

11 April 2022

FOR IMMEDIATE RELEASE

2022 Annual Shareholders' Meeting Presentation and Addresses

AUCKLAND, 11 April 2022: NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") attaches the Chairman of the Meeting and the CEO's addresses, and presentation which will be delivered at the Annual Shareholders' Meeting being held online today, commencing at 3:00pm (NZT).

ENDS

Authorised by the NZME Board

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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 a combined audience of 3.4 million New Zealanders*, NZME supports commercial partners to grow customer engagement with a data driven, audience and customer centric approach. NZME is listed on the NZX Main Board (code NZM) with a foreign exempt listing on the ASX (code NZM).

*SOURCE: Nielsen CMI Fused Q1 21 – Q4 21 January 2022 AP15+

CHAIRMAN OF MEETING'S ADDRESS: BARBARA CHAPMAN

Welcome

Welcome everyone and thanks for attending New Zealand Media and Entertainment's Annual Shareholder Meeting for 2022.

It's a shame to once again not be able to hold this meeting in person, and I look forward to when we can get back to some sort of normality and have our ASM together. I'm optimistic that will be in the not-so-distant future.

State of New Zealand's economy

NZME operates within the context of the business environment around us. When looking at the state of our economy in New Zealand, we have experienced, and we continue to experience, a number of challenges.

As we all know, New Zealand experienced another difficult year in 2021 with COVID-19 re-emerging in August, resulting in full lockdowns and border restrictions between regions across the country. This caused the effective isolation of our largest city – Auckland.

Omicron is still very much in the community. Supply chains remain disrupted, inflation is rising, interest rates are rising, and the employment market, particularly with our borders having been closed for so long, is extremely tight putting upward pressure on wage rates.

However, despite these major challenges, NZME was able to achieve tremendous results.

Agenda

Today in my address I'll be taking shareholders through some of NZME's high-level results from the 2021 financial year, providing an update on our strategic priorities and NZME's guiding principles, as well as some insight on our commitment to sustainability.

Following that I'll share with you some details of our capital management plan and how we are tracking in this respect before I pass on to Michael Boggs for his Chief Executive address.

Financial Results 2021

Despite the challenges of 2021, our financial results were solid. Overall operating revenue was up 5 percent on 2020, which included a 13 percent recovery in advertising revenue. A 37 percent growth in digital revenue across the business was testament to NZME's focus on digital transformation and expansion of its digital platform offering.

NZME's Statutory Net Profit was up 138 percent, partly due to the sale of GrabOne. Operating Net Profit After Tax was up 6 percent on the prior year.

The increase in our share price, combined with dividends, resulted in a Total Shareholder Return for the year of 103%.

Michael will provide further information on financial results and an outlook for 2022 in his address.

Having a defined strategy with clear priorities and opportunities and maintaining a tight focus on what is going to help "shift the dial" shaped the financial result.

But alongside that we must also acknowledge the hard work and commitment of our people and our customers, in what has been a very challenging and uncertain trading and operating environment, for our success over the past 12 months.

2023 Strategic Priorities

NZME is committed to delivering shareholder value by focusing on our guiding principles, our key strategic priorities and achieving the 2023 targets we've set for the business.

Late in 2020 we shared our guiding principles that would be applied to each of NZME's strategic initiatives. These guiding principles remain a steady focus in all areas of the business, driving results and ensuring our 2023 key targets are met. They are:

Customer First – we remain focused on putting our customers first and adding true value – enhancing their experiences and being indispensable.

Win with Quality – we remain committed to setting the bar high to ensure our premium quality focus is applied to everything we do.

Digital Acceleration – we aim to deliver a world class digital business – driving the growth of digital content via our news platforms including NZ Herald Premium, growing digital audio through iHeartRadio and expanding and improving digital platforms such as OneRoof.

Audience Expansion – growing audiences across NZME's multiple brands.

And being a Top Performer – we will continue to set new standards and benchmarks to ensure top performance across all areas of the business.

In Michael's address he will speak in more detail about NZME's three strategic priorities and provide an update on how the business is tracking under each of those pillars.

The business' strategic focus continues to be on:

Being New Zealand's Leading Audio Company

The New Zealand Herald to be New Zealand's Herald, and

OneRoof to be New Zealand's completely property destination.

Underlying NZME's strong business performance in 2021 was our focus on these strategic priorities, underpinned by our clear guiding principles.

The business' transformation and performance was recognised publicly this year, with NZME recognised at the 2022 Deloitte Top 200 Business Awards, taking out the prize for Most Improved Performance. This was a fantastic achievement and testament to all the hard work done to drive the performance of our business forward in another challenging year.

Furthermore, off the back of the Deloitte Top 200 win, NZME's news teams celebrated the latest Nielsen readership results confirming NZME as New Zealand's go to news destination, with 2.7 million Kiwis keeping up with the news via our multiple platforms.

Sustainability Commitment

NZME's sustainability programme is aligned to the guidelines set out in the United Nations Sustainable Development Goals.

As a business NZME is committed to protecting the craft of journalism and broadcasting to keep Kiwis in the know. To do this requires a commitment to sustainable practices and the wellbeing of our community, people, and environment.

NZME is focused on **connecting and empowering our communities**. In 2021, with Kiwis once again impacted by COVID, keeping Kiwis in the know was more important than ever before – keeping them connected and safe during the pandemic. The 90% Project was a bold initiative driven by the NZ Herald that was hugely successful – driving a call to action to see 90% of the eligible New Zealand population immunised by Christmas last year.

To honour our sustainability commitment, we also need to **provide a workplace that fosters innovation, engagement, and inclusion**. NZME's Diversity and Inclusion Committee has been instrumental in driving a number of events and training programmes to help foster this. We are striving for diversity at Board, Executive and People leader levels and continue to make progress in this area.

We take our **responsibility to the environment** seriously and we continue to review the actual and potential impact our business practises have on our environment. We are committed to demonstrating leadership in this area, including using our many platforms to inform and raise awareness of environmental issues. An example of this is Our Green Future – a content hub shared across NZME's lifestyle brands and The New Zealand Herald, both online and in print. This content hub brings together sustainability content created by NZME's leading lifestyle brands and amplifies these important messages through various NZME channels.

Capital Management

Three years ago, NZME was in a very different financial position with a net debt position of about \$100 million, leading the Board and management to place a strong focus on reducing that debt through a strategic capital management plan.

Thanks to disciplined management we can now report a much stronger balance sheet and significantly improved financial performance. This allowed for a return to dividend payments during the year, with dividends totalling eight cents per share paid in relation to 2021.

At the end of March NZME signed a letter of intent with Google which sets out terms for NZME to supply news content for Google's News Showcase and other news products and projects. Discussions with Meta – the owner of Facebook - are also continuing.

In January we announced that we had completed our acquisition of business and economic news service BusinessDesk, which along with NZ Herald Premium, sees NZME further building on its digital growth, providing comprehensive and trusted business news to its consumer and business customers

On 4 April we commenced an on-market share buyback programme for an aggregate purchase price of up to \$30 million, which may run up to 16 December this year.

Along with our progress on debt reduction, our market buyback programme provides us with an opportunity to return value back to our shareholders whilst remaining in a strong position to make future capital investments that align with our strategic priorities and put NZME in an excellent position for future growth.

Board reflections and shareholder engagement

Although this year has been another challenging one for NZME, the Board has been pleased with the progress that has been made and the financial position the business is in.

We have enjoyed the ongoing engagement we have with our investor community, and we hope this ongoing engagement allows shareholders to gain a deep understanding of our strategy and focus, and on our ongoing commitment to creating shareholder value.

We also hope it's provided shareholders with opportunities to provide feedback and ask questions – we welcome all feedback from our investor community, and we will continue to provide you with opportunities to engage with the Board and executive directly. This will include at our Annual Investor Day later in the year.

I'd like to take the time to thank the Board for their leadership and commitment throughout the year. We all bring very different backgrounds, skillsets, and experience to the Board table, which I think is a great strength, and it's been a pleasure to work together over the past year. Thank you also for your support of me as Chairman.

Before closing, I'd like to mention the item in NZME's notice of meeting regarding a matter raised by shareholders who are members of the New Zealand Free Speech Union. This matter will be discussed further on in the meeting, following our formal resolutions.

Closing remarks

On a final note, and on behalf of the NZME Board I'd also like to acknowledge and thank Michael and the Executive team for all their hard work in another challenging year.

A big thanks also to everyone at NZME, our customers, partners and shareholders for your commitment and ongoing support.

I will now pass on to Michael to deliver his Chief Executive Address.

CHIEF EXECUTIVE OFFICER'S ADDRESS – MICHAEL BOGGS

Welcome

Kia ora koutou.

Thank you Barbara, and welcome everyone. Thank you for joining us for our 2022 Annual Shareholders' Meeting.

I echo Barbara in saying we had hoped to be able to hold this meeting in person, but we look forward to being able to do that again in the near future.

Overview

I'd like to begin with an overview of New Zealand Media and Entertainment.

NZME is a leading player in all the sectors of the media and entertainment industry we represent – be that through audio, publishing, and real estate.

We are an audience and customer centric, integrated multi-platform media and entertainment business. We are heavily focused on our audiences and customers, connecting advertisers to more than 3.5 million New Zealanders across our platforms. Those platforms include 32 print publications, 10 audio brands, 17 websites and 12 real estate publications.

Through our audio platforms, with our nationwide broadcast network and digital platform iHeartRadio, we reach 1.9 million people.

Furthermore, we have a publishing audience of 2.8 million, with 50 percent of New Zealanders engaging with NZ Herald online each month. The New Zealand Herald remains New Zealand's number one daily newspaper. As Barbara mentioned, our acquisition of BusinessDesk early in 2022 has also contributed to us growing our digital subscriber base.

Our OneRoof real estate products reach more than 850,000 through both the OneRoof digital platform and our various dedicated property publications across the country.

Our audience reach and continued growth across our multiple platforms, including our ongoing focus on digital growth, sees NZME continuing to have a strong position in each market it participates in, as a leading, innovative, multi-platform media and entertainment business.

Keeping Kiwis in the Know

Our people have continued to demonstrate our commitment to protecting the craft of journalism and broadcasting – delivering on our purpose of keeping Kiwis in the know.

We are focused on ensuring we are delivering quality journalism and entertainment for our audiences and, despite significant uncertainty in the 2021 financial year due to COVID, we were successful in doing so. Once again, we were faced with the challenges of the global pandemic and we felt the impacts not

just from a business and operational perspective, but also the responsibility to use our multiple platforms to ensure our communities were connected and kept safe.

The 90% Project was a bold initiative driven by the NZ Herald and supported across the entire business, with NZME taking a leadership stance to get 90% of New Zealand's eligible population vaccinated by Christmas last year. The campaign was one of NZME's proudest achievements – it was a great success, with New Zealand achieving the target with more than a week to spare.

We were hugely proud to have raised more than \$1.5 million recently for the Ukraine Crisis Appeal – a fundraising campaign between NZ Herald and World Vision to raise money for families impacted by the terrifying events in Ukraine. We shared personal stories from families on the ground in Ukraine, which clearly resonated with our NZ Herald readers, with donations reaching \$1.5 million in under three weeks.

Furthermore, we are diversifying our content to meet the needs of our communities. These include:

Kahu - a digital platform that showcases Māori stories and talent from newsrooms across Aotearoa

Talanoa - a focus on the people, stories and voices of Pacific communities

KICK - a youth focused digital radio network designed and built by seven graduates from the New Zealand Broadcasting School, helping grow the future of radio content by youth, for youth.

We welcomed 15 **Te Rito** journalism cadets at NZME earlier this year. Te Rito is a groundbreaking initiative between ourselves and three other media partners, with support from NZ on Air's Public Interest Journalism Fund, to train and develop new journalism cadets to inject the industry with voices that better reflect our diverse communities.

NZME recognises the responsibility that comes with acting as a voice of record for New Zealand and we continue to use our audience reach and engagement to address key issues important to New Zealanders.

2021 Financial Results Summary

In terms of our financial performance, as Barbara mentioned, we are extremely pleased with our 2021 year end result, despite it being another challenging year operationally, with disruption due to COVID.

I'm pleased to be able to highlight earnings growth, the elimination of debt on the balance sheet and a return to dividend payments.

Despite the continued impact of COVID on demand during the year, Operating Revenue grew 5 percent to \$349.2 million. Operating EBITDA was \$66 million, which was in line with the previous year.

Statutory Net Profit After Tax was \$34.4 million which was \$19.9 million higher than last year, which included the gain on the sale of GrabOne of \$15.4 million. It was pleasing to see operating NPAT was 6 percent higher than last year at \$23.6 million.

Our balance sheet has significantly strengthened, and we closed the year with a net cash position of \$13.5 million – an improvement of \$47.4 million from the net debt position at the same time the year prior.

Given the significant progress made with revenue and profitability growth and a positive improvement in our debt position, the Board declared dividends in relation to 2021 totalling 8 cents per share. As mentioned in our Annual Results presentation earlier this year, these results demonstrated the strength of our business, with improved outcomes and continued progress towards our strategic priorities, despite another difficult year in terms of our operating environment.

Market overview

The bars on these graphs show the changes in total market revenue across each of Radio, Print and Digital. The lines on these graphs show how NZME has grown its market share in each channel over at least the last three years.

Pleasingly, our first quarter performance in 2022 shows our radio revenue looks to be on a trajectory to return to pre-COVID levels.

Accelerated digital revenue growth

We have been pleased with digital revenue growth across all three strategic priorities – Audio, Publishing and OneRoof.

The left hand graph shows the substantial growth of digital audio revenue from iHeartRadio – up 51 percent in 2021. The popularity of digital audio continues to grow, and with diversity of voice through various podcasts and availability of all radio brands, this is a platform NZME is really excited about for the future.

The middle chart shows both digital display advertising and digital subscription revenue growing, resulting in a 32 percent increase in total digital publishing revenue.

Digital revenue from our OneRoof property platform also grew substantially – up 90 percent year on year.

New Zealand's Leading Audio Company

Turning now to our audio strategic priority – to be New Zealand's leading audio company, supported by the three key pillars you can see next to the icons on the left hand side. We are making solid progress towards our 2023 targets for audio.

We've also grown audience share by 1.8 percentage points, exceeding our goal of 1 percent share growth per annum.

Despite our radio revenue share being slightly short of our target growth last year, it's been very positive to see our radio advertising revenue recovering to now exceed pre COVID levels.

As mentioned, we also continue to grow digital audio revenue through iHeartRadio, and we have further bolstered our iHeartRadio team with a number of key senior appointments, to cement our focus on this being a significant growth opportunity for NZME.

Publishing

Turning now to our publishing strategic priority - our publishing business – with the focus on the New Zealand Herald becoming New Zealand's Herald.

We've seen total subscribers increase by 13 percent to 191,000 in 2021. We continue to track well towards our 2023 targets.

As Barbara mentioned earlier, the acquisition of BusinessDesk earlier this year has been fantastic, with their premium digital offering and business subscriber base. Total subscribers are now over 200,000, with digital subscriptions now totalling 97,000.

Digital advertising revenue represented 46 percent of total publishing advertising revenue in 2021.

You'll note that the 2023 EBITDA target has been adjusted to reflect the impact of the Software as a Service change in accounting policy during 2021.

OneRoof

We are progressing our position to have OneRoof become your complete property destination. We've seen good progress across residential listings penetration of the market and growth in listings upgrades in our biggest market Auckland, as well as nationwide.

This has been supported by bespoke product bundles, delivering value to customers.

The first quarter of 2022 has seen continued positive momentum, with digital revenue growth in OneRoof of over 50 percent against the first quarter in 2021.

NZME Executive Team

During the year, we had a number of internal appointments into NZME's Executive Team, demonstrating the depth within NZME and the talent of our people. Jason Winstanley was appointed as the new Chief Radio Officer and Paul Hancox as the new Chief Commercial Officer.

In addition to our internal Executive appointments, Carolyn Luey, who has extensive experience in telecommunications and media, rejoined NZME in the newly created role of Chief Digital and Publishing Officer, with responsibility for delivering a sustainable growth strategy for our publishing business.

Jason, Paul and Carolyn all bring with them a wealth of experience, and their appointments reflect the evolution of NZME's Executive Leadership team to support the ongoing acceleration of growth across our strategic priorities.

2022 Trading Update

The country is still in the midst of the Omicron variant outbreak albeit, large cities like Auckland appear to be past the peak. The impact of the outbreak, inflationary pressures and the cooling housing market continues to keep businesses cautious in 2022.

Despite low business confidence levels, we are pleased to report that Q1 advertising revenue in 2022 outperformed Q1 2021.

Whilst we have received Ministry of Health COVID advertising spend over recent years, it has not been enough to offset the decline in travel and tourism advertising spend.

There are positive signs for the tourism sector with the government announcing the reopening of borders to vaccinated and eligible travellers across Q2 – Q4 2022. We are beginning to see tourism advertising bookings come through for the second half of 2022.

NZME has advanced its commercial discussions with Meta with regards to them supporting a number of digital transformation projects over the next year. We expect to be able to update in the coming days.

Since signing the Letter of Intent with Google, we are making good progress on the final agreements.

As we have previously noted, based on the key terms of the Google Letter of Intent, if NZME and Google ultimately enter into the final agreements at the end of the period of negotiations and having regard to the current trading performance and other anticipated commercial arrangements, NZME expects that EBITDA for 2022 financial year would be in the range of \$67-72 million.

We are also pleased to have commenced the on-market share buyback last week.

Our People

Finally, on behalf of myself and the Executive Team, I would like to thank our fantastic, talented team of people at NZME. The positive results we achieved in 2021 have been made possible thanks to their dedication, passion, their support and commitment. I'd also like to say a big thank you to our customers and business partners and our valued shareholders for your ongoing support.

Thanks also to the millions of Kiwis who choose to engage with NZME via our multiple platforms, each and every day.

Thank you also to Barbara Chapman and the NZME Board for their ongoing support and guidance, which has been particularly valuable as we've worked through many challenges over recent years.

In conclusion, I look forward to discussing any questions you have before the end of today's meeting.

Before passing back to Barbara, I'd like to share with you a short video that captures some of the key highlights of NZME's 90% Project – a celebration of our customer-centric, multi-platform business and the talented team we're so lucky to have at NZME. Please enjoy.