

NZME Shareholder Update

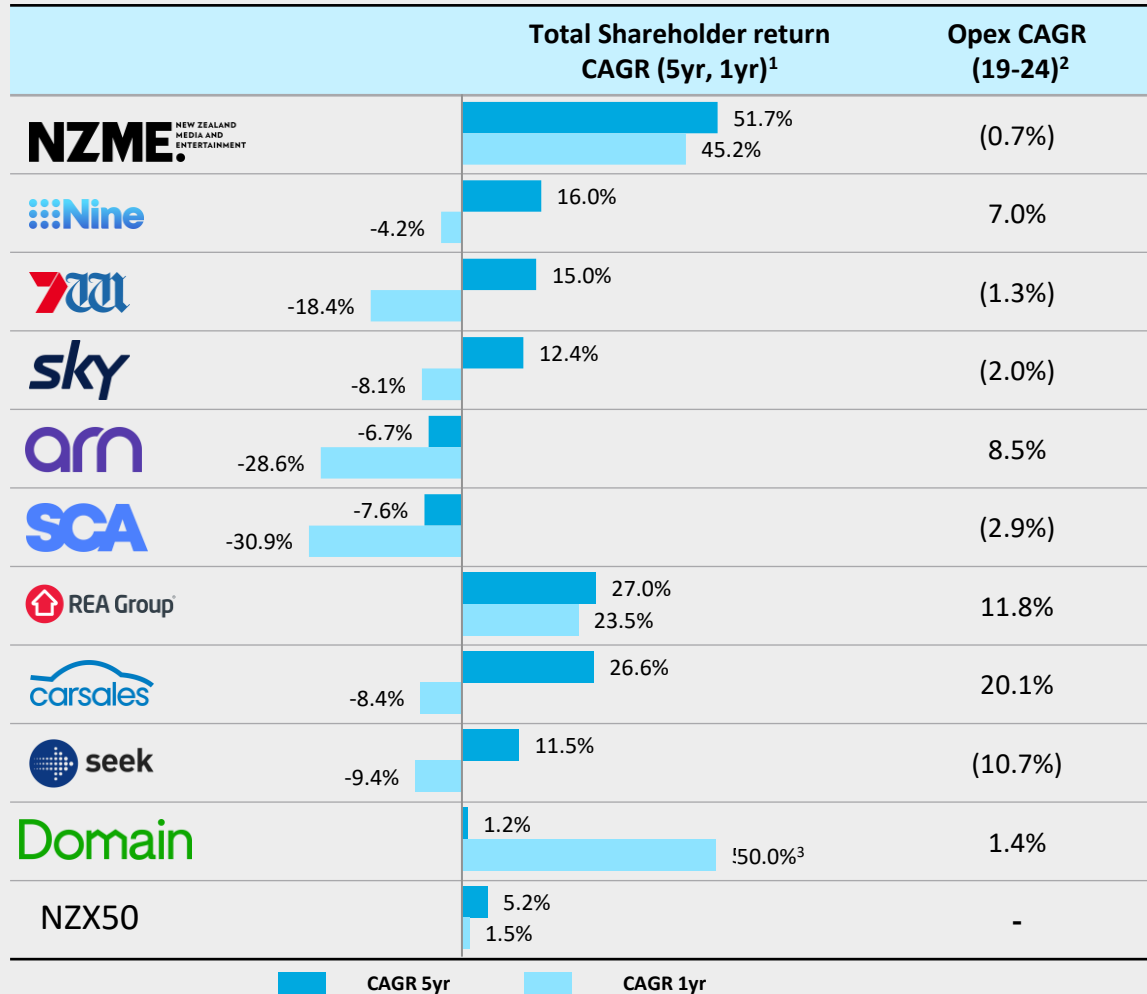
31 March 2025

1. The risks of no alternative plan

NZME has outperformed all local listed and unlisted peers and the market

NZME is a standout performer in a media industry facing major disruption and a depressed economic backdrop

Listed peers



Unlisted peers



Stuff sold for \$1 to CEO Sinead Boucher by Nine Entertainment

Source: NZ Herald – 25 May 2020



Media Insider: MediaWorks posts \$107.1m loss after \$86.6m impairment, says it has refinanced with the support of lenders and shareholders

Source: NZ Herald – 30 May 2024



TVNZ says the economy, the changing media landscape and a “difficult advertising market” are behind a \$28.5m loss for the year.

Source: One News – 30 August 2024



RNZ reports \$0.7m deficit, misses key targets

Source: Business Desk – 10 November 2023



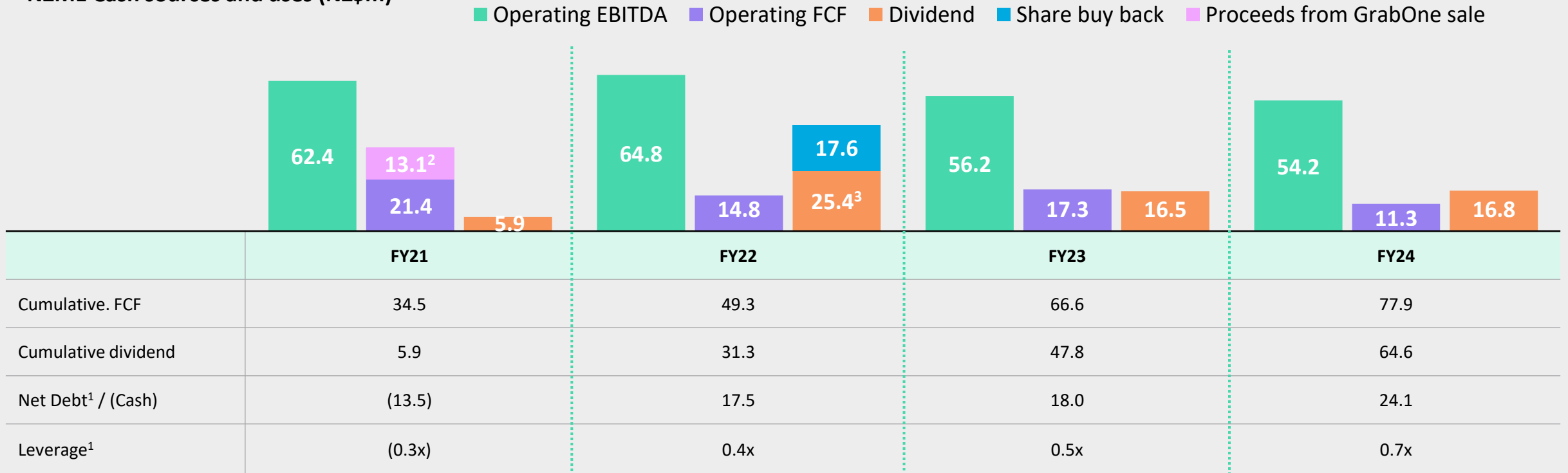
TV3 owner Discovery Warner Bros takes \$35m local loss in stride

Source: Stuff – 10 July 2023

Note: (1) Market data as per Factset as at 28 March 2025, assumes dividend reinvestment (2) Not calendarised, NZME opex CAGR includes OneRoof growth investment (3) largely driven by takeover offer

NZME has maximised cash returns to shareholders whilst maintaining a conservative debt level

NZME Cash sources and uses (NZ\$m)



1 Strong EBITDA consistency driven by growth in Digital and OneRoof

2 Over the past 4 years shareholders have received over \$80m in cash through dividends and buybacks

3 NZME has maintained a conservative leverage ratio through this period

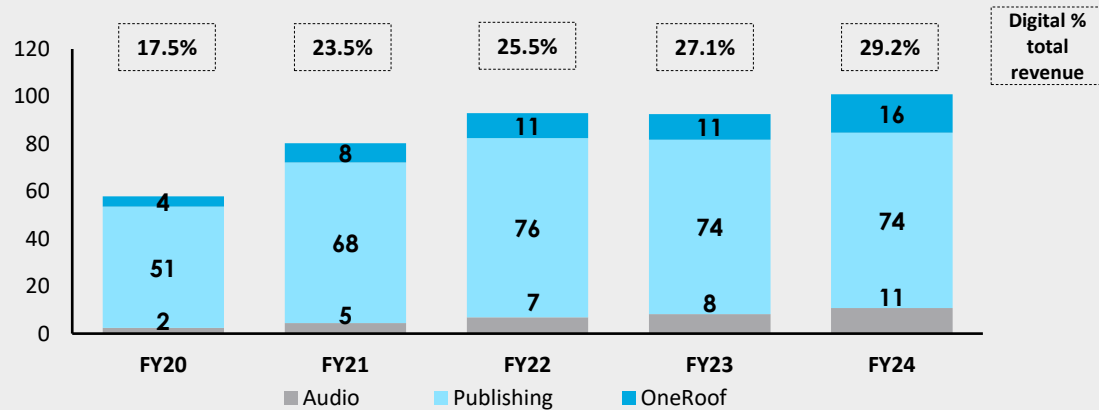
Source: Company filings, factset

Note: (1) Presented on a pre IFRS-16 basis (2) Includes \$13.1m of net cash inflow from the sale of GrabOne (3) The normal dividend for the year was \$15.7m with an additional \$9.7m special dividend paid to supplement the \$17.6m share buyback and bring the total capital return to \$27.3m

The Board's clear focus is on increasing shareholder value

The Board is focused on digital growth and the potential to exponentially grow shareholder value through OneRoof. Mr Grenon has provided no clear alternative plan or new initiatives that will significantly increase shareholder value

NZME digital revenue growth by segment (NZ\$m)



FY20-24 advertising revenue CAGR

	NZME <small>NEW ZEALAND MEDIA AND ENTERTAINMENT</small>	Market ¹
Total audio and publishing	1.9%	0.6%
Audio	4.0%	3.4%
Publishing	(0.1%)	(1.9%)

A central value driver has been growing our digital business. We have been very successful in this mission with nearly 200,000 digital subscribers across our platforms

OneRoof is an important value driver. We have invested in this business, and we are tremendously excited by its performance trajectory – it has the potential to exponentially grow shareholder value

Note: (1) Market refers to NZ advertising market data per ASA reports

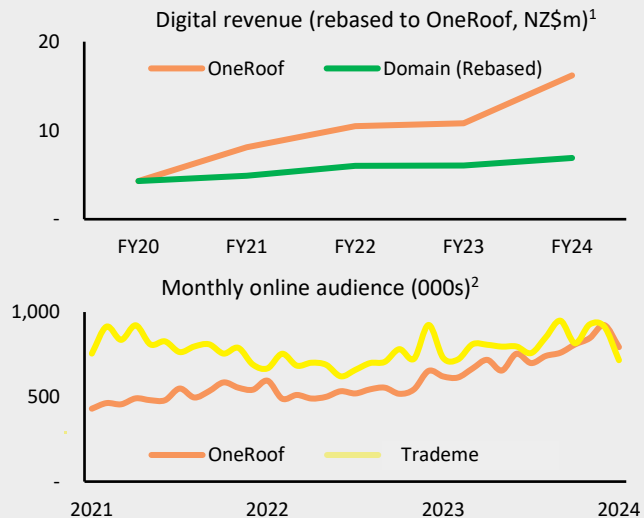
The Board is executing a clear plan to realise value in OneRoof



Step 1: Develop and Grow

2020 – 2024

Significantly invest in OneRoof to upgrade platform, win market share and grow audience



OneRoof has grown to a level that readies it for its next steps



Step 2: Enhance value through M&A

2023 – 2025

Exploring M&A opportunities both within OneRoof (e.g. consolidation opportunities for synergies and scale) and also NZME, some of which have been disrupted by the current process



Step 3: Ensure value recognised

2024 – 2025

Strategic review to consider best structure to ensure value recognised which could include a separation mechanism (eg spin off, carve out or partial sale to crystallise value) and best timing



Step 4: Realise value

2028 onwards

Consider options to realise value. This could include possible sale to a high value existing trade player³

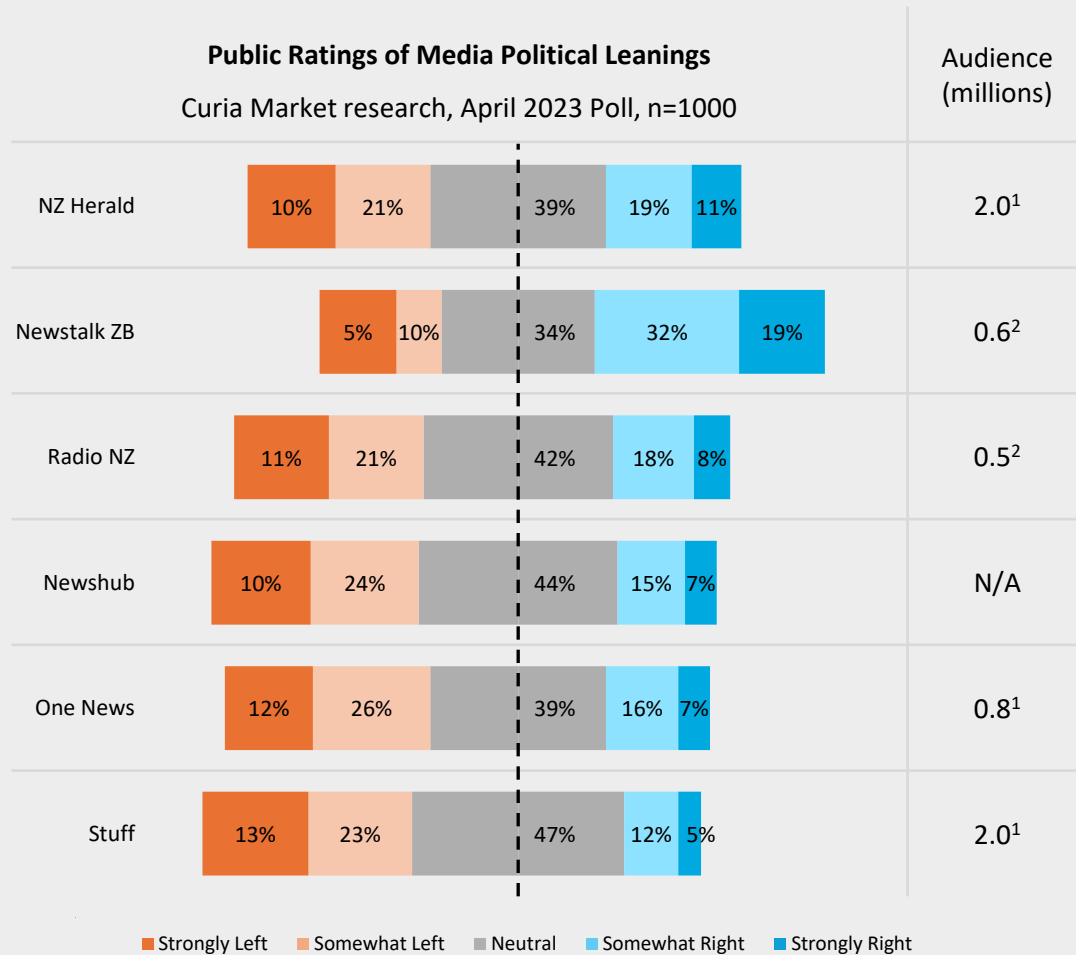
Notes: (1) Domain refers to Domain Holdings Australia Limited (ASX: DHG), a key property classifieds peer

(2) Nielsen Online Ratings December 2021 – December 2024 (desktop, mobile web and domestic traffic only, does not include exclusive mobile app audience)

(3) Subject to any required competition approvals

2. The risks around Grenon gaining editorial control

NZME has a broad reach and to maximise revenue we must produce content which appeals to the widest range of audiences



We are continually optimizing the free and premium mix of content to maximise digital revenue



2024 top 10 free stories: 5.2m page views

2024 top 10 premium stories: 800k page views



Free users generated 59% (\$36m) of NZ Herald digital revenue in FY24

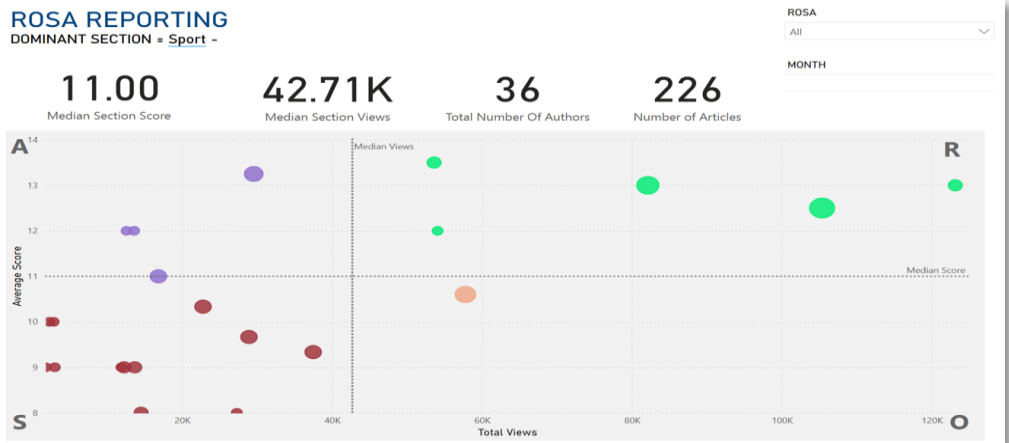
Subscribers generated 41% (\$25m) of NZ Herald digital revenue in FY24

Notes: (1) Source Nielsen Online Ratings Feb 2025 (desktop and NZ traffic only)

(2) Source GfK, Commercial RAM, S3 2024, M-S 12mn-12mn, Total NZ, AP10+ and RNZ audience research

Since 2022 the Board has embarked on a series of initiatives focused on improving the quality of our product

	FY23	FY24	FY25
Quality control	Editorial and journalist scoring	We introduced article and journalist performance score cards which rank every article and every journalist based on performance metrics – such as subscriptions and audience engagement	
		Training	Quality scores
Operating model	Editorial incentives	The Newsroom has been recently restructured to ensure that we have the right focus to drive quality and revenue.	
	Refocus newsroom on audience engagement and subscriptions		
Tech solutions	Audiences are requesting more personalisation, so they are in control of what they read, listen and view and we are now delivering to this.		Newsroom AI enablement
			Content personalisation



The Board are concerned that this is a play by Mr Grenon to exercise control over a newsroom

- The quality of journalism debate is very different from the choice of political leaning
- The Board believe some supporters of Mr Grenon are motivated by supporting certain political perspectives and moving the NZ Herald towards the right. We worry what this might do to maintaining a broad audience and its impact on staff and revenue
- Mr Grenon has been open in the media about the Board's role in actively managing quality in newsroom content. We are very against the Board interfering with editorial independence¹
- Mr Grenon's further modified proposal to the Board states "editorial policy will be acknowledged as the responsibility of the NZME board, including processes to ensure compliance". It further states "A small editorial board will be established with an attempt at a diversity of views. Philip would be the chair. They will also be responsible for raising standards, including a bit of a brain trust to raise the level of insight."
- Mr Grenon has previously owned Centrist and shown an interest in Stuff

Clear global examples of politically driven or high net worth individual ownership resulting in adverse financial outcomes



The Washington Post

Business / Media
More than 250,000 Washington Post readers cancel subscriptions in revolt over non-endorsement
By Liam Reilly, CNN
4 minute read · Updated 3:57 PM EST, Wed October 30, 2024

Source: CNN – 30 October 2024

MEDIA
Washington Post traffic craters, loses \$100M amid identity crisis as talent, readers flee: reports

Source: New York Post – 13 January 2025



X

BUSINESS INSIDER
DOW JONES N +0.2% NASDAQ N -2.1% S&P 500 N +1.7% AAPL N +1.6% NVDA N +3.1% MSFT N +2.0% AMZN N +3.5% META N +4.2% TSLA N +10.2%
TECH
More than a million Twitter accounts have been deactivated or suspended in the week since Elon Musk's takeover, report says
By Pete Syme

Source: Business insider – 4 November 2022

X revenues plunged about 40% in the months after Musk took over, Bloomberg reported.

Source: Business Insider / Bloomberg - June 2024

3. The risks around minority shareholder control of the Board room

We see significant risk that the voices of all shareholders will not be represented in the proposed Board construct

- Mr Grenon currently owns around 10% of the NZME yet is proposing that he will be Chairman and, as a result, under NZME's Constitution, will have a casting vote on Board decisions, where one may be required
- We are concerned that under some of the proposed constructs the Board structure will result in Mr Grenon and his proposed Directors controlling the decision making of the Company
- There is a risk that Mr Grenon prioritises his own agenda at the expense of all shareholders

“ I do not propose to act as an average, passive, board chair. I propose to be very active at the management level... **the objective is to act like an owner-operator.**¹

- Jim Grenon



“ **A complete change of board members [is] a risk for investors.** [The] new board [lack] institutional knowledge, and the bar for a full cleanout [is] high.

- Oliver Mander, NZSA Business Desk²



4. The risks of poor governance

Mr Grenon's proposed new Board structure keeps changing with 3 separate proposals received

1

6 March letter to shareholders

Proposed composition

4-5 Directors compromising:

Appointments by Shareholders at the ASM

- James (Jim) Grenon (Chair)
- Simon West
- Desmond (Des) Gittings
- Philip Crump

Plus:

Appointed by Board following the ASM

- One existing Board member

2

26 March letter to shareholders

Proposed composition

Up to 8 Directors comprising:

Appointments by Shareholders at the ASM

- James (Jim) Grenon (Chair)
- Simon West
- Desmond (Des) Gittings
- Philip Crump

Plus:

Appointed by Board following ASM

- Up to four new members including from:
 - The current Board or advisory boards of NZME
 - The senior management "most likely Michael Boggs"
 - A nominee of shareholder Osmium Partners (subject to owning at least 5% of NZME's shares)

3

30 March correspondence to Board

Proposed composition

7 Directors comprising

- James (Jim) Grenon (Chair)
- Desmond (Des) Gittings (with Troy Bowker appointed as Mr Gittings' alternate Director)
- Philip Crump

Plus:

- Guy Horrocks
- One of Sussan Turner, Carol Campbell, Barbara Chapman
- Michael Boggs
- Nigel Jefferies

It is unclear whether the above appointments would be achieved at the Annual Shareholders' Meeting, or by appointments by the new Board following the ASM or a combination

There are numerous governance issues with the proposed Board construct

Current Board



Deep New Zealand public company and relevant sector experience



All Board members are independent



Has the right balance of skills and expertise to lead NZME

Track record of delivery:

- incubated the fastest growing digital property marketplace in Australasia
- led digital transformation of NZME
- navigated economic and industry disruption
- outperforming peers



Executing a clear plan for the business



Diversity of the Board

Proposed Board



Three proposed board structures have been received so far, giving uncertainty to shareholders



No clear plan for business success



There is minimal public company governance experience amongst the proposed new directors



The company will not have an Independent Chair and potentially other members of the Board may not be independent (the Board is continuing to consider the independence of the other Grenon nominees)



Most recent proposal allows for an alternate from a small minority shareholder, who the Board has not yet had the opportunity to determine independence



In some of Mr Grenon's proposed board structures, all directors are male, inconsistent with NZME's Diversity and Inclusion Policy