



Appendix 4D Release to ASX under rule 4.2A

Half Year Information for Sky Network Television Limited for the six months to 31 December 2021

*To be read in conjunction with Sky Network Television Limited financial statements for the year
ended 30 June 2021*

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24 February 2022

Sky returns to revenue growth; investigating investment opportunities and with dividends expected to resume from FY22

Sky Network Television Limited (Sky) has delivered a solid performance for the six months to 31 December 2021 as revenue from core residential customers returns to growth, and execution accelerates across all areas of strategic focus.

Key points of today's announcement¹

- Revenue growth of 4.1%, to \$371.7 million (from \$356.9 million) as Sky Box revenue continues to stabilise and Streaming² revenue grows (the latter up 34%)
- Net profit after tax of \$28.3 million from \$39.6 million
- On target to deliver total cost savings of \$40 to \$45 million in FY22³, including \$31 to \$36 million in permanent savings, and with further permanent savings targeted from FY23
- Customer growth of 6%, to 983,561 as more New Zealanders choose Sky
- Game-changing new Sky Box on track for delivery into customer homes by mid-2022
- Actively investigating investment opportunities to accelerate business growth
- Return to paying dividends from FY22 following a return to sustainable free cash flows

Commenting on the half year performance, Chief Executive Sophie Moloney said: "This result confirms our view that FY22 marks a positive inflection point for Sky, with delivery of a solid return to revenue growth. Significant permanent cost savings have been identified and are on target to be delivered in FY22, and with more to come in FY23. Having significantly raised our guidance in December, it is clear that the business transformation is gaining traction, and I am pleased to report a strong financial performance against original FY22 expectations that is underpinned by delivering across all four focus areas of Customers, Content, People and Financial."

"Important for me as Chief Executive is that we are living up to the strategic challenge that we set ourselves in June last year to be a more efficient, adaptive and profitable business. Having put in place a highly skilled and experienced Executive Leadership Team with real ambition and passion for Sky, the momentum is tangible. Right across the business, we have entered the second half of this financial year with even more determination."

"As today's results show, rather than being a business in defensive mode, we now have a greater understanding of our existing and prospective customer base, an enhanced portfolio

¹ Comparisons to past results in this announcement are to the six months to 31 December 2020 unless otherwise stated.

² Streaming customer groups comprise Neon, Sky Sport Now, RugbyPass subscriptions and Retransmission.

³ Compared to previous FY22 forecasts that included \$5-\$10m of targeted opex savings.

of rights, and a balance sheet which is able to embrace opportunity and growth, as well as to recommence distributing dividends to our investors.”

Customers

Growth of 6% in customer numbers demonstrated further stabilisation in the Sky Box proposition and was coupled with significant growth of 23% in Streaming, including a 28% increase for Neon and an impressive 62% increase for Sky Sport Now.

Sophie Moloney commented: “It is pleasing to report a continuation in the growing numbers of customers choosing to join Sky. During the Covid-19 lockdowns, Sky offered a valued and crucial service with a strong line-up of sport and entertainment content across Sky Box and the Neon and Sky Sport Now streaming services. We saw a continuation in the positive trend of increased customer numbers, even with the reduced ability to complete Sky Box installations during the lockdowns. Annualised churn in Sky Box customers has continued to reduce to a new low of 9.1%, and there is a growing trend of customers entering into longer term subscriptions to Neon.”

Sky Broadband continued to build on the successful launch period and is providing additional value to a growing number of Sky Box customers who report high levels of satisfaction with the service. We are on track to achieve the FY22 target attachment rate of between 3% and 5%. More recently the December launch of the Sky Rewards programme is providing a tangible way to recognise and reward loyal Sky Box customers and demonstrate the value Sky places on these valuable customer relationships.

Delivery of a new Sky Box experience to customer homes in mid-2022 remains on track, with staff and customer trials scheduled to begin soon. Feedback from over 6,000 customers through the validation process confirms a high level of appeal and growing excitement.

Content

Sky’s data analytics capability continues to develop and is ensuring spending is tightly aligned with what matters to existing customers, as well as focused on recruiting new customers to drive incremental revenue growth.

Sky confirmed a number of important content rights renewals during the period, including expanded, multi-year contracts with leading entertainment partners: WarnerMedia (the home of HBO, Warner Bros., CNN and Cartoon Network as well as HBO Max), Paramount and Roadshow movies.

On the sporting front, Sky agreed an exclusive host rights deal for FIFA Women’s World Cup 2023 as well as important partnership agreements with the NBL (Basketball) and the A-League (Football) covering both men’s and women’s competitions. Renewals included Six Nations Rugby, FA Cup (football) and securing the rights to the All Blacks end of year Northern Tour.

This week’s announcement of the acquisition of exclusive rights to the Premier League for the next six seasons brings additional strength to Sky’s sport offer, both for existing Sky Sport customers who have previously needed to purchase a second service to watch Premier

League football, as well as new customers who will be attracted to the depth and breadth of the Sky Sport offering.

Financial

Revenue growth of 4.1% was driven by continued stabilisation of Sky Box revenues to \$262.4 million including the first contribution from Sky Broadband attachments, and a significant increase of 34% in streaming revenue to \$48.5 million.

Commercial revenues grew by 13% to reach \$22.5 million, despite a longer stretch of Covid-19 restrictions than in the previous period, with Sky once again providing support for affected customers. Advertising revenue grew by 5% year on year to \$23.5 million. Other revenue was almost double that of the prior period at \$14.8 million, as a result of the on-sale of certain rights (including the Olympics sub-licence to TVNZ) and a number of other factors.

As anticipated, when compared to the first half of FY21, operating costs increased by 18% to \$287.2 million, largely reflecting the full impact of the step-up in rights costs primarily as a result of increased payments for renewed content rights for our customers, as well as lower levels of savings from Covid-19 related negotiated equitable reductions. For the same reasons, NPAT of \$28.3 million was down 29% year on year.

The business generated positive free cash of \$39.7 million, an improvement of 201% against the prior year, while also continuing to reinvest for growth.

Sophie Moloney commented: “As we indicated in our December announcement of significant permanent and one-off savings targeted for FY22, we remain keenly focused on achieving a meaningful reset of our cost base, right across the business. I am pleased with the progress we have achieved to date and remain confident in our ability to deliver further permanent savings in FY23. Importantly, we plan to achieve these without compromising on customer experience or accessing additional revenue opportunities”

Capital Management

As indicated at the Annual Meeting in late October, the Board has undertaken a review of Sky’s capital management strategy, taking into account the improved earnings outlook, investment needs and strategic opportunities.

Sky’s Chair Philip Bowman commented: “In the past twelve months Sky has achieved an improved and sustainable performance across a number of metrics, including cash generation, in conjunction with increased medium-term certainty over the majority of our key content rights. Against this backdrop, the Board has resolved to adopt a formal dividend policy of distributing between 50% to 80% of Free Cash Flow⁴ (excluding one off items). The Board expects to resume paying dividends commencing with a final dividend in September 2022, consistent with this dividend policy.”

⁴ Free Cash Flow is defined by the Company as net cash from operating activities, less net cash used in investing activities less payments for lease liability principal.

“As a result of Sky’s recent performance, and the sale of OSB, Sky had \$73.9 million of cash on the balance sheet as of 31 December 2021. The sale of Sky’s Mt Wellington properties, due to settle in March, is expected to provide a further net cash inflow of \$55 million. Management and the Board continue to assess opportunities to invest capital to accelerate the growth of the business, generate new revenue streams, and deliver improved returns for shareholders. As a result, we intend to provide a further update on capital management to coincide with an investor day to be held in June 2022. Any decisions on capital structure, including details of any potential capital return, will be subject to market conditions and any other strategic opportunities that may arise.”

Outlook

Sky remains on target to deliver full year results in line with the upgraded guidance advised on 7 December 2021 of Revenue of between \$725 to \$745 million, EBITDA of between \$150 to \$160 million and NPAT of between \$40 to \$48 million.

While there inevitably remains some uncertainty surrounding the potential disruption from the omicron variant of Covid-19, Sky is well placed to navigate any challenges, with a strengthened team, a strong balance sheet, and an evolving platform to drive future growth.

Authorised by: Sophie Moloney, Chief Executive Officer

Ends

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Results for announcement to market

Name of issuer	Sky Network Television Limited	
Reporting Period	6 months to 31 December 2021	
Previous Reporting Period	6 months to 31 December 2020	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from ordinary activities	\$371,671	4.1% increase
Net profit/(loss) from ordinary activities after tax attributable to security holders	\$28,292	28.2% decrease
Total net profit/(loss)	\$28,265	28.6% decrease
Interim Dividend		
Amount per security	Nil interim dividend	
Franked amount per security	Not Applicable	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	Prior comparable period
Net tangible assets per security	\$0.824	\$0.569
A brief explanation of any of the figures above necessary to enable the figures to be understood	For further explanation refer the interim financial statements and the results presentation attached.	

The Sky logo is rendered in a white, lowercase, sans-serif font. The letters are bold and closely spaced, with a slight italicization. The 'S' is particularly prominent, starting with a thick stroke that tapers off. The background consists of several overlapping geometric shapes in various shades of blue and green, creating a dynamic, abstract pattern.

**2022
Interim
Report**

**For the 6 months ended
31 December 2021**

Sky Network Television Limited

Half Year Performance

Financial

REVENUE \$M

371.7

OPERATING
EXPENSES \$M

287.2

EBITDA¹ \$M

85.3

NPAT \$M

28.3

FREE CASH
FLOW² \$M


39.7

¹Earnings before income tax, interest expense, depreciation, amortisation and impairment, unrealised gains and losses on currency and interest rate swaps.

²Net cash from operating activities less net cash used in investing activities less payments for lease liability principal.

Customer

CUSTOMER
RELATIONSHIPS

+6% YOY 

TOTAL CUSTOMER
RELATIONSHIPS

983,561

SKY BOX
CUSTOMERS

545,002

STREAMING CUSTOMER
GROWTH³

+23% YOY 

³Comprising Neon, Sky Sport Now, Retransmission and RugbyPass



Message from the CEO

I am delighted to present our results for the Half Year to December 2021.

When I addressed you this time last year, in my first report as your Chief Executive, I said that I was focused on getting to the heart of what matters most for Sky – to create better value for our customers, our partners, our people, and our stakeholders.

We needed to change, and we knew we needed to do better.

I am incredibly proud of the work of our team during the first half of the FY22 financial year, and the strengthened position we have created for our business. Despite the challenges presented by the Covid-19 lockdowns, particularly for our Auckland-based teams, we have achieved what we set out to do, and then some.

First and foremost, we focused on what matters to our customers by continuing to secure the rights that matter, improving our streaming services and launching Sky Rewards for our loyal box customers. This focus on customer value has also given our teams real clarity and direction, and also enabled us to seriously review our spending, resulting in the significant cost-out initiative announced to the market towards the end of the period.

Highlights for the six months include:

- Delivering an **increase in revenue** – the first in many years – as we return the business to a sustainable growth path, with Sky Box revenues stabilising and streaming revenues continuing to rise.
- Continuing to **grow our customer relationships**, up another 6% to 983,561 as more New Zealanders turn to Sky to connect them with the content they love, in ways that work for them.
- **Securing great sport and entertainment content** for our customers, including exciting deals with HBO and HBO Max, the NBL and the A-League, and agreeing host market broadcast rights for FIFA Women's World Cup 2023.
- Delivering the first stage of our Sky Rewards programme, designed to **recognise and reward our longstanding and valued Sky Box customers**.

- Growing the number of **Sky customers who are enjoying Sky Broadband**, with customers reporting high levels of satisfaction at the ease, speed and value of the service.
- Negotiating the sale of our Mt Wellington properties, with a lease-back on Studio One, and securing space in Viaduct Harbour Ave to enable our **new property strategy**, which is focused on creating the best environment for our people to thrive, while ensuring we use capital in the most efficient and effective way for our business and our investors.
- **Cutting significant, permanent costs from our business** without impacting the customer experience or the revenue growth signalled for FY22. While the overall cost base was higher in the first half of FY22 than in the prior period, this largely reflects the expected step-up in rights costs without the same Covid-19 impacts. We are delivering permanent savings in FY22, with additional ongoing savings already targeted in FY23.

Most importantly for me as Chief Executive is that we are living up to the strategic bedrock we set ourselves in June last year: to be an efficient, adaptive and profitable business. Having brought together a highly skilled and experienced Executive Leadership Team with real ambition and passion for Sky, the momentum is tangible. Right across the business, we have entered the second half of this financial year with a spring in our step.

As today's results show, rather than being a business in defensive mode, we now have a balance sheet and a strengthened business poised to embrace opportunity and growth. I look forward to continuing to deliver on our customer promise – and continuing to build value for you, our investors.

Sophie Moloney
CEO





Philip Bowman
Chairman

Message from the Chair

I echo Sophie's sentiment that Sky enters the coming period with refreshed energy and optimism.

Whilst we remain acutely aware of the challenging environment in which we operate, exacerbated by the ongoing uncertainties catalysed by Covid-19, the hard work of the Sky team under Sophie's leadership is transforming the business, repositioning the company for future growth.

A key milestone in the coming months is to deliver the next generation of Sky Box – one that we believe will transform the viewing experience of our customers. This game-changing project is on track, with customer research confirming that the new features resonate strongly with customers, and that there is growing excitement for the product to be in customer homes from mid-2022.

In parallel we continue to prioritise our investment in data analytics to truly understand our customers and better personalise the viewing experience to meet their individual needs. The benefits of this investment, and the customer-focused mindset it demands, are increasingly evident across the business, and in the customer satisfaction measures we track.

As outlined at the Annual Shareholder Meeting at the end of last October, the Board has been reviewing capital management strategy in the context of expected earnings outlook, investment needs and strategic opportunities. Following improved performance across a variety of metrics

(including cash generation) over the past twelve months and increased medium term certainty over the majority of our key content rights, the Board has now resolved to adopt a formal dividend policy of distributing between 50% and 80% of Free Cash Flow (excluding one-off items). The Board expects to resume paying dividends commencing with a final dividend in September 2022, consistent with this dividend policy.

More broadly, as a result of recent performance and the sale of OSB, Sky had \$74m of cash on the balance sheet at the end of the half year. In addition, a further net cash inflow of \$55m is expected when the sale of Sky's Mt Wellington properties settles in March 2022. Management and the Board continue to assess opportunities to invest capital to accelerate the growth of the business, to generate new revenue streams, and to improve returns for shareholders. As a result, the Board intends to provide a further update on capital management to coincide with an investor day to be held in June 2022. Any decisions on capital structure, including any return of capital, will be subject to market conditions and any other strategic opportunities that may arise.

Thank you

We are grateful to you, our shareholders, for your ongoing support through difficult times in recent years. The transformation journey towards establishing a platform for future growth is progressing well and the market is starting to recognise this with an improved valuation of Sky's shares. In parallel we continue to provide a vital and valued service to our customers whilst caring for the wellbeing of our people and our stakeholders. Sophie and I are confident in the ability and strength of the Sky team to continue to rise to future challenges.

We thank all the team, the Board, our content partners and stakeholders, and you, our investors, for your support and enthusiasm for Sky. Connecting New Zealanders with great sport and entertainment, in ways that work for every individual, right across the country, is an honour and a privilege. Thank you for the part you play.



Philip Bowman
Chairman



Sophie Moloney
CEO

Our 2022 Interim Financials

For the six months ended
31 December 2021

Consolidated Interim Statement of Comprehensive Income

For the six months ended 31 December 2021 (unaudited)

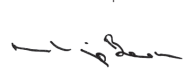
In NZD 000	Notes	31-Dec-2021 (6 months)	31-Dec-2020 (6 months)	30-Jun-2021 (1 year audited)
Revenue	4	371,671	356,870	711,234
Other income		840	2,220	13,520
Expenses				
Programming	8	178,413	141,739	329,354
Subscriber related costs		50,200	42,569	93,070
Broadcasting and infrastructure		33,072	30,655	60,655
Depreciation and amortisation		43,169	55,069	107,991
Other costs		25,523	27,842	55,259
Total expenses		330,377	297,874	646,329
Operating profit		42,134	61,216	78,425
Finance costs, net		2,317	4,692	10,536
Profit before tax		39,817	56,524	67,889
Income tax expense		11,552	16,943	20,343
Profit for the period		28,265	39,581	47,546
Attributable to:				
Equity holders of the Company		28,292	39,427	47,228
Non-controlling interests		(27)	154	318
		28,265	39,581	47,546
Earnings per share				
Basic and diluted earnings per share (cents)	12	16.20	22.58	27.04
OTHER COMPREHENSIVE INCOME				
Profit for the period		28,265	39,581	47,546
Items that may be reclassified to profit and loss				
Exchange differences on translation of foreign operations		31	(228)	(291)
Deferred hedging gains transferred to operating expenses during the period		2,964	510	1,056
Income tax effect		(830)	(143)	(296)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax		2,165	139	469
Items that may not be reclassified to profit or loss				
Deferred hedging losses transferred to non-financial assets during the period		(1,535)	(6,974)	(367)
Income tax effect		430	1,953	103
Net other comprehensive loss not being reclassified to profit or loss in subsequent periods, net of income tax		(1,105)	(5,021)	(264)
Total comprehensive income for the period		29,325	34,699	47,751
Attributable to:				
Equity holders of the Company		29,352	34,545	47,433
Non-controlling interests		(27)	154	318
		29,325	34,699	47,751

Consolidated Interim Balance Sheet

As at 31 December 2021 (unaudited)

In NZD 000	Notes	31-Dec-2021	31-Dec-2020 ¹	30-Jun-2021 ¹ (audited)
Current assets				
Cash and cash equivalents	10	73,946	123,279	34,800
Trade and other receivables		53,816	54,089	65,615
Programme rights inventory	8	95,293	95,285	103,154
Derivative financial instruments	10	3,229	626	1,347
		226,284	273,279	204,916
Non-current assets				
Property, plant and equipment		69,838	116,455	100,192
Intangible assets		54,769	57,357	55,701
Right of use assets		46,644	81,978	64,272
Deferred tax asset	3	1,277	-	4,714
Goodwill	3	255,245	256,312	255,245
Derivative financial instruments	10	2,033	164	1,724
		429,806	512,266	481,848
Assets held for sale	9	36,626	8,225	13,436
Total assets		692,716	793,770	700,200
Current liabilities				
Interest bearing loans and borrowings	6.10	1,149	100,671	1,137
Lease liabilities	3.10	25,343	41,219	39,074
Contingent consideration		-	2,542	-
Trade and other payables		127,063	115,424	137,077
Contract liabilities		50,836	51,256	52,267
Income tax payable		2,308	6,358	7,850
Derivative financial instruments	10	613	6,170	1,495
		207,312	323,640	238,900
Non-current liabilities				
Interest bearing loans and borrowings	6.10	458	876	1,035
Lease liabilities	3.10	26,663	47,438	31,075
Trade and other payables		1,544	-	1,576
Contingent consideration		-	2,741	-
Derivative financial instruments	10	142	1,589	342
Deferred tax liability	3	-	1,366	-
		28,807	54,010	34,028
Liabilities associated with assets held for sale	9	-	1,676	-
Total liabilities		236,119	379,326	272,928
Equity				
Share capital		768,766	767,608	768,766
Reserves		2,095	(2,894)	1,035
Retained deficit	3	(315,577)	(351,670)	(343,869)
Total equity attributable to equity holders of the Company		455,284	413,044	425,932
Non-controlling interest		1,313	1,400	1,340
Total equity		456,597	414,444	427,272
Total equity and liabilities		692,716	793,770	700,200

¹ Certain comparative amounts have been restated, refer note 3.



Philip Bowman
Director and Chairman



Keith Smith
Director

For and on behalf of the Board 23 February 2022

Consolidated Interim Statement of Changes in Equity

For the six months ended 31 December 2021 (unaudited)

In NZD 000	Notes	Attributable to owners of the parent					Total equity
		Share capital	Reserves	Retained deficit	Total	Non-controlling interest	
For the six months ended 31 December 2021							
Balance at 1 July 2021		768,766	1,035	(343,869)	425,932	1,340	427,272
Profit for the period		-	-	28,292	28,292	(27)	28,265
Exchange difference on translation of foreign operations		-	31	-	31	-	31
Cash flow hedges, net of tax		-	1,029	-	1,029	-	1,029
Total comprehensive income for the period		-	1,060	28,292	29,352	(27)	29,325
Balance at 31 December 2021		768,766	2,095	(315,577)	455,284	1,313	456,597
For the six months ended 31 December 2020							
Balance at 1 July 2020		767,608	991	(394,875)	373,724	1,246	374,970
Restatement of adoption of new accounting standard	3	-	-	3,778	3,778	-	3,778
Balance at 1 July 2020 (restated)		767,608	991	(391,097)	377,502	1,246	378,748
Profit for the period		-	-	39,427	39,427	154	39,581
Exchange difference on translation of foreign operations		-	(228)	-	(228)	-	(228)
Cash flow hedges, net of tax		-	(4,654)	-	(4,654)	-	(4,654)
Total comprehensive income for the period		-	(4,882)	39,427	34,545	154	34,699
Transactions with owners in their capacity as owners							
CEO share based remuneration	5	-	997	-	997	-	997
		-	997	-	997	-	997
Balance at 31 December 2020		767,608	(2,894)	(351,670)	413,044	1,400	414,444
For the year ended 30 June 2020 (audited)							
Balance at 1 July 2020		767,608	991	(394,875)	373,724	1,246	374,970
Restatement of adoption of new accounting standard	3	-	-	3,778	3,778	-	3,778
Balance at 1 July 2020 (restated)		767,608	991	(391,097)	377,502	1,246	378,748
Gain for the year		-	-	47,228	47,228	318	47,546
Exchange difference on translation of foreign operations		-	(291)	-	(291)	-	(291)
Cash flow hedges, net of tax		-	496	-	496	-	496
Total comprehensive (loss)/ income for the year		-	205	47,228	47,433	318	47,751
Transactions with owners in their capacity as owners							
Dividend paid		-	-	-	-	(224)	(224)
CEO share based remuneration	5	1,158	(161)	-	997	-	997
		1,158	(161)	-	997	(224)	773
Balance at 30 June 2021		768,766	1,035	(343,869)	425,932	1,340	427,272

Consolidated Interim Statement of Cash Flows

For the six months ended 31 December 2021 (unaudited)

In NZD 000	Notes	31-Dec-2021 (6 months)	31-Dec-2020 (6 months)	30-Jun-2021 (1 year audited)
Cash flows from operating activities				
Profit before tax		39,817	56,524	67,889
Adjustment for non-cash items:				
Depreciation and amortisation		43,169	55,069	107,991
Impairment of programme rights	8	1,080	3,072	7,466
Unrealised foreign exchange gain		(1,182)	(923)	(656)
Interest expense		2,883	7,000	11,941
Bad debts and movement in provision for doubtful debts		427	245	1,454
Other non-cash items		(459)	254	(259)
Movement in working capital items:				
Decrease/(increase) in receivables		11,372	2,520	(9,283)
Decrease in payables		(14,277)	(57,006)	(39,237)
Decrease in programme rights		7,357	15,465	5,052
Cash generated from operations		90,187	82,220	152,358
Interest paid		(1,789)	(6,587)	(11,250)
Bank facility fees paid		-	(928)	(900)
Income tax paid		(13,500)	(23,500)	(33,000)
Net cash from operating activities		74,898	51,205	107,208
Cash flows from investing activities				
Acquisition of property, plant and equipment		(7,151)	(11,059)	(25,657)
Acquisition of intangibles		(11,334)	(8,841)	(25,414)
Proceeds from disposal of OSB business		-	-	6,884
Net cash used in investing activities	7	(18,485)	(19,900)	(44,187)
Cash flows from financing activities				
Repayment of borrowings - bonds		-	-	(100,000)
Payments for lease liability principal		(16,720)	(18,117)	(37,503)
Repayment of other borrowings		(547)	(586)	(1,171)
Dividend paid to minority shareholders		-	-	(224)
Net cash used in financing activities		(17,267)	(18,703)	(138,898)
Net increase/(decrease) in cash and cash equivalents		39,146	12,602	(75,877)
Cash and cash equivalents at the beginning of the period		34,800	110,677	110,677
Cash and cash equivalents at the end of the period	10	73,946	123,279	34,800

Notes to the Consolidated Interim Financial Statements

For the six months ended 31 December 2021 (unaudited)

1. General Information

Sky Network Television Limited (Sky) is a company, incorporated and domiciled in New Zealand. The address of its registered office is 10 Panorama Road, Mt Wellington, Auckland, New Zealand. The consolidated interim financial statements for the six months ended 31 December 2021 comprise Sky and its subsidiaries (the Group).

Sky is a company registered under the Companies Act 1993 and is a reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

Sky is a leading media company in New Zealand and operates as a provider of sport and entertainment media services and telecommunications in New Zealand and overseas.

These consolidated interim financial statements were approved by the Board on 23 February 2022.

2. Basis of Preparation

These consolidated interim financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Listing Rules and the ASX Listing Rules.

These consolidated interim financial statements of Sky are for the six months ended 31 December 2021. They have been prepared in accordance with New Zealand generally accepted accounting practice, NZ IAS 34 Interim Financial Reporting and International Accounting Standard 34 (IAS 34). They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2021. For the purposes of financial reporting Sky is a profit-oriented entity.

The preparation of interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These consolidated interim financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments (including derivative instruments).

Group structure

The Group has a majority share in the following subsidiaries.

Name of Entity	Principal Activity	Country of Incorporation	Parent	Interest held	
				Jun 2021 & Dec 2021	Dec 2020
Sky DMX Music Limited	Commercial music	New Zealand	Sky	50.50%	50.50%
Sky Ventures Limited	Non-trading	New Zealand	Sky	100.00%	100.00%
Media Finance Limited	Non-trading	New Zealand	Sky	100.00%	100.00%
Non Trading PS Limited (previously Outside Broadcasting Limited)	Non-trading	New Zealand	Sky	100.00%	100.00%
Screen Enterprises Limited	Non-trading	New Zealand	Sky	100.00%	100.00%
Sky Network Services Limited (previously Igloo Limited)	Broadband services	New Zealand	Sky	100.00%	100.00%
Believe It Or Not Limited	Entertainment quizzes	New Zealand	Sky	51.00%	51.00%
Sky Investment Holdings Limited	Investment	New Zealand	Sky	100.00%	100.00%
RugbyPass Limited	Content generation, subscription & marketing	Ireland	Sky Investment Holdings Limited	100.00%	100.00%
RugbyPass Asia Pte Ltd ¹	Non-trading	Singapore	RugbyPass Limited	100.00%	100.00%
Lightbox New Zealand Limited	Streaming services	New Zealand	Sky	100.00%	100.00%
Sports Analytics Pty Limited (acquired 1 January 2021)	Data analytics for sports	South Africa	Sky Investment Holdings Limited	81.00%	0.00%
RugbyPass UK Limited (incorporated 26 Jan 2021)	Non-trading	United Kingdom	Sky Investment Holdings Limited	100.00%	0.00%

¹At the request of the Group, RugbyPass Asia Pte Ltd was struck off the Register of Companies on 10 January 2022.

3. Significant Accounting Policies and Critical Judgements and Estimations

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Impact of COVID-19

COVID-19 continues to have an impact on the Group, with a favourable increase in demand for entertainment content and reduced churn for our Sky Box customers offset by ongoing uncertainties relating to the reduction of live sports, scheduling of sports events and the subsequent impact on content.

As outlined in the 2021 Annual Report, there continues to be uncertainties due to the COVID-19 pandemic that affect the Group's key estimates and judgements, including:

Intangible assets and goodwill – the ability to achieve future forecasts and the consequential impact on the carrying value of goodwill and other finite life intangibles. Management and the Directors have considered whether there are any events or changes in circumstances since the signing of the 2021 financial statements that may be an impairment indicator as at 31 December 2021, having considered factors such as:

- The Group's half year results, which have exceeded the half year plan;
- The improvement in the Group's share price between 30 June 2021 and 31 December 2021; and
- The premium of net assets to market capitalisation has reduced significantly from the position as at 30 June 2021, noting that this market capitalisation excludes any control premium.

We have concluded that there are no material adverse events or changes in circumstances that would suggest there are any impairment indicators as at 31 December 2021.

Programming rights – the ability to monetise prepaid and future sports programming rights. During the ordinary course of business the Group continues to negotiate sports rights and equitable reductions from our content partners. On 18 February 2022 the Group announced it had entered into a contract with the Premier League for six years, starting with the upcoming 2022/23 season. Management continues to exercise judgement in assessing both the value and estimated future amortisation profile of programming rights costs in response to uncertainty that COVID-19 has created around the value of certain major sports competitions, some of which may be delayed or postponed. In the half year the Group received credit notes for cancelled events during the Auckland lock down totalling \$7.8 million. Management further considered the valuation of the programming rights arising from the share issue to the NZ Rugby Union and assessed the carrying value as appropriate as the future economic benefit is still expected to be realised.

Capital structure

As at 31 December 2021 the Group had positive working capital of \$19 million (31 December 2020: (\$50) million; 30 June 2021: (\$34) million). In the prior year the \$100 million bond was repaid on 31 March 2021 out of the Group's cash reserves (refer note 6).

Despite the continuing impact of COVID-19, the Directors are satisfied that there will be adequate cash flows generated from operating and financing activities to meet the obligations of the Group for the foreseeable future from approving the consolidated interim financial statements, after taking into consideration the current trading results and that the Group has available cash of \$74 million and an undrawn banking facility of \$200 million at 31 December 2021 (refer note 6).

Comparatives

Certain comparative amounts have been reclassified to better reflect consistency with the current period. This does not have any impact on the consolidated statement of comprehensive income of the Group.

The Company has adjusted an overstatement of the lease liability as at the date of adoption of NZ IFRS 16 Leases to reflect the contractual payment terms. The impact of the change on the balance sheet is summarised in the table below. There is no profit or loss impact in the current or comparative periods.

In NZD 000	31-Dec-2020 (restated)	30-Jun-2021 (restated)
Long term Lease Liability (decrease)	(5,226)	(5,226)
Deferred Tax (decrease)	1,448	1,448
Retained Deficit (decrease)	3,778	3,778

3. Significant Accounting Policies and Critical Judgements and Estimation (continued)

New Accounting interpretations applicable to the Group

IFRIC - Configuration and Customisation in a Cloud Computing Arrangement

The Group has capitalised costs incurred in configuring or customising a supplier's application software in certain cloud computing arrangements as intangible assets as the Group considered that it would benefit from those costs to implement the cloud-based software over the expected terms of the cloud computing arrangement. Following the IFRS Interpretations Committee (IFRIC) agenda decision on Configuration or Customisation costs in a Cloud Computing Arrangement in March 2021 (ratified by the IASB in April 2021), the Group has commenced a review of these capitalised costs to determine whether they would need to be expensed or reclassified as prepayments.

The IFRIC concluded that costs incurred in configuring or customising software in a cloud computing arrangement can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significantly customise the cloud-based software for the Group, in which case the costs paid upfront are recorded as prepayments for services and amortised over the expected terms of the arrangement. IASB has confirmed in the past that reporting entities are entitled to sufficient time to determine the impact of IFRIC agenda decisions and implement any resulting changes.

As reported in the 30 June 2021 financial statements transitioning systems to the cloud is a strategic priority of the Group. At the time of finalising the 31 December 2021 financial statements the review process over SaaS¹ arrangements is still ongoing due to the complexity of arrangements, the number of projects impacted, and the vendor contracts included. Of the \$50.4 million net book value of capitalised software at 30 June 2021, Management estimate that the SaaS¹ related value is in the vicinity of \$15 million to \$20 million. We are in the process of continuing to review these SaaS¹ related capitalised costs to reliably quantify the extent of an adjustment that may be required due to the revised accounting policy and therefore have continued to capitalise new costs that have occurred subsequent to 30 June 2021 in line with the previously approved accounting policies. Further, as a result, following any change, going forward intangible assets and its associated amortisation might decrease, operating expenses increase, and prepayments may also be recognised.

We expect to be in a position to recognise the adjustment at the end of this financial year.

¹Software as a Service

4. Segment and Revenue Information

The table below shows the disaggregation of the Group's revenue from contracts with customers based on when revenue is recognised for its principal revenue streams.

In NZD 000	Residential satellite subscriptions	Other subscriptions	Advertising	Other revenue	Total revenue from contracts with customers
For the six months ended 31 December 2021					
Revenue from customers	262,372	70,995	23,491	14,813	371,671
Total revenue	262,372	70,995	23,491	14,813	371,671
Timing of revenue recognition					
At a point in time	3,014	-	23,491	3,221	29,726
Over time	259,358	70,995	-	11,592	341,945
	262,372	70,995	23,491	14,813	371,671
For the six months ended 31 December 2020					
Revenue from customers	270,656	56,201	22,404	15,372	364,633
Inter-segment revenue	-	-	-	(7,763)	(7,763)
Total revenue	270,656	56,201	22,404	7,609	356,870
Timing of revenue recognition					
At a point in time	2,422	-	22,404	4,237	29,063
Over time	268,234	56,201	-	3,372	327,807
	270,656	56,201	22,404	7,609	356,870
For the year ended 30 June 2021 (audited)					
Revenue from customers	532,122	117,017	44,866	28,874	722,879
Inter-segment revenue	-	-	-	(11,645)	(11,645)
Total revenue	532,122	117,017	44,866	17,229	711,234
Timing of revenue recognition					
At a point in time	5,294	-	44,866	7,644	57,804
Over time	526,828	117,017	-	9,585	653,430
	532,122	117,017	44,866	17,229	711,234

Operating segments are reported in a manner consistent with the internal reporting provided to Sky's executive team who are the chief operating decision-makers. Sky's executive team is responsible for allocating resources and assessing performance of the operating segments. Sky operates in a single operating segment comprising the provision of sport, entertainment media and telecommunications services in New Zealand.

RugbyPass has been identified as a separate operating segment and forms a separate cash generating unit. For financial reporting purposes and with reference to the aggregation criteria in the accounting standards RugbyPass is aggregated with the Sky business operating segment for the purposes of reporting segment disclosure.

The table above shows the disaggregation of the Group's revenue from contracts with customers based on when revenue is recognised for its principal revenue streams.

5. Related Party Transactions

There were no loans to Directors by the Group or associated parties at any of the reporting dates.

In NZD 000	30-Dec-21	31-Dec-20	30-Jun-21 (audited)
Income statement			
Remuneration of key personnel	2,501	3,552	8,131
CEO share based remuneration	-	997	997
Directors' fees	346	409	737
My Wave Limited (included in subscriber related costs)	942	-	256
Total Related Party transactions through consolidated income statement	3,789	4,958	10,121
Balance Sheet			
My Wave Limited (included in prepayments)	750	-	1,192
Total Related Party transactions through consolidated balance sheet	750	-	1,192

The gross remuneration of directors and key management personnel during the period was \$2,847,000 (31 December 2020: \$4,958,000; 30 June 2021: \$9,865,000). The remuneration in prior periods includes termination benefits paid to the former executive director and redundancies paid to some key management personnel. From 1 July 2020, as a result of restructuring the business, key management personnel was re-defined to include only directors and the direct reports to the CEO, and no longer includes department heads.

Remuneration of key personnel for the six months ended 31 December 2020 included the accrued cost of termination benefits associated with the former CEO of \$1,331,000, and short-term employee benefits of \$390,000 which were based on achieving targets for the year to 30 June 2021.

On 21 February 2020, 200,000 ordinary shares vested to the former CEO as part of a contractual entitlement to receive a total of 800,000 ordinary shares in installments of 200,000 on each of the first four anniversaries of commencement of employment. As a result of the CEO's decision to leave by mutual agreement the 600,000 ordinary shares vested in March 2021. This equity-settled share scheme is accounted for and measured based on the fair value at grant date (1 February 2019) of \$1.93 per share (\$1,158,000).

During the prior year Sky entered into a commercial agreement with My Wave Limited, a software company that provides interactive device solutions, as disclosed above. Geraldine McBride is a Director of the Group as well as a Director of My Wave Limited.

6. Interest Bearing Loans and Borrowings

In NZD 000	31-Dec-2021			31-Dec-2020			30-Jun-2021 (audited)		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Borrowings	1,149	458	1,607	738	876	1,614	1,137	1,035	2,172
Bonds	-	-	-	99,933	-	99,933	-	-	-
	1,149	458	1,607	100,671	876	101,547	1,137	1,035	2,172

Bank loans

On 2 July 2020, the Group signed a renegotiated bank facility with a syndicate of banks comprising Bank of New Zealand, Commonwealth Bank of Australia and Westpac New Zealand Limited securing a facility of \$200 million ending on 31 July 2023.

The facility arrangements (together with certain hedging arrangements) take the benefit of shared security granted by certain members of the Group, including:

- as at 31 December 2021 a general security deed granted by each of Sky Network Television Limited, RugbyPass Limited, Sky Network Services Limited and Sky Investment Holdings Limited;
- real property mortgages granted over certain real property interests of Sky Network Television Limited; and
- a spectrum mortgage granted over certain spectrum.

As is customary for facilities of this nature, the loan facility is subject to certain covenant clauses whereby the Group is required to meet certain key financial ratios and other performance indicators.

There have been no breaches of covenant clauses and no breaches are anticipated within the next 12 months.

Bank overdrafts of \$1,842,000 (31 December 2020: \$535,000; 30 June 2020: \$1,902,000) have been set off against cash balances.

Bonds

On 31 March 2014 the Group issued bonds for a value of \$100 million. The bonds were fully repaid on 31 March 2021.

7. Capital Expenditure

The Group acquired the following property, plant and equipment (PPE) and intangibles during the period:

In NZD 000	31-Dec-2021 (6 months)	31-Dec-2020 (6 months)	30-Jun-2021 (1 year audited)
Capital projects in progress (includes PPE & Intangibles)	4,693	4,002	2,076
Land and buildings	-	-	1,122
Broadcasting and studio equipment	262	340	1,468
Plant and equipment and other	248	1,975	5,379
Subscriber equipment	427	-	2,030
Installation costs	5,873	7,628	14,846
Intangibles	6,982	6,035	24,150
	18,485	19,980	51,071
Movement in capital expenditure creditors	-	(80)	-
Cash outflow in the period	18,485	19,900	51,071

8. Programme Rights Inventory

In NZD 000	31-Dec-2021	31-Dec-2020	30-Jun-2021 (audited)
Opening balance	103,154	115,672	115,672
Acquired during the period	142,818	96,179	266,348
Impaired during the period	(1,080)	(3,072)	(7,466)
Charged to profit or loss	(149,599)	(113,494)	(271,400)
Balance at end of period	95,293	95,285	103,154

Prior year opening balances have been amended due to a reclassification as described in Note 3.

9. Assets and Liabilities Held for Sale

On 26 March 2021 Sky announced on the NZX and ASX its intention to sell two properties known as Studio 2 and Studio 3, located at 34 and 16 Leonard Rd, Mt Wellington. On 15 May 2021 the properties were listed for sale. On 9 August 2021 Sky further announced on the NZX and ASX that Studio 1, located at 10 Panorama Road, along with Studio 2 and Studio 3, would be marketed for sale as a package of properties.

On the 16 December 2021 Sky announced on the NZX and ASX it had entered into a conditional agreement with Goodman Property Trust for the sale of the three studios for a consideration of \$56 million. The sale is conditional on completing further due diligence including engineering and environmental assessments and then final approval by the board of Goodman (NZ) Limited. The expected date for the agreement to become unconditional is 25 February 2022. The agreement includes a ten-year leaseback structure of Studio 1 (comprising Sky's core production and technology facilities) and a one-year leaseback of Studio 3 (to allow migration of staff, and Sky's warehouse and decoder workshop from that building). The agreement includes an option for Sky to terminate the leaseback of Studio 1 early (ending the term of the leaseback from as early as the end of the fifth year) and a five year right of renewal allowing Sky to extend the total term of the leaseback for Studio 1 from 10 years to a maximum 15 years, at Sky's discretion.

The sale of the properties is expected to be completed by financial year end. As at 31 December 2021 a sale had not yet been completed and the assets have been classified as held for sale in the financial statements. The assets held for sale have been reported at their book value.

The assets classified as held for sale at 30 June 2021 related to the properties known at Studio 2 and Studio 3 only (as referred to above). The assets and liabilities classified as held for sale at 31 December 2020 related to Outside Broadcasting Limited, a subsidiary of Sky, for which a sale was completed on 31 March 2021. The assets classified as held for sale as at 31 December 2021 are as follows.

In NZD 000	31-Dec-2021	31-Dec-2020	30-Jun-2021 (audited)
Assets			
Property, plant and equipment (net)	36,626	7,245	13,436
Right-of-use assets (net)	-	980	-
Assets held for sale	36,626	8,225	13,436
Liabilities			
Employee entitlements	-	462	-
Short term lease liabilities	-	353	-
Long term lease liabilities	-	861	-
Liabilities associated with assets held for sale	-	1,676	-

10. Fair Value Measurement of Financial Instruments

The Group's activities expose it to a variety of financial risks that include market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements as at 30 June 2021. There have been no changes in any risk management policies since year end.

Financial assets of the Group include cash and cash equivalents, trade and other receivables and financial assets at fair value through other comprehensive income (OCI) (unquoted investments held for disposal and derivative financial assets). Financial liabilities of the Group include trade and other payables, interest bearing loans and borrowings, lease liabilities, contingent consideration and derivative financial liabilities. The Group does not hold or issue financial instruments for trading purposes.

The fair value of each financial instrument is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active market for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs), for example discounted cash flow.

Sky's financial assets and liabilities carried at fair value are valued on a level 2 basis.

Classification of financial instruments

The following table presents the Group's financial assets and liabilities according to classifications.

In NZD 000	31-Dec-2021		31-Dec-2020		30-Jun-2021 (audited)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost						
Cash and cash equivalents	73,946	73,946	123,279	123,279	34,800	34,800
Trade and other receivables	40,581	40,581	43,139	43,139	52,014	52,014
Financial assets at fair value through OCI						
Derivatives designated as hedging instruments (cash flow hedges)	4,255	4,255	505	505	2,525	2,525
Derivatives not designated as hedging instruments (fair value hedges)	1,007	1,007	285	285	546	546
	119,789	119,789	167,208	167,208	89,885	89,885
Financial liabilities at amortised cost						
Other loans	1,607	1,472	2,733	2,634	2,172	2,046
Bonds	-	-	99,933	100,400	-	-
Lease liabilities	52,006	51,227	88,657	88,828	70,149	70,023
Trade and other payables	99,969	99,969	85,378	85,378	114,829	114,829
Financial liabilities at fair value through profit or loss						
Contingent consideration	-	-	5,283	5,283	-	-
Financial liabilities at fair value through OCI						
Derivatives designated as hedging instruments (cash flow hedges)	424	424	5,135	5,135	615	615
Derivatives not designated as hedging instruments (fair value hedges)	331	331	2,624	2,624	1,222	1,222
	154,337	153,423	289,743	290,282	188,987	188,735

Prepaid expenses, deferred revenue, unearned subscriptions, tax payables and employee benefits do not meet the definition of a financial instrument and have been excluded from the "Trade and other receivables" and "Trade and other payables" categories above. Due to their short-term nature, the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables is assumed to approximate their fair value.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable inputs. The fair value of forward foreign exchange contracts is based on market forward foreign exchange rates at period end.

The fair value of quoted notes and bonds is based on price quotations at the reporting date being at level 1 basis. The fair value of loans from banks and lease liabilities is estimated on a level 3 basis by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

11. Contracts for Future Programme Commitments

In NZD 000	31-Dec-2021	31-Dec-2020	30-Jun-2021 (audited)
Year 1	285,737	294,623	299,002
Year 2	250,847	261,401	266,550
Year 3	209,590	192,490	225,998
Year 4	173,391	167,940	193,366
Year 5	52,246	129,505	97,121
Later than 5 years	34,851	347	49,964
	1,006,662	1,046,306	1,132,001

12. Earnings Per Share

In NZD 000	31-Dec-2021	31-Dec-2020	30-Jun-2021
Profit after tax attributable to equity holders of the parent (NZD 000)	28,292	39,427	47,228
Weighted average number of ordinary shares on issue (thousands)	174,688	174,628	174,648
Basic and diluted earnings per share (cents)	16.20	22.58	27.04

	31-Dec-2021	31-Dec-2020	30-Jun-2021
Issued ordinary shares at the beginning of period/year	174,688,323	174,628,323	174,628,323
Ordinary shares issued on 1 March 2021	-	-	60,000
Total number of shares on issue	174,688,323	174,628,323	174,688,323
Weighted average number of ordinary shares on issue	174,688,323	174,628,323	174,648,378

Prior year balances have been restated to reflect the share consolidation on 17 September 2021.

On 25 August 2021 Sky announced to the NZX and ASX its intention to consolidate every 10 shares held at 5:00pm on 16 September 2021 into 1 share. The consolidation was completed on the 17th September 2021.

After the share consolidation completion the total issued capital of shares is 174,688,323, the amount is slightly higher than the 174,687,956 estimated prior to commencing the consolidation due to rounding of fractional entitlements to shares.

13. Contingent Liabilities

The Group is subject to litigation incidental to its business, none of which is expected to be material. No provision has been made in the Group's consolidated interim financial statements in relation to any current litigation and the Directors believe that such litigation will not have a significant effect on the Group's consolidated interim financial position, results of operations or cash flows.

14. Subsequent Events

COVID-19

At the date of signing these financial statements, New Zealand was at COVID-19 Traffic Light Alert level red, following an announcement by the New Zealand Government at 11am 23 January 2022 that all of New Zealand will move to alert level red at 11:59pm on 23 January 2022. At this time no changes have been made to assumptions relating to the Group's key estimates and judgements referred to in these financial statements as a result of this development. Refer to note 3 for consideration of the impacts and mitigations of COVID-19 on the business.

New office lease

Following the surrender of leases on 30 June 2021 and 8 August 2021 for office space in Newmarket and Parnell respectively, and as a continuation of the Group's property strategy to utilise office space efficiently and establish better working environments for our employees, we commenced a new lease on 13 February 2022 for office space located at Level 6, 20 Viaduct Harbour, Auckland with an expiry date of 31 August 2029.



Independent auditor's review report

To the shareholders of Sky Network Television Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements of Sky Network Television Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated interim balance sheet as at 31 December 2021, and the consolidated interim statement of comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the six month period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibility is further described in the *Auditor's responsibility for the review of the financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in respect of regulatory reporting. Certain partners and employees of our firm may subscribe to Sky services on normal terms within the ordinary course of the trading activities of the Group. The provision of these other services and relationships have not impaired our independence.

Directors' responsibility for the financial statements

The Directors of the Group are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Keren Blakey.

For and on behalf of:

Chartered Accountants
23 February 2022

Auckland

Directory

Registrars

Shareholders should address questions relating to share certificates, notify changes of address or address any administrative questions to Sky's share registrar as follows:

New Zealand Ordinary Share Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
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Auckland 0622
New Zealand

Mailing address:

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Australian Branch Register

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Directors

Philip Bowman (Chair)
Geraldine McBride
Joan Withers
Keith Smith
Michael Darcey

Officers

Sophie Moloney	Chief Executive
Tom Gordon	Chief Financial Officer
Jonny Errington	Chief Content and Commercial Officer
Chris Major	Chief Corporate Affairs Officer
Daniel Kelly	Chief Customer Officer
Jason Foden	Acting Chief Digital and Innovation Officer
Antony Welton	Chief Operations and People Officer
James Bishop	Company Secretary

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Auditors to Sky

PricewaterhouseCoopers

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Solicitors to Sky

Buddle Findlay

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Chapman Tripp

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Auckland 1010
New Zealand
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Directors' Declaration

The directors declare that the consolidated financial statements:

- (i) comply with New Zealand International Financial Reporting Standards
- (ii) give a true and fair view of the financial position of Sky Network Television Limited and its subsidiaries as at 31 December 2021 and of their performance, as represented by the results of their operations and their cash flows for the half year ended on that date.

In the directors' opinion at the date of this declaration there are reasonable grounds to believe that Sky Network Television Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors and is signed for and on behalf of the Board of Directors.

Dated at Auckland this 23rd day of February 2022.



Philip Bowman
Chairman



Keith Smith
Director



Appendix 4D Release to ASX under rule 4.2A

Other Information

Sky Network Television Limited Half Year ended on 31 December 2021 (In NZD)

- **Control gained over entities**

There was no control gained over entities during the half year.

- **Loss of control of entities**

There was no loss of control of entities during the half year.

- **Dividends or distributions**

Interim dividend or distributions payable: Nil

Prior comparable period: Nil

- **Details of aggregate share of profits (losses) of associates and joint venture entities**

Not applicable

- **Accounting standards**

New Zealand international financial reporting standards used in compiling report.

The consolidated interim financial statements include an Independent Auditor's Review Report.

- **Directors' Details**

The directors of Sky Network Television Limited at any time during the half year are as follows:

Philip Bowman	Chairman
Keith Smith	Director
Joan Withers	Director
Mike Darcey	Director
Geraldine McBride	Director



Results Presentation

For the six months ended
31 December 2021

24 February 2022

Agenda

- ▶ HY22 Overview
- ▶ Operational performance
- ▶ Financial performance
- ▶ Capital Management review
- ▶ Outlook
- ▶ Questions

Our Strategy

WHAT MATTERS MOST:

Our Customers

WHAT DO WE DO:

We connect New Zealanders with the sport and entertainment they love, in ways that work for them, right across the country

WHAT WE'RE FOCUSING ON:

1 CUSTOMERS

Nurture and grow our Sky Box and Streaming customers

2 CONTENT

Be the preferred partner for rightsholders, content creators and distributors

3 PEOPLE

Be a place where our crew are empowered to do their best work

4 FINANCIAL

Grow revenues and reduce operating costs

THE "BEDROCK" OF OUR BUSINESS:

1 Rapid and sustained execution, and enabling our people to succeed

2 Being an efficient, adaptive and profitable business



HY22 At a Glance

- ▶ **Customer relationships** continue to rise
- ▶ Key **content secured** through long-term deals
- ▶ Attracting and **securing key talent**
- ▶ Returned to **revenue growth**
- ▶ Significant **permanent cost reductions** in FY22 with more to come
- ▶ Delivering faster return to higher **sustainable free cash flows**
- ▶ Returning to **paying dividends** from FY22
- ▶ Balance sheet strength providing opportunity to explore **investment opportunities**

TOTAL CUSTOMER RELATIONSHIPS

983,561

(HY21: 926,530)

STREAMING CUSTOMER GROWTH²

+23% YOY

SKY BOX CUSTOMERS

545,002

(HY21: 566,497)

FREE CASH FLOW¹

\$39.7m

(HY21: \$13.2m)

REVENUE

\$371.7m

(HY21: \$356.9m)

OPERATING EXPENSES

\$287.2m

(HY21: \$242.8m)

EBITDA

\$85.3m

(HY21: \$116.3m)

NPAT

\$28.3m

(HY21: \$39.6m)

Significant progress achieved in HY22

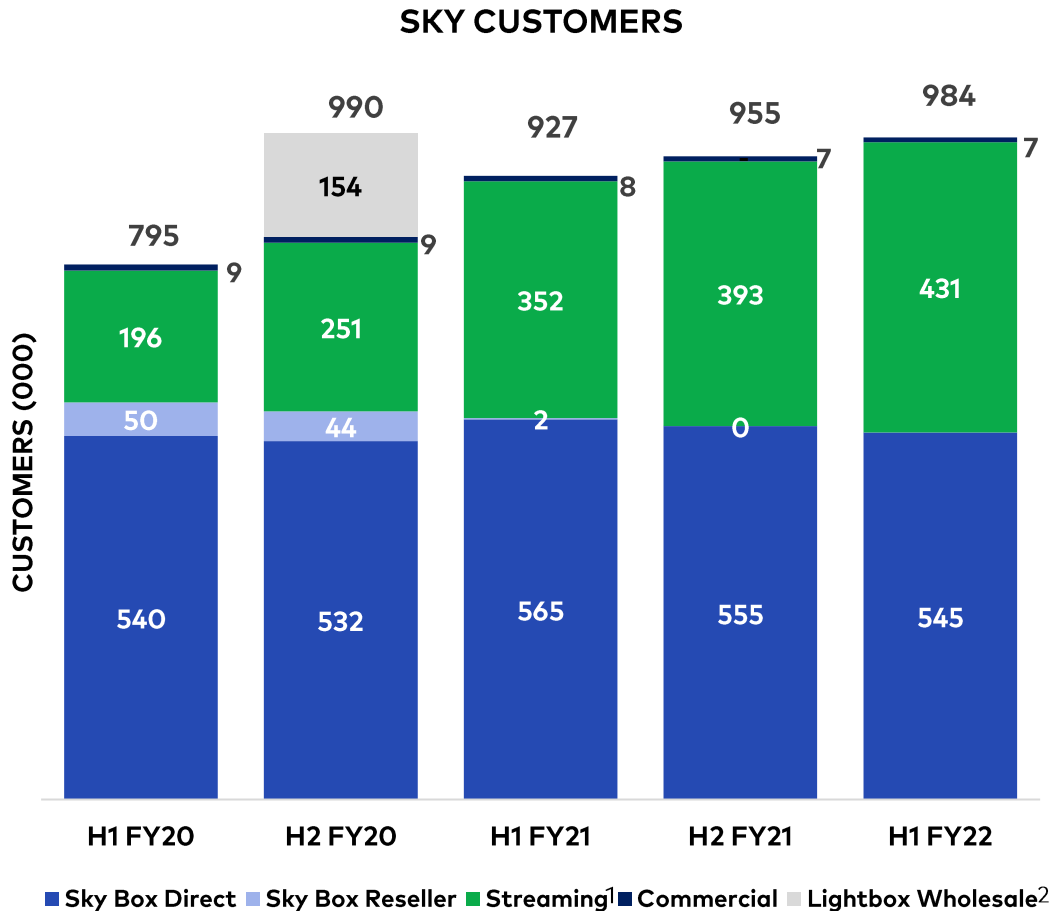
	Sky's Strategy	FY22 Targets	HY22 Results	Progress
FOCUS	1 Nurturing and growing Sky Box and Streaming customers	<ul style="list-style-type: none"> Sky Box customer churn 11.5 – 12.0% Sky Broadband attachment rate of 3% - 5% Grow Neon and Sky Sport Now customers by 10% - 15% Average tenure for Neon and Sky Sport Now of 12+ months 	9.1% On track N:28% SSN: 62% N:15 SSN:12	✓✓ ✓ ✓✓ ✓
	2 Being the preferred partner for key rights holders, content creators and distributors	<ul style="list-style-type: none"> Continue to deliver the content that matters to customers Neon engagement 80%; Sky Sport Now engagement 75% 	Ongoing N:81% SSN:73%	✓✓ ✓
	3 Growing revenues and reducing operating costs	<ul style="list-style-type: none"> Streaming revenue growth of 15% - 25% Grow new business revenues to 1% - 3% of total revenue Revenue growth of \$5m - \$35mp.a. Programming costs return to within 46% - 48% of total revenue¹ At least \$22m - \$27m of non-prog. operating cost savings p.a.² 	34% 1.3% \$15.1m On track On track	✓✓ ✓ ✓ ✓ ✓
	4 Being a place where our crew are empowered to do their best work	<ul style="list-style-type: none"> Year on year increases in employee engagement scores 	Annual measure	
BEDROCK	1 Rapid and sustained execution and enabling our people to succeed	<ul style="list-style-type: none"> New Sky Box in New Zealand homes by mid-year 50% - 60% of capex on growth initiatives 	On track 55%	✓ ✓
	2 Being efficient, adaptive and profitable business	<ul style="list-style-type: none"> Maintain positive free cash flow Depreciation & amortisation reduced to \$85m - \$95m Capex spend within 6% to 7% of revenue³ 	\$39.7m \$43m in H1 5.0%	✓ ✓ ✓

Operational Performance

sky

Our Customers

Customer relationships up 6% as growth trend continues

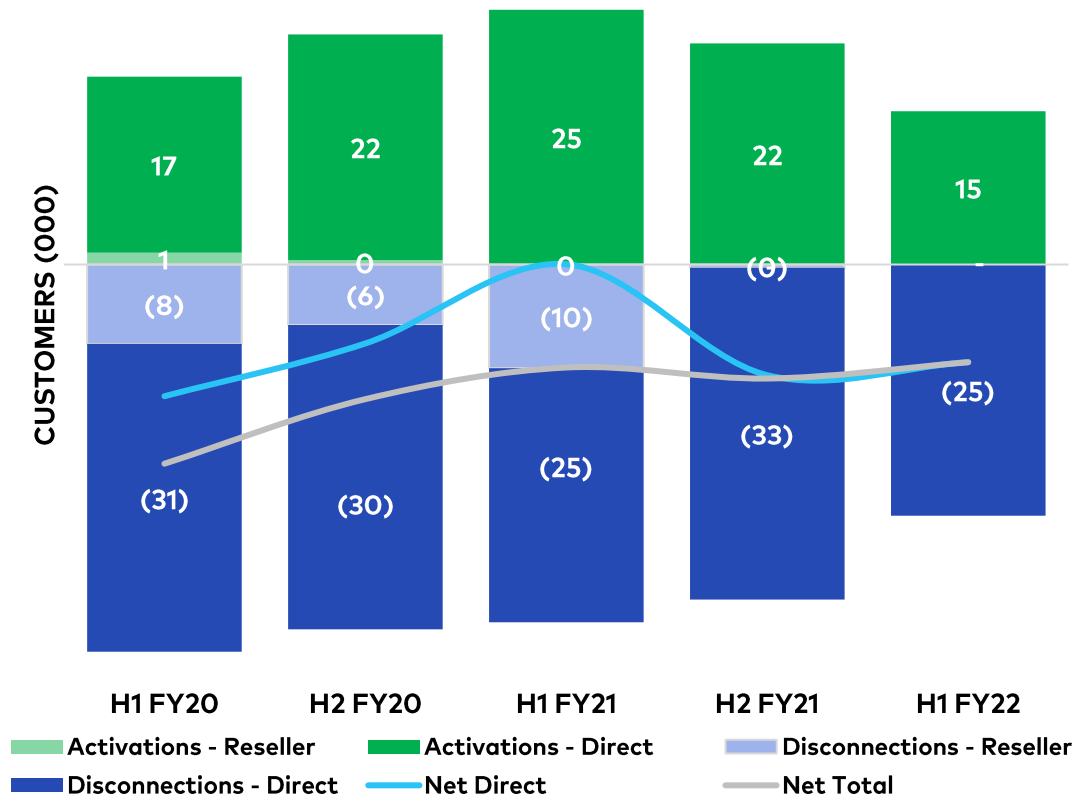


- Sky Box customer base continues to show positive signs of stabilisation, reducing 3.8% in the 12 months to December 2021 compared to 4.0% in the prior year
- Streaming customer¹ growth of 23% year on year includes a 28% increase for Neon and 62% increase for Sky Sport Now
- Streaming customers now account for 44% of the total base, up from 25% at H1 2020 following growth of 121% over the past two years
- Agreement in place for Vodafone Retransmission³ customer migration to Sky with account migration in March and the move to a Sky product to follow ahead of the H1 FY23 platform shutdown
- Broadband customer relationships are excluded from this analysis. Sky's initial focus in launching Sky Broadband is on providing additional value for existing Sky Box customers

Sky Box Customers

Acquisitions becoming more targeted; significant reduction in disconnections

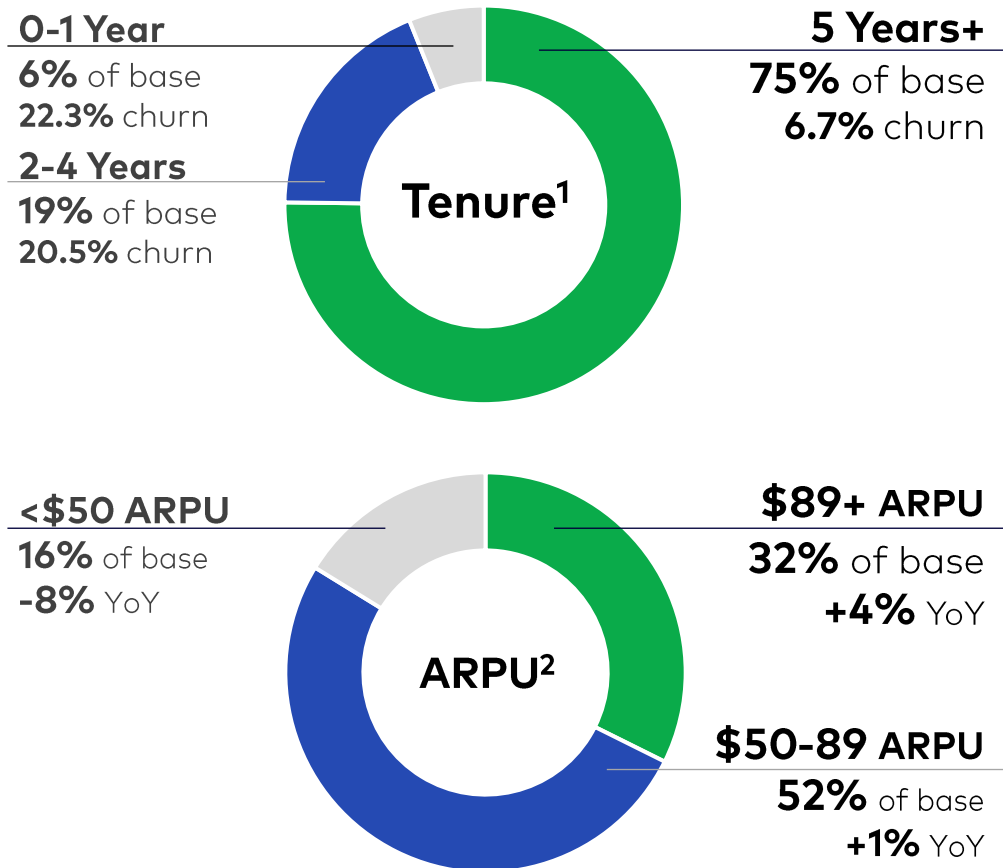
SKY BOX ACTIVATIONS / DISCONNECTIONS



- 30% year on year improvement in disconnections reflects a strong content line-up, positive Reseller migration impact and an increasingly 'sticky' customer base
- Activations somewhat impacted by 15-week Auckland lockdown (compared to 8 weeks in H1 FY21) with sales efforts scaled back and diverted to package upgrade campaigns to avoid installation delays
- Recent enhancements to the online customer buy and upgrade journey and reduced use of third-party sales expected to deliver higher completion rates and a lower cost to acquire
- Moving to reduce the use of sign-on incentives, which may discourage some sales but with a corresponding improvement in early churn linked to the end of a discount period and improvements in ARPU and average cost to acquire

Sky Box Customers

Customer base weighted to longer tenure with 27% improvement in annualised churn



- Significant improvement in annualised total churn to 9.1% versus 12.4% at HY 2021 following transition of Reseller customers to a direct relationship with Sky and continued stabilisation of the customer base
- 75% of direct customers have been with Sky for over 5 years, (from 74%) with churn remaining very low at 6.7%. 0-1 year churn improved to 22.3% from 23.2%. 2-4 year churn is stable
- Loyalty programme introduced toward the end of H1 FY22 to reward valued customers. Initial package 'unlock' rewards positively received, with a 19ppt rise in NPS for customers selecting a reward
- Recently refined acquisition strategy uses customer and product-match insights to target segments with lower propensity to churn. Expected to positively impact early churn and customer lifetime value metrics
- 4% increase year on year in Sky Box customers with ARPU² above \$89 (excluding GST and pay per view). Primarily due to higher retention rates and increased subscriptions for higher value packages and broadband

New Sky Box update

Customer validation confirms high appeal and growing excitement for Sky's next-generation Box



- Development on track to be in customer homes mid-2022
- *Achieved in H1:*
 - ✓ Proposition finalised following detailed customer research (6,000 responses - 5,000 wanted to be on the trial)
 - ✓ New box and remote design completed and samples have arrived
 - ✓ Feature development sprints on track
- *To complete:*
 - Final 'go' for mass production of box and remote
 - Staff and customer trials
 - Initiate launch campaign

Sky Broadband Customers

Launch momentum continues and on track to achieve FY22 customer attachment rate target of 3 - 5%

\$80.19 (inc. GST) monthly
ARPU¹ (\$69.73 ex-GST)

68%
900/400 speed plans

16%
Sales online at sky.co.nz

26%
Voice attachment

12%
WiFi booster attachment



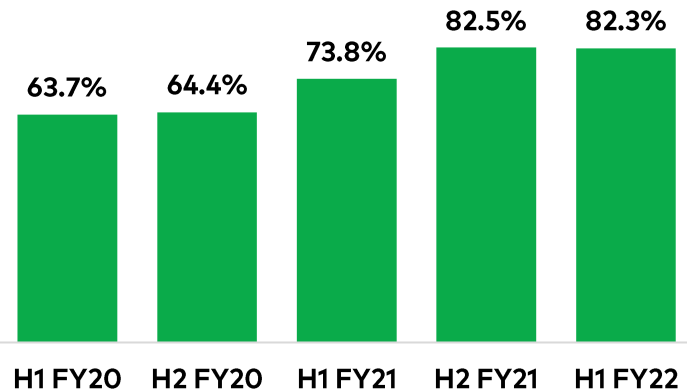
NZ COMPARE
POWER & BROADBAND
AWARDS
2021
Winner

- Performance speed and reliability of Sky's WiFi-6 tech combined with the ease of set-up are proving very popular with customers and contributing to strong NPS and CSAT scores (CSAT at joining 79%, at 100 days 85%)
- Awareness and consideration continues to grow, particularly within the Sky customer base, with 23% unprompted / 53% prompted awareness, boosted by owned channel marketing
- Continuing to hero the '1GB' plan. Increased popularity of the upgraded 300mb plan slightly reduced ARPU although somewhat offset by a rise in higher margin voice and calling plans (from 20%)
- Within its first year Sky Broadband was a finalist in four categories at the 2021 Broadband Compare Awards, finishing on the podium in the Peoples Choice Award and taking first place in the Best Bundled Plan award – a credit to Sky crew and great Sky content

Streaming Customers - Neon

Customer numbers growing and becoming more committed

CUSTOMER ENGAGEMENT¹

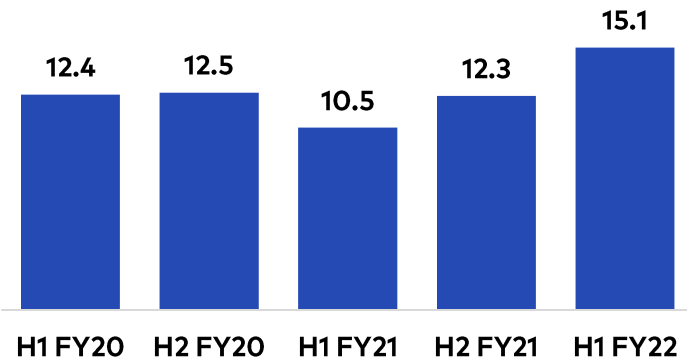


28% ↑
Neon Customer Growth (YoY)

12% ↑
Customer Engagement (YoY)

44% ↑
Average Tenure (YoY)

AVERAGE CUSTOMER TENURE² (mths)



- Neon continues to attract new customers, with 28% year on year growth, and 96% of the increase coming from direct subscriptions
- Covid lockdowns provided some support in August, although a noticeable increase in engagement levels also coincided with a strong content lineup, including the launch of HBO Max content
- Average tenure improved 44% year on year, to a new high of 15.1 months as the audience for Neon becomes more engaged. A new Annual Pass option was launched in May to support the growing trend towards continuous subscription
- Feature enhancements delivered during H1 include improved navigation and search functionality and increased personalisation for customers

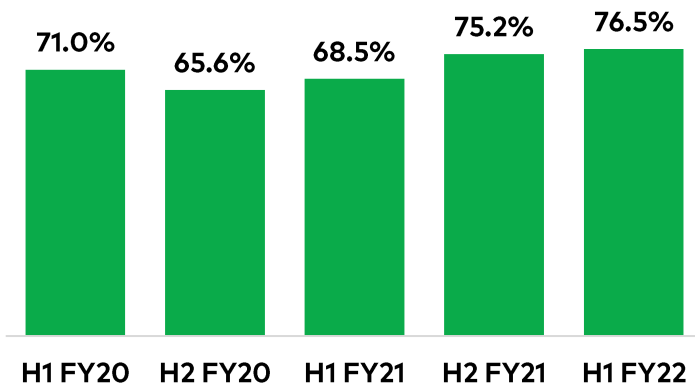
¹ Engagement is defined as customers that viewed content during a month, using a 12-month rolling average.

² Tenure: Average total tenure of the active subscription base.

Streaming Customers – Sky Sport Now

Year-round calendar of live sport attracting a strong and growing following

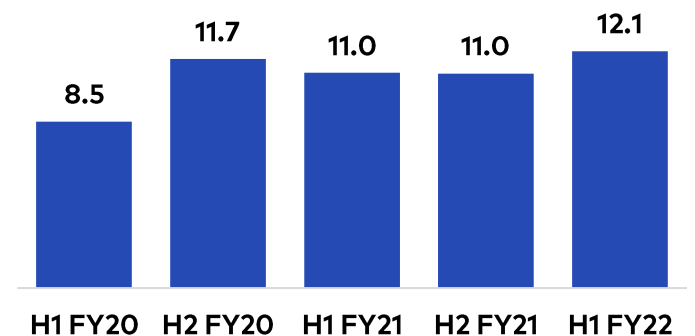
CUSTOMER ENGAGEMENT¹



62% ↑
**Sky Sport Now
 Customer Growth
 (YoY)**

12% ↑
**Customer Engagement
 (YoY)**

AVERAGE CUSTOMER TENURE² (mths)



10% ↑
**Average Tenure
 (YoY)**

- Sky Sport Now continues to deliver significant year on year growth with most of the gain weighted towards H1 2022.
- An increase in customer engagement rates to 76.5% benefitted from a strong performance through the Summer Olympics period while increased tenure reflects strong, year-round content line up
- The introduction of a bespoke 'Olympic Pass' exceeded expectations. 71% of those joining on this pass were new to the platform, providing useful insights on casual sports fans/non-core Sky customers, as well as increasing the potential win-back pool
- H1 Investment included further upgrade in picture quality. Additional improvements to customer interface and user experience planned for H2

¹ Engagement is defined as customers that viewed content during a month, using a 12-month rolling average. ² Tenure is defined as the average total tenure of the active subscription base excluding all transactional passes. Paid passes only and includes current and previous subscriptions.

Content and Partnerships

Customer focused decisions based on rich data and insights are making commercial sense



- Entertainment wins include: WarnerMedia expanded multi-year partnership - Sky continues as the home of HBO while also delivering core brands: Warner Bros. TV/movies, CNN and Cartoon Network, plus HBO Max; ViacomCBS multi-year renewal, including Paramount Pictures
- Sports wins include: multi-year agreement for A-League football, host market broadcast rights deal for FIFA 2023 Women's World Cup, All Blacks Northern Tour, Six Nations Rugby. Recently secured a six-year deal for Premier League rights
- Innovative new 5-year partnership with NBL encompasses broader commercial arrangements to grow interest in the game and revenues
- Winter Olympics and Commonwealth Games in H2 to build on success of Summer Olympics coverage that saw 96% of Sky Box customers 'satisfied' or 'very satisfied' and positive impact on sport upgrades
- Focused on maximising the significant depth and value of current content rights across all platforms - Sky Box, streaming and free to air on Prime

People and Performance

Customer value mindset is providing clarity and purpose



Tom Gordon
Chief Financial Officer



Jonny Errington
Chief Content & Commercial Officer



Dan Kelly
Chief Customer Officer

- Strengthened leadership team announced in November to continue Sky's transformation and deliver on strategy
- Attracting significant talent to key roles within the business
- Experience and passion of Sky crew has been evident as Sky continues to deliver for customers through the challenges and complexity brought about by Covid



Chris Major
Chief Corporate Affairs Officer



Jason Foden
Chief Digital & Information Officer



Antony Welton
Chief Operations & People Officer

Financial Performance

sky

Financial Performance

Revenue and Free Cash improve as Sky reaches inflection point; H1 NPAT sits above earlier guidance range for FY22, as Sky's transformation accelerates

REVENUE

\$371.7m

HY21: \$356.9m (+4%)

OPERATING EXPENSES

\$287.2m

HY21: \$242.8m (-18%)

EBITDA

\$85.3m

HY21: \$116.3m (-27%)

NPAT

\$28.3m

HY21: \$39.6m (-29%)

FREE CASH FLOW¹

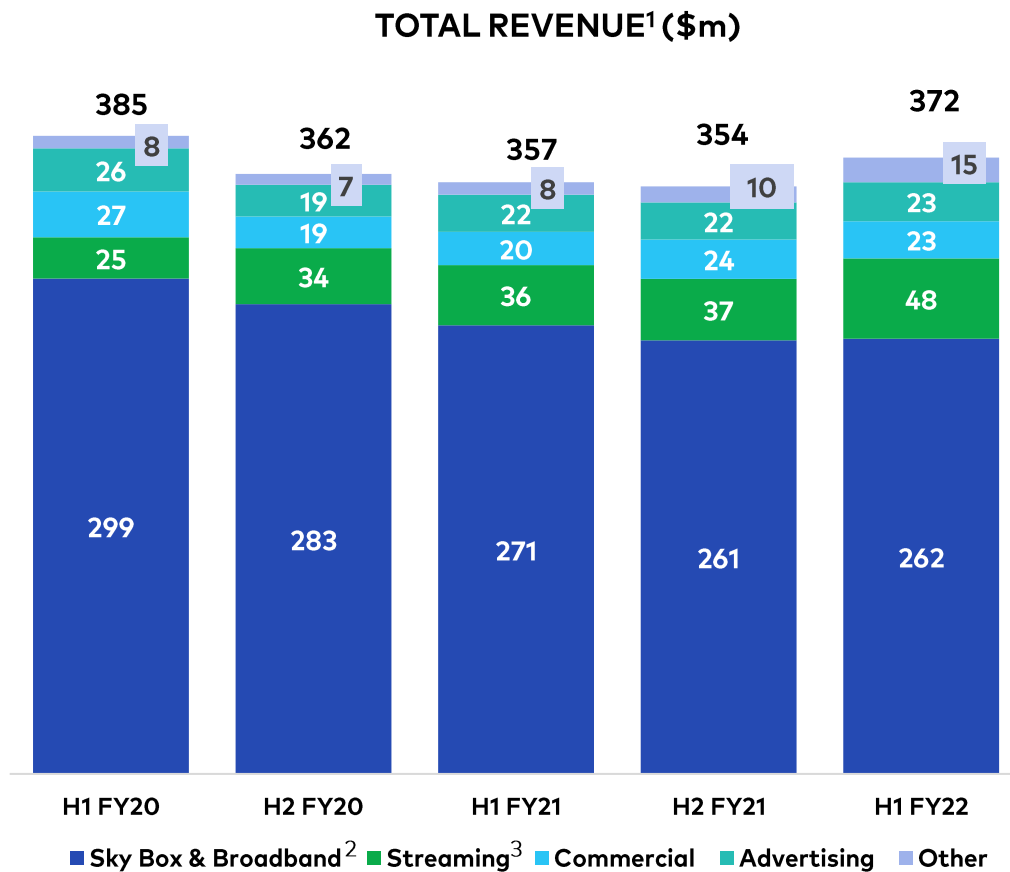
\$39.7m

HY21: \$13.2m (+201%)

- H1 NPAT sits above the original forecast range for FY 2022 earnings provided in August at the time of Sky's FY2021 results (\$17.5m - \$27.5m)
- Sky returns to growth with total revenue increase of 4.1% year on year - marks the first six-month period of revenue growth since H1 2016
- Operating expenses increase as expected due to step-up in rights costs, without the same level of Covid-19 related negotiated reductions and with permanent savings from the cost review exercise still to come
- Significant improvement in Free Cash Flow generation

Revenue

Return to revenue growth, as Sky Box stabilises and Streaming grows

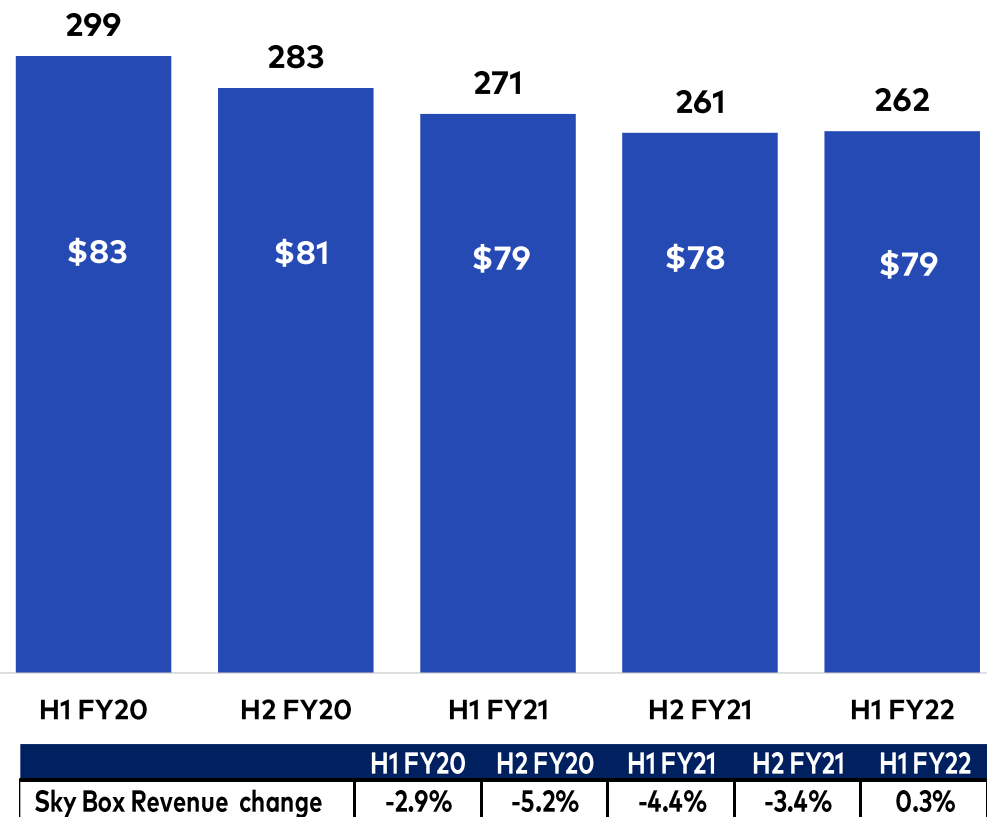


- Revenue growth of 4.1% year on year compares to a decline of -7.3% in the prior period
- Core residential customer revenue from Sky Box (including from Broadband attachments) and Streaming customers grew by 1.3% year on year and by 4.1% against H2 FY21
- Other revenue of \$14.8m includes on-sold programming rights (including the Olympics sub-license to TVNZ), Sky Box & Broadband installations and satellite access fees

Sky Box Revenue

H1 demonstrates significant progress towards stabilising Sky Box revenue

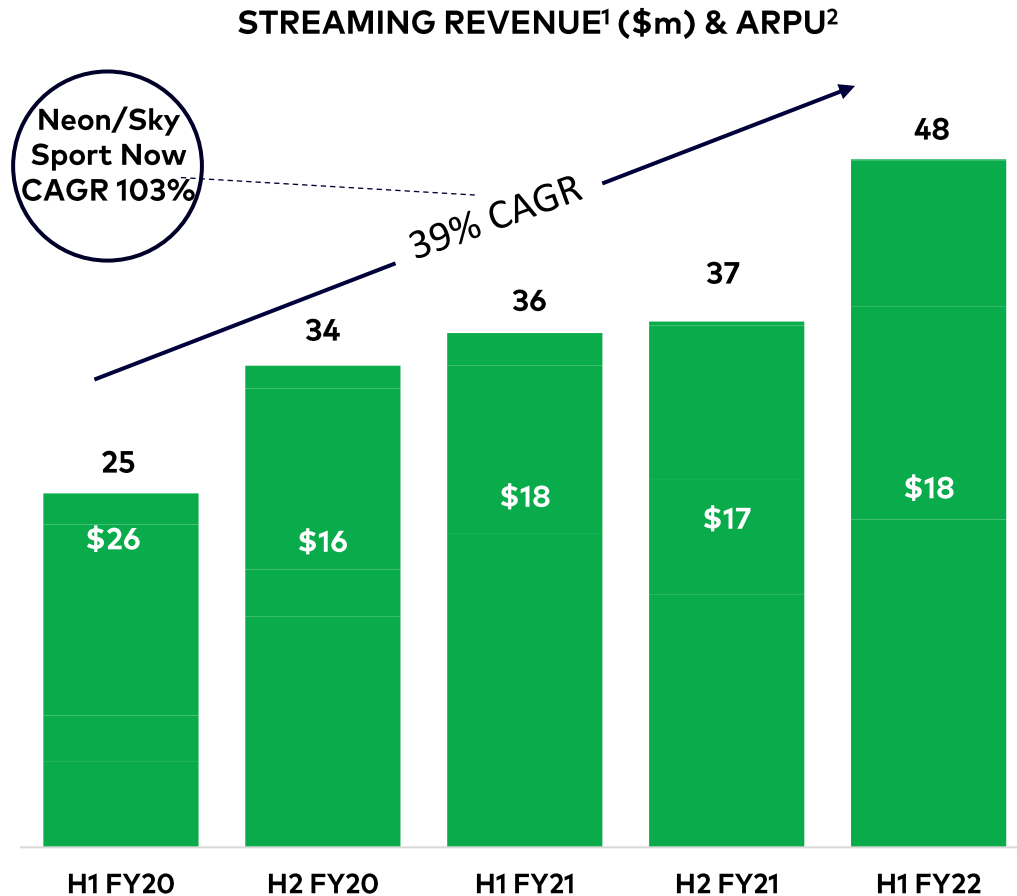
SKY BOX REVENUE¹ (\$m) & ARPU²



- Sky Box Revenue continues to stabilise. Year on year decline of 3.1% (compared to 9.4% in the prior year), was weighted to H2 of FY21 with performance in the first half of H1 FY22 (while admittedly including an initial contribution from broadband attachments), returned to growth of 0.3%
- H1 FY22 Sky Box ARPU of \$79.50 is a \$1.51 improvement on H2 FY21
- Underlying ARPU growth is driven in part by the early impact of Sky Broadband attachment, recovery of sport penetration, increased contribution from pay per view, and by significantly improved churn performance – with more higher value customers choosing to stay

Streaming Revenue

Streaming revenue growth continues to exceed expectations

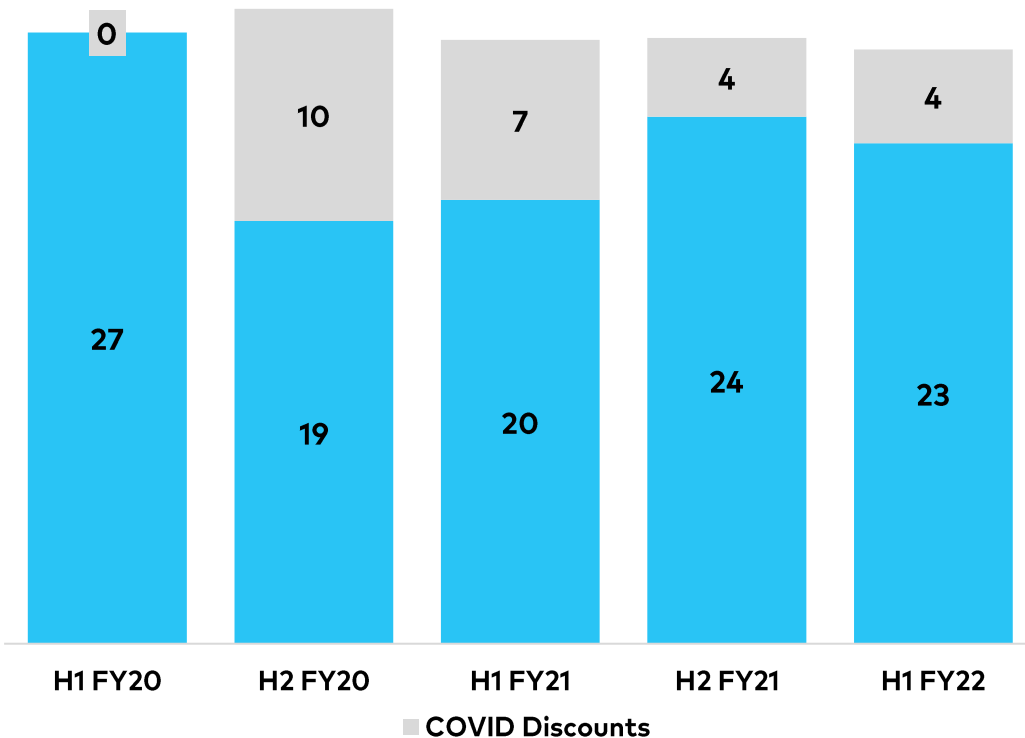


- Year on year revenue growth of 34% outpaced 23% growth in customer numbers
- Growth of 57% YoY for Neon and 101% YoY for Sky Sport Now, comfortably on track to meet FY22 target growth ranges. Growth is in line with the 4-year CAGR of 58% across both platforms, with 2-year CAGR at 103%
- H1 2022 revenue includes full six-month impact from the 14.6% Neon price rise³ implemented in May 2021 and increased contribution from Sky Sport Now following stronger growth rate in higher ARPU Sport subscribers and more pay per view events

Commercial Revenue

Covid impact moderating; tiered pricing and customer upgrade effects yet to show through

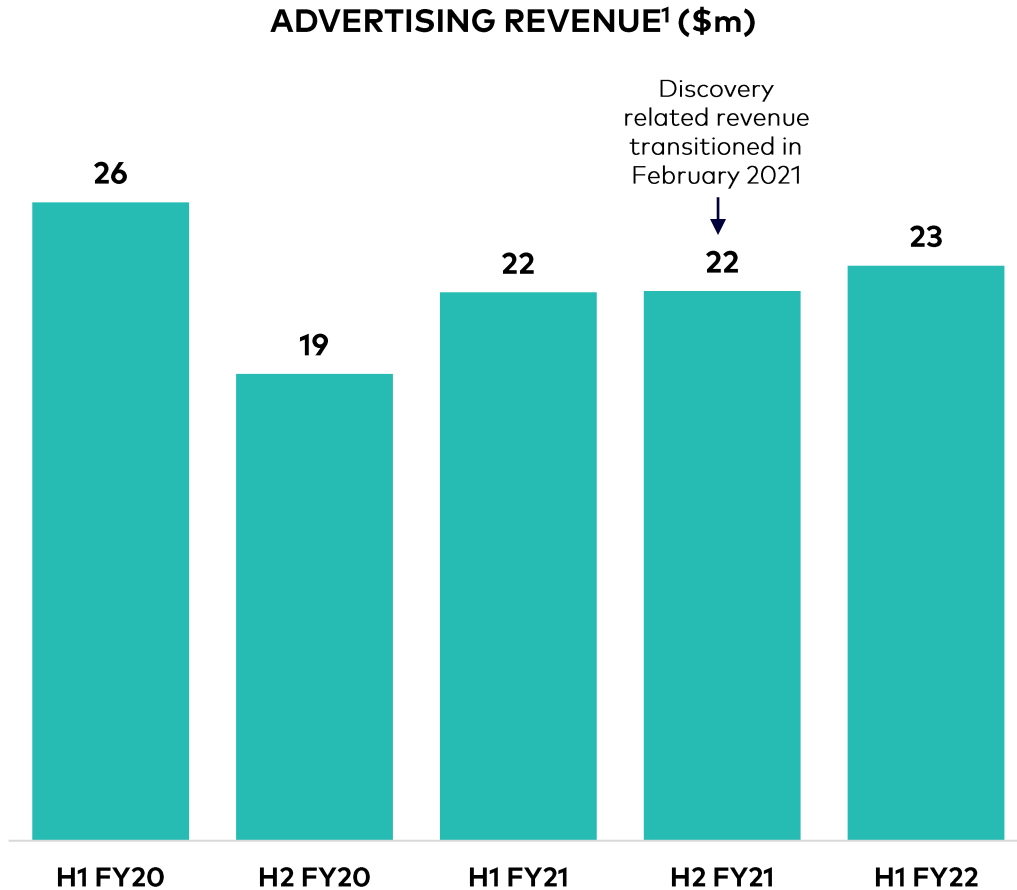
COMMERCIAL REVENUE (\$m)



- Year on year revenue growth of 13% achieved despite a longer Covid-lockdown period in the key Auckland market. H1 FY22 impact of \$4.2m was an improvement against \$7.2m in the prior period.
- Continued to support licensed premise customers during this time, with a return to normal billing from December 2021
- Covid restrictions have so far masked the positive ARPU impact of value-based pricing for licenced premise customers introduced in February 2021
- Covid impact on accommodation providers during recent lockdowns is lower than the prior year, with 4% of rooms 'non-paying/suspended' at the peak in H1 2022 compared with up to 30% during earlier lockdowns
- Digital upgrade continues for accommodation providers although some implementation delays due to Covid-19. A further 400 properties (14,000 rooms) have potential to upgrade to provide a higher quality guest experience, and deliver 25% ARPU uplift

Advertising Revenue

HY performance approaching pre-Covid levels when adjusted for Discovery revenue transition

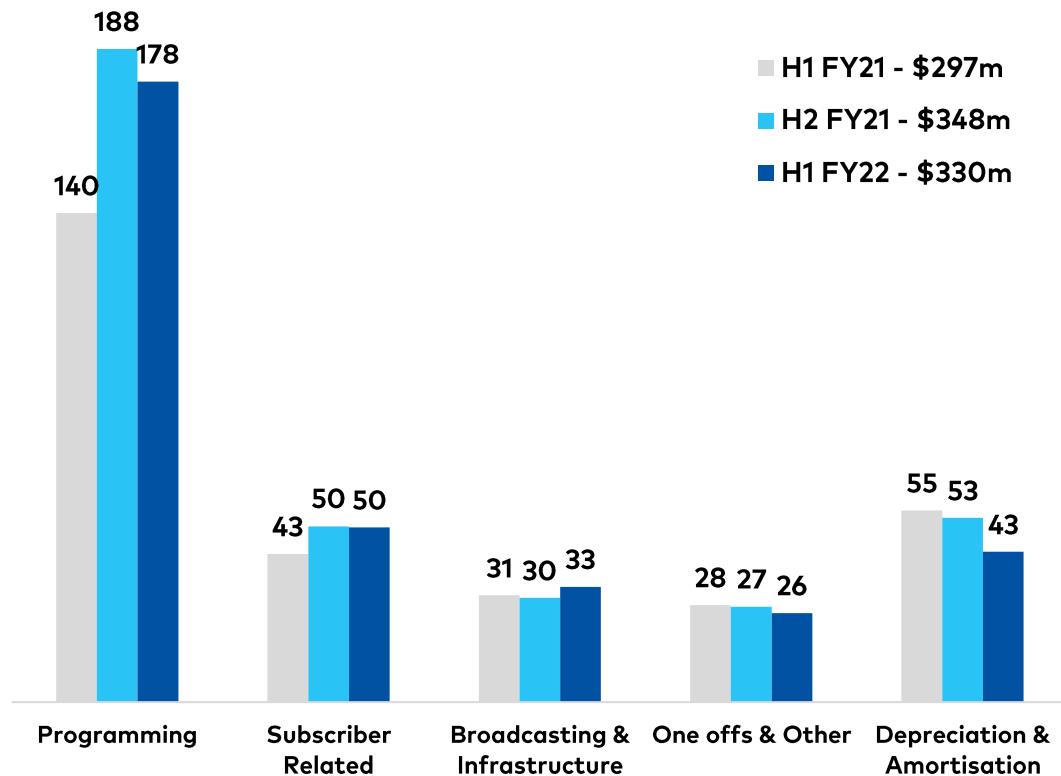


- 5% revenue increase achieved against prior year, despite H1 2022 including full period impact of advertising on Sky's 5 Discovery channels moving to Discovery NZ
- Following a period of extended disruption, including from the impact of Covid-19, the advertising market is entering a healthy recovery phase with total market TV ad revenue approaching 2019 levels

Total Expenses

Firm focus on achieving permanent reductions as Sky resets its cost base

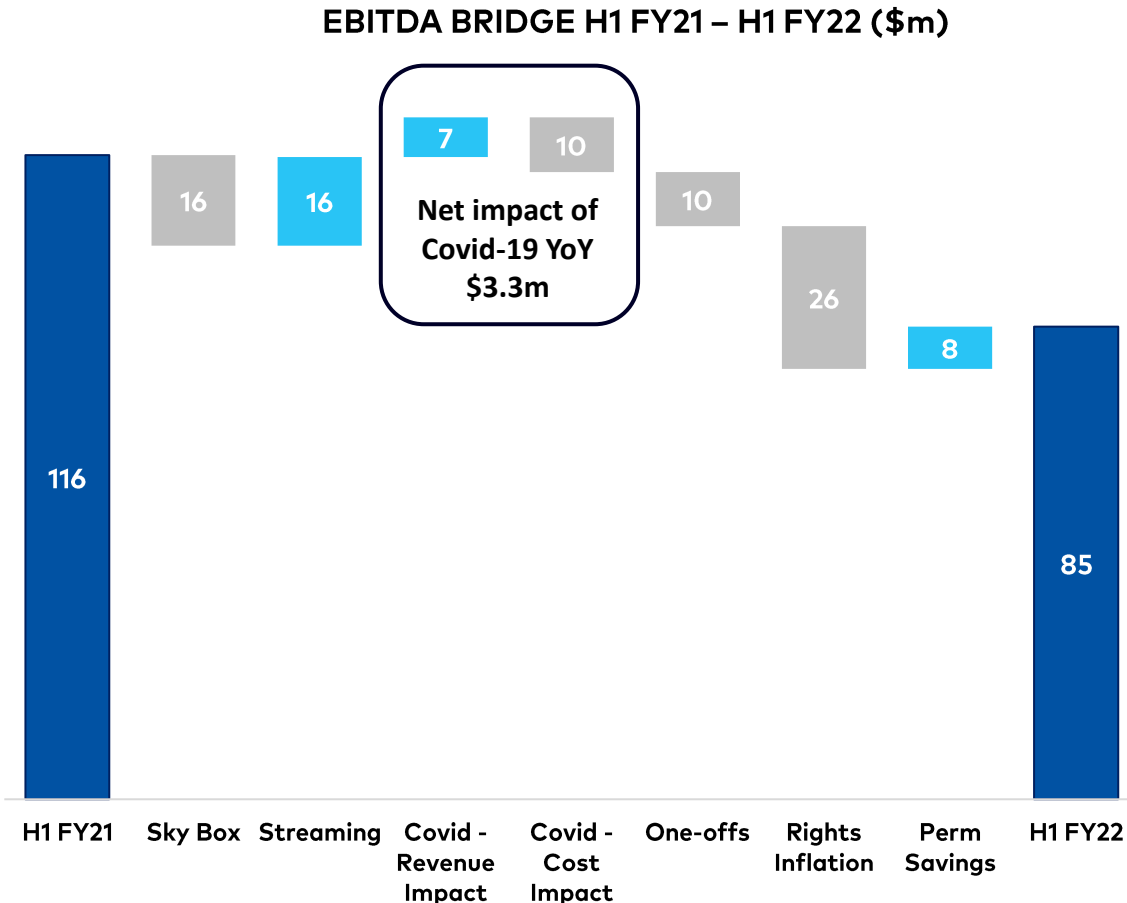
TOTAL EXPENSES (\$m)



- Programming costs increased year on year as a result of rights inflation on key renewals, offset against significant cost-out around discretionary and strategic spend
- Subscriber related costs included one-off costs associated with brand re-launch and are expected to reduce from H2 FY22
- Broadcasting & Infrastructure costs have increased YoY in line with the increase in streaming customers
- Depreciation and amortisation includes leasing costs under IFRS 16. The majority of the saving was driven by the write-off of the old Sky Sport Now platform at the end of FY21, with additional upside from the Optus lease change in December and exit of OSB leases

EBITDA Bridge

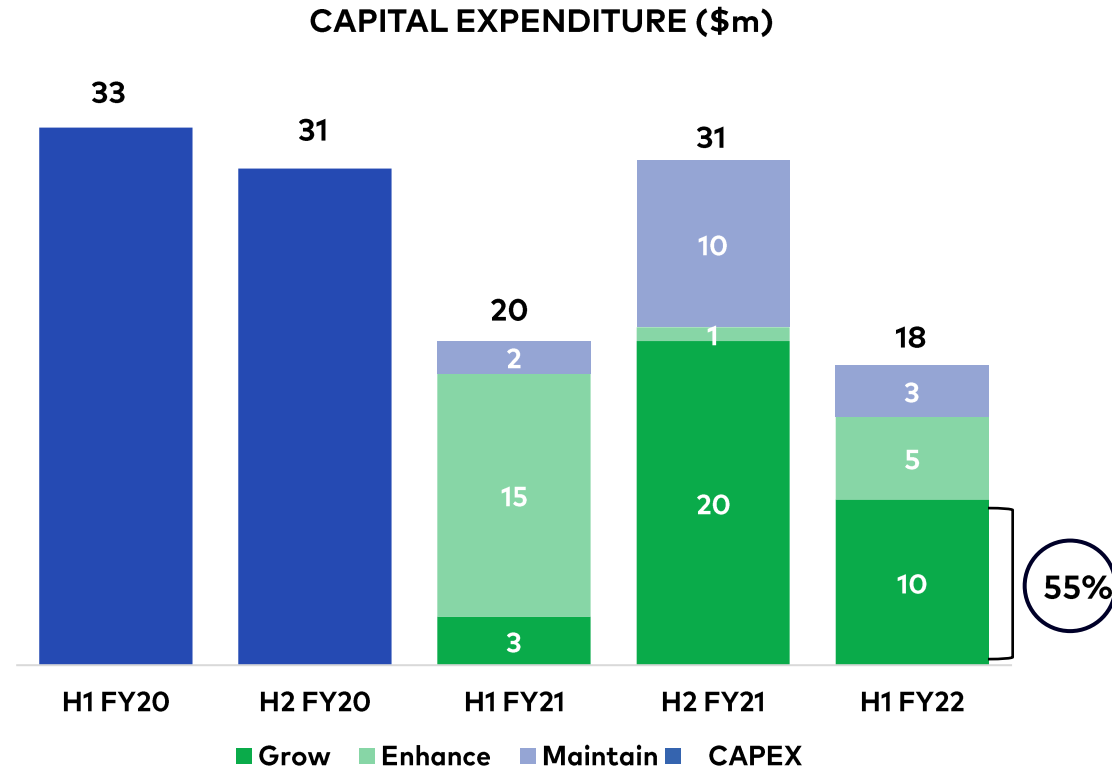
Core revenue stable; permanent savings beginning to offset expected rights inflation



- Sky Box revenue has stabilised but shows decline YoY, which is fully offset by growth in streaming revenues after adjusting for one-offs
- Covid-19 impacts on revenue and costs were greater in H1 FY21, with the net impact across Commercial and Advertising revenue streams, as well as Sports rights and production costs amounting to a \$3.3m reduction in EBITDA YoY
- One-offs include the EBITDA impacts of the Summer Olympics and T20 World Cup.
- Rights inflation incorporates the uplift in rights fees across multiple contracts, including NZ Rugby, ESPN and Universal
- Permanent Savings are largely in programming costs, being reductions in discretionary and strategic spend following significant rights wins. This is offset by a permanent transition of Advertising revenue to Discovery NZ

Capital Expenditure

Capex spending reduced by 7% and weighted towards growth following a period of infrastructure investment



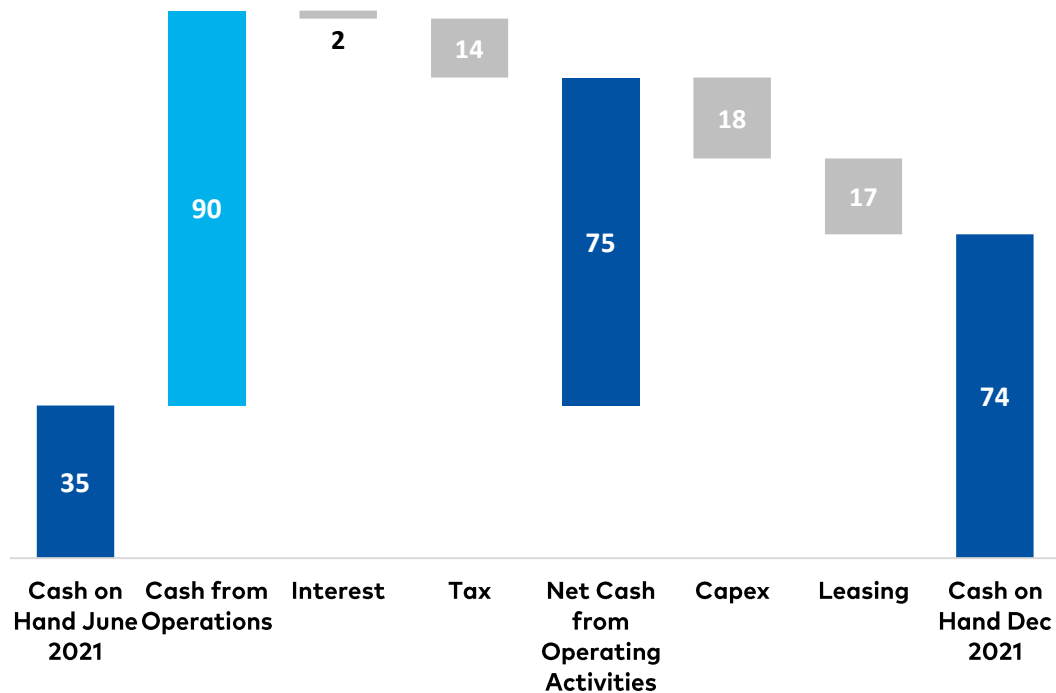
- Capex spend on track against revised FY22 guidance of \$45m - \$50m following savings of \$5m - \$10m identified for the current financial year through the cost review process
- Investment to support growth initiatives, including the new Sky Box, was 55% of the total spending, and within the FY22 and 3-year target band of 50% - 60%

	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22
CAPEX/Revenue %	8.6%	8.5%	5.6%	8.8%	5.0%

Free Cash Flow

Generating sustainable levels of Free Cash as Sky moves through the transition – up 201% to \$39.7m

CASH FLOW BRIDGE H2 FY21 – H1 FY22 (\$m)



- Cash from operations of \$90m includes \$7m in proceeds received from the sale of OSB.
- Interest was lower due to the March 2021 repayment of \$100m of bonds from cash reserves. Tax outflow was lower as a result of the final FY20 tax repayment falling into H1 FY21
- Lease payments were down slightly due to the December 2021 Optus lease renewal, with H2 to include a full six months of the lower fees
- Cashflow does not include any amounts related to the sale of Sky's Mt Wellington properties which is expected to settle in March 2022
- Following completion of the property sale transaction Sky's banking facility limit will reduce to \$150m (from \$200m)

Capital Management

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Dividends and Capital Management

Sky returning to paying dividends and exploring options to invest for future growth

<h3>Dividends</h3>	<p>Dividend Policy:</p> <p>To distribute between 50% and 80% of Free Cash Flow¹ (excluding one-off items)</p> <p>The Board expects to resume paying dividends commencing with a final dividend in September 2022, consistent with this dividend policy</p>
<h3>Capital Management</h3>	<ul style="list-style-type: none">• Management and the Board continue to assess opportunities to invest capital to accelerate business growth, generate new revenue streams, and improve shareholder returns• A further update on capital management will be provided in June at Sky's investor day• Any decisions on capital structure, including any return of capital, will be subject to market conditions and any other strategic opportunities that may arise

Looking
Ahead

sky

Outlook

Guidance confirmed for HY 2022; solid start to H2 as momentum builds

\$m	FY22 guidance ¹
Revenue	725 - 745
EBITDA	150 - 160
NPAT	40 - 48
Capex	45 - 50

- On target to achieve results in line with upgraded guidance forecasts provided on 7 December 2021, noting that guidance excludes the impact of the property sale
- Expecting continued growth in customer numbers and core subscriber revenue in H2 2022 with gradual recovery towards pre-Covid run-rate for Commercial
- Permanent cost savings on track to be delivered during the second half of FY 2022 with further permanent savings to be achieved from FY 2023
- H2 will see Sky building on the momentum of the first half and with a firm focus on execution

Questions

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