NZX/ASX RELEASE

24 August 2021

NZME 2021 Half Year Results

Please refer to the following documents in relation to the NZME Half Year Results to 30 June 2021:

1. NZME 2021 Half Year Results NZX Form
2. NZME 2021 Half Year Results Announcement
3. NZME 2021 Half Year Results Investor Presentation
4. NZME 2021 Consolidated Interim Financial Statements
5. Distribution Notice - NZX Form

Chief Executive Officer Michael Boggs, and Chief Financial Officer David Mackrell, will discuss the HY21 results by webcast at 10.00am New Zealand time today. The webcast will be available later today at www.nzme.co.nz/investor-relations/webcasts.

To register to attend please click the below link:

https://NZME.zoom.us/webinar/register/WN_ZJjhTvjvRgKBW4Yu7707tg

ENDS

Authorised by Michael Boggs, Chief Executive Officer.

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Results announcement

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

Results for announcement to the market		
Name of issuer	NZME	
Reporting Period	6 months to 30 June 2021	
Previous Reporting Period	6 months to 30 June 2020	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$173,035	8%
Total Revenue	$173,035	8%
Net profit/(loss) from continuing operations	$5,564	85%
Total net profit/(loss)	$5,564	85%
Interim/Final Dividend		
Amount per Quoted Equity Security	$ 0.03000000	
Imputed amount per Quoted Equity Security	$0.01166667	
Record Date	10 September 2021	
Dividend Payment Date	22 September 2021	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$(0.04)	$(0.17)
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to attached NZX results announcement commentary, the 2021 Consolidated Interim Financial Statements and the 2021 Half Year Results Presentation for full commentary on the results.	
Authority for this announcement		
Name of person authorised to make this announcement	Michael Boggs, CEO	
Contact person for this announcement	David Mackrell, Chief Financial Officer	
Contact phone number	021 311 911	
Contact email address	david.mackrell@nzme.co.nz	
Date of release through MAP	24/08/2021	

Unaudited financial statements accompany this announcement.

NZME NEW ZEALAND MEDIA AND ENTERTAINMENT

NZX/ASX RELEASE

24 August 2021

NZME LIMITED 2021 HALF YEAR FINANCIAL RESULTS

Continued momentum as strategic digital growth delivers returns for shareholders.

Auckland, 24 August 2021: NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") has today announced its financial results for the half year ended 30 June 2021, reporting Statutory Net Profit After Tax ("NPAT") of $5.6 million, up 85% on the corresponding period in 2020.

NZME also announced growth in Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)[1] to $30.1 million for the half year, representing 4% growth in Operating EBITDA against the first half of 2020. Operating revenue[1] was $172.5m which was 9% higher than the first half of 2020.

"NZME is delighted to share a set of results that feature earnings growth and a further reduction in net debt," said NZME CEO Michael Boggs.

"Emerging from the significant disruption encountered in 2020 NZME has maintained a steadfast focus on key strategic priorities. This has meant that as New Zealand's many commercial sectors are steadily rebuilding their investment in audience engagement, NZME's advertising revenues continue to approach the levels achieved in 2019, before the pandemic struck," said Boggs.

NZME's Net Debt was reduced by a further $15.2 million during the half year to $18.6 million and is now below NZME's target leverage ratio.

"A rigorous commercial discipline and a continual focus on managing the cost base as business activity recovers has improved NZME's ongoing Capital Management performance and has supported the continued strengthening of NZME's Balance Sheet," said NZME Chairman Barbara Chapman.

NZME today announced that given the significant reduction in debt and based on the business outlook and NZME's capital requirements the NZME board has declared a fully imputed and fully franked dividend of 3.0 cps.

"That NZME is in a position to return a dividend to its shareholders, while navigating the extraordinary and ongoing challenges posed by the impacts of the pandemic reinforces NZME's position as a robust, resilient, and agile multi-media business," said Chapman.

The board was in a position to approve and announce a capital return to shareholders. However, given the Covid-19 uncertainties that have emerged in the past week, the board has chosen to pause at this time.

NZME 2021 Half Year Results at a glance:

- Statutory Net Profit After Tax of $5.6 million, up 85% on HY 2020.
- Operating EBITDA[1] of $30.1 million, up 4% on HY 2020.
- Operating Revenue[1] of $172.5 million, up 9% on HY 2020.

[1] Operating Results exclude exceptional items to allow for a like-for-like comparison between 2020 and 2021 Half Years. Please refer to pages 33-34 of the 2021 Half Year Results presentation for a detailed reconciliation.

- Operating NPAT[1] of $7.8 million, up 14% on HY 2020.
- Operating Earnings per Share[1] of 3.9 cents per share, up from 3.5 cents per share in HY 2020.
- Net Debt of $18.6 million, down by $15.2 million on FY 2020.
- Achieved continued growth in NZME's Radio revenue market share.
- New Zealand Herald subscriber base growth continues to 178,000 subscribers. Including 67,000 paid digital NZ Herald Premium subscribers.
- Grown OneRoof digital revenue by 145% with OneRoof total revenue up 30%.
- nzherald.co.nz, has now been New Zealanders' preferred digital news provider for 11 months in a row.
- Maintained growth in revenue market share achieved across all key channels.

"It's been very pleasing to see growth across a number of NZME's digital platforms such as NZ Herald Premium, OneRoof digital classifieds and overall digital advertising being the major drivers of performance that have supported NZME's ongoing return to earnings growth," said Boggs.

With advertising adversely impacted by COVID-19 in 2020, NZME's focus has been on returning advertising revenue to 2019 levels.

"Our commercial partners are rebuilding their investment in advertising after the challenges in 2020".

"In the first 3 months of this year, advertising revenue was 5.5% down on 2019, in the second quarter we were down just 1% on the same quarter in 2019. And, in June advertising revenue was actually higher than June 2019 which is very pleasing," said Boggs.

Sale of GrabOne

NZME has also announced it has reached a conditional agreement to sell its GrabOne business to Global Marketplace New Zealand Limited (GMP) for NZD$17.5 million (payable in cash on completion). NZME retains the net liabilities to settle as they fall due.

The sale is not subject to any regulatory conditions. It is conditional on no material adverse change to the performance of GrabOne occurring prior to completion, and on GMP completing funding arrangements by 15 October 2021. The sale is expected to be completed no later than 31 October 2021.

The agreement follows NZME's announcement in November 2020 that GrabOne was not a core strategic focus and that opportunities to divest the ecommerce platform would be explored.

(Note: a separate announcement regarding the sale of GrabOne has been provided to NZX/ASX).

NZME 2021 Outlook Update:

NZME has advised shareholders its outlook is one of cautious optimism.

"We should all be under no illusions that ongoing Covid-19 related issues, such as the nationwide lockdown currently in place, will continue to impact the recovery,' said Chapman.

"Our commercial partners remain wary of Covid-19 cases, uncertainty over international travel bubbles and the more recent challenges of labour force shortages and inflationary pressures on their cost bases.

"However, it is in this environment that the NZME business has proven it has the resilience and agility to perform well," said Chapman.

NZME's 2021 Half Year Results Investor Presentation includes the following Outlook statements:

- Given that New Zealand has moved into Level 4 lockdown over the past week, we are wary of the potential impacts of this outbreak.
- We have been pleased to see advertising revenues track closer to 2019 levels. Q3 2021 had been tracking to be in line with 2019 levels prior to the outbreak.
- Real Estate markets have been active and provide an opportunity for OneRoof to grow.
- On the basis of the trends to date and on New Zealand containing any outbreaks quickly, we would expect profit growth over 2020 for the full year 2021. However, this may become challenging depending on the duration of the lockdowns.
- Google has announced that it will bring Google News Showcase to New Zealand by the end of 2021. We look forward to discussing with both Google and Facebook arrangements in regard to accessing and supporting editorial content.
- We will update NZME's Capital Management position further when market conditions become clearer and the sale of GrabOne has been concluded.

"Maintaining NZME's growth momentum will require a continual focus on delivering great content for New Zealand audiences and on a relentless dedication to supporting our commercial partners.

"I'd like to thank our people and our commercial partners for their ongoing loyalty and their commitment to NZME," said Boggs.

Results materials can be found at: https://www.nzx.com/companies/NZM/announcements

ENDS

Authorised by the Board of NZME Limited.

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About NZME

New Zealand Media and Entertainment (NZME) is an integrated media company, with a portfolio of market leading news, entertainment and real estate brands strategically positioned across a network of digital, print and audio platforms.

With an audience of 3.4 million New Zealanders[2], NZME supports commercial partners to grow customer engagement with a data driven, audience and customer centric approach.

[2] SOURCE: Nielsen CMI Fused Q2 20 – Q1 21 June 2021 AP15+

NZME. NEW ZEALAND MEDIA AND ENTERTAINMENT

KEEPING KIWIS IN THE KNOW

2021 HALF YEAR RESULTS

Six months to 30 June 2021

24 August 2021

EVERYONE'S HERE.

AGENDA

RESULTS SUMMARY

For the half year ending 30 June 2021

- Earnings growth reflects continued progress on strategic priorities and revenue recovery post Covid-19:
  - Continued **growth in Radio revenue market share** and iHeartRadio listening.
  - Growth of NZ Herald subscribers with 178,000 subscribers of which – **more than 67,000 are paid digital subscribers**. Total reader revenue up 3%.
  - OneRoof continues to grow; **digital revenue increasing 145%** compared to the same period last year, with total OneRoof revenue up 30%.
- Annualised $20 million of permanent cost-base reduction versus 2019 is reflected in the results, with overall higher costs versus 2020 as a result of increased revenue and volume.
- Operating EBITDA[1] $30.1 million, up 4% despite 2020 including $8.6 million of government subsidies.
- Statutory Net Profit After Tax of $5.6 million, up 85%.
- Net debt reduced by $15.2 million, in the half, to $18.6 million.
- Fully imputed and fully franked interim dividend declared of 3.0 cents per share.

1. Operating results presented include the impact of standard NZ IFRS 16 adjustments, however, exclude exceptional items to allow for a like for like comparison between 2020 and 2021 financial years. Please refer to pages 33-34 of this results presentation for a detailed reconciliation. Operating and statutory results include $8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

$172.5m

Operating Revenue[1]

H1 2020 $157.8m ▲ 9%

$30.1m

Operating EBITDA[1]

H1 2020 $28.9m ▲ 4%

$5.6m

Statutory NPAT

H1 2020 $3.0m ▲ 85%

$7.8m

Operating NPAT[1]

H1 2020 $6.8m ▲ 14%

3.9cps

Operating EPS[1]

H1 2020 3.5cps ▲ 13%

3.0 cps

Interim Dividend

Payable on 22 Sep 2021

$18.6m

Net Debt

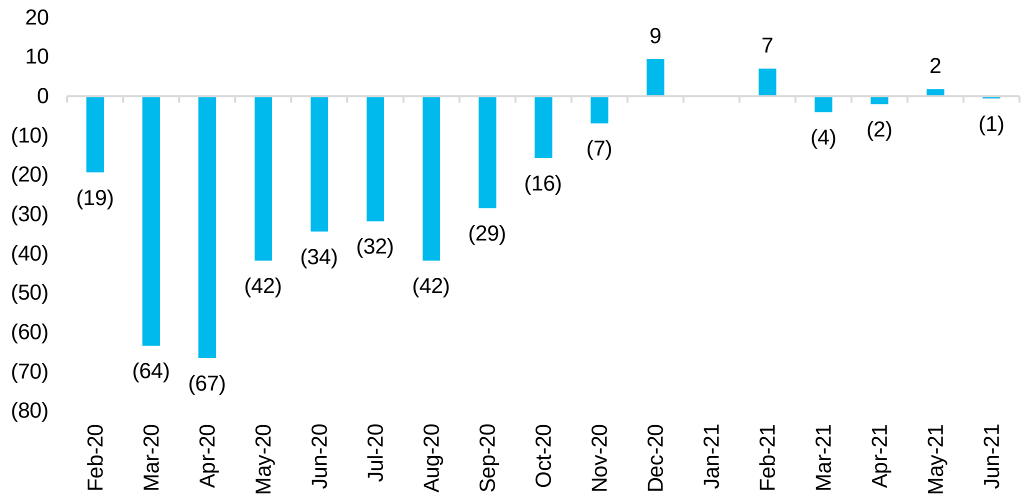
Reduced by ▼ $15.2m

NZME. NEW ZEALAND MEDIA AND ENTERTAINMENT

MARKET DYNAMICS

IMPROVED BUSINESS CONFIDENCE

Monthly Business Confidence – Net Index

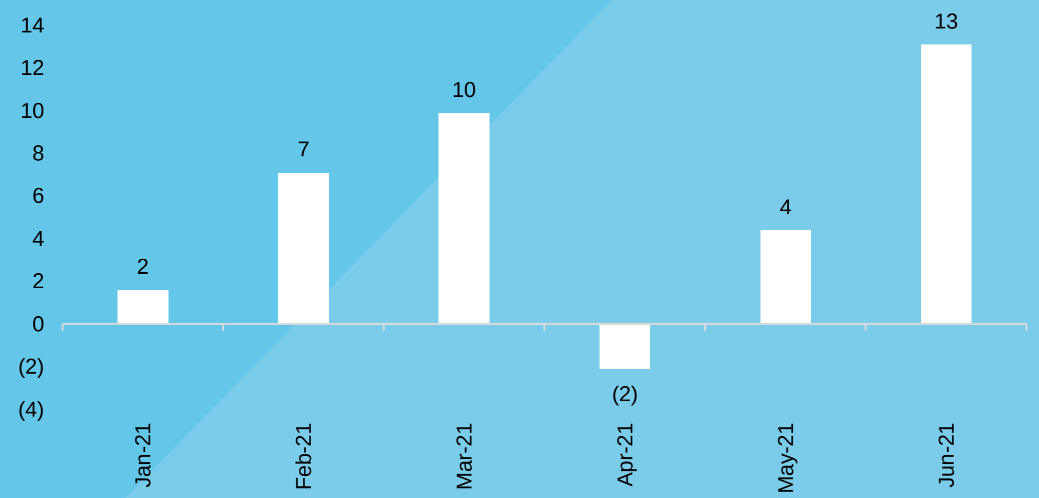


- The ANZ Business Confidence Index[1] for New Zealand had continued to be positive in February following the December 2020 reading, then dropping back nearing the end of June 2021.

1. Net Index (% expecting improvement minus % expecting deterioration)

AGENCY MARKET RETURNED TO GROWTH

Monthly agency revenue growth % vs 2019[2]



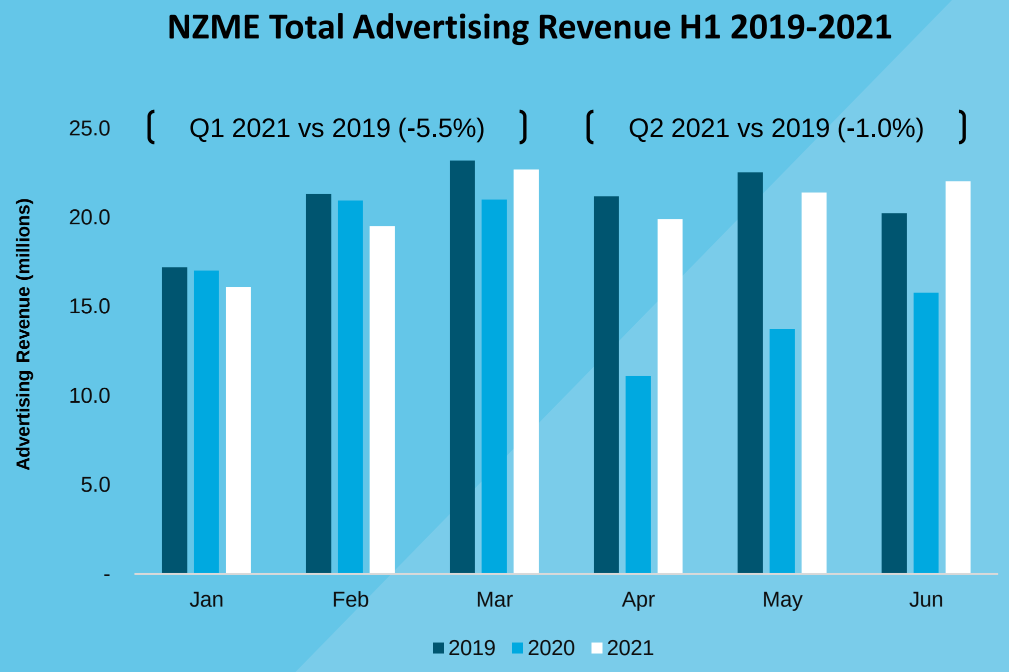
- Agency advertising market was up 6% in the first half of 2021 compared to H1 2019. In the platforms where NZME operates, the agency trends for the total market compared to H1 2019 are as follows:
  - Radio advertising down 2%.
  - Newspaper advertising down 31%
  - Digital advertising was up 20%

2. Standard Media Index (SMI) NZ Data Release, June 2021

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

REVENUE IS RECOVERING POST COVID

- NZME is focused on advertising revenue performance compared to 2019.
- Advertising revenue for H1 2021 was 3.2% lower than the first half of 2019. However, for the month of June, revenue was higher than June 2019.
- The first quarter of 2021 was tracking down 5.5% compared to Q1 2019. In the second quarter advertising revenue has continued to recover, with a decline of 1% on Q2 2019.



Advertising Revenue	% change (H1 2020)	% change (H1 2019)
Audio	18.5%	(3.6%)
Publishing	22.1%	(3.9%)
OneRoof	45.8%	(0.9%)

NZME Advertising Revenue excludes ‘other revenue’, such as news fees, production costs and other sundry revenue.

NZME CONTINUES TO OUTPERFORM THE MARKET

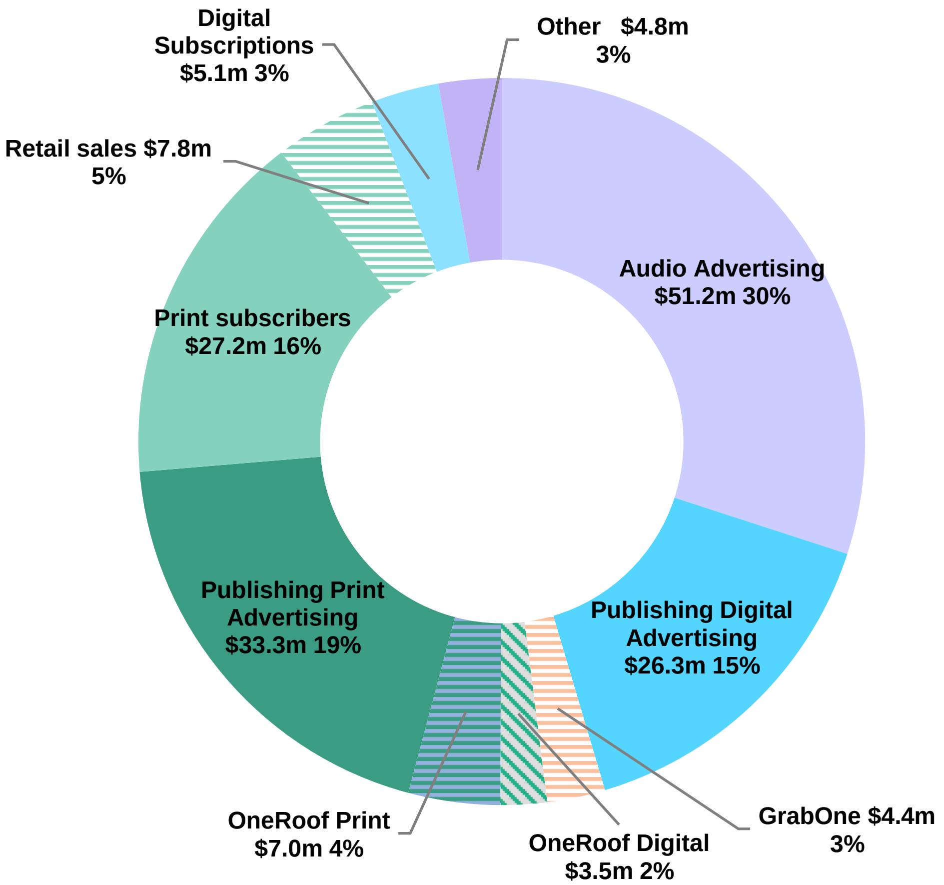
Print circulation (YoY growth)	
NZME print circulation revenue	(4.0%)
NZME movement – print readership[1]	23.4%
Market movement – print readership[1]	11.3%

Print readership Market Share	
NZME print readership market share[1]	56.7%

Print advertising (YoY growth)	
NZME print advertising revenue[5]	14.5%
Market movement – Print revenue[2]	11.1%

Print advertising Market Share	
NZME print revenue market share[2]	47.8%

H1 2021 Total Segment Revenue $170.6m



Radio advertising (YoY growth)	
NZME radio advertising revenue	18.5%
Market movement – Radio revenue[3]	15.4%

Radio advertising Market Share	
NZME radio revenue market share[3]	40.9%

Digital display advertising (YoY growth)	
NZME total display advertising revenue[4]	22.7%
Market movement – total display revenue[4]	21.5%

Digital display advertising Market Share	
NZME total display revenue market share[4]	24.3%

1. Nielsen CMI Fused Q2 20 – Q1 21, People 15+.
2. PwC NPA quarterly performance comparison report, 6 months to June 2021 compared to 2020, rolling 4-quarter average for market share.
3. PwC Radio advertising market benchmark report, 6 months to June 2021 compared to 2020, rolling 12-month average for market share. Note: report excludes independent broadcasters and contra revenue.
4. IAB NZ Digital advertising revenue report – Total Display, Q1 2021 compared to Q1 2020, rolling 4-quarter average for market share up till Q1 2021. Q2 report not available yet. Note: excludes digital audio
5. This includes publishing and OneRoof print advertising revenue

DIVISIONAL PERFORMANCE

LEADING AUDIENCE AND CUSTOMER CENTRIC BRANDS

The New Zealand Herald

#1 Daily newspaper in NZ[1]

Herald Premium

Now over 119,000 digital subscribers

nzherald.co.nz

NZ's #1 digital news provider[3]

32 print publications
9 audio brands

16 websites
17 real estate publications

ZM

#1 25-54 year-old breakfast show in NZ[2]

NewstalkZB

NZ's #1 radio station and favourite breakfast talk show[2]

OneRoof

89% of residential for-sale listings nationwide[4]

NZME reaches over 3.4 million New Zealanders[5]

1. Nielsen CMI Q2 20 – Q1 21 AP15+
2. GfK RAM, Commercial Radio, Total NZ 2/2021, M-S 12mn-12mn, M-F 6am-9am, Share %, AP10+ & M-F 6am-9am, Share %, AP25-54
3. Nielsen Online Ratings June 2021 AP15+ (excludes APP)
4. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz as at June 2021.
5. Nielsen CMI Fused Q2 20 – Q1 21 June 2021 AP15+

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

$ million	H1 2021	H1 2020	% change	H1 2019
Radio advertising	49.6	42.3	17%	52.4
Digital audio advertising	1.6	0.9	70%	0.7
Other	0.6	4.6	(87%)	0.9
Audio revenue	**51.8**	**47.9**	**8%**	**54.0**
People & Contributors	(25.8)	(24.3)	6%	(26.4)
Agency Commission & Marketing	(9.4)	(7.0)	33%	(9.5)
Content	(3.2)	(2.8)	17%	(3.7)
Other	(4.5)	(4.2)	7%	(6.5)
Audio expenses	**(42.9)**	**(38.3)**	**12%**	**(46.0)**
Audio EBITDA[1] (incl. NZ IFRS 16)	**8.8**	**9.6**	**(8%)**	**7.9**
NZ IFRS 16 Adjustment	(3.7)	(3.0)	24%	(3.4)
Audio EBITDA[1] (pre NZ IFRS 16)	**5.1**	**6.6**	**(23%)**	**4.6**
EBITDA[1] Margin (pre NZ IFRS 16)	***10%***	***14%***	***-4 ppt***	***8%***

AUDIO

For the 6 months ending 30 June 2021

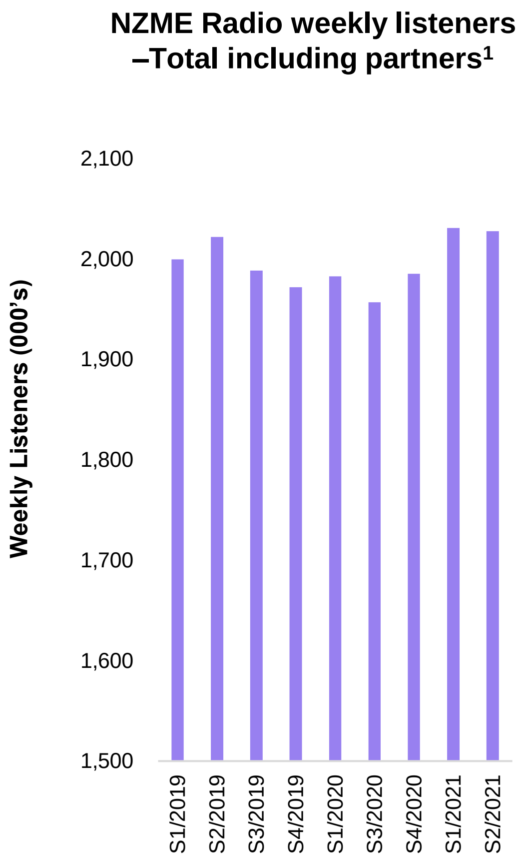
- Advertising revenue growth for H1 2021 more than offset the lower ‘other’ revenue due to the government wage subsidy received in 2020 ($3.7m). Audio advertising revenue was 3.6% below H1 2019 as market recovers.
- Radio revenue market share grew year-on-year to 40.8% in 2021, up from 39.7% for the comparable period[2].
- iHeartRadio revenue grew 70% in 2020 to $1.6 million, supported by significant growth in users and engagement in music and podcasts[3].
- Higher advertising revenue has resulted in higher costs in terms of content licence fees and sales commissions.
- EBITDA[1] margin was higher than H1 2019, given the permanent cost reductions. H1 2020 margin was artificially high due to the impact of the wage subsidy.

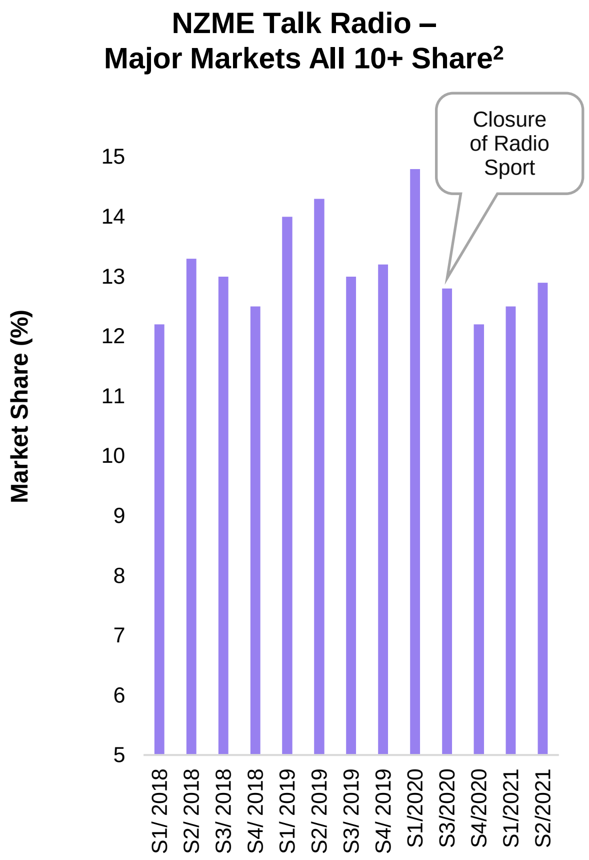
1. EBITDA is a non-GAAP measure which excludes exceptional items (redundancy costs, one-off projects and other exceptional items).
2. PwC Radio advertising market benchmark report, June 2021, 6 months to 30 June 2021 vs 6 months to 30 June 2020. Note: report excludes independent broadcasters and contra revenue.
3. iHeartMedia, Adobe Analytics, June 2021.

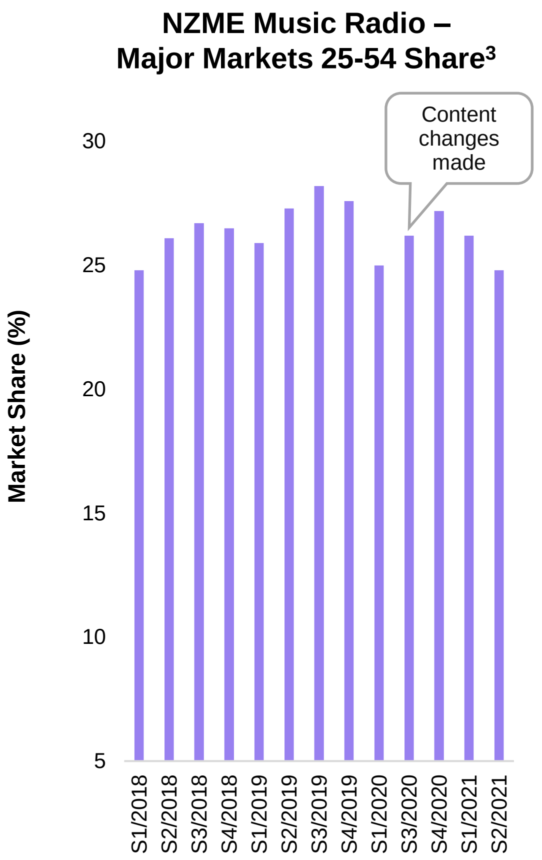
Note: Totals may not sum due to rounding

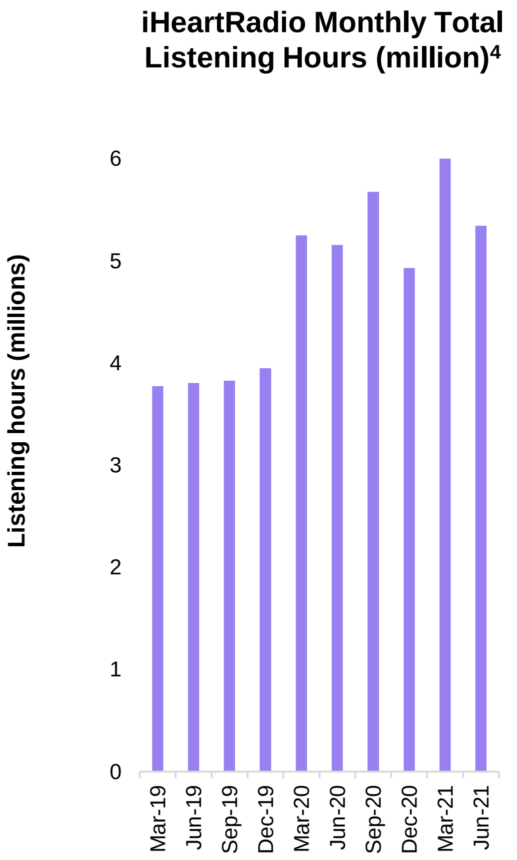
NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

AUDIO LISTENERS MARKET SHARE









1. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners, Cumulative Audience, Total NZ, S1 2019-S2 2021. AP10+.
2. GfK Radio Audience Measurement, Commercial Talk Stations, NZME, Market Share, Major Markets, S1 2019-S2 2021, AP10+. Note: Radio Sport closed prior to S3 2020.
3. GfK Radio Audience Measurement, Commercial Music Stations, NZME, Market Share, Major Markets, S1 2019-S2 2021, AP25-54. Note: Gold included from S3 2020.
4. AdsWhizz and StreamGuys, TLH as at EOM

NEW ZEALAND'S LEADING AUDIO COMPANY

Metric	FY 2020 Achievement	H1 2021	2023 Target	Progress Update
NZME share of total audience	35.6%[1]	34.4%[1]	> 1% share point growth per annum	• Breakfast show audiences have grown for the 25-54 demographic across 8 of the 9 radio brands[1*] • Key on-air host contracts extended across major brands • Frequency extension and optimisation in Northland supporting Hits, Coast and Flava • New local shows added in Manawatu, Taranaki and Wellington • iHeartRadio growth with total listening hours across radio brands up 9% YOY and podcast consumption is up 14%[4]
Radio Revenue Share	40.4%[2]	40.9%[2*]	> 1% share point growth per annum	• Radio revenue share 12 month rolling average is now at 40.9% • Enhanced regional management structures have been established. Sales academies and sales management training completed • Localised tactical revenue growth strategies in place including best sales and on-air talent
Digital audio revenue as a % of total audio revenue	2.4%	3.2%	5%	• Producing more shows and partnering with existing shows to create more ad inventory, with ad impressions doubling year-on-year • Delivering higher yield rates through iHeartRadio, increasing 63% from the start of H1 to Jun 21 • Head of Digital Audio commenced in H1 2021
EBITDA[3] Margin Target (pre NZ IFRS16)	**14%**	**10%**	**15 – 17%**	

1. GfK Radio Audience Measurement, Commercial Stations, NZME excl. Partners, Market Share %, S4 2020 – S2 2021, AP10+. 1* Cumulative Audience (000s), S2 2021 compared to S1 2021, AP25-54
2. PwC Radio advertising market benchmark report, Dec 2020, 12 months to 31 Dec 2020, 2* June 2021 Rolling 12-month average. Note: report excludes independent broadcasters and contra revenue.
3. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16, however excluding exceptional items (redundancy costs, one-off projects and other exceptional items).
4. Adswizz AudioMetrix incl Tableau TLH Jan-Jun 2021, Spreaker Jan-Jun 2021

$ million	H1 2021	H1 2020	% change	H1 2019
Print subscriptions	27.2	27.5	(1%)	27.8
Digital subscriptions	5.1	2.4	111%	0.2
Retail outlet sales	7.8	8.9	(13%)	10.7
Total reader revenue	**40.2**	**38.9**	**3%**	**38.7**
Print advertising	33.3	29.4	13%	41.8
Digital advertising	26.3	19.4	35%	20.2
Total advertising revenue	**59.6**	**48.9**	**22%**	**61.9**
Other	4.4	9.5	(54%)	10.0
Publishing revenue	**104.1**	**97.3**	**7%**	**110.6**
People & Contributors	(39.0)	(38.2)	2%	(42.5)
Print & Distribution	(22.2)	(19.8)	12%	(26.0)
Agency Commission & Marketing	(10.9)	(8.3)	31%	(9.9)
Content	(3.9)	(3.3)	17%	(3.5)
Other	(6.3)	(7.1)	(12%)	(7.8)
Publishing expenses	**(82.2)**	**(76.8)**	**7%**	**(89.8)**
Publishing EBITDA[1] (incl. NZ IFRS 16)	**22.0**	**20.5**	**7%**	**20.9**
NZ IFRS 16 Adjustment	(4.1)	(3.7)	10%	(4.3)
Publishing EBITDA[1] (pre NZ IFRS 16)	**17.9**	**16.8**	**6%**	**16.5**
EBITDA[1] Margin (pre NZ IFRS 16)	***17%***	***17%***	***0 ppt***	***15%***

PUBLISHING

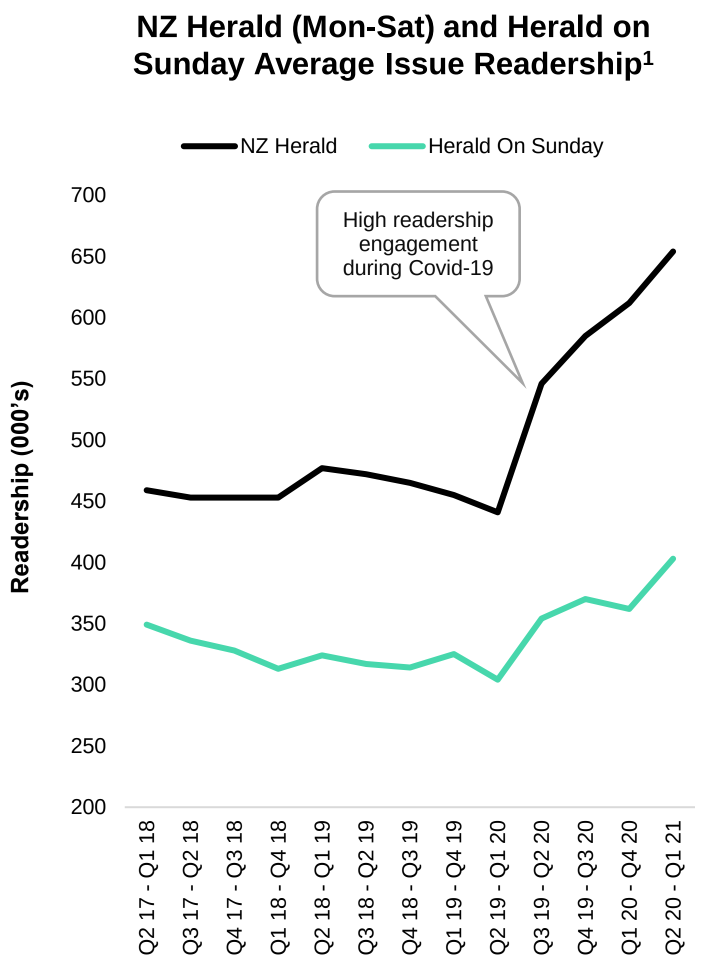
For the 6 months ending 30 June 2021

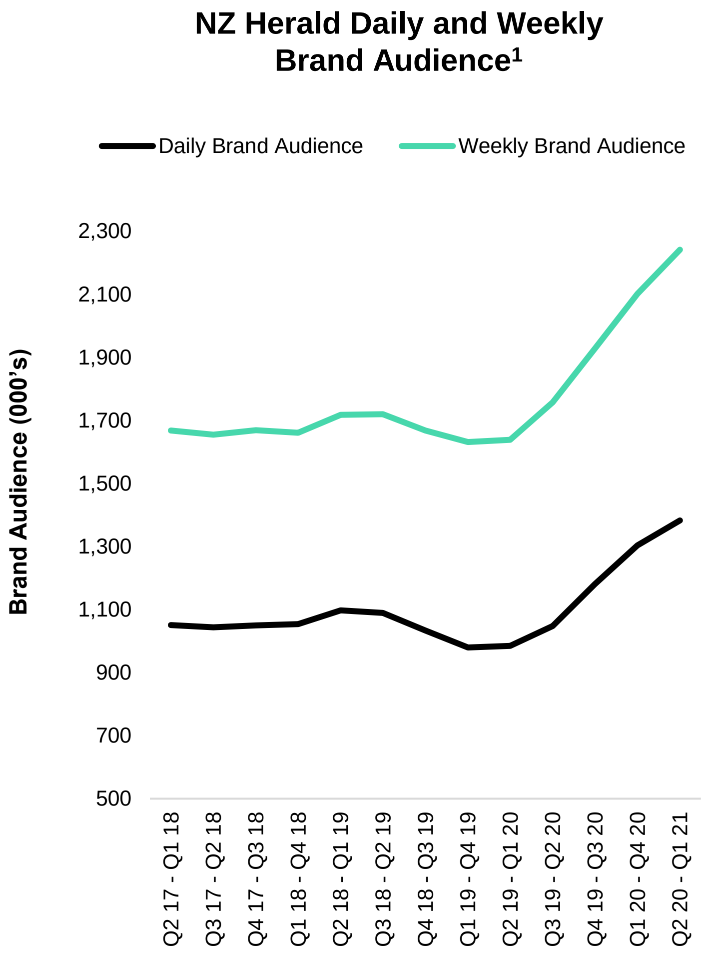
- Growth in total reader revenue of 3% with significant growth in digital reader revenue offsetting the 4% decline in print reader revenue year-on-year.
- Print subscriber revenue decline of 1% due to a 4% decline in volume, partially offset by a 3% increase in yield.
- Digital subscriber revenue growth of $2.7 million driven by subscriber volume - 14,000 digital subscribers added in the half.
- Print advertising revenue is up 13% year-on-year, largely due to the recovery of revenue after the impacts of Covid-19 on H1 2020 revenues.
- Digital advertising revenue growth of 35%, as a result of increased demand post Covid-19 and improved yield.
- Total advertising revenue up 22% and within 4% of 2019 advertising revenues.
- Other publishing revenue in 2020 included $4.2 million of government wage subsidy received in H1 2020.
- Print & Distribution expenses are up 12% year on year due to increased volume relating to Covid-19 impacts on H1 2020.
- Content expenses are up 17% year on year reflecting the increased re-sale of digital services.
- EBITDA[1] increased year-on-year by $1.5 million, with EBITDA margin increasing from 2019.

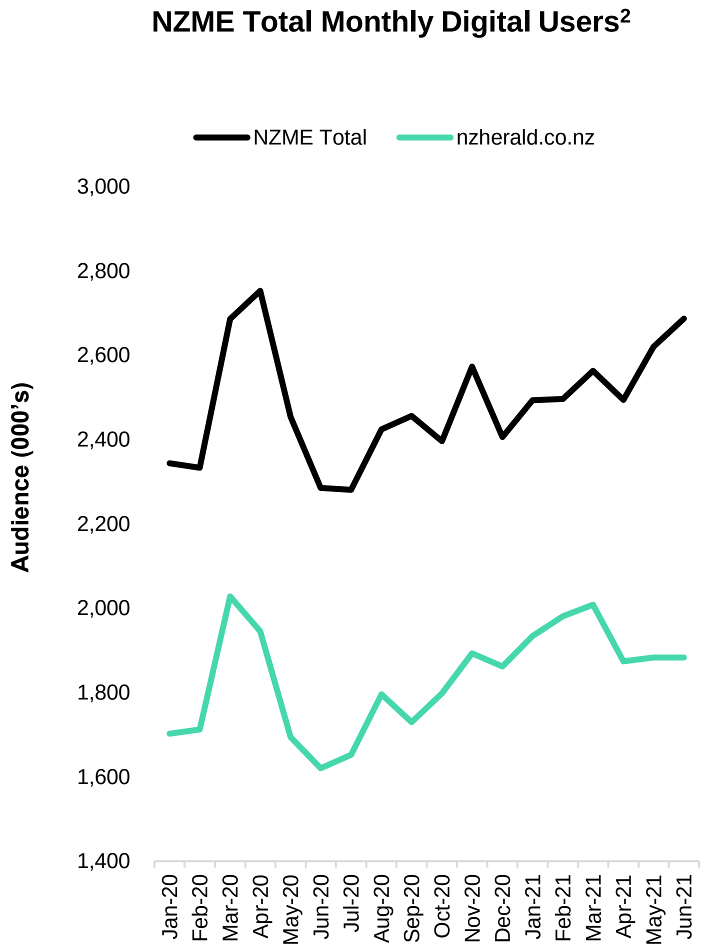
NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

1. EBITDA is a non-GAAP measure which excludes exceptional items (redundancy costs, one-off projects and other exceptional items).
Note: Totals may not sum due to rounding

BRAND AUDIENCE INCREASING



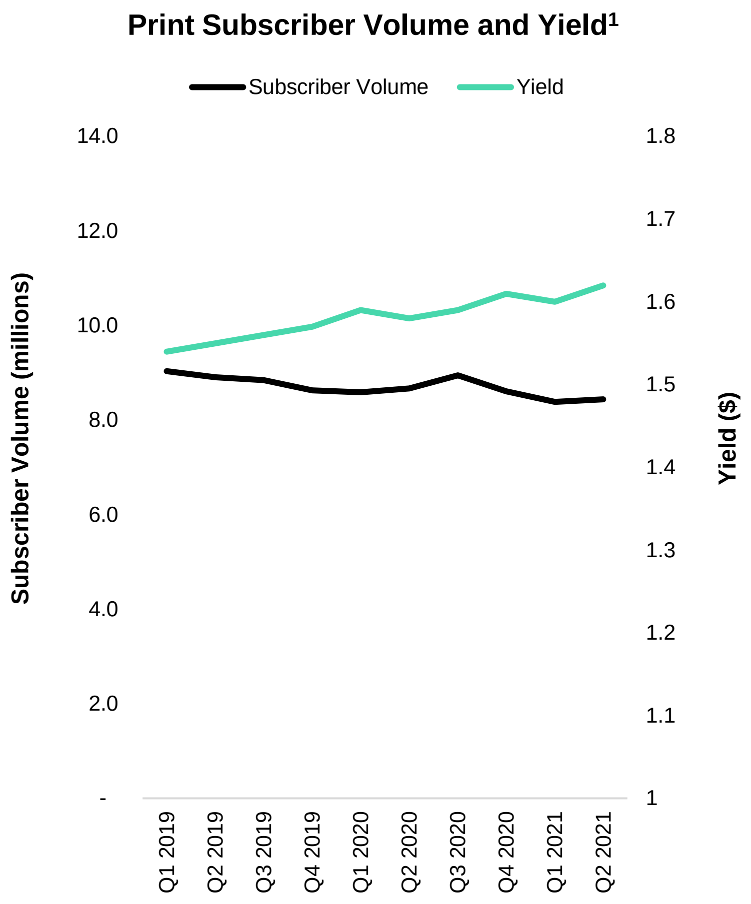


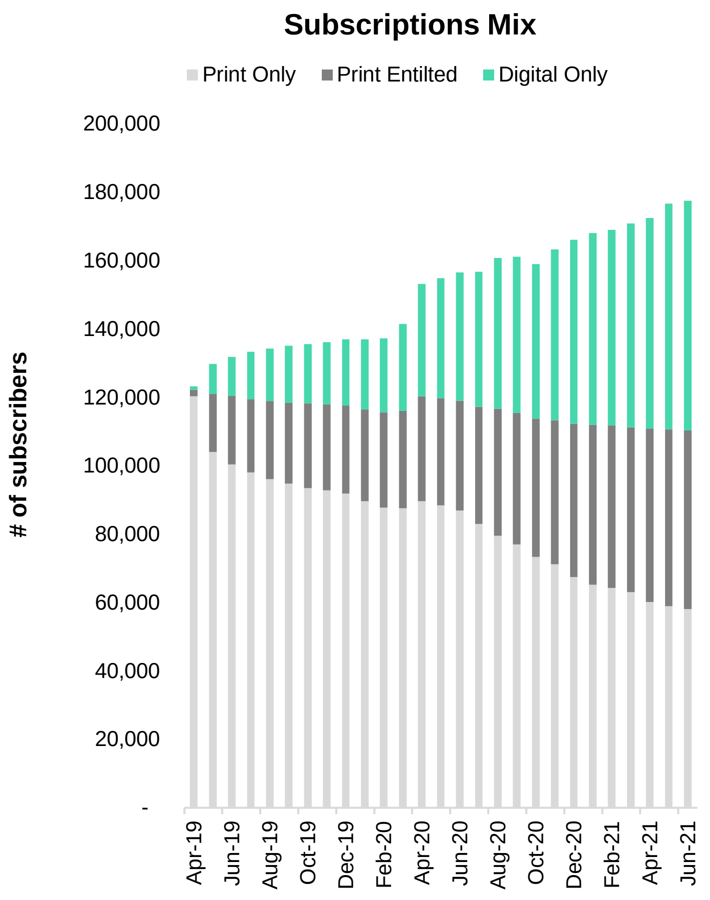


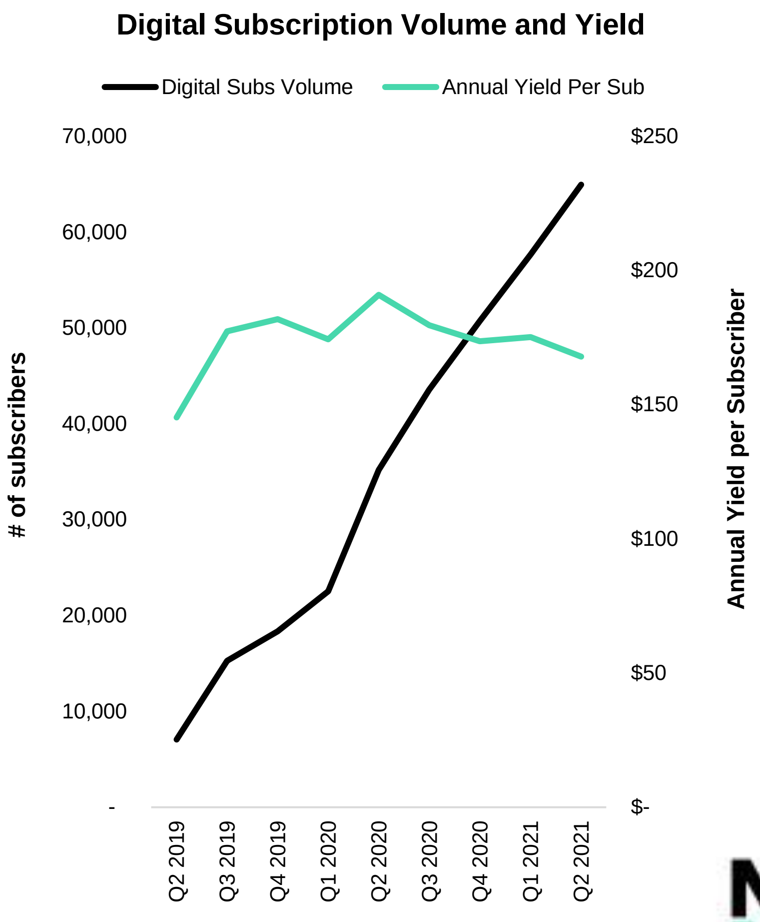
1. Nielsen CMI Q2 17 – Q1 21, AP 15+, average issue readership trend.
2. Nielsen CMI Q1 20 – Q1 21, June 2021, AP 15+.

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

TOTAL SUBSCRIBERS GROWING







1. Subscriber volume drives revenue and represents the count of individual paid papers delivered including the NZ Herald, Herald on Sunday and Regionals. Subscriber yield includes promotional volumes.

NEW ZEALAND'S HERALD

Metric	FY 2020 Achievement	H1 2021	2023 Target	Progress Update
Subscription Volume Target	169,000 subscribers	177,545	More than 210,000 subscribers by 2023 year-end	• Increased retail and subscription prices of newspapers • Maintained position as NZ's #1 news site for 11 months[3] • Grew regional content for Wellington and Christchurch • Partnership with Maori TV, Newshub and PMN to grow diversity in journalism • Improving funnel and conversion performance utilising enhanced A/B testing program and introducing Google social sign in to drive registration and logins • Implemented story commenting for digital subscribers and comment reading for registered users to enhance audience engagement • Launched new email onboarding series to drive 100-day habit • Commenced development of improved propensity to churn model
Subscription Volume Mix	32% / 68%	38% / 62%	Digital Only > Print	
% Households Subscribing	9%[1]	9.5%[1]	> 12% by year-end	
Advertising Revenue Mix	42% Digital	44%	> 45% Digital	• Commenced monetising 1st party audience data • New native ad products launched • Personalisation of content recommendations and tailored ad-serving using a leading NZME-built content recommendation engine • Demand for programmatic advertising continues, delivering increased volume and yield • SEO services added to NZME's Digital Performance Marketing product suite
EBITDA[2] Margin Target (pre NZ IFRS16)	**20%**	**17%**	**19 - 20%**	

1. Stats.govt.nz Dwelling and household estimates: June 2021 quarter
2. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16, however excluding exceptional items (redundancy costs, one-off projects and other exceptional items).
3. Nielsen Online Ratings Aug 2020 – Jun 2021

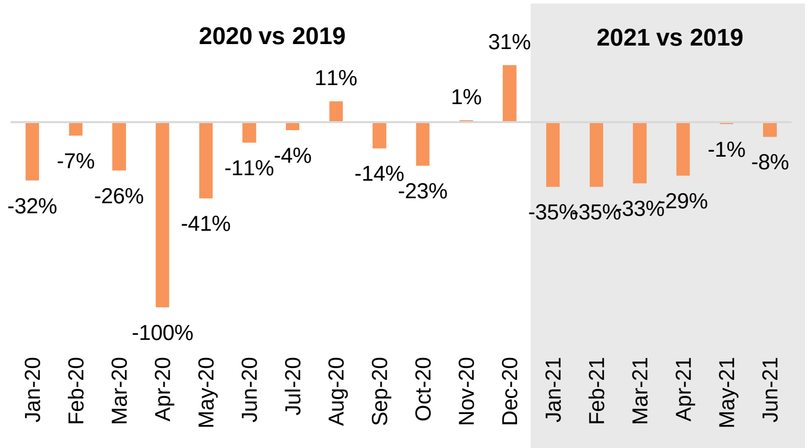
$ million	H1 2021	H1 2020	% change	H1 2019
Print	7.0	5.8	19%	9.3
Digital	3.5	1.4	145%	1.3
Other	-	0.8	(95%)	0.1
OneRoof revenue	**10.5**	**8.1**	**30%**	**10.7**
People & Contributors	(3.1)	(3.2)	(2%)	(4.0)
Print & Distribution	(3.7)	(2.6)	39%	(3.6)
Agency Commission & Marketing	(2.3)	(0.5)	331%	(1.0)
Content	(0.6)	(0.7)	(12%)	(0.5)
Other	(0.4)	(0.4)	(2%)	(0.8)
OneRoof expenses	**(10.1)**	**(7.4)**	**36%**	**(10.0)**
OneRoof EBITDA[1] (incl. NZ IFRS 16)	**0.4**	**0.6**	**(31%)**	**0.8**
NZ IFRS 16 Adjustment	(0.2)	(0.2)	10%	(0.3)
OneRoof EBITDA[1] (pre NZ IFRS 16)	**0.2**	**0.4**	**(56%)**	**0.5**
EBITDA[1] Margin (pre NZ IFRS 16)	***2%***	***5%***	***-3 ppt***	***4%***
Total Real Estate revenue across all NZME brands	20.5	15.3	34%	20.3

ONEROOF

For the 6 months ending 30 June 2021

- OneRoof print revenue significantly impacted for Jan-Apr 2021 given 'booming' property market and reduced periods of advertising.
- Digital classifieds revenue of $3.5 million in H1 2021, of which 70% relates to listings.
- Other revenue included $0.7m of government wage subsidy in H1 2020.
- Increased investment in marketing to continue to grow revenue and audience.
- EBITDA[1] of $0.4 million, down on H1 2020 while investment made in growing the business.

OneRoof Print Monthly Revenue Growth

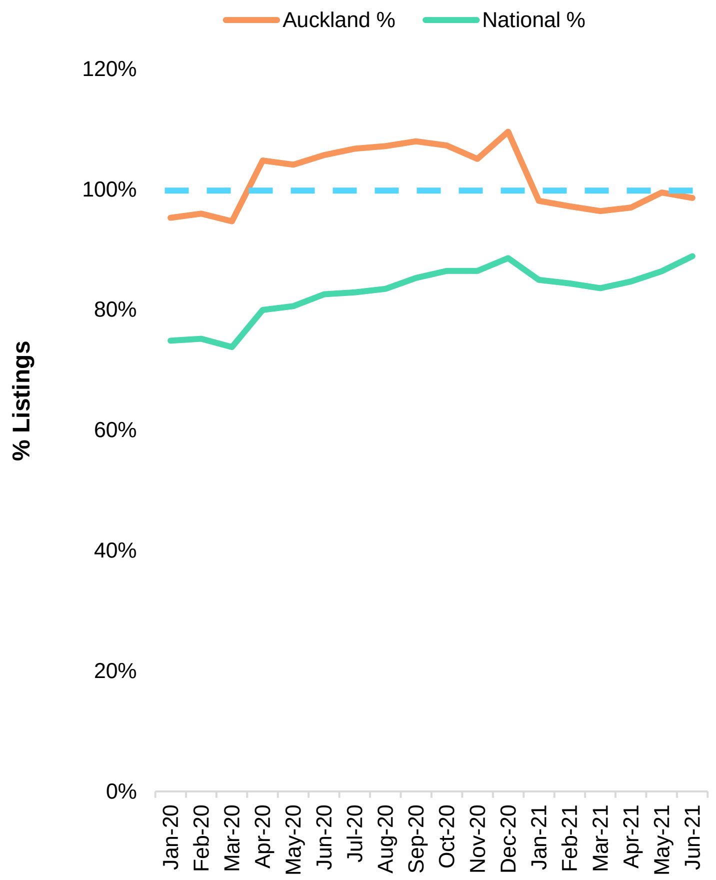


1. EBITDA is a non-GAAP measure which excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

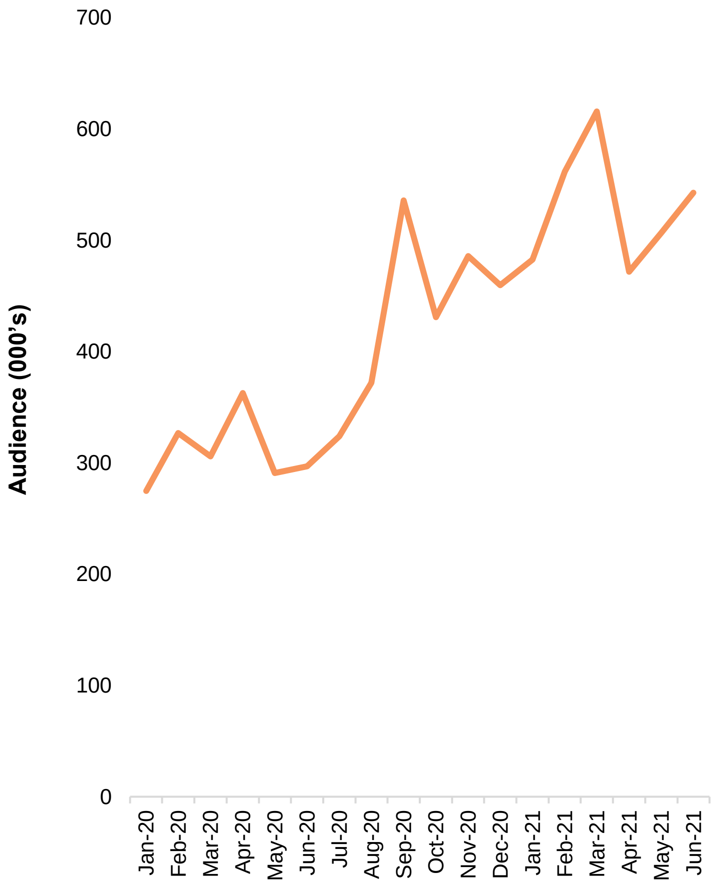
Note: Totals may not sum due to rounding

ONEROOF AUDIENCE & LISTINGS

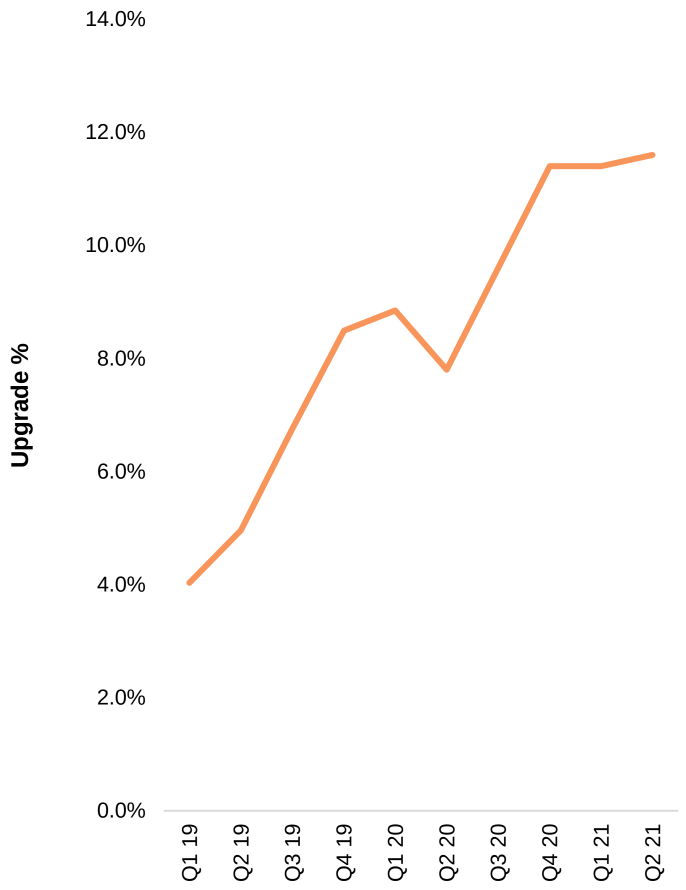
OneRoof Auckland and national residential for-sale listings as a % of Trade Me[1]



OneRoof Monthly Unique Online Audience[2]



OneRoof Digital Residential for-sale Listings Upgrade %



1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz. Note: From June 2021 onwards lifestyle properties and sections were added to the OneRoof count.
2. Nielsen Online Ratings, Jan 2020 - June 2021

YOUR COMPLETE PROPERTY DESTINATION

OneRoof

Metric	FY 2020 Achievement	H1 2021	2023 Target	Progress Update
Residential Listings	89%[1]	89%[1]	100% of listings	• New leadership structure in place with changed regional reporting across key markets of Northland, Bay of Plenty and Hawkes Bay • National listings penetration a focus for H2 2021 • Local publications established in North Island
Audience	#2, 460k, gap to #1 of 271k[2]	#2, 543k, gap to #1 of 281k[2]	Reduce gap to #1	• Segmentation of audiences has been completed, creating opportunities to target real estate audiences with more relevant content and listings. • New boost products for listings and agents are leveraged to drive overall audience • New brand campaign launch across paid and owned media channels with messaging designed to increase awareness
Listings Upgrade %	10%	12%	50% of residential listings	• Residential for sale listing upgrades have increased nationally, with Auckland at 23% at the end of H1 2021 • Listing strategies across key markets in place with positive results in a number of markets
Revenue	24% / 76%	33% / 67%	Digital > Print	• Rural and retirement verticals are in development and expected to be live in H2 2021 • Sponsorship revenues continue to grow, with key category sponsors in the pipeline for H2 2021
EBITDA[3] Margin Target (pre NZ IFRS16)	**9%**	**2%**	**15 - 25%**	

NZME. NEW ZEALAND MEDIA AND ENTERTAINMENT

1. OneRoof's listings as a percentage of residential for-sale real estate listings on trademe.co.nz as of 30 June 2021.
2. Nielsen Online Ratings, Dec 2020 - June 2021 (FY 20 has been amended to be the gap as of Dec 2020)
3. EBITDA is a non-GAAP measure and is presented as excluding the impact of NZ IFRS 16, however excluding exceptional items (redundancy costs, one-off projects and other exceptional items).

GRABONE

For the 6 months ending 30 June 2021

$ million	H1 2021	H1 2020	% change	H1 2019
Revenue	**4.4**	**4.1**	**9%**	**4.6**
People & Contributors	(1.7)	(1.9)	(9%)	(2.5)
Agency Commission & Marketing	(0.4)	(0.4)	8%	(0.4)
Content	(0.2)	(0.2)	0%	(0.1)
Other	(0.5)	(0.6)	(15%)	(0.5)
Total expenses	**(2.8)**	**(3.0)**	**(8%)**	**(3.5)**
EBITDA[1] (incl. NZ IFRS 16)	**1.6**	**1.1**	**58%**	**1.2**
NZ IFRS 16 Adjustment	(0.1)	(0.1)	7%	**(0.1)**
EBITDA[1] (pre NZ IFRS 16)	**1.5**	**0.9**	**65%**	**1.1**
EBITDA[1] Margin (pre NZ IFRS 16)	***35%***	***23%***	***12 ppt***	***22%***

- GrabOne is classified as a held-for-sale asset
- On 23 August 2021 NZME entered into a conditional agreement to sell GrabOne to Global Marketplace New Zealand Ltd (GMP) for $17.5m (payable in cash on completion). NZME retains the net liabilities to settle as they fall due.
- The sale is not subject to any regulatory conditions. It is conditional on no material adverse change to the performance of GrabOne occurring prior to completion, and on GMP completing funding arrangements for the acquisition by 15 October 2021.
- GMP will pay NZME a break fee of $1 million if the funding condition is not satisfied by 15 October 2021.
- The sale is expected to be completed no later than 31 October 2021.
- Revenue grew by 9% which combined with 8% lower expenses resulted in a 58% lift in EBITDA.

1. EBITDA is a non-GAAP measure which excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

Note: Totals may not sum due to rounding

CORPORATE & OTHER

For the 6 months ending 30 June 2021

$ million	H1 2021	H1 2020	% change	H1 2019
Revenue	**1.6**	**0.4**	**265%**	**1.1**
People & Contributors	(1.9)	(1.6)	19%	(2.0)
Agency Commission & Marketing	(0.1)	(0.2)	(50%)	(0.3)
Content	(0.2)	(0.2)	0%	(0.3)
Other	(2.2)	(1.3)	65%	(1.7)
Total expenses	**(4.4)**	**(3.4)**	**32%**	**(4.3)**
EBITDA[1] (incl. NZ IFRS 16)	**(2.8)**	**(2.9)**	**(3%)**	**(3.1)**

- Revenue, which includes Driven and Events, increased due to the reinstatement of events, cancelled during Covid-19 lockdowns during H1 2020.
- Other expenses include corporate overheads, with increases reflecting the cost of delivering events, in line with revenue increase.

1. EBITDA is a non-GAAP measure which excludes exceptional items (redundancy costs, one-off projects and other exceptional items).

Note: Totals may not sum due to rounding

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

2021 HALF YEAR FINANCIAL RESULTS

NZME. NEW ZEALAND MEDIA AND ENTERTAINMENT

OPERATING RESULTS

For the 6 months ended 30 June 2021

- **Operating EBITDA[1] grew 4% in 2021.**
- Segment revenue increased 16% to $170.6 million reflecting the significant impacts of Covid-19 on advertising revenue in 2020.
- Other revenue in 2020 includes an $8.6 million (net) government wage subsidy in H1 2020.
- H1 2021 operating expenses reflects the permanent cost base reduction of $20 million per annum versus H1 2019.
- Cost increases associated with increased revenue volumes were partially offset by the cost initiatives implemented in response to Covid-19 pandemic.
- Net interest expense reduced in line with the reduction in Net debt.
- Operating NPAT[1] increased $1.0 million to $7.8 million, and Operating earnings per share increased to 3.9 cents per share.

$ million	H1 2021	H1 2020	% change	H1 2019
Segment revenue	170.6	147.3	16%	178.3
Other revenue	1.8	10.5	(82%)	2.8
Operating Revenue[1]	**172.5**	**157.8**	**9%**	**181.1**
Operating expenses[1]	(142.4)	(128.9)	10%	(153.5)
Operating EBITDA[1]	**30.1**	**28.9**	**4%**	**27.6**
Depreciation and amortisation on owned assets	(9.3)	(8.7)	8%	(10.6)
Depreciation on leased assets	(5.9)	(6.3)	(6%)	(6.4)
Net interest expense on loans	(1.3)	(1.6)	(24%)	(2.4)
Interest expense on leases	(2.6)	(2.3)	12%	(2.5)
Operating NPBT[1]	**10.9**	**9.9**	**10%**	**5.6**
Taxation expense	(3.1)	(3.1)	0%	(1.6)
Operating NPAT[1]	**7.8**	**6.8**	**14%**	**4.1**
Operating Earnings per Share[1]	**3.9**	**3.5**	**13%**	**2.1**

1. Operating results presented include the impact of standard NZ IFRS 16, however exclude NZ IFRS 16 "one-offs" and exceptional items to allow for a like for like comparison between 2021 and 2021 financial years. Please refer to pages 33-34 of this results presentation for a detailed reconciliation. Operating and statutory results include $8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

Note: Totals may not sum due to rounding

NZME. NEW ZEALAND MEDIA AND ENTERTAINMENT

EXPENSES

For the 6 months ended 30 June 2021

- People and contributors expense increased 3% reflecting the temporary salary sacrifice reductions made by NZME's people in H1 2020.
- Printing and distribution expense increased 15% due to increased volumes given H1 2020 included the temporary suspension of some print products due to Covid-19, and third-party print volumes.
- Agency commission and marketing expense increased 41% reflecting increased revenue and activity in H1 2021.
- Content expenses are up year on year reflecting the increased re-sale of digital services.
- Impairment of assets in H1 2021 includes an impairment for Graham Street office fitout costs in relation to the area of Graham street that has been sub-leased. Expected annualised cash inflow from 2022 of ~$1 million per annum.

$ million	H1 2021	H1 2020	% change	H1 2019
People and contributors	71.6	69.2	3%	77.4
Print and distribution	25.9	22.5	15%	29.6
Agency commission and marketing	23.0	16.4	41%	21.1
Content	8.1	7.2	13%	8.1
Other expenses:				
Property	2.9	2.8	6%	3.4
IT and communications	5.4	6.0	(10%)	5.8
Other	5.5	4.8	13%	8.1
Total other expenses	13.8	13.6	1%	17.3
Total operating expenses	**142.4**	**128.9**	**10%**	**153.5**
Exceptional and other items:				
Redundancies	0.3	7.0		3.2
One off projects and other exceptional items	0.4	0.2		1.1
Profit on sale of Mt Victoria transmission tower	(0.5)	-		-
Share of loss of JV's	0.4	-		-
Impairment of assets	2.6	-		-
NZ IFRS 16 adjustments	(0.1)	(1.5)[1]		-
Total exceptional items	**3.1**	**5.8**		**4.3**

1. The $1.5m of NZ IFRS 16 adjustments relates to rent concessions received in 2020 in response to Covid-19 which are included in the Other revenue of $2.9 million on slide 34.

Note: Totals may not sum due to rounding

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

$ million	30 June 2021	31 December 2020
Trade, other receivables and inventory	45.6	45.4
Trade and other payables	(45.9)	(43.8)
Current tax payable	(1.5)	(2.7)
Net assets held for sale (WC)	(5.0)	(6.0)
Net working capital excluding cash	**(6.7)**	**(7.2)**
Plant property & equipment, intangibles and other non-current assets	184.7	193.5
Right of use assets (NZ IFRS 16)	77.8	85.4
Lease liabilities (NZ IFRS 16)	(101.4)	(107.5)
Net interest-bearing liabilities	(18.6)	(33.8)
Deferred tax	1.1	(0.3)
Net assets held for sale (FA/IA)	1.2	1.9
Net Assets	**138.3**	**132.1**

Note: Totals may not sum due to rounding

BALANCE SHEET

As at 30 June 2021

- Increase in trade and other payables is largely due to higher people cost accrual, due to the timing of salary payment dates.
- Higher deferred tax relates to timing differences, primarily relating to impairment due to the sub-lease of Graham Street.
- Net assets held for sale represents GrabOne business with a net liability of $3.8m.
- Right of use assets have reduced by $7.6m primarily due to annual depreciation and impairment of Graham Street due to a partial sublease.
- Lease liabilities have reduced due to annual principal repayments.
- Net debt reduced by $15.2 million to $18.6 million as at 30 June 2021.

NZME.
NEW ZEALAND MEDIA AND ENTERTAINMENT

$ million	H1 2021	H1 2020
Operating EBITDA[1]	**30.1**	**28.9**
NZ IFRS 16 interest paid on leases	(2.6)	(2.3)
Dividends received	0.1	-
Interest paid on bank facilities	(1.3)	(1.5)
Working capital movement	(0.5)	11.0
Exceptional items	(0.7)	(7.2)
Tax paid	(4.7)	(1.2)
Non-cash items	1.5	(0.2)
Cash flow from operations	**21.9**	**27.7**
Capital expenditure	(2.7)	(3.3)
Proceeds from sale of plant, property and equipment	1.8	-
NZ IFRS 16 lease liability principal repayment	(5.6)	(4.8)
Cash movement in Net Debt	**15.3**	**19.6**
Non-cash borrowing costs	(0.1)	(0.1)
Movement in Net Debt	**15.2**	**19.5**

1. Operating results presented include the impact of standard NZ IFRS 16, however exclude NZ IFRS 16 "one-offs" and exceptional items to allow for a like for like comparison between 2021 and 2021 financial years. Please refer to pages 33-34 of this results presentation for a detailed reconciliation. Operating and statutory results include $8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

Note: Totals may not sum due to rounding

CASH FLOWS

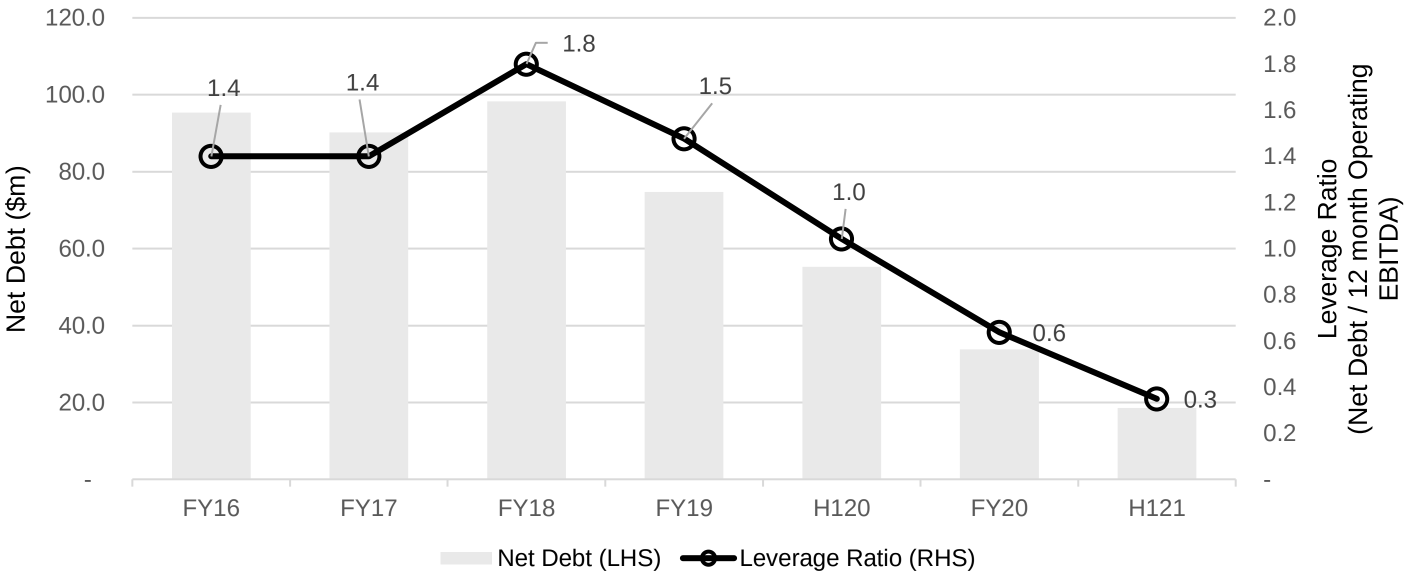
For the 6 months ended 30 June 2021

- Operating[1] cash flows of $21.9m is lower than H1 2020, as 2020 benefited from a significant reduction in working capital.
- Capital expenditure was $2.7 million in H1 2021, compared to $3.3 million in H1 2020.
- Capital expenditure is expected to be around $10 million for the full year.
- The sale of Mt Victoria transmission site was completed in April 2021.
- Lease liability principal repayments have increased due to no transmission cost relief or rent concessions in H1 2021.

CAPITAL MANAGEMENT

For the 6 months ended 30 June 2021

	30 June 2021	31 December 2020
12-months Operating EBITDA (pre NZ IFRS 16)[1]	53.0	53.0
Interest Expense	2.5	2.9
Net interest cover (Operating EBITDA (pre NZ IFRS 16)[1] / Interest Expense)	21.1	18.1
Net Debt ($ million)	18.6	33.8
Leverage Ratio (Net debt / 12-month Operating EBITDA (pre NZ IFRS 16)[1])	0.3	0.6



- Continued net debt reduction by $15.2 million in 6 months, to $18.6 million as at 30 June 2021.
- Leverage ratio (Net Debt to 12-month Operating EBITDA pre IFRS 16[1]) decreased to 0.3 times as at 30 June 2021.
- Leverage ratio now below target range.

1. Operating results presented include the impact of standard NZ IFRS 16, however exclude NZ IFRS 16 "one-offs" and exceptional items to allow for a like for like comparison between 2021 and 2021 financial years. Please refer to pages 33-34 of this results presentation for a detailed reconciliation. Operating and statutory results include $8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.

DIVIDEND AND CAPITAL RETURN

Dividend Policy
NZME intends to pay dividends of 30-50% of Free Cash Flow subject to being within its target leverage ratio and having regard to NZME's capital requirements, operating performance and financial position.
Target Leverage Ratio of 0.5 to 1.0 times rolling 12 month EBITDA[1] (pre NZ IFRS 16).
Full dividend policy is available at www.nzme.co.nz/investor-relations/dividends/

- The board have declared a fully imputed and fully franked dividend of 3.0 cps.
- During the first half of 2021, the company has confirmed that A$9.2 million of franking credits are available for use.
- The dividend will be paid on 22 September 2021, for registered shareholders as at 10 September 2021.
- The board recognises the company’s strong capital position. In the absence of opportunities to invest, it will return capital to shareholders.
- The board was in a position to approve and announce a capital return to shareholders. However, given the current Covid-19 uncertainties that emerged last week has chosen to pause at this time.

OUTLOOK

- Given that New Zealand has moved into Level 4 lockdown[1] over the past week, we are wary of the potential impacts of this outbreak.
- We have been pleased to see advertising revenues track closer to 2019 levels. Q3 2021 had been tracking to be in line with 2019 levels prior to the outbreak.
- Real Estate markets have been active and provide an opportunity for OneRoof to grow.
- On the basis of the trends to date and on New Zealand containing any outbreaks quickly, we would expect profit growth over 2020 for the full year 2021. However, this may become challenging depending on the duration of the lockdowns.
- Google has announced that it will bring Google News Showcase to New Zealand by the end of 2021. We look forward to discussing with both Google and Facebook arrangements in regard to accessing and supporting editorial content.
- We will update you on the Capital Management position further when market conditions become clearer and the sale of GrabOne has been concluded.
- We also look forward to updating you at a NZME Investor Day to be held in November 2021.

1. https://covid19.govt.nz/alert-levels-and-updates/about-the-alert-system/

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

Q&A

SUPPLEMENTARY INFORMATION

2020 DIVISIONAL PERFORMANCE

$m	Audio	Publishing	OneRoof	GrabOne	Other	H1 21 Total	H1 20 Total	*% Change*
Reader Revenue:								
- Print	-	35.0	-	-	-	35.0	36.5	*(4%)*
- Digital	-	5.1	-	-	-	5.1	2.4	*111%*
Reader Revenue	-	40.2	-	-	-	40.2	38.9	*3%*
Advertising Revenue:								
- Radio	49.6	-	-	-	-	49.6	42.3	*17%*
- Print	-	33.3	7.0	-	-	40.3	35.3	*14%*
- Digital	1.6	26.3	3.5	-	0.4	31.9	22.0	*45%*
Advertising Revenue	51.2	59.6	10.5	-	0.4	121.7	99.7	*22%*
Other Revenue	0.6	4.4	-	4.4	1.2	10.6	19.2	*(45%)*
Total Revenue	**51.8**	**104.1**	**10.5**	**4.4**	**1.6**	**172.5**	**157.8**	***9%***
People and Contributors	(25.8)	(39.0)	(3.1)	(1.7)	(1.9)	(71.6)	(69.2)	*3%*
Print & Distribution	-	(22.2)	(3.7)	-	-	(25.9)	(22.5)	*15%*
Agency Commission & Marketing	(9.4)	(10.9)	(2.3)	(0.4)	(0.1)	(23.0)	(16.4)	*41%*
Content	(3.2)	(3.9)	(0.6)	(0.2)	(0.2)	(8.1)	(7.2)	*14%*
Other	(4.5)	(6.3)	(0.4)	(0.5)	(2.2)	(13.8)	(13.6)	*1%*
Total Costs	**(42.9)**	**(82.2)**	**(10.1)**	**(2.8)**	**(4.4)**	**(142.4)**	**(128.9)**	***10%***
Operating EBITDA[1]	**8.8**	**22.0**	**0.4**	**1.6**	**(2.8)**	**30.1**	**28.9**	***4%***
NZ IFRS 16 Adjustments	(3.7)	(4.1)	(0.2)	(0.1)	(0.1)	(8.2)	(7.1)	*16%*
EBITDA (pre NZ IFRS 16)[2]	**5.1**	**17.9**	**0.2**	**1.5**	**(2.9)**	**21.8**	**21.8**	***0%***
EBITDA (pre NZ IFRS 16)[2] Margin %	***10%***	***17%***	***2%***	***35%***	**-**	***13%***	***14%***	***-1 ppt***

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

Other Revenue in 2020 includes $8.6 million (net) of Government wage subsidy.

1. Operating results presented include the impact of standard NZ IFRS 16, however exclude NZ IFRS 16 "one-offs" and exceptional items to allow for a like for like comparison between 2021 and 2021 financial years. Please refer to pages 33-34 of this results presentation for a detailed reconciliation. Operating and statutory results include $8.6 million (net) of Covid-19 government wage subsidy received in H1 2020.
2. EBITDA is a non-GAAP measure equivalent to Operating EBITDA but excluding NZ IFRS 16 "one-offs" and exceptional items.

Note: Totals may not sum due to rounding

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

	6 MONTHS ENDED 30 JUNE 2021				
$ million	**Operating Results excl. NZ IFRS 16**	**NZ IFRS 16 Adjustments**	**Operating Results incl. NZ IFRS 16**	**Exceptional and Other Items**	**Per Financial Statements**
Segment revenue	170.6	-	170.6	-	170.6
Other revenue	1.8	-	1.8	0.6	2.4
Total revenue	**172.5**	**-**	**172.5**	**0.6**	**173.0**
Expenses	(150.6)	8.2	(142.4)	(0.7)	(143.1)
EBITDA	**21.8**	**8.2**	**30.1**	**(0.1)**	**29.9**
Depreciation and amortisation	(9.3)	(5.9)	(15.3)	-	(15.3)
EBIT	**12.5**	**2.3**	**14.8**	**(0.1)**	**14.7**
Share of loss of JVs	-	-	-	(0.4)	(0.4)
Impairment of assets	-	-	-	(2.6)	(2.6)
Net interest expense	(1.3)	(2.6)	(3.9)	-	(3.9)
Net profit/(loss) before tax	**11.2**	**(0.3)**	**10.9**	**(3.1)**	**7.8**
Tax	(3.1)	**-**	(3.1)	0.8	(2.3)
Net profit/(loss) after tax	**8.1**	**(0.3)**	**7.8**	**(2.2)**	**5.6**

Note: Totals may not sum due to rounding

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

	6 MONTHS ENDED 30 JUNE 2020				
$ million	**Operating Results excl. NZ IFRS 16**	**NZ IFRS 16 Adjustments**	**Operating Results incl. NZ IFRS 16**	**Exceptional and Other Items**	**Per Financial Statements**
Segment revenue	147.3	-	147.3	-	147.3
Other revenue[1]	10.5	-	10.5	2.9[1]	13.4
Total revenue	**157.8**	**-**	**157.8**	**2.9**	**160.7**
Expenses	(136.0)	7.1	(128.9)	(8.6)	(137.5)
EBITDA	**21.8**	**7.1**	**28.9**	**(5.7)**	**23.2**
Depreciation and amortisation	(8.7)	(6.3)	(15.0)	-	(15.0)
EBIT	**13.2**	**0.7**	**13.9**	**(5.7)**	**8.2**
Net interest expense	(1.6)	(2.3)	(4.0)	-	(4.0)
Net profit/(loss) before tax	**11.5**	**(1.6)**	**9.9**	**(5.8)**	**4.2**
Tax	(3.1)	-	(3.1)	1.9	(1.2)
Net profit/(loss) before tax	**8.4**	**(1.6)**	**6.8**	**(3.8)**	**3.0**

1. $1.5 million of this revenue relates to the accounting treatment of rent concessions received as a direct result of Covid-19 which, under an NZ IFRS 16 practical expedient provision, has been classified as other revenue. $1.4m of this revenue relates to the Government wages subsidy (WS) that was received for employees who were made redundant.
2. This table is restated from that in last year's presentation with the reclassification of the WS that was originally netted against redundancy costs.

Note: Totals may not sum due to rounding

DISCLAIMER

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice, legal, financial, tax or any other recommendation or advice. This presentation constitutes summary information only, and you should not rely on it in isolation from the full detail set out in NZME's Consolidated Financial Statements for the half year ended 30 June 2021.

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

The Group adopted NZ IFRS16 Leases on 1 January 2019. Operating results as stated throughout this presentation refer to results including the adjustments for the adoption of NZ IFRS16 and prior to exceptional items. Please refer to pages 33-34 of this presentation for a detailed reconciliation to these results excluding NZ IFRS 16 adjustments and to the statutory results.

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The New Zealand Herald | The Country | The Northern Advocate | The Hits | VIVA | DRIVEN | essence

OneRoof | Whanganui Midweek | Coast | NewstalkZB | Horowhenua Chronicle | hokonui | Rotorua Daily Post

Taupo & Turangi Weekender | Herald on Sunday | GOLD | Restaurant Hub | Kāpiti News | GrabOne | iHeartRADIO

Te Puke Times | Radio Hauraki | Hastings Leader | nzherald.co.nz | HC Post Hauraki-Coromandel Post | canvas | Hawke's Bay Today | Napier Courier

spy | New Zealand Education Gazette Tukutuku Kōrero | WatchMe. | be well | Alternative Commentary Collective | Weekend Herald | Waikato Herald | nzheraldfocus

ZM | Bay of Plenty Times | Rotorua Weekender | Te Awamutu Courier | Whanganui Chronicle | travel | TimeOut

Manawatū Guardian | flava | Tararua Bush Telegraph | Katikati Advertiser | The Northland Age | CHB Mail | Stratford Press

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NZME Limited

For the six months ended 30 June 2021

NZME.
NEW ZEALAND MEDIA AND ENTERTAINMENT


NZME.

CONTENTS.

Consolidated Interim Financial Statements

for the six months ended 30 June 2021 (unaudited)

* In an attempt to make these financial statements easier to read, the notes to the financial statements have been grouped into six sections; aimed at grouping items of a similar nature together. The Basis of Preparation section presents a summary of material information and general accounting policies that are necessary to understand the basis on which these consolidated interim financial statements have been prepared. A summary of the key judgments and estimates is also included under the Basis of Preparation section on page 13.

CHAIRMAN AND CHIEF EXECUTIVE REPORT.

Continued momentum as strategic digital growth delivers returns for shareholders.

Kia ora, and welcome to the New Zealand Media and Entertainment (NZME) interim report for the half year ended 30 June 2021.

The 2021 year has started strongly, but as with 2020, it is also proving to be a year of challenges associated with the ongoing impacts of COVID-19.

Your board, the Executive and senior leadership having made the difficult but necessary decisions to protect the business from the worst of the revenue impacts of Covid-19, have provided a strong platform for 2021 and beyond.

Across the economy, New Zealand's many commercial sectors are steadily rebuilding their investment in audience engagement, such that NZME's advertising revenues are now approaching the levels achieved in 2019.

H1 2021 Financial Results

We are pleased to report growth in Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) to $30.1 million for the half year. This represents 4% growth in Operating EBITDA against the first half of 2020 despite 2020 including $8.6 million in government wage subsidies.

Operating revenue grew 9% in the half to $172.5 million from $157.8 million for the corresponding half in 2020.

NZME's Statutory Net Profit After Tax (NPAT) was $5.6 million, up 85% on the corresponding period in 2020.

Operating NPAT was $7.8 million an increase of 14% on the 2020 half year and Operating Earnings per Share is 3.9 cents per share, up from 3.5 cents per share in the 2020 half year.

We are also pleased to advise that NZME has reached a conditional agreement to sell its GrabOne business to Global Marketplace New Zealand Limited (GMP) for NZD$17.5 million (payable in cash on completion).

The sale is due to be completed no later than 31 October 2021, subject to satisfaction of the conditions, including GMP completing its funding arrangements. The agreement follows NZME's announcement in November 2020 that GrabOne was not a core strategic focus and that opportunities to divest the ecommerce platform would be explored.

Capital Management

Rigorous commercial discipline and a continual focus on managing the cost base as business activity rebuilds has improved NZME's ongoing Capital Management performance. Net Debt was reduced by a further $15.2 million during the half year to $18.6 million and is now below our target leverage ratio.

NZME has been able to strengthen its Balance Sheet during such challenging times due to a relentless focus on its key strategic priorities supported by the guiding principles introduced by the Board during 2020.

You will see from the detail included in this report that growth across a number of NZME's digital platforms such as NZ Herald Premium, OneRoof digital classifieds and overall digital advertising have been the major drivers of performance to return NZME's earnings to growth.

NZME BUSINESS HAS PROVEN IT HAS THE RESILIENCE AND AGILITY TO PERFORM WELL.

The 2021 interim result once again reinforces NZME's position as a robust, resilient, and agile multi-media business.

With growing mass audiences across a broad mix of digital and traditional platforms, NZME continues to leverage off its loyal audience base to accelerate our digital transition across all NZME platforms.

The board is pleased to advise that given the significant reduction in debt and based on the business outlook and capital requirements the board has declared a fully imputed and fully franked dividend of 3.0 cps.

It is testimony to NZME's disciplined and rigorous approach to Capital Management, and a determined focus on our strategic priorities that while navigating the extraordinary and ongoing challenges posed by the impacts of the pandemic, NZME is in a position to return a dividend to its shareholders for the first time since 2018.

The board was in a position to approve and announce a capital return to shareholders. However, given the Covid-19 uncertainties that have emerged in the past week, the board has chosen to pause at this time.

We will update you on the Capital Management position further when market conditions become clearer and the sale of GrabOne has been concluded.

Outlook

While we remain cautiously optimistic, we should all be under no illusions that ongoing Covid-19 related issues will continue to impact the recovery.

Given that New Zealand has moved into Level 4 lockdown over the past week, we are conscious of the potential impacts of these events.

Our commercial partners remain wary of Covid-19 outbreaks, uncertainty over international travel bubbles and the more recent challenges of labour force shortages and inflationary pressures on their cost bases.

However, it is in this environment that the NZME business has proven it has the resilience and agility to perform well.

We acknowledge the ongoing support of our shareholders and thank you for the confidence you have shown as the business continues its positive trajectory.

We would also like to express our thanks and gratitude to all the people of NZME. Thank you for choosing NZME to share your talents and expertise.

And especially, thank you for your commitment to the Kiwi communities that we serve by delivering news, information and entertainment that is world class.

Barbara Chapman
Chairman

Michael Boggs
Chief Executive Officer

DIRECTORS' STATEMENT.

The Directors are pleased to present the consolidated interim financial statements of NZME Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30 June 2021, incorporating the consolidated interim financial statements and the independent auditor's review report.

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

The consolidated interim financial statements for the Group as presented on pages 7 to 33 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: 23 August 2021

CONSOLIDATED INTERIM INCOME STATEMENT.

for the six months ended 30 June 2021 (unaudited)

	Note	**June 2021 $'000**	June 2020 $'000
Revenue	2.1	**172,283**	149,039
Finance and other income	2.1	**752**	11,669
Total revenue and other income	2.1	**173,035**	160,708
Expenses from operations before finance costs, depreciation and amortisation		**(143,091)**	(137,500)
Depreciation and amortisation	2.3.2	**(15,288)**	(14,997)
Finance costs	2.3.2	**(3,884)**	(4,024)
Share of joint ventures and associates net loss after tax		**(354)**	-
Impairment of assets	2.3.2	**(2,582)**	-
Profit before income tax expense		**7,836**	4,187
Income tax expense		**(2,272)**	(1,176)
Net profit after tax		**5,564**	3,011
Profit for the period is attributable to:			
Owners of the Company		**5,719**	3,217
Non-controlling interests		**(155)**	(206)
		5,564	3,011

		Cents	Cents
Earnings per share attributable to the ordinary shareholders of the Company			
Basic earnings per share (cents per share)	2.2	**2.89**	1.64
Diluted earnings per share (cents per share)	2.2	**2.82**	1.61

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

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME.

for the six months ended 30 June 2021 (unaudited)

	June 2021 $'000	June 2020 $'000
Net profit after tax	**5,564**	3,011
Other comprehensive income		
Items that may be reclassified to profit or loss		
Effective gain / (loss) on hedging instruments	**260**	(810)
Reclassification to profit or loss	**129**	(25)
Tax impact of hedging transactions	**-**	234
Net gain / (loss) on hedging instruments	**389**	(601)
Exchange differences on translation of foreign operations	**(26)**	(40)
Other comprehensive income / (loss) net of taxation	**363**	(641)
Total comprehensive income	**5,927**	2,370
Total comprehensive income attributable to:		
Owners of the Company	**6,082**	2,576
Non-controlling interests	**(155)**	(206)
	5,927	2,370

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

CONSOLIDATED INTERIM BALANCE SHEET.

as at 30 June 2021

	Note	**June 2021 (unaudited) $'000**	December 2020 (audited) $'000
Current assets			
Cash and cash equivalents		**10,948**	11,560
Trade and other receivables		**43,226**	43,882
Inventories	3.5	**2,377**	1,480
Derivative financial instruments		**34**	-
		56,585	56,922
Assets classified as held for sale	5.3.1	**1,354**	2,165
Total current assets		**57,939**	59,087
Non-current assets			
Intangible assets	3.1	**146,890**	150,478
Property, plant and equipment	3.2	**29,623**	34,978
Right-of-use assets	3.3	**77,831**	85,382
Capital work in progress	3.4	**2,656**	2,275
Other financial assets		**815**	815
Equity accounted investments	5.2.2	**3,747**	4,162
Other receivables and prepayments		**955**	1,079
Derivative financial instruments		**29**	-
Deferred tax assets		**1,148**	-
Total non-current assets		**263,694**	279,169
Total assets		**321,633**	338,256
Current liabilities			
Trade and other payables		**45,774**	43,838
Current lease liabilities	4.2.2	**11,077**	10,931
Derivative financial instruments		**-**	16
Current tax provision		**1,609**	1,575
		58,460	56,360
Liabilities directly associated with assets classified as held for sale	5.3.1	**5,080**	7,338
Total current liabilities		**63,540**	63,698
Non-current liabilities			
Non-current lease liabilities	4.2.2	**90,281**	96,521
Interest bearing liabilities	4.2.1	**29,503**	45,379
Derivative financial instruments		**-**	310
Deferred tax liabilities		**-**	260
Total non-current liabilities		**119,784**	142,470
Total liabilities		**183,324**	206,168
Net assets		**138,309**	132,088
Equity			
Share capital		**361,758**	361,758
Reserves		**4,142**	3,485
Retained earnings		**(227,561)**	(233,280)
Total Company interest		**138,339**	131,963
Non-controlling interests		**(30)**	125
Total equity		**138,309**	132,088

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

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY.

for the six months ended 30 June 2021 (unaudited)

	Attributable to owners of the company					
	Share capital $'000	Reserves $'000	Retained earnings $'000	**Total $'000**	Non-controlling interests $'000	**Total Equity $'000**
Balance at 1 January 2020	360,768	2,984	(247,712)	**116,040**	430	**116,470**
Profit / (loss) for the period	-	-	3,217	**3,217**	(206)	**3,011**
Other comprehensive (loss)	-	(641)	-	**(641)**	-	**(641)**
Total comprehensive (loss) / income	-	(641)	3,217	**2,576**	(206)	**2,370**
Share based payments	-	212	-	**212**	-	**212**
Balance at 30 June 2020	360,768	2,555	(244,495)	**118,828**	224	**119,052**
Balance at 1 January 2021	361,758	3,485	(233,280)	**131,963**	125	**132,088**
Profit / (loss) for the period	-	-	5,719	**5,719**	(155)	**5,564**
Other comprehensive income	-	363	-	**363**	-	**363**
Total comprehensive income / (loss)	-	363	5,719	**6,082**	(155)	**5,927**
Share based payments	-	294	-	**294**	-	**294**
Balance at 30 June 2021	361,758	4,142	(227,561)	**138,339**	(30)	**138,309**

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

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS.

for the six months ended 30 June 2021 (unaudited)

	Note	**June 2021 $'000**	June 2020 $'000
Cash flows from operating activities			
Receipts from customers		**170,681**	158,514
Payments to suppliers and employees		**(140,290)**	(136,198)
Government grants		**-**	10,235
Dividends received		**61**	-
Interest received		**20**	50
Interest paid on bank facilities		**(1,263)**	(1,450)
Interest paid on leases		**(2,604)**	(2,302)
Income taxes paid		**(4,720)**	(1,175)
Net cash inflows from operating activities	4.3	**21,885**	27,674
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets (including work in progress)		**(2,734)**	(3,300)
Proceeds from sale of property, plant and equipment		**1,853**	-
Net cash (outflows) from investing activities		**(881)**	(3,300)
Cash flows from financing activities			
Proceeds from borrowings		**10,500**	4,000
Repayments of borrowings		**(26,500)**	(13,000)
Payments for lease liability principal		**(5,616)**	(4,777)
Net cash (outflows) from financing activities		**(21,616)**	(13,777)
Net (decrease) / increase in cash and cash equivalents		**(612)**	10,597
Cash and cash equivalents at beginning of the period		**11,560**	14,416
Cash and cash equivalents at end of the period		**10,948**	25,013

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED).

1.0 BASIS OF PREPARATION

1.1 REPORTING ENTITY AND STATUTORY BASE

NZME Limited (NZX:NZM, ASX:NZM) is a for-profit company limited by ordinary shares which are publicly traded on the NZX Main Board and the Australian Securities Exchange as a Foreign Exempt Listing. NZME Limited is incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993 and is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The entity's registered office is 2 Graham Street, Auckland, 1010, New Zealand.

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

1.2 GENERAL ACCOUNTING POLICIES

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

The consolidated interim financial statements do not include all notes of the type normally included in an annual financial report. Accordingly, these consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2020. These consolidated interim financial statements are presented for the Group.

The material accounting policies used in the preparation of these consolidated interim financial statements are generally consistent with those used in the audited consolidated financial statements for the year ended 31 December 2020. Where there have been changes to accounting policies or the Directors consider it necessary to disclose an accounting policy in these consolidated interim financial statements, accounting policies have been included in the relevant note.

These consolidated interim financial statements are presented in New Zealand dollars, which is the Company's functional and the Group's presentation currency, and rounded to the nearest thousand, except where otherwise stated.

These consolidated interim financial statements were approved for issue by the Board of Directors on 23 August 2021. These consolidated interim financial statements have not been audited, but have been reviewed in accordance with New Zealand Standard on Review Engagement 2410: *Review of Financial Statements Performed by the Independent Auditor of the Entity.*

1.2.1 Comparatives

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

- In note 2.1 $1,318,795 of print other revenue has been reclassified to external printing and distribution.
- In note 2.1 net $2,594,855 of digital advertising revenue has been reclassified to other revenue.
- The total wage subsidy included in finance and other income is $9,966,184 of which $1,406,715 was offset against redundancy costs for the period ended 30 June 2020 with the remaining $8,559,469 recorded as other income. This presentation was changed for the consolidated financial statements for the year ended 31 December 2020 with the total wage subsidy restated as other income. The comparatives information for 30 June 2020 has been restated to be consistent with the presentation in the annual financial statements. Note 2.1 has also been restated to reflect this change.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated interim financial statements requires the use of certain significant judgments, accounting estimates and assumptions, including judgments, estimates and assumptions concerning the future. The estimates and assumptions are based on historical experiences and other factors that are considered to be relevant. The resulting accounting estimates will by definition, seldom equal the related actual results and are reviewed on an ongoing basis. Significant areas of estimation and judgment in these consolidated interim financial statements are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2020 and are as follows:

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

1.4 NEW STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT PERIOD

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

1.5 COVID-19

The global pandemic that was declared by the World Health Organisation on 11 March 2020 continues to impact the world while New Zealand remains relatively isolated with closed borders. In the 6 months to 30 June 2021 New Zealand has experienced three regional lockdowns, although these had little impact on the Group's results.

The following items and amounts are included in the 2020 comparatives in relation to Government assistance received by NZME in response to the pandemic:

- Government wage subsidy: the total received was $10,235,441 which is included in the cash flow, with $9,966,184 included in the income statement in finance and other income. Note 2.3.2 (footnote A) provides further detail of the treatment of the total amount received.
- Rent concessions of $1,452,480 are included in finance and other income in the income statement and comprise $994,325 in respect of transmission tower rental savings under the Government's Media Relief package and $458,155 from various landlords. The gain recognised in the income statement resulted from the Group's adoption of the practical expedient to NZ IFRS 16 where the reduction in lease liabilities from rent concessions could be recognised as a gain in the income statement.

The risks and uncertainty faced by the Group relate to (and are not limited to):

- the impact of wider economic pressures in New Zealand and globally; and
- a potential outbreak at one of the Group's facilities warranting closure may significantly affect operations.

On 18 August 2021 New Zealand was placed at level 4* lockdown in response to a community Covid-19 outbreak. NZME’s core news and broadcast media business is an essential service and continues to operate safely under level 4* lockdown with all staff able to, working from home. This development highlights the uncertainty of Covid-19 impacts into the future, but at this stage does not change the company’s judgments or estimates.

*These levels are defined at covid19.govt.nz

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

2.0 GROUP PERFORMANCE

2.1 DISAGGREGATION OF REVENUE AND OTHER INCOME

	Print $'000	Radio $'000	Digital & e-Commerce $'000	**Total $'000**
For the six months ended 30 June 2021				
Advertising	40,270	51,168	30,584	**122,022**
Circulation and subscription	35,007	-	5,148	**40,155**
External printing and distribution	2,359	-	-	**2,359**
Other	1,165	397	4,514	**6,076**
Segment revenue from integrated media and entertainment activities	78,801	51,565	40,246	**170,612**
Shared services centre				**694**
Events				**977**
Total revenue from external customers				**172,283**
Rental income from sub-leases				**190**
Gain on disposal of property, plant and equipment				**(23)**
Lease adjustments				**100**
Gain on sale of transmission site				**465**
Other income				**732**
Finance income				**20**
Total finance and other income				**752**
Total revenue and other income				**173,035**

	Print $'000	Radio $'000	Digital & e-Commerce $'000	**Total $'000**
For the six months ended 30 June 2020				
Advertising	35,285	43,296	21,724	**100,305**
Circulation and subscription	36,473	-	2,437	**38,910**
External printing and distribution	2,351	-	-	**2,351**
Other	1,227	445	4,106	**5,778**
Segment revenue from integrated media and entertainment activities	75,336	43,741	28,267	**147,344**
Shared services centre				**1,694**
Events				**1**
Total revenue from external customers				**149,039**
Government grants				**9,966**
Rental income from sub-leases				**201**
Lease rent concession				**1,452**
Other income				**11,619**
Finance income				**50**
Total finance and other income				**11,669**
Total revenue and other income				**160,708**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

2.2 EARNINGS PER SHARE

	June 2021 $'000	June 2020 $'000
Reconciliation of earnings used in calculating basic / diluted earnings per share ("EPS")		
Profit attributable to owners of the parent entity	**5,719**	3,217
Profit attributable to owners of the parent entity used in calculating EPS	**5,719**	3,217

	June 2021 Number	June 2020 Number
Weighted average number of shares		
Weighted average number of shares for calculating basic EPS	**197,570,061**	196,555,998
Adjusted for calculation of diluted EPS	**5,006,966**	3,024,181
Weighted average number of shares in the denominator in calculating diluted EPS	**202,577,027**	199,580,179

	June 2021 Cents	June 2020 Cents
Basic / diluted earnings per share		
Basic earnings per share (cents per share)	**2.89**	1.64
Diluted earnings per share (cents per share)	**2.82**	1.61

2.3 SEGMENT INFORMATION

2.3.1 Determination and description of segments

Significant judgment: The Group has one reportable segment – being "Integrated Media and Entertainment". All significant operating decisions are based upon analysis of NZME as one operating segment. 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 by channel only at the revenue level into Print, Radio and Digital & e-Commerce which is the way in which revenue is reported to the Chief Operating Decision Maker. 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.

Integrated Media and Entertainment incorporates the sale of advertising, goods and services generated from the audiences attached to the Group's media platforms.

2.3.2 Segment revenues and results

The segment information provided to the Directors and Executive Team for the six months ended 30 June 2021 is as follows:

	June 2021 $'000	June 2020 $'000
Revenue from external customers by channel		
Print	**78,801**	75,336
Radio	**51,565**	43,741
Digital and e-Commerce	**40,246**	28,267
Segment revenue from integrated media and entertainment activities	**170,612**	147,344
Revenue from shared services centre	**694**	1,694
Events	**977**	1
Total revenues from external customers	**172,283**	149,039
Government grants[A]	**-**	8,559
Rental income from sub-leases[B]	**190**	201
Gain on disposal of property, plant and equipment	**(23)**	-
Expenses from operations before finance costs, depreciation, amortisation and exceptional items	**(142,390)**	(128,888)
Total segment adjusted EBITDA[C]	**30,060**	28,911
Depreciation and amortisation on owned assets	**(9,345)**	(8,658)
Depreciation on right-of-use assets	**(5,943)**	(6,339)
Total depreciation and amortisation	**(15,288)**	(14,997)
Interest expense on bank facilities	**(1,280)**	(1,699)
Interest expense on leases	**(2,604)**	(2,325)
Total finance cost	**(3,884)**	(4,024)
Impairment of right-of-use asset[D]	**(1,230)**	-
Impairment of property plant and equipment[D]	**(1,352)**	-
Total impairment of assets	**(2,582)**	-

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

	June 2021 $'000	June 2020 $'000
Interest income	**20**	50
Other lease adjustments [E]	**100**	1,452
Share of joint ventures and associates net loss after tax	**(354)**	-
Exceptional items:		
Gain on disposal of transmission site	**465**	-
Redundancies and associated costs [F]	**(292)**	(7,017)
Costs in relation to one-off projects [G]	**(409)**	(188)
Profit before tax	**7,836**	4,187

[A] 2020 Government grants relate to the wage subsidy received from the Government in response to the effect of Covid-19 on businesses. The total received was $10,235,441 of which $9,966,184 is included in finance and other income in the consolidated income statement and in trade and other payables on the balance sheet ($269,256) where the amount received was in respect of employees who subsequently left the company. For segment reporting the wage subsidy is allocated to other income ($8,559,469), where it related to employees who continued to work in the business, and exceptional costs ($1,406,715), where the subsidy related to employees who were made redundant and who were given extended notice period, and is offset against redundancies and associated costs.

[B] Rental income of $125,621 was received from the sub lease of right-of-use assets (2020: $122,036).

[C] 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.

[D] The Group has entered into an agreement to sub-lease part of 2 Graham Street. The portion to be sub let is 24.8% of the headlease which has resulted in an impairment to the Graham Street right-of-use asset and an impairment to property, plant and equipment in relation to the Graham Street building fitout costs.

[E] The 2021 lease adjustments primarily relate to changes in building leases. The 2020 amount is the rent concessions received by the group that reduced lease liabilities by $1,452,480 with a corresponding amount recognised within other income in the income statement as permitted by the practical expedient under NZ IFRS 16 in relation to Covid-19 rent concessions.

[F] The redundancies and associated costs relate to the restructuring and integration of the New Zealand operations. The 2020 costs include the wage subsidy offset for those employees who were given an extended notice period.

[G] The 2021 costs primarily relate to onerous contracts and the potential sale of GrabOne. The 2020 costs are primarily in relation to the Group's attempt to acquire Stuff Ltd.

As the Group has one operating segment, the assets and liabilities as reported on the consolidated balance sheet are also the segment assets and liabilities, and the income tax expense in the consolidated income statement is also the segment income tax.

3.0 OPERATING ASSETS & LIABILITIES

3.1 INTANGIBLE ASSETS

	Goodwill $'000	Software $'000	Masthead brands $'000	Radio licences $'000	Brands $'000	**Total $'000**
As at 31 December 2020						
Cost	166,397	77,809	146,976	78,479	59,019	**528,680**
Accumulated amortisation and impairment	(166,397)	(60,366)	(74,336)	(47,253)	(29,850)	**(378,202)**
Net book value	**-**	**17,443**	**72,640**	**31,226**	**29,169**	**150,478**
For the period ended 30 June 2021						
Opening net book amount	-	17,443	72,640	31,226	29,169	**150,478**
Additions	-	-	-	25	-	**25**
Disposals	-	(9)	-	-	-	**(9)**
Transfer to assets held for sale	-	343	-	-	-	**343**
Amortisation	-	(3,540)	-	(1,524)	-	**(5,064)**
Transfers from capitalised work in progress	-	1,116	-	1	-	**1,117**
Net book value	**-**	**15,353**	**72,640**	**29,728**	**29,169**	**146,890**
As at 30 June 2021						
Cost	166,397	78,260	146,976	78,505	59,019	**529,157**
Accumulated amortisation and impairment	(166,397)	(62,907)	(74,336)	(48,777)	(29,850)	**(382,267)**
Net book value	**-**	15,353	72,640	29,728	29,169	**146,890**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

3.1.1 Half year impairment review

Significant judgment: As disclosed in note 2.3.1 the Group has one reportable segment - being "Integrated Media and Entertainment". The Directors have also determined that this is the only cash generating unit for the purposes of impairment testing. In the consolidated financial statements for the year ended 31 December 2020 it was stated by Management that there were no reasonably possible changes to key assumptions which could result in impairment. Management has conducted a review of possible impairment indicators as at 30 June 2021 and concluded that there are no such indicators which would require a full impairment assessment to be performed. Specifically, Management has considered the trading performance of the Group compared to forecasts used in the impairment assessment at 31 December 2020 as well as the market capitalisation of the Group at 30 June 2021, which has increased from 31 December 2020.

3.1.2 Software as a service

The Group has capitalised as intangible assets the costs incurred in configuring and customising certain suppliers' application software in cloud computing arrangements. The Group considered that it would benefit from the implementation costs incurred in relation to the cloud-based software over a number of years and has been amortising the capitalised costs over the years for which it believed the benefit would be derived.

Following the publication of IFRS Interpretations Committee (IFRIC) agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in March 2021 (ratified by the International Accounting Standards Board (IASB) in April 2021), the Group has commenced a review of these capitalised costs to determine whether they may need to be expensed or reclassified as prepayments in line with the agenda decision.

The IFRIC concluded that costs incurred in configuring or customising software in a cloud computing arrangement can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred unless they meet certain criteria where they can be treated as a prepayment and expensed over the term of the cloud computing arrangement.

At the time of finalising the 30 June 2021 interim financial statements, the Group's review was still in progress due to limited time available from the IFRIC agenda decision to the reporting date and the complexity of the various arrangements. The initial review of the Group's cloud computing arrangements has identified intangible assets requiring re-assessment with a total cost and net book value of approximately $9.5 million and $5.9 million, respectively. While the final financial impact of the revised accounting policy is still being quantified, it may be material for financial reporting purposes. The Group expects to implement the updated accounting policy in the second half of the year with the full impact of the change in accounting policy, including retrospective restatement, reflected in the consolidated financial statements for the year ended 31 December 2021. The change in accounting policy may decrease intangible assets and its associated amortisation, increase operating expenses, and reclassify costs incurred from an investing to an operating cash flow. Prepayments may also be recognised as a result.

3.2 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	**Total $'000**
As at 31 December 2020					
Cost or fair value	265	67	14,727	339,327	**354,386**
Accumulated depreciation and impairment	-	(7)	(8,645)	(310,756)	**(319,408)**
Net book amount	**265**	**60**	**6,082**	**28,571**	**34,978**
For the period ended 30 June 2021					
Opening net book amount	265	60	6,082	28,571	**34,978**
Additions	-	-	-	8	**8**
Disposals	-	-	(7)	(311)	**(318)**
Depreciation	-	(1)	(589)	(3,691)	**(4,281)**
Impairment	-	-	(1,076)	(276)	**(1,352)**
Transfers from capitalised work in progress	-	-	36	552	**588**
Net book amount	265	59	4,446	24,853	**29,623**
As at 30 June 2021					
Cost or fair value	265	67	14,750	338,277	**353,359**
Accumulated depreciation and impairment	-	(8)	(10,304)	(313,424)	**(323,736)**
Net book amount	265	59	4,446	24,853	**29,623**

3.3 RIGHT-OF-USE ASSETS

	Buildings $'000	Transmission $'000	Vehicles $'000	Other $'000	**Total $'000**
As at 31 December 2020					
Net book amount	58,399	25,985	994	4	**85,382**
For the period ended 30 June 2021					
Additions	-	-	217	-	**217**
Depreciation	(3,853)	(1,740)	(346)	(4)	**(5,943)**
Impairment of right-of-use assets	(1,230)	-	-	-	**(1,230)**
Changes in lease payments or lease terms	(611)	34	(18)	-	**(595)**
Net book amount	52,705	24,279	847	-	**77,831**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

3.4 CAPITAL WORK IN PROGRESS

	June 2021 $'000
As at 31 December 2020	**2,275**
Additions	**2,155**
Disposals	**(69)**
Transfers to property, plant and equipment	**(588)**
Transfers to intangible assets	**(1,117)**
As at 30 June 2021	**2,656**

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

3.5 INVENTORIES

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

3.6 NET TANGIBLE ASSETS

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

	June 2021 $'000	December 2020 $'000
Total assets	**321,633**	338,256
(Less): intangible assets	**(146,890)**	(150,478)
(Less): total liabilities	**(183,324)**	(206,168)
Net tangible assets / (liabilities)	**(8,581)**	(18,390)
Number of shares issued (in thousands)	**197,570**	197,570
Net tangible assets / (liabilities) per share	**($0.04)**	($0.09)

4.0 CAPITAL MANAGEMENT

4.1 DIVIDENDS

4.1.1 Dividends paid

No dividends were paid by NZME Limited during the six months ended 30 June 2021.

On 23 June 2021 an inter-company dividend was paid by NZME Investments Limited, with A$9,163,691 of franking credits attached, to NZME Limited.

4.1.2 Dividends declared after balance date

On 23 August 2021, the Board of Directors declared a fully imputed and franked dividend of 3 cents per share, to be paid on 22 September 2021 to registered shareholders as at 10 September 2021 (total amount to be paid $5,927,102). The dividend was approved by the Board to be paid out of profits from NZME Limited, as a standalone legal entity, which had been specifically earmarked as being available for the declaration of the dividend and had not been appropriated or earmarked for other purposes.

4.1.3 Franking and imputation credits

	June 2021 $'000	December 2020 $'000
Imputation credits available for subsequent reporting periods based on the New Zealand 28% tax rate for the Group	**NZ$ 20,081**	NZ$ 18,061
Franking credits available to the Company for subsequent reporting periods based on the Australia 30% tax rate for the Group	**A$ 9,164** [A]	AU$ 0 [A]

[A] Franking credits of A$9,163,691 are now available for use by the Company following the payment of the inter-company dividend in June (see note 4.1.1). At 31 December 2020 the Company did not have any franking credits available for use although other entities within the Group had A$9,163,691 available that Directors expected to be available to the Company in future periods.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

4.2 INTEREST BEARING LIABILITIES

4.2.1 Secured bank loans

	June 2021 $'000
Bank loans	
As at 31 December 2020	**45,379**
Cash flows	**(16,000)**
Amortisation of borrowing costs	**124**
As at 30 June 2021	**29,503**
Cash and cash equivalents	
As at 31 December 2020	**(11,560)**
Cash flows	**612**
Total debt less cash and cash equivalents as at 30 June 2021	**18,555**

Capitalised borrowing costs of $497,014 (31 December 2020: $621,268) are included in the secured bank loans balance at 30 June 2021. Capitalised borrowing costs are the costs incurred on acquiring the loan less accumulated amortisation to 30 June 2021 with the costs being amortised over the period of the loan.

The Group is funded from a combination of its own cash reserves and NZ$100 million bilateral bank loan facilities, which NZME refinanced on 21 November 2018 and 22 July 2020, of which $30.0 million (December 2020: $46.0 million) is drawn and $70.0 million (December 2020: $74.0 million) is undrawn as at 30 June 2021. The facility limit will step down by $10 million from 1 July 2022 and by a further $5 million from 1 January 2023. This facility expires on 1 July 2023.

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

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

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

4.2.2 Lease liabilities

	June 2021 $'000
As at 31 December 2020	
Current lease liabilities	**10,931**
Non-current lease liabilities	**96,521**
Total lease liabilities	**107,452**
(Add): Interest on lease liabilities	**2,604**
(Add): New leases	**217**
(Less): Adjustments	**(695)**
Total lease liabilities before cash payments	**109,578**
(Less): Interest paid on leases	**(2,604)**
(Less): Principal payments	**(5,616)**
Total cash payments	**(8,220)**
Total lease liabilities at 30 June 2021	**101,358**
Current lease liabilities	**11,077**
Non-current lease liabilities	**90,281**
Total lease liabilities at 30 June 2021	**101,358**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

4.3 CASH FLOW INFORMATION

	June 2021 $'000	June 2020 $'000
Reconciliation of cash		
Cash at end of the period, as shown in the statement of cash flows, comprises:		
Cash and cash equivalents	**10,948**	25,013
Reconciliation of net cash inflows / (outflows) from operating activities to profit for the period:		
Profit for the period	**5,564**	3,011
Depreciation and amortisation expense	**15,288**	14,997
Borrowing cost amortisation	**124**	96
Net loss on sale of non-current assets	**23**	-
Gain on sale of transmission site	**(465)**	-
Change in current / deferred tax payable	**(2,448)**	1
Lease adjustments	**(100)**	(1,452)
Interest accrual on leases	**-**	23
Impairment of property plant and equipment	**1,352**	-
Impairment of right-of-use asset	**1,230**	-
Group's share of retained losses in joint ventures and associates net of distributions received	**415**	-
Share based payment expense	**294**	212
Changes in assets and liabilities:		
Trade and other receivables	**1,013**	13,068
Inventories	**(897)**	272
Prepayments	**(222)**	490
Trade and other payables and employee benefits	**714**	(3,044)
Net cash inflows from operating activities	**21,885**	27,674

4.4 FAIR VALUE MEASUREMENT

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

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

4.4.1 Fair value hierarchy

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

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

4.4.2 Recognised fair value measurements

	June 2021 $'000	December 2020 $'000
Recurring fair value measurements		
Financial assets (Level 2)		
Derivative financial instruments current assets / (current liabilities)	**34**	(16)
Derivative financial instruments non-current assets / (non-current liabilities)	**29**	(310)
Financial assets (Level 3)		
There are no financial assets carried at fair value.		
Total financial assets	**63**	(326)
Non-financial assets (Level 3)		
Freehold land and buildings		
Freehold land	**265**	265
Buildings (excluding leasehold improvements)	**59**	60
Total non-financial assets	**324**	325

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

4.4.3 Disclosed fair values

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

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

The fair value of interest bearing liabilities disclosed in note 4.2 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 30 June 2021, the borrowing rates were determined to be between 3.0% and 3.3% (December 2020: between 2.5% and 4.0%), depending on the type of borrowing. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

Recurring fair value measurements

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

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

The Group obtains independent valuations for its freehold land and buildings (classified as property, plant and equipment in note 3.2), less subsequent depreciation for buildings, with sufficient regularity to ensure that the carrying value of the assets is materially consistent with their fair value. All resulting fair value estimates for properties are included as level 3.

5.0 GROUP STRUCTURE AND INVESTMENTS IN OTHER ENTITIES

5.1 CONTROLLED ENTITIES

The consolidated interim financial statements incorporate the assets, liabilities and results of the subsidiaries listed below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. All entities are incorporated in, and operate in, New Zealand unless otherwise stated. There were no changes in control during the period ended 30 June 2021.

	June 2021 Ownership Interest	December 2020 Ownership Interest
Name of entity		
GrabOne Limited [A]	**100%**	100%
NZME Australia Pty Limited [B]	**100%**	100%
NZME Educational Media Limited	**100%**	100%
NZME Holdings Limited	**100%**	100%
NZME Investments Limited	**100%**	100%
NZME Print Limited	**100%**	100%
NZME Publishing Limited	**100%**	100%
NZME Radio Investments Limited	**100%**	100%
NZME Radio Limited [C]	**100%**	100%
NZME Specialist Limited	**100%**	100%
The Hive Online Limited	**100%**	100%
New Zealand Radio Network Limited	**100%**	100%
The Radio Bureau Limited	**100%**	100%
OneRoof Limited	**80%**	80%

[A] GrabOne Limited is classified as held for sale (see note 5.3).

[B] Incorporated in, and operates in, Australia.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

5.2 INTERESTS IN OTHER ENTITIES

5.2.1 Associates, joint ventures and joint operations

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

	June 2021 Ownership Interest	December 2020 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 (held through Essex Castle Limited as a trust company for NZME Publishing Limited) [A]	**49%**	49%
The Radio Bureau [B]	**50%**	50%
The Wairoa Star Limited [A]	**40.41%**	40.41%
The Newspaper Publishers Association of New Zealand Incorporated [C]		
Online Media Association [C]		
New Zealand Media Council [C]		
Radio Broadcasters Association Incorporated [C]		

[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.

[C] These are bodies with which entities in the Group have memberships, but no ownership interest.

5.2.2 Equity accounted investments

	June 2021 $'000
As at 31 December 2020	**4,162**
Share of losses in joint ventures and associates	**(354)**
Dividends received	**(61)**
As at 30 June 2021	**3,747**

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.

5.3 ASSETS HELD FOR SALE

At 30 June 2021 GrabOne Limited is classified as held for sale and for information purposes additional disclosures in respect of GrabOne Limited's performance are shown in note 5.3.2.

Subsequent to the balance date NZME reached a conditional agreement to sell GrabOne. See note 6.3 for details.

5.3.1 Carrying values of net assets held for sale

	June 2021 $'000
Trade and other receivables	**112**
Intangible assets	**1,007**
Property, plant and equipment	**189**
Deferred tax asset	**46**
Assets classified as held for sale	**1,354**
Trade and other payables	**5,080**
Liabilities directly associated with assets classified as held for sale	**5,080**
Net liabilities held for sale	**3,726**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) CONTINUED.

5.3.2 Income statement for GrabOne Limited

	June 2021 $'000
Revenue and other income	4,415
Expenses from operations before finance costs, depreciation and amortisation	(1,999)
Depreciation and amortisation	(343)
Profit before income tax expense	**2,073**
Income tax expense	(575)
Profit after tax	**1,498**

5.3.3 Cash flows from GrabOne Limited

	June 2021 $'000
Net cash inflows from operating activities	1,335
Reconciliation of net cash inflows / (outflows) from operating activities to profit for the year:	
Profit for the year	1,498
Depreciation and amortisation expense	343
Change in current / deferred tax payable	575
Changes in assets and liabilities:	
Trade and other receivables	46
Prepayments	71
Trade and other payables and employee benefits	(1,198)
Net cash inflows from operating activities	**1,335**

6.0 OTHER NOTES

6.1 RELATED PARTIES

The Beacon Printing & Publishing Company Limited purchased advertising from the Group during the six months ended 30 June 2021 totalling $624 (2020: $270) and reimbursed $1,493 (2020: $nil) for paper used.

The Group has commitments to provide future services (such as house advertising, occupancy space at NZME offices, business as usual finance and human resources support) to certain joint ventures and associates. During the period such services were provided to Eveve New Zealand Limited, valued at $13,996 (2020: $13,996) and Restaurant Hub Limited, valued at $6,004 (2020: $6,004). The outstanding balances for future services are included in the table below, along with other receivables and payables.

During the period the Group received advertising revenue from The Wairoa Star Limited totalling $2,874 (2020: $1,736). The Wairoa Star Limited also purchased other services totalling $810 (2020: $nil) from the Group. The Group purchased services from The Wairoa Star Limited totalling $723 (2020: $904) during the year.

	June 2021 Receivables $'000	December 2020 Receivables $'000	**June 2021 Payables $'000**	December 2020 Payables $'000
Balances with related party				
Restaurant Hub Limited	**20**	37	**44**	64
Total related party receivables and payables	**20**	37	**44**	64

6.2 CONTINGENT LIABILITIES

The Group did not have contingent liabilities as at 30 June 2021.

6.3 SUBSEQUENT EVENTS

On 23 August 2021 NZME entered into a conditional agreement to sell GrabOne to Global Marketplace New Zealand Limited (GMP) for $17.5 million (payable in cash on completion).

The sale is not subject to any regulatory conditions. It is conditional on no material adverse change to performance of GrabOne occurring prior to completion, and on GMP completing funding arrangements for the acquisition by 15 October 2021.

GMP will pay NZME a break fee of $1.0 million if the funding condition is not satisfied by 15 October 2021.

The sale is expected to be completed no later than 31 October 2021.

The change to New Zealand lockdown levels is discussed in note 1.5.

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

Independent auditor's review report

To the shareholders of NZME Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of NZME Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated interim balance sheet as at 30 June 2021, and the consolidated interim income statement, the consolidated interim statement of comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the six months ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2021, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

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

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of taxation advisory services, non-audit assurance in accordance with Rules and Circulation Audit Guidelines established by the Audit Bureau of Circulations Incorporated, agreed upon procedures for the benchmarking of market revenue data, and agreed upon procedures relating to the Group's return to the Broadcasting Standards Authority. In addition, certain partners and employees of our firm may subscribe to NZME services on normal terms within the ordinary course of the trading activities of the Group. These relationships and provision of other services have not impaired our independence.

Directors' responsibility for the consolidated interim financial statements

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

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

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

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

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
23 August 2021

Auckland

NZ ME. NEW ZEALAND MEDIA AND ENTERTAINMENT

Distribution Notice

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

Section 1: Issuer information				
Name of issuer	NZME Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	NZM			
ISIN (If unknown, check on NZX website)	NZNZME0001S0			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies			
Record date	10/09/2021			
Ex-Date (one business day before the Record Date)	09/09/2021			
Payment date (and allotment date for DRP)	22/09/2021			
Total monies associated with the distribution[1]	$ 5,927,101.83000000			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.04166667			
Gross taxable amount [3]	$0.04166667			
Total cash distribution[4]	$0.03000000			
Excluded amount (applicable to listed PIEs)	$			
Supplementary distribution amount	$0.00529412			
Section 3: Imputation credits and Resident Withholding Tax[5]				
Is the distribution imputed	Fully imputed X			
	Partial imputation			
	No imputation			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form
[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).
[3] "Gross taxable amount" is the gross distribution minus any excluded income.
[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.
[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

If fully or partially imputed, please state imputation rate as % applied[6]	28%	
Imputation tax credits per financial product	$0.01166667	
Resident Withholding Tax per financial product	$0.00208333	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	%	
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product	$	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Michael Boggs	
Contact person for this announcement	Allison Whitney	
Contact phone number	027 479 0697	
Contact email address	allison.whitney@nzme.co.nz	
Date of release through MAP	24/08/2021	

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