

13 August 2025

Shareholder Announcement: Temporary Deferral of Share Repayments

Dear Shareholders,

Prudent financial management and acting in the long-term interests of all our shareholder members is a core commitment of the NZPM board and management team. In light of current market conditions and the need to maintain a strong balance sheet, the company has made the decision to temporarily suspend accepting Ordinary Share surrender notices and making payments for Redeemable Preference Share redemptions, effective immediately. This will be reviewed again in the November 2025 quarter.

This decision does not impact our commitment to continue to pay quarterly dividends to Redeemable Preference shareholders.

This decision has not been taken lightly, and we want to provide transparency around the key factors that have led to this action:

- **Challenging Market Conditions:** Since our last update, revenue has declined further. The trading environment remains extremely competitive, with increasing price sensitivity across many segments.
- **Weak Construction Outlook:** The broader construction industry continues to face a subdued outlook, which we expect will persist for the next 12 months.
- **Increased Shareholder Requests:** Surrender notices from Ordinary Shareholders and redemption requests from Redeemable Preference Shareholders in the August quarter are projected to be approximately double normal quarterly levels, while new share applications have slowed significantly.
- **Cost Management Initiatives:** In response to market pressures, we are implementing a further cost reduction programme which includes a proposed significant management restructure that is expected to deliver further annualised savings of approximately \$1.5 million. This programme is in addition to the costs reductions implemented so far this calendar year of approximately \$2.0 million (annualised).
- **Property Sale:** We are actively progressing the marketing to sell our prime Kingsland, Auckland property to strengthen our financial position.

We fully acknowledge that this deferral will be disappointing, especially in the current economic climate. However, NZPM has an obligation to treat all shareholders fairly, which includes management of surrender and redemption payments so that they do not disadvantage other members or compromise the financial integrity of the Co-operative.

The provisions within our share terms that allow for the non-acceptance of surrender notices and deferral of redemptions were designed specifically for circumstances such as these; when fulfilling all surrender and redemption requests in the short term would not be in the best interests of the wider shareholder group.

To help support those shareholders seeking liquidity in the meantime, we are working with Syndex, a private market platform to enable Redeemable Preference Shares to be traded. This will provide an alternative solution for Redeemable Preference shareholders wishing to sell their Redeemable Preference shares during the deferral period. We will also refer all new investor inquiries to Syndex to help match buyers and sellers and support liquidity on the platform.

We will contact all shareholders who have lodged a surrender or redemption request.

Maintaining a strong balance sheet is critical to the long-term sustainability of NZPM, and we remain focused on protecting the value of the Co-operative for all shareholders.

By withholding redemption payments and implementing the other actions outlined, NZPM maintains strong headroom under its banking facilities. This financial flexibility provides the Co-operative with the necessary time to navigate current market conditions, support ongoing operations, and focus on rebuilding profitability as the market recovers.

The upcoming Annual Shareholder Meeting will provide an opportunity for shareholders to engage with the company to hear additional insights into our performance and the current market outlook.

We will provide a further update in relation to the surrender notices and redemptions following the next review in the November quarter.

NZPM's success is built on all of us working together and supporting each other. Thank you for your continued support of the Co-operative.



Kathy Meads
Chair



Brett Cruickshank
Interim Chief Executive Officer