facilities contain undertakings which are customary for facilities of this nature including, but not limited to, provision of information, negative pledge and restrictions on priority indebtedness and disposals of assets. The assets of the Group are collateral for the interest bearing liability.

In addition, the Group must comply with financial covenants (a net debt to EBITDA ratio and an EBITDA to net interest expense ratio) for each 12 month period ending on 31 March, 30 June, 30 September and 31 December. The Group has complied with these covenants throughout the reporting period.

4.2.2 Lease liabilities

	\$'000
As at 31 December 2022	
Current lease liabilities	11,596
Non-current lease liabilities	79,578
Total lease liabilities at 31 December 2022	91,174
Interest on lease liabilities	2,362
New leases	249
Changes in scope, lease terms and other adjustments	1,766
Total lease liabilities before cash payments	95,551
Interest paid on leases	(2,362)
Principal payments	(6,330)
Total cash payments	(8,692)
Total lease liabilities at 30 June 2023	86,859
Current lease liabilities	11,835
Non-current lease liabilities	75,024
Total lease liabilities at 30 June 2023	86,859

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

4.3 CASH FLOW INFORMATION

	June 2023 \$'000	June 2022 \$'000
Reconciliation of net cash inflows / (outflows) from operating activities to profit for the period:		
Profit for the period	1,978	8,457
Depreciation and amortisation expense	13,809	12,998
Borrowing cost amortisation	49	124
Fair value movement on over hedged swaps	13	(59)
Gain on loan modification unwinding	188	-
Net loss on sale of non-current assets	-	230
Change in current / deferred tax payable	(4,623)	(4,633)
Lease adjustments	71	29
BusinessDesk earn-out-provision	235	-
Group's share of retained losses in joint ventures and associates net of distributions received	200	34
Share based payment expense	200	375
Changes in assets and liabilities:		
Trade and other receivables	2,784	(5,827)
Inventories	(257)	686
Prepayments	1,367	340
Trade and other payables and employee benefits	(7,173)	(897)
Net cash inflows from operating activities	8,841	11,857

4.4 FAIR VALUE MEASUREMENT

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL);
- Land and buildings (excluding leasehold improvements).

4.4.1 Fair value hierarchy

NZ IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4.4.2 Recognised fair value measurements

	June 2023 \$'000	December 2022 \$'000
<i>Recurring fair value measurements</i>		
Financial assets (Level 2)		
Derivative financial instruments current assets	59	279
Financial assets (Level 3)		
There are no financial assets carried at fair value. Other financial assets of \$815,000 ^A (31 December 2022: \$815,000) are measured at amortised cost and therefore have been excluded from this table.		
Total financial assets	59	279
Non-financial assets (Level 3)		
Freehold land and buildings		
Freehold land	265	265
Buildings (excluding leasehold improvements)	55	56
Total non-financial assets	320	321

^A Other financial assets comprise of a loan to Event Finda NZ Ltd. The loan is interest bearing and is repayable under certain conditions.

All fair value measurements referred to above are either level 2 or level 3 of the fair value hierarchy and there were no transfers between levels.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

4.4.3 Disclosed fair values

The Group also has a number of assets and liabilities which are not measured at fair value but for which fair values are disclosed in these notes.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of the non-current trade receivables are assumed to approximate their carrying values as the balances comprise of prepayments in relation to cash already received by the Group and lease receivables where the carrying value has been calculated based on net present values of future cash inflows.

The fair value of interest bearing liabilities disclosed in note 4.2 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 30 June 2023, the borrowing rates were determined to be between 6.5% and 7.9% (31 December 2022: between 3.8% and 7.2%), depending on the type of borrowing. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

4.4.4 Valuation techniques used to derive at level 2 and 3 fair values

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group uses Director's valuation, based on the independent valuation performed in 2015, for its freehold land and buildings less subsequent depreciation for buildings to ensure that the carrying value of the assets is materially consistent with their fair value. The land and buildings owned by the Group are transmission sites and associated buildings, and as such are specialised and have limited saleability. The best evidence of fair value is current prices in an active market for similar properties; however, these are not readily available for such specialised sites in such locations. The Directors believe that the current carrying value of the assets equates to their fair value given the nature and location of the assets. All resulting fair value estimates for properties are included as level 3.

5.0 GROUP STRUCTURE AND INVESTMENTS IN OTHER ENTITIES

5.1 CONTROLLED ENTITIES

The consolidated interim financial statements incorporate the assets, liabilities and results of the subsidiaries listed below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the

proportion of ownership interest held equals the voting rights held by the Group. All entities are incorporated in, and operate in, New Zealand unless otherwise stated. There were no changes in control during the period ended 30 June 2023.

	June 2023 Ownership Interest	December 2022 Ownership Interest
Name of entity		
NZME Advisory Limited	100%	100%
NZME Australia Pty Limited ^A	100%	100%
NZME Educational Media Limited	100%	100%
NZME Holdings Limited	100%	100%
NZME Investments Limited	100%	100%
NZME Print Limited	100%	100%
NZME Publishing Limited	100%	100%
NZME Radio Investments Limited	100%	100%
NZME Radio Limited ^B	100%	100%
NZME Specialist Limited	100%	100%
The Hive Online Limited	100%	100%
New Zealand Radio Network Limited	100%	100%
The Radio Bureau Limited	100%	100%
OneRoof Limited ^C	80%	80%

^A Incorporated in, and operates in, Australia.

^B One "Kiwi Share" held by the Minister of Finance. The rights and obligations are set out in the NZME Radio constitution.

^C Refer to note 6.3 regarding the Group exercising its option to acquire the remaining 20 percent of the shares in OneRoof Limited.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONTINUED

5.2 INTERESTS IN OTHER ENTITIES

5.2.1 Associates, joint ventures and joint operations

The Group has the following associates, joint ventures and joint operations:

	June 2023 Ownership Interest	December 2022 Ownership Interest
Eveve New Zealand Limited ^A	40%	40%
New Zealand Press Association Limited ^A	38.82%	38.82%
Restaurant Hub Limited ^A	38%	38%
The Beacon Printing & Publishing Company Limited ^A	21%	21%
The Gisborne Herald Company Limited ^A	49%	49%
The Wairoa Star Limited ^A	40.41%	40.41%
The Radio Bureau ^B	50%	50%

^A These entities are classified as joint ventures or associates and are accounted for using the equity method in these consolidated interim financial statements.

^B The Radio Bureau is classified as a joint operation and the Group has included its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses in these consolidated interim financial statements.

5.2.2 Equity accounted investments

	\$'000
As at 31 December 2022	3,443
Share of losses in joint ventures and associates	(153)
Dividends received	(47)
As at 30 June 2023	3,243

The equity accounted investments are not considered to be material to the Group's operations or results and therefore no disclosures of the summarised financial information for these investments have been made.

6.0 OTHER NOTES

6.1 RELATED PARTIES

The following table details the period end balances between the Group and its associates.

	June 2023 \$'000	December 2022 \$'000
Balances with associates		
Receivables	125	65

The following table details the transactions between the Group and its associates during the six months ended 30 June 2023.

	June 2023 \$'000	June 2022 \$'000
Transactions with associates		
Advertising revenue earned	18	6
Services provided by the Group	67	48
Paper usage reimbursed	110	46
Services received by the Group	(1)	(1)

6.2 COMMITMENTS AND CONTINGENT LIABILITIES

The Group is subject to litigation incidental to the business, none of which is expected to be material. No provision has been made in the consolidated financial statements in relation to its current litigation and the directors believe that such litigation will not have a significant effect on the Group's financial position, results of operations or cash flows.

6.3 SUBSEQUENT EVENTS

On 11 August 2023 the Group exercised its option to acquire the remaining 20 percent of shares in OneRoof Limited ("OneRoof") for \$2.1 million from our joint venture partner, Hougarden.com.Limited. The Group now holds 100 percent of the shares in OneRoof. The purchase price is payable in a series of instalments through to July 2026. The acquisition was completed on 18 August 2023 and is not considered to be a material purchase for the Group.

The Directors are not aware of any other material events subsequent to the reporting date.



Independent auditor's review report

To the shareholders of NZME Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of NZME Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated interim statement of financial position as at 30 June 2023, and the consolidated interim income statement, the consolidated interim statement of comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the six months ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2023, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carried out other services for the Group in the areas of agreed upon procedures relating to the benchmarking of market revenue data. In addition, our firm, its partners and employees may deal with the Group on normal terms within the ordinary course of trading activities of the Group. The provision of these other services has not impaired our independence.

Responsibilities of Directors for the consolidated interim financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the consolidated interim financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements

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

**Who we report to**

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review 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 shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Lisa Crooke.

For and on behalf of:

A handwritten signature in dark ink, reading 'PricewaterhouseCoopers', written in a cursive style.

Chartered Accountants
24 August 2023

Auckland

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Principal Bankers

Westpac

Principal Solicitors

Bell Gully

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DIRECTORY





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Courier

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Stratford
PRESS

EVERYONE'S
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NZ
ME.
NEW ZEALAND
MEDIA AND
ENTERTAINMENT

Please note: all cash amounts in this form should be provided to 8 decimal places

Section 1: Issuer information				
Name of issuer	NZME Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	NZM			
ISIN (If unknown, check on NZX website)	NZNZME0001S0			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies			
Record date	15/09/2023			
Ex-Date (one business day before the Record Date)	14/09/2023			
Payment date (and allotment date for DRP)	27/09/2023			
Total monies associated with the distribution ¹	\$5,517,408.42000000			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution ²	\$0.04166667			
Gross taxable amount ³	\$0.04166667			
Total cash distribution ⁴	\$0.03000000			
Excluded amount (applicable to listed PIEs)	\$			
Supplementary distribution amount	\$0.00529412			
Section 3: Imputation credits and Resident Withholding Tax ⁵				
Is the distribution imputed	Fully imputed	X		
	Partial imputation			
	No imputation			

¹ Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

² "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (RWT).

³ "Gross taxable amount" is the gross distribution minus any excluded income.

⁴ "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should include any excluded amounts, where applicable to listed PIEs.

⁵ The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

If fully or partially imputed, please state imputation rate as % applied ⁶	28%	
Imputation tax credits per financial product	\$0.01166667	
Resident Withholding Tax per financial product	\$0.00208333	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	%	
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product	\$	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Michael Boggs	
Contact person for this announcement	Allison Whitney	
Contact phone number	027 479 0697	
Contact email address	allison.whitney@nzme.co.nz	
Date of release through MAP	25/08/2023	

⁶ Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.