

MARKET ANNOUNCEMENT

3 June 2020

NZME extends term of bank facilities

AUCKLAND, 3 June 2020: NZME Limited (NZX: NZM, ASX: NZM) ("**NZME**") is pleased to announce that it has agreed terms to extend its existing debt facilities to 1 July 2023. The current terms of the facilities with Westpac New Zealand Limited and Commonwealth Bank of Australia were due to expire on 1 January 2022. The new term of the bank facilities provides the Company with certainty of funding for the next three years.

The facilities recognise the current impacts of Covid-19 and provide additional covenant headroom over the term of the facility.

In 2019 NZME's net debt reduced by \$23.6m to \$74.7m and the Board continues to focus on debt reduction as part of the Company's capital management plan. The facilities restrict distributions until July 2021 and thereafter allow operation in line with NZME's capital management and dividend policy.

As with the previous facilities, the new \$110m facilities will step down each year to a level of \$75m at 31 December 2022. This provides significant headroom over the net debt position of \$62m as at 31 May 2020 and aligns with the Board's focus on overall debt reduction. The line fee savings from the reduction in facility limits partially offset an interest margin increase of around 90 basis points, reflecting current operating conditions.

ENDS

Authorised by the NZME Board

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