

15 December 2022
FOR IMMEDIATE RELEASE

Commerce Commission proceedings about sale of magnet sets on GrabOne

AUCKLAND, 15 December 2022: NZME Limited (NZX: NZM, ASX: NZM) (“**NZME**”) advises that the New Zealand Commerce Commission has filed court proceedings against NZME Advisory Limited (a subsidiary of NZME, and formerly called GrabOne Limited) under sections 31(5) and 40(1) of the Fair Trading Act 1986 in relation to the historical sale of magnet sets on the GrabOne website. NZME sold the GrabOne business in October 2021.

The Commerce Commission considers that the sale of these magnet sets was prohibited under the Unsafe Goods (Small High Powered Magnets) Indefinite Prohibition Notice 2014, and that there has therefore been a breach of the Fair Trading Act.

When NZME was alerted to the issue in September 2021, it immediately refunded all purchases and undertook a thorough recall process. That recall process was completed in July 2022.

NZME has fully cooperated with the Commerce Commission in relation to its enquiries in this matter to date. NZME is reviewing the charges and NZME has yet to determine the position it will take in response.

The Commerce Commission has not yet advised NZME of the penalties it will seek, and the decision as to actual penalties will be a matter for the court. However, based on the maximum penalties available under law for each of the charges and the insurance policies that NZME holds, these proceedings are not expected to have a material effect on the financial position or profitability of NZME. As such there is no change to NZME’s existing guidance of 2022 EBITDA, as provided to the market on 9 November 2022.

ENDS

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