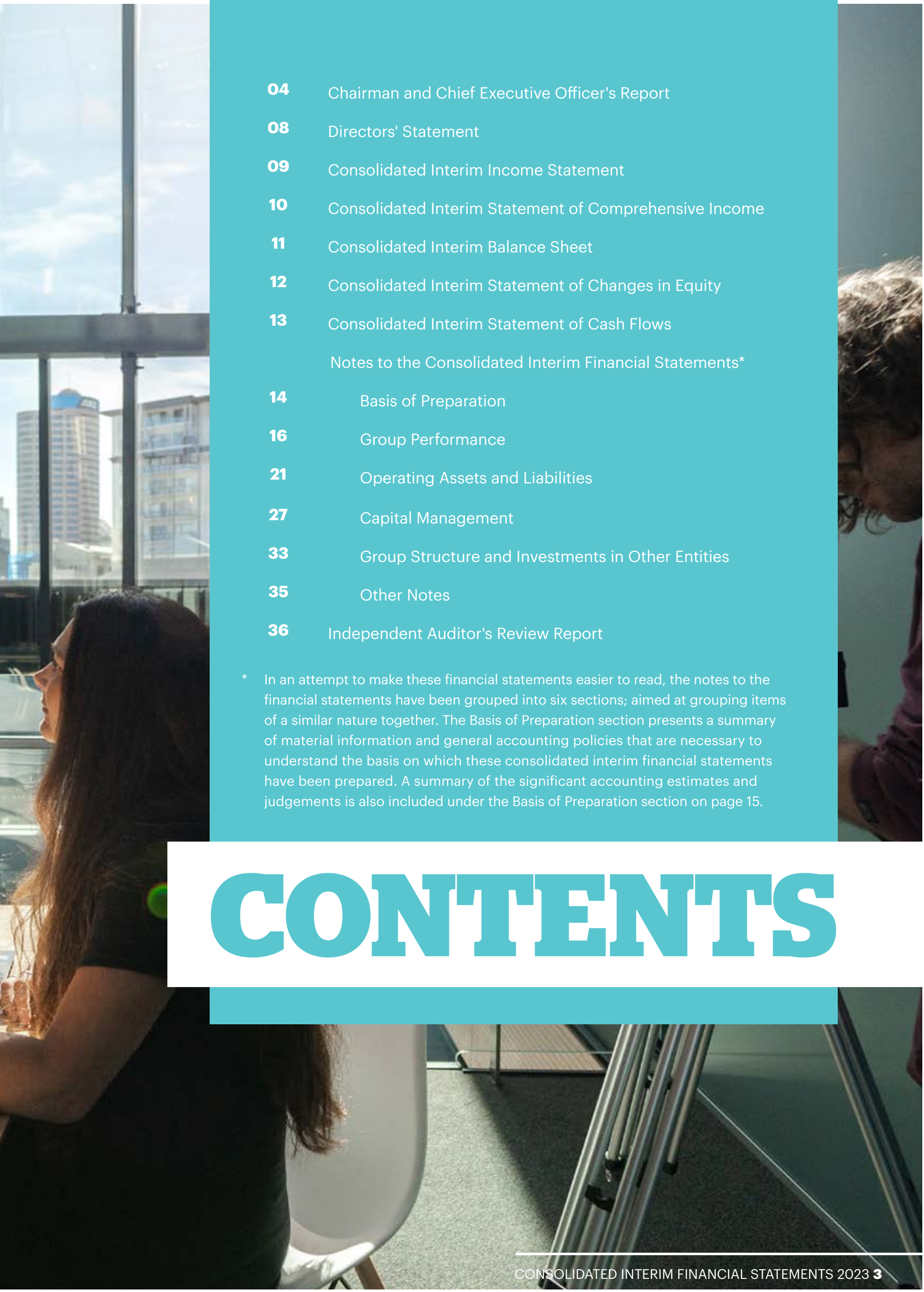
NZME.
NEW ZEALAND MEDIA AND ENTERTAINMENT

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.

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 Revenue[1] 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 million[2] 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 million[3] 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 basis[4].

The NZME Podcast Network remains the top podcast network in the country, with 1.0 million monthly listeners[5] delivering more than 44.0 million downloads for the first half of this year[6].

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 Fletch, 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		
Items that may be reclassified to profit or loss		
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					
	Note	Share capital $'000	Reserves $'000	Retained earnings $'000	**Total $'000**	Non-controlling interests $'000	**Total equity $'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***
Determination of the number of reportable segments	*2.3.1*
Assumptions and judgments used in the impairment review of indefinite life intangible assets	*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
Exceptional items:			
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

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
Recurring fair value measurements		
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.

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.

Name of entity	**June 2023 Ownership Interest**	December 2022 Ownership Interest
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.

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

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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:

PricewaterhouseCoopers

Chartered Accountants
24 August 2023

Auckland

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Principal Solicitors

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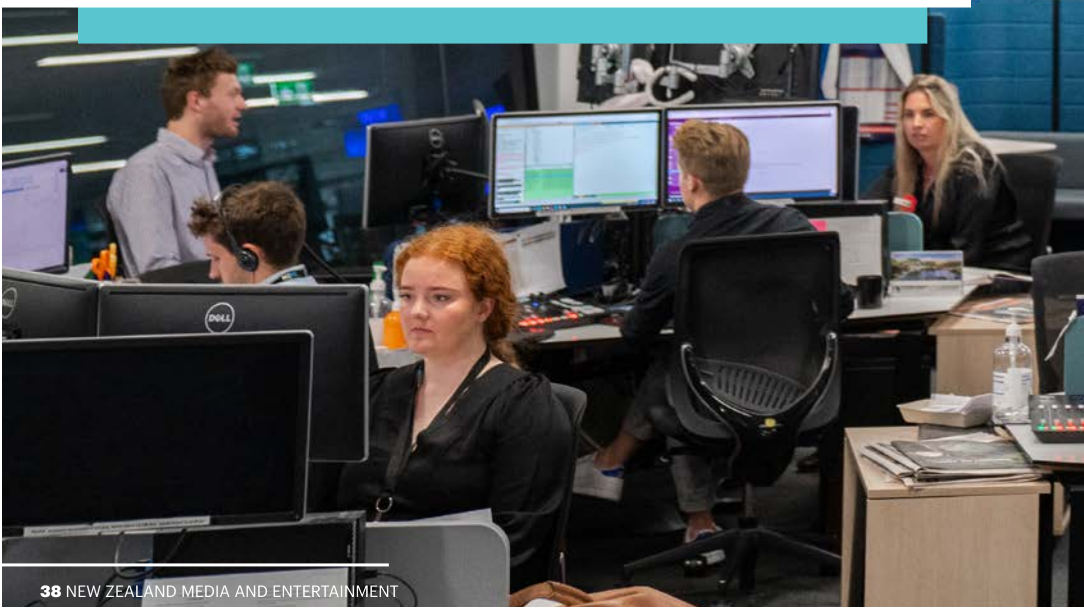


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Kaipūrongo
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EVERYONE'S HERE.

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