

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number 001-36097

GANNETT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

38-3910250

(I.R.S. Employer Identification No.)

175 Sully's Trail, Suite 203, Pittsford, New York

(Address of principal executive offices)

14534-4560

(Zip Code)

Registrant's telephone number, including area code: (585) 598-0030

7950 Jones Branch Drive, McLean, Virginia 22107-0910

(Former name, former address and former fiscal year if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	GCI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

As of April 29, 2024, 147,547,609 shares of the registrant's Common Stock were outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including "Part I, Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Part II, Item 1A — Risk Factors" contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our current views regarding, among other things, our future growth, results of operations, performance, business prospects and opportunities, stock repurchases, and our environmental, social and governance goals, and are not statements of historical fact. Words such as "anticipate(s)," "expect(s)," "intend(s)," "plan(s)," "target(s)," "focus," "goal," "project," "believe(s)," "will," "aim," "would," "could," "can," "may," "seek(s)," "estimate(s)" and similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are based on management's current expectations and beliefs and are subject to a number of known and unknown risks, uncertainties, and other factors that could lead to actual results materially different from those described in the forward-looking statements. We can give no assurance our expectations will be attained. Our actual results, liquidity, and financial condition may differ from the anticipated results, liquidity, and financial condition indicated in the forward-looking statements. Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause our actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others, the risks identified by us under the heading "Risk Factors" in this Quarterly Report on Form 10-Q, and under the heading "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission on February 22, 2024, as well as other risks and factors identified from time to time in our subsequent filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any statement is based.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GANNETT CO., INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
In thousands, except share data

	March 31, 2024	December 31, 2023
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 93,334	\$ 100,180
Accounts receivable, net of allowance of \$15,543 and \$16,338 as of March 31, 2024 and December 31, 2023, respectively	244,082	266,096
Inventories	23,622	26,794
Prepaid expenses	44,386	36,210
Other current assets	20,344	14,957
Total current assets	425,768	444,237
Property, plant and equipment, net of accumulated depreciation of \$330,747 and \$336,408 as of March 31, 2024 and December 31, 2023, respectively	238,902	239,087
Operating lease assets	166,911	221,733
Goodwill	533,743	533,876
Intangible assets, net	501,640	524,350
Deferred tax assets	34,243	37,125
Pension and other assets	187,959	180,839
Total assets	\$ 2,089,166	\$ 2,181,247
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 300,340	\$ 293,444
Deferred revenue	119,509	120,502
Current portion of long-term debt	64,263	63,752
Operating lease liabilities	43,586	45,763
Other current liabilities	9,303	10,052
Total current liabilities	537,001	533,513
Long-term debt	550,044	564,836
Convertible debt	419,671	416,036
Deferred tax liabilities	6,604	2,028
Pension and other postretirement benefit obligations	41,121	42,661
Long-term operating lease liabilities	192,293	203,871
Other long-term liabilities	109,451	100,989
Total noncurrent liabilities	1,319,184	1,330,421
Total liabilities	1,856,185	1,863,934
Commitments and contingent liabilities (See Note 11)		
Equity		
Preferred stock, \$0.01 par value per share, 300,000 shares authorized, none of which were issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Common stock, \$0.01 par value per share, 2,000,000,000 shares authorized, 158,564,950 shares issued and 147,585,710 shares outstanding at March 31, 2024; 158,554,705 shares issued and 148,939,463 shares outstanding at December 31, 2023	1,586	1,586
Treasury stock, at cost, 10,979,240 shares and 9,615,242 shares at March 31, 2024 and December 31, 2023, respectively	(19,927)	(17,393)
Additional paid-in capital	1,429,137	1,426,325
Accumulated deficit	(1,111,960)	(1,027,192)
Accumulated other comprehensive loss	(65,383)	(65,541)
Total Gannett stockholders' equity	233,453	317,785
Noncontrolling interests	(472)	(472)
Total equity	232,981	317,313
Total liabilities and equity	\$ 2,089,166	\$ 2,181,247

The accompanying notes are an integral part of these condensed consolidated financial statements.

GANNETT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three months ended March 31,	
	2024	2023
<i>In thousands, except per share amounts</i>		
Digital	\$ 267,499	\$ 247,478
Print and commercial	368,262	421,439
Total revenues	635,761	668,917
Operating costs	402,399	430,188
Selling, general and administrative expenses	180,489	180,390
Depreciation and amortization	38,298	43,698
Integration and reorganization costs	17,881	12,127
Asset impairments	45,989	5
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Other operating expenses	39	229
Total operating expenses	685,647	648,956
Operating (loss) income	(49,886)	19,961
Interest expense	26,565	28,330
Gain on early extinguishment of debt	(617)	(496)
Non-operating pension income	(3,146)	(1,815)
Equity loss (income) in unconsolidated investees, net	185	(210)
Other non-operating expense, net	1,817	1,221
Non-operating expenses	24,804	27,030
Loss before income taxes	(74,690)	(7,069)
Provision (benefit) for income taxes	10,078	(17,329)
Net (loss) income	(84,768)	10,260
Net loss attributable to noncontrolling interests	—	(84)
Net (loss) income attributable to Gannett	\$ (84,768)	\$ 10,344
(Loss) income per share attributable to Gannett - basic	\$ (0.60)	\$ 0.07
(Loss) income per share attributable to Gannett - diluted	\$ (0.60)	\$ 0.07
Other comprehensive income (loss):		
Foreign currency translation adjustments	\$ (689)	\$ 6,337
Pension and other postretirement benefit items:		
Net actuarial (loss) gain	(538)	11,596
Amortization of net actuarial gain	237	4
Amortization of prior service cost	(125)	16
Equity method investments	116	610
Other	1,327	(2,911)
Total pension and other postretirement benefit items	1,017	9,315
Other comprehensive income before tax	328	15,652
Income tax provision related to components of other comprehensive income (loss)	170	2,362
Other comprehensive income, net of tax	158	13,290
Comprehensive (loss) income	(84,610)	23,550
Comprehensive loss attributable to noncontrolling interests	—	(84)
Comprehensive (loss) income attributable to Gannett	\$ (84,610)	\$ 23,634

The accompanying notes are an integral part of these condensed consolidated financial statements.

GANNETT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31,	
<i>In thousands</i>	2024	2023
Operating activities		
Net (loss) income	\$ (84,768)	\$ 10,260
Adjustments to reconcile net (loss) income to operating cash flows:		
Depreciation and amortization	38,298	43,698
Share-based compensation expense	2,826	3,736
Non-cash interest expense	5,260	5,267
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Gain on early extinguishment of debt	(617)	(496)
Asset impairments	45,989	5
Pension and other postretirement benefit obligations	(11,211)	(3,725)
Equity loss (income) in unconsolidated investees, net	185	(210)
Change in other assets and liabilities, net	25,937	(34,136)
Cash provided by operating activities	22,451	6,718
Investing activities		
Purchase of property, plant and equipment	(12,999)	(8,798)
Proceeds from sale of real estate and other assets	575	29,502
Change in other investing activities	(2)	—
Cash (used for) provided by investing activities	(12,426)	20,704
Financing activities		
Repayments of long-term debt	(15,290)	(36,178)
Treasury stock	(2,532)	(2,139)
Changes in other financing activities	(423)	(323)
Cash used for financing activities	(18,245)	(38,640)
Effect of currency exchange rate change on cash	984	38
Decrease in cash, cash equivalents and restricted cash	(7,236)	(11,180)
Cash, cash equivalents and restricted cash at beginning of period	110,612	104,804
Cash, cash equivalents and restricted cash at end of period	\$ 103,376	\$ 93,624

The accompanying notes are an integral part of these condensed consolidated financial statements.

GANNETT CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Three months ended March 31, 2024									
	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Treasury stock		Non- controlling interest	Total	
<i>In thousands</i>	Shares	Amount				Shares	Amount			
Balance at December 31, 2023	158,555	\$ 1,586	\$ 1,426,325	\$ (65,541)	\$ (1,027,192)	9,615	\$ (17,393)	\$ (472)	\$ 317,313	
Net loss attributable to Gannett	—	—	—	—	(84,768)	—	—	—	(84,768)	
Other comprehensive income, net ^(a)	—	—	—	158	—	—	—	—	158	
Share-based compensation expense	—	—	2,826	—	—	—	—	—	2,826	
Issuance of common stock	10	—	25	—	—	—	—	—	25	
Treasury stock	—	—	—	—	—	1,151	(2,532)	—	(2,532)	
Restricted share forfeiture	—	—	—	—	—	213	(2)	—	(2)	
Other activity	—	—	(39)	—	—	—	—	—	(39)	
Balance at March 31, 2024	158,565	\$ 1,586	\$ 1,429,137	\$ (65,383)	\$ (1,111,960)	10,979	\$ (19,927)	\$ (472)	\$ 232,981	

	Three months ended March 31, 2023									
	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Treasury stock		Non- controlling interest	Total	
<i>In thousands</i>	Shares	Amount				Shares	Amount			
Balance at December 31, 2022	153,286	\$ 1,533	\$ 1,409,578	\$ (101,231)	\$ (999,401)	7,063	\$ (14,737)	\$ (369)	\$ 295,373	
Net income (loss) attributable to Gannett	—	—	—	—	10,344	—	—	(84)	10,260	
Restricted share grants	4,682	47	(47)	—	—	—	—	—	—	
Other comprehensive income, net ^(a)	—	—	—	13,290	—	—	—	—	13,290	
Share-based compensation expense	—	—	3,736	—	—	—	—	—	3,736	
Issuance of common stock	13	—	25	—	—	—	—	—	25	
Treasury stock	—	—	—	—	—	957	(2,139)	—	(2,139)	
Restricted share forfeiture	—	—	—	—	—	740	(7)	—	(7)	
Other activity	—	—	105	—	—	—	—	—	105	
Balance at March 31, 2023	157,981	\$ 1,580	\$ 1,413,397	\$ (87,941)	\$ (989,057)	8,760	\$ (16,883)	\$ (453)	\$ 320,643	

^(a) For the three months ended March 31, 2024 and 2023, Other comprehensive income is net of an income tax provision of \$0.2 million and \$2.4 million, respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — Description of business and basis of presentation

Description of business

Gannett Co., Inc. ("Gannett", "we", "us", "our", or the "Company") is a diversified media company with expansive reach at the national and local level dedicated to empowering and enriching communities. We seek to inspire, inform, and connect audiences as a sustainable, growth focused media and digital marketing solutions company. We endeavor to deliver essential content, marketing solutions, and experiences for curated audiences, advertisers, consumers, and stakeholders by leveraging our diverse teams and suite of products to enrich the local communities and businesses we serve.

Our current portfolio of trusted media brands includes the USA TODAY NETWORK, comprised of the national publication, USA TODAY, and local media organizations in the United States (the "U.S."), and Newsquest, a wholly-owned subsidiary operating in the United Kingdom (the "U.K."). Our digital marketing solutions brand, LocalIQ, uses innovation and software to enable small and medium-sized businesses ("SMBs") to grow, and USA TODAY NETWORK Ventures, our events division, creates impactful consumer engagements, promotions, and races.

Through USA TODAY, our network of local properties, and Newsquest, we deliver high-quality, trusted content with a commitment to balanced, unbiased journalism, where and when consumers want to engage. We have strong relationships with hundreds of thousands of local and national businesses in both our U.S. and U.K. markets due to our large local and national sales forces and a robust advertising and digital marketing solutions product suite. Our strategy prioritizes maximizing the monetization of our audience through the growth of increasingly diverse and highly recurring digital businesses. We deliver value to our customers, advertisers, partners and shareholders with essential content, joyful experiences, and relevant digital solutions.

The Company reports in three segments: Domestic Gannett Media, Newsquest and Digital Marketing Solutions ("DMS"). We also have a Corporate and other category that includes activities not directly attributable to a specific reportable segment and includes broad corporate functions, such as legal, human resources, accounting, analytics, finance, marketing and technology, as well as other general business costs. A full description of our reportable segments is included in Note 12 — Segment reporting.

Basis of presentation

The unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. As permitted under those rules, certain notes or other financial information that are normally required by U.S. GAAP have been condensed or omitted from these interim financial statements. The unaudited condensed consolidated financial statements should therefore be read in conjunction with the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023.

In the opinion of management, the unaudited condensed consolidated financial statements as of March 31, 2024 include all the assets, liabilities, revenues, expenses, and cash flows of entities which Gannett controls due to ownership of a majority voting interest ("subsidiaries"). In addition, in the opinion of management, the unaudited condensed consolidated financial statements as of March 31, 2024 reflect all necessary adjustments for a fair statement of the results for the interim period. All significant intercompany accounts and transactions have been eliminated in consolidation, and the Company consolidates its subsidiaries.

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and footnotes thereto. Actual results could differ materially from those estimates.

Significant estimates inherent in the preparation of the unaudited condensed consolidated financial statements include pension and postretirement benefit obligation assumptions, income taxes, goodwill and intangible asset impairment analysis,

valuation of property, plant, and equipment and the mark to market of the conversion feature associated with the convertible debt.

Reclassifications

Certain reclassifications have been made to the prior year unaudited condensed consolidated financial statements to conform to classifications used in the current year. Beginning in the first quarter of 2024, the Company updated the presentation of its revenues to reflect the disaggregation between Digital revenues and Print and commercial revenues. These reclassifications had no impact on net income (loss), stockholders' equity or cash flows as previously reported.

Recent accounting pronouncements not yet adopted

Disclosure improvements

In November 2023, the FASB issued guidance, ASU 2023-07, which will improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 applies to all public entities that are required to report segment information in accordance with ASC 280, "Segment Reporting." The Company will be required to report these enhanced segment disclosures starting in annual periods beginning after December 15, 2023 and requires retrospective application to all prior periods presented in the financial statements. The Company does not expect the adoption of this guidance will have a material impact on the condensed consolidated financial statements and disclosures.

In November 2023, the FASB issued guidance, ASU 2023-09, which enhances annual income tax disclosures. ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 will be effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the provisions of the updated guidance and assessing the impact on the condensed consolidated financial statements and disclosures.

NOTE 2 — Revenues

Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company's condensed consolidated statements of operations and comprehensive income (loss) present revenues disaggregated by revenue type. Sales taxes and other usage-based taxes are excluded from revenues. The following tables present our revenues disaggregated by segment and revenue type:

Three months ended March 31, 2024							
<i>In thousands</i>	Domestic		Digital		Corporate and		Consolidated
	Gannett Media	Newsquest	Marketing Solutions	other	Intersegment eliminations		
Digital advertising	\$ 70,941	\$ 13,525	\$ —	\$ —	\$ —	\$	84,466
Digital marketing services	36,086	2,088	117,045	—	(38,805)		116,414
Digital-only subscription	41,911	1,568	—	—	—		43,479
Digital other	18,797	2,739	—	1,604	—		23,140
Digital	167,735	19,920	117,045	1,604	(38,805)		267,499
Print advertising	115,619	19,057	—	—	—		134,676
Print circulation	156,246	17,077	—	—	—		173,323
Commercial and other	56,119	4,144	—	—	—		60,263
Print and commercial	327,984	40,278	—	—	—		368,262
Total revenues	\$ 495,719	\$ 60,198	\$ 117,045	\$ 1,604	\$ (38,805)	\$	635,761

Three months ended March 31, 2023

<i>In thousands</i>	Domestic		Digital		Corporate and		Intersegment	
	Gannett Media	Newsquest	Marketing Solutions		other		eliminations	Consolidated
Digital advertising	\$ 67,674	\$ 12,536	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 80,210
Digital marketing services	32,065	2,194	112,817		—		(34,393)	112,683
Digital-only subscription	34,678	1,153	—		—		—	35,831
Digital other	14,891	2,465	—		1,398		—	18,754
Digital	149,308	18,348	112,817		1,398		(34,393)	247,478
Print advertising	128,177	19,777	—		—		—	147,954
Print circulation	188,503	16,951	—		—		—	205,454
Commercial and other	63,949	4,082	—		—		—	68,031
Print and commercial	380,629	40,810	—		—		—	421,439
Total revenues	\$ 529,937	\$ 59,158	\$ 112,817	\$ 1,398	\$ (34,393)			\$ 668,917

Revenues generated from international operations comprised 11.0% and 10.2% of total revenues for the three months ended March 31, 2024 and 2023, respectively.

Deferred revenues

The Company records deferred revenues when cash payments are received in advance of the Company's performance obligation. The Company's primary source of deferred revenues is from circulation subscriptions paid in advance of the service provided, which represents future delivery of publications (the performance obligation) to subscription customers. The Company expects to recognize the revenue related to unsatisfied performance obligations over the next one to twelve months in accordance with the terms of the subscriptions.

The Company's payment terms vary by the type and location of the customer and the products or services offered. The period between invoicing and when payment is due is not significant. For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer. The majority of our subscription customers are billed and pay on monthly terms.

The following table presents the change in the deferred revenues balance:

<i>In thousands</i>	Three months ended March 31,	
	2024	2023
Beginning balance	\$ 120,502	\$ 153,648
Receipts, net of refunds	276,597	273,118
Revenue recognized	(277,590)	(285,050)
Ending balance	\$ 119,509	\$ 141,716

NOTE 3 — Accounts receivable, net

Receivables are presented net of allowances, which reflect the Company's expected credit losses based on historical experience as well as current and expected economic conditions. The following table presents changes in the allowance for doubtful accounts:

<i>In thousands</i>	Three months ended March 31,			
	2024		2023	
Beginning balance	\$	16,338	\$	16,697
Current period provision		567		1,383
Write-offs charged against the allowance		(2,138)		(4,839)
Recoveries of amounts previously written-off		744		1,199
Other		32		59
Ending balance	\$	15,543	\$	14,499

For the three months ended March 31, 2024 and 2023, the Company recorded \$ 0.6 million and \$1.4 million in bad debt expense, respectively. Bad debt expense is included in Selling, general and administrative expenses on the condensed consolidated statements of operations and comprehensive income (loss).

NOTE 4 — Goodwill and intangible assets

Goodwill and intangible assets consisted of the following:

<i>In thousands</i>	March 31, 2024			December 31, 2023		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Finite-lived intangible assets:						
Advertiser relationships	\$ 446,459	\$ 246,997	\$ 199,462	\$ 446,609	\$ 236,168	\$ 210,441
Other customer relationships	101,804	59,315	42,489	101,819	56,601	45,218
Subscriber relationships	251,096	162,644	88,452	251,099	155,528	95,571
Other intangible assets	66,970	62,490	4,480	68,780	62,536	6,244
Sub-total	\$ 866,329	\$ 531,446	\$ 334,883	\$ 868,307	\$ 510,833	\$ 357,474
Indefinite-lived intangible assets:						
Mastheads			166,757			166,876
Total intangible assets			\$ 501,640			\$ 524,350
Goodwill			\$ 533,743			\$ 533,876

The Company performs its annual goodwill and indefinite-lived intangible impairment assessments as of November 30. In addition to the annual impairment test, the Company is required to regularly assess whether a triggering event has occurred under both ASC 350 "Intangibles - Goodwill and Other" ("ASC 350"), and ASC 360 "Property, Plant and Equipment" ("ASC 360"), which would require interim impairment testing.

As of March 31, 2024, the Company performed a review of potential impairment indicators under both ASC 350 and ASC 360, and it was determined that no indicators of impairment were present.

NOTE 5 — Integration and reorganization costs, and asset impairments
Integration and reorganization costs

Integration and reorganization costs include severance costs as well as other reorganization costs associated with individual restructuring programs, designed primarily to right-size the Company's employee base, consolidate facilities and improve operations. These initiatives impact all the Company's operations and can be influenced by the terms of union contracts. Costs related to these programs, which primarily include severance and other restructuring-related expenses, are accrued when probable and reasonably estimable or at the time of program announcement.

Severance-related expenses

The Company recorded severance-related expenses by segment as follows:

In thousands	Three months ended March 31,	
	2024	2023
Domestic Gannett Media	\$ 4,077	\$ 5,512
Newsquest	169	600
Digital Marketing Solutions	25	20
Corporate and other	983	4,121
Total	\$ 5,254	\$ 10,253

A roll-forward of the accrued severance and related expenses included in Accounts payable and accrued liabilities on the condensed consolidated balance sheets for the three months ended March 31, 2024 is as follows:

In thousands	Severance and related expenses
Beginning balance	\$ 6,928
Restructuring provision included in integration and reorganization costs	5,254
Cash payments	(2,646)
Ending balance	\$ 9,536

Other restructuring-related expenses

Other restructuring-related expenses represent costs for consolidating operations, systems implementation, outsourcing of corporate functions and facility consolidations. The Company recorded Other restructuring-related costs as follows:

In thousands	Three months ended March 31,	
	2024	2023
Domestic Gannett Media ^(a)	\$ 10,812	\$ (1,463)
Corporate and other	1,815	3,337
Total	\$ 12,627	\$ 1,874

^(a) For the three months ended March 31, 2024, Other restructuring-related costs at the Domestic Gannett Media segment primarily reflected \$9.7 million expensed as of the cease-use date related to certain licensed content. For the three months ended March 31, 2023, Other restructuring-related costs at the Domestic Gannett Media segment primarily reflected the reversal of a withdrawal liability related to a multiemployer pension plan of \$2.0 million based on the settlement of the withdrawal liability.

Asset impairments

Corporate office relocation

On March 1, 2024, we exited and ceased use of our leased facility in McLean, Virginia and moved our corporate headquarters to our existing office space in New York. We will continue to seek subleases for the leased facility in McLean. As a result of the headquarters relocation, we recorded an impairment charge of approximately \$46.0 million during the three months ended March 31, 2024 related to the McLean operating lease right-of-use asset and the associated leasehold improvements. The fair value was measured using a discounted cash flow model based on market rents projected over the remaining lease term.

NOTE 6 — Debt

The Company's debt consisted of the following:

	March 31, 2024				December 31, 2023			
	Principal balance	Unamortized original issue discount	Unamortized deferred financing costs	Carrying value	Principal balance	Unamortized original issue discount	Unamortized deferred financing costs	Carrying value
<i>In millions</i>								
Senior Secured Term Loan	\$ 347.1	\$ (4.6)	\$ (1.0)	\$ 341.5	\$ 350.4	\$ (5.2)	\$ (1.1)	\$ 344.1
2026 Senior Notes	278.5	(5.1)	(3.9)	269.5	291.6	(5.8)	(4.6)	281.2
2027 Notes	485.3	(64.2)	(1.4)	419.7	485.3	(67.8)	(1.5)	416.0
2024 Notes	3.3	—	—	3.3	3.3	—	—	3.3
Total debt	\$ 1,114.2	\$ (73.9)	\$ (6.3)	\$ 1,034.0	\$ 1,130.6	\$ (78.8)	\$ (7.2)	\$ 1,044.6
Less: Current portion of long-term debt	\$ (64.3)	\$ —	\$ —	\$ (64.3)	\$ (63.8)	\$ —	\$ —	\$ (63.8)
Non-current portion of long-term debt	\$ 1,049.9	\$ (73.9)	\$ (6.3)	\$ 969.7	\$ 1,066.8	\$ (78.8)	\$ (7.2)	\$ 980.8

Senior Secured Term Loan

On October 15, 2021, Gannett Holdings LLC ("Gannett Holdings"), a wholly-owned subsidiary of the Company, entered into the five-year senior secured term loan facility in an original aggregate principal amount of \$516.0 million (the "Senior Secured Term Loan") with Citibank N.A., as collateral agent and administrative agent for the lenders. On January 31, 2022, Gannett Holdings entered into an amendment (the "Term Loan Amendment") to the Senior Secured Term Loan to provide for new incremental senior secured term loans (the "Incremental Term Loans") in an aggregate principal amount of \$50 million. The Incremental Term Loans have substantially identical terms as the Senior Secured Term Loan and are treated as a single tranche with the Senior Secured Term Loan. The Term Loan Amendment also amended the Senior Secured Term Loan to transition the interest rate base from the London Inter-bank Offered Rate ("LIBOR") to the Adjusted Term Secured Overnight Financing Rate ("Adjusted Term SOFR"). During 2022, Gannett Holdings entered into two separate amendments to the Senior Secured Term Loan to provide for incremental senior secured term loans totaling an aggregate principal amount of \$30.0 million (collectively, the "Exchanged Term Loans"). The Exchanged Term Loans have substantially identical terms as the Senior Secured Term Loan and Incremental Term Loans and are treated as a single tranche with the Senior Secured Term Loan and the Incremental Term Loans.

The Senior Secured Term Loan bears interest at a per annum rate equal to the Adjusted Term SOFR (which shall not be less than 0.50% per annum) plus a margin equal to 5.00% or an alternate base rate (which shall not be less than 1.50% per annum) plus a margin equal to 4.00%. Loans under the Senior Secured Term Loan may be prepaid, at the option of Gannett Holdings, at any time without premium. In addition, we are required to repay the Senior Secured Term Loan from time to time with (i) the proceeds of non-ordinary course asset sales and casualty and condemnation events, (ii) the proceeds of indebtedness not permitted under the Senior Secured Term Loan, and (iii) the aggregate amount of cash and cash equivalents on hand at the Company and its restricted subsidiaries in excess of \$100 million at the end of each fiscal year of the Company. Subsequent to the amendment effective as of April 8, 2022, the Senior Secured Term Loan is amortized at \$15.1 million per quarter (or, if the ratio of debt secured on an equal basis with the Senior Secured Term Loan less unrestricted cash of the Company and its restricted subsidiaries to Consolidated EBITDA (as such terms are defined in the Senior Secured Term Loan) (such ratio, the "First Lien Net Leverage Ratio"), for the most recently ended period of four consecutive fiscal quarters is equal to or less than 1.20 to 1.00, \$7.6 million per quarter). All obligations under the Senior Secured Term Loan are secured by all or substantially all of the assets of the Company and the wholly-owned domestic subsidiaries of the Company (the "Senior Secured Term Loan Guarantors"). The obligations of Gannett Holdings under the Senior Secured Term Loan are guaranteed on a senior secured basis by the Company and the Senior Secured Term Loan Guarantors.

The Senior Secured Term Loan contains usual and customary covenants for credit facilities of this type, including a requirement to have minimum unrestricted cash of \$30 million as of the last day of each fiscal quarter, and restricts, among other things, our ability to incur debt, grant liens, sell assets, make investments and pay dividends, in each case with customary exceptions, including an exception that permits dividends and repurchases of outstanding junior debt or equity in (i) an amount of up to \$25 million per fiscal quarter if the First Lien Net Leverage Ratio for such fiscal quarter is equal to or less than 2.00 to 1.00, (ii) an amount of up to \$50 million per fiscal quarter if the First Lien Net Leverage Ratio for such fiscal quarter is equal to or less than 1.50 to 1.00, and (iii) an unlimited amount if First Lien Net Leverage Ratio for such fiscal quarter is equal to or less than 1.00 to 1.00. As of March 31, 2024, the Company was in compliance with all of the covenants and obligations under the Senior Secured Term Loan.

As of March 31, 2024 and December 31, 2023, the Senior Secured Term Loan was recorded at carrying value, which approximated fair value, in the condensed consolidated balance sheets and was classified as Level 2.

During the three months ended March 31, 2024, the Company received a waiver from certain lenders of the Senior Secured Term Loan that reduced the scheduled quarterly amortization payments payable to those lenders by approximately \$12.0 million for the three months ended March 31, 2024 (the "First Quarter 2024 Waiver"), and which was the amount used by the Company to repurchase a portion of its 2026 Senior Notes (defined below). For the three months ended March 31, 2024, the Company made payments of \$3.3 million of our Senior Secured Term Loan (net of the First Quarter 2024 Waiver), including quarterly amortization payments, which were classified as financing activities in the condensed consolidated statements of cash flows.

For the three months ended March 31, 2024, the Company recognized interest expense of \$ 9.3 million and paid cash interest of \$ 9.3 million. For the three months ended March 31, 2023, the Company recognized interest expense of \$10.3 million and paid cash interest of \$ 10.4 million. For the three months ended March 31, 2024, the Company recognized amortization of original issue discount of \$0.6 million and amortization of deferred financing costs of \$0.1 million. For the three months ended March 31, 2023, the Company recognized amortization of original issue discount of \$ 0.8 million and amortization of deferred financing costs of \$0.1 million. Additionally, for the three months ended March 31, 2024 and 2023, the Company recognized losses on the early extinguishment of debt, which were immaterial and \$0.4 million, respectively, related to the write-off of original issue discount and deferred financing costs as a result of prepayments on the Senior Secured Term Loan. As of March 31, 2024, the effective interest rate for the Senior Secured Term Loan was 11.2%.

Senior Secured Notes due 2026

On October 15, 2021, Gannett Holdings completed a private offering of \$ 400 million aggregate principal amount of 6.00% first lien notes due November 1, 2026 (the "2026 Senior Notes"). The 2026 Senior Notes were issued pursuant to an indenture, dated October 15, 2021 (the "2026 Senior Notes Indenture") among Gannett Holdings, the Company, the guarantors from time to time party thereto (the "2026 Senior Notes Guarantors"), U.S. Bank National Association, as trustee, and U.S. Bank National Association, as collateral agent, registrar, paying agent and authenticating agent. During 2022, the Company exchanged an aggregate principal amount equal to \$30.0 million of the 2026 Senior Notes for \$ 30.0 million of the Exchanged Term Loans.

Interest on the 2026 Senior Notes is payable semi-annually in arrears, beginning on May 1, 2022. The 2026 Senior Notes mature on November 1, 2026, unless redeemed or repurchased earlier pursuant to the 2026 Senior Notes Indenture. The 2026 Senior Notes may be redeemed at the option of Gannett Holdings, in whole or in part, at any time and from time to time after November 1, 2023, at the redemption prices set forth in the 2026 Senior Notes Indenture. If certain changes of control with respect to Gannett Holdings or the Company occur, Gannett Holdings must offer to purchase the 2026 Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest to, but excluding, the date of purchase.

The 2026 Senior Notes are unconditionally guaranteed, jointly and severally, on a senior secured basis by the 2026 Senior Notes Guarantors. The 2026 Senior Notes and such guarantees are secured on a first-priority basis by the collateral, consisting of substantially all of the assets of Gannett Holdings and the 2026 Senior Notes Guarantors, subject to certain intercreditor arrangements.

The 2026 Senior Notes Indenture limits the Company and its restricted subsidiaries' ability to, among other things, make investments, loans, advances, guarantees and acquisitions; incur or guarantee additional debt and issue certain disqualified equity interests and preferred stock; make certain restricted payments, including a limit on dividends on equity securities or payments to redeem, repurchase or retire equity securities or other indebtedness; dispose of assets; create liens on assets to secure debt; engage in transactions with affiliates; enter into certain restrictive agreements; and consolidate, merge, sell or

otherwise dispose of all or substantially all of their or the 2026 Senior Notes Guarantor's assets. These covenants are subject to a number of limitations and exceptions. The 2026 Senior Notes Indenture also contains customary events of default.

As of March 31, 2024 and December 31, 2023, the 2026 Senior Notes were recorded at carrying value in the condensed consolidated balance sheets, which did not approximate fair value. The 2026 Senior Notes were classified as Level 2, and based on unadjusted quoted prices in the active market obtained from third-party pricing services, the Company determined that the estimated fair value of the 2026 Senior Notes was \$254.5 million and \$256.6 million as of March 31, 2024 and December 31, 2023, respectively, and was primarily affected by fluctuations in market interest rates.

In March 2024, the Company entered into a privately negotiated agreement with certain holders of our 2026 Senior Notes, and for the three months ended March 31, 2024, repurchased \$13.0 million of principal of our outstanding 2026 Senior Notes at a discount to par value. In connection with repurchase of our 2026 Senior Notes in March 2024, the Company received the First Quarter 2024 Waiver from certain lenders of the Senior Secured Term Loan, which was used to reduce the scheduled quarterly amortization payments payable to those lenders by approximately \$12.0 million. As a result of this repurchase of our 2026 Senior Notes, the Company recognized a gain on the early extinguishment of debt of approximately \$0.6 million during the three months ended March 31, 2024, which included the write-off of unamortized original issue discount and deferred financing costs. Additionally, for the three months ended March 31, 2023, the Company recognized a gain on the early extinguishment of debt of approximately \$0.9 million, which included the write-off of unamortized original issue discount and deferred financing costs.

The unamortized original issue discount and deferred financing costs will be amortized over the remaining contractual life of the 2026 Senior Notes using the effective interest method. For the three months ended March 31, 2024, the Company recognized interest expense of \$4.4 million and paid cash interest of \$0.3 million. For the three months ended March 31, 2023, the Company recognized interest expense of \$ 5.0 million and paid cash interest of \$ 0.1 million. For the three months ended March 31, 2024, the Company recognized amortization of original issue discount of \$0.5 million and amortization of deferred financing costs of \$0.4 million. For the three months ended March 31, 2023, the Company recognized amortization of original issue discount of \$0.6 million and amortization of deferred financing costs of \$ 0.5 million. As of March 31, 2024, the effective interest rate on the 2026 Senior Notes was 7.3%.

Senior Secured Convertible Notes due 2027

The \$497.1 million in aggregate principal amount of 6.0% Senior Secured Convertible Notes due 2027 (the "2027 Notes") were issued pursuant to an Indenture dated as of November 17, 2020, as amended by the First Supplemental Indenture dated as of December 21, 2020 and the Second Supplemental Indenture dated as of February 9, 2021 (collectively, the "2027 Notes Indenture"), between the Company and U.S. Bank National Association, as trustee.

In connection with the issuance of the 2027 Notes, the Company entered into an Investor Agreement (the "Investor Agreement") with the holders of the 2027 Notes (the "Holders") establishing certain terms and conditions concerning the rights and restrictions on the Holders with respect to the Holders' ownership of the 2027 Notes. The Company also entered into an amendment to the Registration Rights Agreement dated November 19, 2019, between the Company and FIG LLC.

Interest on the 2027 Notes is payable semi-annually in arrears. The 2027 Notes mature on December 1, 2027, unless earlier repurchased or converted. The 2027 Notes may be converted at any time by the holders into cash, shares of the Company's common stock, par value \$0.01 per share (the "Common Stock") or any combination of cash and Common Stock, at the Company's election. The initial conversion rate is 200 shares of Common Stock per \$1,000 principal amount of the 2027 Notes, which is equal to a conversion price of \$5.00 per share of Common Stock (the "Conversion Price").

The conversion rate is subject to customary adjustment provisions as provided in the 2027 Notes Indenture. In addition, the conversion rate will be subject to adjustment in the event of any issuance or sale of Common Stock (or securities convertible into Common Stock) at a price equal to or less than the Conversion Price in order to ensure that following such issuance or sale, the 2027 Notes would be convertible into approximately 42% (adjusted for repurchases and certain other events that reduce the outstanding amount of the 2027 Notes) of the Common Stock after giving effect to such issuance or sale (assuming the initial principal amount of the 2027 Notes remains outstanding). After giving effect to the repurchase of \$11.8 million in aggregate principal amount of outstanding 2027 Notes during the year ended December 31, 2021, such percentage was approximately 41%.

Upon the occurrence of a "Make-Whole Fundamental Change" (as defined in the 2027 Notes Indenture), the Company will in certain circumstances increase the conversion rate for a specified period of time. If a "Fundamental Change" (as defined in

the 2027 Notes Indenture) occurs, the Company will be required to offer to repurchase the 2027 Notes at a repurchase price of 110% of the principal amount thereof.

Holders of the 2027 Notes will have the right to put up to approximately \$ 100 million of the 2027 Notes at par on or after the date that is 91 days after the maturity date of the Senior Secured Term Loan.

Under the 2027 Notes Indenture, the Company can only pay cash dividends up to an agreed-upon amount, provided the ratio of consolidated debt to EBITDA (as such terms are defined in the 2027 Notes Indenture) does not exceed a specified ratio. In addition, the 2027 Notes Indenture provides that, at any time that the Company's Total Gross Leverage Ratio (as defined in the 2027 Notes Indenture) exceeds 1.5 and the Company approves the declaration of a dividend, the Company must offer to purchase a principal amount of 2027 Notes equal to the proposed amount of the dividend.

Until the four-year anniversary of the issuance date, the Company will have the right to redeem for cash up to approximately \$ 99.4 million of the 2027 Notes at a redemption price of 130% of the principal amount thereof, with such amount reduced ratably by any principal amount of 2027 Notes that has been converted by the holders or redeemed or purchased by the Company.

The 2027 Notes are guaranteed by Gannett Holdings and any subsidiaries of the Company that guarantee the Senior Secured Term Loan. The 2027 Notes are secured by the same collateral that secures the Senior Secured Term Loan. The 2027 Notes rank as senior secured debt of the Company and are secured by a second priority lien on the same collateral package that secured the indebtedness incurred in connection with the Senior Secured Term Loan.

The 2027 Notes Indenture includes affirmative and negative covenants, including limitations on liens, indebtedness, dispositions, loans, advances and investors, sale and leaseback transactions, restricted payments, transactions with affiliates, restrictions on dividends and other payment restrictions affecting restricted subsidiaries, negative pledges, and modifications to certain agreements. The 2027 Notes Indenture also requires that the Company maintain, as of the last day of each fiscal quarter, at least \$30.0 million of Qualified Cash (as defined in the 2027 Notes Indenture). The 2027 Notes Indenture includes customary events of default.

The 2027 Notes have two components: (i) a debt component, and (ii) an equity component. As of March 31, 2024 and December 31, 2023, the debt component of the 2027 Notes was recorded at carrying value in the condensed consolidated balance sheets. The carrying value of the 2027 Notes reflected the balance of the unamortized discount related to the value of the conversion feature assessed at inception. As of March 31, 2024, the carrying value of the 2027 Notes approximated fair value. The 2027 Notes were classified as Level 2, and based on unadjusted quoted prices in the active market obtained from third-party pricing services, the Company determined that the estimated fair value of the 2027 Notes was \$434.0 million and \$395.6 million as of March 31, 2024 and December 31, 2023, respectively, and was primarily affected by fluctuations in market interest rates and the price of the Company's Common Stock. The fair value of the equity component was classified as Level 3 because it was measured at fair value using a binomial lattice model using assumptions based on market information and historical data, and significant unobservable inputs. As of March 31, 2024 and December 31, 2023, the amount of the conversion feature recorded in Additional paid-in capital was \$279.6 million.

For the three months ended March 31, 2024, the Company recognized interest expense of \$ 7.2 million and paid no cash interest. For the three months ended March 31, 2023, the Company recognized interest expense of \$7.2 million and paid no cash interest. In addition, during the three months ended March 31, 2024, the Company recognized amortization of the original issue discount of \$3.6 million and an immaterial amount of amortization of deferred financing costs. For the three months ended March 31, 2023, the Company recognized amortization of original issue discount of \$3.2 million and an immaterial amount of amortization of deferred financing costs. As of March 31, 2024, the effective interest rate on the liability component of the 2027 Notes was 10.5%.

For the three months ended March 31, 2024, no shares were issued upon conversion, exercise, or satisfaction of the required conditions. Refer to Note 10 — Supplemental equity and other information for details on the impact of the 2027 Notes to diluted earnings per share under the if-converted method.

Senior Convertible Notes due 2024

The \$3.3 million principal value of the remaining 4.75% convertible senior notes were due and repaid on April 15, 2024 (the "2024 Notes"). As of March 31, 2024 and December 31, 2023, the 2024 Notes were reported within the Current portion of long-term debt in the condensed consolidated balance sheets. As of March 31, 2024, the effective interest rate on the 2024

Notes was 6.0%. As of March 31, 2024 and December 31, 2023, the 2024 Notes were recorded at carrying value, which approximated fair value, in the condensed consolidated balance sheets and were classified as Level 2.

NOTE 7 — Pensions and other postretirement benefit plans

We, along with our subsidiaries, sponsor various defined benefit retirement plans, including plans established under collective bargaining agreements. Our retirement plans include the Gannett Retirement Plan (the "GR Plan"), the Newsquest and Romanes Pension Schemes in the U.K., and other defined benefit and defined contribution plans. We also provide health care and life insurance benefits to certain retired employees who meet age and service requirements.

Retirement plan costs include the following components:

	Pension benefits		Postretirement benefits	
	Three months ended March 31,		Three months ended March 31,	
<i>In thousands</i>	2024	2023	2024	2023
Operating expenses:				
Service cost - benefits earned during the period	\$ 289	\$ 324	\$ 9	\$ 10
Non-operating expenses:				
Interest cost on benefit obligations	20,315	21,201	530	632
Expected return on plan assets	(24,103)	(23,668)	—	—
Amortization of prior service cost (benefit)	17	16	(142)	—
Amortization of actuarial cost (benefit)	715	540	(478)	(536)
Total non-operating (benefit) expense	\$ (3,056)	\$ (1,911)	\$ (90)	\$ 96
Total (benefit) expense for retirement plans	\$ (2,767)	\$ (1,587)	\$ (81)	\$ 106

Contributions

We are contractually obligated to contribute to our pension and postretirement benefit plans. During the three months ended March 31, 2024, we contributed \$6.6 million and \$1.8 million to our pension and other postretirement plans, respectively. Beginning with the quarter ended December 31, 2022, and ending with the quarter ending September 30, 2024, the GR Plan's appointed actuary has and will certify the GR Plan's funded status for each quarter (the "Quarterly Certification") in accordance with U.S. GAAP. If the GR Plan is less than 100% funded, the Company will make a \$ 1.0 million contribution to the GR Plan no later than 60 days following the receipt of the Quarterly Certification, provided, however, that the Company's obligation to make additional contractual contributions will terminate the earlier of (a) the day following the date that a contractual contribution would be due for the quarter ending September 30, 2024, and (b) the date the Company has made a total of \$5.0 million of contractual contributions subsequent to June 30, 2022. As of March 31, 2024, the GR Plan was more than 100% funded.

NOTE 8 — Fair value measurement

In accordance with ASC 820, "Fair Value Measurement," fair value measurements are required to be disclosed using a three-tiered fair value hierarchy which distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Level 1 refers to fair values determined based on quoted prices in active markets for identical assets or liabilities, Level 2 refers to fair values estimated using significant other observable inputs and Level 3 includes fair values estimated using significant unobservable inputs.

As of March 31, 2024 and December 31, 2023, assets and liabilities recorded at fair value and measured on a recurring basis primarily consist of pension plan assets. As permitted by U.S. GAAP, we use net asset values ("NAV") as a practical expedient to determine the fair value of certain investments. These investments measured at NAV have not been classified in the fair value hierarchy.

The Company's debt is recorded on the condensed consolidated balance sheets at carrying value. Refer to Note 6 — Debt for additional discussion regarding fair value of the Company's debt instruments.

Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). Assets held for sale (Level 3), which are recorded in Other current assets on the condensed consolidated balance

sheets, are measured on a nonrecurring basis and are evaluated using executed purchase agreements, letters of intent or third-party valuation analyses when certain circumstances arise.

The Company performs its annual goodwill and indefinite-lived intangible impairment assessment during the fourth quarter of the year. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurements of the assets are considered to be Level 3 measurements. Refer to Note 4 — Goodwill and intangible assets for additional discussion regarding the annual impairment assessment.

NOTE 9 — Income taxes

The following table outlines our pre-tax net loss and income tax amounts:

<i>In thousands</i>	Three months ended March 31,	
	2024	2023
Loss before income taxes	\$ (74,690)	\$ (7,069)
Provision (benefit) for income taxes	10,078	(17,329)
Effective tax rate	(13.5)%	245.1 %

The provision for income taxes is calculated by applying the projected annual effective tax rate for the year to the current period income or loss before tax plus the tax effect of any significant or unusual items (discrete events), and changes in tax laws. The provision for income taxes for the three months ended March 31, 2024, was mainly driven by the pre-tax book loss, the increase in valuation allowances on non-deductible U.S. interest expense carryforwards, the global intangible low-taxed income inclusion and state tax expense. The provision was calculated using an estimated annual effective tax rate of negative 11.1%. The estimated annual effective tax rate is principally impacted by valuation allowances on non-deductible interest expense carryforwards, foreign tax expense, and the global intangible low-taxed income inclusion, partially offset by the benefit of U.S. pre-tax book loss. The estimated annual effective tax rate is based on the projected tax expense for the full year.

The total amount of unrecognized tax benefits that, if recognized, may impact the effective tax rate was approximately \$ 52.9 million and \$52.6 million as of March 31, 2024 and December 31, 2023, respectively. It is reasonably possible that the total amount of unrecognized tax benefits related to certain of the Company's uncertain tax positions could decrease by as much as \$10 million to \$16 million within the next twelve months as a result of ongoing audits, foreign judicial proceedings, lapses of statutes of limitations, or regulatory developments. The Company recognizes interest and penalties related to unrecognized tax benefit as a component of income tax expense. The amount of accrued interest and penalties payable related to unrecognized tax benefits was \$4.8 million and \$4.6 million as of March 31, 2024 and December 31, 2023, respectively.

The benefit for income taxes for the three months ended March 31, 2023, was mainly driven by the tax benefit of the pre-tax book loss, the change in valuation allowances on non-deductible U.S. interest expense carryforwards, the global intangible low-taxed income inclusion and stock compensation. The benefit was calculated using the estimated annual effective tax rate of negative 273.3%.

U.S. and international tax legislation

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"), which includes, among other provisions, changes to the U.S. corporate income tax system, including a 15% minimum tax based on "average adjusted financial statement income" exceeding \$1 billion for any three consecutive years preceding the tax year and a 1% excise tax on net repurchases of stock in excess of \$1 million after December 31, 2022. During the three months ended March 31, 2024, we did not experience a material financial impact from the Inflation Reduction Act. Additionally, we do not anticipate a material financial impact from the Inflation Reduction Act for the remainder of 2024.

We are subject to income taxes and various other taxes in the U.S. and in many foreign jurisdictions; therefore, changes in both domestic and international tax laws or regulations have affected and may affect our effective tax rate, results of operations, and cash flows. The Organization for Economic Co-operation and Development (the "OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting has agreed on a two-pillar approach to address tax challenges arising from the digitalization of the global economy by (i) allocating profits to market jurisdictions ("Pillar One") and (ii) ensuring multinational enterprises pay a minimum level of tax regardless of where the headquarters are located or the jurisdictions in which the company operates ("Pillar Two"). Pillar One targets multinational groups with global revenue exceeding €20 billion and a profit-to-revenue ratio of more than 10%. Companies subject to Pillar One will be required to allocate profits and pay taxes to market jurisdictions.

Based on the current proposed revenue and profit thresholds, we do not expect to be subject to tax changes associated with Pillar One. Pillar Two focuses on global profit allocation and a global minimum tax rate. In December 2022, the European Union ("EU") Member States formally adopted the EU's Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the OECD Pillar Two Framework that was supported by over 130 countries worldwide. The EU Pillar Two Directive became effective on January 1, 2024. Pillar Two did not have a material impact on the condensed consolidated financial statements.

NOTE 10 — Supplemental equity and other information

(Loss) income per share

The following table sets forth the information to compute basic and diluted (loss) income per share:

<i>In thousands, except per share data</i>	Three months ended March 31,	
	2024	2023
Net (loss) income attributable to Gannett	\$ (84,768)	\$ 10,344
Basic weighted average shares outstanding	140,774	137,931
Effect of dilutive securities:		
Restricted stock grants	—	244
Diluted weighted average shares outstanding	140,774	138,175
(Loss) income per share attributable to Gannett - basic	\$ (0.60)	\$ 0.07
(Loss) income per share attributable to Gannett - diluted	\$ (0.60)	\$ 0.07

The Company excluded the following securities from the computation of diluted (loss) income per share because their effect would have been antidilutive:

<i>In thousands</i>	Three months ended March 31,	
	2024	2023
Warrants ^(a)	—	845
Stock options	6,068	6,068
Restricted stock grants ^(b)	4,855	4,840
2027 Notes ^(c)	97,057	97,057

^(a) The warrants expired on November 26, 2023.

^(b) Includes restricted stock awards ("RSAs"), restricted stock units ("RSUs") and performance stock units ("PSUs").

^(c) Represents the total number of shares that would be convertible at March 31, 2024 and 2023 as stipulated in the 2027 Notes Indenture.

The 2027 Notes may be converted at any time by the holders into cash, shares of the Company's Common Stock or any combination of cash and Common Stock, at the Company's election. Conversion of all of the 2027 Notes into Common Stock (assuming the maximum increase in the conversion rate as a result of a Make-Whole Fundamental Change but no other adjustments to the conversion rate), would result in the issuance of an aggregate of 287.2 million shares of Common Stock. The Company has excluded approximately 190.1 million shares from the loss per share calculation, representing the difference between the total number of shares that would be convertible at March 31, 2024 and the total number of shares issuable assuming the maximum increase in the conversion rate.

Share-based compensation

Share-based compensation expense was \$2.8 million and \$3.7 million for the three months ended March 31, 2024 and 2023, respectively, and is included in Selling, general and administrative expenses on the condensed consolidated statements of operations and comprehensive income (loss).

The total compensation cost not yet recognized related to non-vested awards as of March 31, 2024 was \$ 12.8 million, and is expected to be recognized over a weighted-average period of 1.4 years through August 2025.

Equity awards

There were no RSAs granted during the three months ended March 31, 2024.

Cash awards

The Company grants certain employees either long-term cash awards ("LTCAs") or cash performance units ("CPUs"). During 2023, our LTCAs and CPUs were granted during the first quarter, and in the future we anticipate the majority of our LTCAs and CPUs to be granted in the third quarter of our fiscal year. CPUs generally vest and pay out in cash on the third anniversary of the grant date based upon the achievement of threshold goals depending on actual performance against financial objectives over a three-year period. LTCAs generally vest and pay out in cash on the first, second and third anniversaries of the date of grant. As of March 31, 2024, there was approximately \$8.7 million of unrecognized compensation expense related to cash awards.

Preferred stock

The Company has authorized 300,000 shares of preferred stock, par value \$ 0.01 per share, issuable in one or more series designated by the Company's Board of Directors. There were no issuances of preferred stock during the three months ended March 31, 2024.

Stock repurchase program

On February 1, 2022, the Company's Board of Directors authorized the repurchase of up to \$ 100 million (the "Stock Repurchase Program") of the Company's Common Stock. Repurchases may be made from time to time through open market purchases or privately negotiated transactions, pursuant to one or more plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or by means of one or more tender offers, in each case, as permitted by securities laws and other legal requirements. The amount and timing of the purchases, if any, will depend on a number of factors, including, but not limited to, the price and availability of the Company's shares, trading volume, capital availability, Company performance and general economic and market conditions. The Stock Repurchase Program may be suspended or discontinued at any time. Further, future repurchases under our Stock Repurchase Program may be subject to various conditions under the terms of our various debt instruments and agreements, unless an exception is available or we obtain a waiver or similar relief.

During the three months ended March 31, 2024, the Company did not repurchase any shares of Common Stock under the Stock Repurchase Program. As of March 31, 2024, the remaining authorized amount under the Stock Repurchase Program was approximately \$96.9 million.

Accumulated other comprehensive loss

The following tables summarize the components of, and the changes in, Accumulated other comprehensive loss, net of tax:

	Three months ended March 31, 2024			Three months ended March 31, 2023		
	Pension and postretirement benefit plans	Foreign currency translation	Total	Pension and postretirement benefit plans	Foreign currency translation	Total
<i>In thousands</i>						
Beginning balance	\$ (64,344)	\$ (1,197)	\$ (65,541)	\$ (86,351)	\$ (14,880)	\$ (101,231)
Other comprehensive income (loss) before reclassifications, net of taxes	770	(689)	81	6,939	6,337	13,276
Amounts reclassified from accumulated other comprehensive income ^{(a)(b)}	77	—	77	14	—	14
Net current period other comprehensive income (loss), net of tax	847	(689)	158	6,953	6,337	13,290
Ending balance	\$ (63,497)	\$ (1,886)	\$ (65,383)	\$ (79,398)	\$ (8,543)	\$ (87,941)

^(a) Amounts reclassified from accumulated other comprehensive income are included in the computation of net periodic benefit cost. See Note 7 — Pensions and other postretirement benefit plans.

^(b) Amounts reclassified from accumulated other comprehensive income are recorded net of tax impacts of \$35 thousand and \$6 thousand for the three months ended March 31, 2024 and 2023, respectively.

NOTE 11 — Commitments, contingencies, and other matters

Legal proceedings

The Company is and may become involved from time to time in legal proceedings in the ordinary course of its business, including, but not limited to, matters such as libel, invasion of privacy, intellectual property infringement, wrongful termination actions, complaints alleging employment discrimination, and regulatory investigations and inquiries. In addition, the Company is involved from time to time in governmental and administrative proceedings concerning employment, labor, environmental, and other claims. Insurance coverage mitigates potential loss for certain of these matters. Historically, such claims and proceedings have not had a material adverse effect on the Company's consolidated results of operations or financial position.

We are also defendants in judicial and administrative proceedings involving matters incidental to our business. Although the Company is unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, the Company does not expect its current and any threatened legal proceedings to have a material adverse effect on the Company's business, financial position or consolidated results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on the Company's financial results.

On June 20, 2023, the Company filed a civil action against Google LLC and Alphabet Inc. (together, "Google") in the U.S. District Court in the Southern District of New York seeking injunctive relief and damages for the anticompetitive monopolization of advertising technology markets and for deceptive commercial practices. The Company's complaint details more than a dozen anticompetitive and deceptive acts that the Company believes demonstrate Google's unfair control and manipulation of all sides of each online advertising transaction. The Company intends to vigorously pursue this action. However, at this stage, the Company is unable to predict the outcome or impact on its business and financial results. The Company is accounting for this matter as a gain contingency, and will record any such gain in future periods, if and when the contingency is resolved, in accordance with ASC 450 "Contingencies." We do not expect pursuing this lawsuit to be a significant cost to us.

The Company was a defendant in a lawsuit titled Scott O. Sapulpa ("Plaintiff") v. Gannett Co., Inc. in the District Court in the State of Oklahoma. In February 2024, a jury found for the Plaintiff and awarded compensatory damages of \$5 million and \$20 million in punitive damages. While we cannot predict with certainty the ultimate outcome of this action, the Company filed an appeal of the case in March 2024. We are currently unable to estimate a range of reasonably possible loss; however, we believe that damages, if any, would be covered by the Company's insurance policies. As a result, we believe the outcome will not have a material impact on the Company's condensed consolidated financial statements.

NOTE 12 — Segment reporting

We define our reportable segments based on the way the Chief Operating Decision Maker ("CODM"), which is our Chief Executive Officer, manages the operations for purposes of allocating resources and assessing performance. Our reportable segments include the following:

- Domestic Gannett Media is comprised of our portfolio of domestic local, regional, and national newspaper publishers. The results of this segment include Digital revenues mainly derived from digital advertising offerings such as classified advertisements and display advertisements run on our platforms as well as third-party sites, digital marketing services delivered by our DMS segment, digital distribution of our publications and digital content syndication and affiliate and partnership revenues and Print and commercial revenues mainly derived from the sale of local, national, and classified print advertising products, the sale of both home delivery and single copies of our publications, as well as commercial printing and distribution arrangements, and revenues from our events business.
- Newsquest is comprised of our portfolio of international newspaper publishers. The results of this segment include Digital revenues mainly derived from digital advertising offerings such as classified advertisements and display advertisements run on our platforms as well as third-party sites, digital marketing services delivered by our DMS segment, digital distribution of our publications and digital syndication revenues and Print and commercial revenues mainly derived from the sale of local, classified, and national advertising as well as niche publications, the sale of both home delivery and single copies of our publications, as well as commercial printing.
- Digital Marketing Solutions is comprised of our digital marketing services companies under the brand LocaliQ. The results of this segment include Digital revenues derived from digital marketing services generated through multiple

services, including search advertising, display advertising, search optimization, social media, website development, web presence products, customer relationship management, and software-as-a-service solutions.

In addition to the reportable segments above, we have a Corporate and other category that includes activities not directly attributable to a specific reportable segment. This category primarily consists of broad corporate functions, including legal, human resources, accounting, analytics, finance, marketing and technology, as well as other general business costs.

In the ordinary course of business, our reportable segments enter into transactions with one another. While intersegment transactions are treated like third-party transactions to determine segment performance, the revenues and expenses recognized by the segment that is the counterparty to the transaction are eliminated in consolidation and do not affect consolidated results.

The CODM uses Adjusted EBITDA to evaluate the performance of the segments and allocate resources. Adjusted EBITDA is a non-GAAP financial performance measure we believe offers a useful view of the overall operation of our businesses and may be different than similarly-titled measures used by other companies. We define Adjusted EBITDA as Net income (loss) attributable to Gannett before (1) Income tax expense (benefit), (2) Interest expense, (3) Gains or losses on the early extinguishment of debt, (4) Non-operating pension income, (5) Loss on convertible notes derivative, (6) Depreciation and amortization, (7) Integration and reorganization costs, (8) Third-party debt expenses and acquisition costs, (9) Asset impairments, (10) Goodwill and intangible impairments, (11) Gains or losses on the sale or disposal of assets, (12) Share-based compensation, (13) Other non-operating (income) expense, net, and (14) Non-recurring items.

Management considers Adjusted EBITDA to be an important metric to evaluate and compare the ongoing operating performance of our segments on a consistent basis across reporting periods as it eliminates the effect of items that we do not believe are indicative of each segment's core operating performance.

	Three months ended March 31,	
<i>In thousands</i>	2024	2023
Revenues:		
Domestic Gannett Media	\$ 495,719	\$ 529,937
Newsquest	60,198	59,158
Digital Marketing Solutions	117,045	112,817
Corporate and other	1,604	1,398
Intersegment Eliminations	(38,805)	(34,393)
Total revenues	635,761	668,917
Adjusted EBITDA:		
Domestic Gannett Media	44,480	44,417
Newsquest	14,163	12,846
Digital Marketing Solutions	8,779	11,683
Corporate and other	(9,833)	(6,044)
Net loss attributable to noncontrolling interests	—	84
Interest expense	26,565	28,330
Gain on early extinguishment of debt	(617)	(496)
Non-operating pension income	(3,146)	(1,815)
Depreciation and amortization	38,298	43,698
Integration and reorganization costs	17,881	12,127
Third-party debt expenses and acquisition costs ^(a)	178	229
Asset impairments	45,989	5
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Share-based compensation expense	2,826	3,736
Other non-operating expense, net	1,817	1,221
Non-recurring items	1,936	533
Loss before income taxes	(74,690)	(7,069)
Provision (benefit) for income taxes	10,078	(17,329)
Net (loss) income	(84,768)	10,260
Net loss attributable to noncontrolling interests	—	(84)
Net (loss) income attributable to Gannett	\$ (84,768)	\$ 10,344

^(a) Third-party debt expenses and acquisition costs are included in Other operating expenses on the condensed consolidated statements of operations and comprehensive income (loss).

Asset information by segment is not a key measure of performance used by the CODM function. Accordingly, we have not disclosed asset information by segment. Additionally, equity income in unconsolidated investees, net, interest expense, other non-operating items, net, and provision for income taxes, as reported in the condensed consolidated financial statements, are not part of operating income and are primarily recorded at the corporate level.

NOTE 13 — Other supplemental information

Cash and cash equivalents, including restricted cash

Cash equivalents represent highly liquid certificates of deposit which have original maturities of three months or less. Restricted cash is held as cash collateral for certain business operations. Restricted cash primarily consists of funding for letters of credit, cash held in an irrevocable grantor trust for our deferred compensation plans and cash held with banking institutions for insurance.

The following table presents a reconciliation of cash, cash equivalents and restricted cash:

	March 31,	
<i>In thousands</i>	2024	2023
Cash and cash equivalents	\$ 93,334	\$ 83,074
Restricted cash included in other current assets	397	1,275
Restricted cash included in pension and other assets	9,645	9,275
Total cash, cash equivalents and restricted cash	\$ 103,376	\$ 93,624

Supplemental cash flow information

The following table presents supplemental cash flow information, including non-cash investing and financing activities:

	Three months ended March 31,	
<i>In thousands</i>	2024	2023
Cash paid for taxes, net of refunds	\$ 1,777	\$ 953
Cash paid for interest	9,577	10,499
<i>Non-cash investing and financing activities:</i>		
Accrued capital expenditures	\$ 14,073	\$ 342

Accounts payable and accrued liabilities

A breakout of Accounts payable and accrued liabilities is presented below:

<i>In thousands</i>	March 31, 2024	December 31, 2023
Accounts payable	\$ 151,201	\$ 142,215
Compensation	52,662	82,160
Taxes (primarily property, sales, and payroll taxes)	12,025	9,990
Benefits	19,825	19,422
Interest	16,941	5,617
Other	47,686	34,040
Accounts payable and accrued liabilities	\$ 300,340	\$ 293,444

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations and quantitative and qualitative disclosures should be read in conjunction with our unaudited condensed consolidated financial statements and related notes and with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission. Management's Discussion and Analysis of Financial Condition and Results of Operations contains a number of forward-looking statements that reflect our plans, estimates, and beliefs, all of which are based on our current expectations and could be affected by certain uncertainties, risks, and other factors described under Cautionary Note Regarding Forward-Looking Statements, Risk Factors, and elsewhere throughout this Quarterly Report, as well as the factors described in our Annual Report on Form 10-K for the year ended December 31, 2023, and subsequent periodic reports filed with the Securities and Exchange Commission, particularly under "Risk Factors." Our actual results could differ materially from those discussed in the forward-looking statements.

OVERVIEW

We are a diversified media company with expansive reach at the national and local level dedicated to empowering and enriching communities. We seek to inspire, inform, and connect audiences as a sustainable, growth focused media and digital marketing solutions company. We endeavor to deliver essential content, marketing solutions, and experiences for curated audiences, advertisers, consumers, and stakeholders by leveraging our diverse teams and suite of products to enrich the local communities and businesses we serve.

Our current portfolio of trusted media brands includes the USA TODAY NETWORK, comprised of the national publication, USA TODAY, and local media organizations in the United States (the "U.S."), and Newsquest, a wholly-owned subsidiary operating in the United Kingdom (the "U.K."). Our digital marketing solutions brand, LocaliQ, uses innovation and software to enable small and medium-sized businesses ("SMBs") to grow, and USA TODAY NETWORK Ventures, our events division, creates impactful consumer engagements, promotions, and races.

Through USA TODAY, our network of local properties, and Newsquest, we deliver high-quality, trusted content with a commitment to balanced, unbiased journalism, where and when consumers want to engage. We have strong relationships with hundreds of thousands of local and national businesses in both our U.S. and U.K. markets due to our large local and national sales forces and a robust advertising and digital marketing solutions product suite. Our strategy prioritizes maximizing the monetization of our audience through the growth of increasingly diverse and highly recurring digital businesses. We expect the execution of this strategy to enable us to continue our evolution to a predominantly digital media company. We deliver value to our customers, advertisers, partners and shareholders with essential content, joyful experiences, and relevant digital solutions.

We report in three segments: Domestic Gannett Media, Newsquest and Digital Marketing Solutions ("DMS"). We also have a Corporate and other category that includes activities not directly attributable to a specific reportable segment. This category primarily consists of broad corporate functions, including legal, human resources, accounting, analytics, finance, marketing and technology, as well as other general business costs. A full description of our reportable segments is included in Note 12 — Segment reporting in the notes to the condensed consolidated financial statements.

Business Trends

We have considered several industry trends when assessing our business strategy:

- Print advertising and Print circulation revenues have and are expected to continue to decline as our audience increasingly moves to digital platforms. We seek to optimize our print operations to efficiently manage for the declining print audience. We are focused on growing a digitally-oriented audience across multiple platforms and revenue streams.
- Our revenues and results of operations continue to be influenced by general macroeconomic conditions, including, but not limited to, interest rates, housing demand, employment levels, and consumer confidence. We believe that these factors are contributing to uncertainty, which is resulting in lower levels of advertising performance and reduced spending.
- Data privacy standards continue to evolve and implementation of standards may result in incremental costs. Privacy standards, such as third-party cookie deprecation, are anticipated to impact the advertising industry more significantly over the next 12 to 18 months. We utilize first-party data to assist our customer's advertising needs but an industry-wide solution to address impacts to programmatic advertising has not yet been developed.

Recent Developments

Corporate office relocation

On March 1, 2024, we exited and ceased use of our leased facility in McLean, Virginia and moved our corporate headquarters to our existing office space in New York. We will continue to seek subleases for the leased facility in McLean. As a result of the headquarters relocation, we recorded an impairment charge of approximately \$46.0 million during the three months ended March 31, 2024 related to the McLean operating lease right-of-use asset and the associated leasehold improvements.

Debt Repurchase

In March 2024, we received a waiver from certain lenders of our five-year senior secured term loan facility in an original aggregate principal amount of \$516.0 million (the "Senior Secured Term Loan") that reduced the scheduled quarterly amortization payments payable to those lenders by approximately \$12.0 million for the three months ended March 31, 2024 (the "First Quarter 2024 Waiver"), so long as such amount was used to repurchase a portion of our \$400 million aggregate principal amount of 6.00% first lien notes due November 1, 2026 (the "2026 Senior Notes"). Also, in March 2024, we entered into a privately negotiated agreement with certain holders of our 2026 Senior Notes, and repurchased \$13.0 million of principal of our outstanding 2026 Senior Notes at a discount to par value. As a result of this repurchase of our 2026 Senior Notes, we recognized a gain on the early extinguishment of debt of approximately \$0.6 million during the three months ended March 31, 2024, which included the write-off of unamortized original issue discount and deferred financing costs.

In addition, during the three months ended March 31, 2024, we repaid approximately \$3.3 million of our Senior Secured Term Loan (net of the First Quarter 2024 Waiver), including quarterly amortization payments. As a result of the repayment related to our Senior Secured Term Loan, we recognized an immaterial loss on the early extinguishment of debt during the three months ended March 31, 2024, which included the write-off of unamortized original issue discount and deferred financing costs.

Certain Matters Affecting Comparability

The following items affect period-over-period comparisons and will continue to affect period-over-period comparisons for future results:

Asset impairments

For the three months ended March 31, 2024, we recorded an impairment charge of approximately \$46.0 million related to the McLean, Virginia operating lease right-of-use asset and the associated leasehold improvements. For the three months ended March 31, 2023, we recorded an immaterial asset impairment related to our continued plan to monetize non-strategic assets.

Loss (gain) on sale or disposal of assets, net

For the three months ended March 31, 2024, we recognized a net loss on the sale of assets of \$0.6 million, primarily related to a net loss of \$0.9 million at the Domestic Gannett Media segment, partially offset by a net gain of \$0.4 million at the Newsquest segment, as part of our continued plan to monetize non-strategic assets.

For the three months ended March 31, 2023, we recognized a net gain on the sale of assets of \$17.7 million, primarily related to a net gain of \$16.3 million at the Domestic Gannett Media segment primarily related to the sale of a production facility as part of our plan to monetize non-strategic assets, and a gain of \$1.4 million at our Corporate and other category related to the sale of intellectual property.

Integration and reorganization costs

For the three months ended March 31, 2024, we incurred Integration and reorganization costs of \$17.9 million. Of the total costs incurred, \$5.3 million were related to severance activities and \$12.6 million were related to other costs, including \$9.7 million expensed as of the cease-use date related to certain licensed content as well as costs for consolidating operations, mainly related to systems implementation.

For the three months ended March 31, 2023, we incurred Integration and reorganization costs of \$12.1 million. Of the total costs incurred, \$10.3 million were related to severance activities and \$1.9 million were related to other costs, including costs for consolidating operations, primarily related to systems implementation and the outsourcing of corporate functions, partially offset by the reversal of a withdrawal liability related to a multiemployer pension plan of \$2.0 million based on the settlement of the withdrawal liability.

Foreign currency

Our U.K. media operations are conducted through our Newsquest subsidiary. In addition, we have foreign operations in regions such as Canada, Australia, New Zealand and India. Earnings from operations in foreign regions are translated into U.S. dollars at average exchange rates prevailing during the period, and assets and liabilities are translated at exchange rates in effect at the balance sheet date. Currency translation fluctuations may impact revenue, expense, and operating income results for our international operations. For example, our international revenues are favorably impacted as the U.S. dollar weakens relative to other foreign currencies, and unfavorably impacted as the U.S. dollar strengthens relative to other foreign currencies. Foreign currency exchange rate fluctuations positively impacted our revenues and profitability during the three months ended March 31, 2024.

Strategy

We are committed to inspiring, informing and connecting audiences as a sustainable, growth-focused media and digital marketing solutions company. We endeavor to deliver essential content, marketing solutions and experiences for curated audiences, advertisers, consumers, and stakeholders by leveraging our diverse teams and suite of products to enrich the local communities and businesses we serve. The execution of this strategy is expected to allow us to continue our evolution from a more traditional print media business to a sustainable, growth-focused media and digital marketing solutions company.

We intend to create stockholder value through a variety of methods, including organic growth driven by our consumer and business-to-business strategies, as well as through paying down debt to strengthen our capital structure.

Stable foundation for ongoing growth

We continue to optimize and improve our foundation – completing systems consolidations and migrations, improving process workflows, and ensuring we have synergy across the organization to deliver the stabilization required to fuel our plan into the future. We also continue to invest in our people and in the skills needed to support our future aims and to retain our talent by remaining an attractive place to work.

Expand reach with our customer segments

Key to our ongoing growth is expanding our base – whether clients in our DMS segment or audience in our Domestic Gannett Media and Newsquest segments – and optimizing our revenue streams across this growing base. For both the Domestic Gannett Media and Newsquest segments, this includes content expansion, establishing a seamless print to digital continuum to introduce clients, readers, viewers, and listeners to a broader range of products we offer. For the DMS segment, expanding our client base and core revenue is anticipated to be supplemented by the development of a complementary software model.

Diversify digital revenues

We expect to continue to expand the ways that we grow digital revenues through innovative partnerships and developing new products and services that meet the needs of consumers and businesses. Examples of this growth strategy include our intention to continue to expand partnerships that rely on our unique and large audience base and developing new DMS software solutions.

Foundational commitment to environmental, social, and governance matters that impact our customers and communities

We will continue our environmental, social and governance ("ESG") journey that is rooted in our strategic mission to empower our communities to thrive and putting our customers at the center of everything we do. We support that mission with clearly defined values that aim to influence not only what we do, but how we do it, with one of the core pillars focusing on our ongoing commitments to inclusion, diversity, and equity ("ID&E"). From our internal efforts around recruiting, development

and retention, to our external efforts to provide high quality products and excellent customer service, we believe our strategic focus will benefit from our continued commitment to building upon our culture and community values.

Macroeconomic Environment

We are exposed to certain risks and uncertainties caused by factors beyond our control, including economic and political instability and other geopolitical events. We believe that these uncertain economic conditions have adversely impacted and may continue to have an adverse impact on our revenues, and the occurrence of these factors has resulted in a reduction in demand for our print and digital advertising, reduced the rates for our advertising, and caused marketers to shift, reduce or stop spend.

We are exposed to potential increases in interest rates associated with our Senior Secured Term Loan, which accounted for approximately 31% of our outstanding debt as of each March 31, 2024 and December 31, 2023, as well as fluctuations in foreign currency exchange rates, primarily related to our operations in the U.K. We expect continued uncertainty and volatility in the U.S. and global economies which will continue to impact our business.

Seasonality

We experience some seasonality in our revenues. The Domestic Gannett Media segment typically witnesses the greatest impact from seasonality in the third quarter, primarily attributed to reduced population in seasonal markets and decreased holiday related spending. The DMS segment generally experiences the greatest impact from seasonality in the first half of the fiscal year, which can be attributed to the advertising needs of specific verticals, which are generally lower in the first half of the year.

Environmental, Social and Governance Initiatives

As a leading media organization, our longstanding corporate social responsibility position is driven by our deep commitment to our communities. We are dedicated to ensuring that we have mindful and ethical business practices that positively impact our world. In early 2024, we published our 2024 ESG Report detailing the progress we made on our U.N. Sustainable Development Goals ("U.N. SDGs") that include Reduced Inequalities, Climate Action, and Peace, Justice and Strong Institutions. The 2024 ESG Report included noteworthy highlights such as improving our workplace diversity, expanding our systems infrastructure to provide Scope 1 and Scope 2 emissions for our global carbon footprint, and reducing the number of manufacturing facilities.

We are committed to ensuring our coverage is widely available, actively promoted across our media sites and marketed to our millions of registered users. In January 2024, we published our network-wide 2023 Journalism Impact Report, which highlighted what we believe are the most influential articles we produced in 2023 and covers topics such as coverage on ID&E, as well as climate change. We are committed to the ongoing publishing of an annual network-wide Journalism Impact Report, which surfaces the top stories we produced that led to action.

The well-being of our employees is of paramount importance to us and we are committed to maintaining a corporate culture that conducts business in a responsible and ethical manner that includes promoting, protecting and supporting human rights across our operations and throughout our entire organization, which is why we have adopted a company-wide Human Rights Policy. This policy expands upon an existing policy enacted by our U.K. operations. Our Human Rights Policy covers areas such as our commitment to diversity and inclusion, a safe and healthy workplace, our communities and stakeholders, and freedom of association and collective bargaining, which helps ensure our employees' right to form and choose whether to join a labor union without fear of reprisal, intimidation, or harassment. The Human Rights Policy also reflects our commitment to bargaining in good faith with chosen representatives of such groups in accordance with applicable laws.

Use of Website to Distribute Material Company Information

Our website is www.gannett.com. Information contained on our website is not part of this quarterly report. We use our website as a distribution channel for material company information. Financial and other important information regarding the Company is routinely posted on and accessible on the Investor Relations and News and Events subpages of our website, which are accessible by clicking on the tab labeled "Investor Relations" and "News and Events", respectively, on the website home page. Therefore, investors should look to the Investor Relations, and News and Events subpages of the Company's website for important and time-critical information.

RESULTS OF OPERATIONS

Consolidated Summary

A summary of our consolidated results is presented below:

Three months ended March 31,					
In thousands, except per share amounts			Change		
	2024	2023	\$	%	
Revenues:					
Digital advertising	\$ 84,466	\$ 80,210	\$ 4,256	5	%
Digital marketing services ^(a)	116,414	112,683	3,731	3	%
Digital-only subscription	43,479	35,831	7,648	21	%
Digital other	23,140	18,754	4,386	23	%
Digital	267,499	247,478	20,021	8	%
Print advertising	134,676	147,954	(13,278)	(9)	%
Print circulation	173,323	205,454	(32,131)	(16)	%
Commercial and other	60,263	68,031	(7,768)	(11)	%
Print and commercial	368,262	421,439	(53,177)	(13)	%
Total revenues	635,761	668,917	(33,156)	(5)	%
Total operating expenses ^(a)	685,647	648,956	36,691	6	%
Operating (loss) income	(49,886)	19,961	(69,847)		***
Non-operating expenses	24,804	27,030	(2,226)	(8)	%
Loss before income taxes	(74,690)	(7,069)	(67,621)		***
Provision (benefit) for income taxes	10,078	(17,329)	27,407		***
Net (loss) income	(84,768)	10,260	(95,028)		***
Net loss attributable to noncontrolling interests	—	(84)	84	(100)	%
Net (loss) income attributable to Gannett	\$ (84,768)	\$ 10,344	\$ (95,112)		***
(Loss) income per share attributable to Gannett - basic	\$ (0.60)	\$ 0.07	\$ (0.67)		***
(Loss) income per share attributable to Gannett - diluted	\$ (0.60)	\$ 0.07	\$ (0.67)		***

*** Indicates an absolute value percentage change greater than 100.

^(a) Amounts are net of intersegment eliminations of \$38.8 million and \$34.4 million for the three months ended March 31, 2024 and 2023, respectively. Intersegment eliminations represent digital marketing services revenues and expenses associated with products sold by sales teams in our Domestic Gannett Media and Newsquest segments but fulfilled by our DMS segment. When discussing segment results, these revenues and expenses are presented gross but are eliminated in consolidation.

Revenues

Digital revenues are primarily derived from digital advertising offerings such as classified advertisements and display advertisements run on our platforms as well as third-party sites, digital marketing services generated through multiple services, including search advertising, display advertising, search optimization, social media, website development, web presence products, customer relationship management, and software-as-a-service solutions, digital distribution of our publications, as well as digital syndication, affiliate, partnership, and licensing revenues.

Print and commercial revenues are generated from the sale of local, national, and classified print advertising products, the sale of both home delivery and single copies of our publications, as well as commercial printing and distribution arrangements, and revenues from our events business.

Operating expenses

Operating expenses consist primarily of the following:

- Operating costs at the Domestic Gannett Media and Newsquest segments include labor, newsprint, delivery and digital costs and at the DMS segment include the cost of online media acquired from third parties and costs to manage and operate our marketing solutions and technology infrastructure;

- Selling, general and administrative expenses include labor, payroll, outside services, benefits costs and bad debt expense;
- Depreciation and amortization;
- Integration and reorganization costs include severance costs as well as other reorganization costs associated with individual restructuring programs, designed primarily to right-size the Company's employee base, consolidate facilities and improve operations;
- Impairment charges, including costs incurred related to goodwill, intangible assets and property, plant and equipment;
- Gains or losses on the sale or disposal of assets; and
- Other operating expenses, including third-party debt expenses as well as acquisition-related costs.

Refer to Segment results below for a discussion of the results of operations by segment.

Non-operating expenses

Interest expense: For the three months ended March 31, 2024, Interest expense was \$26.6 million compared to \$28.3 million for the three months ended March 31, 2023. For the three months ended March 31, 2024, interest expense decreased compared to the three months ended March 31, 2023, primarily due to a lower debt balance, mainly driven by quarterly amortization payments and required prepayments on our Senior Secured Term Loan and repurchases of our 2026 Senior Notes, partially offset by an increase in interest rates on the Senior Secured Term Loan.

Non-operating pension income: For the three months ended March 31, 2024, Non-operating pension income was \$3.1 million compared to \$1.8 million for the three months ended March 31, 2023. The increase in Non-operating pension income for the three months ended March 31, 2024, compared to the same period in 2023 was primarily due to the decrease in the discount rate, partially offset by a decline in the projected benefit obligation.

Provision (benefit) for income taxes

The following table outlines our pre-tax net loss before income taxes and income tax accounts:

<i>In thousands</i>	Three months ended March 31,	
	2024	2023
Loss before income taxes	\$ (74,690)	\$ (7,069)
Provision (benefit) for income taxes	10,078	(17,329)
Effective tax rate	(13.5)%	245.1 %

The provision for income taxes is calculated by applying the projected annual effective tax rate for the year to the current period income or loss before tax plus the tax effect of any significant or unusual items (discrete events), and changes in tax laws. The provision for income taxes for the three months ended March 31, 2024, was mainly driven by the pre-tax book loss, the increase in valuation allowances on non-deductible U.S. interest expense carryforwards, the global intangible low-taxed income inclusion and state tax expense. The provision was calculated using an estimated annual effective tax rate of negative 11.1%. The estimated annual effective tax rate is principally impacted by valuation allowances on non-deductible interest expense carryforwards, foreign tax expense, and the global intangible low-taxed income inclusion, partially offset by the benefit of U.S. pre-tax book loss. The estimated annual effective tax rate is based on the projected tax expense for the full year.

The benefit for income taxes for the three months ended March 31, 2023, was mainly driven by the tax benefit of the pre-tax book loss, the change in valuation allowances on non-deductible U.S. interest expense carryforwards, the global intangible low-taxed income inclusion and stock compensation. The benefit was calculated using the estimated annual effective tax rate of negative 273.3%.

Net (loss) income attributable to Gannett and diluted (loss) income per share attributable to Gannett

For the three months ended March 31, 2024, Net loss attributable to Gannett and diluted loss per share attributable to Gannett were \$84.8 million and \$0.60, respectively, compared to Net income attributable to Gannett and diluted income per share attributable to Gannett of \$10.3 million and \$0.07, respectively, for the three months ended March 31, 2023. The change for the three months ended March 31, 2024, compared to the same period in the prior year reflects the various items discussed above.

Segment Results

Domestic Gannett Media segment

A summary of our Domestic Gannett Media segment results is presented below:

In thousands	Three months ended March 31,			
	2024	2023	Change	
			\$	%
Revenues:				
Digital	\$ 167,735	\$ 149,308	\$ 18,427	12 %
Print and commercial	327,984	380,629	(52,645)	(14)%
Total revenues	495,719	529,937	(34,218)	(6)%
Operating expenses:				
Operating costs	320,862	349,328	(28,466)	(8)%
Selling, general and administrative expenses	130,244	136,490	(6,246)	(5)%
Depreciation and amortization	24,877	31,751	(6,874)	(22)%
Integration and reorganization costs	14,889	4,049	10,840	***
Asset impairments	—	5	(5)	(100)%
Loss (gain) on sale or disposal of assets, net	904	(16,271)	17,175	***
Other operating income	(52)	—	(52)	***
Total operating expenses	491,724	505,352	(13,628)	(3)%
Operating income	\$ 3,995	\$ 24,585	\$ (20,590)	(84)%

*** Indicates an absolute value percentage change greater than 100.

Revenues

The following table provides the breakout of Revenues by category:

In thousands	Three months ended March 31,			
	2024	2023	Change	
			\$	%
Digital advertising	\$ 70,941	\$ 67,674	\$ 3,267	5 %
Digital marketing services	36,086	32,065	4,021	13 %
Digital-only subscription	41,911	34,678	7,233	21 %
Digital other	18,797	14,891	3,906	26 %
Digital	167,735	149,308	18,427	12 %
Print advertising	115,619	128,177	(12,558)	(10) %
Print circulation	156,246	188,503	(32,257)	(17) %
Commercial and other	56,119	63,949	(7,830)	(12) %
Print and commercial	327,984	380,629	(52,645)	(14) %
Total revenues	\$ 495,719	\$ 529,937	\$ (34,218)	(6) %

For the three months ended March 31, 2024, Digital advertising revenues increased compared to the three months ended March 31, 2023, primarily due to an increase in sponsored link and national programmatic revenue, as well as higher spend on automotive advertisements, partially offset by lower spend on obituary and employment notifications.

For the three months ended March 31, 2024, Digital marketing services revenues increased compared to the three months ended March 31, 2023, primarily due to an increase in client spend.

For the three months ended March 31, 2024, Digital-only subscription revenues increased compared to the three months ended March 31, 2023, primarily driven by an increase in Digital-only subscription average revenue per user ("Digital-only ARPU") of 24%, mainly due to product mix. Refer to "Key Performance Indicators" below for further discussion of Digital-only ARPU.

For the three months ended March 31, 2024, Digital other revenues increased compared to the three months ended March

31, 2023, primarily due to an increase in affiliate and partnership revenues.

For the three months ended March 31, 2024, Print advertising revenues decreased compared to the three months ended March 31, 2023, primarily due to a decrease in local and national print advertisements and lower advertiser inserts, mainly due to a reduction in spend from customers driven by macroeconomic factors, and lower spend on classified advertisements, mainly associated with obituary notifications.

For the three months ended March 31, 2024, Print circulation revenues decreased compared to the three months ended March 31, 2023, due to a decline in home delivery and single copy as a result of a reduction in the volume of subscribers, partially offset by an increase in rates.

For the three months ended March 31, 2024, Commercial and other revenues decreased compared to the three months ended March 31, 2023, primarily due to a decrease in commercial print revenues, driven by the decline in production volume, as well as facility closures, and a decrease in the price of newsprint, partially offset by an increase in event revenues, driven by an increase in ticket sales related to higher attendance.

Operating expenses

For the three months ended March 31, 2024, Operating costs decreased \$28.5 million compared to the three months ended March 31, 2023. The following table provides the breakout of Operating costs:

	Three months ended March 31,				
			Change		
<i>In thousands</i>	2024	2023	\$		%
Newsprint and ink	\$ 18,573	\$ 29,597	\$ (11,024)		(37)%
Distribution	74,483	83,942	(9,459)		(11)%
Compensation and benefits	96,501	100,930	(4,429)		(4)%
Outside services	80,965	78,995	1,970		2 %
Other	50,340	55,864	(5,524)		(10)%
Total operating costs	\$ 320,862	\$ 349,328	\$ (28,466)		(8)%

For the three months ended March 31, 2024, Newsprint and ink costs decreased compared to the three months ended March 31, 2023, primarily due to lower volume due to the decline in revenues, as well as a decrease in the cost of newsprint of approximately \$4.9 million.

For the three months ended March 31, 2024, Distribution costs decreased compared to the three months ended March 31, 2023, primarily due to a decrease of approximately \$12.0 million associated with lower home delivery and single copy revenues, partially offset by an increase in postage costs of approximately \$2.5 million, mainly due to conversion to mail delivery in multiple markets.

For the three months ended March 31, 2024, Compensation and benefits costs decreased compared to the three months ended March 31, 2023, primarily due to a decrease in headcount tied to ongoing cost control initiatives, including facility closures and conversion to mail delivery in multiple markets.

For the three months ended March 31, 2024, Outside services costs, which includes professional services fulfilled by third parties, media fees and other digital costs, and paid search and ad serving services, increased compared to the three months ended March 31, 2023, primarily due to higher third-party media fees of approximately \$2.6 million, partially offset by a decrease of approximately \$0.6 million in miscellaneous expenses.

For the three months ended March 31, 2024, Other costs decreased compared to the three months ended March 31, 2023, primarily due to lower facility related expenses of approximately \$3.8 million, mainly associated with real estate sales and facility consolidations and lower miscellaneous expenses of approximately \$3.8 million, mainly related to lower technology costs, partially offset by higher promotion costs of approximately \$2.1 million.

For the three months ended March 31, 2024, Selling, general and administrative expenses decreased \$6.2 million compared to the three months ended March 31, 2023. The following table provides the breakout of Selling, general and administrative expenses:

	Three months ended March 31,				
			Change		
<i>In thousands</i>	2024	2023	\$		%
Compensation and benefits	\$ 62,663	\$ 62,179	\$ 484		1 %
Outside services and other	67,581	74,311	(6,730)		(9)%
Total selling, general and administrative expenses	\$ 130,244	\$ 136,490	\$ (6,246)		(5)%

For the three months ended March 31, 2024, Outside services and other costs , which include services fulfilled by third parties , decreased compared to the three months ended March 31, 2023, primarily due to lower miscellaneous expenses of approximately \$5.5 million, including promotional expenses, and lower bad debt expense of approximately \$1.2 million.

For the three months ended March 31, 2024, Depreciation and amortization expense decreased compared to the three months ended March 31, 2023, reflecting the impact of fewer print facilities in 2024 compared to 2023.

For the three months ended March 31, 2024, Integration and reorganization costs increased compared to the three months ended March 31, 2023, mainly due to an increase in other costs of \$12.3 million, partially offset by a decrease in severance costs of \$1.4 million. The change in other costs for the three months ended March 31, 2024 was primarily due to \$9.7 million expensed as of the cease-use date related to certain licensed content and the absence in the first quarter of 2024 of a reversal of a withdrawal liability related to a multiemployer pension plan in the first quarter of 2023 of \$2.0 million based on the settlement of the withdrawal liability.

For the three months ended March 31, 2024, we recognized a net loss on the sale of assets of \$0.9 million as part of our continued plan to monetize non-strategic assets. For the three months ended March 31, 2023, we recognized a net gain on the sale of assets of \$16.3 million, primarily related to the sale of a production facility as part of our plan to monetize non-strategic assets.

Domestic Gannett Media segment Adjusted EBITDA

	Three months ended March 31,				
			Change		
<i>In thousands</i>	2024	2023	\$		%
Net income attributable to Gannett	\$ 5,463	\$ 23,009	\$ (17,546)		(76)%
Non-operating pension (income) expense	(1,306)	303	(1,609)		***
Depreciation and amortization	24,877	31,751	(6,874)		(22)%
Integration and reorganization costs	14,889	4,049	10,840		***
Asset impairments	—	5	(5)		(100)%
Loss (gain) on sale or disposal of assets, net	904	(16,271)	17,175		***
Other non-operating (income) expense, net	(347)	1,567	(1,914)		***
Non-recurring items	—	4	(4)		(100)%
Adjusted EBITDA (non-GAAP basis)^(a)	\$ 44,480	\$ 44,417	\$ 63		— %
Net income attributable to Gannett margin	1.1 %	4.3 %			
Adjusted EBITDA margin (non-GAAP basis)^{(a)(b)}	9.0 %	8.4 %			

*** Indicates an absolute value percentage change greater than 100.

^(a) See "Non-GAAP Financial Measures" below for additional information about non-GAAP measures.

^(b) We define Adjusted EBITDA margin as Adjusted EBITDA divided by total Revenues.

For the three months ended March 31, 2024, the increase in Domestic Gannett Media segment Adjusted EBITDA compared to the three months ended March 31, 2023, was primarily attributable to the changes discussed above.

Newsquest segment

A summary of our Newsquest segment results is presented below:

Three months ended March 31,							
In thousands			Change				
	2024	2023	\$	%			
Revenues:							
Digital	\$	19,920	\$	18,348	\$	1,572	9 %
Print and commercial		40,278		40,810		(532)	(1)%
Total revenues		60,198		59,158		1,040	2 %
Operating expenses:							
Operating costs		30,526		30,237		289	1 %
Selling, general and administrative expenses		15,596		16,158		(562)	(3)%
Depreciation and amortization		2,035		1,758		277	16 %
Integration and reorganization costs		169		600		(431)	(72)%
(Gain) loss on sale or disposal of assets, net		(445)		3		(448)	***
Other operating income		(87)		—		(87)	***
Total operating expenses		47,794		48,756		(962)	(2)%
Operating income	\$	12,404	\$	10,402	\$	2,002	19 %

*** Indicates an absolute value percentage change greater than 100.

Revenues

The following table provides the breakout of Revenues by category:

Three months ended March 31,					
In thousands			Change		
	2024	2023	\$	%	
Digital advertising	\$ 13,525	\$ 12,536	\$ 989	8	%
Digital marketing services	2,088	2,194	(106)	(5)	%
Digital-only subscription	1,568	1,153	415	36	%
Digital other	2,739	2,465	274	11	%
Digital	19,920	18,348	1,572	9	%
Print advertising	19,057	19,777	(720)	(4)	%
Print circulation	17,077	16,951	126	1	%
Commercial and other	4,144	4,082	62	2	%
Print and commercial	40,278	40,810	(532)	(1)	%
Total revenues	\$ 60,198	\$ 59,158	\$ 1,040	2	%

For the three months ended March 31, 2024, Digital advertising revenues increased compared to the three months ended March 31, 2023, primarily due to an increase in local revenues, partially offset by lower spend on employment notifications.

For the three months ended March 31, 2024, Digital-only subscription revenues increased compared to the three months ended March 31, 2023, primarily driven by the increase in digital-only paid subscriptions. Refer to "Key Performance Indicators" below for further discussion of digital-only paid subscriptions.

For the three months ended March 31, 2024, Digital other revenues increased compared to the three months ended March 31, 2023, primarily due to higher syndication revenues.

For the three months ended March 31, 2024, Print advertising revenues decreased compared to the three months ended March 31, 2023, primarily due to a decrease in sponsorship revenues due to timing and the ongoing shift in spend to digital platforms.

Operating expenses

For the three months ended March 31, 2024, Operating costs increased \$0.3 million compared to the three months ended March 31, 2023. The following table provides the breakout of Operating costs:

In thousands	Three months ended March 31,				
	2024	2023	Change		
			\$		%
Newsprint and ink	\$ 2,624	\$ 3,896	\$ (1,272)		(33)%
Distribution	3,186	3,430	(244)		(7)%
Compensation and benefits	12,979	11,962	1,017		9 %
Outside services	3,848	3,899	(51)		(1)%
Other	7,889	7,050	839		12 %
Total operating costs	\$ 30,526	\$ 30,237	\$ 289		1 %

For the three months ended March 31, 2024, Newsprint and ink costs decreased compared to the three months ended March 31, 2023, primarily due to a decrease in the cost of newsprint of approximately \$1.0 million.

For the three months ended March 31, 2024, Distribution costs decreased compared to the three months ended March 31, 2023, primarily due to the decline in revenues.

For the three months ended March 31, 2024, Compensation and benefits costs increased compared to the three months ended March 31, 2023, primarily due to higher headcount.

For the three months ended March 31, 2024, Other costs increased compared to the three months ended March 31, 2023, primarily due to an increase in miscellaneous expenses.

For the three months ended March 31, 2024, Selling, general and administrative expenses decreased \$0.6 million compared to the three months ended March 31, 2023. The following table provides the breakout of Selling, general and administrative expenses:

In thousands	Three months ended March 31,				
	2024	2023	Change		
			\$		%
Compensation and benefits	\$ 11,745	\$ 11,506	\$ 239		2 %
Outside services and other	3,851	4,652	(801)		(17)%
Total selling, general and administrative expenses	\$ 15,596	\$ 16,158	\$ (562)		(3)%

For the three months ended March 31, 2024, Compensation and benefits costs increased compared to the three months ended March 31, 2023, primarily due to an increase in bonuses.

For the three months ended March 31, 2024, Outside services and other costs decreased compared to the three months ended March 31, 2023, primarily due to a decrease in facility related costs as well as lower bad debt expense of approximately \$0.3 million.

Newsquest segment Adjusted EBITDA

In thousands	Three months ended March 31,				
	2024	2023	Change		
			\$		%
Net income attributable to Gannett	\$ 14,544	\$ 12,018	\$ 2,526		21 %
Non-operating pension income	(1,840)	(2,118)	278		(13)%
Depreciation and amortization	2,035	1,758	277		16 %
Integration and reorganization costs	169	600	(431)		(72)%
(Gain) loss on sale or disposal of assets, net	(445)	3	(448)		***
Other non-operating (income) expense, net	(300)	502	(802)		***
Non-recurring items	—	83	(83)		(100)%
Adjusted EBITDA (non-GAAP basis) ^(a)	\$ 14,163	\$ 12,846	\$ 1,317		10 %
Net income attributable to Gannett margin	24.2 %	20.3 %			
Adjusted EBITDA margin (non-GAAP basis) ^{(a)(b)}	23.5 %	21.7 %			

*** Indicates an absolute value percentage change greater than 100.

^(a) See "Non-GAAP Financial Measures" below for additional information about non-GAAP measures.

^(b) We define Adjusted EBITDA margin as Adjusted EBITDA divided by total Revenues.

For the three months ended March 31, 2024, the increase in Newsquest segment Adjusted EBITDA compared to the three months ended March 31, 2023, was primarily attributable to the changes discussed above.

Digital Marketing Solutions segment

A summary of our DMS segment results is presented below:

In thousands	Three months ended March 31,				
	2024	2023	Change		
			\$		%
Revenues:					
Digital ^(a)	\$ 117,045	\$ 112,817	\$ 4,228		4 %
Total revenues	117,045	112,817	4,228		4 %
Operating expenses:					
Operating costs	84,931	78,990	5,941		8 %
Selling, general and administrative expenses	23,965	22,144	1,821		8 %
Depreciation and amortization	5,880	5,860	20		— %
Integration and reorganization costs	25	20	5		25 %
Loss on sale or disposal of assets, net	89	35	54		***
Total operating expenses	114,890	107,049	7,841		7 %
Operating income	\$ 2,155	\$ 5,768	\$ (3,613)		(63)%

*** Indicates an absolute value percentage change greater than 100.

^(a) Digital revenues are solely generated by digital marketing services revenues.

Revenues

For the three months ended March 31, 2024, Digital revenues increased compared to the three months ended March 31, 2023, primarily due to growth in the core direct business, including growth in revenues associated with both local and multi-location customers, and an increase in core platform average revenue per user ("Core platform ARPU") of 6% for the three months ended March 31, 2024. Refer to "Key Performance Indicators" below for further discussion of Core platform ARPU.

Operating expenses

For the three months ended March 31, 2024, Operating costs increased \$5.9 million compared to the three months ended March 31, 2023. The following table provides the breakout of Operating costs:

Three months ended March 31,					
In thousands			Change		
	2024	2023	\$	%	
Outside services	\$ 74,099	\$ 69,096	\$ 5,003	7 %	
Compensation and benefits	9,006	8,440	566	7 %	
Other	1,826	1,454	372	26 %	
Total operating costs	\$ 84,931	\$ 78,990	\$ 5,941	8 %	

For the three months ended March 31, 2024, Outside services costs, which includes professional services fulfilled by third parties, media fees and other digital costs, and paid search and ad serving services, increased compared to the three months ended March 31, 2023, due to an increase in expenses associated with third-party media fees driven by a corresponding increase in revenues.

For the three months ended March 31, 2024, Compensation and benefits costs increased compared to the three months ended March 31, 2023, primarily due to higher headcount.

For the three months ended March 31, 2024, Other costs increased compared to the three months ended March 31, 2023, primarily due to an increase in miscellaneous expenses, including higher facility related expenses.

For the three months ended March 31, 2024, Selling, general and administrative expenses increased \$1.8 million compared to the three months ended March 31, 2023. The following table provides the breakout of Selling, general and administrative expenses:

Three months ended March 31,					
In thousands			Change		
	2024	2023	\$	%	
Compensation and benefits	\$ 19,645	\$ 19,066	\$ 579	3 %	
Outside services and other	4,320	3,078	1,242	40 %	
Total selling, general and administrative expenses	\$ 23,965	\$ 22,144	\$ 1,821	8 %	

For the three months ended March 31, 2024, Compensation and benefits costs increased compared to the three months ended March 31, 2023, primarily due to higher headcount.

For the three months ended March 31, 2024, Outside services and other costs increased compared to the three months ended March 31, 2023, due to an increase in miscellaneous expenses, including higher bad debt expense of \$0.7 million.

DMS segment Adjusted EBITDA

Three months ended March 31,					
In thousands			Change		
	2024	2023	\$	%	
Net income attributable to Gannett	\$ 609	\$ 5,623	\$ (5,014)	(89)%	
Depreciation and amortization	5,880	5,860	20	— %	
Integration and reorganization costs	25	20	5	25 %	
Loss on sale or disposal of assets, net	89	35	54	***	
Other non-operating expense, net	1,546	145	1,401	***	
Non-recurring items	630	—	630	***	
Adjusted EBITDA (non-GAAP basis)^(a)	\$ 8,779	\$ 11,683	\$ (2,904)	(25)%	
Net income attributable to Gannett margin	0.5 %	5.0 %			
Adjusted EBITDA margin (non-GAAP basis)^{(a)(b)}	7.5 %	10.4 %			

*** Indicates an absolute value percentage change greater than 100.

^(a) See "Non-GAAP Financial Measures" below for additional information about non-GAAP measures.

^(b) We define Adjusted EBITDA margin as Adjusted EBITDA divided by total Revenues.

For the three months ended March 31, 2024, the decrease in DMS segment Adjusted EBITDA compared to the three months ended March 31, 2023, was primarily attributable to the changes discussed above. In addition, for the three months

ended March 31, 2024, Other non-operating expense, net increased compared to the three months ended March 31, 2023, mainly due to an increase in unrealized foreign currency losses.

Corporate and other category

For the three months ended March 31, 2024, Corporate and other revenues were \$1.6 million compared to \$1.4 million for the three months ended March 31, 2023.

For the three months ended March 31, 2024, Corporate and other operating expenses increased \$47.9 million compared to the three months ended March 31, 2023. The following table provides the breakout of Corporate and other operating expenses:

In thousands	Three months ended March 31,				
	2024	2023	Change		
			\$		%
Operating expenses:					
Operating costs	\$ 4,885	\$ 6,026	\$ (1,141)		(19)%
Selling, general and administrative expenses	10,684	5,598	5,086		91 %
Depreciation and amortization	5,506	4,329	1,177		27 %
Integration and reorganization costs	2,798	7,458	(4,660)		(62)%
Asset Impairments	45,989	—	45,989		***
Loss (gain) on sale or disposal of assets, net	4	(1,448)	1,452		***
Other operating expenses	178	229	(51)		(22)%
Total operating expenses	\$ 70,044	\$ 22,192	\$ 47,852		***

*** Indicates an absolute value percentage change greater than 100.

For the three months ended March 31, 2024, Corporate and other operating expenses increased compared to the three months ended March 31, 2023, primarily due to the impairment charge of approximately \$46.0 million related to the write-off of the McLean, Virginia operating lease right-of-use asset and the associated leasehold improvements, an increase in Selling, general and administrative expenses, primarily due to a higher technology and product costs, as well as the absence in 2024 of the \$1.4 million gain on the sale of intellectual property incurred in the first quarter of 2023. These increases were partially offset by a decrease in Integration and reorganization costs, primarily due to a decrease in severance costs of \$3.1 million, and a decrease in other costs of \$1.5 million, mainly due to a decrease in system integration costs.

LIQUIDITY AND CAPITAL RESOURCES

Our primary cash requirements are for working capital, debt obligations, and capital expenditures.

We expect to fund our operations and debt service requirements through cash provided by our operating activities. We expect we will have adequate capital resources and liquidity to meet our ongoing working capital needs, borrowing obligations, and all required capital expenditures for at least the next twelve months. However, a further economic downturn or an increased rate of revenue declines would negatively impact our revenue, cash provided by operating activities and liquidity. We continue to implement cost reduction initiatives to reduce our ongoing level of operating expense. We believe our ability to realize benefits from our cost reduction initiatives will be necessary to offset the continued secular decline in our legacy print business revenue streams. We believe that these measures are important in response to the overall challenging macroeconomic environment that we are facing. Refer to "Overview - Macroeconomic Environment" above for further discussion.

Details of our cash flows are included in the table below:

<i>In thousands</i>	Three months ended March 31,	
	2024	2023
Cash provided by operating activities	\$ 22,451	\$ 6,718
Cash (used for) provided by investing activities	(12,426)	20,704
Cash used for financing activities	(18,245)	(38,640)
Effect of currency exchange rate change on cash	984	38
Decrease in cash, cash equivalents and restricted cash	\$ (7,236)	\$ (11,180)

Cash flows provided by operating activities: Our largest source of cash provided by operating activities is generated by advertising and marketing services, primarily from local and national print advertising, as well as retail, classified, and online revenues. Additionally, we generate cash through circulation subscribers, commercial printing and delivery services to third parties, and events. Our primary uses of cash from our operating activities include compensation, newsprint, delivery, and outside services.

Cash flows provided by operating activities were \$22.5 million for the three months ended March 31, 2024, compared to \$6.7 million for the three months ended March 31, 2023. The increase in cash flows provided by operating activities was primarily due to a decrease in severance payments and higher cash receipts related to deferred revenues, partially offset by an increase in contributions to our pension and other postretirement benefit plans.

Cash flows (used for) provided by investing activities: Cash flows used for investing activities was \$12.4 million for the three months ended March 31, 2024, compared to cash provided by investing activities of \$20.7 million for the three months ended March 31, 2023. The change in cash flows provided by investing activities was primarily due to a decrease in proceeds from the sale of real estate and other non-strategic assets of \$28.9 million and an increase in purchases of property, plant and equipment of \$4.2 million.

Cash flows used for financing activities: Cash flows used for financing activities were \$18.2 million for the three months ended March 31, 2024, compared to \$38.6 million for the three months ended March 31, 2023. The decrease in cash flows used for financing activities was primarily due to \$20.9 million in lower repayments of long-term debt.

Debt

As of March 31, 2024, the carrying value of our outstanding debt totaled \$1.034 billion, which consisted of \$341.5 million related to the Senior Secured Term Loan, \$269.5 million related to the 2026 Senior Notes, \$419.7 million related to the 2027 Notes (defined below), and \$3.3 million related to the remaining 4.75% convertible senior notes due and repaid on April 15, 2024 (the "2024 Notes").

The Senior Secured Term Loan bears interest at a per annum rate equal to the Adjusted Term SOFR (which shall not be less than 0.50% per annum) plus a margin equal to 5.00% or an alternate base rate (which shall not be less than 1.50% per annum) plus a margin equal to 4.00%. We are required to repay the Senior Secured Term Loan from time to time with (i) the proceeds of non-ordinary course asset sales and casualty and condemnation events, (ii) the proceeds of indebtedness not permitted under the Senior Secured Term Loan, and (iii) the aggregate amount of cash and cash equivalents on hand at the Company and its restricted subsidiaries in excess of \$100 million at the end of each fiscal year of the Company. Subsequent to the amendment effective as of April 8, 2022, the Senior Secured Term Loan is amortized at a rate equal to \$15.1 million per quarter (or, if the

ratio of debt secured on an equal basis with the Senior Secured Term Loan less unrestricted cash of the Company and its restricted subsidiaries to Consolidated EBITDA (as such terms are defined in the Senior Secured Term Loan) (such ratio, the "First Lien Net Leverage Ratio"), for the most recently ended period of four consecutive fiscal quarters is equal to or less than 1.20 to 1.00, \$7.6 million per quarter). For the three months ended March 31, 2024, we made \$3.3 million of prepayments, including quarterly amortization payments, on the Senior Secured Term Loan.

Interest on the 2026 Senior Notes is payable semi-annually in arrears. The 2026 Senior Notes mature on November 1, 2026, unless redeemed or repurchased earlier pursuant to the 2026 Senior Notes Indenture.

Interest on the 6.0% Senior Secured Convertible Notes due 2027 (the "2027 Notes") is payable semi-annually in arrears. The 2027 Notes mature on December 1, 2027, unless earlier repurchased or converted. The 2027 Notes may be converted at any time by the holders into cash, shares of our common stock, par value \$0.01 per share (the "Common Stock") or any combination of cash and Common Stock, at our election. The initial conversion rate is 200 shares of Common Stock per \$1,000 principal amount of the 2027 Notes, which is equal to a conversion price of \$5.00 per share of Common Stock (the "Conversion Price"). For the three months ended March 31, 2024, no shares were issued upon conversion, exercise, or satisfaction of the required conditions.

Our Senior Secured Term Loan, 2024 Notes, 2026 Senior Notes and 2027 Notes all contain usual and customary covenants and events of default. As of March 31, 2024, we were in compliance with all such covenants and obligations.

Refer to Note 6 — Debt in the notes to the condensed consolidated financial statements for additional discussion regarding our debt.

Additional information

We continue to evaluate our results of operations, liquidity and cash flows, and as part of these measures, we have taken steps to manage cash outflow by rationalizing expenses and implementing various cost management initiatives. We do not presently pay a quarterly dividend and there can be no assurance that we will pay dividends in the future. In addition, the terms of our indebtedness, including the Senior Secured Term Loan, the 2026 Senior Notes Indenture and the 2027 Notes Indenture have terms that restrict our ability to pay dividends.

On February 1, 2022, our Board of Directors authorized the repurchase of up to \$100 million (the "Stock Repurchase Program") of our Common Stock. Repurchases may be made from time to time through open market purchases or privately negotiated transactions, pursuant to one or more plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or by means of one or more tender offers, in each case, as permitted by securities laws and other legal requirements. The amount and timing of the purchases, if any, will depend on a number of factors, including, but not limited to, the price and availability of our shares, trading volume, capital availability, our performance and general economic and market conditions. The Stock Repurchase Program may be suspended or discontinued at any time. Further, future repurchases under our Stock Repurchase Program may be subject to various conditions under the terms of our various debt instruments and agreements, unless an exception is available or we obtain a waiver or similar relief.

During the three months ended March 31, 2024, we did not repurchase any shares of Common Stock under the Stock Repurchase Program. As of March 31, 2024, the remaining authorized amount under the Stock Repurchase Program was approximately \$96.9 million. We do not currently anticipate repurchasing any shares of Common Stock pursuant to the Stock Repurchase Program during the second quarter of 2024.

Beginning with the quarter ended December 31, 2022, and ending with the quarter ending September 30, 2024, the Gannett Retirement Plan's (the "GR Plan") appointed actuary has and will certify the GR Plan's funded status for each quarter (the "Quarterly Certification") in accordance with U.S. GAAP. If the GR Plan is less than 100% funded, we will make a \$1.0 million contribution to the GR Plan no later than 60 days following the receipt of the Quarterly Certification, provided, however, that our obligation to make additional contractual contributions will terminate the earlier of (a) the day following the date that a contractual contribution would be due for the quarter ending September 30, 2024, and (b) the date we have made a total of \$5 million of contractual contributions subsequent to June 30, 2022. As of March 31, 2024, the GR Plan was more than 100% funded.

We expect our capital expenditures for the remainder of 2024 to total approximately \$47 million. These capital expenditures are anticipated to be primarily comprised of projects related to digital product development, costs associated with our print and technology systems, and system upgrades.

Our leverage may adversely affect our business and financial performance and restricts our operating flexibility. The level of our indebtedness and our ongoing cash flow requirements may expose us to a risk that a substantial decrease in operating cash flows due to, among other things, continued or additional adverse economic conditions or adverse developments in our business, could make it difficult for us to meet the financial and operating covenants contained in our Senior Secured Term Loan, the 2026 Senior Notes, and the 2027 Notes. In addition, our leverage may limit cash flow available for general corporate purposes such as capital expenditures as well as share repurchases and acquisitions and our flexibility to react to competitive, technological, and other changes in our industry and economic conditions generally. We continue to closely monitor economic factors, including, but not limited to, the current inflationary market and rising interest rates, and we expect to continue to take the steps necessary to appropriately manage liquidity.

CRITICAL ACCOUNTING ESTIMATES

See our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for a discussion of our critical accounting policies and use of estimates. There have been no material changes to our critical accounting policies and use of estimates discussed in such report.

NON-GAAP FINANCIAL MEASURES

A non-GAAP measure is generally defined as one that purports to measure historical or future financial performance, financial position, or cash flows, but excludes or includes amounts that would not be so excluded or included in the most comparable U.S. generally accepted accounting principles ("U.S. GAAP") measure.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial performance measures we believe offer a useful view of the overall operations of our business. These non-GAAP financial performance measures, which may not be comparable to, and may be defined differently than, similarly titled measures used or reported by other companies, should not be considered in isolation from or as a substitute for the related U.S. GAAP measures and should be read together with financial information presented on a U.S. GAAP basis.

We define Adjusted EBITDA as Net income (loss) attributable to Gannett before (1) Income tax expense (benefit), (2) Interest expense, (3) Gains or losses on the early extinguishment of debt, (4) Non-operating pension income, (5) Loss on convertible notes derivative, (6) Depreciation and amortization, (7) Integration and reorganization costs, (8) Third-party debt expenses and acquisition costs, (9) Asset impairments, (10) Goodwill and intangible impairments, (11) Gains or losses on the sale or disposal of assets, (12) Share-based compensation, (13) Other non-operating (income) expense, net, and (14) Non-recurring items. We define Adjusted EBITDA margin as Adjusted EBITDA divided by total Revenues.

Management's use of Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA and Adjusted EBITDA margin are not measurements of financial performance under U.S. GAAP and should not be considered in isolation or as an alternative to net income (loss), margin, or any other measure of performance or liquidity derived in accordance with U.S. GAAP. We believe these non-GAAP financial performance measures, as we have defined them, are helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. These measures provide an assessment of core expenses and afford management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

We use Adjusted EBITDA and Adjusted EBITDA margin as measures of our day-to-day operating performance, which is evidenced by the publishing and delivery of news and other media and excludes certain expenses that may not be indicative of our day-to-day business operating results.

Limitations of Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA and Adjusted EBITDA margin have limitations as analytical tools. They should not be viewed in isolation or as a substitute for U.S. GAAP measures of earnings. Material limitations in making the adjustments to our earnings to calculate Adjusted EBITDA and Adjusted EBITDA margin and using these non-GAAP financial measures as compared to U.S. GAAP net income (loss) include: the cash portion of interest/financing expense, income tax (benefit) provision, and charges related to asset impairments, which may significantly affect our financial results.

Management believes these items are important in evaluating our performance, results of operations, and financial position. We use non-GAAP financial performance measures to supplement our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

Adjusted EBITDA and Adjusted EBITDA margin are not alternatives to net income (loss), margin, or any other measure of performance or liquidity derived in accordance with U.S. GAAP. As such, they should not be considered or relied upon as substitutes or alternatives for any such U.S. GAAP financial measures. We strongly urge you to review the reconciliation of Net income (loss) attributable to Gannett to Adjusted EBITDA and Adjusted EBITDA margin along with our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. We also strongly urge you not to rely on any single financial performance measure to evaluate our business. In addition, because Adjusted EBITDA and Adjusted EBITDA margin are not measures of financial performance under U.S. GAAP and are susceptible to varying calculations, the Adjusted EBITDA and Adjusted EBITDA margin measures as presented in this report may differ from and may not be comparable to similarly titled measures used by other companies.

The table below shows the reconciliation of Net (loss) income attributable to Gannett to Adjusted EBITDA and Net (loss) income attributable to Gannett margin to Adjusted EBITDA margin:

<i>In thousands</i>	Three months ended March 31,	
	2024	2023
Net (loss) income attributable to Gannett	\$ (84,768)	\$ 10,344
Provision (benefit) for income taxes	10,078	(17,329)
Interest expense	26,565	28,330
Gain on early extinguishment of debt	(617)	(496)
Non-operating pension income	(3,146)	(1,815)
Depreciation and amortization	38,298	43,698
Integration and reorganization costs	17,881	12,127
Third-party debt expenses and acquisition costs	178	229
Asset impairments	45,989	5
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Share-based compensation expense	2,826	3,736
Other non-operating expense, net	1,817	1,221
Non-recurring items	1,936	533
Adjusted EBITDA (non-GAAP basis)	\$ 57,589	\$ 62,902
Net (loss) income attributable to Gannett margin	(13.3)%	1.5 %
Adjusted EBITDA margin (non-GAAP basis)	9.1 %	9.4 %

KEY PERFORMANCE INDICATORS

A key performance indicator ("KPI") is generally defined as a quantifiable measurement or metric used to gauge performance, specifically to help determine strategic, financial, and operational achievements, especially compared to those of similar businesses.

We define Digital-only ARPU as digital-only subscription average monthly revenues divided by the average digital-only paid subscriptions within the respective period. We define Core platform ARPU as core platform average monthly revenues divided by average monthly customer count within the period. We define Core platform revenues as revenue derived from customers utilizing our proprietary digital marketing services platform that are sold by either our direct or local market teams.

Management believes Digital-only ARPU, Core platform ARPU, digital-only paid subscriptions, core platform revenues and core platform average customer count are KPIs that offer useful information in understanding consumer behavior, trends in our business, and our overall operating results. Management utilizes these KPIs to track and analyze trends across our segments.

The following tables provide information regarding certain KPIs for the Domestic Gannett Media, Newsquest and DMS segments:

		Three months ended March 31,			
<i>In thousands, except ARPU</i>		2024	2023	Change	% Change
Domestic Gannett Media					
Digital-only ARPU		\$ 7.28	\$ 5.88	\$ 1.40	24 %
Newsquest					
Digital-only ARPU		\$ 6.03	\$ 6.41	\$ (0.38)	(6) %
Total Gannett					
Digital-only ARPU		\$ 7.22	\$ 5.90	\$ 1.32	22 %
DMS					
Core platform revenues		\$ 116,050	\$ 111,407	\$ 4,643	4 %
Core platform ARPU		\$ 2,697	\$ 2,535	\$ 162	6 %
Core platform average customer count		14.3	14.7	(0.4)	(3) %

		As of March 31,		
<i>In thousands</i>		2024	2023	% Change
Digital-only paid subscriptions				
Domestic Gannett Media		1,927	1,962	(2) %
Newsquest		90	61	48 %
Total Gannett		2,017	2,023	— %

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk, including from changes in interest rates, commodity prices, and foreign currency exchange rates. Changes in these factors could cause fluctuations in earnings and cash flow. In the normal course of business, exposure to certain of these market risks is managed as described below.

Interest Rates

We generally manage our risk associated with changes in interest rates through the use of a combination of variable and fixed-rate debt. As of March 31, 2024, we had variable and fixed-rate debt totaling \$347.1 million and \$767.1 million, respectively. Our variable-rate debt consisted of the Senior Secured Term Loan, which bears interest at the Adjusted Term Secured Overnight Financing Rate. A hypothetical interest rate increase of 100 basis points would have increased our interest expense related to our variable-rate debt and likewise decreased our income and cash flows by approximately \$0.9 million for the three months ended March 31, 2024. See Note 6 — Debt to our condensed consolidated financial statements for further discussion of our debt.

Commodity Prices

Certain operating expenses of ours are sensitive to commodity price fluctuations, as well as inflation. Our primary commodity price exposures are newsprint and, to a lesser extent, ink, which in the aggregate represented approximately 3.1% and 5.2% of operating expenses for the three months ended March 31, 2024 and 2023, respectively. A hypothetical \$10 per metric ton increase in newsprint price would not have materially impacted our results of operations or cash flows based on newsprint usage for the quarter ended March 31, 2024 of approximately 25 thousand metric tons.

Foreign Currency

We are exposed to foreign exchange rate risk due to our operations in the U.K., for which the British pound sterling is the functional currency. We are also exposed to foreign exchange rate risk due to our DMS segment which has operating activities denominated in currencies other than the U.S. dollar, including the Australian dollar, Canadian dollar, Indian rupee, and New Zealand dollar.

Translation gains or losses affecting the condensed consolidated financial statements have not been significant in the past. At March 31, 2024 and 2023, cumulative foreign currency translation losses reported as part of equity were \$1.9 million and \$8.5 million, respectively. The fluctuation in cumulative foreign currency translation losses was driven by the impact of changing exchange rates, primarily due to the British pound sterling. A hypothetical 10% fluctuation of the price of the British pound sterling and the currencies in our DMS segment against the U.S. dollar would not have materially impacted operating income for the three months ended March 31, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and were effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding legal proceedings may be found in Note 11 — Commitments, contingencies, and other matters — Legal Proceedings of the notes to the condensed consolidated financial statements in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors described in Part I, Item 1A, Risk Factors of our Form 10-K for the fiscal year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Issuer Purchases of Equity Securities

The following table provides information regarding shares withheld from our employees to satisfy certain tax obligations in connection with the vesting of restricted stock awards during the three months ended March 31, 2024. The shares of common stock withheld to satisfy tax withholding obligations may be deemed purchases of such shares required to be disclosed pursuant to this Item 2. We did not repurchase any of our equity securities in the open market during the three months ended March 31, 2024.

In thousands, except per share amounts

Period	Total number of shares purchased ^(a)	Average price paid per share ^(a)	Total number of shares purchased as part of publicly announced program ^(b)	Maximum approximate dollar value of shares that may yet be purchased under the Stock Repurchase Program ^(b)
January 1, 2024 - January 31, 2024	—	\$ —	—	\$ —
February 1, 2024 - February 29, 2024	—	\$ —	—	\$ —
March 1, 2024 - March 31, 2024	275	\$ 2.21	—	\$ —
Total	275	\$ 2.21	—	\$ —

^(a) Represents shares of Common Stock withheld pursuant to the 2023 Stock Incentive Plan to cover employee tax-withholding obligations upon vesting of restricted stock awards in the first quarter of 2024. Amounts in the average price paid per share column reflect the weighted average price for shares withheld in satisfaction of these tax-withholding obligations.

^(b) In February 2022, the Company's Board of Directors authorized the repurchase of up to \$100 million of Common Stock (the "Stock Repurchase Program"). Repurchases may be made from time to time through open market purchases or privately negotiated transactions, pursuant to one or more plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or by means of one or more tender offers, in each case, as permitted by securities laws and other legal requirements. During the three months ended March 31, 2024, the Company did not repurchase any shares of Common Stock under the Stock Repurchase Program. As of March 31, 2024, the remaining authorized amount under the Stock Repurchase Program was approximately \$96.9 million. The Company does not anticipate repurchasing any shares of Common Stock pursuant to the Stock Repurchase Program during the second quarter of 2024.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

This item is not applicable.

ITEM 5. OTHER INFORMATION

Form of Indemnification Agreement

On April 29, 2024, the Company's Board of Directors approved and adopted a new form of indemnification agreement (the "Indemnification Agreement"), to be entered into by the Company with its directors. The Indemnification Agreement replaces the Company's existing form of indemnification agreement. As is the case with the Company's previous form of indemnification agreement, the Indemnification Agreement provides for the indemnification and advancement by the Company of certain expenses and costs relating to claims, suits or proceedings arising from service to the Company or, at its request, service to other entities, as officers, directors, agents, or similar capacities, to the maximum extent permitted by law, subject to the terms and conditions of the Indemnification Agreement.

The foregoing summary of the Indemnification Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Indemnification Agreement, the form of which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibit Number	Description	Location
10.1	Gannett Co., Inc. 2023 Annual Bonus Plan.*†	Filed herewith.
10.2	Form of Indemnification Agreement.*	Filed herewith.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934.	Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934.	Filed herewith.
32.1	Section 1350 Certification of Principal Executive Officer.	Furnished herewith.
32.2	Section 1350 Certification of Principal Financial Officer.	Furnished herewith.
101	The following financial information from Gannett Co., Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Operations and Comprehensive Income; (iii) Condensed Consolidated Statements of Cash Flow; (iv) Condensed Consolidated Statements of Equity; and (v) Notes to Condensed Consolidated Financial Statements	Attached.
104	Cover Page Interactive Data File (formatted as Inline XBRL and embedded within the Inline XBRL document)	Attached.
*	Management contract or compensatory plan or arrangement.	
†	Certain identified information has been redacted from the exhibit in accordance with Item 601(b)(10) of Regulation S-K. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 2, 2024

GANNETT CO., INC.

/s/ Douglas E. Horne

Douglas E. Horne

Chief Financial Officer

(On behalf of the Registrant and as principal financial officer)

(***Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10). The omitted information is not material and is the type of information that the Company customarily and actually treats as private and confidential.)

[Effective as of January 1, 2024]

Gannett Co., Inc.

2024 Annual Bonus Plan

I. Plan Goals

The purpose of the Gannett Co., Inc. 2024 Annual Bonus Plan (the "Plan") is to motivate eligible employees to achieve key financial and strategic business objectives of Gannett Co., Inc. (the "Company") and its affiliates.

II. Plan Participants, Administration and Effective Date

A participant in the Plan (a "Participant") must meet all the following eligibility factors:

- Active employment status - contractors, interns, temporary and contingent workers are not eligible;
- Hired or newly placed into an eligible role on or before September 30, 2024; and
- Not actively participating in another incentive plan of the Company or an affiliate (for example, Ventures Endurance Bonus Plan, Marketing Solutions incentive plans, GPS quarterly plan, etc.).

The Compensation Committee of the Board of Directors of the Company (the "Compensation Committee"), or its designees, are responsible for administering the Plan. This includes approving Company financial goals and individual performance targets, and determining whether a cash bonus will be paid pursuant to the Plan. The Compensation Committee or its designees may, in their discretion, and without prior notice, modify, amend, change, alter, terminate the Plan, or determine whether a bonus will be paid. No cash bonus will be paid unless the Compensation Committee or its designees determine: (a) that the terms of the Plan have been satisfied; and (b) that payment to the Participant in the stated amount is appropriate under the Plan.

The Compensation Committee and its designees have discretionary authority to interpret the Plan and decide all issues relating to the Plan. In the event of a claim or dispute relating to the Plan, the Compensation Committee and its designees have discretionary authority to decide the claim or dispute, and their decision is final and binding on all parties.

The Plan shall be effective for the Company's fiscal year beginning January 1, 2024 and ending December 31, 2024 (the "Performance Period").

III. Components of the Plan; Bonus Goals and Targets

A. Bonus Goals and Targets; Determining Awards

Each Participant in the Plan will be eligible for a cash bonus for the Performance Period based on the attainment of Company financial goals and individual performance targets for the Performance Period. The Compensation Committee or its designees shall approve the Company financial goals and Participants' individual performance targets, including the number and weighting of goals. Participants may have different Company financial goals and individual performance targets from other Participants, and the number and weight of Company financial goals and individual performance targets may vary by Participant.

A Participant's target bonus amounts are determined by the job level and subdivision in which the Participant works as of the earliest of the last day of the Performance Period, the last day of the Participant's eligibility during the Performance Period, or the date of the Participant's termination of employment during the Performance Period.

All objectives under the Plan are independent of each other and structured such that a Participant may be paid a cash bonus for achievement relative to one or more objectives, even if threshold performance is not attained for another objective.

In exercising its authority to pay cash bonuses to eligible Participants for the Performance Period, the Compensation Committee and its designees shall consider the Company's financial goals and Participants' individual performance targets under the Participant's applicable bonus structure.

B. Bonus Structure

Each Participant's applicable Company financial goals and individual performance targets for the Performance Period, and the weighting of such goals and targets, is set forth in the schedule set forth in the attached Appendix.

C. Achievement of Plan Goals and Targets

At the end of the Performance Period, the Compensation Committee or its designees shall determine the extent to which each Participant's applicable Company financial goals and individual performance targets have been satisfied and the corresponding payout factors.

The Compensation Committee or its designees may adjust the result of any Company financial goal and/or individual performance target to consider events it deems relevant, and may then adjust, either upwards or downwards, in their discretion, each Participant's final payout factor and cash bonus amount. Individual cash bonus amounts may be greater than or less than the Participant's target bonus amount based on actual achievements against Company financial goals and individual performance targets.

IV. Mid-Year Events and Proration

Prorated Cash Bonuses. The payout of a cash bonus will be based on the number of days the Participant is actively and continuously employed in a bonus eligible position during the Performance Period. Unless the Compensation Committee or its designees determine otherwise, cash bonuses will be calculated as detailed below.

- o *New Hires and Rehires* – Newly hired or rehired Participants will participate in the Plan on a prorated basis as long as they are an active Participant as of September 30 of the Performance Period. Participants entering the Plan after the start of the Performance Period will have their cash bonus, if any, prorated based on the number of days of active participation in the Plan during the Performance Period. In the case of rehires, there is no credit for prior service and the rehire date must occur on or prior to September 30 of the Performance Period in order for the Participant to be eligible under the Plan.
- o *Leaves of Absence* – Cash bonuses are not prorated for approved leaves of absence (i.e., Participants are treated as having worked the period of approved leave of absence).
- o *Promotions and Demotions* – If a promotion or demotion results in a movement from one bonus-eligible position to another bonus-eligible position (with either a higher or lower target bonus amount) the cash bonus target as of the last day of the Performance Period will be the target used to determine the cash bonus. If a Participant moves to another incentive or bonus plan, a daily pro-rated cash bonus will be calculated based on tenure in the eligible position. If a Participant becomes newly eligible to participate in the Plan during the Performance Period, the Participant's cash bonus under the Plan will be prorated for the portion of the Performance Period the Participant was so eligible.
- o *Termination*
 - o If a Participant voluntarily terminates employment prior to the date the cash bonuses for the Performance Period are paid and the Participant is not retirement-eligible (i.e., the Participant has not as of the Participant's termination date either attained age 65 or is at least age 55 with 5 or more years of service), the Participant will not be entitled to any cash bonus for the Performance Period.
 - o If a Participant voluntarily terminates his or her employment and such termination is under circumstances that would not give rise to a termination for Cause (as defined in the Gannett Co., Inc. Key Employee Severance Plan, as amended and restated as of December 23, 2020), and the Participant has attained 65 years of age or is at least 55 years of age with 5 years or more of service, the Participant will be eligible to receive a pro rata cash bonus, if any, subject to the attainment of the performance thresholds and based on actual performance. Proration shall be based on the ratio of the number of days of participation during the Performance Period to the total number of days in the Performance Period. Such amount, if any, shall be paid at the same time that cash bonuses are paid to other Participants.
 - o If a Participant's employment is terminated by the Company without Cause on or after October 1 of the Performance Period prior to the date the cash bonuses for

the Performance Period are paid, then the Company shall pay to the Participant a pro rata portion of the Participant's cash bonus, if any, subject to the attainment of the Company financial goals and individual performance targets and based on actual performance. Proration shall be based on the ratio of the number of days of participation during the Performance Period to the total number of days of the Performance Period. Such amount, if any, shall be paid at the same time that bonuses are paid to other Participants.

V. Forfeiture or Clawback

Notwithstanding any provision to the contrary, if prior to the payment of a cash bonus to a Participant, the Compensation Committee or its designees resolve that the Participant was or should have been terminated for Cause, no cash bonus shall be paid to the Participant. In addition, the Company may assert any other remedies that may be available to the Company under applicable law.

VI. Change in Control

For CEO and CEO direct reports: In the event the Company experiences a Change in Control (as defined in the Gannett Co., Inc. 2015 Change in Control Severance Plan, as amended and restated effective as of December 23, 2020 (the "CIC Plan")), the cash bonus payable to a Participant under the Plan (subject to the Participant's satisfaction of the applicable service requirements) shall be the greater of: (i) the cash bonus that would be paid under the Plan based on actual performance; and (ii) the Participant's target bonus amount.

For all others: in the event the Company experiences a Change in Control, the Company shall pay to a Participant who is employed by the Company as of the date of the Change in Control a cash bonus that is the greater of: (i) the cash bonus that would be paid under the Plan based on actual performance through the date of the Change in Control (with the Company financial goals prorated to reflect the partial year from the first day of the Performance Period to the date of the Change in Control), and (ii) the Participant's target bonus amount; in each case such cash bonus will be prorated based on the ratio of the number of days of the Participant's participation in the Plan during the Performance Period prior to the date of the Change in Control to the total number of days in the Performance Period.

Notwithstanding any provision to the contrary, in the event a Participant would be entitled to severance under the CIC Plan, no cash bonus shall be payable under this Plan for the Performance Period in which the termination of employment occurs (or, if the Participant is entitled to payment pursuant to 6(d) of the CIC Plan, then no cash bonus shall be payable hereunder for the Performance Period in which the Change in Control occurs); rather, the Participant shall receive the severance benefits provided under the terms of the CIC Plan. A Participant who is entitled to a severance benefit under the CIC Plan in connection with a termination that occurs after the Performance Period but prior to the payment of the cash bonus for the Performance Period, shall be entitled to the cash bonus for the Performance Period, without proration.

Notwithstanding any provision in the Plan to the contrary, this provision and the Plan may not be amended on or after the date of a Change in Control with respect to the Performance Period.

VII. Payment

Cash bonuses awarded pursuant to the Plan shall be paid to Participants after review and approval by the Compensation Committee or its designees. Except as otherwise provided by Section VI, payments shall be made after the Performance Period and on or before March 15 of the year immediately following the end of the Performance Period, provided (subject to Sections IV and VI) the Participant is employed with the Company on the actual date of payment. The cash bonus will be in a single lump sum cash payment, subject to all required federal, state and local tax of withholdings. Participants have no right to a cash bonus under the Plan until paid.

VIII. Transferability

A Participant shall not have any right to transfer, sell, alienate, assign, pledge, mortgage, hypothecate, collateralize, or otherwise encumber any of the payments provided by this Plan.

IX. No Employment Rights

This Plan is not intended to be a contract of employment. Unless specified otherwise in a written agreement between the Participant and the Company, both the Participant and the Company have the right to end their employment or service relationship with or without cause or notice. The payment of a cash bonus under the Plan shall not obligate the Company to pay any Participant any amount of remuneration, to continue the employment or services of the Participants after the payment, or to make further payments to the Participant at any time thereafter.

X. Compliance with Section 409A

It is the intent of the Company that any payment made under the Plan be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated and other official guidance issued thereunder (collectively, "Section 409A"), pursuant to the short-term deferral exemption set forth in Section 1.409A-1(b)(4) of the Treasury Regulations, and the Plan will be administered and interpreted consistent with such intent. No action will be taken to accelerate or delay the payment of any amounts in any manner which would violate Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments provided under the Plan are exempt from or comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of non-compliance with Section 409A.

XI. Unfunded Liability

Benefits under the Plan shall be paid from the general funds of the Company, and Participants shall have no special or priority right to any assets of the Company. Nothing in the Plan shall require the Company to segregate or set aside any funds or other property for the purpose of paying any portion of an award. No Participant, beneficiary or other person shall have any right, title or interest in any amount awarded under the Plan prior to the payment of such award to him or her. It is not intended that a Participant's interest in the Plan will constitute a security or equity interest within the meaning of any state or federal securities laws.

APPENDIX

2024 Company Financial Goals¹

Title ²	Metrics and Weightings		
	GCI Adjusted EBITDA (60%) & Revenue (40%)	Key Performance Drivers ³	Individual
Chief Executive Officer Chief Financial Officer Chief Communications Officer Chief Legal Officer Chief People Officer Chief Sales Officer	50%	25% Average of Domestic Gannett Media & DMS	25%
Chief Content Officer Chief Consumer Officer	40%	35% Domestic Gannett Media	25%
President, DMS	40%	35% DMS	25%
Chief Executive Officer, Newsquest	25%	50% NQ	25%
SVP / VP	35%	25% Aligned to EC leader	40%
Below VP	50%	0%	50%

Payout Scale	Threshold	Target	Maximum
GCI Adjusted EBITDA			
CEO Achievement	90%	100%	120%
Executive Committee Member Achievement	85%	100%	120%
All Other ABP Eligible Employees Achievement	80%	100%	120%
Payout Factor	50%	100%	140%
Revenue			
Achievement	90%	100%	120%
Payout Factor	50%	100%	140%
Key Performance Drivers			
Achievement	80%	100%	120%
Payout Factor	50%	100%	140%
Individual Performance	\$0	100%	140%

¹ The Chief People Officer is authorized to revise and update this Appendix from time to time to reflect any actions or decisions taken by the Compensation Committee.

² If any title in this chart changes, then unless the Compensation Committee determines otherwise, the title in this chart shall be construed to refer to the successor title that most closely approximates the title in this chart.

³ Refer to Key Performance Drivers table on p.7 and Definitions section on p.8 for details.

Metric	Threshold	Target	Maximum
	80%	100%	120%
Company Performance Measure (All Participants)			
Total Adjusted EBITDA (K)	\$[***]	\$[***]	\$[***]
Total Revenues (K)	\$[***]	\$[***]	\$[***]
Key Performance Drivers (VP+ Only)			
Domestic Gannett Media			
Pageviews/Audience Growth (B)	[***]	[***]	[***]
Total Paid Relationships (sum of Total Print & Total Digital) (K)	[***]	[***]	[***]
Top Market YOY Profitability Trend Improvement (ppt)	[***]	[***]	[***]
DMS			
DMS Revenue (K)	\$[***]	\$[***]	\$[***]
DMS Adjusted EBITDA (K)	\$[***]	\$[***]	\$[***]
DMS Customer Count (K)	[***]	[***]	[***]
Newsquest			
NQ Revenue (K)	\$[***]	\$[***]	\$[***]
NQ Adjusted EBITDA (K)	\$[***]	\$[***]	\$[***]
NQ Total Digital-Only Paid Subscriptions (K)	[***]	[***]	[***]

Definitions

“Total Adjusted EBITDA” means total Company Adjusted EBITDA. Adjusted EBITDA is defined as Net income (loss) attributable to Gannett before (1) Income tax expense (benefit), (2) Interest expense, (3) Gains or losses on the early extinguishment of debt, (4) Non-operating pension income, (5) Loss on convertible notes derivative, (6) Depreciation and amortization, (7) Integration and reorganization costs, (8) Third-party debt expenses and acquisition costs, (9) Asset impairments, (10) Goodwill and intangible impairments, (11) Gains or losses on the sale or disposal of assets, (12) Share-based compensation, (13) Other non-operating (income) expense, net, and (14) Non-recurring items.

“Total Revenues” means total revenue as reported for the Company.

“Pageviews/Audience Growth” means total online pageviews for all domestic operations.

“Total Paid Relationships” means digital-only paid subscribers plus print subscribers for domestic publications.

“Top Market YOY Profitability Trend Improvement” means the improvement in the year-over-year profitability trend (2024 YOY trend vs 2023 YOY trend) for the Top 24 local markets as measured by Controllable Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (excludes allocated costs).

“DMS Revenue” means total revenue as it relates to the Digital Marketing Solutions segment.

“DMS Adjusted EBITDA” means Adjusted EBITDA (as defined above) as it relates to the Digital Marketing Solutions segment.

“DMS Customer Count” means the year end customer count for all DMS regions domestic and international.

“NQ Revenue” means total revenue as reported for the Newsquest segment.

“NQ Adjusted EBITDA” means Adjusted EBITDA (as defined above) as it relates to the Newsquest segment.

“NQ Digital-Only Paid Subscriptions” means Total Digital-Only Paid Subscriptions for the Newsquest segment.

FORM OF
INDEMNIFICATION AGREEMENT

This Indemnification Agreement, dated as of [DATE] (this "Agreement"), is made by and between Gannett Co., Inc., a Delaware corporation (the "Company"), and [INDEMNITEE] ("Indemnitee").

WHEREAS, the Delaware General Corporation Law (the "DGCL") provides that the business and affairs of a corporation shall be managed by or under the direction of its board of directors;

WHEREAS, pursuant to the DGCL, significant authority with respect to the management of the Company has been delegated to the officers of the Company;

WHEREAS, the board of directors of the Company (the "Board") has determined that enhancing the ability of the Company to attract and retain as directors and officers the most capable persons is in the best interests of the Company, and in light of the litigation costs and risks to directors and officers of public companies resulting from their service to companies, therefore it is reasonable, prudent and necessary that the Company should seek to assure such persons that indemnification and insurance coverage is available;

WHEREAS, Indemnitee is a director and/or officer of the Company;

WHEREAS, the Company's Amended and Restated Certificate of Incorporation, as amended from time to time ("Certificate of Incorporation") and Amended and Restated Bylaws, as amended from time to time ("Bylaws") require the Company to indemnify and advance expenses to its directors and officers to the fullest extent permitted by law and the Indemnitee has been serving and will serve as a director and/or officer of the Company in part in reliance on such Certificate of Incorporation and Bylaws;

WHEREAS, the parties intend that any rights the Indemnitee may have from Indemnitee-Related Entities (as defined herein) shall be secondary to the primary obligation of the Company to indemnify and hold harmless the Indemnitee under this Agreement; and

WHEREAS, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide Indemnitee with specific contractual assurance that the protection promised by the Company's Certificate of Incorporation and Bylaws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such Certificate of Incorporation and Bylaws or any change in the composition of the Company's Board or any change-in-control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancing of Expenses (as defined below in Section 1(d)) to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement, and for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the preceding recitals and of Indemnitee agreeing to serve or continuing to serve the Company directly or, at its request, another enterprise, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Certain Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement:

- (a) Change in Control: shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of shares of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company's then outstanding Voting Securities, or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other entity other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of transactions) all or substantially all of the Company's assets.
- (b) Claim: includes any threatened, asserted, pending or completed demand, action, suit or proceeding, whether civil, criminal, administrative, investigative or other, including any arbitration or other alternative dispute resolution mechanism, or any appeal of any kind thereof, and any threatened, pending or completed inquiry or investigation, whether made, instituted or conducted by (or in the right of) the Company or any governmental agency or any other person or entity, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise.
- (c) ERISA: means the Employee Retirement Income Security Act of 1974, as amended.
- (d) Expenses: include all reasonable attorneys' fees and all other direct or indirect costs, expenses and obligations, including judgments, fines, penalties, interest, appeal bonds, amounts paid in settlement with the approval of the Company, and counsel fees and disbursements (including, without limitation, reasonable experts' fees, court costs, retainers, appeal bond premiums, transcript fees, duplicating costs, printing and binding costs, as well as telecommunications, postage and courier charges) paid or payable in connection with investigating, prosecuting, defending, being a witness in or participating in (including on appeal), or preparing to investigate, prosecute, defend, be a witness in or participate in (including on appeal), any Claim relating to any Indemnifiable Event, and shall include (without limitation) all reasonable attorneys' fees and all other expenses incurred by or on behalf of an Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement or any other right provided by

this Agreement (including, without limitation, such fees or expenses incurred in connection with legal proceedings contemplated by Section 2(d) hereof).

- (e) Indemnifiable Amounts: means (i) any and all losses, liabilities, Expenses, damages, judgments, fines, penalties, ERISA excise taxes and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such losses, liabilities, Expenses, damages, judgments, fines, penalties, ERISA excise taxes or amounts paid in settlement) arising out of or resulting from any Claim relating to an Indemnifiable Event, (ii) any liability pursuant to a loan guaranty or otherwise, for any indebtedness of the Company or any subsidiary of the Company, including, without limitation, any indebtedness which the Company or any subsidiary of the Company has assumed or taken subject to, and (iii) any liabilities which an Indemnitee incurs as a result of acting on behalf of the Company (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liabilities are in the form of excise taxes assessed by the United States Internal Revenue Service, penalties assessed by the Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise).
- (f) Indemnifiable Event: means any event or occurrence, whether occurring before, on or after the date of this Agreement, related to the fact that Indemnitee is or was a director and/or officer or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, employee, manager, member, partner, tax matter partner, trustee, agent, fiduciary or similar capacity, of another company, corporation, limited liability company, partnership, joint venture, employee benefit plan, trust or other entity or enterprise, or by reason of anything done or not done by Indemnitee in any such capacity (in all cases whether or not Indemnitee is acting or serving in any such capacity or has such status at the time any Indemnifiable Amount is incurred for which indemnification, advancement or any other right can be provided by this Agreement). The term "Company" where the context requires when used in this Agreement, may be construed to include such other company, corporation, limited liability company, partnership, joint venture, employee benefit plan, trust or other entity or enterprise.
- (g) Indemnitee-Related Entities: means any company, corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise (other than the Company or any other company, corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise Indemnitee has agreed, on behalf of the Company or at the Company's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described in this Agreement) from whom an Indemnitee may be entitled to indemnification or advancement of Expenses with respect to which, in whole or in part, the Company may also have an indemnification or advancement obligation.
- (h) Independent Legal Counsel: means an attorney or firm of attorneys (following a Change in Control, selected in accordance with the provisions of Section 3 hereof) who is experienced in matters of corporate law and who (i) shall not have otherwise performed or been retained to perform services for the Company or Indemnitee within the last five years (other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements) or (ii) shall not have been retained to represent, within the last five years, any other named (or, as to a threatened matter, reasonably likely to be named) party to the Indemnifiable Event giving

rise to the Claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnatee in an action to determine Indemnatee's rights under this Agreement.

- (i) Jointly Indemnifiable Claim: means any Claim for which the Indemnatee may be entitled to indemnification from both an Indemnatee-Related Entity and the Company pursuant to applicable law, any indemnification agreement or the certificate of incorporation, by-laws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Company and an Indemnatee-Related Entity.
- (j) Reviewing Party: means any appropriate person or body consisting of a member or members of the Board or any other person or body appointed by the Board who is not a party to the particular Claim for which Indemnatee is seeking indemnification, or Independent Legal Counsel.
- (k) Voting Securities: means any securities of the Company which vote generally in the election of directors.

2. Indemnification Obligation: Advancement of Expenses.

- (a) In the event Indemnatee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify Indemnatee, or cause Indemnatee to be indemnified, to the fullest extent permitted by the laws of the State of Delaware, as such laws are in effect on the date hereof or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, as soon as practicable but in any event within thirty (30) days after written demand is presented to the Company, and hold Indemnatee harmless against any and all Indemnifiable Amounts.
- (b) If so requested by Indemnatee, the Company shall advance, or cause to be advanced (within fifteen business days of such request), any and all Expenses incurred by Indemnatee (an "Expense Advance"). The Company shall, in accordance with such request (but without duplication), either (i) pay, or cause to be paid, such Expenses on behalf of Indemnatee, or (ii) reimburse, or cause the reimbursement of, Indemnatee for such Expenses. Subject to Section 2(d), Indemnatee's right to an Expense Advance is absolute and shall not be subject to any prior determination by the Reviewing Party that the Indemnatee has satisfied any applicable standard of conduct for indemnification.
- (c) Notwithstanding anything in this Agreement to the contrary, Indemnatee shall not be entitled to indemnification or advancement of Expenses pursuant to this Agreement in

connection with any Claim initiated by Indemnitee unless (i) the Company has joined in or the Board has authorized or consented to the initiation of such Claim or (ii) the Claim is one to enforce Indemnitee's rights under this Agreement.

- (d) Notwithstanding the foregoing, (i) the indemnification obligations of the Company under Section 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written legal opinion, in any case in which the Independent Legal Counsel is involved as required by Section 3 hereof) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(b) shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines (in a written legal opinion, in any case in which the Independent Legal Counsel is involved as required by Section 3 hereof) that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid (it being understood and agreed that the foregoing agreement by Indemnitee shall be deemed to satisfy any requirement that Indemnitee provide the Company with an undertaking to repay any Expense Advance if it is ultimately determined that the Indemnitee is not entitled to indemnification under applicable law); provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). Indemnitee's undertaking to repay such Expense Advances shall be unsecured and interest-free. If there has not been a Change in Control, the Reviewing Party shall be selected by the Board, and if there has been such a Change in Control, the Reviewing Party shall be the Independent Legal Counsel referred to in Section 3 hereof. If there has been no determination by the Reviewing Party within thirty (30) days after written demand is presented to the Company or if the Reviewing Party determines that Indemnitee would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in any court in the State of New York or the State of Delaware having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee.

3. Change in Control. The Company agrees that if there is a Change in Control then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement, or any provision of the Company's Certificate of Incorporation or the Bylaws now or hereafter in effect, the Company shall seek legal advice only from Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably delayed, conditioned or withheld). Such counsel, among other things, shall render its written opinion to the Company, with a copy delivered to Indemnitee, as to whether and to what extent the Indemnitee

would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Independent Legal Counsel and to indemnify fully such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

4. Indemnification for Additional Expenses. The Company shall indemnify, or cause the indemnification of, Indemnatee against any and all Expenses and, if requested by Indemnatee, shall advance such Expenses to Indemnatee subject to and in accordance with Section 2(b), which are incurred by Indemnatee in connection with any action brought by Indemnatee for (i) indemnification or an Expense Advance by the Company under this Agreement or any provision of the Company's Certificate of Incorporation or the Bylaws now or hereafter in effect and/or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnatee ultimately is determined to be entitled to such indemnification, Expense Advance or insurance recovery, as the case may be; provided that Indemnatee shall be required to reimburse such Expenses in the event that a final judicial determination is made (as to which all rights of appeal therefrom have been exhausted or lapsed) that such action brought by Indemnatee, or the defense by Indemnatee of an action brought by the Company or any other person, as applicable, was frivolous or not made in good faith.

5. Partial Indemnity. If Indemnatee is entitled under any provision of this Agreement to indemnification by the Company for a portion of the Expenses or other Indemnifiable Amounts in respect of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnatee for the portion thereof to which Indemnatee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnatee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnatee shall be indemnified against all Expenses incurred in connection therewith.

6. Presumption of Entitlement. To the extent permitted by applicable law, in connection with any determination by the Reviewing Party or otherwise as to whether Indemnatee is entitled to be indemnified hereunder the Reviewing Party, court, any finder of fact or other relevant person shall presume that the Indemnatee has satisfied the applicable standard of conduct and is entitled to indemnification under this Agreement, and the burden of proof shall be on the Company (or any other person or entity disputing such conclusions) to establish, by clear and convincing evidence, that Indemnatee is not so entitled.

7. Reliance as Safe Harbor. For purposes of this Agreement, Indemnatee shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company if Indemnatee's actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports or statements furnished to Indemnatee by the officers or employees of the Company in the course of their duties, or by committees of the Board, or by any other person (including legal counsel, accountants and financial advisors) as to matters Indemnatee reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnatee for purposes of determining the right to indemnity hereunder.

8. No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement), of

itself, create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under applicable law shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief.

9. Non-exclusivity. The rights of the Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Company's Certificate of Incorporation, the Bylaws, the Delaware General Corporation Law, any other contract or otherwise; provided, however, to the extent that (i) a change in applicable law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Company's Certificate of Incorporation, the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change and (ii) there is a conflict or inconsistency between the terms of this Agreement, the Company's Certificate of Incorporation or the Bylaws, it is the intent of the parties hereto that the Indemnitee shall enjoy the greater benefits regardless of whether contained herein or in the Company's Certificate of Incorporation or the Bylaws. No amendment or alteration of the Company's Certificate of Incorporation or the Bylaws or any other agreement shall adversely affect the rights provided to Indemnitee under this Agreement.

10. Liability Insurance. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, the Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for the Company's directors and officers. If the Company has such insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of an action, suit or proceeding, the Company shall give prompt notice of the commencement of such action, suit or proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

11. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

12. Amendments and Waivers. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

13. Entire Agreement. This Agreement constitutes the entire agreement between Indemnitee and the Company and supersedes any previous representations, understandings, discussions, or agreements between the parties as to the subject matter hereof. No agreements or representations, oral or otherwise,

expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement.

14. Subrogation. Subject to Section 15 hereof, in the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnatee, who shall execute all papers reasonably required and shall do everything that may be reasonably necessary to evidence and secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights. The Company shall pay or reimburse all Expenses actually and reasonably incurred by Indemnatee in connection with such subrogation.

15. Jointly Indemnifiable Claims. Given that certain Jointly Indemnifiable Claims may arise due to the relationship between the Indemnatee-Related Entities and the Company and the service of the Indemnatee as a director and/or officer of the Company at the request of the Indemnatee-Related Entities, the Company acknowledges and agrees that the Company shall be fully and primarily responsible for the payment to the Indemnatee in respect of indemnification and advancement of expenses in connection with any such Jointly Indemnifiable Claim, pursuant to and in accordance with the terms of this Agreement, irrespective of any right of recovery the Indemnatee may have from the Indemnatee-Related Entities. Under no circumstance shall the Company be entitled to any right of subrogation or contribution by the Indemnatee-Related Entities and no right of recovery the Indemnatee may have from the Indemnatee-Related Entities shall reduce or otherwise alter the rights of the Indemnatee or the obligations of the Company hereunder. In the event that any of the Indemnatee-Related Entities shall make any payment to the Indemnatee in respect of indemnification or advancement of Expenses with respect to any Jointly Indemnifiable Claim, the Company agrees that such payment or advancement shall not extinguish or affect in any way the rights of the Indemnatee under this Agreement and further agrees that the Indemnatee-Related Entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnatee against the Company. Each of the Indemnatee-Related Entities shall be third-party beneficiaries with respect to this Section 15, entitled to enforce this Section 15 against the Company as though each such Indemnatee-Related Entity were a party to this Agreement.

16. No Duplication of Payments. Subject to Section 15 hereof, the Company shall not be liable under this Agreement to make any payment in connection with any Claim made against Indemnatee to the extent Indemnatee has otherwise actually received payment (under any insurance policy, or any provision of the Company's Certificate of Incorporation or the Bylaws or otherwise) of the amounts otherwise indemnifiable hereunder.

17. Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event or to assume the defense thereof, with counsel reasonably satisfactory to the Indemnatee; provided that if Indemnatee believes, after consultation with counsel selected by Indemnatee, that (i) the use of counsel chosen by the Company to represent Indemnatee would present such counsel with an actual or potential conflict of interest, (ii) the named parties in any such Claim (including any impleaded parties) include both the Company, or any subsidiary of the Company, and Indemnatee, and Indemnatee concludes that there may be one or more legal defenses available to him or her that are different from or in addition to those available to the Company or any subsidiary of the Company, or (iii) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, then Indemnatee shall be entitled to retain separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any particular Claim) at the Company's expense. The Company shall not be liable to Indemnatee under this Agreement for any amounts paid in settlement of any Claim relating to an Indemnifiable Event effected without the Company's prior written consent. The Company shall not, without the prior written consent of the

Indemnatee, effect any settlement of any Claim relating to an Indemnifiable Event which the Indemnatee is or could have been a party unless such settlement solely involves the payment of money and includes a complete and unconditional release of Indemnatee from all liability on all claims that are the subject matter of such Claim. Neither the Company nor Indemnatee shall unreasonably withhold, condition or delay its or his or her consent to any proposed settlement; provided that Indemnatee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnatee. In no event shall Indemnatee be required to waive, prejudice or limit attorney-client privilege or work-product protection or other applicable privilege or protection.

18. No Adverse Settlement. The Company shall not seek, nor shall it agree to, consent to, support, or agree not to contest any settlement or other resolution of any Claim(s), or settlement or other resolution of any other claim, action, proceeding, demand, investigation or other matter that has the actual or purported effect of extinguishing, limiting or impairing Indemnatee's rights hereunder, including without limitation the entry of any bar order or other order, decree or stipulation, pursuant to 15 U.S.C. § 78u-4 (the Private Securities Litigation Reform Act), or any similar foreign, federal or state statute, regulation, rule or law.

19. Successors and Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, (including any direct or indirect successor or continuing company by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnatee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect regardless of whether Indemnatee continues to serve as an officer and/or director of the Company or of any other entity or enterprise at the Company's request.

20. Security. To the extent requested by Indemnatee and approved by the Board, the Company may at any time and from time to time provide security to Indemnatee for the obligations of the Company hereunder through an irrevocable bank line of credit, funded trust or other collateral or by other means. Any such security, once provided to Indemnatee, may not be revoked or released without the prior written consent of such Indemnatee.

21. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to the terms of this Agreement.

22. Specific Performance. The parties recognize that if any provision of this Agreement is violated by the Company, Indemnatee may be without an adequate remedy at law. Accordingly, in the event of any such violation, Indemnatee shall be entitled, if Indemnatee so elects, to institute proceedings, either in law

or at equity, to obtain damages, to enforce specific performance, to enjoin such violation, or to obtain any relief or any combination of the foregoing as Indemnitee may elect to pursue.

23. Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written document and shall be deemed to have been duly given when delivered in person, or one business day after having been sent for next-day delivery by a nationally recognized overnight courier service, addressed to such party at the address set forth below or such other address as may hereafter be designated on the signature pages of this Agreement or in writing by such party to the other parties, except that notices of changes of address will be effective only upon receipt:

(a) If to the Company, to:

Gannett Co., Inc.
175 Sully's Trail, Suite 203
Pittsford, New York 14534-0456
Attention: Chief Legal Officer

(b) If to the Indemnitee, to the address set forth on the signature page hereto.

24. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same agreement. This Agreement and each other agreement or instrument entered into in connection herewith or contemplated hereby, and any amendments hereto, to the extent signed and delivered by means of electronic transmission, including via facsimile machine or email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. Neither party hereto or to any such agreement or instrument shall raise the use of electronic transmission, including via facsimile machine or email, to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of electronic transmission, including via facsimile machine or email, as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

25. Headings and Construction. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof. Words of any gender used in this Agreement include all other genders. As used herein, "business day" means any day other than Saturday, Sunday or a United States federal holiday.

26. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

27. Further Action. The parties shall execute and deliver such documents, provide such information, and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, Indemnatee has executed and the Company has caused its duly authorized representative to execute this Agreement as of the date first above written.

GANNETT CO., INC.

Name:

Title:

INDEMNITEE

Name:

Address: _____

[Signature page to Indemnification Agreement]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Michael E. Reed, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gannett Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Michael E. Reed

Michael E. Reed

President and Chief Executive Officer

(principal executive officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Douglas E. Horne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gannett Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Douglas E. Horne

Douglas E. Horne

Chief Financial Officer (principal financial officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Gannett Co., Inc. ("Gannett") on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael E. Reed, President and Chief Executive Officer of Gannett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Gannett.

/s/ Michael E. Reed

Michael E. Reed
President and Chief Executive Officer
(principal executive officer)
May 2, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Gannett Co., Inc. ("Gannett") on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas E. Horne, Chief Financial Officer of Gannett, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Gannett.

/s/ Douglas E. Horne

Douglas E. Horne

Chief Financial Officer (principal financial officer)

May 2, 2024