



ELEVATION CAPITAL RELEASES - #NZXNOW

2 October 2018

- Elevation Capital Management Limited ("Elevation Capital") releases #NZXNOW (www.nzxnow.com) and calls for NZX Limited ("NZX") to implement a revised strategic plan, with clear financial metrics, a spin-off of the Fund Services business, strategic joint ventures, further reductions in headcount and an elimination of wasteful spending.
- Elevation Capital holds approximately 6.2 million NZX shares on behalf of its clients which accounts for ~2.3% of NZX's issued capital.
- Elevation Capital estimates NZX shareholders have foregone NZ\$ 235mln in total return based on the underperformance of NZX vs S&P/NZX50 Index from 2012-2017.
- Elevation Capital believes implementing #NZXNOW will unlock approximately NZ\$150 million in value for shareholders with the intrinsic value of NZX shares estimated in the range of NZ\$1.62 - NZ\$1.89 - an approximate +47% - +72% uplift from the current share price of NZ\$ 1.10 (as at 28 September 2018).

Elevation Capital's Managing Director & Portfolio Manager - Christopher Swasbrook states:

"NZX's current strategic plan presented in November 2017 is not strategic, nor a plan. If I handed the current document to someone to go and execute, they would know neither (i) what to do, nor (ii) what results it was meant to achieve. In essence it is a political document, written so the Board and Management can maintain good graces with the stakeholders that they are looking to cultivate. In this, the NZX of today, has become the NZ Post of old. Looking for political solutions to business problems, instead of looking for real business change."

"NZX is a company still run for the agents (Management) versus the actual owners (Shareholders) with excessive headcount, costs and wasteful spending. Symbolic of this culture of wasteful spending is the recent trip to New York by over 10 members of the NZX Board and Management team." (Photos attached below - Source: @NasdaqTech on Twitter - 12 September 2018 - 9.07am - Retweeted by @NZXGroup.)

Swasbrook adds ... *"If ever there was a time for Shareholders to assert their rights to hold Board/s and Management/s accountable given the recent headlines and poor financial performances with seemingly no impact on remuneration levels amongst corporate New Zealand, it is now. The least I can do is stand-up publicly and highlight the need for increased accountability."*



MORNINGSTAR INTERNATIONAL EQUITIES CATEGORY FUND MANAGER OF THE YEAR 2017, NEW ZEALAND

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ELEVATION CAPITAL®



Nasdaq Tech @NasdaqTech · Sep 12
🎉 Congrats to @NZXGroup and @Nasdaq for singing an MoU! @NZXGroup joined us for the opening bell in Times Square to celebrate how both exchanges are working together to #rewritetomorrow for capital markets in NZ & the US: sprly/6014D088y

Front row:

Jon Macdonald (Director), Lindsay Wright (Director), James Miller (Chairman), Mark Peterson (CEO),
Joanna Lawn (Head of Issuer Relationships), Dr. Patrick Strange (Director)

Back row:

Hamish Macdonald (General Counsel & Head of Policy), **Unknown**, Nigel Babbage (Director), Kathryn Jaggard (Head of Strategy),
Anna Molloy (future director), Richard Bodman (Director)



Dr. Patrick Strange, Joanna Lawn, Kathryn Jaggard, Anna Molloy, Nigel Babbage, James Miller, **Unknown**, Mark Peterson,
Lindsay Wright, Jon Macdonald, Hamish Macdonald, Richard Bodman, **Unknown**.

Ends.



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