

**NZME LIMITED ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

KEEPING KIWIS IN THE KNOW



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



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This annual report is dated 20 February 2024
and is signed on behalf of the Board of Directors by:



Barbara Chapman
Chairman



Carol Campbell
Director

2023 FINANCIAL RESULTS SUMMARY

\$346.6m

Operating Revenue¹

2022 \$364.6m

\$56.2m

Operating EBITDA¹

2022 \$64.7m

\$12.2m

Statutory NPAT

2022 \$22.7m

\$14.1m

Operating NPAT¹

2022 \$23.3m

7.7cps

Operating EPS¹

2022 12.1cps

6.0 cps

Final Dividend

Payable on 20 March 2024

\$17.3m

Operating Free Cash flows

2023 \$14.8m

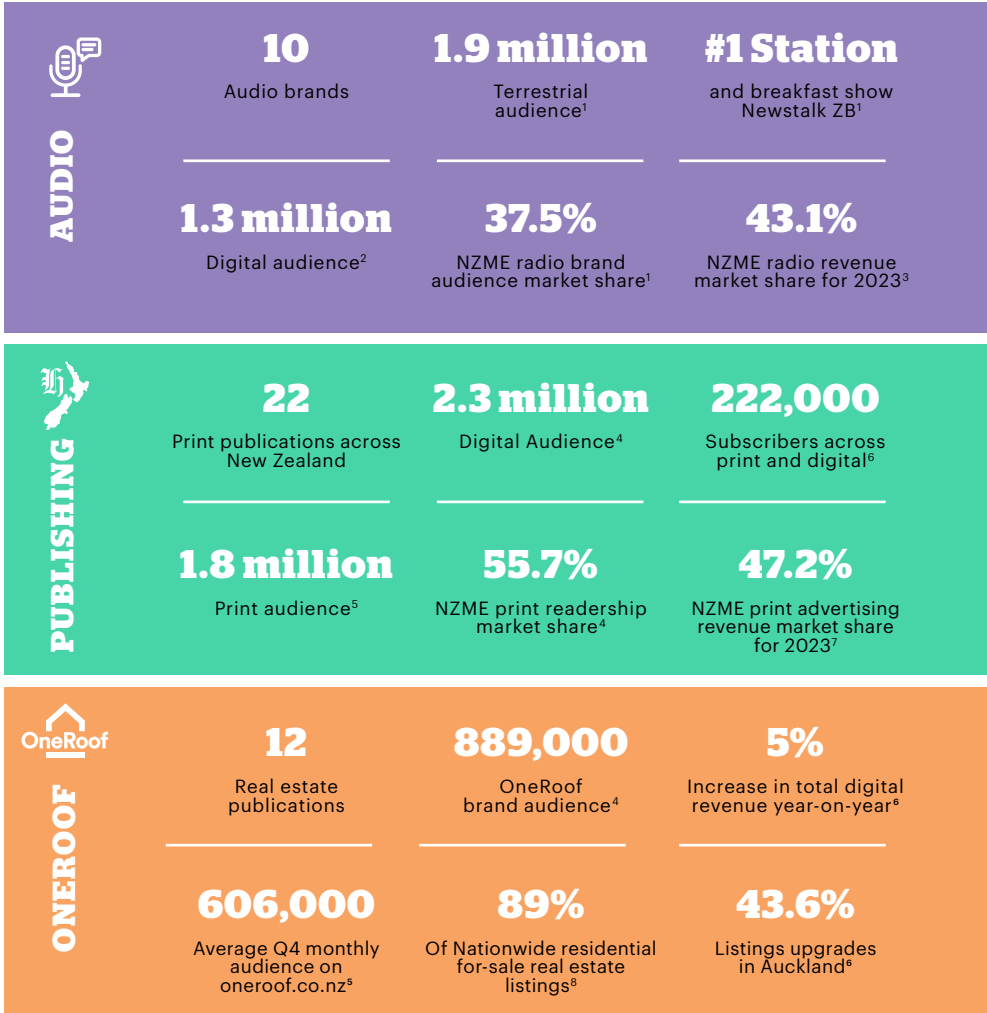
\$18.0m

Net Debt

2022 \$17.5m

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 38-39 the NZME 2023 Full Year Results Presentation for a detailed reconciliation.

DIVISION - KEY METRICS



¹ GfK RAM, Commercial Radio, Total NZ 4/2023, M-S 12mn-12mn, M-F 6am-9am, Share %, Cume 000, AP10+. ² Adswizz monthly reach Jan-Dec 2023 (monthly average). ³ Radio Broadcasters Association Radio Market Report, rolling 12-month average to 31 December 2023. Note: excludes independent broadcasters, contra revenue, and digital audio. ⁴ Nielsen Consumer Media Insights Service (CMI), Q4 22 – Q3 23 Online Fused Nov 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). ⁵ Nielsen Online Ratings as of Dec 2023 AP15+ (excludes APP). ⁶ NZME Analysis. ⁷ PwC NPA quarterly performance comparison report, Q1 2023 – Q4 2023. Note: report excludes any publishers that are not part of the NPA. ⁸ OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Dec 2023 monthly average.



CHAIRMAN AND CEO REPORT

We are pleased to present New Zealand Media and Entertainment’s Annual Report for the year ended 31 December 2023

In 2023 we continued our focus on achieving the targets we set for our three year strategy in 2020. We are pleased to report that we achieved the majority of our targets albeit a number of the financial based targets were impacted by the tough economic environment in 2023.

Like many companies, NZME’s financial results in 2023 were impacted by challenging operating conditions both in New Zealand and globally. Business confidence was low for the majority of the year with confidence moving to positive in the last quarter. Consumer confidence continues to remain at subdued levels. In addition, inflationary pressures and higher interest rates made for a tough operating environment for many New Zealand businesses. Given this environment, NZME has performed well, adapting to the challenges and continuing to develop its digital products alongside its radio and print platforms.

Financial Results – Highlights

For 2023, the operating EBITDA¹ was \$56.2 million which was 13% lower than 2022. Statutory net profit after tax was \$12.2 million which was lower than last year’s \$22.7 million. As a result the operating earnings per share was 7.7 cents.

The tough operating environment impacted the demand for advertising, which together with a weaker real estate market resulted in NZME’s Operating Revenue and other income being 5% lower than last year.

Our continued focus on disciplined cost management and adapting our business resulted in a 3% reduction in operating expenses.

Our relentless focus on growing our digital business has led to digital revenues exceeding \$100 million per year, or 29% of total revenue. We continue to drive this growth through our central objective to deliver on our digital-led strategy across our three key platforms – Audio, Publishing and OneRoof.



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

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 38-39 of the results presentation for a detailed reconciliation. ² Radio Broadcasters Association Radio Market Report, rolling 12-month average to 31 December 2023. Note: excludes independent broadcasters, contra revenue, and digital audio. ³ Nielsen CMI Fused Q4 22 – Q3 23 Nov 2023 AP15+ (Total NZME = monthly NZME print, weekly NIMS, Weekly Radio GfK Fused S3 2023 and monthly online fused. Publishing Digital = nzh.co.nz & driven.co.nz. Publishing Print = monthly print excl Real Estate. OneRoof Print = Real Estate sections.)

KEY ACHIEVEMENTS

Our audience and nationwide reach remains extremely strong - every month, NZME engages with more than 3.5 million people across New Zealand, reaching 85% of Kiwis aged 15+.

Audio

While radio advertising revenue declined by 2% off the back of a 6% overall market decline, NZME's radio market revenue share² reached 43.1% - the highest since measurement began in 2016.

Despite difficult market conditions, NZME continued to grow its digital audio business, growing digital audio by 23%. This reflects the strength of NZME's leading digital audio platform - iHeartRadio and NZME's podcast network, with podcast revenues growing 54%. NZME has also led New Zealand's podcast rankings for 29 consecutive months, with average monthly downloads over 10 times that of our closest competitor.

NZME is gaining real traction on its leading podcast position in New Zealand which will drive future digital revenue growth. Our strong position in news, politics and business together

with our strong entertainment brands supports continued improvement of our audio profitability.

Publishing

We continued to evolve our Publishing division in 2023, investing in our digital publishing platform and a new 'business of journalism' operating model. This saw us focus on growing our digital news business further, which is now a sustainable and profitable part of NZME, supporting journalism for future generations.

Our print business complements our digital news business and under a new operating model we are confident that print will deliver strong cash flows for NZME well into the future.

Publishing subscriptions reached 222,000 in 2023 - up from 209,000 the year prior. This includes 130,000 digital only subscriptions which is up from 113,000 last year.

OneRoof

The OneRoof business is now demonstrating its potential as it continues to grow revenue, reaching the scale that will be the tipping point for it to

be profitable. We continue to reduce the audience gap with the number one player in market.

OneRoof grew its digital revenue by 5% year on year, despite a 12% reduction in new residential real estate listings coming to market. This was achieved through improved listing upgrade conversion rates across the country and improved yield.

With a clear business strategy in place to grow OneRoof, it is well set up for strong delivery of revenue and profitability into the future.

Evolved our Key Strategic Priorities

In November 2023 NZME released its revised three-year strategic priorities across its Audio, Publishing and OneRoof divisions. The strategy is digital-led and focused on delivering superior returns across the business.

The three new strategic priorities are to be:

- Number One in Audio
- New Zealand's leading news destination
- Your essential property platform





NUMBER ONE IN AUDIO

-  Create the most listened to and loved content
-  Deliver customer solutions to grow revenue share
-  Grow podcast engagement and monetisation

Number One in Audio

NZME's Audio business includes its many radio brands, digital audio platform iHeartRadio, and its high-performing podcast network.

The newly released strategic priority to be 'Number One in Audio' includes a strong focus on three key pillars:

- Create the most listened to and loved content
- Deliver customer solutions to grow revenue share
- Grow podcast engagement and monetisation

New Zealand's leading news destination

NZME's Publishing business covers its digital platforms including NZ Herald Premium, BusinessDesk and VIVA Premium, as well as its national, regional and community print products.

The newly released strategic priority to be 'New Zealand's leading news destination' includes a strong focus on three key pillars to deliver:

- Scalable digital audience and advertising news platform
- Expert journalism that grows subscriber lifetime value
- High quality and efficient print business



NEW ZEALAND'S LEADING NEWS DESTINATION

-  Scalable digital audience and advertising news platform
-  Expert journalism that grows subscriber lifetime value
-  High quality and efficient print business

Your essential property platform

The OneRoof division includes the OneRoof digital property platform together with all of NZME's dedicated real estate publications.

OneRoof's newly released strategic priority is to be 'Your essential property platform', and includes a strong focus on three key pillars:

- Superior listings experience and performance
- Grow listings revenue
- Accelerate non listings product revenue

We believe this renewed strategy sets us apart from our competitors and it is focused on delivering strong returns for shareholders.


Our Audio business has significant opportunities that are already improving our profitability, in Publishing we are currently investing in our digital publishing platform and a new business of journalism operating model, and OneRoof is at a tipping point and we are confident that significant shareholder value can be created from the very large profit pool that it operates in.

Capital Management

NZME is focused on delivering value for shareholders and we are



YOUR ESSENTIAL PROPERTY PLATFORM

-  Superior listings experience and performance
-  Grow listings revenue
-  Accelerate non-listings product revenue

pleased to have made distributions to shareholders over the past year of \$16.5 million comprising of:

- 2022 final dividend of 6 cents per share; total \$11.0 million.
- Interim dividend of 3 cents per share; total \$5.5 million.

Net debt remained at the low end of the target leverage range at \$18.0 million, \$0.5 million higher than last year.

The Board remains committed to returning excess capital to shareholders, subject to the operating environment and investment opportunities.

Outlook

There are positive signs for 2024, with January and February advertising revenues pacing ahead of last year, business and consumer confidence on upward trends, and a recovering real estate market. However, sentiment among market commentators remains one of economic uncertainty and no clear consensus on the outlook.

Despite the challenging environment, we are pleased with the continued growth in digital across our Audio, Publishing and OneRoof businesses, and we are well-positioned to deliver improved results as market conditions improve.



We remain conscious of continued cost pressures across our business and will focus on substantially mitigating these through disciplined cost controls.

NZME prides itself on our high value relationships with our 3.5 million strong audience³, as well as the huge number of advertising customers across multiple platforms, reaching 85% of the New Zealand population across a month.

We believe our revised strategy sets NZME up for strong delivery of revenue and profitability growth, and our balance sheet is strong when compared to local competitors.

The Annual Shareholders' Meeting is scheduled for 11 April 2024, and we look forward to providing a progress update on our strategic priorities.

Conclusion

Our central key objective is to relentlessly pursue a digital led strategy across our three key platforms. Globally, we know these digital centric businesses are valued at much higher multiples than print peers. This digital first focus will set us apart from our competitors and drive returns for shareholders. However, we are also focused on maximising the Print revenues that will continue to provide substantial earnings well into the future.

Thank you to the NZME Board, the Executive team and team of 1,200 at NZME for their hard work, loyalty and commitment during what was another challenging year. NZME is well set up for future growth, and with signs of improvement in the market, we are confident 2024 will be a successful year. Thank you to you all for continuing to deliver value for our people, our audiences, clients, customers, and our shareholders.

Barbara Chapman
Chairman

Michael Boggs
Chief Executive Officer

FINANCIAL COMMENTARY

Financial Results

Given the difficult operating and economic environment, Statutory NPAT for 2023 was \$12.2 million, compared to last year's \$22.7 million.

Operating EBITDA¹ was \$56.2 million in 2023 which was 13% below last year. Operating Revenue¹ was 5% lower in 2023 at \$346.6 million, compared to the 2022 operating revenue of \$364.6 million.

Operating Expenses¹ were \$290.4 million, a reduction of 3% due to:

- People costs were 3% lower than 2022 as a result of improved efficiencies and lower incentive payments offsetting inflationary pressure on salaries and wages.
- Print and Distribution costs were 1% lower year on year with higher distribution costs offset by lower volumes.
- Content costs were 4% higher due to increased activity and increased licence costs.
- Other expenses were flat overall with lower IT costs offsetting other cost increases.

NZME's Operating NPAT¹ for 2023 was \$14.1 million, resulting in an operating earnings per share of 7.7 cents.

Balance Sheet and Cash Flow

Net debt increased by \$0.5 million to \$18.0 million as at 31 December 2023 with strong operating cash flows despite lower earnings, offset by distributions to shareholders.

Working capital excluding cash increased by \$0.2 million as a result of:

- Lower receivables and payables reflecting the impact of reduced operating revenues
- Inventories decreasing due to reduced paper stock.
- Reducing tax payable due to lower earnings.

Cash flows from operations for the year was \$41.5 million, which is higher than 2022 due to a reduction in the amount of tax paid during the year.

Capital expenditure was \$11.0 million, a similar level to 2022 ensuring the continued development of key digital products in order to progress our digital transformation.

Plant property and equipment, intangibles and other non-current assets decreased due to depreciation and amortisation exceeding capital expenditure. Right of Use assets reduced in line with the reduction in lease liabilities as the terms reduce.

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 38-39 the NZME 2023 Full Year Results Presentation for a detailed reconciliation.



AUDIO

The audio division encompasses NZME's radio brands as well as its digital audio platform iHeartRadio.

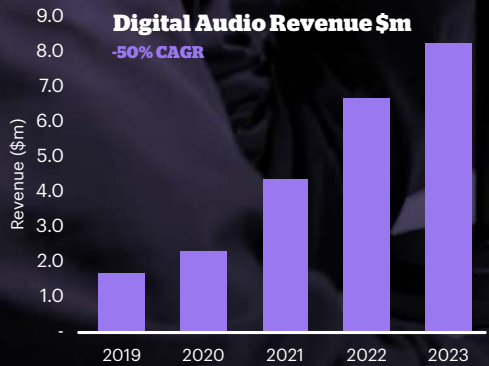
Total audio revenue was \$113.6 million in 2023 which was similar to 2022 despite what has been a weaker trading environment. Pleasingly digital audio revenue continued to grow and was 23% higher than last year at \$8.4 million.

NZME grew radio revenue market share to 43.1% year on year, with audience share remaining similar at 37.5%. Newstalk ZB continues to be New Zealand's number one commercial radio station supported by leading entertainment audio brands.

Podcasting is an important part of the audio growth strategy at NZME, and we have led the New Zealand podcast ranker for 29 consecutive months, with the average monthly downloads over ten times its closest competitor.

NZME has a diverse digital audio content offering including digital streaming of its radio stations, catch up radio podcasts, original owned podcasts, partner podcasts and international content available on iHeartRadio.

NZME won six of the eight premier awards at the 2023 NZ Radio Awards including Newstalk ZB for Network Station of the Year, ZM's Fletch, Vaughan and Hayley for Best Music Network Breakfast Show, and Newstalk ZB's Mike Hosking for Broadcaster of the Year.



RANK	PODCAST REPRESENTATIVE ³	2023	2022	% CHANGE
1	NZME	7.3	5.4	35%
2	rova (MediaWorks)	0.6	0.5	28%
3	LISTNR (SCA)	0.4	0.2	76%

³ Triton NZ Podranker, Sales Representation category



PUBLISHING

The Publishing division includes NZME's digital news and journalism products including NZ Herald and BusinessDesk together with its print publications.

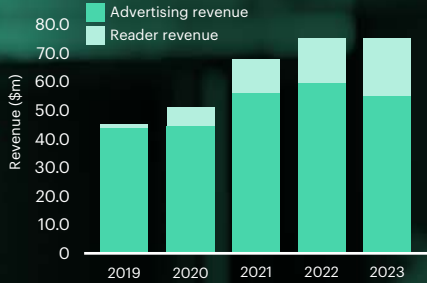
Total publishing revenue was \$209.6 million in 2023 which was 7% lower than 2022. Reader revenue was down 4% with digital subscription revenue 4% higher offset by lower print reader revenue. Digital only subscriptions increased from 113,000 last year to 130,000 while total publishing subscriptions reached 220,000 in 2023 – up from 209,000 the year prior.

Publishing advertising revenue was impacted by the tough operating environment with print advertising revenue down 13% and digital advertising revenue 8% lower than last year.

During the year the Publishing division was re-organised into separate digital and print units creating a truly digital first model. Content is produced for digital publication first and then separately curated for the various print publications.

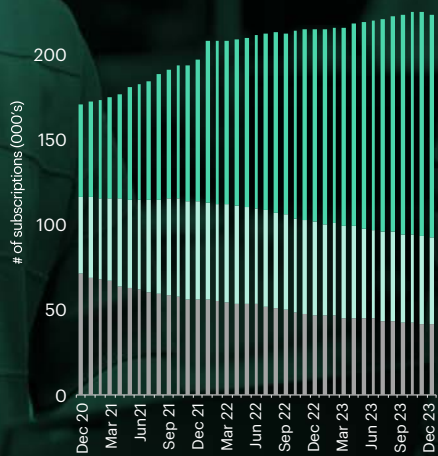
Digital Publishing Revenue \$m

-6% CAGR -85% CAGR



Subscriptions Mix

Print Only Digital Entitled Digital Only



PUBLISHING DIVISION

DIGITAL PUBLISHING

Content produced for digital publishing
 Revenue from subscribers and advertisers
 Costs include all content costs excluding specific print related curation and production

PRINT HUB

Content from digital journalism curated into print publications
 Revenue from print subscribers and advertisers
 Costs include only those required to curate digital content into print products and print and distribution costs

OneRoof

Find a property

Valuation

News

Tools



Start your property

Buy

Type an address, suburb, or city

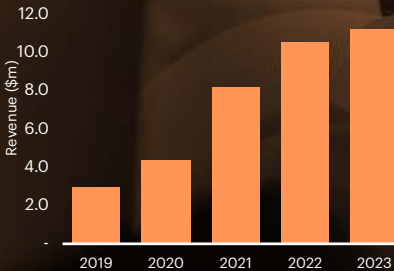
ONEROOF

The OneRoof division includes the OneRoof digital property platform together with all of NZME's dedicated real estate publications.

OneRoof revenue (print and digital) was \$20.8 million for 2023 which was 9% lower than 2022 as a result of a very weak real estate market. Despite this OneRoof digital revenue grew by 5% now representing more than half of OneRoof's total revenue.

Digital OneRoof Revenue \$m

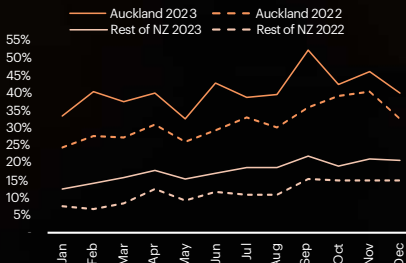
-40% CAGR



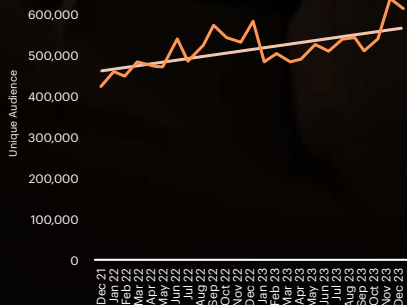
OneRoof digital revenue growth was achieved through increased listings upgrade conversions rates together with improved yield on upgraded listings. Conversion rates were up to 44% in Auckland and 20% for the rest of New Zealand by the end of the year.

OneRoof monthly audience continued to strengthen with the gap to Trade Me property audience closing over the year.

OneRoof Digital Residential for-sale Listings Upgrade %



OneRoof Monthly Audience



¹ NZME Analysis. ² Nielsen Online Ratings - Domestic Unique Audience, Dec 2021 - Dec 2023 (does not include exclusive mobile app audience).

OUR SUSTAINABILITY COMMITMENT

At New Zealand Media and Entertainment, we're committed to making a positive impact for our communities, our people and playing our part in protecting the environment. We have a responsibility to protect the craft of journalism and broadcasting, keeping Kiwis in the know.

In 2024 we released our Sustainability Commitment. The new commitment also incorporates NZME's climate related disclosures, which are covered on page 27 of this report.

As a media and entertainment business we connect and empower our communities, provide a workplace that fosters innovation, engagement and inclusion and we take our responsibility to the environment seriously.

We are committed to reducing and mitigating our impact as a business on the environment and we are focused on utilising our platforms to grow community connections and engagement on local and global environmental issues.

We provide a workplace that fosters innovation, engagement, and inclusion through promoting a healthy, diverse and safe workplace. We are relentlessly focused on developing our people and continue to champion and protect the craft of journalism and broadcasting.

Our communities, our customers and our audience of more than 3.5 million people motivates our teams every day. We strive to connect and empower our communities across NZME's platforms, as New Zealand's largest multi-media company. This includes ensuring we provide diverse, balanced, quality and trusted news and

that we facilitate conversations about the topics that matter most to New Zealanders.

NZME's sustainability commitment measures against the UN Sustainable Development Goals – an international blueprint to achieve a better and more sustainable future for everyone. We also benchmark our efforts against global sustainability standards, industry trends, and our media peers both in New Zealand and internationally.

We believe NZME's sustainability commitment assures the prosperity of our business to deliver value for our people, our customers, audiences and our shareholders, well into the future.

CASE STUDY: ELECTION 2023

NZME's election coverage provided a comprehensive and balanced narrative across our newsrooms. The synergy of in-depth analysis, real-time updates and diverse perspectives in the build up and on election night, engaged New Zealanders across the country.












PICTURED: CYCLONE GABRIELLE

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 of Hawke's Bay Today containing vital Civil Defence and public health information.



We are committed to protecting the craft of journalism and broadcasting to keep Kiwis in the know.

OUR COMMUNITIES	OUR PEOPLE	OUR ENVIRONMENT
<p>We connect and empower our communities</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>RESPONSIBLE REPORTING AND BROADCASTING</p> </div> <div style="text-align: center;">  <p>CONNECTING COMMUNITIES</p> </div> </div> <div style="text-align: center; margin-top: 10px;">  </div>	<p>We provide a workplace that fosters innovation, engagement and inclusion</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>PROMOTING A HEALTHY, DIVERSE AND SAFE WORKPLACE</p> </div> <div style="text-align: center;">  <p>CHAMPIONING THE CRAFT AND DEVELOPING OUR PEOPLE</p> </div> </div> <div style="text-align: center; margin-top: 10px;">  </div>	<p>We accelerate awareness and drive meaningful action on environmental issues</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>REDUCE AND MITIGATE OUR IMPACT</p> </div> <div style="text-align: center;">  <p>GROW CONNECTION AND ENGAGEMENT</p> </div> </div> <div style="text-align: center; margin-top: 10px;">  </div>
<p>NZME's sustainability programme is aligned to the guidelines set out in the UN Sustainable Development Goals - an international blueprint to achieve a better and more sustainable future for everyone.</p>		

PICTURED: HERALDS OUR HEROES 2023

It's a proud tradition that goes back to 1991. At the end of each year the New Zealand Herald nominates Our Heroes across news, sport, business and entertainment, honouring the men and women who the NZ Herald believe deserve the widest possible recognition.



OUR COMMUNITIES

We connect and empower our communities.

NZME is deeply involved in our communities, and as one of New Zealand's largest media companies we will facilitate conversations about the topics that matter to Kiwis, and we continue to partner with charitable organisations throughout the year. We are proud to provide quality, trusted, diverse and balanced journalism and entertainment right across our platforms.



CASE STUDY: WHAT THE ACTUAL?!

In response to Gen Z's growing preference for social and digital news formats, NZ Herald launched What the Actual?! in April 2023 – a new and unique social media brand aimed at keeping Kiwi youth in the know on the issues that matter most to them. Published across TikTok, Instagram and YouTube, What the Actual?! delivers easily consumable, video-led content covering the biggest breaking stories, current events, sports, entertainment, social justice and political news.



CASE STUDY: MENTAL AS ANYTHING

Mental As Anything is a podcast series hosted by Radio Hauraki Day Show host Angelina Grey, inspired by the fact that the global pandemic has seen a 25% increase in anxiety and depression worldwide.

INITIATIVE

PROGRESS



RESPONSIBLE REPORTING AND BROADCASTING

Through best practice broadcasting and journalism, we will provide a diverse and balanced reporting platform, promoting the law and holding the powerful to account.

Where justified in the interests of freedom of expression, open justice and holding the powerful to account, NZME invests in legal challenges to suppression, take down orders, access to court files and other media law challenges. In 2023 NZME participated in 13 legal challenges, some of which involved continued investment in opposing or appealing to the High Court, Court of Appeal and the Supreme Court. In 2023 NZME continued with the Open Justice Project, which covers local court cases.

NZME strives to adhere to our Editorial Code of Ethics and the principles and standards of the NZ Media Council and the Broadcasting Standards Authority (BSA).

Regulator	Number of Upholds	
	2022	2023
BSA	Nil	1
Media Council	Three upheld	Nil



CONNECTING COMMUNITIES

We are deeply involved in our communities and as one of New Zealand's largest media platforms we will facilitate conversations about the topics that matter to Kiwis.

We have maintained our commitment to our communities through the presence of local journalists and broadcasters. We employ 565 journalists and broadcasters nationwide.

We increased diversity of content and contributors across our platforms in 2023 including:

- Kea Kids News – News made for kids, by kids, hosted on nzherald.co.nz
- No Such Thing As Normal – 10-part podcast series discussing Neurodiversity
- 12 new cadets entering the award-winning Te Rito programme
- Te Wiki o te Reo Māori (Māori Language Week) events, including Te Reo Māori news bulletins and content, podcasts and video content across our platforms
- M9 - Supporting the showcase of unique perspectives in celebration of events such as Te Matatini, Matariki and Te Wiki O Te Reo Māori
- Transgenerations – Trans Kiwi young and old tell their stories
- NZME continued its media partnership with Auckland Unlimited across major summer cultural festivals including Diwali, Lantern Festival and Pasifika.

In 2023 we have championed and supported charitable causes, providing support to:

NZ Red Cross Disaster Relief Fund, The Funding Network of New Zealand, Big Clash Cricket Charity Match (Un Ltd), Good Impressions – GoMedia, Liam Patterns Newsprint supply, Music Helps, Cystic Fibrosis NZ, Bowel Cancer Awareness, Mindful Fashion Circular Design Awards, Blue September, Women's Refuge (Shielded Initiative), Variety New Zealand, Salvation Army (The Hits' Fill the Bus Rotorua), Tauranga Food Bank (The Hits BOP Christmas Movie in the Park), Breast Cancer Cure (Callum and P's 600 minutes for 600 lives).

CASE STUDY:

CYCLONE GABRIELLE RED CROSS APPEAL

NZME helped raise \$13 million through the NZ Red Cross Disaster Relief Fund following Cyclone Gabrielle, and helped Aotearoa prepare for, respond to, and recover from future disasters following flooding events.

NZME also made \$1 million in advertising support available to support businesses that were impacted by the weather events themselves, or that were in a position to help those that had been impacted.



The New Zealand Herald | Monday 17 February 2023

nzherald.co.nz

Cyclone Gabrielle: Please donate

CYCLONE GABRIELLE
DONATE TO THE NEW ZEALAND DISASTER FUND

NZ Herald/NZME team up with the Red Cross

The devastation and heartache caused by Cyclone Gabrielle has affected hundreds of thousands of people and its effects will be felt for a long time to come. Entire communities have been ravaged by the cyclone, thousands are still cut off without access to supplies, while thousands of others have been evacuated. A number of people have lost their lives, others have lost their livelihoods.

Tamatea Intermediate evacuation centre in Napier
Photo: Paul Taylor



"The events have been catastrophic for communities across the North Island and the need for support is critical. At NZME we have a presence across all the communities that have been affected, with many of our staff, our customers, our readers and our business partners having loved ones in those areas. I know everyone behind the cause, promoting and supporting it however we can, to raise as much money as possible for those in need," he said.

New Zealand Red Cross General Manager of Engagement & Enterprise Shane Chisholm said "New Zealand Red Cross are proud to be teaming up with the NZ Herald and NZME to support those affected by Cyclone Gabrielle and help prepare for future emergencies in the future."

committed to keeping Kiwis in the know through extensive coverage of devastating events - and we're going further. Through our digital and print radio channels, we are reaching our audience to donate as much as small, donation helps".

The full scale of the destruction wrought on by Gabrielle might not be known for some time - but what we do know is this is already one of the most significant disasters in New Zealand history. At least six people have been confirmed dead so far, including a child, with many other lives feared lost. Earlier this week, after declaring a National State of Emergency for the third in New Zealand's history, Prime Minister Chris Hipkins described Cyclone Gabrielle as "the most severe weather event this century".

According to the New Zealand Red Cross, the best way to help in a situation like this is to make a monetary donation.



al photographs reveal the extent of damage in storm-ravaged Waitoa. Photo: Hawke's Bay Civil Defence

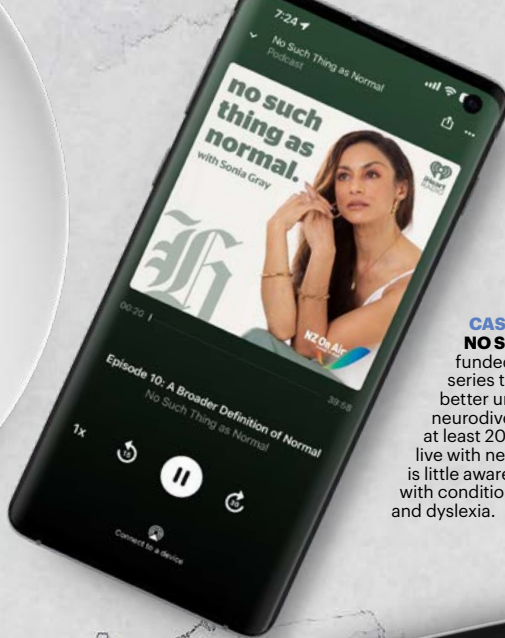
we mourn the lives that have been lost, we also look for ways to help those who survived but lost their homes. We want to help people in the areas affected by Cyclone Gabrielle, the NZ Herald and parent company NZME are teaming up with the New Zealand Red Cross in a fundraising appeal. The fund to help those impacted by Cyclone Gabrielle and other weather events.

If you can, please donate to the appeal by clicking redcross.org.nz/nz-disaster-fund. No amount is too small. If you can't donate at the moment, one easy, practical way to help is to share this appeal with others around you. NZME chief executive Michael Bogas says the company is determined to do whatever it can to support those impacted by Cyclone Gabrielle.

CASE STUDY: 600 MINUTES FOR 600 LIVES

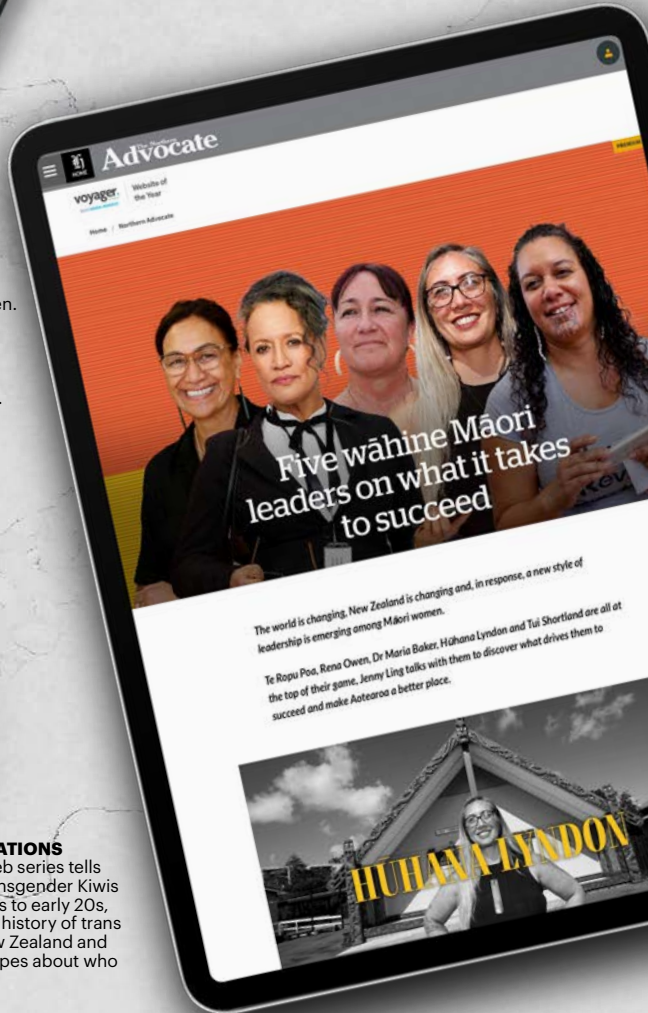
The Hits Dunedin Breakfast Show hosts Callum Proctor & Patrina Roche participated in Breast Cancer Cure New Zealand's 600 Minutes for 600 Lives campaign, walking around the Octagon as many times as possible for 600 minutes (10 hours) to raise funds and awareness.

Lexie (she...
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NZ On Air



CASE STUDY:
NO SUCH THING AS NORMAL,
 funded by NZ on Air, is a 10-part series that aims to help listeners better understand those living with neurodivergence. It is believed that at least 20 percent of New Zealanders live with neurodivergence, but there is little awareness or support for people with conditions such as ADHD, autism and dyslexia.

CASE STUDY:
WHAT IT TAKES TO BE A LEADER
 The world is changing, New Zealand is changing and, in response, a new style of leadership is emerging among Māori women. Te Ropu Poo, Rena Owen, Dr Maria Baker, Hūhana Lyndon and Tui Shortland are all at the top of their game. Jenny Ling spoke with them to discover what drives them to succeed and make Aotearoa a better place.



CASE STUDY:
TRANSGENERATIONS
 An eight-part web series tells the stories of transgender Kiwis from their late 70s to early 20s, documenting the history of trans experience in New Zealand and dispelling stereotypes about who trans people are.

(her) was born at the end of World War
 the word transgender had even been
 as early as she can remember
 was different. Māori can remember



OUR PEOPLE

We provide a workplace that fosters innovation, engagement, and inclusion.

**PICTURED:
EQUIPPING OUR PEOPLE**
The first intake of DevelopMe launched in 2023, designed to deliver vibrant and exceptional leadership across NZME.

NZME is committed to being an employer of choice and in 2023, finished the year with an Employee Net Promoter Score within the top 10% of consumer media businesses globally.

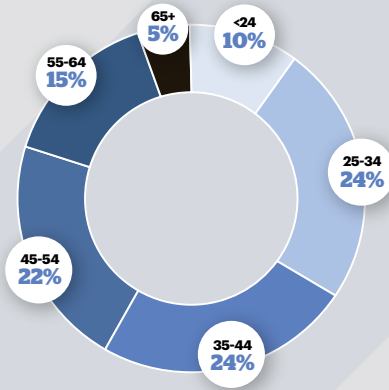
Through the work of NZME's Diversity and Inclusion Committee, NZME continues to support and celebrate a calendar of events, alongside DevelopMe, a new leadership programme to create vibrant and exceptional leadership across NZME. The first intake for the programme has commenced with the second intake due to start in 2024.

Initiatives to support and promote mental health and wellbeing included new neurodiversity workshops and continued support from our Employee Assistance Programme.

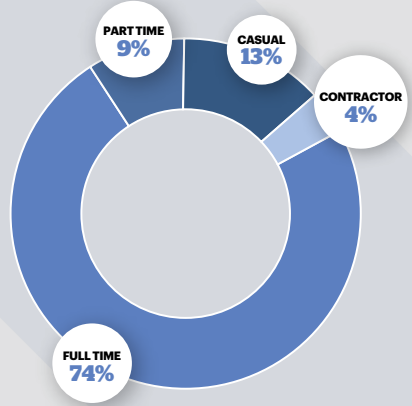
**CASE STUDY:
TE RITO JOURNALISM CADETSHIP**
In 2023 we welcomed 12 new cadets into the award-winning Te Rito programme, a media industry partnership which aims to inject the industry with voices that better reflect our diverse communities.



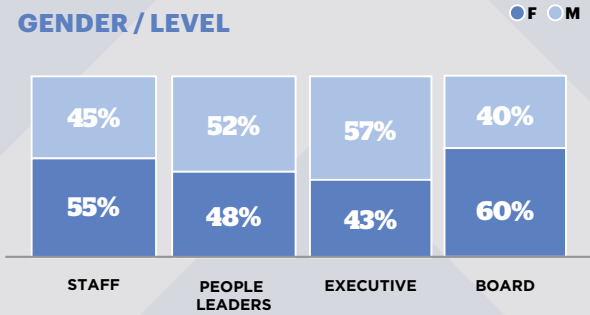
AGE GROUP



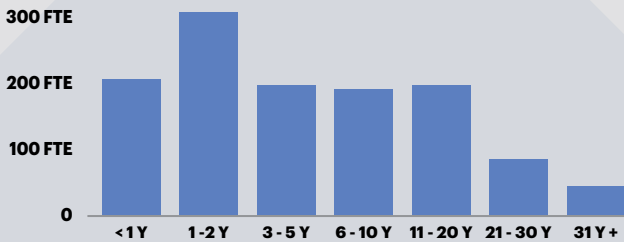
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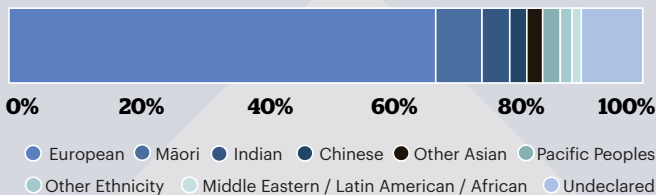
GENDER / LEVEL



LENGTH OF SERVICE (YEARS)





ETHNICITY



OUR PEOPLE

INITIATIVE	PROGRESS
<div data-bbox="92 331 174 416" data-label="Image"> </div> <p data-bbox="90 435 318 496">PROMOTING A HEALTHY, DIVERSE AND SAFE WORKPLACE</p> <p data-bbox="90 515 356 727">We will embed a high performing health and safety culture and will regularly report on our performance. We will strive for a collaborative and welcoming place to work that celebrates diversity. We will adopt and strengthen policies for the promotion of gender equality.</p>	<p data-bbox="390 331 960 459">With 35 sites across New Zealand, we have implemented new procedures to ensure health and safety requirements are being applied consistently across all our offices. EY conducted a thorough audit of NZME's health, safety and wellbeing processes. There were no significant rated observations found as part of this audit and all recommendations within the report will be implemented in 2024.</p> <hr/> <p data-bbox="390 483 871 526">The Diversity and Inclusion Committee hosted a calendar of events including:</p> <ul data-bbox="390 534 977 1090" style="list-style-type: none"> • Pink Shirt Day supporting a culture free from bullying, harassment, and discrimination • International Women's Day Panel Event • Chinese New Year and Chinese Moon Festival • Lunar New Year celebrations • Auckland Rainbow Parade, Whangarei Proud Parade and NZME Bright Shirt Day for Pride • New Zealand Sign Language Week • Rainbow Tick accreditation and workshops supporting a LGBTQ+ inclusive workplace • Matariki (marking the beginning of the new year in the Māori lunar calendar) and Pasifika celebrations • Tongan Language week • Te Wiki o te Reo Māori (Māori language week) • NZ Mental Health Week • Unconscious Bias Training through our partnership with Diversity Works NZ • Wellness Week • Diwali (Festival of Light) celebrations • Wellbeing Week – with support from TELUS Health (formerly Benestar) and focus on mental health, women's and men's health. <hr/> <p data-bbox="390 1114 949 1220">NZME supports initiatives that reduce the gender pay gap and eliminate gender inequalities across the business and continues to closely monitor relevant data points across the business to hold leaders accountable and ensure continued progress with diversity, inclusion and reducing inequities.</p>

INITIATIVE	PROGRESS
 <p>PROMOTING A HEALTHY, DIVERSE AND SAFE WORKPLACE</p> <p>Continued</p>	<p>We are striving for diversity at Board, Executive and People Leader levels.</p> <p>In 2023, for gender, we have at Board level F60%:M40% (2022: F60%:M40%), at Executive level F43%:M57% (2022: F30%:M70%) and for our People Leaders F48%:M52% (2022: F50%:M50%).</p> <p>At Board level for ethnicity, all members identify as European (2022: all members identified as European) and at Executive level 14% identifying as Chinese and 86% as European (2022: 9% identifying as Chinese and 91% as European), and for our People Leaders we have 85.3% (2022: 86.5%) European, 7.8% (2022: 8.1%) Māori, 3.5% (2022: 3.1%) Indian, Chinese 1.3% (2022: 1.8%) and 2.1% (2022: 0.5%) identifying as other ethnicities.</p> <hr/> <p>NZME supports flexible working for diverse needs and/or shared responsibility in the household. Policies and initiatives in 2023 to support this included surveying our people to understand what was important to them.</p>
 <p>CHAMPIONING THE CRAFT</p> <p>We will ensure we are mentoring the next generation of journalists and broadcasters. We will develop our people to maintain and grow the craft.</p>	<p>NZME had 38 interns and cadets (2022: 26) across our newsrooms in 2023.</p> <hr/> <p>A total of 299 hours (2022: 247 hours) of media law and regulation training was undertaken by our journalists and broadcasters at NZME in 2023, with a focus on BSA training due to updated codes. This training which was made widely available.</p> <hr/> <p>Refer to page 44 for our Awards list celebrating the talent and commitment of our people.</p> <hr/> <p>NZME has completed the first year of the new DevelopMe leadership programme with cohort one, with cohort two beginning in 2024.</p>

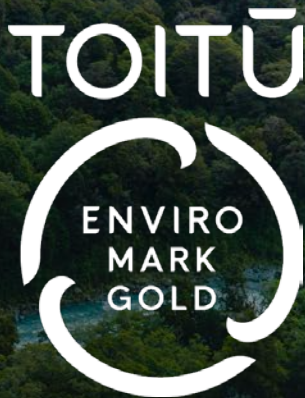
OUR ENVIRONMENT

We accelerate awareness and drive meaningful action on environmental issues.

NZME is committed to operating sustainably and to minimising our environmental footprint.

NZME is pleased to commence reporting through the new climate-related disclosure framework as prepared by the External Reporting Board (XRB). NZME has engaged specialists to support the development of its emissions inventory and understand its climate risks, opportunities, and impacts. NZME will implement an environmental roadmap, to assess and reduce our environmental footprint.

We benchmark our efforts against global sustainability standards, industry trends, and our media peers both here in New Zealand and internationally.



PICTURED: TOITU CERTIFICATION

In 2023, NZME's print operations in Ellerslie, Auckland were awarded the Toitū enviromark gold certification (NZME has attained gold level certification since 2011).

INITIATIVE

**REDUCE AND MITIGATE OUR IMPACT**

We are addressing our environmental risks and opportunities by reducing and mitigating the impact of our products and processes, collaborating with our suppliers on the solutions and disclosing our performance.

PROGRESS

Reducing waste across NZME continues to be a strong focus, with a reduction of 14% or 3.0 tonnes in general waste compared to 2022. We have also reduced the number of bins and the bin size for general waste.

NZME focuses on recycling, separating our internal waste streams – including paper, food and green waste, and recyclables to optimise value and reduce our environmental impacts. We have recycling facilities in place through major offices. NZME also supports Recycling Week.

NZME has committed to no longer purchase or lease any further diesel vehicles and has ordered only hybrids for all new fleet cars since late 2022, replacing old cars with hybrids as their leases expire. The number of fleet cars has also reduced from 151 to 130 during the 2023 round of lease renewals. NZME has reduced our company vehicle carbon emissions by 42% year on year.

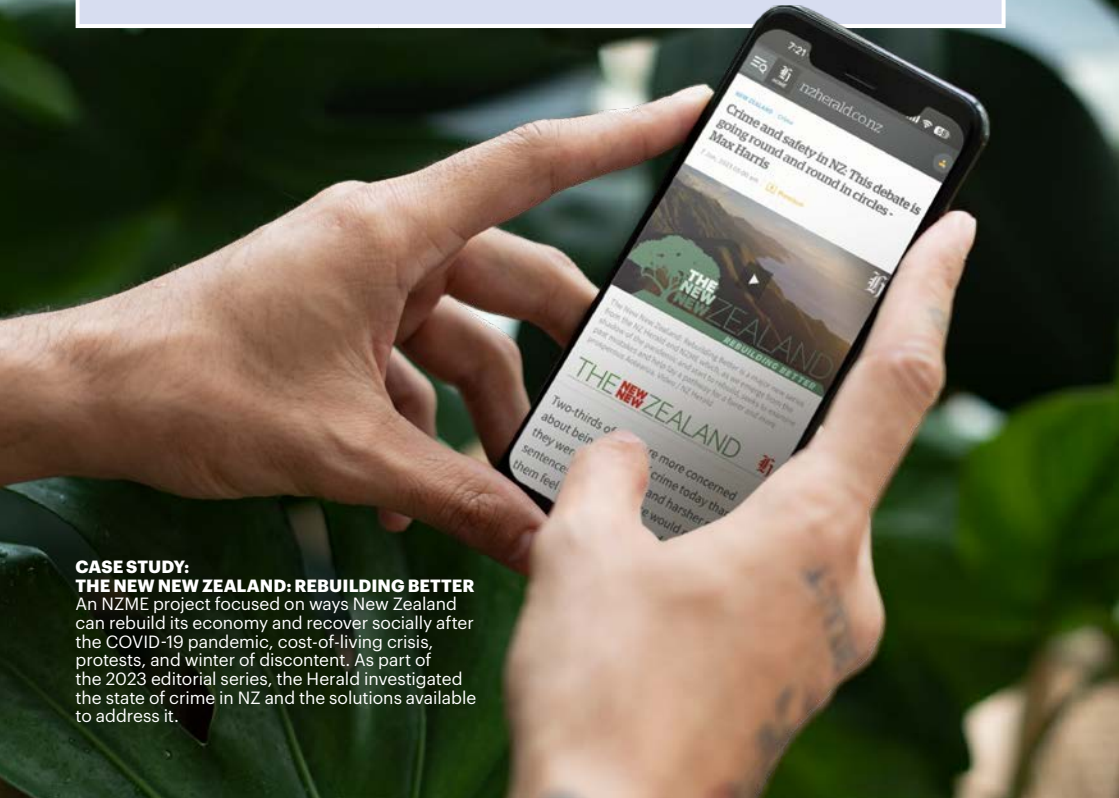
We have continued to focus on reducing our environmental impact at our print plant in Ellerslie:

- NZME's print operation maintains the Toitu Enviromark Gold certification – demonstrating our focus on reducing waste, operating efficiently, and minimising harm to the environment. NZME has attained gold level certification since 2011.
- The Waste Committee and the Plastic Reduction Project drove initiatives across both production and distribution teams at our Ellerslie print plant. NZME has further optimised production, leading to a reduction of 16% or 7.8 tonnes of plastic year on year.
- In 2023, 29 tonnes of general waste was removed from the print plant; this was a reduction of 25% from 2021.
- Plastic usage reduction has also been a success. Year-on-year plastic usage is down, primarily from optimising bundle sizes. We are also testing alternatives to plastic for the small number of papers that need to be individually bagged, which includes looking at corn starch and potato starch alternatives.
- The Ellerslie print plant developed the capability to unload paper deliveries direct from Auckland Port. Previously this activity was completed at Tauranga Port with paper then road freighted to Ellerslie. The change has led to a 75,000km a year reduction in road freight.
- Route optimisation for our delivery and bulk freight network has seen a reduction in travel year-on-year of 65,803 kms. We have also invested in geospatial routing software and we have a small skilled team responsible for ensuring our operation is as efficient as it can be.
- NZME has invested in new Kodak platemaking technology and plates, leading to the printing plate making process now being chemical free.
- NZME has reduced our forklift fleet, replacing several forklifts with more environmentally friendly models, including investing in an electric forklift.

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

OUR ENVIRONMENT

INITIATIVE	PROGRESS
<div data-bbox="92 309 174 392" data-label="Image"> </div> <p data-bbox="90 406 325 450">GROW CONNECTION AND ENGAGEMENT</p> <p data-bbox="90 464 365 644">We facilitate/accelerate environmental awareness and engagement by presenting the facts across our media platforms and by cutting the jargon to make it easier for people to understand environmental issues and take meaningful action.</p>	<p data-bbox="389 304 983 367">NZME uses its many platforms to cover environmental issues impacting New Zealanders including carbon emissions, weather events, and climate change.</p> <hr/> <p data-bbox="389 391 976 512">The NZ Herald online has a dedicated section online for environmental news. This content hub brings together sustainability content created by NZME's leading lifestyle brands and amplifies these important messages through various NZME channels to empower, inform, and inspire Kiwis with messages of sustainability they can take into their everyday lives.</p> <hr/> <p data-bbox="389 536 988 679">In 2023, New Zealand experienced significant weather events, with Cyclone Gabrielle in February leading to several deaths and widespread damage and destruction to the Gisborne and Hawke's Bay regions. As well as using our platforms to keep communities informed, as reported earlier in this report, we produced content that looked at the reasons for such weather events from a climate perspective and how communities can mitigate the impact of such weather events.</p> <hr/> <p data-bbox="389 703 964 783">The NZ Herald continues to take part on Covering Climate Now – a global news media initiative. The NZ Herald and NZME's other news platforms continue to cover environmental and climate change related issues.</p>



CASE STUDY:
THE NEW NEW ZEALAND: REBUILDING BETTER
 An NZME project focused on ways New Zealand can rebuild its economy and recover socially after the COVID-19 pandemic, cost-of-living crisis, protests, and winter of discontent. As part of the 2023 editorial series, the Herald investigated the state of crime in NZ and the solutions available to address it.



CLIMATE-RELATED DISCLOSURES

We take our responsibility to the environment seriously.

CLIMATE RESILIENCE – INTRODUCTION

As the world grapples with the multifaceted challenges posed by climate change, media plays a pivotal role in shaping public awareness and fostering informed discussions. Our responsibility extends beyond reporting the news to actively contributing to the collective understanding of climate change, advocating for sustainable practices, and inspiring positive action by walking the talk.

The environmental pillar within our Sustainability Commitment recognises the material part we can play in addressing climate change and to support New Zealand's transition to a low carbon economy. We are focused on reducing and mitigating our own impact, and accelerating Kiwis awareness and engagement on environmental issues.

NZME is a climate-reporting entity under the Financial Markets Conduct Act 2013. Our inaugural climate related disclosures on pages 27 to 43 cover our progress between 1 January 2023 and 31 December 2023 and comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. All figures and commentary relate to the full year ended 31 December 2023, unless otherwise indicated.

In preparing its climate-related disclosure, NZME has elected to use the following adoption provisions:

- Adoption provisions 1 and 2: Current and anticipated financial impacts – while quantitative data is not provided, a qualitative description of the current and anticipated financial impacts has been provided.
- Adoption provision 3: Transition planning – a description of our progress towards developing our transition plan can be found on page 39 – positioning ourselves for a low carbon future.
- Adoption provision 4: Scope 3 GHG emissions – our scope 3 emissions will be reported in our second climate disclosure next year.
- Adoption provision 6: Comparatives – we provide two years of comparative data and analysis of trends for our scope 1 and 2 greenhouse gas emissions only.

Figure 1 summarises our journey to date in understanding and managing our climate related issues. This work provides a foundation for NZME to establish and embed good practice in addressing climate change issues across governance, risk management and strategy, and in establishing metrics and targets to measure our progress now and into the future.

CLIMATE-RELATED DISCLOSURES

CONTINUED

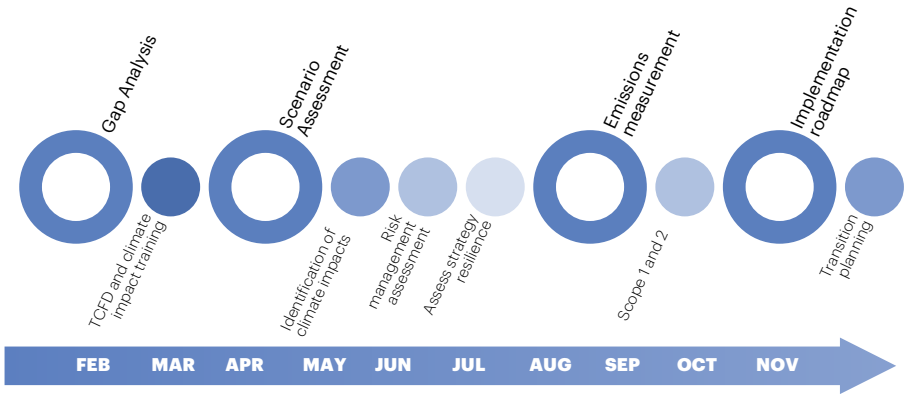


Figure 1: Our climate disclosure journey – 2023 progress

GOVERNANCE

Board oversight

NZME’s Board is responsible for oversight of climate-related risks and opportunities. Climate-related opportunities are reflected in the Group’s Sustainability Commitment. The Board Charter stipulates that a key function of the Board is to ensure the Group’s health and safety, environmental and operational practices and culture comply with legal requirements and that the Group’s Sustainability Commitment reflects best practice and is recognised by employees and contractors as key priorities for the Group.

The material climate-related risks and opportunities identified by the business are presented annually to the NZME Board, following an annual review against current trends and scenarios. Climate change and sustainability is a standing agenda item at the Board Audit & Risk Committee’s meetings to ensure progress on management actions in these areas is monitored and discussed.

During 2023, the NZME Board engaged in training and education to ensure it has in place the appropriate skills and competencies to provide oversight of climate-related risks and opportunities. This included engaging external experts to provide climate knowledge-building across the Board, and using Chapter Zero resources and tools to develop capability. Board climate capability is also established through experience on Boards of other climate reporting entities, including:

- Barbara Chapman through her roles with Genesis Energy Limited (Chair), Fletcher Building Limited (Director) and Bank of New Zealand (Director);
- Carol Campbell through her roles with NZ Post Limited (Chair) and T&G Global Limited (Director);
- David Gibson through his roles on Goodman Property Trust (Deputy Chair), Freightways Group Limited (Director) and Contact Energy Limited (Director).

The Board intends to integrate climate change into its skills matrix and recruitment process. The People, Remuneration & Nominations Committee of the Board is responsible for making recommendations to the Board in relation to the composition of and nominations to the Board. Climate-related skills and competencies will in future be included in this assessment.

The Board reviews NZME’s overall strategy and progress against its strategic priorities annually with the Executive management team. As part of this process the Executive team and the Board consider risks and opportunities, including climate-related risks and opportunities, across the business and how those risks and opportunities shape NZME’s strategy and impact the setting and achievement of its strategic priorities.

NZME’S 2023 climate metrics and targets include its Scope 1 and 2 emissions and associated targets. These have been reviewed and signed off by the

Board and emissions progress will be monitored six monthly as part of the Board risk review process.

Climate-related performance metrics are not currently incorporated into remuneration policies. However, the People, Remuneration and Nominations Committee of the Board is tasked with setting and reviewing remuneration policies and practices of NZME to ensure they are consistent with the company's strategic goals and incorporated into short-term and long-term incentives where appropriate. As part of this ongoing responsibility the Committee will consider how to incorporate climate-related performance metrics for relevant roles.

Management's role

Climate-related responsibilities have been assigned to management level positions that have an accountability for identifying, managing, and reporting climate-related issues. The Climate-related Disclosure Working Group ("CRD Working Group") was formed in 2023 and includes the following members of the Executive management team: the Chief Executive Officer, the Chief Financial Officer, Chief Marketing Officer and the Chief People Officer; and also senior

representatives from across the company. This group provides tactical and specialist support with the identification and management of climate-related issues and reports through to the NZME Risk Committee. The CRD Working Group undertook climate training and scenario analysis in 2023, with the resulting work presented to the Executive management team and Board in July. The Chief Financial Officer engages with the Board and the Board Audit & Risk Committee at each meeting on NZME's climate-related progress.

The Executive management team and the CRD Working Group (reporting through the Risk Committee, chaired by the CFO) review the material climate-related risks and opportunities six monthly. The output of this assessment is integrated into NZME's risk register, emissions management planning, strategy, budgeting, and external reporting. The Executive management team monitor progress on tactical activities to address climate-related risks and opportunities.

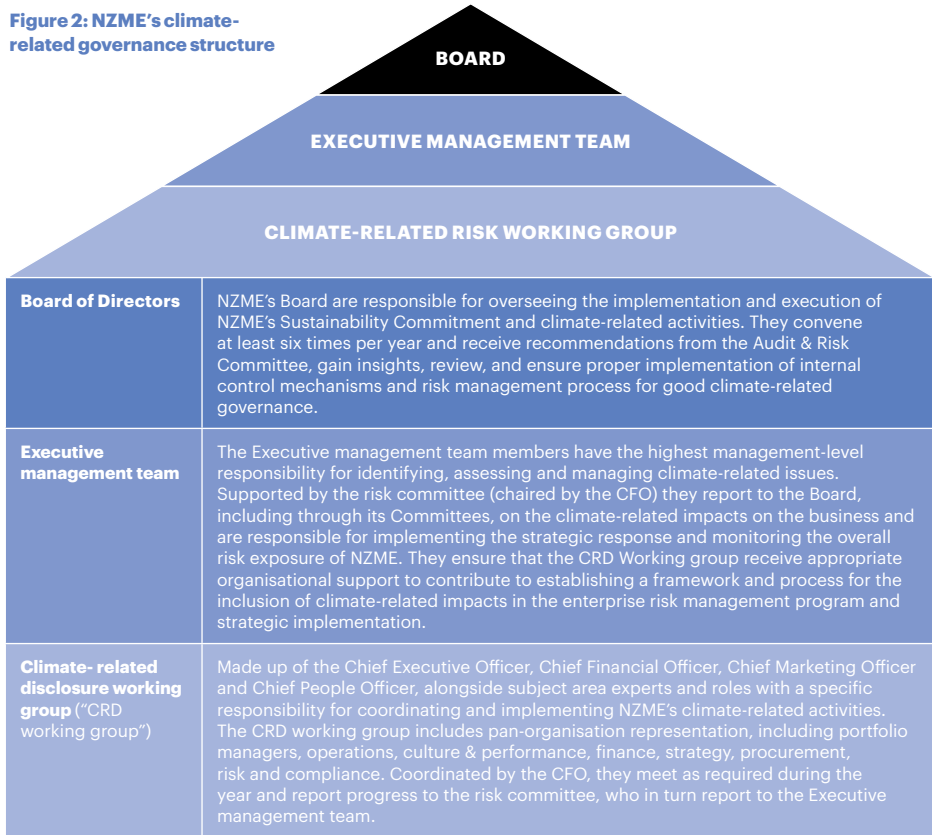
Figure 2 illustrates the integration of climate-related responsibility between the Board, Executive management team, risk committee and the CRD working Group.



CLIMATE-RELATED DISCLOSURES

CONTINUED

Figure 2: NZME’s climate-related governance structure



STRATEGY

This section covers current climate impacts, anticipated financial impacts and how these will be integrated into our planning.

Current physical and transition impacts and financial impact.

The current financial impacts resulting from NZME’s current physical and transition impacts have been described qualitatively in Table 1 below. These were identified by initially evaluating the areas of NZME which were impacted and then assessing the impact on expenses, revenues, assets and liabilities. The materiality of the financial impact was determined by considering its associated value

within a range, where Low = < \$0.5 million; Med = \$0.5 - \$1 million; High = >\$1, million.

Some financial impacts could be reasonably quantified. However, other impacts are more difficult to quantify, for example, increasing audiences - due to the challenge in attributing this impact directly to climate-related opportunities rather than other business campaigns to drive audiences. As part of its updated Sustainability Commitment, NZME is establishing metrics to monitor audience uptake of climate-related content, which may support the financial quantification of this impact in future.

Table 1: NZME's current (2023) climate-related impacts

Climate issue	Type	Business impact	Financial impact	Level of financial impact
Extreme weather events - Auckland floods (Jan 2023) and Cyclone Gabrielle (Feb 2023)	Physical risk	• Disruption to distribution of printed publications to affected regions;	↑ Expenses	Low
		• Increased reliance/dependency of communities on AM/FM as the most reliable mode of communication;	↑ Expenses	Low
		• Damage to company property disrupting services;	↑ Expenses	Low
		• Business disruption - Staff unable to access workplace and journalists unable to access affected regional offices; Events cancelled in affected regions;	↑ Expenses	Low
		• Increase in public awareness for news coverage of flood/cyclone events, focused content development to meet audience needs and demands.	↑ Revenues & Expenses	Low
Management response				
Full review conducted in wake of these weather events. Actions included increasing resiliency in AM/FM network, improving Business Continuity processes and mitigations.				
Climate issue	Type	Business impact	Financial impact	Level of financial impact
Legislative reporting requirements - Inaugural NZ Climate Standard disclosure	Transition risk	• Enhanced costs/time/capability requirements to ensure reporting obligations are fully met.	Expenses	Low
Management response				
External consultants engaged to support capability development and implementation of disclosure requirements.				
Climate issue	Type	Business impact	Financial impact	Level of financial impact
Shifting consumer preferences and new market opportunities – e.g. 2023 media industry move to net zero focus (AdNetZero), potential increased interest in climate-related journalism	Transition opportunity	• Continued focus on NZME's Scope 1-3 emissions measurement and responsible sourcing;	None	None
		• Climate-related risk/opportunity lens to overlay current plans/monitoring of impact of NZME's media platforms – print, digital, terrestrial radio, digital audio;	None	None
		• Focused content; development on weather events and climate change in order to continue Keeping Kiwis in the know.	None	None
		• Increase in client / advertiser interest in being aligned with or sponsoring informative, educative, positive climate-related content.	↑ Revenues	Low
Management response				
Continue to monitor consumer media platform preferences and impact. Increase content covering climate and environment.				

CLIMATE-RELATED DISCLOSURES

CONTINUED

Scenario analysis

In May 2023, the CRD Working Group engaged external consultants to support our scenario analysis.

In developing the scenarios the representative concentration warming pathways (“RCPs”) established by the Intergovernmental Panel on Climate Change (“IPCC”) 6th assessment and the Shared Socio-economic Pathways (“SSP”) scenarios relevant for New Zealand were adapted to our industry and entity. We analysed three different scenarios:

1. a deep decarbonisation scenario, which assumed the conditions under SSP1-1.9 and RCP 2.6 (average warming of 1.4 degrees C by 2100);
2. a status quo scenario, which assumed the conditions under SSP2-4.5 and RCP 4.5 (average warming of 2.7 degrees C by 2100); and
3. a carbon intensive scenario, which assumed the conditions under SSP5-8.5 and RCP 8.5 (average warming of 4.4 degrees by 2100).

The New Zealand reference data was overlaid to these scenarios, to develop detailed narratives and parameters to evaluate climate-related risks and opportunities. Our methodologies and assumption disclosures below provide more detail on the scenarios analysed.

Climate training was conducted followed by three scenario assessment workshops. These workshops focused on identifying the material risks and opportunities under these three scenarios, testing the resilience of our strategy and discussing the management response required to address risks or harness opportunities. We undertook initial heatmapping of the financial impact of our identified risks and opportunities, with a view to quantifying the financial impact of material risks and opportunities in the future.

We are now conducting transition planning that will leverage the learnings from the scenario analysis process and this includes developing our emissions reduction plan, quantifying the financial impacts and the longer term implications to our core business model and strategy.

Methodologies and assumptions

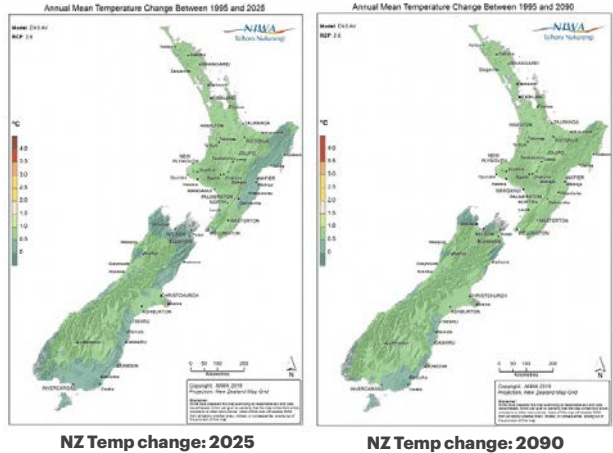
The details of each scenario narrative can be found in Figures 3.1 – 3.3. The scenarios were developed to illustrate the nature of risk which might plausibly emerge as a result of climate-related physical and transition risk to 2100. We evaluated the most ambitious and worst-case scenarios, to ensure that we stress tested all material risks or opportunities that might plausibly eventuate in the years to 2100. Taking this conservative approach also allows us to consider an environment where the physical impacts escalate much faster than anticipated, and/or the corresponding transitional impacts are put in place more rapidly, and to test our ability to respond.

The scenarios considered time horizons out to the end of this century (2100), supported by source data on the key trends over this period including: Temperature change (IPCC 6th Assessment report; NIWA); Flooding (Ministry for the Environment National Climate Risk Assessment 2020); Sea level rise (NASA); Population growth (Shared Socio-economic Pathways); Regulatory/Policy (Shared Socio-economic Pathways); Technology (International Energy Agency); Transportation (Ministry of Transport); Mitigation vs Adaptation efforts (McGuinness Institute).

Figure 3.1
Deep decarbonisation
scenario parameters

DEEP DECARBONISATION

Immediate, sustained decarbonisation driven by ambitious policies and high technological innovation, resulting in net zero global emissions around 2050.



NZ Temp change: 2025

NZ Temp change: 2090

Reference scenarios	SSP1/RCP2.6
Warming at 2100 (IPCC 6th Assessment; NIWA)	1.4°C
Sea level rise at 2100 (NASA)	0.44m (NZ average)
Flooding – sea and pluvial inundation (MFE National Climate Risk Assessment 2020)	High risk zones sustained: Canterbury (Christchurch City; Waimakariri District); Whakatane District (Edgecumbe; Matata); Otago (Dunedin City District (inc Sth Dunedin); Waikato/ Coromandel (Hauraki District; Thames)
Population growth (SSP)	Low
Regulatory / Policy (SSP)	Regulation promotes sustainability and reducing greenhouse gas emissions. Government prioritises environmental protection and sets ambitious targets for transitioning to a low-carbon economy. Policies promote energy efficiency, support renewable energy deployment, and incentivise sustainable practices in industry, agriculture, and transportation. Policies also focus reducing social and economic inequalities, such as minimum wage regulations, universal healthcare coverage, and social welfare programs.
Technology (IEA)	Focus on renewable energy sources, energy efficiency, and sustainable practices. Increased investments in clean technologies, such as solar, wind, and hydropower, as well as advancements in energy storage, electric vehicles, and smart grid systems. Efforts would be made to reduce greenhouse gas emissions and transition away from fossil fuels.
Transportation (MOT)	Strong investment in public transport for passenger transport, scaling up of walkways and bikeways
Efforts to mitigate vs adapt (McGuinness Institution)	Low challenges to mitigation and adaptation. Strong investment in mitigation early on, enabling a reduction in effort by mid-late century

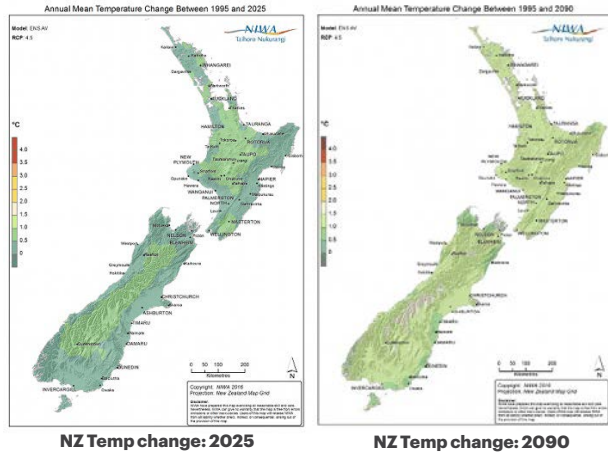
CLIMATE-RELATED DISCLOSURES

CONTINUED

Figure 3.2
Status quo
scenario parameters

STATUS QUO

Current policy, social, economic and technological trends continue. The rate of increase in global emissions begins to decline post 2050.



NZ Temp change: 2025

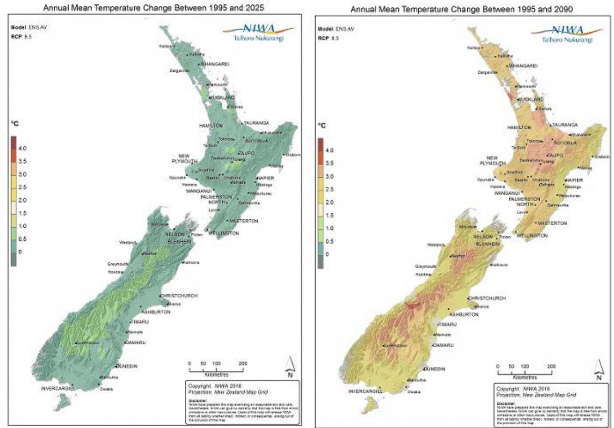
NZ Temp change: 2090

Reference scenarios	SSP2/RCP 4.5
Warming at 2100 (IPCC 6th Assessment; NIWA)	2.7°C
Sea level rise at 2100 (NASA)	0.59m (NZ average)
Flooding – sea and pluvial inundation (MFE National Climate Risk Assessment 2020)	High risk zones slowly worsening – access to insurance becoming restricted: Canterbury (Christchurch City; Waimakariri District); Whakatane District (Edgecumbe; Matata); Otago (Dunedin City District (inc Sth Dunedin); Waikato/ Coromandel (Hauraki District; Thames)
Population growth (SSP)	Moderate
Regulatory / Policy (SSP)	Regulation reflects historical trends and status quo Government prioritises economic growth and maintaining stability, rather than taking aggressive measures to address climate change or social inequality. Policies are aimed at maintaining a level playing field in the market, protecting consumer rights, and maintaining social order. However, there may be fewer regulations aimed specifically at promoting sustainability or reducing greenhouse gas emissions, unless they can be justified on economic grounds.
Technology (IEA)	Technology changes are incremental and focus on addressing immediate challenges. There may be a mix of conventional and renewable energy sources, with limited progress in transitioning to a low-carbon economy. Efforts may be made to improve energy efficiency and develop cleaner technologies, but progress could be slower compared to Deep decarbonisation.
Transportation (MOT)	Mix of cars, public transport options
Efforts to mitigate vs adapt (McGuinness Institute)	Medium challenges to mitigation and adaptation. Moderate efforts initially focusing on mitigation, then both by mid-late century

Figure 3.3
Carbon intensive
scenario parameters

CARBON INTENSIVE

Ongoing fossil fuel-driven economic growth and resource-intensive consumer choices accelerate emissions.



NZ Temp change: 2025

NZ Temp change: 2090

Reference scenarios	SSP5 / RCP 8.5
Warming at 2100 (IPCC 6th Assessment; NIWA)	4.4 °C
Sea level rise at 2100 (NASA)	0.85m (NZ average)
Flooding – sea and pluvial inundation (MFE National Climate Risk Assessment 2020)	High risk zones rapidly worsening – no insurance available, areas in managed retreat: Canterbury (Christchurch City; Waimakariri District); Whakatane District (Edgecumbe; Matata); Otago (Dunedin City District (inc Sth Dunedin); Waikato/ Coromandel (Hauraki District; Thames)
Population growth (SSP)	High
Regulatory / Policy (SSP)	Regulatory conditions are more favorable to fossil fuel industries and less focused on environmental protection. Government prioritises economic growth and energy security over climate change concerns, and regulations may be less stringent to enable more rapid development of fossil fuel resources. There may be fewer restrictions on resource extraction, less stringent environmental regulations, and fewer incentives for renewable energy. Policies may be aimed at ensuring the stability of markets and maintaining social order, rather than promoting sustainability or social equality.
Technology (IEA)	Technology advancements prioritise maximising resource extraction, expanding fossil fuel infrastructure, and increasing energy production. There could be fewer incentives for renewable energy sources, and carbon-intensive industries may thrive, however sustainability concerns and climate change impacts could still lead to the development of cleaner technologies, albeit at a slower pace compared to Deep decarbonisation.
Transportation (MOT)	Cars are predominant passenger transport
Efforts to mitigate vs adapt (McGuinness Institute)	High challenges to mitigation and adaptation. More effort invested later in the century, with main focus on adaptation

CLIMATE-RELATED DISCLOSURES

CONTINUED

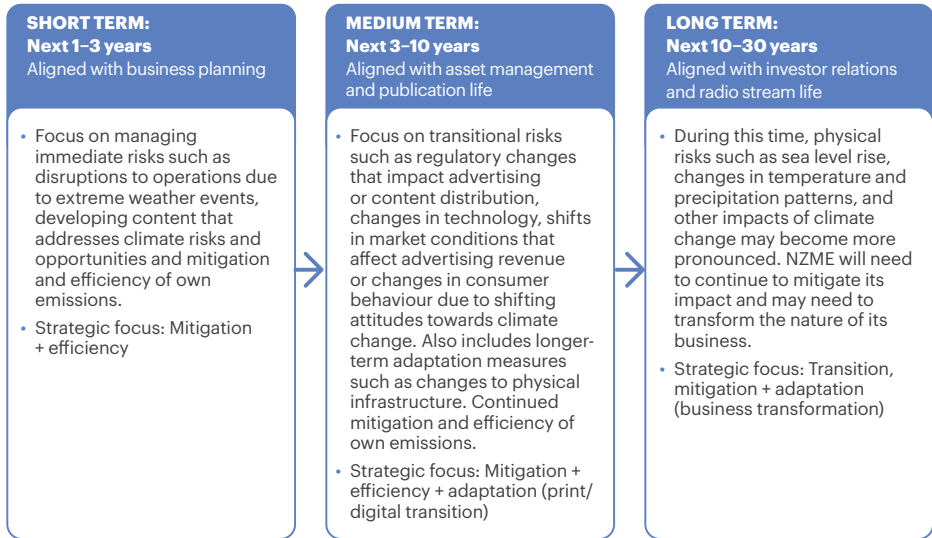
Our inaugural climate scenario analysis was performed as a stand-alone process. However, the outputs have been integrated into NZME's Risk Management Framework, as well as our Sustainability Commitment, environmental management planning, and associated metrics and targets.

Members of the Executive Management Team as well as the CRD Working Group were involved in the scenario analysis and the development of management activities to address different risks and opportunities. The Board oversaw the climate-

related assessment process and were provided regular updates on the progress and outputs of our scenario analysis and resulting management activities.

While the time horizon for the scenarios stretched to the end of the century, we considered how the potential impacts would meaningfully play into the short, medium and long term timeframes for our business planning and capital deployment. We defined these time horizons in Figure 4.

Figure 4: Time horizons



NZME considered its full value chain when evaluating its exposure to climate-related risks and opportunities. Our anticipated physical and transition impacts are outlined in Tables 2 - 4, prioritised by scenario.

The anticipated financial impact of the material risks and opportunities prioritised as 'high' under each scenario was qualitatively assessed, where the level of financial impact is defined as Low = <\$0.5 million; Med = \$0.5 million - \$1.0 million; High = >\$1.0 million.

While the scenarios represent plausible, challenging descriptions of how the future may develop, they have inherent assumptions and uncertainty and do not provide quantifiable predictions on the pace and scale of climate-related impacts that

may affect our business. While the prioritisation of different risks and opportunities under each scenario provides a basis to qualify the financial impacts, further data is required on the nature of the impact in order to quantify the associated financial impact. NZME will investigate its high priority risks and opportunities further next year and seek to understand how the financial impacts may be further quantified. This will enable NZME to more accurately evaluate how climate related risks and opportunities serve as an input to its decision-making processes.

Table 2: Anticipated financial impacts of material risks and opportunities – Deep decarbonisation scenario

Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
Chronic changes to weather patterns - increased mean temperatures and rising sea levels	Physical	OPPORTUNITY: to inform audiences on consequences of climate change, steps they can take, and on extreme weather events	Revenue Expenses Assets and Liabilities	Med	Short - Long
Management response					
<p>Become and promote relevant NZME platforms as NZ's home of trustworthy, reliable and balanced weather event information.</p> <p>Continue to investigate opportunities for alternative connectivity including satellite, ensure newsrooms stay equipped to operate remotely and amidst unstable infrastructure.</p>					
Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
Implementing low emissions/sustainable technology	Transition	RISK: Cost of upgrade of fleet/equipment, increased costs of raw materials	Expenses Assets and Liabilities Capital and Finance	Med – High	Short - Med
Management response					
<p>Investigate low emissions options and replace at natural end of life/end of lease agreements to minimise financial impact, investigate government/industry funding opportunities, model costs of carbon into business cases.</p> <p>Consider moves to smaller offices, renegotiating leases, explore alternative supply agreements including power purchase agreements, convert to renewable/owned generation where possible and practical.</p>					
Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
Legislative reporting requirements	Transition	OPPORTUNITY: Ability to take an industry leadership role in NZ on the transition; potential to gain new audiences and advertising share	Revenue Capital and Finance	Med	Short
Management response					
<p>Deliver on what we say we are going to, build a PR/marketing plan to highlight our achievements and communicate with consumers/advertisers.</p> <p>Develop specific products/information for advertisers and audience to understand our reporting and stance.</p>					
Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
Shifting consumer preferences, new market opportunities	Transition	OPPORTUNITY: Development of new products and services and access to consumers/advertisers interested in sustainably produced journalism. RISK: Pace of change on consumer transition to digital media is more rapid than anticipated.	Revenue Expenses	Med	Short - Med
Management response					
<p>Engage expert contributors, work on quality and breadth of content.</p> <p>Highlight progress through PR and marketing, create climate focused platform.</p> <p>Continue to monitor subscriptions to different media channels, customer engagement, ROI & growth potential, and industry trends; refine risk management response, and integrate within asset planning approach.</p>					

CLIMATE-RELATED DISCLOSURES

CONTINUED

Table 3: Anticipated financial impacts of material risks and opportunities – Status quo scenario

Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
NZME's reputation	Transition	RISK: Loss of consumers due to mistrust in the media, inadvertently spreading misinformation/disinformation, measures on ESG not strong enough, greenwashing	Revenue Capital and Finance	Med	Short - Med
Management response					
<p>Adhere to accuracy, balance and other Media Council and BSA principles, including providing training to our people to support this, ensure qualified editors and content directors vet content to ensure quality, accuracy, balance, present content in an engaging manner, clearly highlighting facts vs opinion and alternate views based on fact (whilst being alert to the risk of spreading misinformation).</p> <p>Build and develop expert sources of information and knowledge, use our data journalists to verify claims.</p> <p>Good governance in place to ensure quality of sustainability claims and hold management to account in striving to meet KPIs, review process for Sustainability Commitment and other ESG undertakings, including legal, to ensure not misleading and NZME can live up to and deliver on its promises.</p> <p>Peer benchmarking to ensure our Sustainability Commitment and ESG undertakings/objectives are up to standard and lead the way.</p>					
Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
Supply chain influence	Transition	RISK: Suppliers don't develop/supply low emission alternatives fast enough or at all, increased competition	Expenses Assets and Liabilities	Med – High	Short - Long
Management response					
<p>Encourage supplier compliance with Responsible Sourcing Policy.</p> <p>Choose low-emission/renewable alternatives where possible and practical.</p> <p>Prepare for potential increased costs, investigate alternative ways of doing things (eg. different products, offsets), diversified and local supplier base where possible and practical. Consider sustainability criteria in supplier contracts.</p> <p>Mitigate lead-time delays by agreeing and maintaining acceptable delivery cycles with suppliers, investigate industry collaboration on sourcing in bulk, Responsible Sourcing Policy compliance – engage with essential suppliers in a positive way - sell the plus for them.</p>					



Table 4: Anticipated financial impacts of material risks and opportunities – Carbon intensive scenario

Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
Increased severity of extreme weather	Physical	RISK: Flooding of sites, health and safety risk, difficulty distributing content, business continuity risk	Expenses Assets and liabilities Revenue	High High Med	Short - Long
Management response					
Regularly review and update business continuity plans, test run Business Continuity Plan (BCP) at least annually, review redundancy model to ensure remote management of transmission can happen during extreme weather, undertake physical risk assessment on all sites and make improvements.					
Review all staff capability to work remotely, review options to collaborate with others in industry, develop severe weather communications plan.					
Set severe weather thresholds for closing office, train reporters on risk assessment and have them undertake training for severe weather events.					
Multiple channels available for content access, contingency plans include ability to print/deliver from alternate sites and using alternate routes/methods, promote the e-edition of the paper to subscribers and email a link when papers cannot be delivered.					
Climate issue	Type	Business impact	Financial impact	Level of financial impact	Time horizon of impact
NZME's reputation	Transition	OPPORTUNITY: Fulfil key communication role for communities/society - inform, educate, influence and grow trust	Revenue Capital and finance	Med	Short - Long
Management response					
Plan the channels where it would be appropriate to play a lead role in informing and commenting on climate change activity and risks.					
Consider editorial board to set out NZME's position on climate change and key messages we want to support.					
Develop partnerships and give a voice to trusted experts on climate change and ensure they are associated with our brand, whilst ensuring balance and accuracy are upheld.					

Positioning for a low carbon future

NZME's Sustainability Commitment sets out initiatives under three pillars: Our Communities, Our People and Our Environment, encapsulating our commitment to protecting the craft of journalism and broadcasting to achieve our purpose: Keeping Kiwis in the know.

NZME's initial transition planning includes reviewing and aligning its Sustainability Commitment to its material environmental, social and governance issues, and refining and strengthening the supporting sustainability objectives, metrics and targets. The environmental pillar within our Sustainability Commitment now focuses on the material part we can play in supporting New Zealand's transition to a low carbon economy - reducing and mitigating our own impact, and

accelerating Kiwis awareness and engagement on environmental issues. We recognise that climate-related risks are just one part of the bigger picture of environmental risks New Zealand is facing, including resource constraints relating to biodiversity loss, water and air pollution - and so our Sustainability Commitment sets out to encompass these challenges.

The first step in our transition towards a low carbon economy has been to establish a baseline measure of our greenhouse gas emissions. Scope 1 and 2 emissions have been disclosed on 41 and we have commenced the process of measuring our Scope 3 emissions, which are expected to be disclosed in 2025. We have established science-aligned targets for our Scope 1 and 2 emissions, which are consistent with limiting global warming to 1.5 degrees celsius.

CLIMATE-RELATED DISCLOSURES

CONTINUED

We are developing our environmental management plan, which will provide a tactical roadmap to achieve our emissions targets and enable us to establish decision making to support our transition. Our environmental management plan will also set out our actions to reduce the environmental impact of our products, including our printed publications and media platforms, which will play an important part in supporting our industry and our customers' transition to a low-emissions, climate-resilient future state.

While our environmental management plan is in development, some projects have commenced already. These include:

- NZME has committed to not purchase or lease any further diesel vehicles, starting from 2023.
- NZME has ordered only hybrids for all new fleet cars since late 2022, replacing vehicles as their leases expire with hybrids.
- The number of fleet vehicles has been reduced from 151 to approximately 127 during the 2023 round of lease renewals.
- NZME operates a number of pool cars, and a workstream exists which is focused on understanding if these could be full E.V.s from their next renewal.
- NZME's electricity contract is being renewed in 2024, and work is underway to evaluate options for market based contractual instruments such as fully renewable electricity and renewable energy certificates.

Additionally, the largest single contributor to NZME's Scope 1 and 2 emissions is the Eilerslie print plant. Consumer trends away from physical print based media and towards other mediums offered by NZME have seen print volumes decline year on year, and this is anticipated to continue. This decrease in print volumes will decrease energy demand and emissions at the Eilerslie site.

We will continue to review our climate-related risks and opportunities, and the extent to which these act as an accelerator or aggravator to the current trends and evolution of our media platforms and our subsequent capital deployment decision-making.

RISK MANAGEMENT

NZME undertook scenario analysis to identify and assess the scope, size and impact of its climate-related risks and opportunities. We started by identifying the broadest range of potential climate risks and opportunities that may plausibly impact our business under all scenarios. We then used the scenario-specific narratives to explore the relevance of each risk or opportunity and whether it may worsen or improve under the respective scenarios.

To prioritise the severity of the risks and opportunities present under a particular scenario, we evaluated their likelihood and consequence, where 'likelihood' evaluated the speed of onset, or the time the risk or opportunity was expected to be first experienced (in the short, medium, or long term) and 'consequence' related to the potential impact on NZME's shareholder value, growth and reputation.

NZME's priority risks and opportunities present under each scenario are outlined in Tables 2 – 4 on page 37 to 39. We evaluated our vulnerability to the identified priority risks and opportunities to establish our risk control measures and management response.

No part of NZME's value chain was excluded from its climate-related assessment.

NZME undertook its inaugural climate-related assessment in May 2023 and will continue to evaluate and monitor its climate-related risks and opportunities annually.

NZME has integrated its climate-related risk into the NZME Risk Management Framework.

Process for prioritising climate-related risks relative to other risk types

Climate-related risks are assessed and prioritised on the same basis as NZME's other risks are categorised in its Group risk matrix. That matrix incorporates an assessment of likelihood and impact for each risk and prioritises risks accordingly.

NZME recognises that there are many interconnections between the identified climate-related risks and other risks and it is for this reason that NZME has fully integrated climate-related risk into the risk management framework.

METRICS AND TARGETS

Greenhouse Gas Emissions

NZME's base year (2022) and 2023 Scope 1 and 2 greenhouse gas (GHG) emissions, emissions intensity, and industry-based metrics are provided in Table 5. We are measuring Scope 3 emissions, which are planned to be reported in 2025.

Table 5: NZME's GHG emissions and industry based metrics

Greenhouse Gas Emissions	2023	2022 (base year)	Change	2032 Target
Scope 1 / Category 1 (T CO ₂ e)	721*	781*	(7.7%)	50.4% / 393 T CO ₂ e
Scope 2 / Category 2 (T CO ₂ e)	655*	683*	(4.1%)	50.4% / 344 T CO ₂ e
Emissions intensity (TOTAL T CO ₂ e per FTE)	1.15	1.22	(5.7%)	N/A

Industry based metrics	Scope	2023	2022 (base year)	Change
Fleet Fuel (Petrol L)	1	144,865	154,550	(6.3%)
Fleet Fuel (Diesel L)	1	30,098	35,248	(14.6%)
Forklift Fuel (LPG Kg)	1	5,295	5,790	(8.5%)
Stationary energy (Natural Gas GJ)	1	4,853	5,476	(11.4%)
Diesel Generators (Diesel L)	1	4,996	0	N/A
Purchased electricity (kWh)	2	8,833,274	9,206,848	(4.1%)

* Scope 1 & 2 TCO₂e emissions for the years ended 31 December 2022 (base year) and 31 December 2023 have been included in the scope of PwC's limited assurance engagement. No other amounts or calculations in this table have been included in the assurance engagement and are not covered by the limited assurance report issued.

Our progress

Progress has been made in all areas against the 2022 base year in our first year of reporting. Fuel and Diesel usage has been reduced with both a reduction in the fleet and the commencement of transition to hybrid and more efficient vehicles. Electricity and gas usage is also down with lower activity and increased efficiency.

NZME's FY23 Scope 1 and 2 target is a 50.4% absolute reduction from 2022 and net zero by 2050. This science-aligned target follows a pathway of

limiting global warming to 1.5 degrees, using the methodology set by the Science Based Target initiative. In line with this methodology, we are aiming to achieve at least 90% of our long term emissions target before we offset our residual emissions using verified voluntary offsets certified under an internationally accepted scheme to be selected closer to our target date. In 2023, we achieved a 6% reduction on our Scope 1 and 2 emissions, which is on track towards our science-aligned targets.

CLIMATE-RELATED DISCLOSURES

CONTINUED

Criteria used to prepare our greenhouse gas emissions statement

NZME's GHG emissions inventory has been prepared in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting Standard and ISO14064-1. NZME has taken an operational control consolidation approach in the preparation of its GHG emissions inventory. Emissions measured in this approach arise from the business units owned or controlled by NZME. Our emissions factors were sourced from Te ine tukunga: He tohutohu pakihi - Measuring emissions: A guide for organisations: 2023 emission factors summary, published by the Ministry for the Environment (MfE Report). These are based on the 100-year Global Warming Potential (GWP values) (GWP100) for the IPCC's Fifth Assessment Report (AR5).

As adapted from the GHG Protocol and ISO14064-1:2018, these emissions were classified into the following categories:

- Direct GHG emissions (Scope/Category 1): GHG emissions from sources that are owned or controlled by the company.
- Indirect GHG emissions (Scope/Category 2): GHG emissions from the generation of purchased electricity, heat and steam consumed by the company.

Table 6 summarises the methodology for collection of data and relative uncertainty associated with the data source.

Table 6: Emissions sources and methodology for data collection

Emissions Source	Scope	Data source	Data unit	Uncertainty
Fleet – vehicles (petrol/diesel)	1	Obtained volumes of fuel from fuel card reports, supplier invoices and credit card spend data and applied the appropriate emissions factors from the MfE Report.	L	Low - relied upon the supplier to provide complete and accurate invoice data, and that this is an appropriate representation of activity.
Fleet – forklift (LPG)	1	Obtained volumes of LPG purchased from supplier invoices and applied the appropriate emissions factor from the MfE Report.	kg	Low - relied upon the supplier to provide complete and accurate invoice data, and that this is an appropriate representation of activity.
Natural gas - boiler	1	Obtained volumes of natural gas purchased from supplier invoices and applied the appropriate emissions factor from the MfE Report.	GJ	Low - relied upon the supplier to provide complete and accurate invoice data, and that this is an appropriate representation of activity.
Diesel - Generator	1	Obtained volumes of diesel purchased from supplier invoices and applied the appropriate emissions factor from the MfE Report.	L	Low - relied upon the supplier to provide complete and accurate invoice data, and that this is an appropriate representation of activity.
Refrigerant	1	Obtained confirmation that there were no top-ups of refrigerants from the supplier for the Ellerslie site.	L	Medium - relied upon the supplier to provide complete and accurate service data for the Ellerslie site, however, invoices need to be manually checked to gather data for other sites
Purchased electricity	2	Obtained the volume of electricity consumed from supplier invoices and applied the appropriate emissions factor from the MfE Report.	kWh	Low - relied upon the supplier to provide complete and accurate invoice data, and that this is an appropriate representation of activity

Data was collected for the period 1st January 2022 – 31st December 2023. In most cases, source supplier data was used to prepare this emissions inventory.

There were some areas where this was not available due to the outsourcing of processes, limiting the ability to access specific information. These are summarised below:

- Fleet – Vehicles. Some petrol and diesel use was paid for by personal cards and reimbursed for. This was captured from the expenses system.

- Refrigerant data - For Ellerslie (key production site) where we assume control/responsibility for cooling systems, we have confirmed no top ups of Refrigerants, we do not have the data for other sites because they are leased/shared and it is unavailable.
- Diesel used in onsite generators – Where we have control of site generators we have captured usage via Invoices and card spend, this was a manual process, and human error may have resulted in top ups being missed from the reported data. We do not have the data for other sites because they are leased/shared and it is unavailable.

Risks and opportunities metrics

Our 2023 material risks and opportunities metrics are summarised in Table 7. These consider the current physical and transitional risks and opportunities experienced in 2023. Quantitative methods, including reviewing our assets register, accounts and media platform data, were used to establish the results for all metrics.

Table 7: Risks and opportunities metrics

Metric	2023
Amount or percentage of assets or business activities vulnerable to transition risks	One gas boiler, 18 diesel and 109 petrol vehicles – vulnerable to price shocks associated with transition towards low carbon energy sources. 100% business exposed to legislative reporting requirements – climate disclosure
Amount or percentage of assets or business activities vulnerable to physical risks	One asset - (Ellerslie print plant) located in 1/100 year flood zone. However, a risk assessment undertaken in 2023 identified this asset as vulnerable to a 1/200 year event. Transmission equipment – vulnerable to disruption associated with Auckland floods and Cyclone Gabrielle Channel/print delivery network – vulnerable to disruption associated with Auckland floods and Cyclone Gabrielle
Assets or business activities aligned with climate-related opportunities	NZME's strategy is to grow its digital channels recognising that these will be the dominant way to reach audiences. This strategy is aligned to climate related opportunities.
Amount of investment deployed toward climate-related risks and opportunities	\$661k (18 Vehicles) - invested in 2023 towards the three-year rollover of our vehicle fleet to hybrids.
Internal emissions price	NZD\$87 per tonne of CO2e – this follows the 'central' value per Treasury's recommended shadow emissions values for 2023
Management remuneration linked to climate-related risks and opportunities	Management remuneration is not currently linked to climate-related risk and opportunities nor incorporated into remuneration policies. However, the People, Remuneration and Nominations Committee of the Board will consider how to incorporate climate-related performance metrics for relevant roles at NZME in future.



2023 AWARDS

NZME has been recognised with a number of industry awards in 2023, celebrating our people and their achievements:

IAB DIGITAL ADVERTISING AWARDS

2023 DIGITAL SALES EXCELLENCE (TEAM)

NZME Digital Direct Team
Matt Fussell, NZME

SALES AND AD-OPERATIONS AWARDS

2023 JUNIOR AD OPERATIONS EXCELLENCE

Toni Gleason - Rising Star, NZME

2023 SENIOR AD OPERATIONS EXCELLENCE

Greg Lockton, NZME
James Park - Digital Navigator, NZME

2023 TECHNICAL AD OPERATIONS EXCELLENCE

Jason Nockels, NZME

CHANNEL EXCELLENCE AWARDS

2023 BEST USE OF AUDIO

Wild Secrets Sex.life - Lauren Simpkins, Sarah Catran, Annabel Ferguson NZME iHeartradio Team

GRAND AWARDS

2023 DIGITAL SALES EXCELLENCE (TEAM)

NZME Agency Team,
NZME Digital Direct Team,
Matt Fussell

2023 DIGITAL PRODUCT OF THE YEAR

Digital Dispatch Automation,
Jason Nockels, Stephen Geal, NZME

NZME Podcast Network - Prime Time
James Butcher, Sarah Catran,
iHeartradio And The NZME
Podcast Network, NZME

INMA

Categories won by NZME:

BEST INNOVATION IN NEWSROOM TRANSFORMATION

Te Rito

HRD AWARDS NEW ZEALAND 2023

HR TEAM OF THE YEAR (> 500 STAFF)

NZME Culture & Performance team

NZ PODCAST AWARDS

BEST BUSINESS PODCAST

Cooking the Books with
Frances Cook

BEST FICTION PODCAST

Tom Sainsbury's Small
Town Scandal

BEST HEALTH AND WELLBEING PODCAST

No Such Thing As Normal

BEST RADIO PODCAST

ZM's Fletch, Vaughan & Hayley

BEST SEX AND RELATIONSHIP PODCAST - SPONSORED BY ROVA

Sex.Life

NZ RADIO AWARDS

BEST CONTENT

BEST SHOW PRODUCER OR PRODUCING TEAM - TALK SHOW

Laura Beattie, Laura Cunningham,
Anthony Milicich, Brooke Hobson
Heather du Plessis-Allan Drive
Newstalk ZB Network

BEST VIDEO - SHORT FORM

Rocktober - Bar Video Claire Chellew, Kate Britten, Tom Harper, JD Hubbard, Angelina Grey, Matt Heath, Jeremy Wells, NZME Vision Team, John Phillips
Radio Hauraki Network

BEST PODCASTS

BEST ENTERTAINMENT PODCAST - EPISODIC

The ACC Agenda Podcast Matt Heath, James McOnie, Mike Lane, Joseph Durie, Adam Pomana, The ACC

BEST HOSTS

BEST MUSIC NETWORK BREAKFAST SHOW

ZM's Fletch, Vaughan & Hayley
Carl Fletcher, Vaughan Smith, Hayley Sproull, Anna Henvest, Carwen Jones, Jared Pickstock, ZM Network

BEST TALK PRESENTER - BREAKFAST OR DRIVE

The Mike Hosking Breakfast Mike Hosking, Michael Allan, Sam Carran, Glenn Hart, Newstalk ZB Network

BEST TALK PRESENTER - NON-BREAKFAST OR DRIVE

Marcus Lush Nights Marcus Lush, Dan Goodwin, Newstalk ZB Network

BEST NEW BROADCASTER

BEST NEW BROADCASTER - JOURNALIST

Jason Walls, Newstalk ZB Network (joint)

BEST NEW BROADCASTER - ON-AIR

Meg Wyatt, ZM & The Hits Network

BEST NEWS & SPORT**BEST NEWSREADER**

Niva Retimanu, Newstalk ZB Network

BEST SPORTS READER, PRESENTER OR COMMENTATOR

Jason Pine Andy McDonnell, Newstalk ZB Network

BEST SPORTS STORY - TEAM COVERAGE

Birmingham 2022 Commonwealth Games
Elliott Smith, Malcolm Jordan, Nick Bewley, Jason Pine, Andy McDonnell, Andrew Alderson, Mark Kelly, Angus Mabey, Kate Wells Newstalk ZB & Gold Sport

BEST MARKETING & INTEGRATION**BEST CLIENT PROMOTION/ACTIVATION**

The Hits Jono & Ben's \$10,000 Chip Pic with Heartland Chips
Harriett Whiting, Ben Humphrey, Jono Pryor, Ben Boyce, Joel Harrison, Alastair Boyes, Jordan Whiu, Tom Dyton, Joshua, The Hits Network

BEST MARKETING CAMPAIGN

Jono & Ben Kids Call the Shots
Jacqui Davis, Gemma Vovchenko, Xanthe Williams, Emily Hancox, Joseph Senior, Jono Pryor, Ben Boyce, The Hits Network

BEST EFFECTIVE COMMERCIAL CAMPAIGN

Does it do what a Daikin does?
Graham Dolan, Arron Smith, Holly McLaughlin, Nathalie O'Toole, Emma Freeman, Gerald Stewart, NZME

SALES TEAM OF THE YEAR

NZME Christchurch Matt Bowness, Anna McKenzie, Ben Harris, Danielle Torr, Chloe Hebden, Amy Green, Jimmy Farrant, Ian Avery, Lynne-Puddy Greenwood, Esther Hall, Adam Miller, Victoria McArthur, Sabia Harrington, NZME Christchurch

BEST COMMUNITY CAMPAIGN

Fill The Bus Paul Hickey, Hamish Gleeson, The Hits Rotorua

STATION OF THE YEAR**NETWORK / METROPOLITAN STATION OF THE YEAR**

Newstalk ZB, NZME

SIR PAUL HOLMES

BROADCASTER OF THE YEAR
Mike Hosking, Newstalk ZB

OUTSTANDING CONTRIBUTION TO RADIO

Barry Soper, Newstalk ZB

SERVICES TO BROADCASTING

Phil Quinney, NZME

NEW ZEALAND SHAREHOLDERS ASSOCIATION BUSINESS JOURNALISM AWARDS**EMERGING JOURNALIST OF THE YEAR 2023**

Ella Somers, BusinessDesk

CATEGORY WINNERS AND FINALISTS**NEWS AWARD**

Cécile Meier, BusinessDesk,
Te Whatu Ora to crack down on health consultant spend

COMMENTARY AWARD

Jenny Ruth, BusinessDesk,
Ryman burned through hundreds of millions of dollars

PRIDE IN PRINT AWARDS

Categories won by NZME:

Six awards in total including four gold medals for print quality

Best Web Offset Coldset medium

Ultimate prize for quality within the newspaper publication category

VOYAGER MEDIA AWARDS**BROADCAST AND DIGITAL****BEST ORIGINAL PODCAST - ONGOING/EPISODIC**

Between Two Beers – Steven Holloway, Seamus Marten, NZME

NEWS WEBSITE OF THE YEAR INTERNET

NZHerald.co.nz

ALL MEDIA**BEST INDIVIDUAL INVESTIGATION**

Nicholas Jones, NZ Herald, NZME
– Aged care crisis

GORDON MCLAUCHLAN TRAVEL JOURNALISM AWARD

Thomas Bywater, NZ Herald Travel, NZME

BEST REPORTING - LOCAL GOVERNMENT

Oliver Lewis, BusinessDesk, NZME

BEST REPORTING - SCIENCE | SPONSORED BY SCIENCE MEDIA CENTRE

Jamie Morton, NZ Herald, NZME

BEST REPORTING - SOCIAL ISSUES, INCLUDING HEALTH AND EDUCATION

Nicholas Jones, NZ Herald, NZME

POLITICAL JOURNALIST OF THE YEAR

Audrey Young, NZ Herald, NZME

PRINT/TEXT JOURNALISM**BEST OPINION WRITING**

Vaimoana Mase, NZ Herald, NZME

BEST FEATURE WRITING - SOCIAL ISSUES, INCLUDING HEALTH AND EDUCATION

Alex Spence, NZ Herald, NZME
– Losing Cassandra

METROPOLITAN NEWSPAPER OF THE YEAR

NZ Herald, NZME

VOYAGER NEWSPAPER OF THE YEAR

NZ Herald, NZME

DELOITTE TOP 200 AWARDS 2023**DIVERSITY AND INCLUSION LEADERSHIP**

NZME (Te Rito)

THE NZME BOARD



Barbara Chapman
Independent Chairman

Barbara Chapman served as Chief Executive and Managing Director of ASB Bank Limited from 2011 until February 2018. She has extensive business experience gained through a successful career in banking and insurance. During her career she has held a number of senior and executive roles in retail banking, marketing, communications, human resources and life insurance.

Barbara is passionate about people and culture, and promoting best practice in community, governance and sustainability. She is the Chairman of Genesis Energy Limited, Deputy Chair of The New Zealand Initiative and holds an independent directorship on the board of Fletcher Building Limited and Bank of New Zealand. Barbara was appointed Chairman of the NZME Board in June 2020.



Carol Campbell
Independent Director

Carol Campbell is a Chartered Accountant and Fellow of CAANZ, and Chartered member of the Institute of Directors. Carol was a partner at Ernst & Young for over 25 years and has been a professional director for the last 10 years. Carol has extensive financial experience and a sound understanding of efficient board governance and chairs NZME's Audit and Risk Committee.

Carol is chair of NZ Post Limited and a director of T&G Global Limited, Asset Plus Limited and Chubb Insurance Limited.



David Gibson
Independent Director

David has more than 20 years' investment banking experience, including as Co-Head of Investment Banking in New Zealand for Deutsche Bank and Deutsche Craigs where he completed a number of New Zealand's largest M&A and equity transactions, including within the media industry.

David is currently Deputy Chair of Goodman (NZ) Limited and a Director of Freightways, Rangatira Limited and has recently been appointed as a Director of Contact Energy Limited.

David holds a Bachelor of Laws (Honours) and Bachelor of Commerce from the University of Canterbury.



Sussan Turner
Independent Director

For the past 25 years Sussan has held senior leadership roles across media companies, including Group CEO of MediaWorks, Managing Director of Radio Otago and CEO of RadioWorks. She is currently Group CEO and Director of Aspire2 Group Limited, one of the leading private tertiary education groups in New Zealand and is passionate about building executive teams and company cultures.

Sussan has extensive experience as a director and is appointed by Government to the board of Auckland University of Technology (AUT) as Pro-chancellor.



Guy Horrocks
Independent Director

Guy established himself as an early pioneer of the mobile app industry co-founding the world's first commercial iPhone app company in 2007, Polar Bear Farm. He is one of a number of high powered, experienced New Zealand entrepreneurs who've built internationally successful digital enterprises. With clients including Expedia, DreamWorks, HBO, OREO, CNN, Time Magazine as well as NZ Herald, Horrocks helped launch over 100 mobile apps with his award winning mobile agency Carnival Labs, many of which were featured by Apple.

Guy Horrocks has since launched a new real-time data warehouse called SOLVE and is also a director of New Zealand Mint Limited, New Zealand's only precious metal mint, and an advisory board member of Tracksuit Limited.

THE NZME EXECUTIVE TEAM



Michael Boggs
Chief Executive Officer

Michael was appointed CEO of New Zealand Media and Entertainment (NZME) in March 2016. Prior to that he held the Chief Financial Officer position at NZME. Michael's core focus at NZME has been to develop and implement a group wide strategy to accelerate growth across NZME's brands particularly in the areas of subscription and classified offerings, digital and video content, while ensuring the sustainable growth of the company's traditional print and radio platforms.

Michael has extensive senior executive experience including as Chief Financial Officer at leading insurance company Tower Limited. While at Tower, Michael managed the company's multibillion-dollar assets, its Pacific Islands operations, earthquake recovery programme and the sale of Tower's life insurance, health insurance and investment management businesses. This industry leading work was recognised in 2014 when Michael was awarded CFO of the year at the annual New Zealand CFO Awards. Michael also has significant background in the telecommunications and technology sectors with executive roles in the finance, commercial and business functions of major organisations including Telstra's New Zealand operations.



Greg Hornblow
Chief of OneRoof

Greg was appointed as the Chief of OneRoof in January 2023.

Greg has an incredibly strong commercial background, with more than 30 years of experience working alongside real estate professionals in a variety of roles and in advertising and marketing, including previously at NZME.

His passion for the real estate industry and proven track record will ensure OneRoof is well placed to create further value for our agent partners.



Carolyn Luey
Chief Digital and Publishing Officer

Carolyn was appointed Chief Digital and Publishing Officer in August 2021.

After five years at NZME, Carolyn left as Chief Operating Officer in December 2016. She then went on to senior transformational roles at MYOB and Vodafone where she was Chief Consumer Officer.

With extensive experience as a strategic business leader in large New Zealand telecommunications, technology and media companies, Carolyn brings a wealth of knowledge and understanding of how best NZME can deliver growing digital audience engagement for our commercial partners.



David Mackrell
Chief Financial Officer

David was appointed Chief Financial Officer of NZME in March 2019, leading NZME's Finance, Technology, Legal and Strategy Functions. He moved to NZME from Heartland Bank where he was their Chief Financial Officer.

David started his professional career at Ernst & Young as an Auditor before joining Air New Zealand in 1992. His career at Air New Zealand spanned 25 years and a large gamut of senior financial and commercial roles, finishing with the company as Deputy Chief Financial Officer.



Katie Mills
Chief Marketing Officer

Katie joined the NZME Executive Team in December 2018 assuming leadership of the company's Marketing and Communications functions. Immediately prior, Katie held the role of Group Marketing Director at Aspire2 Group Limited and was previously General Manager (Global) Marketing & Communications at Opus International Consultants.

Along with Katie's wide marketing industry experience, she also brings to her role, more than 20 years of media-specific experience. 15 of those years were spent at MediaWorks in senior leadership positions including as Head of Marketing, successfully developing and delivering marketing and brand strategies for a portfolio of radio, digital, event and television ventures.



Jason Winstanley
Chief Audio Officer

Jason is one of New Zealand's most experienced audio executives with extensive experience across music and talk radio. He has led high profile and successful music radio brands including seven years as Assistant Content Director at ZM and five years as Content Director of The Hits. He also led the successful transition of 'Classic Hits' to the 'The Hits' brand in 2014.

In his most recent role as Head of Talk for NZME, Jason has led Newstalk ZB to record audience growth and continued commercial success.

Jason's role includes responsibility for the Audio business and the content delivery to support audience and revenue growth across NZME's radio networks.

CORPORATE GOVERNANCE

GOVERNANCE FRAMEWORK

The Company is listed on the NZX Main Board and has a Foreign Exempt Listing on the ASX (both under the ticker code “NZM”). The ASX Foreign Exempt Listing category is based on a principle of substituted compliance recognising that, for secondary listings, the primary regulatory role and oversight rests with the home exchange and the supervisory regulator in that jurisdiction. As such, NZME is required to comply with a limited set of ASX Listing Rules.

The Company’s corporate governance framework, as described in this section, therefore primarily takes into consideration contemporary standards in New Zealand, incorporating the NZX Corporate Governance Code (“NZX Code”).

The Group is committed to having a strong governance framework and therefore complies with the recommendations of the NZX Code (unless specifically stated otherwise). The corporate governance policies referred to in this section reflect the Group’s governance framework as at 31 December 2023 (unless otherwise stated) and are available on the Company’s website. The Board of NZME has approved this corporate governance statement.

PRINCIPLE 1 - CODE OF ETHICAL BEHAVIOUR

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Code of Conduct & Ethics

The Company’s Code of Conduct & Ethics governs the Company and its subsidiaries’ commercial operations and the conduct of directors, employees, consultants and all other people when they represent the Company and its subsidiaries. The Code of Conduct & Ethics comprises certain fundamental principles and demonstrates the high standards of conduct expected of us. The current Code of Conduct & Ethics was updated in June 2023. Reporting of breaches of the Code is encouraged and steps for doing so are set out in the Code of Conduct & Ethics and the Whistleblower Policy.

The Company has provided training on the Code of Conduct & Ethics in the form of a video series on key points relevant to employees.

The Company also has an Editorial Code of Ethics which was extensively reviewed during 2022 to align with international best practice. This code is published on the Company’s website and highlighting our principal responsibility to the truth – and to our communities and audiences – and our commitment to journalism of the highest quality possible that earns the trust of our audience. The Code states our belief that freedom of the press and dissemination of editorial content is a cornerstone of a healthy, thriving democracy. The Code includes our responsibilities in relation to accuracy, independence, opinion, editing, diversity, conduct and integrity.

Securities Trading Policy

The Securities Trading Policy, which was reviewed and updated based on best practice in 2022 and is available on the Company’s website, details the Company’s trading policy and guidelines, including trading restrictions on dealing in the Company’s quoted financial products. This policy applies to the directors and all employees and contractors. The Securities Trading Policy places additional trading restrictions on the directors, the Chief Executive Officer (“CEO”) and their direct reports (and employees reporting directly to them), all administrative staff of the CEO and direct reports referred to above and anyone else notified by NZME’s General Counsel.

PRINCIPLE 2 - BOARD COMPOSITION & PERFORMANCE

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Role of the Board and Board Charter

The business and affairs of the Company is managed under the direction and supervision of the Board currently comprised (and as at 31 December 2023 was comprised) of independent

Chairman, Barbara Chapman, and independent directors; Carol Campbell, David Gibson, Sussan Turner and Guy Horrocks. The directors acknowledge their duty to act in good faith and in the best interests of the Company. The objective of the Company is to generate growth, corporate profit and shareholder gain from the activities of the

Group. In pursuing this objective, the role of the Board is to assume accountability for the success of the Company by taking overall responsibility for the strategic direction and monitoring of operational management of the Group in accordance with good corporate governance principles. More details regarding the main functions of the Board and the distinction from the roles of management can be found in the Board Charter available on the Company's website. No person ceased to be a director of the Company during the financial year ended 31 December 2023.

Director Nomination and Appointment

Directors are appointed by the Company's shareholders, with rotation and retirement being determined by the Constitution. The Board may appoint directors to fill casual vacancies. Directors appointed to fill casual vacancies are required to retire and stand for election at the first annual shareholders' meeting after their appointment. The People, Remuneration and Nominations Committee recommends to the Board potential candidates for appointment as directors. The Committee follows the nomination and appointment processes set out in the People, Remuneration and Nominations Committee Charter available on the Company's website. The Company enters into written agreements with each newly appointed director establishing the terms of their appointment.

Director Independence and Profiles

All of the Company's directors, including the Chair, are independent directors for the purposes of the NZX Listing Rules as none of them are executives

The table below includes the quantitative breakdown as to the gender composition of NZME's Board and Officers as at the balance date.

As at	Board			Officers ¹		
	Male	Female	Gender Diverse	Male	Female	Gender Diverse
31 December 2023	2	3	0	4	3	0
31 December 2022	2	3	0	7	3	0

¹ The term 'Officer' is defined in the NZX Listing Rules as a person, however designated, who is concerned or takes part in the management of the Issuer's business, but excludes (i) a person who does not report directly to the Board or (ii) a person who does not report directly to a person who reports to the Board. NZME has interpreted this to mean the Chief Executive and any person reporting to the Chief Executive or the Board directly. The numbers above therefore include the CEO and other members of the Group Executive Team.

of the Company or have direct or indirect interests or relationships that could reasonably influence, or could reasonably be perceived to influence, in a material way, their decisions in relation to the Company. The profile for each director is available on the Company's website and on page 46-47 of the Annual Report. Information about director attendance at meetings and the date of appointment of each director is available on page 51. Information on director ownership interests are set out on page 55.

Diversity and Inclusion

The Group believes that a diverse and inclusive workforce is essential for it to be able to deliver its strategic objectives and continue to meet its responsibilities to its customers, its employees, the communities in which it works, and its shareholders.

The Group is currently operating in accordance with, and applying the principles of, its Diversity and Inclusion Policy which is available on the Company's website.

The Our People section on pages 20 and 23 of the Annual Report sets out more detail about our diversity and inclusion objectives and progress towards achieving them. In accordance with the Diversity and Inclusion Policy, the Board assesses those objectives and NZME's progress towards achieving them on an annual basis. The Board is comfortable with the Company's 2023 performance with respect to its Diversity and Inclusion Policy and objectives but notes the ongoing nature of efforts to meet those objectives.

CORPORATE GOVERNANCE

CONTINUED

Director Access to Training, Information and Advice

On appointment the Company's directors are offered induction training as to the responsibilities of the directors and to enable the director to become familiar with the Company's operations and sites. Further training on pertinent topics is provided to the Board during the year. All directors have access to the advice and assistance of the General Counsel on the Board's affairs and governance matters. In addition, all directors may access such information and seek independent advice as they consider necessary to fulfil their duties and responsibilities.

Performance Review

The Chair meets annually with directors of the Company to discuss their performances. The Board reviews its performance as a whole, and the performance of its committees, on an annual basis. The Board may choose to use external facilitators, where appropriate, to assist with reviewing the performance of directors, the Board and its committees.

PRINCIPLE 3 - BOARD COMMITTEES

The Board should use committees where this will enhance its effectiveness in key areas, while retaining Board responsibility.

The Board has two standing Committees; the Audit & Risk Committee and the People, Remuneration and Nominations Committee, to assist in carrying out its responsibilities. The Committees operate under Board approved charters which are available on the Company's website.

The Board may establish other committees from time to time to deal with specific projects or matters relating to the Company's various activities.

The Board does not have a separate Health and Safety Committee, but Health and Safety is considered by the full Board.

The Board did not identify a need for any other standing Board committees.

The Company also has an NZME Takeover Response Manual (not publicly available) as recommended by Recommendation 3.6 of the NZX Code.

Audit & Risk Committee

The Committee consists of three independent directors (one of whom has an accounting and financial background). The functions of the Committee are to:

- Review, consider and if necessary, investigate any reports or findings arising from any audit function either internally or externally;
- Evaluate financial information submitted to it, along with relevant policies and procedures; and
- Assess the effectiveness of risk management throughout the Group.

The Committee is also responsible for communicating and engaging with the external auditors and for oversight and review of the risk management framework. For further information, also refer to the Committee's charter which is available on the Company's website.

As at 31 December 2023, directors Barbara Chapman and David Gibson were members of the Audit & Risk Committee and it was chaired by Carol Campbell. Employees and external parties may attend meetings of the Audit & Risk Committee at the invitation of the Audit & Risk Committee.

People, Remuneration and Nominations Committee

The People, Remuneration and Nominations Committee ensures that remuneration policies and practices are consistent with the strategic goals of the Group and are relevant to the achievement of those goals. The Committee also reviews the remuneration of the CEO and, in consultation with the CEO, the remuneration packages of executives reporting directly to the CEO.

The People, Remuneration and Nominations Committee also makes recommendations to the full Board regarding the composition of the Board, filling of vacancies, appointing additional directors to the Board, and to review and adopt corporate governance policies and practices which reflect contemporary standards in New Zealand, incorporating principles and guidelines issued by the Financial Markets Authority and the NZX. For further information, refer to the Committee's charter available on the Company's website. This charter was updated to reflect current best practice

in December 2022 including changing the name of the committee previously known as the Governance and Remuneration Committee.

As at 31 December 2023, directors Sussan Turner and Guy Horrocks were members of the People, Remuneration and Nominations Committee and it was chaired by David Gibson. Employees and external parties may attend meetings of the People, Remuneration and Nominations Committee at the invitation of the People, Remuneration and Nominations Committee.

Board & Committee Attendance 1 January 2023 to 31 December 2023

Director	Board	Audit & Risk	People, Remuneration and Nominations
Barbara Chapman	10 of 10	4 of 4	N/A
Carol Campbell	10 of 10	4 of 4	N/A
David Gibson	10 of 10	3 of 4	5 of 5
Guy Horrocks	10 of 10	N/A	2 of *2
Sussan Turner	10 of 10	N/A	5 of 5

* Guy Horrocks was appointed to the People, Remuneration and Nominations Committee in June 2023 and attended his first committee meeting in October 2023.

PRINCIPLE 4 - REPORTING & DISCLOSURE

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Market Disclosure Policy

The Board has policies and procedures in place to keep investors and staff informed of material information about the Company and to ensure compliance with the continuous disclosure obligations under the Financial Markets Conduct Act 2013 and the NZX Listing Rules.

The Market Disclosure Policy (available on the Company's website) is designed to ensure that:

- There is full and timely disclosure of the Company's activities and price sensitive information to shareholders and the market; and
- All stakeholders (including shareholders, the market and other interested parties) have an equal opportunity to receive and obtain externally available information issued by the Company.

The Company will immediately notify the market of any material information concerning the Company in accordance with legislative and regulatory disclosure requirements.

CORPORATE GOVERNANCE

CONTINUED

Corporate governance documents

The following documents have been adopted by the Company and are available on the Company's website under the Corporate Governance section:

- NZME Constitution
- Board Charter
- Code of Conduct & Ethics
- Remuneration Policy
- Diversity and Inclusion Policy
- Editorial Code of Ethics
- Fraud Policy
- Market Disclosure Policy
- Whistleblower Policy
- Securities Trading Policy
- Audit & Risk Committee Charter
- People, Remuneration and Nominations Committee Charter
- Risk Management Policy
- Health and Safety Policy
- Modern Slavery Statements (pursuant to Australian legislation)

Financial Reporting and Disclosure

The Company is committed to providing financial reporting that is balanced, clear and objective. The Audit & Risk Committee oversees the quality, integrity and timeliness of external reporting. The Group's Consolidated Financial Statements for the year ended 31 December 2023 are set out on pages 48 to 103 of the Annual Report. Also refer to the reports from the Chair and the CEO in this Annual Report and the NZME Full Year 2023 Results Presentation (available on the Company's website) for additional information.

Non-Financial Reporting and Disclosure

The Company provides non-financial disclosures relating to Health and Safety, Risk Management, our interaction with our communities, people and our environment – see our Sustainability Commitment. We also include information about our performance against our operational priorities during the year.

NZME's Sustainability Commitment aligns with the UN Sustainability Development Goals – an international blueprint to achieve a better and more sustainable future for everyone.

Combined with our promise to keep Kiwis in the know, NZME's commitment to sustainable practices contributes to the prosperity of our business and our communities, people and the environment.

In 2023 we measured our progress against key initiatives and objectives for each of the three pillars of our Sustainability Commitment: Our Communities, Our People and Our Environment. This is discussed on pages 16 to 26 of the Annual Report.

NZME continues to develop its Sustainability Commitment with the guidance of the Board. Pursuant to the Financial Sector (Climate-related Disclosure and Other Matters) Amendment Act 2021 the Company has commenced making climate-related disclosures in this report on pages 27 to 43.

NZME's Consolidated Financial Statements are audited by the Company's external auditor, and its GHG emissions have been subject to independent assurance. Non-financial information included in this Annual Report and other reporting disclosures that has not been audited or been the subject of external assurance is internally verified and checked by NZME's management team, compared to the previous reporting period and cross-checked against other data.

PRINCIPLE 5 - REMUNERATION

The remuneration of directors and executives should be transparent, fair and reasonable.

Remuneration Policy

The Company's Remuneration Policy (available on its website) outlines the Company's approach to the remuneration of its directors and executives. The People, Remuneration and Nominations Committee is responsible for reviewing non-executive directors' remuneration and benefits. The pool available to be paid to non-executive directors is subject to shareholder approval. The current directors pool is fixed at \$900,000 per annum (as set out in the Explanatory Memorandum for the Demerger of

NZME by APN dated 11 May 2012) The levels of fixed fees payable to non-executive directors should reflect the time commitment and responsibilities of the role. The People, Remuneration and Nominations Committee will obtain independent advice, as necessary, and will also consider the results of market comparison and a benchmarking assessment in setting the fixed fees payable to non-executive directors.

While the Company does not pay equity-based remuneration to its non-executive directors, it encourages those directors to hold shares in the Company to better align their interests with

the interests of other shareholders. The People, Remuneration and Nominations Committee is also responsible for reviewing the remuneration of the CEO and any executive directors and, in consultation with the CEO, the remuneration packages of executives reporting directly to the CEO. The Company conducts external benchmarking analysis in order to determine the market rate for a role. The Company provides a combination of cash and non-cash benefits and takes a total remuneration approach. The Company reviews remuneration with the objective of achieving pay equality, including by gender.

Directors' Remuneration

The fees paid to each director depends on the duties of the director, including committee work. Current fees per annum are as follows:

1 January 2023 to 31 December 2023	Fees (\$)
Chairman of the NZME Board	170,000
Membership of the NZME Board	100,000
Chairman of NZME Board Committees	20,000
Membership of NZME Board Committees	10,000
Membership of OneRoof Advisory Committee	7,500

Total fees paid to each director during 2023 are shown in the following table:

	Date appointed	Chairman of the Board (\$)	Board Member (\$)	Committee Chair (\$)	Committee Member (\$)	Advisory Committee (\$)	Total (\$)
Barbara Chapman	18 April 2018	170,000			10,000		180,000
Carol Campbell	24 June 2016		100,000	20,000			120,000
David Gibson	8 December 2017		100,000	20,000	10,000		130,000
Guy Horrocks	8 February 2021		100,000		5,000	3,750	108,750
Sussan Turner	16 July 2018		100,000		10,000	3,750	113,750
Total fees paid 2023							652,500

Directors are also entitled to be reimbursed for all reasonable travel, accommodation and other costs incurred by them in connection with their attendance at NZME board or shareholder meetings or otherwise in connection with NZME business. Any such amounts are not included in the table above.

Chief Executive Officer's Remuneration

	Salary (\$) ^A	Bonus (\$) ^B	TIP (\$) ^C	Benefits (\$) ^D	Total (\$)
Michael Boggs	873,088	318,906	1,585,259	35,760	2,813,012

^A Salary includes normal basic salary and paid leave. ^B Bonus payments are those paid during the current accounting period and excludes any bonus accrual not yet paid. This Bonus relates to the 2022 Financial Year. ^C TIP relates to the value of shares issued on 3 January 2024 under the Group's 2020 Total Incentive Plan ("TIP") that had an exercise date of 31 December 2023. These shares relate to the 2020 performance and were originally valued based on a share price of \$0.398 in 2020 but were valued at \$1.06 per share at the time of issue and accordingly the higher value is recorded as remuneration for the year. ^D Benefits relate to company contributions for KiwiSaver.

CORPORATE GOVERNANCE

CONTINUED

Given the difficult trading environment and performance in 2023, no incentive payments will be made in 2024 to the CEO or Executive in respect of the 2023 year.

Michael Boggs held 1,505,390 shares in the company as at 31 December 2023 with an additional 1,012,575 shares issued to him on 3 January 2024 in respect of the 2020 Group's Total Incentive Plan ("TIP") and the short term incentive component of the 2022 TIP. In addition to the remuneration disclosed above as at 20 February 2024, Michael Boggs held 1,292,238 performance rights issued to

him under the various TIP schemes. Please refer to note 4.3 of the Consolidated Financial Statements for a summary of the TIP and the performance criteria used to determine performance based payments.

Employee Remuneration

The Group paid remuneration including benefits in excess of \$100,000 to employees (other than directors) during the year ended 31 December 2023. The salary banding for these employees are disclosed in the following table (bands with zero number of employees have been excluded).

Remuneration Amount	Employees	Remuneration Amount	Employees
\$100,001 - \$110,000	82	\$310,001 - \$320,000	2
\$110,001 - \$120,000	76	\$320,001 - \$330,000	2
\$120,001 - \$130,000	55	\$330,001 - \$340,000	2
\$130,001 - \$140,000	49	\$340,001 - \$350,000	2
\$140,001 - \$150,000	40	\$350,001 - \$360,000	2
\$150,001 - \$160,000	34	\$360,001 - \$370,000	2
\$160,001 - \$170,000	18	\$390,001 - \$400,000	1
\$170,001 - \$180,000	15	\$400,001 - \$410,000	1
\$180,001 - \$190,000	13	\$420,001 - \$430,000	2
\$190,001 - \$200,000	12	\$470,001 - \$480,000	1
\$200,001 - \$210,000	13	\$490,001 - \$500,000	1
\$210,001 - \$220,000	7	\$510,001 - \$520,000	2
\$220,001 - \$230,000	11	\$560,001 - \$570,000	1
\$230,001 - \$240,000	5	\$660,001 - \$670,000	1
\$240,001 - \$250,000	7	\$690,001 - \$700,000	1
\$250,001 - \$260,000	7	\$710,001 - \$720,000	1
\$260,001 - \$270,000	7	\$730,001 - \$740,000	1
\$270,001 - \$280,000	3	\$910,001 - \$920,000	1
\$280,001 - \$290,000	2	\$1,270,001 - \$1,280,000	1
\$290,001 - \$300,000	2	\$2,810,001 - \$2,820,000	1
\$300,001 - \$310,000	1		

Total number of employees that were paid remuneration of \$100,000+

487

The remuneration above includes all remuneration paid to permanent employees, including fixed remuneration, employer KiwiSaver contributions, medical aid contributions, bonuses, commission, settlements and redundancies.

PRINCIPLE 6 - RISK MANAGEMENT

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Risk Management Framework

The Audit & Risk Committee is responsible for the oversight and independent review of the Group's risk management framework, including:

- Review and approval of the risk management policy;
- Receiving and considering reports on risk management;
- Assessing the effectiveness of the Group's responses to risk; and
- Providing the Board with regular reports on risk management.

The Group has a formal Risk Management Policy (available on its website) and is committed to the consistent, proactive and effective monitoring and management of risk throughout the organisation, in accordance with best practice and the NZME Risk Management Framework and Guidelines.

The Board is ultimately responsible for the effectiveness, oversight and implementation of the Group's approach to risk management.

The CEO is responsible for:

- The management of strategic, operational and financial risk of the Group;
- Continually monitoring the Group's progress against financial and operational performance targets;
- The day-to-day identification, assessment and management of risks applicable to the Group;
- Implementation of risk management controls, processes and policies and procedures appropriate for the Group; and
- Driving a culture of risk management throughout the Group.

The Company's Risk Committee (a management committee) acts as a governance forum to assist the CEO and the Executive Team in fulfilling their corporate governance responsibilities.

This committee provides assurance that the following aspects are managed appropriately:

- Strategic and operational risk management;
- Workplace Health and Safety matters;
- Legal, regulatory and policy compliance;
- Technology and security matters;
- Climate related risk; and
- Business continuity planning.

The Group is a diversified media company and is subject to diverse types of risk including, but not limited to cyber security, legal and regulatory compliance, financial and market, climate risk, government policy and political, reputation and brand, operational risks and trading conditions.

The Group recognises that in order to achieve its strategic objectives it must be willing to take and accept informed risks. Risks relating to innovation, attracting and retaining talent, and content to drive audiences and address the needs of advertisers are encouraged within defined parameters. However, in doing so, it is not acceptable to trade off financial or strategic returns by compromising compliance with the law, the safety of our people, or our reputation as a responsible corporate citizen and provider of news, sport and entertainment.

When setting the appetite for taking and accepting risk, the Group also considers the risk posed by inaction in what is a fast-paced and disrupted market.

The Group's approach to risk management is assessed at least annually by the Audit & Risk Committee of the Board in order to make a recommendation to the full Board on the appropriateness of the Company's Risk Management Framework and Guidelines.

For additional information on financial risks, please also refer to Note 4.7 of the Consolidated Financial Statements.

CORPORATE GOVERNANCE

CONTINUED

Health and Safety

The NZME Board Charter states that the role of the Board includes ensuring that the Group health and safety, environmental practices and culture comply with legal requirements, reflect best practice and are recognised by employees and contractors as key priorities for the Group.

NZME does not have a separate Board-level Health and Safety Committee as Health and Safety is dealt with regularly by the full Board.

The Health and Safety Policy (updated in June 2022 and available on the Company's website) sets out the Company's health and safety principles and explains that the Board regularly monitors key health and safety performance indicators, the effectiveness of the Company's health and safety system and controls that are in place to manage the risks that arise from NZME's operations.

Health and Safety is included on the Company's Risk Register. The Company's annual Health and Safety Plan captures the projects and objectives for the year to prioritise responses to the identified risks.

The Company records and monitors critical health and safety risks in a separate Health and Safety Risk Register. Currently that register is reviewed and monitored by the Risk Committee, who meet monthly and receive and review reporting on health and safety performance, trends and updates, with key matters and progress against the annual plan being reported to the Board.

In 2023, areas of focus included continuing to manage ongoing risks, monitoring employee health, safety and wellbeing engagement, and undertaking our 'Connected Culture' workshops across the business which emphasised the culture we want to sustain at NZME, the responsibilities and expectations of our leaders, how to raise issues regarding bullying, harassment and other harmful behaviours and NZME's commitment to addressing these.

Health and Safety advice and direction are overseen by the Culture and Performance team and a full-time Health, Safety and Compliance Manager.

Engagement in health and safety is monitored through questions that target employees' views and opinions on health and safety initiatives and their

effectiveness, with the use of NZME's engagement tool 'HearMe'. This provides Leadership teams with valuable feedback and insights into areas of concern and where improvements can be made.

Health and safety training forms part of staff inductions and is further expanded through a range of training workshops to drive awareness of NZME's health and safety obligations, critical risks, and the resources available to satisfy these.

NZME maintains a Wellness and Safety page on its intranet with sections for safety across NZME.

To ensure effective worker involvement, NZME has multiple Health and Safety Committees in place across New Zealand and health and safety performance is communicated throughout all levels of NZME through leadership team meetings and internal business communications. NZME also has a range of internally trained Wellbeing Advocates and Women's Health Advocates who provide confidential support and guidance to employees.

Lost Time Injuries was a total of three across the year, compared to three in 2022. Total reported incidents were 29 in 2023, and were also 29 in 2022.

PRINCIPLE 7 - AUDITORS

The Board should ensure the quality and independence of the external audit process.

Refer to note 2.2.4 of the Consolidated Financial Statements for fees paid to the auditors, PricewaterhouseCoopers, for the year ended 31 December 2023.

The Audit & Risk Committee Charter requires the Committee to assess the following:

- The independence of the auditors;
- The ability of the auditors to provide additional services which may be occasionally required;
- The competency and reputation of the auditors;
- The projected audit fees; and
- Review the appointment, performance and remuneration of external auditors.

The Audit & Risk Committee also monitors and approves any services provided by the auditors other than in their statutory role and receives confirmation from the auditors as to their independence from the Company. This is undertaken on a service by service basis and assesses whether the service is permissible under Professional and Ethical Standard 1 (“PES 1”) issued by the New Zealand Auditing and Assurance Standards Board, ensuring that any potential threat to independence is identified and appropriate safeguards to eliminate the threat or reduce the threat to an acceptable level are established. The Audit & Risk Committee receives an annual confirmation from the auditor as to their independence from the Group. The auditor is also required to provide the Audit & Risk Committee with a detailed analysis of fees relating to non-audit services provided during the year, including a description of potential threats to their independence and the applicable safeguards implemented by the auditor and the Company to either mitigate those threats or reduce them to an acceptable level as required by PES 1. The Audit & Risk Committee takes the nature of the services provided, the quantum of the fee, the reason for the additional services and whether the services are likely to be one-off or repetitive in nature into consideration when evaluating and concluding on auditor independence.

For the year ended 31 December 2023, given the nature of the services provided and based on the Committee’s continuous monitoring of auditor independence, the Audit & Risk Committee do not believe that the non-audit services provided by the auditors compromised their objectivity and independence.

The Company requires the external auditor to attend the Annual Shareholders’ Meeting (“ASM”) to answer questions from shareholders in relation to the audit. The Group’s auditor, PricewaterhouseCoopers, attended the last ASM on 26 April 2023.

Internal Audit

The Audit & Risk Committee is responsible for reviewing the integrity and effectiveness of the internal audit function. NZME operates a co-sourced internal audit programme that utilises a mix of self-certifications, scheduled control testing by Group Financial Services, ad hoc assignments, investigations by risk and compliance personnel and a structured internal audit programme executed by an external firm.

Any reporting from external parties is presented to the Audit & Risk Committee and any significant findings from other internal activities are reported to the Audit & Risk Committee.

PRINCIPLE 8 - SHAREHOLDER RIGHTS & RELATIONS

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

In addition to holding its Annual Shareholders’ Meeting, NZME seeks to regularly engage with shareholders to ensure they are informed about our activities and our progress against our stated priorities.

The NZME website has a dedicated Investor Relations section containing NZX / ASX announcements, presentations and webcasts, financial reports, frequently asked questions and other information that might be useful to our shareholders.

The share registry is maintained by Link Market Services and their contact details are available under the Investor Relations section of the Company’s website. Shareholders can elect to receive communications electronically.

STATUTORY DISCLOSURES

Following each results announcement, NZME holds an investor call to present the results and to allow investors to ask questions. This is usually followed by an investor roadshow during which the CEO and other members of the Executive aim to meet with as many shareholders as possible. In 2023, NZME held a virtual Investor Day in November.

Shareholders are entitled to exercise their voting rights as provided for under the applicable legislation and listing rules.

In order for shareholders to fully participate in shareholder meetings, the Board will endeavour

where possible, to distribute a notice of shareholder meeting as soon as possible and in any event at least 20 working days prior to any shareholder meeting. During the financial year ended 31 December 2023, shareholders were given 20 working days' notice of the annual shareholder meeting of the Company held on 26 April 2023.

Interest Register Entries

In accordance with section 211(1)(e) of the Companies Act 1993, particulars of general disclosures of interest in the Interest Register of NZME for current directors are set out in the table below. Disclosures during 2023 are noted in italics.

Director	Position	Company
Barbara Chapman	Chairman	Genesis Energy Limited
	Deputy Chair	The New Zealand Initiative
	Director	Fletcher Building Limited
	Director	Bank of New Zealand
Carol Campbell	Chair	NZ Post Limited
	Director	Asset Plus Limited
	Director	T&G Global Limited
	Director	Chubb Insurance New Zealand Limited
David Gibson	Director	Rangatira Limited
	Director	Contact Energy Limited
	Deputy Chair	Goodman Property Trust (NS)
Guy Horrocks	Shareholder	Solve Data, Inc.
	Director	New Zealand Mint Limited
	Shareholder	Tracksuit Limited
	Shareholder	Setpoint Technologies Inc
Sussan Turner	Shareholder	Ezirent
	Director and shareholder	Aspire2 Group Limited
	Pro-Chancellor	Auckland University of Technology (AUT)

Disclosures of Directors' interests in share transactions

During 2023, no disclosures were made in the Interests Register by Directors as to the acquisition or disposal of relevant interests in Company shares under section 148 of the Companies Act 1993.

Director	Number of shares as at 31 December 2023
Barbara Chapman	73,000
Carol Campbell	150,000
David Gibson	50,000

Use of Company information

No notices have been received by the Board under section 145 of the Companies Act 1993 with regard to the use of Company information received by the Directors in their capacities as Directors of the Company or its subsidiary companies.

Indemnities or insurance effected for directors

In accordance with Section 162 of the Companies Act 1993 and the Company's Constitution, the Company has indemnified and arranged insurance for all directors and executive officers to the extent permitted by law for liabilities arising out of the performance of their normal duties as directors and officers. The total amount of insurance for directors and officers contract premiums for the period was \$867,487.

SUBSIDIARY COMPANY INFORMATION

NZME's subsidiary companies are listed at Note 6.1 of the Consolidated Financial Statements.

Directors of Subsidiary Companies

As at 31 December 2023, Michael Boggs (CEO) and David Mackrell (CFO) were directors of the wholly owned subsidiaries listed in Note 6.1 of the Consolidated Financial Statements, other than NZME Australia Pty Limited. Michael Boggs and Mark O'Sullivan (a professional director resident in Australia) were directors of NZME Australia Pty Limited as at 31 December 2023. Michael Boggs, David Mackrell, Greg Hornblow and Peng

Directors' interests in shares

Ordinary shares held by directors and parties associated with them are as follows:

Yin (director representing OneRoof's minority shareholder) were directors of the subsidiary OneRoof Limited, in which an 80% interest was held up until 18 August 2023 when it became a wholly owned subsidiary, as detailed in Note 6.1 of the Consolidated Financial Statements. Peng Yin ceased to be a director of OneRoof Limited on 18 August 2023. No other person ceased to be a director of any of the companies listed in Note 6.1 of the Consolidated Financial Statements during the financial year ended 31 December 2023.

Other than Mark O'Sullivan who received A\$10,000 for his services as a director of NZME Australia Pty Limited, these directors did not receive any fees or other benefit for their services as directors to any of these companies. Michael Boggs, David Mackrell and Greg Hornblow receive remuneration as employees of the Company which are not related to their duties as directors of these companies. Peng Yin who ceased to be a director of OneRoof Limited on 18 August 2023 received remuneration through his company, Hougarden.com Limited, which provides services to OneRoof Limited.

Entries in interest registers of Subsidiary Companies

For each subsidiary company in which they act as a director Michael Boggs and David Mackrell have made general disclosures of interests in all other subsidiary companies as a result of their executive positions at the Company and their positions as

STATUTORY DISCLOSURES

CONTINUED

directors of the other subsidiary companies. Peng Yin has made a general disclosure of interest in the OneRoof Limited Interest Register arising from his position as director and shareholder of Hougarden.com Limited and Hougarden Motors Limited.

According to notices given to the Company under the Financial Markets Conduct Act 2013 the following persons were substantial product holders of the Company as at 31 December 2023. There were 183,913,614 ordinary shares in the Company at that date. The Company did not have any other quoted voting products at that date.

SHAREHOLDER INFORMATION

Substantial product holders

Shareholder	Number of shares in which relevant interest is held	Date of notice
Repertoire Partners LP ¹	36,689,784	18 April 2023
Spheria Asset Management Pty Ltd	24,609,085	20 September 2023
Osmium Partners LLC	17,076,410	25 August 2023
Pinnacle Investment Management Group Limited	9,523,767	11 August 2023

¹ Repertoire Partners LP's substantial product holder notice dated 18 April 2023 discloses a holding of 22,829,094 ordinary shares (12.413% of the Company's shares held at the date the of notice) or 36,689,784 ordinary shares (19.949% of the Company's shares held at the date of the notice) which includes certain cash settled swaps (derivative relevant interest in respect of 13,860,690 ordinary shares). The latter is included in the table above. ² UBS AG London Branch UBS Securities Australia Ltd and UBS Securities LLC.

Top 20 shareholders

As at 19 February 2024

Rank	Investor Name	Total Units	% Issued Capital
1	HSBC Custody Nominees (Australia) Limited	36,744,154	19.68
2	Citicorp Nominees Pty Limited	26,560,820	14.23
3	Bnp Paribas Nominees Pty Ltd	11,832,258	6.34
4	J P Morgan Nominees Australia Pty Limited	9,449,796	5.06
5	Accident Compensation Corporation	8,537,352	4.57
6	HSBC Custody Nominees (Australia) Limited	8,140,775	4.36
7	Bnp Paribas Nominees (Nz) Limited	8,053,071	4.31
8	FNZ Custodians Limited	7,823,117	4.19
9	Bnp Paribas Nominees Pty Ltd Acf Clearstream	6,043,468	3.24
10	Forsyth Barr Custodians Limited	4,020,558	2.15
11	Bnpp Noms Pty Ltd Hub24 Custodial Serv Ltd	2,583,602	1.38
12	Michael Raymond Boggs	2,517,965	1.35
13	Bnp Paribas Noms Pty Ltd	2,396,957	1.28
14	New Zealand Permanent Trustees Limited	2,270,189	1.22
15	JBWERE (Nz) Nominees Limited	2,073,918	1.11
16	Odyls Pty Ltd	1,856,539	0.99
17	New Zealand Depository Nominee	1,825,397	0.98
18	Leh Soon Yong	1,416,116	0.76
19	Merrill Lynch (Australia) Nominees Pty Limited	1,138,782	0.61
20	Citibank Nominees (Nz) Ltd	1,134,498	0.61
Total		146,419,332	78.42

STATUTORY DISCLOSURES

CONTINUED

Spread of Quoted Financial Product holders

As at 19 February 2024

Range of Securities Held	Holders	Holders %	Issued Capital	Issued Capital %
1-1,000	3,295	65.93	812,096	0.43
1,001-5,000	912	18.25	2,278,764	1.22
5,001-10,000	260	5.2	2,044,373	1.10
10,001-50,000	371	7.42	8,664,381	4.64
50,001-100,000	71	1.42	5,118,022	2.74
Greater than 100,000	89	1.78	167,762,825	89.87
Total	4,998	100	186,680,461	100

OTHER INFORMATION

Waivers from NZX

During the financial year ended 31 December 2023, the Company was not granted any waivers from any of the NZX Listing Rules, nor did the Company rely on any previously granted or published waiver from the NZX Listing Rules.

Donations

In accordance with section 211(1)(h) of the Companies Act 1993, NZME notes that the Group made donations of \$6,237 during the year ended 31 December 2023. In addition, and as discussed elsewhere in this Annual Report (our Sustainability Commitment), NZME regularly donates advertising space and other services to a number of worthwhile charities.

Credit rating

As at the date of this Annual Report NZME does not have a credit rating.

Director appointments under the Company's Constitution

Rule 2.4.1 of the NZX Listing Rules allows a company to include in its Constitution a right for a product holder to appoint a director to the Board under certain circumstances. As at 31 December 2023, none of the Directors were appointed pursuant to Rule 2.4.1.

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NZME LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



NZME.

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* The notes to the financial statements have been grouped into nine 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 financial statements have been prepared. Accounting policies specific to a particular note are included in that note and are boxed for ease of reference. Significant accounting estimates and judgments relevant to a particular note are also included in the relevant note, and are clearly marked as such. A summary of the significant accounting estimates and judgments is also included under the Basis of Preparation section on pages 75 to 76.

DIRECTORS' STATEMENT

The Directors are pleased to present the consolidated financial statements of NZME Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2023, incorporating the consolidated financial statements and the independent auditor's report.

The Directors are responsible, on behalf of the Company, for presenting these consolidated financial statements in accordance with applicable New Zealand legislation and generally acceptable accounting practices in New Zealand in order to present consolidated financial statements that present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and the results of the Group's operations and cash flows for the year then ended.

The consolidated financial statements for the Group as presented on pages 70 to 120 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: 20 February 2024

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Revenue	2.1	340,752	355,433
Finance and other income	2.1	6,889	10,453
Total revenue and other income	2.1	347,641	365,886
People costs		(146,648)	(149,647)
Print and distribution		(50,755)	(51,463)
Agency commission and marketing		(36,055)	(41,226)
Content		(19,667)	(18,875)
Property		(7,461)	(7,336)
IT and communications		(11,008)	(12,177)
Other expenses		(21,402)	(20,711)
Expenses from operations before finance costs, depreciation, amortisation		(292,996)	(301,435)
Depreciation and amortisation	2.2.2	(28,623)	(27,391)
Finance costs	2.2.3	(7,656)	(5,665)
Share of joint ventures' and associates' net loss after tax	6.2.2	(588)	(156)
Profit before income tax expense		17,778	31,239
Income tax expense	5.1	(5,578)	(8,559)
Net profit after tax		12,200	22,680
Profit for the year is attributable to:			
Owners of the Company		12,789	23,383
Non-controlling interest		(589)	(703)
		12,200	22,680

		Cents	Cents
Earnings per share attributable to the ordinary shareholders of the Company			
Basic earnings per share	2.3	6.95	12.09
Diluted earnings per share	2.3	6.69	11.69

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Net profit after tax		12,200	22,680
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Effective (loss) / gain on hedging instruments	4.2	(1)	166
Reclassification to profit or loss	4.2	(204)	(199)
Net loss on hedging instruments		(205)	(33)
Net exchange differences on translation of foreign operations	4.2	(2)	5
<i>Items that will not be reclassified to profit or loss</i>			
Share of revaluation of joint ventures' and associates' assets	4.2	-	51
Other comprehensive (loss) / income, net of tax		(207)	23
Total comprehensive income		11,933	22,703
Total comprehensive income attributable to:			
Owners of the Company		12,582	23,406
Non-controlling interest		(589)	(703)
		11,993	22,703

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

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	4.5	5,524	5,670
Trade and other receivables	3.4	45,057	48,751
Inventories	3.5	5,084	5,644
Derivative financial instruments		-	279
Total current assets		55,665	60,344
Non-current assets			
Intangible assets	3.1	142,445	143,779
Property, plant and equipment	3.2	20,311	24,598
Right-of-use assets	3.3	58,233	63,657
Other financial assets		815	815
Equity accounted investments	6.2.2	2,768	3,443
Other receivables and prepayments	3.4	4,453	5,642
Deferred tax asset	5.2	5,709	3,959
Total non-current assets		234,734	245,893
Total assets		290,399	306,237
Current liabilities			
Trade and other payables	3.6	48,840	52,477
Current lease liabilities	4.5.2	12,572	11,596
Current tax provision		269	1,674
Total current liabilities		61,681	65,747
Non-current liabilities			
Non-current lease liabilities	4.5.2	72,105	79,578
Interest bearing liabilities	4.5.1	23,490	23,134
Other payables	6.1.1	676	-
Total non-current liabilities		96,271	102,712
Total liabilities		157,952	168,459
Net assets		132,447	137,778
EQUITY			
Share capital	4.1	345,365	344,473
Reserves	4.2	5,416	5,282
Retained earnings		(218,334)	(211,188)
Total Company interest		132,447	138,567
Non-controlling interest		-	(789)
Total equity		132,447	137,778

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to owners of the Company			Total \$'000	Non- controlling interest \$'000	Total equity \$'000
		Share capital \$'000	Reserves \$'000	Retained earnings \$'000			
Balance at 1 January 2022		361,758	4,920	(209,478)	157,200	(86)	157,114
Net profit / (loss) after tax		-	-	23,383	23,383	(703)	22,680
Other comprehensive income		-	23	-	23	-	23
Total comprehensive income / (loss)		-	23	23,383	23,406	(703)	22,703
Dividends paid	4.4.2	-	-	(25,352)	(25,352)	-	(25,352)
Supplementary dividends paid	4.4.2	-	-	(3,171)	(3,171)	-	(3,171)
Tax credit on supplementary dividends paid		-	-	3,171	3,171	-	3,171
Repurchase of shares	4.1	(17,599)	-	-	(17,599)	-	(17,599)
Transfer from revaluation reserve	4.2	-	(259)	259	-	-	-
Share based payments expense	4.2	-	1,683	-	1,683	-	1,683
2019 total incentive plan ("TIP") settlement		314	(1,085)	-	(771)	-	(771)
Balance at 31 December 2022		344,473	5,282	(211,188)	138,567	(789)	137,778
Balance at 1 January 2023		344,473	5,282	(211,188)	138,567	(789)	137,778
Net profit / (loss) after tax		-	-	12,789	12,789	(589)	12,200
Other comprehensive loss		-	(207)	-	(207)	-	(207)
Total comprehensive (loss) / income		-	(207)	12,789	12,582	(589)	11,993
Dividends paid	4.4.2	-	-	(16,552)	(16,552)	-	(16,552)
Supplementary dividends paid	4.4.2	-	-	(2,103)	(2,103)	-	(2,103)
Tax credit on supplementary dividends paid		-	-	2,103	2,103	-	2,103
Equity transaction with non-controlling interest	6.1.1	-	-	(3,383)	(3,383)	1,378	(2,005)
Deferred tax on share schemes	4.1	892	-	-	892	-	892
Share based payments expense	4.2	-	341	-	341	-	341
Balance at 31 December 2023		345,365	5,416	(218,334)	132,447	-	132,447

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		345,757	352,191
Payments to suppliers and employees		(293,429)	(301,078)
Government grants		3,651	4,080
Dividends received		88	75
Interest received		445	401
Interest paid		(7,167)	(6,132)
Income taxes paid		(7,839)	(12,048)
Net cash inflows from operating activities	4.6	41,506	37,489
Cash flows from investing activities			
Payments for intangible assets		(7,723)	(5,723)
Payments for property, plant and equipment		(3,314)	(4,963)
Acquisition of BusinessDesk		-	(2,717)
Acquisition of Radio Wanaka assets		-	(892)
Proceeds from sale of property, plant and equipment		30	14
Net cash outflows from investing activities		(11,007)	(14,281)
Cash flows from financing activities			
Proceeds from borrowings	4.5.1	82,500	71,250
Repayments of borrowings	4.5.1	(82,500)	(47,250)
Repurchase of shares	4.1	-	(17,599)
Payments for borrowing cost	4.5.1	-	(166)
Dividends paid to Company's shareholders	4.4.2	(16,552)	(25,352)
Payments to non-controlling interest	6.1.1	(952)	-
Payments for lease liability principal	4.5.2	(13,141)	(11,959)
Net cash outflows from financing activities		(30,645)	(31,076)
Net decrease in cash and cash equivalents		(146)	(7,868)
Cash and cash equivalents at beginning of the year		5,670	13,538
Cash and cash equivalents at end of the year	4.5.1	5,524	5,670

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.0 BASIS OF PREPARATION

1.1 REPORTING ENTITY AND STATUTORY BASE

NZME Limited (NZX:NZM and 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 year was the operation of an integrated media and entertainment business.

1.2 GENERAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for for-profit entities. The consolidated financial statements also comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards"). The consolidated financial statements have also been prepared in accordance with Part 7 of the Financial Markets Conduct Act 2013 and the NZX Listing Rules.

The Group has used non-GAAP measures which are not prepared in accordance with NZ IFRS in relation to the following:

- total operating adjusted EBITDA (note 2.1);
- net tangible liabilities (note 3.7); and
- exceptional items (note 2.2.1).

These measures should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures may not be comparable to similarly titled amounts reported by other companies.

The material accounting policies adopted in the preparation of the consolidated financial statements are either set out below, or in the relevant note.

These policies have been consistently applied to all the years presented, unless otherwise stated. These consolidated financial statements are presented for the Group and were approved for issue by the Board of Directors on 20 February 2024.

1.2.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention with the exception of certain items for which specific accounting policies are identified.

1.2.2 Certain Prior period comparatives

Certain prior period information has been reclassified to ensure consistency with current year disclosures and to provide more meaningful comparison. The prior period information that has been reclassified is:

- The expenses from operations before finance costs, depreciation, amortisation has been represented in the income statement based on its nature.
- Capital work in progress has been represented in the balance sheet, cash flow statement, the intangible assets note (note 3.1), the property, plant and equipment note (note 3.2) and the net tangible liabilities (note 3.7).
- The segment reporting has been consolidated with all information now presented in note 2.1.

1.2.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of certain significant judgements, accounting estimates and assumptions, including judgements, 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. A list of those areas of significant estimation or judgement and a reference to the notes containing further information is provided below:

Areas of significant accounting estimates or judgements	Note
<i>Intangible assets with indefinite useful lives</i>	3.1
<i>Assumptions used in testing for impairment of indefinite life intangible assets</i>	3.1.1
<i>Lease terms and discount rates used in determining right-of-use assets and associated lease liabilities (see note 4.5.2 for lease liabilities)</i>	3.3

1.4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates – amendments to IAS 8.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to NZ IAS 1)

The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures which is not expected to have a significant impact on the Group's consolidated financial statements.

Disclosure of Fees for Audit Firms Services (Amendments to FRS- 44)

This amendment will likely give rise to additional disclosure.

1.5 WORKING CAPITAL

As at 31 December 2023 the Group had negative working capital of \$6.0 million compared to \$5.4 million as at 31 December 2022. The Group's level of negative working capital is primarily due to deferred revenue of \$17.6 million (31 December 2022: \$16.3 million). 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.

2.0 GROUP PERFORMANCE

2.1 SEGMENT REPORTING

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
For the year ended 31 December 2023					
Advertising	112,197	110,472	20,370	-	243,039
Circulation and subscription	-	80,564	-	-	80,564
External printing and distribution	-	6,819	-	-	6,819
Other	991	6,252	413	-	7,656
Segment revenue from integrated media and entertainment activities	113,188	204,107	20,783	-	338,078
Revenue from shared services centre	103	188	22	2	315
Events	-	-	-	2,359	2,359
Total revenue from external customers	113,291	204,295	20,805	2,361	340,752
Other income ^A	317	5,341	-	786	6,444
Finance income	-	-	-	445	445
Total finance and other income	317	5,341	-	1,231	6,889
Total revenue and other income	113,608	209,636	20,805	3,592	347,641
	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
Timing of revenue recognition					
Recognised at a point in time	103,981	128,114	9,617	-	241,712
Recognised over time	9,310	76,181	11,188	2,361	99,040
Total revenue from external customers	113,291	204,295	20,805	2,361	340,752
	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
Operating adjusted EBITDA ^B	23,256	38,635	(1,287)	(4,440)	56,164
Total assets	114,805	158,667	8,718	8,209	290,399
Additions of property, plant and equipment and intangible assets	3,114	6,618	1,287	18	11,037
Total liabilities	57,997	90,515	6,946	2,494	157,952

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	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
For the year ended 31 December 2022					
Advertising	112,424	123,274	22,821	-	258,519
Circulation and subscription	-	83,655	-	-	83,655
External printing and distribution	-	4,462	-	-	4,462
Other	897	5,104	-	-	6,001
Segment revenue from integrated media and entertainment activities	113,321	216,495	22,821	-	352,637
Revenue from shared services centre	165	311	42	4	522
Events	-	-	-	2,274	2,274
Total revenue from external customers	113,486	216,806	22,863	2,278	355,433
Other income ^A	430	8,598	-	1,024	10,052
Finance income	-	-	-	401	401
Total finance and other income	430	8,598	-	1,425	10,453
Total revenue and other income	113,916	225,404	22,863	3,703	365,886

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
Timing of revenue recognition					
Recognised at a point in time	105,683	138,403	12,284	-	256,370
Recognised over time	7,803	78,403	10,579	2,278	99,063
Total revenue from external customers	113,486	216,806	22,863	2,278	355,433

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
Operating adjusted EBITDA ^B	22,756	47,418	(1,411)	(4,060)	64,703
Total assets	120,918	167,715	10,543	7,061	306,237
Additions of property, plant and equipment and intangible assets	4,231	9,440	1,296	28	14,995
Total liabilities	60,948	96,483	7,039	3,989	168,459

- ^A Other income includes Government grants of \$3,651,371 (2022: \$4,079,668) received from the Ministry of Culture and New Zealand On Air for the production of content, journalism training and 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. Other income also includes rental income of \$141,353 (2022: \$178,506) relating to the to operating sub-leases of right-of-use assets. See note 3.4.3 for the income received from the finance sub-leases on right-of-use assets.
- ^B Operating 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.

Accounting policies

The Group applies the following accounting policies in relation to revenue:

Advertising

The Group operates an integrated media and entertainment business and contracts with customers to provide advertising on multiple platforms across the divisions consisting of a series of distinct services that are substantially the same. Advertising is often bundled to include publishing, audio and real estate components. In most cases each component of the bundle is treated as a distinct performance obligation and the transaction price is allocated on a relative stand-alone selling price basis. The Group also provides advertising for non-cash consideration, typically in exchange for advertising from another media company. The Group concludes these exchanges have commercial substance and recognises revenue on a gross basis measured at the fair value of the consideration received. For advertising in print publications or terrestrial radio stations the performance obligation is satisfied at a point in time when the advertisement is printed or aired. For advertising placed on digital platforms the performance obligation is satisfied over the period of the campaign.

Subscriptions

The Group enters into contracts with customers to deliver a specified publication on specified days. The performance obligation is satisfied, and revenue is recognised, when the publication is delivered. For contracts entered into with customers for the supply of online premium content the service obligation is satisfied, and revenue recognised over the period of the subscription.

Circulation

The Group enters into contracts with customers to deliver specified publications on specified days which the customer will on-sell to the public. The performance obligation is satisfied when the publication is delivered. Where customers have a right to return unsold publications this is classed as variable consideration and the Group includes in the transaction price an estimate of the unsold publications. This estimate is calculated using the most likely amount method based on weekly reporting from customers to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

External printing and distribution

The Group enters into contracts with customers to print and or distribute their publications on their behalf. The printing and delivery of publications are two distinct performance obligations and revenue is recognised at a point in time when the publications are printed or delivered.

Shared services centre

The Group provides back-office support services to customers. These services consist of a number of functions that are largely consistent on a month-to-month basis. Revenue is therefore recognised in equal increments over the billing period.

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Deferred revenue

When a customer pays for goods or services in advance, the Group recognises a deferred revenue liability which is reduced, and revenue recognised, as the Group satisfies each distinct performance obligation. The Group also recognises a deferred revenue liability when a customer has been invoiced for future goods or services but the invoice is unpaid at the balance sheet date.

Government grants

Cash received and receivable from Government grants is recognised where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in "Other income" over the period necessary to match them with the costs that they are intended to compensate.

Significant financing component

The Group does not expect, at contract inception, that the period between transferring the promised goods or services from contracts with customers and when the customer pays for those goods and services to be more than one year. The Group applies the practical expedient in NZ IFRS 15 to not adjust the promised amount of consideration it expects to receive for those goods or services for the effects of a significant financing component.

Incremental cost of obtaining a contract

The Group applies the practical expedient in NZ IFRS 15 to recognise the incremental cost of obtaining a contract (such as commission) when incurred if the amortisation period is one year or less. If material, the Group will recognise an asset for any incremental cost of obtaining a contract with a customer if the Group expects to recover those costs and the amortisation period is expected to be more than one year. Those costs will be amortised on a systematic basis that is consistent with the transfer of the good or service to which the asset relates.

Costs to fulfil a contract

There are no upfront costs incurred by the Group in respect of digital advertising placed on third party platforms.

All revenue contracts are for periods of one year or less. As permitted under NZ IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

2.1.1 Revenue recognition

Revenue classified as generated at a point in time comprises:

- Revenue generated from advertising placed in print publications and broadcast on radio stations.
- Circulation and subscription revenue derived from the sale of print publications.
- External printing and distribution for third parties.

Revenue classified as generated overtime is:

- Subscriptions to digital publications.
- Revenue generated from the supply of online advertising and other online services.
- Revenue generated by the supply of services including organising and running events, back-office services and the supply of content, created by the Group, to third parties.

2.1.2 Determination of operating segments

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 and comprises of three operating segments.

All significant operating decisions are based upon analysis of the 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 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.

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

	Note	2023 \$'000	2022 \$'000
Operating adjusted EBITDA	2.1	56,164	64,703
Finance income	2.1	445	401
Reversal of impairment		-	549
Depreciation and amortisation	2.2.2	(28,623)	(27,391)
Finance costs	2.2.3	(7,656)	(5,665)
Share of joint ventures' and associates' net loss after tax	6.2.2	(588)	(156)
Exceptional items			
Insurance income		644	206
Income from lease adjustments		-	87
Cost items	2.2.1	(2,608)	(1,495)
Net profit before income tax expense		17,778	31,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.2 EXPENSES

	Note	2023 \$'000	2022 \$'000
2.2.1 Exceptional cost items as included in the following expenses			
People costs			
Redundancies and associated costs		2,691	565
BusinessDesk earn-out-provision	3.8	(413)	413
Historical pay claims		-	(238)
Property			
Property lease adjustments and make good costs		69	168
Sub-lease costs		20	262
Other expenses			
NZME Advisory Limited - Commerce commission		(11)	277
Professional fees for various one-off projects		252	48
Total exceptional cost expenses		2,608	1,495
2.2.2 Depreciation and amortisation			
Depreciation on owned assets	3.2	7,577	9,064
Depreciation on right-of-use assets	3.3	11,995	11,225
Amortisation on intangible assets	3.1	9,051	7,102
Total depreciation and amortisation		28,623	27,391
2.2.3 Finance costs			
Interest and finance charges on bank facilities		2,796	1,374
Interest on interest rate swaps		(199)	(212)
Interest expense on leases		4,703	4,890
Loan modification adjustment		258	(564)
Fair value adjustment on interest rate swaps		-	(59)
Borrowing cost amortisation		98	236
Total finance costs		7,656	5,665
2.2.4 Fees paid to auditors			
Fees paid to the Group's auditors, PricewaterhouseCoopers, consist of:			
Audit and review of financial statements		505	542
Other services ^A		1	18
Total fees paid to auditors		506	560

^A Agreed upon procedures performed for monthly market revenue benchmarking (January 2022 to January 2023) and the annual Broadcasting Standards Authority return (2022).

In addition, non-audit assurance services on greenhouse gas emissions for the 2022 and 2023 financial years were performed in 2024 for \$60,000.

2.3 EARNINGS PER SHARE ("EPS")

	2023 \$'000	2022 \$'000
Reconciliation of earnings used in calculating basic / diluted EPS		
Profit attributable to owners of the parent entity used in calculating EPS	12,789	23,383
	2023 Number	2022 Number
Weighted average number of shares		
Weighted average number of shares in the denominator in calculating basic EPS	183,913,614	193,375,810
Adjusted for calculation of diluted EPS	7,217,143	6,715,262
Weighted average number of shares in the denominator in calculating diluted EPS	191,130,757	200,091,072
	2023 Cents	2022 Cents
Basic / diluted EPS		
Basic EPS	6.95	12.09
Diluted EPS	6.69	11.69

Accounting policies

Basic earnings per share

Basic earnings per share is determined by dividing:

- the profit or loss attributable to owners of the Company; by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account:

- the after-tax effect of dividends, interest and other changes in income or expense associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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3.0 OPERATING ASSETS AND LIABILITIES

3.1 INTANGIBLE ASSETS

Significant judgement: The Directors have determined that mastheads and brands have indefinite lives and are therefore not amortised. Refer to the accounting policies below for further information.

	Goodwill \$'000	Software \$'000	Mastheads and brands \$'000	Radio licences \$'000	Capital work in progress ^A \$'000	Total \$'000
As at 1 January 2022						
Cost	-	53,909	205,995	79,059	2,665	341,628
Accumulated amortisation and impairment	-	(46,273)	(104,186)	(50,309)	-	(200,768)
Net book value	-	7,636	101,809	28,750	2,665	140,860
For the year ended 31 December 2022						
Opening net book amount	-	7,636	101,809	28,750	2,665	140,860
Additions	2,693	121	603	889	5,715	10,021
Amortisation	-	(3,912)	-	(3,190)	-	(7,102)
Transfers from capital work in progress	-	6,088	-	-	(6,088)	-
Net book value	2,693	9,933	102,412	26,449	2,292	143,779
As at 31 December 2022						
Cost	2,693	53,844	202,225	79,948	2,292	341,002
Accumulated amortisation and impairment	-	(43,911)	(99,813)	(53,499)	-	(197,223)
Net book value	2,693	9,933	102,412	26,449	2,292	143,779
For the year ended 31 December 2023						
Opening net book amount	2,693	9,933	102,412	26,449	2,292	143,779
Additions	-	-	-	305	7,418	7,723
Amortisation	-	(5,819)	-	(3,232)	-	(9,051)
Other transfers and adjustments	-	(6)	-	-	-	(6)
Transfers from capital work in progress	-	8,356	-	-	(8,356)	-
Net book value	2,693	12,464	102,412	23,522	1,354	142,445
As at 31 December 2023						
Cost	2,693	62,194	202,225	80,253	1,354	348,719
Accumulated amortisation and impairment	-	(49,730)	(99,813)	(56,731)	-	(206,274)
Net book value	2,693	12,464	102,412	23,522	1,354	142,445

- ^A Capital work in progress is transferred to the relevant asset category once the project is completed. Capital work in progress is not amortised prior to being transferred to the relevant asset category. Intangible assets not yet available for use, that are included in capital work in progress, are subject to annual impairment tests. Capital work in progress at 31 December 2023 and 31 December 2022 comprised of expenditure on digital development projects.

Accounting policies

Goodwill

Goodwill arises on the acquisition of businesses and represents the excess of the consideration paid above the fair value of the net identifiable assets, liabilities and contingent liabilities acquired.

Software

Internal and external costs directly incurred in the purchase or development of software controlled by the Group are recognised as intangible assets, including subsequent improvements, when it is probable that they will generate a future economic benefit. Costs capitalised include materials, services, payroll and payroll related costs of employees involved in development. Amortisation of software assets is calculated on a straight-line basis over the useful life of the asset (typically 2 to 10 years).

Cloud computing arrangements provide the Group with the right to access a supplier's cloud based software for a specified contract period. Where the Group controls an identifiable asset in relation to the integration and customisation of cloud computing arrangements these costs will be capitalised and amortised over the life of the arrangement. Control exists where the Group determines that the asset could be transferred to an alternative supplier without incurring substantial additional costs. If the Group does not control the cloud based software, the related development costs (external and internal) are recognised as either:

(a) an expense when they are incurred, for internal costs, and the costs of an integrator not related to the software provider, or

(b) as a prepayment and then expensed over the term of the cloud computing arrangement for the costs of the software provider or its subcontractor.

Mastheads and brands

Mastheads, being the titles, logo's and similar items of the integrated media assets of the Group, and brands are initially recognised at cost. The Directors believe the mastheads and brands have indefinite lives as there is no foreseeable limit over which they are expected to generate net cash inflows for the Group. Accordingly, mastheads and brands are not amortised but are tested for impairment each year (refer to note 3.1.1 below).

Radio licences

Commercial radio licences are accounted for as identifiable assets and are initially recognised at cost. The current New Zealand radio licences expire on 31 March 2031 and are being amortised on a straight line basis to that date.

Impairment of goodwill, mastheads and brands

Assets that have an indefinite useful life are reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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3.1.1 Year-end impairment review by cash generating unit ("CGU")

This note includes details of certain key estimates and assumptions made during the impairment testing process. The Directors should assess, at each reporting date, whether there is any indication that an impairment loss for an asset, other than goodwill, either no longer exists or has decreased.

As disclosed in note 2.1 the Directors have determined that the Group has three operating

segments – being "Audio", "Publishing" and "OneRoof". The Directors have also determined that there are three 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. The table below contains the allocation of the Group's indefinite life intangible assets across the CGUs.

	Audio \$'000	Publishing \$'000	OneRoof \$'000	Other \$'000	Total \$'000
As at 31 December 2023 and 31 December 2022					
Goodwill	-	2,693	-	-	2,693
Mastheads	-	72,640	-	-	72,640
Brands	29,169	603	-	-	29,772
Non-amortising intangible assets	29,169	75,936	-	-	105,105

As an integrated media and entertainment business, the Directors consider the mastheads and brands of each CGU to be complimentary which as a group represent the highest and best use of the assets.

Whilst the OneRoof CGU does not include any non-amortising intangible assets, impairment testing has been carried out given it does not currently generate an operating profit.

The recoverable amount of a CGU is determined based on the higher of fair value less costs to sell and value-in-use ("VIU") calculations using management forecasts. The recoverable amount of each CGU is compared against the carrying value of that CGU to determine whether there has been impairment. Any impairment is recognised immediately as an expense and in relation to goodwill, is not subsequently reversed.

An impairment review was conducted at 31 December 2023 using VIU calculations to determine the recoverable amount of the CGUs. Based on the key estimates and assumptions outlined below no impairment of indefinite life intangible assets has been recognised in the income statement (2022: \$nil) for any of the CGUs.

The cash flow projections used in VIU calculations are based off the Group's Board-approved medium term plans over a five-year period, after applying a more conservative set of assumptions that are considered the most appropriate for impairment testing. Cash flows beyond the five-year period are extrapolated by calculating a terminal value. This assessment is required to be made based on events and knowledge as at 31 December 2023.

Key estimates and assumptions used for calculating the VIU of each CGU

Discount rates and terminal growth rates assessed as appropriate for each CGU are as follows:

	2023 Audio	2023 Publishing	2023 OneRoof	2022 Audio	2022 Publishing	2022 OneRoof
Forecast period	2024-2028	2024-2028	2024-2028	2023-2027	2023-2027	2023-2027
Discount rate (post tax)	10.0%	10.0%	10.0%	9.6%	9.6%	9.6%
Terminal value growth / (decline)	0%	(1.0%)	0%	0%	(1.0%)	0%

The discount rate represents the current market assessment of the risks specific to each CGU, taking into account the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The terminal value within VIU calculations has used the terminal growth rate assumptions provided in the above table.

The forecasts are prepared by management based on current expectations for each CGU, with consideration given to internal information

and relevant external industry data and analysis. This requires assumptions and judgements about the future, such as discount rates, long term growth rates, and forecasted revenues to which the model is sensitive and which are inherently uncertain. Specifically, the Publishing CGU is expected to be impacted by the continued decline of the print advertising market, and this uncertainty has been reflected in forecast assumptions.

Future capex spend is estimated at historical replacement levels.

Key forecast revenue assumptions used are as follows:

	Audio	Publishing		OneRoof	
		Print Advertising	Digital Advertising	Subscriptions	
2024 - 2028 CAGR[^]	3.6%	(7.6%)	4.8%	(1.0%)	16.1%

[^]CAGR = compound annual growth rate.

The forecasts used in impairment testing have been prepared to comply with the requirements of IAS 36 for that specific purpose. They should not be read as a forecast of, or guidance to, the future financial performance and earnings of the Group. Actual results may differ materially from those forecast or implied.

Whilst management considers that its forecast assumptions are reasonable, short term volatility may be experienced due to the impact of external environmental and economic conditions. It is reasonably possible, on the basis of existing knowledge, that actual outcomes are different from the forecast assumptions used and which could require a material adjustment to the carrying amount of the asset or liability affected. Accordingly, the Directors have reviewed the potential changes to the recoverable amounts that could arise from changes in key assumptions and concluded that, at this time, there are no reasonably possible adverse changes in key assumptions that would result in an impairment of the Audio and OneRoof CGU's.

The recoverable amount of the Publishing CGU was calculated to be \$123.1 million, resulting in headroom of \$6.4 million. As shown in the table above, this included an assumption of 7.6% CAGR decline in Print advertising revenue over the five-year forecast period. The impact of any reasonably possible changes that resulted in an additional 1.0% CAGR decline in Print advertising revenue would be such that headroom would reduce by approximately \$6.5 million. This includes an adjustment for certain CGU expenses in line with revenue.

In addition, an increase in the discount rate used of 0.5% would result in a decrease of \$3.5 million while a decrease of 0.5% would result in an increase of \$4.0 million of the recoverable amount of the Publishing CGU.

It is reasonably possible that the CAGR decline in Print advertising revenue could exceed 1.0% and it is reasonably possible that discount rates could move adversely in excess of 0.5%. These declines may result in an impairment of the Publishing CGU on a VIU approach. These impacts could also occur in combination with each other.

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The Directors determined that the increase in the headroom, since the impairment recognised as at 31 December 2019, is not directly attributable to the brands and as a result a reversal of previously recognised impairment of indefinite life intangible assets has not been recognised.

The Group compares the carrying amount of net assets with the market capitalisation value at each balance date. The share price at 31 December 2023 was \$1.08 equating to a market capitalisation of \$198.6 million. This market value excludes any control premium and may not reflect the value of 100% of NZME's net assets. The carrying amount of NZME's net assets at 31 December 2023 was \$132.4 million (\$0.72 per share).

Accounting policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and at the end of each reporting period if there is an indication that they may be impaired. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets

are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Currently, the Group has three CGUs, being Audio, Publishing and OneRoof. Non-financial intangible assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment at each balance sheet date.

3.2 PROPERTY, PLANT AND EQUIPMENT

	Freehold land ^A \$'000	Buildings ^A \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Capital work in progress ^B \$'000	Total \$'000
As at 1 January 2022						
Cost or fair value	265	67	14,854	264,070	1,341	280,597
Accumulated depreciation and impairment	-	(14)	(10,722)	(241,544)	-	(252,280)
Net book value	265	53	4,132	22,526	1,341	28,317
Year ended 31 December 2022						
Opening net book amount	265	53	4,132	22,526	1,341	28,317
Additions	-	-	-	32	4,942	4,974
Disposals	-	-	(1)	(20)	-	(21)
Depreciation	-	3	(1,056)	(8,011)	-	(9,064)
Reversal of impairment	-	-	312	80	-	392
Transfers from capital work in progress	-	-	34	4,746	(4,780)	-
Net book value	265	56	3,421	19,353	1,503	24,598
As at 31 December 2022						
Cost or fair value	265	67	14,425	254,804	1,503	271,064
Accumulated depreciation and impairment	-	(11)	(11,004)	(235,451)	-	(246,466)
Net book value	265	56	3,421	19,353	1,503	24,598
Year ended 31 December 2023						
Opening net book amount	265	56	3,421	19,353	1,503	24,598
Additions	-	-	-	11	3,303	3,314
Disposals	-	-	-	(30)	-	(30)
Depreciation	-	(2)	(954)	(6,621)	-	(7,577)
Other adjustments	-	-	-	6	-	6
Transfers from capital work in progress	-	-	359	3,595	(3,954)	-
Net book value	265	54	2,826	16,314	852	20,311
As at 31 December 2023						
Cost or fair value	265	67	14,784	247,173	852	263,141
Accumulated depreciation and impairment	-	(13)	(11,958)	(230,859)	-	(242,830)
Net book value	265	54	2,826	16,314	852	20,311

^A Freehold land and buildings are held at fair value based on Director's valuations. If land and buildings were stated on the historical cost basis, the net book value of land would have been \$214,000 (2022: \$214,000) and the net book value of buildings would have been \$20,181 (2022: \$21,784). An independent valuation was performed in February 2024 which supports the Director's valuation at balance sheet date.

^B Capital work in progress is transferred to the relevant asset category once the project is completed. Capital work in progress is not depreciated prior to being transferred to the relevant asset category. Capital work in progress at 31 December 2023 and 31 December 2022 is primarily comprised of expenditure on technology projects.

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Accounting policies

Owned land and buildings are held at fair value less subsequent accumulated depreciation for buildings. Leasehold improvements and plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and all directly attributable costs of bringing the asset to its location and condition necessary to operate as intended.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings • 10 to 50 years
- Leasehold improvements • 2.5 to 50 years
- Plant & equipment • 1.5 to 29 years

The gain or loss on the disposal or retirement of an asset is the difference between the sale proceeds and the carrying amount of the asset and is included in the income statement.

Fair value of land and owned buildings

At the end of each reporting period, the Directors update their assessment of the fair value of each property. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount

of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited to revaluation reserves in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset are first charged against the revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset. All other decreases are charged to the income statement.

Impairment of assets

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are subject to depreciation are tested for impairment whenever changes in circumstances indicate that the asset's carrying amount may exceed its recoverable amount. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffer an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

3.3 RIGHT-OF-USE ASSETS

Significant judgments: Where a discount rate is not explicit in a lease the Group determines an applicable discount rate to use based on publicly available rates for Government Bonds, Bloomberg corporate bond spreads and yields and New Zealand swap rates and then applies an adjustment to these rates to apply a company specific credit risk. In determining the lease term the Group includes any periods covered by options to extend where the Group is reasonably certain to exercise that option.

	Buildings \$'000	Transmission \$'000	Vehicles \$'000	Other \$'000	Total \$'000
As at 1 January 2022					
Net book value	43,486	23,040	987	-	67,513
Year ended 31 December 2022					
Additions	2,865	-	513	50	3,428
Depreciation	(6,988)	(3,670)	(562)	(5)	(11,225)
Reversal of impairment previously recognised	157	-	-	-	157
Transfer from lease receivables	775	-	-	-	775
Changes in scope or lease terms	(885)	3,899	(4)	(1)	3,009
As at 31 December 2022					
Net book value	39,410	23,269	934	44	63,657
Year ended 31 December 2023					
Additions	536	-	564	-	1,100
Depreciation	(7,596)	(3,830)	(559)	(10)	(11,995)
Transfer from lease receivables	(4)	-	-	-	(4)
Changes in scope or lease terms	3,372	2,085	18	-	5,475
Net book value	35,718	21,524	957	34	58,233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Accounting policy

The Group leases various offices, transmission towers, vehicles and other equipment which are all classified as operating leases.

Leases are recognised as a right-of-use asset and a corresponding lease liability. Each lease payment is allocated between the lease principal and finance costs. Finance costs are charged to profit or loss over the lease period and the right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

3.4 TRADE AND OTHER RECEIVABLES

	Note	2023 \$'000	2022 \$'000
Trade receivables		37,295	42,534
Provision for impairment		(631)	(516)
		36,664	42,018
Amounts due from related companies	7.2	330	65
Finance lease receivables	3.4.3	545	528
Other receivables and prepayments		7,518	6,140
Total current trade and other receivables		45,057	48,751
Movements in the provision for impairment are as follows:			
Balance at beginning of the year		516	634
Provision for impairment expense		228	17
Receivables written off		(113)	(135)
Provision for impairment		631	516
Other receivables and prepayments		561	1,207
Finance lease receivables	3.4.3	3,892	4,435
Total non-current trade and other receivables		4,453	5,642

3.4.1 Classification

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business as well as receivables in relation to goods or services to be sold or performed in the future. Receivables and other financial assets are classified and subsequently measured at amortised cost on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. If

collection of the amounts is expected in one year or less they are classified as current assets. If collection is expected to be in greater than one year they are classified as non-current.

3.4.2 Impairment and risk exposure

The maximum exposure to credit risk at the balance sheet date is the higher of the carrying value and fair value of each receivable. The Group does not hold any collateral as security. Refer to note 4.7.3 for credit risk and note 4.8 for fair value information.

Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Receivables are monitored on an individual basis and the Group considers the probability of default upon initial recognition of the receivable and throughout the period and provides for receivables expected to be impaired.

The amount of loss is recognised in the income statement within other expenses. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement against the impairment losses on receivables.

3.4.3 Finance lease receivables

Finance lease receivables relate to the sub-leases of parts of the Graham Street and Whangarei right-of-use assets sub-let during the financial year.

	2023 \$'000	2022 \$'000
As at 1 January	4,963	6,134
Transfer from / (to) right-of-use assets	4	(775)
Interest on lease receivables	236	285
Total lease receivables before cash payments	5,203	5,644
Rent concession	-	(29)
Interest received	(236)	(285)
Principal received	(530)	(367)
Net investment in lease receivables at 31 December^A	4,437	4,963
Current assets	545	528
Non-current assets	3,892	4,435
Net investment in lease receivables at 31 December	4,437	4,963

^A Make good provisions are included in material sub-leases to ensure the Group's exposure to risk is minimised.

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The table below details the Group's contractual undiscounted cash flows for the finance lease receivable assets to maturity.

	2023 \$'000	2022 \$'000
Less than 1 year	755	764
1 to 5 years	2,269	2,243
Greater than 5 years	2,230	3,009
Total lease payments receivable	5,254	6,016
Unearned finance income	(817)	(1,053)
Net investment in lease receivables at 31 December	4,437	4,963

Accounting policy

When the Group acts as a lessor in sub-leasing its right-of-use assets, it determines, at lease commencement date, whether each lease is a finance lease or an operating lease by assessing whether the lease transfers to the lessee substantially all the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case then the lease is a finance lease; if not then it is an operating lease. As part of this assessment the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

For the purposes of classifying the sub-lease reference is to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Assets arising from a sub-lease are initially measured on a present value basis and include

the following:

- initial direct costs incurred in acquiring the sub-lease;
- fixed payments (including in-substance fixed payments), less any lease incentives payable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be receivable under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

3.5 INVENTORIES

Inventories is predominantly the stock of newsprint held at the Ellerslie print plant and is valued at cost. 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.

During the year ended 31 December 2023 inventories totalling \$13,186,488 were expensed through production and distribution expenses (2022: \$11,167,379).

Accounting policy

Inventories are measured at cost and are expensed using the first in first out ("FIFO") method, as used.

3.6 TRADE AND OTHER PAYABLES

	Note	2023 \$'000	2022 \$'000
Current payables			
Employee entitlements		5,930	6,009
Deferred revenue		17,639	16,335
Trade payables and accruals		25,271	30,133
Total current trade and other payables		48,840	52,477

All deferred revenue at 31 December 2022 was recognised in revenue during 2023.

Accounting policies

Trade and other payables

Trade payables, including accruals not yet billed, are recognised when the Group becomes obliged to make future payments as a result of a purchase of assets or services. Trade payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are unsecured and are generally settled within 30 to 45 days.

Employee entitlements

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months from the balance sheet date are recognised in payables and accruals in respect of employees' services up to the balance sheet date and are measured at the amounts expected to be paid when the liabilities are settled. Amounts to be settled more than 12 months after the balance sheet date are recognised as a non-current payable. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Short-term incentive plans

A liability for short-term incentives is recognised in trade payables when there is an expectation of settlement and at least one of the following conditions is met:

- there are contracted terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial statements; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for short-term incentives are expected to be settled within 12 months and are recognised at the amounts expected to be paid when they are settled.

Refer to note 4.3 for disclosures relating to share based payments and note 7.1 for key management compensation.

Deferred revenue

The accounting policy for deferred revenue is disclosed in note 2.1.

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3.7 NET TANGIBLE 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:

	2023 \$'000	2022 \$'000
As at 31 December		
Total assets	290,399	306,237
Deferred tax asset	(5,709)	(3,959)
Intangible assets	(142,445)	(143,779)
Total liabilities	(157,952)	(168,459)
Net tangible liabilities	(15,707)	(9,960)
Minority interest	-	789
Net tangible liabilities for the owners of the Company	(15,707)	(9,171)
Number of shares issued (in thousands)	183,914	183,914
Net tangible liabilities per share (in \$)	(\$0.09)	(\$0.05)

3.8 BUSINESSDESK ACQUISITION

At 31 December 2023 it was determined that no earn-out provision was payable in relation to the acquisition of BusinessDesk on 17 January 2022. All provisions in relation to the potential payment of the earn-out provision have been released.

4.0 CAPITAL MANAGEMENT

4.1 SHARE CAPITAL

	2023 '000	2022 '000	2023 \$'000	2022 \$'000
Authorised, issued and paid up share capital				
Balance at the beginning of the period	183,914	197,570	344,473	361,758
Deferred tax on share schemes	-	-	892	-
Repurchase of shares	-	(14,705)	-	(17,599)
Shares issued during the year	-	1,049	-	314
Balance at the end of the period	183,914	183,914	345,365	344,473

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.2 RESERVES

	Share based payments \$'000	Equity investments revaluation \$'000	Other \$'000	Total \$'000
As at 1 January 2022	3,060	1,271	589	4,920
Share based payments expense	1,683	-	-	1,683
TIP settlement	(1,085)	-	-	(1,085)
Transfer to retained earnings	-	(259)	-	(259)
Share of revaluation of joint ventures' and associates' assets	-	51	-	51
Effective gain on hedging instruments	-	-	166	166
Reclassification to profit or loss	-	-	(199)	(199)
Net exchange difference on translation of foreign operations	-	-	5	5
As at 31 December 2022	3,658	1,063	561	5,282
Share based payments expense	341	-	-	341
Effective loss on hedging instruments	-	-	(1)	(1)
Reclassification to profit or loss	-	-	(204)	(204)
Net exchange difference on translation of foreign operations	-	-	(2)	(2)
As at 31 December 2023	3,999	1,063	354	5,416

Other reserves include the cash flow hedge reserve which has a balance of \$nil at 31 December 2023 (see note 4.7.2), the asset revaluation reserve and the foreign currency translation reserve.

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4.3 SHARE BASED PAYMENTS

	2023		2022	
	Average price per right (\$)	Number of rights	Average price per right (\$)	Number of rights
As at 1 January	0.64	6,715,262	0.52	7,126,686
Granted (2021 TIP) ^A	-	-	0.52	(7,398)
Granted (2022 TIP STI component) ^A	1.43	(3,504)	-	-
Granted (2022 TIP LTI component) ^B	-	-	1.13	585,324
Granted (2023 TIP LTI component) ^B	0.73	496,765	-	-
Adjustment for dividends foregone ^C	0.85	287,771	1.30	518,446
Surrendered ^D	-	-	0.63	(735,561)
Shares issued (2019 TIP) ^E	-	-	0.63	(1,048,583)
Forfeited ^F	0.92	(279,151)	-	-
Granted and awarded as at 31 December		7,217,143		6,438,914
2022 TIP STI component (estimation) ^G	-	-	1.43	276,348
As at 31 December	0.60	7,217,143	0.64	6,715,262

^A Adjustment to the number of actual rights issued under the various TIP schemes.

^B The number of performance rights granted in relation to the LTI components of the 2022 and 2023 TIP schemes.

^C For the 2019, 2020 and 2021 TIP schemes the Board has approved that participants will be entitled to additional shares, or a cash payment, when the rights are exercised for any dividends foregone during the period that the rights are held. For dividends declared during the period 1 January 2023 to 31 December 2023, this resulted in an additional 549,635 shares accrued.

^D Surrendered performance rights relate to the

2019 TIP, with participants surrendering rights in lieu of PAYE owing on the issue of shares, and the 2022 LTI component in relation to one participant surrendering their rights on leaving the Company.

^E The rights granted under the 2019 TIP were exercised on 30 December 2022 with 1,048,583 shares being issued. The share price at the date of issue was \$1.15.

^F The forfeited shares are in relation to the 2022 and 2021 schemes where participants have not met the service period criteria.

^G The number of performance rights expected to be granted in 2023 in respect of the 2022 TIP STI component.

In relation to the 2022 TIP and 2023 TIP the Group expects to issue the net shares after withholding shares with a value equal to the participants tax obligations under New Zealand tax legislation arising as a result of the issue of shares at the relevant exercise date. This reduces the dilutive impact of the rights on the earnings per share calculation for the Group for the years ended

31 December 2023 and 31 December 2022. The shares that are expected to be withheld are excluded from the rights table above.

Participants of the 2022 TIP and 2023 TIP are not entitled to receive any dividends paid by the Company as a holder of rights.

Share rights outstanding at the end of the year have the following exercise date:

Plan	Vesting date	Exercise date	2023 Number of rights	2022 Number of rights
2020 TIP scheme	31 Dec 2021	3 Jan 2024	4,119,216	3,979,651
2021 TIP scheme	31 Dec 2022	31 Dec 2024	1,901,713	1,939,090
2022 TIP (STI)	1 Jan 2024	3 Jan 2024	254,131	276,348
2022 TIP (LTI)	1 Jan 2025	1 Jan 2025	445,318	520,173
2023 TIP (LTI)	1 Jan 2026	1 Jan 2026	496,765	-
As at 31 December			7,217,143	6,715,262
			2023	2022

Weighted average remaining time until rights outstanding at the end of the period automatically convert to ordinary shares. (refer to note 4.3.2 for shares issued on 3 January 2024).

7 months 14 months

No rights were awarded for the 2023 TIP (STI) component.

4.3.1 2020 and 2021 and TIP schemes

The rights owing to the participants the 2020 TIP have vested with an exercise date of 3 January 2024 (see note 4.3.2). The 2021 TIP rights have vested and will be settled by the issue

of shares on 31 December 2024. See the consolidated financial statements for the year ended 31 December 2022 for the details of these vested schemes.

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4.3.2 Issue of shares subsequent to balance sheet date

On 3 January 2024 shares were issued in relation to the 2020 TIP and 2022 TIP (STI component). The

following table details the transactions relating to the issue of these shares.

	Number of rights
Shares issued (2020 TIP)	2,512,716
Surrendered	1,606,500
Shares issued (2022 TIP STI component)	254,131
Decrease in rights on 3 January 2024	4,373,347

The share price at the date of issue of the shares in the above table was \$1.06.

4.3.3 2022 and 2023 TIP schemes

The Company's current TIP is designed to align reward outcomes with individual performance and the performance of the Company and value creation for shareholders over both the short and long term. The framework was approved by the Board in February 2022.

The TIP framework includes both a short-term component ("STI") and a long-term incentive ("LTI"). The STI comprises 60% of the total TIP opportunity

with the LTI comprising the remaining 40%.

The number of rights awarded for each scheme are based on the Volume Weighted Average Price ("VWAP") of the Company's shares for the first 20 business days of trading following the Group's results announcement for the preceding financial year.

The following table summarises the grant date price and VWAP for the each scheme.

	Grant date	Share price at grant date	VWAP
2020 TIP scheme	5 Mar 2020	\$0.36	\$0.40
2021 TIP scheme	4 Dec 2020	\$0.71	\$0.74
2021 TIP scheme	10 Dec 2020	\$0.66	\$0.74
2021 TIP scheme	5 Nov 2021	\$1.25	\$0.74
2022 TIP scheme - STI and LTI	22 Apr 2022	\$1.43	\$1.39
2023 TIP scheme - STI and LTI	23 Jun 2023	\$0.99	\$1.15

STI component of the schemes

The STI is based on the performance of the Company for the financial year measured in terms of earnings and the achievement of various specific targets set for each individual participant that align with the Company's strategic goals. The STI component includes both a cash element and a share rights element. The cash payment is payable following the end of the financial year period, with share rights issued at the same time and deferred for an additional year before they vest, subject to continued employment over that extended period.

STI Performance measures

- A minimum EBITDA threshold to be met before any STI awards will be payable.
- Individual performance target payments (60% to 130%).

% of target	% of target opportunity awarded
< minimum target	0%
minimum up to 100%	Pro-rata vesting between 50% and 100%
> 100%	Potential of receiving 150%

Awards under the STI portion of the TIP are granted to participants following the assessment of performance. To the extent that performance measures are met:

- 58.3% of awards are made in cash; and
- 41.7% of awards are granted in rights to acquire fully paid ordinary shares in the Company for nil consideration ("Rights").

The periods and dates relevant to each scheme are defined below:

• Performance period	the financial year of the scheme
• Deferral period	the 12 months following the end of the financial year to which the scheme relates
• Vesting date of rights	1 January following the end of the deferral period

It is assumed that all participating employees will remain employed with the Company until the end of the deferral period (unless already resigned).

LTI Performance measures

The LTI is based on a three-year performance period commencing on 1 January of the financial year for which the scheme is offered with awards subject to both earnings per share ("EPS") and total shareholder return ("TSR") performance targets. The long-term component comprises an issue of share rights that may vest at the end of three years, subject to achievement of the EPS and TSR performance targets and continued employment by the Company. The EPS and TSR components both comprise equal portions of the LTI.

The Board will determine the performance of the EPS and TSR compared to target and the Board may adjust calculations at the relevant date to take account of any capital reconstructions, corporate transactions or any other circumstances which in its opinion are appropriate in the circumstances and consistent with the intention in respect of the LTI performance conditions.

The allocation of rights to participants of the scheme, for both the EPS and TSR components, is based on the following levels of performance:

% of target	% of target opportunity awarded
< minimum target	0%
minimum up to 100%	Pro-rata vesting between 50% and 100%
> 100%	100%

The periods and dates relevant to each scheme are defined below:

• Performance period	24 months from 1 January of the financial year for which the scheme relates
• Vesting date of rights	A date after LTI performance conditions determined

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Accounting policy

Total incentive plan ("TIP")

The fair value of rights granted under the TIP plan is recognised as an employee benefits expense with a corresponding increase in equity over the vesting period, being the performance period and the service period. The fair value is measured at grant date and the number of rights are determined using the volume weighted average price of NZME's shares on the NZX over the first 5 trading days of the performance period, for the 2020 and 2021 TIP schemes, and the first 20 consecutive NZX trading days after the release of the Group's financial result for the preceding year for the 2022 and 2023 TIP schemes.

The fair value at grant date is determined taking into account the share price, any market performance conditions and any non-vesting conditions, but excluding the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. At each balance sheet date, the Group revises its estimate of the number of rights that are expected to become exercisable.

The performance target for the TSR component of current and future incentive plans is a market vesting condition which is taken into account in calculating the grant date fair value. The fair value reflects the likelihood of various TSR outcomes and adjustments to unvested rights are only made to reflect changes in the number of participants that will meet the service condition.

The employee benefits expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates, is recognised in profit or loss with a corresponding adjustment to equity.

4.4 DIVIDENDS

4.4.1 Dividend policy

The Group's dividend policy is to pay dividends of between 50-80% (2022: 50-80%) of free cash flow while having regard to the Company's capital requirements, operating performance and financial position. The payment of dividends is also subject to the Company being within the leverage ratio range of 0.5 to 1 times the rolling 12 month trading EBITDA.

4.4.2 Dividends paid and declared

Amounts recognised as distributions to equity holders during the year:

	2023 Cents per share	2022 Cents per share	2023 \$'000	2022 \$'000
Final dividend for 2022, declared 22 February 2023, paid 22 March 2023	6.0	5.0	11,035	9,879
Special dividend, declared 20 June 2022, paid 12 July 2022	-	5.0	-	9,678
Interim dividend for 2023, declared 24 August 2023, paid 27 September 2023	3.0	3.0	5,517	5,795
Total dividends declared and paid during the year			16,552	25,352
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
Supplementary interim dividend for 2023 paid 27 September 2023	0.88	0.53	589	817
Total supplementary dividends declared and paid			2,103	3,171
Proposed final dividend for the year ended 31 December 2023	6.0	6.0	11,201	11,035

The dividends paid in 2023 were not franked while in 2022 the final dividend for 2021 was fully franked, the special dividend paid in July was partially franked and the interim dividend for 2022 was not 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 20 February 2024, is to be paid on 20 March 2024 to registered shareholders as at 8 March 2024.

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4.4.3 Imputation credits

	2023 \$'000	2022 \$'000
Imputation credits available for subsequent reporting periods based on the New Zealand 28% tax rate for the Group	NZ\$ 24,205	NZ\$ 24,211

4.5 INTEREST BEARING LIABILITIES

The following table details the Group's combined net debt at 31 December 2023.

The movements in these balances during the year are provided in notes 4.5.1 Secured bank loans and note 4.5.2 Lease liabilities.

	2023 \$'000	2022 \$'000
Bank loans	23,490	23,134
Cash and cash equivalents	(5,524)	(5,670)
Net bank debt	17,966	17,464
Lease liabilities	84,677	91,174
Net debt at 31 December	102,643	108,638

4.5.1 Secured bank loans

	2023 \$'000	2022 \$'000
Bank loans		
As at 1 January	23,134	-
Proceeds from borrowings	82,500	71,250
Repayments of borrowings	(82,500)	(47,250)
Capitalised borrowing costs	-	(166)
Amortisation of borrowing costs	98	236
Loan modification adjustments	258	(564)
Reclassification of unamortised borrowing costs from prepayments	-	(372)
As at 31 December	23,490	23,134
Cash and cash equivalents		
As at 1 January	(5,670)	(13,538)
Cash flows	146	7,868
As at 31 December	(5,524)	(5,670)
Net bank debt	17,966	17,464

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 \$24.0 million (2022: \$24.0 million) is drawn and \$26.0 million (2022: \$26.0 million) is undrawn as at 31 December 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 year.

Accounting policy

Borrowings are initially recognised at fair value less attributable transaction costs and subsequently measured at amortised cost. Any difference between cost and redemption value is recognised in the income statement over the period of the borrowing on an effective interest basis.

Costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing. These costs are netted off against the carrying value of borrowings in the balance sheet.

4.5.2 Lease liabilities

	2023 \$'000	2022 \$'000
As at 1 January		
Current lease liabilities	11,596	11,340
Non-current lease liabilities	79,578	85,445
Total lease liabilities	91,174	96,785
Interest on lease liabilities	4,703	4,890
New leases	1,100	3,428
Changes in scope, lease terms and other adjustments	5,544	2,920
Total lease liabilities before cash payments	102,521	108,023
Interest paid on leases	(4,703)	(4,890)
Principal payments	(13,141)	(11,959)
Total cash payments	(17,844)	(16,849)
Total lease liabilities at 31 December	84,677	91,174
Current lease liabilities	12,572	11,596
Non-current lease liabilities	72,105	79,578
Total lease liabilities at 31 December	84,677	91,174

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4.6 CASH FLOW INFORMATION

	Note	2023 \$'000	2022 \$'000
Reconciliation of net cash inflows from operating activities to profit for the year:			
Profit for the year		12,200	22,680
Depreciation and amortisation expense		28,623	27,391
Borrowing cost amortisation		98	236
Non cash movement on overhedged swaps		74	(59)
Loan modification adjustments		258	(564)
Change in current / deferred tax payable		(2,261)	(3,489)
Net loss on sale of non-current assets		-	7
Group's share of retained losses in joint ventures and associates		675	231
Lease adjustments		68	(58)
Impairment reversal of property plant and equipment		-	(392)
Impairment reversal of right-of-use asset		-	(157)
Share based payment expense		341	1,683
BusinessDesk earn-out provision	3.8	(413)	413
Changes in assets and liabilities net of effect of acquisitions:			
Trade and other receivables		4,256	(3,109)
Inventories		560	(3,735)
Prepayments		631	(198)
Trade and other payables and employee entitlements		(3,604)	(3,391)
Net cash inflows from operating activities		41,506	37,489

Accounting policy

For the purposes of presentation on the statement of cash flows, cash and cash equivalents includes cash on hand and short term deposits held at call with finance institutions, net of bank overdrafts.

4.7 FINANCIAL RISK MANAGEMENT

4.7.1 Capital and risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Refer to note 4.5 for undrawn facilities to which the Group has access to as well as the net debt calculation that is used by the Group to manage capital requirements.

The Group's activities expose it to a variety of financial risks:

- market risk, including interest rate risk and price risk;
- credit risk; and
- liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Financial risk management is carried out by the Group Treasury function. The Group Treasury function meet regularly with the Group Chief Financial Officer to cover specific areas, such as interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Due to the Group's limited operations in foreign jurisdictions, the Group does not have a significant foreign exchange exposure.

4.7.2 Market risk

Cash flow and fair value interest rate risk

Long term borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed interest rates expose the Group to fair value interest rate risk.

The Group has previously used derivative financial instruments to hedge its exposure to interest rate risk. At 31 December 2023 the Group had no derivative financial instruments compared to the \$15.0 million invested at 31 December 2022 with a current asset value of \$279,485. The final interest rate swap matured in August 2023 and during the period ended on this date an expense of \$74,394 (2022: a credit of \$58,605) was recorded in finance costs relating to fair value adjustments. At 31 December 2023 current interest bearing debt is fixed for 60 days on a rolling basis. The exposure to interest rate risk is no longer managed through the use of hedges as the risk is not significant.

Based on the outstanding net floating debt at 31 December 2023 a change in interest rates of +/-1% per annum with all other variables being constant would have impacted post-tax profit and equity by \$0.2 million lower / higher (2022: \$0.2 million lower / higher).

Price risk

The Group is not exposed to significant price risk. There is some risk associated with other financial assets however this is not deemed to be significant.

4.7.3 Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, the creditworthiness is assessed prior to entering into arrangements and approved by the Board. For other customers, NZME's credit control department assesses the credit quality, taking into account financial position, past experience and other factors. The utilisation of credit limits is regularly monitored and the Group does not normally obtain collateral from its customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The table below sets out additional information about the credit quality of trade receivables net of the provision for impairment.

	Current \$'000	Less than one month \$'000	Past due			Total \$'000
			One to three months \$'000	Three to six months \$'000	Over six months \$'000	
31 December 2023						
<i>Expected loss rate</i>	0.4%	1.0%	6.3%	10.6%	15.3%	
Trade receivables	25,200	7,725	1,718	1,403	1,249	37,295
Impaired receivables	(102)	(81)	(108)	(149)	(191)	(631)
	25,098	7,644	1,610	1,254	1,058	36,664

	Current \$'000	Less than one month \$'000	Past due			Total \$'000
			One to three months \$'000	Three to six months \$'000	Over six months \$'000	
31 December 2022						
<i>Expected loss rate</i>	0.1%	0.7%	2.1%	8.7%	22.9%	
Trade receivables	29,924	8,264	1,873	1,339	1,134	42,534
Impaired receivables	(39)	(60)	(40)	(117)	(260)	(516)
	29,885	8,204	1,833	1,222	874	42,018

Trade receivables are generally settled within 30 to 45 days. The Directors consider the carrying amount of trade receivables approximates to their net fair value. Trade receivables are monitored on an individual basis and the Company considers the probability of default upon initial recognition of the trade receivable and throughout the year and provides for trade receivables considered to be impaired.

As of 31 December 2023, trade receivables of \$3,922,000 (2022: \$3,929,000) were past due but not impaired.

The maximum exposure to credit risk at 31 December 2023 is equal to the carrying amount of cash and cash equivalents and trade and other receivables. The Group is not exposed to any concentrations of credit risk within cash and cash equivalents or trade and other receivables.

Credit risk further arises in relation to financial guarantees given to certain parties from time to time.

4.7.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The tables below analyse the Group's financial liabilities including interest to maturity into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

	Less than one year \$'000	Between one and two years \$'000	Between two and five years \$'000	Over five years \$'000	Total cash flows \$'000
31 December 2023					
Trade payables and accruals	25,271	-	-	-	25,271
Lease liabilities	16,660	15,802	43,875	23,437	99,774
Bank loans	2,040	2,040	26,040	-	30,120
Total	43,971	17,842	69,915	23,437	155,165
31 December 2022					
Trade payables and accruals	30,133	-	-	-	30,133
Lease liabilities	15,992	14,932	42,124	36,950	109,998
Bank loans	2,160	2,160	26,160	-	30,480
Total	48,285	17,092	68,284	36,950	170,611

4.8 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).

4.8.1 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

4.8.2 Recognised fair value measurements

	Note	2023 \$'000	2022 \$'000
<i>Recurring fair value measurements</i>			
Financial assets (Level 2)			
Derivative financial instruments: current assets	4.7.2	-	279
Financial assets (Level 3)			
There are no financial assets carried at fair value. Other financial assets of \$815,000 ^A (2022: \$815,000) are measured at amortised cost and therefore have been excluded from this table.			
Total financial assets		-	279
Non-financial assets (Level 3)			
Freehold land	3.2	265	265
Buildings	3.2	54	56
Total non-financial assets		319	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 in either level 2 or level 3 of the fair value hierarchy and there were no transfers between levels. The Group's policy is to recognise transfers between fair value hierarchy levels as at the end of the year.

4.8.3 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 current 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 4.5 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 year ended 31 December 2023, the borrowing rates were determined to be between 6.1% and 7.9% (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).

4.8.4 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 valuation, supported by an independent valuation performed in February 2024, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5.0 TAXATION

5.1 INCOME TAX EXPENSE

	2023 \$'000	2022 \$'000
Reported income tax expense comprises:		
Current tax expense	5,920	9,055
Deferred tax benefit	(858)	(475)
Under / (over) provision in prior years	516	(21)
Income tax expense	5,578	8,559
Income tax expense differs from the amount prima facie payable as follows:		
Profit before income tax expense	17,778	31,239
Prima facie income tax at 28%	4,978	8,747
Non-assessable asset sales and exempt distribution receipts	-	(363)
Non-assessable loss from equity accounting of investments in joint ventures and associates	165	43
Non-deductible expenses	145	153
Share schemes' assessable cost	(226)	-
Under / (over) provision in prior years	516	(21)
Income tax expense	5,578	8,559

5.2 DEFERRED TAX

Deferred tax assets and liabilities are attributable to:

	Opening Balance \$'000	Recognised in income \$'000	Recognised in equity \$'000	Closing Balance \$'000
2022				
Employee entitlements	1,020	337	-	1,357
Provision for impairment	178	(33)	-	145
Accruals / restructuring	353	(375)	-	(22)
Intangible assets	(344)	37	-	(307)
Property, plant and equipment	504	428	-	932
Right-of-use assets	(24,465)	1,314	-	(23,151)
Lease liabilities	27,100	(1,571)	-	25,529
Finance lease receivables	(1,718)	327	-	(1,391)
Share schemes	857	167	-	1,024
Other	-	(157)	-	(157)
	3,485	474	-	3,959
2023				
Employee entitlements	1,357	(266)	-	1,091
Provision for impairment	145	32	-	177
Accruals / restructuring	(22)	309	-	287
Intangible assets	(307)	37	-	(270)
Property, plant and equipment	932	411	-	1,343
Right-of-use assets	(23,151)	1,751	-	(21,400)
Lease liabilities	25,529	(1,819)	-	23,710
Finance lease receivables	(1,391)	149	-	(1,242)
Share schemes	1,024	96	892	2,012
Other	(157)	158	-	1
	3,959	858	892	5,709

There are unrecognised tax losses of \$1,881,808 (A\$1,744,812) (2022: \$1,860,736 (A\$1,744,812)) in an Australian subsidiary of the Company which have not been recognised as there is uncertainty as to their future recoverability. The deferred tax asset on these losses was not offset against the deferred tax liabilities of the rest of the Group because they are levied by a different tax authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Accounting policies

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax is provided on temporary differences arising on investments in subsidiaries and associates, except for tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

6.0 GROUP STRUCTURE AND INVESTMENTS IN OTHER ENTITIES

6.1 CONTROLLED ENTITIES

The consolidated 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 and the ownership interest is 100% unless otherwise stated.



Name of entity	Name of entity
NZME Advisory Limited	NZME Radio Investments Limited
NZME Australia Pty Limited ^A	NZME Radio Limited ^B
NZME Educational Media Limited	NZME Specialist Limited
NZME Holdings Limited	The Hive Online Limited
NZME Investments Limited	New Zealand Radio Network Limited
NZME Print Limited	The Radio Bureau Limited
NZME Publishing Limited	OneRoof Limited ^C

^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 The Group acquired the remaining 20% of the shares in OneRoof Limited resulting in the Group holding 100% (2022: 80%). See note 6.1.1 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6.1.1 Acquisition of OneRoof Limited's shares

On 18 August 2023 OneRoof Limited became a wholly owned subsidiary of the Group when the Group acquired the remaining 20% of the shares in OneRoof Limited from Hougarden.com Limited for \$2.1 million. The terms of the purchase agreement included an immediate payment of \$0.9 million with the remaining amount of \$1.2 million to be paid in three equal instalments of \$0.4 million on 1 July 2024, 1 July 2025 and 1 July 2026.

At 31 December 2023 the consolidated financial statements for the Group contain the following items relating to the acquisition:

	2023 \$'000
Balance sheet	
Current liabilities (Trade and other payables)	376
Non-current liabilities (Other payables)	676
Total liabilities included in the balance sheet	1,052
Consolidated Statement of cash flows	
Payments to non-controlling interests ^A	(952)
Total included in net cash outflows from financing activities	(952)

^A Includes legal costs incurred by the Group in relation to the process of acquiring the shares.

Accounting policies

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

6.2 INTERESTS IN OTHER ENTITIES

6.2.1 Associates, joint ventures and joint operations

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

Name of entity	2023 Ownership Interest	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 the consolidated 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 financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Accounting policies

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Interests in associates are accounted for in the consolidated financial statements using the equity method (see below), after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Joint arrangements

Under NZ IFRS 11: *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Group recognises 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. These have been incorporated in the consolidated financial statements under the appropriate headings.

The Group's interests in joint ventures are accounted for using the equity method (see below) after initially being recognised at cost in the consolidated balance sheet.

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

6.2.2 Equity accounted investments

	2023 \$'000	2022 \$'000
As at 1 January	3,443	3,623
Share of operating losses	(588)	(156)
Dividends received	(87)	(75)
Asset revaluation (Wairoa Star)	-	51
As at 31 December	2,768	3,443

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.

7.0 RELATED PARTIES

7.1 KEY MANAGEMENT COMPENSATION

	Note	2023 \$'000	2022 \$'000
Total remuneration for Directors and other key management personnel:			
Short term benefits		5,403	5,953
Post-employment benefits		123	159
Termination benefits		335	-
Dividends (relating to shares held in the Company during the year)		211	212
Share-based payments	4.2	341	1,683
		6,413	8,007

The table above includes remuneration of the Board of Directors and the Executive Team, including amounts paid to members of the Executive Team who left during the year. Where a staff member was acting in a position on the Executive Team, that portion of their remuneration has been included in the table above. The 2022 comparative has been reclassified to reflect the separation of post employment benefits from short term benefits.

7.2 OTHER TRANSACTIONS WITH RELATED PARTIES

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

	2023 \$'000	2022 \$'000
Balances with associates		
Receivables	330	65

The following table details the transactions between the Group and its associates during the year.

	2023 \$'000	2022 \$'000
Transactions with associates		
Advertising revenue earned	33	25
Services provided by the Group	731	98
Paper usage reimbursed	-	46
Services received by the Group	(2)	(19)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8.0 COMMITMENTS AND CONTINGENT LIABILITIES

The Group is subject to litigation incidental to the business, none of which is expected to be material.

9.0 SUBSEQUENT EVENTS

The Directors are not aware of any material events subsequent to the balance sheet date.



Independent auditor's report

To the shareholders of NZME Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of NZME Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of agreed upon procedures relating to the benchmarking of market revenue data and non-audit assurance services relating to greenhouse gas emissions. In addition, our firm, certain 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 and relationships have not impaired our independence as auditor of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Description of the key audit matter

Impairment assessment of indefinite life intangible assets

As at 31 December 2023, the total carrying amount of the Group's indefinite life intangible assets, comprising goodwill, masthead brands and other brands (the assets), amounts to \$105.1 million. Annual impairment testing is required under NZ IFRS.

To assess the recoverable amount of these assets, the Group prepared discounted cash flow models on a Value-In-Use (VIU) basis.

The CGUs identified are Audio, Publishing and OneRoof. Assets have been allocated to individual cash generating units (CGUs), including indefinite life intangible assets which have been allocated to Audio and Publishing.

The impairment assessments are considered a key audit matter due to the significance of the carrying value of the assets as well as the inherent judgements involved in estimating forecast cash flows, discount rates, and long-term growth rates.

Key estimates and assumptions included in the impairment assessment are:

- the expected future cash flows of each CGU, which include estimates and assumptions around revenue;
- discount rates; and
- long-term growth rates.

Based on the assumptions above, no impairment of indefinite life intangible assets has been recognised. However, management identified sensitivities where a reasonably possible change in the key assumptions of the Publishing CGU may result in the carrying amount exceeding its recoverable amount.

Refer to note 3.1.1 of the consolidated financial statements for further information.

How our audit addressed the key audit matter

We performed the following audit procedures in relation to the impairment assessment and key management judgements:

- held discussions with management and understood the processes undertaken and basis for determining the key assumptions;
- evaluated the design of controls, determined if they are designed effectively, and confirmed that they have been implemented;
- considered the appropriateness of management's CGU assessment;
- considered the appropriateness of the basis of allocation of assets and liabilities and the forecast cash flows to the CGUs;
- considered the reasonableness of unallocated costs and whether these should be allocated to a CGU;
- gained an understanding of the forecast outlook for the industry and the strategic direction of the business; and
- performed our own sensitivity assessment on the cash flow forecasts to determine whether reasonably possible adverse changes in the key assumptions would result in an impairment.

In relation to the recoverable amounts determined using VIU, we:

- tested the mathematical accuracy of the VIU calculations;
- compared the forecast cash flows used for 2024 to the Board approved budget which is adjusted to comply with NZ IAS 36 requirements;
- assessed and challenged the reasonableness of the forecast cash flows used for 2025 to 2028, including management's estimates and assumptions around forecast revenues, with reference to historical performance and external market evidence;
- engaged our auditor's valuation expert to assist us to assess and challenge the reasonableness of the discount rates and terminal growth rates.

We also considered the appropriateness of disclosures made including key assumptions and sensitivities.



Our audit approach

Overview



Overall group materiality: \$1,720,000, which represents 0.5% of total revenue.

We chose total revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. In our judgement, revenue provides a more stable measure for establishing our materiality benchmark and best reflects performance of the Group. We chose 0.5% based on our professional judgement, noting that it is also within the range of commonly accepted thresholds for entities where revenue is considered the appropriate benchmark.

We performed a full scope audit over the consolidated information of the Group

As reported above, we have one key audit matter, being:

- Impairment assessment of indefinite life intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of

A handwritten signature in black ink that reads 'Lisa Crooke'.

Chartered Accountants
20 February 2024

Auckland



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Website: www.nzme.co.nz

Email: Investor_Relations@nzme.co.nz

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Principal Bankers

Westpac

Principal Solicitors

Bell Gully

Share Registry

Link Market Services

Share Registry Contact Details

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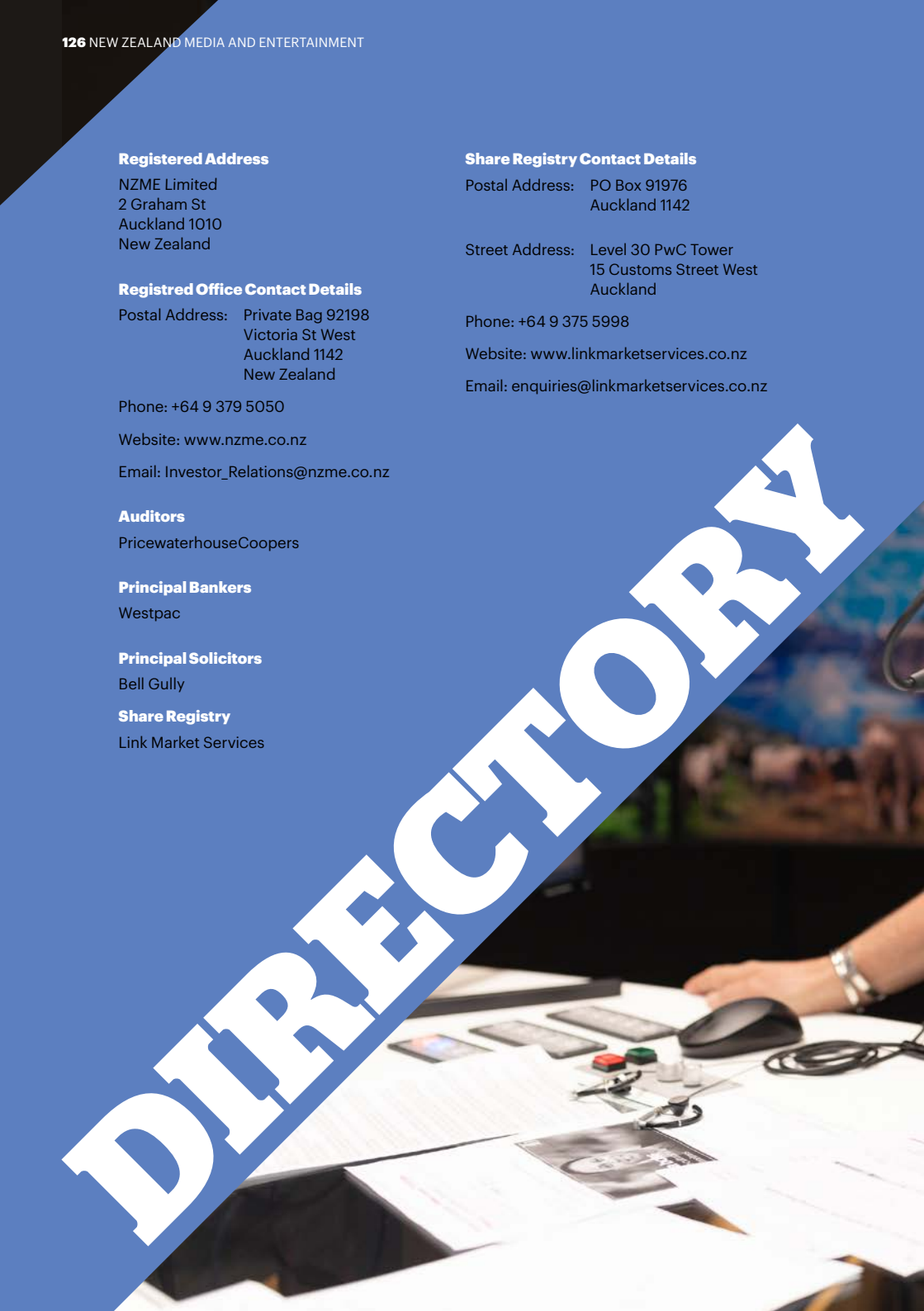
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DIRECTORY





 The New Zealand Herald

THE COUNTRY

 The Northern Advocate

THE HITS

DRIVEN
CAR GUIDE

 travel

VIVA

OneRoof

Coast

NewstalkZB

HOROWHENUA
CHRONICLE

 ROTORUA

Daily Post

GOLD

GOLD SPORT

 HERALD ON SUNDAY

CHB Mail

BusinessDesk.

iHeartRADIO

Te Puke Times

RADIO HAURAKI

HASTINGS Leader

HCPOST

 nzherald.co.nz

reset

NEW ZEALAND
Education Gazette

ZM

Taupō & Tūrangi
Herald


radiowanaka

RESTAURANT HUB

 Hawke's Bay TODAY

ALTERNATIVE
COMMENTARY
COLLECTIVE

Waikato Herald

 Bay of Plenty Times

Talanoa

 Whanganui Chronicle

Te Awamutu
Courier

essence

Manawatu
GUARDIAN

flava

BUSHTELEGRAPH
Taranaki

The Northland Age

canvas

spy

NZME.
PODCAST NETWORK

Kāhu

Katikati Advertiser

WHAT THE ACTUAL?!

eat
well

Kāpiti News

WHANGANUI
MIDWEEK

Women's lifestyle
expo

Weekend Herald

HOME & LIFESTYLE
— SHOW —

hokonui

NAPIER
Courier

 TimeOut

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NEW ZEALAND
MEDIA AND
ENTERTAINMENT