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22 August 2025

Sky delivers solid full year results, lifting full year dividend

Sky Network Television Limited (Sky) has today released Full Year Results with all metrics within the revised Market Guidance ranges provided in February this year¹ and with a 15.8% increase to the fully imputed FY25 dividend.

Delivered in the context of a challenging economic environment and a complex satellite migration, along with the completion of number of important projects including the necessary preparation to successfully acquire Discovery NZ, this is a solid result.

As was the case at the Half Year, Sky's results include a number of one-off items (largely non-cash or expected to be cash neutral) that make it more difficult to assess more positive underlying performance of the business during the period. Adjusted numbers² have therefore been provided to enable a like-for-like comparison.

Key points (financials provided on an adjusted basis³)

- Revenue of \$755.1 million, (down 1.5%)
- EBITDA of \$148.5 million (down 3%)
- Sky's free cash flow funded FY25 dividend of 22 cents per share (fully imputed), representing a year-on-year increase of 15.8%.

Chief Executive Sophie Moloney said: "The results we report today have been delivered against the backdrop of our satellite migration challenges as well as the continued pressure on household wallets for many New Zealanders. I am grateful for the tenacity of my team to not only achieve results within the February Guidance ranges, but for also continuing to deliver on several important projects and milestones during FY25.

"These include securing key content rights, increasing our Advertising market share and introducing new features like Digital Ad Insertion (DAI) for Sky Sport Now, increasing the penetration of our new Sky Experience to 37% of our Box base, and of course the significant diligence work that led to the acquisition of Discovery NZ.

"In breaking news, this morning's signing of a new five-year partnership with New Zealand Rugby (on behalf of the SANZAAR Unions) is also a major achievement. It ensures we can continue to deliver every big moment of rugby to our customers, and it includes a necessary reshaping of

¹ Noting that guidance was provided on an underlying basis, excluded one-off items.

² Non-GAAP financial measures.

³ Non-GAAP financial measures. Information regarding one-off adjustments is available on page 45 of Sky's 2025 Annual Report and within the investor presentation that forms part of this announcement.

this important deal while also ensuring Sky achieves our target of 47 to 49% of content costs as a percentage of revenue.

“We have made good progress against the other targets in this second year of our three-year targets. Progress on capex intensity and employee engagement targets are already consistent with our FY26 ambition, and while Revenue and EBITDA Margin remain challenging, and will likely be at the lower end of the range, they are still held in our sights. Customer NPS has improved since the completion of the satellite migration, and – very pleasingly – we are firmly on track to deliver on the dividend target of 30 cents.

Financial performance

The one-off items for the period include satellite migration (largely cash neutral by FY26), accelerated content amortisation and lease modification (both non-cash), and organisational transformation and transaction costs associated with the Discovery NZ acquisition. It is therefore appropriate to discuss Adjusted numbers⁴ when assessing Sky’s performance against the prior year.

Adjusted revenue of \$755.1 million was at the lower end of guidance (reported \$750.7 million), largely reflecting the prolonged impact of challenging economic conditions and delays in revenue-generating initiatives due to the necessary prioritisation of satellite migration.

All key ‘growth engine’ revenue lines continued to increase, with Sky Sport Now growth of 16%, Broadband up 34% and Advertising increasing by 7% year on year. However, this was not sufficient to offset a Sky Box revenue reduction of 5.8% and modest decline of 2% for Neon.

Sky’s prioritisation of the rollout of the new Sky Experience is important in this context, with significantly lower churn from those customers with the new Sky Box (less than half that of the classic Box), given the benefits it brings by unlocking video on demand and content discoverability. It also has a lower cost to serve, and with the pathway to add revenue from digital ad replacement.

Disciplined cost management saw an \$4.8 million reduction in adjusted expenses to \$609.4 million (reported \$637.8 million). This included a \$7.3 million saving in programming cost and was achieved whilst continuing to invest to grow Streaming, Broadband and Advertising. As a result, adjusted EBITDA of \$148.5 million (reported \$120.6 million), while lower than the prior year, was at the mid-point of guidance.

Adjusted net profit after tax of \$41.1 million (reported \$20.6 million), was down year on year, as expected, due to higher depreciation, following a period of accelerated capital expenditure as we invested in new products. With the elevated period now behind us, underlying capital expenditure of \$65.2 million (reported \$78.4 million), marked a return to the target level of between 7% to 9% of revenue.

Free cash flow generation remained strong, with reported free cash flow of \$24.8 million, 4.6% higher than the prior year, and underlying free cash flow down slightly on last year at \$36.7 million.

⁴ Non-GAAP financial measures. Information regarding one-off adjustments is available on page 45 of Sky’s 2025 Annual Report and within the investor presentation that forms part of this announcement.

Project Migrate

Sophie said: “FY25 brought one of the most complex operational challenges in our history: the accelerated migration to a new satellite following Optus’ advice that the existing D2 satellite was reaching end-of-life earlier than anticipated. With more than 450,000 customers relying on satellite delivery, and 62% of our FY25 revenue earned through our Sky Box business, this project became a top priority. While the migration was far from straightforward, it was successfully achieved in April 2025.”

Sky has provided additional information on the expected financial outcome of the satellite migration programme, noting this is expected to be largely cash neutral by the end of FY26. Across FY24 and FY25, this included \$17.7 million in capital expenditure and \$7.3 million of one-off EBITDA impacts (from foregone revenue and incremental costs), partly off-set by capex rebates received to date from Optus of \$10.2 million.

A final capex allocation of between \$2 and \$4 million will complete the programme in FY26, with a further \$6.1 million of capex rebates and \$8.2 of compensation for revenue and cost impacts will be received in FY26 to bring the programme to a largely cash neutral outcome.

Dividend and Capital Management

Sky remains in a healthy fiscal position, with ongoing sustainable free cash flow generation, \$32 million of cash on hand, and a strong balance sheet, including a \$100 million undrawn bank facility.

The Board’s confidence in the long-term outlook for the business and continued strong cash flow generation have supported an increased final dividend of 13.5 cents per share (fully imputed). This brings total dividends for the year to 22 cents per share, fully imputed, that equates to 82.5% of the adjusted free cash flow and represents a year-on-year increase of 15.8%.

Sky’s most recent buyback programme expired on 31 March 2025, having paused in June 2024 in the lead up to annual results, and continued on pause in November 2024, due to ongoing NZR negotiations.

The Board has resolved to pause further capital management actions in the short term as Sky prioritises the integration of Sky Free (formerly Discovery NZ) and Sky, with this decision to be reviewed periodically as transaction synergies are delivered.

Acquisition update

Sophie said: “Three weeks in, we’re excited by the opportunities the acquisition of Sky Free unlocks. It positions Sky to scale faster and to grow and further diversify our revenue streams, particularly in advertising and digital, and it delivers some of the ‘missing pieces’ for our future success, including the successful and growing BVOD service ThreeNow.”

“Successfully integrating Sky and Sky Free and starting to optimise the synergies this presents across both businesses is now a key priority for FY26 and beyond. Planning is well advanced, aided by a thorough and detailed diligence process, and with a strong governance framework and appropriate Executive oversight whilst ensuring no distraction to the ongoing delivery of FY26 priorities.”

In FY26 Sky Free is expected to deliver positive proforma underlying free cash flow, with an 11 month gross revenue contribution of approximately \$85m from advertising and revenue-share arrangements and with capex of between \$3 – 4 million. By FY28 Sky sees potential for at least \$10m p.a. of incremental EBITDA on a Group basis.

A Purchase Price Accounting (or PPA) process will commence shortly and as part of this, will determine the fair value of assets acquired, such as content. The outcome will have a Profit and Loss impact in FY26 although no impact on cash flow, and we note this is expected to result in a one-off ‘bargain purchase’ gain.

Outlook and Guidance

In light of the PPA process, Sky has provided guidance on a ‘stand-alone’ Sky-only basis.

This guidance reflects Sky’s expectation that economic conditions will remain challenging, at least in the near term. While FY26 includes a six-month impact from the new NZR deal, the first year reduction will be more muted as a portion of the final payments under the existing deal flow through to FY26. While Sky will continue to be disciplined in cost management, we will reinvest in marketing, customer experience and people after a challenging FY25 and to lay the groundwork for acceleration from FY27.

This sees stand-alone FY26 Guidance⁵ for Sky of Revenue of between \$745 to \$770 million; EBITDA of between \$142 - \$162 million and Capex⁶ of between \$60 and \$70 million. Sky will no longer provide guidance on net profit after tax as it is not considered a meaningful metric for market valuation purposes.

Sky’s dividend guidance of at least 30 cents per share (fully imputed), reflects the target set in FY23 to double that year’s 15 cps dividend in three years and will represent an increase of 36%.

Sky expects to provide a further update to the Market on the business as a whole at the Half Year, assuming the PPA process is completed.

ENDS

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⁵ Revenue and EBITDA guidance are subject to no adverse change in operating conditions, including future economic headwinds. EBITDA guidance excludes one-off costs associated with transformation initiatives, transaction fees and net integration costs.

⁶ Capex guidance excludes a final allocation of \$2 - \$4 million for satellite migration.

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Sky Network Television Limited	
Reporting Period	12 months to 30 June 2025	
Previous Reporting Period	12 months to 30 June 2024	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$750,723	2.1% decrease
Total Revenue	\$750,723	2.1% decrease
Net profit/(loss) from continuing operations	\$20,228	58.7% decrease
Total net profit/(loss)	\$20,590	58.2% decrease
Final Dividend		
Amount per Quoted Equity Security	\$0.13500000	
Imputed amount per Quoted Equity Security	\$0.05250000	
Record Date	5 September 2025	
Dividend Payment Date	19 September 2025	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$ 0.95417	\$1.04959
A brief explanation of any of the figures above necessary to enable the figures to be understood	For further explanation refer to the financial commentary and audited financial statements attached.	
Authority for this announcement		
Name of person authorised to make this announcement	Andrew Hirst	
Contact person for this announcement	Andrew Hirst	
Contact phone number	+64 21 621 114	
Contact email address	Andrew.Hirst@sky.co.nz	
Date of release through MAP	22/08/2025	

Audited financial statements accompany this announcement.



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Distribution Notice

Updated as at June 2022

Please note: all cash amounts in this form should be provided to 8 decimal places, including zeros (ie 0.01001000)

Section 1: Issuer information				
Name of issuer	Sky Network Television Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	SKT			
ISIN (If unknown, check on NZX website)	NZSKTE0001S6			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies			
Record date	05/09/2025			
Ex-Date (one business day before the Record Date)	04/09/2025			
Payment date (and allotment date for DRP)	19/09/2025			
Total monies associated with the distribution	\$18,586,126			
Source of distribution (for example, retained earnings)	Retained Earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution	\$0.18750000			
Gross taxable amount	\$0.18750000			
Total cash distribution	\$0.13500000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	\$0.02382353			
Section 3: Imputation credits and Resident Withholding Tax				
Is the distribution imputed	Fully imputed X			
	Partial imputation			
	No imputation			
If fully or partially imputed, please state imputation rate as % applied	28%			
Imputation tax credits per financial product	\$0.05250000			
Resident Withholding Tax per financial product	\$0.00937500			

Section 5: Authority for this announcement	
Name of person authorised to make this announcement	Andrew Hirst
Contact person for this announcement	Andrew Hirst
Contact phone number	+64 21 621 114
Contact email address	Andrew.Hirst@sky.co.nz
Date of release through MAP	22/08/2025



**Share Stories.
Share Possibilities.
Share Joy.**

SKY ANNUAL REPORT 2025

sky

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Chairman's Letter



Dear Shareholders,

Welcome to Sky's Annual Report for FY25.

The Year in Review

Once again, the past year proved to be very challenging for the New Zealand economy and consumers. Against this backdrop, which was worse than widely forecast, and compounded by the challenges of a complex satellite migration, your company delivered another set of solid financial results, with Adjusted Revenue at the lower end and Adjusted EBITDA at the mid-point of revised Market Guidance given in February this year. These results, combined with strong cash management, have allowed the Board to declare an increased fully imputed final dividend of 13.5 cents per share, resulting in an increase of 15.8 percent in full year dividend.

In my letter to shareholders a year ago, I highlighted two key objectives for Management, namely the successful transition from the end-of-life Optus D-series satellite to a new satellite, and the negotiation of a new rights contract with New Zealand Rugby ("NZR") and SANZAAR. The satellite migration is now complete but not without significant disruption to our business and service issues for some customers that I outlined in my letter accompanying the half year results. Negotiations with NZR have very recently been completed successfully and, subject to shareholder approval at the Annual Shareholder Meeting, Sky has secured a further 5-year rights contract on terms that are fair to both parties. The new agreement secures exclusive access for Sky's customers to every big rugby moment for the next five years, and - with our backing - also enables NZR to pursue a supplemental free-to-air arrangement for provincial rugby in New Zealand with TVNZ. This reflects our comfort to negotiate co-exclusive or non-exclusive free-to-air and pay partnerships where our data analysis demonstrates that the price of exclusive rights does not make economic sense for Sky within its ecosystem. The Board and Management look forward to working with NZR to support NZR's strategic priorities in New Zealand to strengthen fandom and grow the game at all levels.

I also wrote last year about the health of the local media sector and the likelihood of further structural change. The work undertaken by Management to strengthen Sky's commercial position over recent years helped create the conditions to acquire Discovery New Zealand ("DNZ") from Warner Bros. Discovery for a nominal consideration and on a debt-free basis. This acquisition aligns with our stated strategy to grow advertising and digital revenues and also strengthens Sky's position in the local media ecosystem. Investor and analyst feedback on the transaction has been overwhelmingly positive. In addition to bringing a BVOD platform which will accelerate Sky's digital transition, there are significant cost synergies and potential revenue synergies between the two businesses. Management will be tightly focused on integration of the two businesses and delivery of synergies throughout FY26.

Shareholder Returns and Capital Management

At last year's Annual Shareholders' Meeting, I noted that the Board would consider additional capital management options once satellite migration and renewal of NZR rights were completed. We also advised the Market in November 2024 that the existing Share Buyback would be paused during the ongoing NZR negotiations. Following the acquisition of DNZ, the Board has resolved to pause further capital management actions in the short term. This situation will be reviewed periodically as synergies from the DNZ transaction are delivered.

Governance

An internal Board effectiveness review was again completed at the end of the financial year. This concluded that the Board continues to operate effectively. One recommendation that will be actioned over the next year is to review the mix of skills in light of the DNZ acquisition. Meanwhile the open debate between Directors and the constructive challenge of Management continued to improve during a very busy year with a significant number of ad-hoc meetings. I would like to take this opportunity to thank Board colleagues for their continued support and contribution to your company.

I would also like to thank Sophie for her leadership of Sky throughout the year. Sophie, her Executive team, and the wider Sky workforce navigated significant challenges - especially a difficult satellite migration under tight timeframes. The results achieved in FY25 are a testament to the teamwork and unwavering focus on delivering value for customers, partners, and shareholders.

Finally, thank you - our shareholders - for your continued support of Sky. Over the course of the financial year end 30 June 2025 the share price appreciated some 27 percent and the annual dividend increased by nearly 16 percent. FY26 will be an exciting year following the acquisition of DNZ and I look forward to updating you on this in my letter accompanying the half year results. Meanwhile I look forward to meeting some of you at our Annual Shareholders' Meeting in November.

Philip Bowman
Independent Chairman

Chief Executive's Letter



Dear Shareholders,

At the time of writing, we have just completed our acquisition of Discovery NZ. It is fitting that TV3 (now called Three and ThreeNow, and part of the Sky Free suite of services), marks its 35th anniversary this year, just as Sky does.

The two companies have played a significant role in the media landscape of this country over that time, and while our shared history shows an incredible pace of change, particularly in the last ten years, it also speaks to the endurance of our 'purpose' at Sky, which is to:

Share stories.

Share possibilities.

Share joy.

FY25 brought one of the most complex operational challenges in our history: the accelerated migration to a new satellite. With more than 450,000 of our customers relying on satellite delivery, and 62% of our FY25 revenue earned through our Sky Box business, this quickly became our top priority.

The migration was far from straightforward, and, as we acknowledged at the time, we regret the disruptions to some customers in the weeks leading up to the switchover to the new satellite. The substantial reprioritisation of

resources within Sky for this project also impacted upon our ability to undertake some Customer Experience initiatives, and these are now a major focus for our customer, marketing and technology teams.

Despite the challenges, I am incredibly proud of the way all of Sky pulled together to deliver 'Project Migrate'. The amount of discretionary effort delivered by teams right across the company was phenomenal, and the successful switch to the new satellite in the early hours of 15 April was a testament to the strength of our people and our purpose.

FY25 in review

The results we report today have been delivered against the backdrop of our Project Migrate challenges as well as the continued pressure on household wallets for many New Zealanders.

It is therefore pleasing to report that we have not only achieved results within the updated Guidance ranges shared with the Market in February, but also continued to deliver on some important projects and milestones that set Sky up for future success – despite the necessary distraction of Project Migrate. They include:

- Securing key rights partnerships, including BBC First, NZ Cricket, Cricket Australia, Six Nations Rugby, A-League Soccer and the PGA Tour;
- Our renewed partnership with HBO Max, which delivered 10,000 hours of HBO content for Neon and Sky;
- Refreshing our entertainment strategy to create greater flexibility to secure and curate the content that resonates;
- The introduction of Digital Ad Insertion (DAI) for Sky Sport Now;
- A pleasing 37% of our base now enjoying their content through the 'New Sky Experience' on the Box and Pod; and
- The significant diligence work that led up to the acquisition of Discovery NZ.

In very recent news, the announcement of our new five-year partnership with NZR was also the result of a significant amount of work, and ensures we can continue to deliver every big rugby moment to our customers. It includes a necessary reshaping of this important deal while also ensuring Sky achieves our target of 47 to 49% of content costs as a percentage of revenue.

FY25 Financial Results

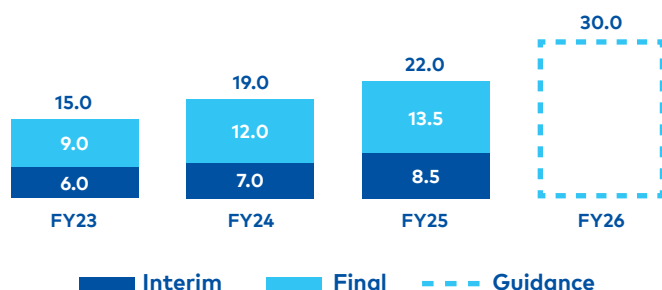
As we have outlined in our market announcement today, the results achieved for the FY25 year are within the Guidance ranges provided in February – albeit with Revenue at the lower end, reflecting the tough economic climate and the delays in planned revenue-generating initiatives.

In a continuation from the Half Year, our results include a number of one-off impacts that are largely non-cash, or cash neutral. We've adjusted these items to show the underlying performance of the business.

In this context, Revenue of \$755.1 million on an adjusted basis (reported \$750.7 million) was slightly down on the prior year. Particular call outs include the disciplined cost control that's evident in EBITDA of \$148.5 million (reported \$120.6 million), and the ongoing ability to generate strong cash flows despite the miss from a revenue growth perspective.

As Philip notes in his letter, this outcome has enabled the Board to deliver another step up in the dividend – with 15.8% growth year-on-year.

Delivering Dividend Growth (cps)



Progress on Strategic Pathways and FY25 Priorities

Our 'strategy on a page' is hopefully becoming familiar to you, and in the following pages we set out the progress across our five Strategic Pathways and the FY25 Priorities within them.

Importantly, everything that my team delivers within our Strategic Pathways is in service of our ambition statement: To be Aotearoa NZ's most engaging and essential media company.

Equally importantly, our enduring commitment is to be a responsible and sustainably profitable, Aotearoa-focused business.

In the interests of brevity, I won't repeat the highlights here, but I encourage you to read the following pages for a good snapshot of the progress made across the year.

The achievements are a testament to the resilience of the business, careful management of the things that are within our control and a strong focus on execution.

Turning to our 'report card' in the second year of our three-year targets, we made good progress in FY25. Our targets for capex intensity and employee engagement are already consistent with our FY26 ambition. While some (Revenue and EBITDA Margin) remain challenging, we still hold these in our sights, and it is pleasing to report that we remain on track to deliver the revenue-linked target for programming costs.

Customer NPS has improved since the completion of the satellite migration, and – very pleasingly – we are firmly on track to deliver on the dividend target of 30 cents.

	FY26 Target	Year 2 FY25 ¹		Year 1 FY24	3-Year Status ³
Revenue Growth	1–2% pa	-1.5%	▼	+1.6%	●
Programming Costs to Revenue %	47% – 49%	50.9%	▼	51.1%	●
EBITDA Margin	21% – 23%	19.7%	▼	20.0%	●
Capex to Revenue % ²	7% – 9%	8.6%	▼	10.2%	●
Employee Engagement	+14 pts	+17 pts	▲	+12 pts	●
Customer NPS	+19 pts	+7 pts	▲	+6 pts	●
Dividend	30 cps	22 cps	▲	19 cps	●

1. Where indicated, FY25 numbers are shown on an Adjusted basis. Refer to page 45 for details.

2. Capex to revenue percentage has been adjusted to exclude satellite migration spending in FY24 and FY25.

3. Revenue and EBITDA Margin are likely to be at the lower end of the range.

Focus areas for FY26

We are seeing a continuation of the impacts on our revenue line from the tough economic conditions. In response we are prioritising new Sky Box uptake given the benefits it brings and a return to lower discounting now that migration is behind us and supported by the strength of our content.

While we will remain disciplined in our cost management, we are reinvesting in our marketing, customer experience and people cost lines in FY26. This, coupled with the revenue challenge and a more muted half year impact of the new rugby deal as a result of the agreed phasing of the final year payments under the existing deal, has resulted in modest forecast EBITDA growth.

As we look ahead, one of the key priorities for FY26, and the next three-year cycle, is to successfully integrate DNZ (now known as Sky Free) and Sky, and to commence the delivery of the synergies baked into our investment case. The deal has positioned Sky to scale faster and to grow and further diversify our revenue streams, particularly in advertising and digital, and it delivers some of the 'missing pieces' for our future success, including the successful and growing BVOD service ThreeNow.

Our other priorities for this final year of the current strategy will not change and remain vital to our success:

FY26 Priorities



In closing

There is a special whakatauki (or proverb) in te ao Māori that I often refer to with my team:

Mā te huruhuru ka rere te manu – *It is the feathers that enable the bird to fly*

As I reflect on the year, it is the work of the Sky team that stands out. I am grateful to my Executive team, our Sky Leaders, and all of our crew for the hard work, innovative thinking, and commitment to deliver for our customers across a challenging year.

The collective experience gained during FY25 that saw us successfully deliver on a strategically critical migration while pursuing an important strategic acquisition means we are match fit for what we need to deliver in FY26.

I am very grateful to our Chair, Philip Bowman, and each of our Directors for their support, constructive challenge and diligence over the year. There were significantly more meetings, calls and briefings across Project Migrate and the acquisition of Discovery NZ than a 'normal' year, and the Directors were unwavering in their commitment to their work, no matter the time of day. As we navigated significant content rights negotiations during the year, I am particularly grateful for the wise guidance and expertise of our Content Rights Committee.

We are fortunate to have relationships with a wide range of content and business partners both in New Zealand and across the world, and I thank each partner for the part you play in helping us deliver great content and excellent service to our customers.

In closing, I thank you, our investors, for your continued support. It is a privilege to work for Sky and for you, and I am excited by what the future holds for our company.

Sophie Moloney
Chief Executive



OUR PURPOSE

Share Stories. Share Possibilities. Share Joy.

OUR AMBITION

To be Aotearoa NZ's most engaging
and essential media company

STRATEGIC PATHWAYS

- | | | | | |
|--|--|---|---|--|
| Giving customers
content
they love | Meeting
customers
where they are | Giving customers
the experience
they expect | Providing innovative
solutions for our
partners and clients | Making Sky
a great place
to work |
|--|--|---|---|--|

FY25 PRIORITIES

- | | | | |
|------------------------------|-----------------------------------|---------------------------|-----------------------------|
| Deepen content
engagement | Supercharge new
Sky experience | Accelerate
advertising | Grow engagement
together |
|------------------------------|-----------------------------------|---------------------------|-----------------------------|

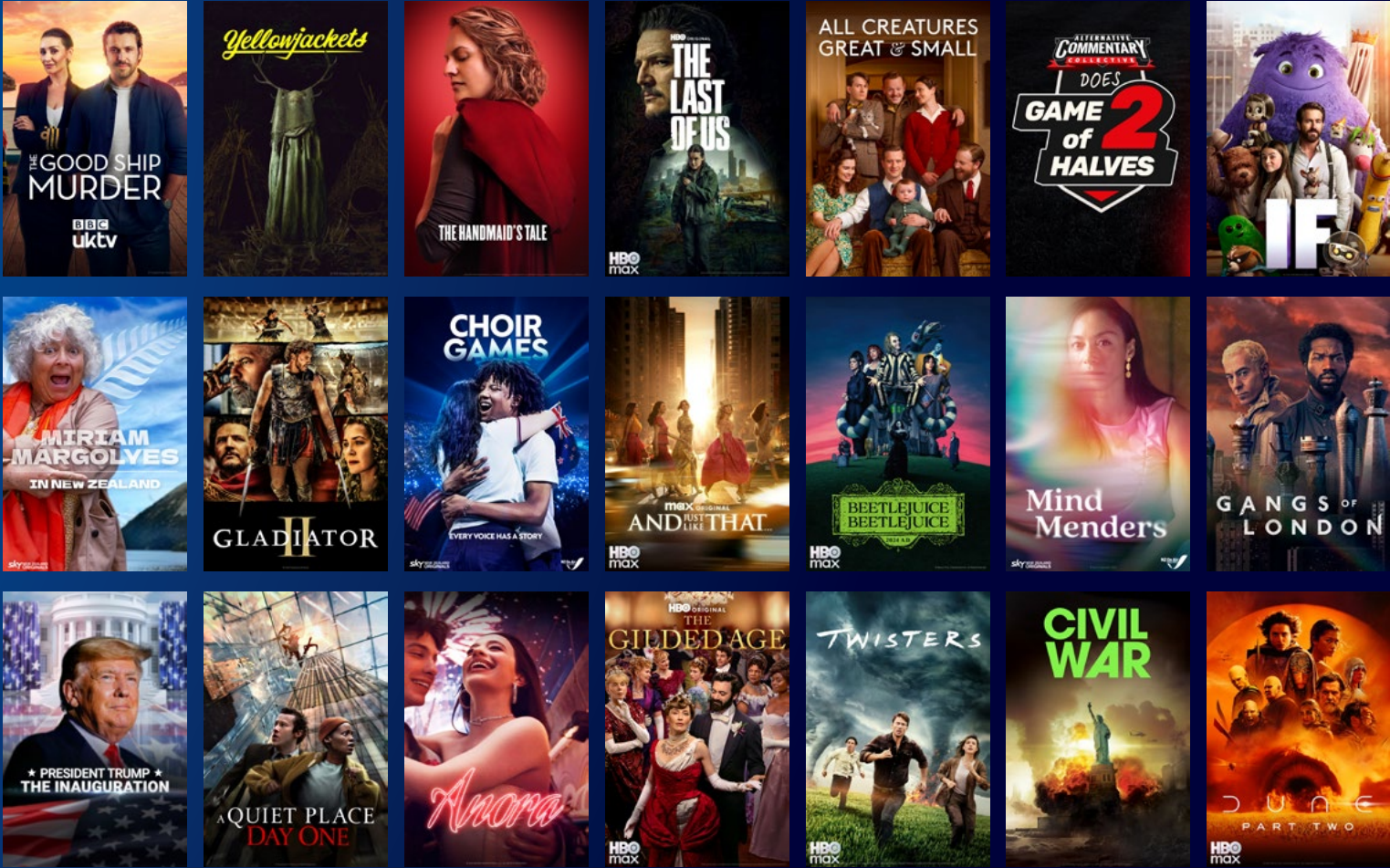
OUR ENDURING COMMITMENT

A responsible and sustainably profitable,
Aotearoa-focused business

Giving customers the entertainment they love



Sky and Neon continue to deliver a world-class entertainment experience, combining premium international content with powerful local storytelling. Through strong partnerships with global studios, including Warner Bros. Discovery, BBC, Paramount, Sony, and NBC Universal, we bring New Zealand audiences the best in drama, comedy, documentary, and more.



ALWAYS ON



Giving customers the content they love

FY25 PRIORITY

Deepen content engagement

Our customers choose Sky because they know they'll find the content they love, whether it's the biggest moments in sport, the latest international drama, or powerful local storytelling.

Our strategy is built around our ambition to be Aotearoa NZ's most engaging and essential media company. We offer an amazing array of content for customers to enjoy, in ways that work for them (and without judgement!). We're guided by what our customers are watching. Through a combination of data insights and direct feedback, we understand what matters most to our audiences, and we use that knowledge to shape our content offering.

Great content must be easy to find and enjoy. That's why we're focused on making content discovery seamless and intuitive, both through curation and content-focused product development, and by tracking engagement (determined through 'viewing hours per account') to ensure we're delivering experiences that truly resonate.

Sky Sport

In the 2025 financial year, Sky Sport delivered truly unforgettable moments to New Zealanders – from the global spectacle of the Paris Olympics to Ryan Fox's win at the Canadian Open and Auckland FC's breakout season. With record-breaking viewership across many codes, Sky reinforced our position as the destination for the sport that matters for fans nationwide.

The All Blacks, Black Ferns, and Super Rugby Pacific drew impressively large audiences on Sky Sport, with the Super Rugby Final attracting over 2 million viewers, Sky's biggest since 2016. Digital product viewership increased by 15%, with 650,000 viewers and 8.5 million streams across Sky Sport Now and Sky Go. Super Rugby Aupiki also saw strong growth, with audiences up 10% on Sky Sport and free-to-air on Sky Open, and nearly 30% across digital platforms, reflecting rising interest in women's rugby.

NRL viewership remained strong, with 1.725 million New Zealanders tuning in via Sky Sport and Sky Open, and another 590,000 watching on digital channels. Football also saw impressive growth: the A-League (with the exciting addition of the Auckland FC team this season) attracted 1.4 million viewers on Sky, with an additional 450,000 streaming. Sky's football offering also included the English Premier League and FA Cup, captivating fans across the country.

From motorsport and tennis to basketball, golf, netball, and cricket, Sky's sport offering in FY25 was broad and deeply engaging, right across the year. Along with the season-long sport that our customers love, the Paris Olympics created some real excitement for two and half weeks, with 2.8 million New Zealanders watching 58.3 million hours of coverage, including 14 hours each day free-to-air on Sky Open.

Securing the content that matters

Sky continued to secure and renew key partnerships in FY25, reaffirming our position as New Zealand's leading aggregator of premium sport and entertainment. We continued to use data and insights to guide our disciplined approach to content acquisition, to support our FY26 target of content costs being within 47-49% of revenue.

We renewed our significant and long-standing partnership with the BBC, adding fresh content through the BBC First channel and associated on-demand content to Sky and Neon. We also agreed a new partnership with Warner Bros. Discovery to bring HBO Max to Sky and Neon.

We signed a landmark six-year agreement with New Zealand Cricket, becoming the exclusive broadcaster of all home international matches from 2026–27, including high-profile tours by India, Sri Lanka, and the West Indies. We also extended our partnership with Cricket Australia and renewed rights to all men's international matches in India, alongside continued coverage of the TATA IPL and WPL.

In rugby, we announced an eight-year exclusive broadcast deal for the Men's, Women's, and U20s Six Nations and the Gallagher Premiership Rugby. First XV boys' rugby also returned to Sky, celebrating the passion of school communities across much of New Zealand.

In football, we extended our partnership with the APL, continuing A-Leagues coverage for another three years. The addition of Auckland FC introduced a compelling local derby with Wellington Phoenix, with one match per week now available free-to-air.

We also secured long-term rights to the PGA Tour, including the full FedExCup schedule and Presidents Cup through 2030, and exclusive rights to the US PGA Championship and Senior US PGA Championship for six years. Our portfolio expanded further with the inaugural PDC ANZ Premier League, offering fans a pathway to the Paddy Power World Darts Championship.

A world-class production team

Behind every great broadcast is a world-class team. In FY25, our Sky Sport production crew delivered 272 outside broadcasts across rugby, league, football, netball, basketball, the Olympics, darts, and more. We aired 367 studio show episodes, including *The Breakdown*, *Crowd Goes Wild*, *Aotearoa Rugby Podcast*, and wrap-around shows for netball, rugby, and league.

We launched *League Lounge with Shaun Johnson*, offering in-depth analysis and fresh perspectives from the Warriors legend. Our team was recognised at the 2024 New Zealand Television Awards, where Matt Quin won Best Multi-Camera Director for Sky's coverage of the Warriors v Knights NRL playoff match. All four finalists in the category were Sky team members, and our Super Rugby Final coverage was a finalist for Best Live Event.

During the Paris Olympics our production team delivered 82 live crosses and 170 previews and recaps across 17 days and earned a Bronze Olympic Golden Rings Award for Best Remote Broadcast Operations.

Sky Entertainment

Sky and Neon continue to deliver a world-class entertainment experience, combining premium international content with powerful local storytelling. Through strong partnerships with global studios, including Warner Bros. Discovery, BBC, Paramount, Sony, and NBC Universal, we bring New Zealand audiences the best selection of drama, comedy, documentary, and more.

In FY25, we launched the HBO Max Hub across Sky, Neon, and Sky Go, unlocking 10,000 hours of additional on-demand content. SoHo was rebranded as the HBO channel, giving customers direct access to global hits like *The Last of Us*, *The White Lotus*, *The Pitt*, and *The Penguin*.

We expanded our BBC offering with the launch of BBC First, adding to our popular lineup of British content. BBC First and BBC UKTV proved especially popular, with crime dramas like *Beyond Paradise* and *Silent Witness* leading viewership across Sky's channels.

Factual content remains essential, particularly for younger and free-to-air audiences. Discovery continues to perform strongly, with reality series like *Gold Rush*, *Opal Hunters*, and *Deadliest Catch* offering a lean-back viewing experience. Our international news channels also saw increased share during the US election period, remaining valuable sources of global information for New Zealanders.

Sky NZ Originals and Te Reo Māori – storytelling that reflects Aotearoa NZ

The Sky NZ Originals team play an important role in Sky and Neon's entertainment offering, commissioning uniquely Kiwi stories across scripted and non-scripted content. By investing in original productions that reflect Aotearoa New Zealand's culture, communities, and creativity, we're building a richer, more relevant content mix that resonates with our audiences.

The shows commissioned by Sky NZ Originals are made for New Zealanders first, and they are world-class: premium, distinctive, and ready to connect with audiences everywhere. NZ On Air continued to be a highly-valued partner, providing funding support for the development and production of 16 scripted, non-scripted and children's projects. Several of our projects were complex international co-productions with the likes of ABC, BBC Scotland, ZDF and BYUTV, supporting the local production sector with international financial backing.

Highlights this year included *Secrets of Red Rocks*, a family adventure story bringing to life the Celtic myth of the selkie in the inspiring and epic landscape of Te Whanganui-a-Tara (Wellington); *Miriam Margolyes in New Zealand*, a documentary following the irrepressible Miriam Margolyes on a road trip around our beautiful country; *Licence to Drive*, a unique series following a cast of Kiwi learner drivers – each with a disability – as they navigate the realm of the road; and *Mind Menders*, a two-part documentary in which Sonia Gray goes on a mind-altering journey to find out if psychedelics could be the answer to New Zealand's on-going mental health and addiction crisis; and a reboot of *The ACC Does Game of 2 Halves*, the beloved sport quiz show, in partnership with NZME's sports entertainment brand *The Alternative Commentary Collective*.

We're proud to support the normalisation of te reo Māori across our platforms. In FY25, we increased the frequency of reo Māori commentary for key sporting moments, including All Blacks, Black Ferns, Māori All Blacks, and Kiwis fixtures. Pleasingly, over 240,000 New Zealanders chose this commentary option on Sky Sport and Sky Open.

On Sky Open, we worked with other media partners to broadcast te reo Māori simulcasts of Waitangi Day, Anzac Day, Matariki and 'Haka – stand as a nation', and live coverage of the tangihanga of Kiingi Tūheitia Pōtatau Te Wherowhero VII, the Māori King. These moments reflect our commitment to cultural inclusion and our role in telling the stories that matter to all New Zealanders.

Giving customers the **sport** they love





In the 2025 financial year, Sky Sport delivered truly unforgettable moments to New Zealanders – from the global spectacle of the Paris Olympics to Ryan Fox's win at the Canadian Open and Auckland FC's breakout season. With record-breaking viewership across many codes, Sky reinforced our position as the destination for the sport that matters for fans nationwide.

Meeting customers where they are

Giving customers the experience they expect

FY25 PRIORITY

Supercharge the New Sky Experience

At Sky, we are focused on delivering the reliable, future-ready experience our customers expect, whether through satellite, streaming, broadband, or business services. The 'New Sky Experience' (which is delivered through the new white Sky Box and the Sky Pod) is an important focus for the team, with continuous improvement a core feature of the programme.

It was pleasing to see adoption of the New Sky Experience continue to grow in FY25, with penetration of the customer base growing from 21% to 37% in the year. This growth was achieved despite the backdrop of reprioritised customer engagement activity due to the satellite migration programme.

We launched new features on the new Sky Box to enhance the customer viewing experience, such as auto play and 'skip intro', and also introduced 'IP failover' – where if the satellite signal is interrupted due to weather or other issues, and where we have IP-rights, the service automatically switches to internet delivery to ensure uninterrupted viewing.

The New Sky Experience delivers a superior experience for our customers, including easier content discovery and access to Sky's huge range of on-demand content, and increasing the adoption of the new Box and Pod is a major priority for the Sky customer, marketing and technology teams.

Satellite migration completed

The satellite migration programme became a significant focus for much of the company in FY25. The work programme had not been anticipated when our plans for FY25 were developed, and it was quickly accelerated when Optus advised of an earlier-than-expected end-of-life for its D2 satellite. In April 2025, following months of complex technical work and customer engagement, we successfully transitioned to KoreaSat6 (KT6).

The new satellite offers a stronger, more reliable signal across most of New Zealand. Coupled with the New Sky Experience, featuring automatic failover to internet delivery, we've significantly improved service resilience.

In cooperation with Sky, Optus and KoreaSat piloted the KT6 satellite from the northern to the southern hemisphere. Once positioned 35,000 km above New Zealand, the satellite was inverted to direct coverage across the country.

For the vast majority of customers, the transition was seamless. In the lead-up, over the course of 168 working days, we visited more than 35,000 customer homes and premises, peaking at 700 technician visits in a single day, to replace specific components and ensure ongoing service for our customers. This was one of the largest coordinated upgrade efforts in Sky's recent history.

Sky's Multi-Platform Strategy



Sky Broadband momentum

We ended the year with over 50,000 Sky Broadband customers – a major milestone, especially in the context of a demanding operational year – and revenue rose 34% off the back of that strong subscriber growth.

Key drivers of growth included a price increase with minimal churn, effective cross-sell and acquisition campaigns, local fibre company partnerships, and a successful speed upgrade programme.

Sky Business: Supporting Commercial Customers

Sky Business brings our content and services to over 6,000 commercial premises across Aotearoa NZ, including through hotels and motels, pubs, clubs and gyms. It is also the home of our popular Believe it or Not (BION) quiz.

With most Sky Business revenue linked to satellite products, the satellite migration was a critical focus for our Sky Business team in FY25, particularly given the complexity involved in the distribution systems of the major hotels. The transition to the new satellite was successful with minimal impact for our commercial customers.

Despite ongoing challenges in the tourism and economic landscape, we've seen revenue growth in licensed premises and BION, and through our recent Samsung TV reseller partnership.

This year, we invested in our product roadmap including a Business Edition of our New Sky Experience, a new technology deck for BION, plus an enhanced casting and compendium service to strengthen our hotel partnerships, ensuring we continue to meet the evolving needs of commercial customers.

Providing innovative solutions for our partners and clients

FY25 PRIORITY

Accelerate advertising

We made excellent progress in FY25 on our strategic priority of accelerating advertising, with continued growth in both linear and digital market share, strong revenue growth and a sustained focus on creating innovative campaign and sponsorship solutions for our advertising partners.

A special highlight was winning Sales Team of the Year at the 2025 Beacon Awards, the media industry's annual awards event managed by the Commercial Communications Council of New Zealand. This was pleasing industry recognition of our overall growth and the delivery of our advertising strategy, and it also speaks to the contribution and commitment of our high performing team within Sky Sales.

Sky has made significant progress to increase our advertising market share in FY25.

An independent industry comparison report, which measures revenue share in linear TV advertising, showed an 11% increase for Sky in FY25, with Sky's share climbing to 14% against a total linear market fall of -11%.

Advertising revenue grew 7%, with a significant increase in the growing digital category due to new product innovation. From a low base, Sky's digital advertising revenues climbed to \$5.1 million in FY25, demonstrating the viability of our digital sales strategy which will be a continuing focus going forward. Digital advertising now accounts for 9% of our total advertising revenue, adding diversity to this important revenue stream.

Our emphasis on creating fresh and innovative solutions for our advertising partners delivered strong results in FY25.

We achieved significant revenue growth year-on-year in sponsorship and integrations, with the number of client campaigns growing from 23 to 55.

We secured new sponsors for the ASB Classic, Australian Open and international cricket. NRL sponsorship was fully subscribed, and with the launch of League Lounge we attracted three key sponsors in a short space of time, demonstrating this new show's strong value proposition.

During the year, we launched dynamic ad insertion on Sky Sport Now which enables more personalised ad delivery in live sport, and gives our advertising customers the opportunity for more precise targeting.

A further key highlight was launching the innovative Squeezedback format in sports events, a New Zealand-first that provided advertisers with an opportunity to get 'between the whistles' and take advantage of high audience attention in-game but outside of play to avoid detracting from the viewer experience.

Several of our key customer campaigns achieved award honours during the year. The 2degrees Super Rugby Aupiki campaign picked up a raft of awards including Gold at the IAB awards and a Bronze Lion at the Cannes International Festival of Creativity.

In addition, five client campaigns involving Sky were named as finalists at the 2025 Beacon Awards. These include:

- The 2degrees Super Rugby Aupiki campaign
- KFC Super Rugby campaign
- Lexus ASB Classic campaign
- BNZ Basketball campaign
- Fonterra Netball New Zealand campaign

Sky's net promoter score, as measured in our annual advertiser client survey (conducted in late 2024), showed a significant increase in just one year, demonstrating the strength of our client relationships and the effectiveness of Sky's sales strategy, including a more proactive go-to-market approach.

Sky Sales highlights



Sky wins Sales Team of the Year at the 2025 Beacon Awards, the media industry's annual awards event managed by the Commercial Communications Council of New Zealand.



Our 2degrees Super Rugby Aupiki campaign picked up a raft of awards including Gold at the IAB awards and a Bronze Lion at the Cannes International Festival of Creativity.



At the 2025 Beacon Awards, our KFC Super Rugby campaign was a finalist, with other Sky campaigns also earning recognition.



The launch of League Lounge attracted three key sponsors in a short space of time, demonstrating this new show's strong value proposition.

Making Sky a great place to work

FY25 PRIORITY

Grow crew engagement together

Over recent years, we have prioritised building a workplace where people feel connected, empowered, and supported – not just through one-off initiatives, but through a deliberate focus on embedding holistic people engagement practices into the way we work.



Our progress is measured through our *Life @ Sky* engagement survey, conducted every six months, which provides valuable insights into how our people experience work and what matters most to them.

To strengthen engagement sustainably, we have invested in developing and refining the key systems, tools, and processes that enable our people to thrive. This includes a well-rounded programme of leadership development, structured goal-setting and performance reviews, and tailored training and development initiatives. We have also focused on cultivating high-performing teams through dedicated team development efforts and by building leadership and performance capability at all levels of the organisation.

Enabling our commitment as a responsible Aotearoa-focused business, lifting the cultural capability of

our team continues to be important to us. In addition to our cultural capability programmes, *Te Kaa* and *Kuaka*, this year we introduced *Mihi Whakatau* (ceremonial welcomes) for new starters in partnership with Ngāti Whātua Ōrākei.

Inclusion and belonging are at the heart of our engagement strategy.

This strategic and integrated approach to engagement is showing tangible results. In our most recent *Life @ Sky* survey, conducted in June 2025, we achieved an engagement score of 63% – an increase of 7 points compared to the previous year. This demonstrates that our sustained investment in people and culture is helping to create a more connected, motivated and high-performing workplace.



OUR ENDURING COMMITMENT

A responsible and sustainably profitable, Aotearoa NZ-focused business

Sustainability at Sky

Sky is committed to being a responsible, sustainably profitable business that makes a positive impact on Aotearoa New Zealand. Our Sustainability Framework centres on three pillars in line with principles from te ao Māori – **Our Environment** (Kaitiakitanga), **Our Communities** (Whanaungatanga), and **Our People** (Manaakitanga) – where we believe we can contribute most meaningfully. During FY25 we refined this framework to have a more targeted focus under each of these pillars.

OUR PURPOSE:

Share stories. Share possibilities. Share joy.

Our Environment

KAITIAKITANGA



Environmental Impact

We care for the environment

Environmental Advocacy

We advocate for a sustainable future

Responsible Procurement

We source and use resources wisely



Our Communities

WHANAUNGATANGA



Passionate & Responsible Broadcaster

We champion excellence in our craft

Commitment to te ao Māori

We value our place in Aotearoa New Zealand

Community connection

We use our platform and voice for good



Our People

MANAAKITANGA



Safety & Wellbeing

We care for our team

Diversity, Equity & Inclusion

We value the individual

Corporate Governance & Business Ethics

We champion stakeholder interests



OUR ENDURING COMMITMENT:

A responsible and sustainably profitable, Aotearoa NZ focused business

Our Environment

Kaitiakitanga – caring for the environment and using resources wisely

Environmental Impact

We released our first Climate-Related Disclosure (CRD) Report in October 2024, setting out our approach to the governance, strategic thinking, risk management and measurement of climate matters at Sky. While it added a significant extra workload for both Management and the Board, the programme of work to develop the CRD Report helped to build our collective knowledge, develop and test our thinking, and take early steps towards creating and strengthening Sky's resilience.

This work has continued, and Sky intends to publish our 2025 CRD Report by 31 October 2025. This will be available on Sky's website: www.sky.co.nz/investor-centre/results-and-reports. In publishing by this date, Sky is relying on the Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2023¹.

Our Communities

Whanaungatanga – reflecting and connecting with New Zealanders, championing excellence, local stories, and positive social impact

Backing local storytelling

Sky Originals continued its strong support for New Zealand's creative sector, with increased budgets and global co-productions driving employment and premium content including *Small Town Scandal*, *Bust Up*, and *The Ridge*. More details are set out on page 9.

Supporting Māori and Pasifika voices

This year, Sky established *Te Kete Aronui*, a fund dedicated to give Māori and Pasifika production professionals a platform to tell Māori and Pasifika sports stories. Through *Te Kete Aronui*, we want to nurture emerging Māori and Pasifika storytellers and ensure their authentic, locally grounded stories reach our audiences.

The first commission, documentary *Lolo Heimuli: Champion Maker*, made by award-winning director Jeremiah Tauamiti, will premiere later in 2025.

Promoting te reo Māori (the Māori language)

We're proud to support the normalisation of te reo Māori across our platforms. Increased reo Māori commentary is just one aspect with more key sporting events featured in FY25, including All Blacks, Black Ferns, Māori All Blacks, and Kiwis fixtures.

Broadcasting responsibly

We strive to deliver an inclusive, accessible service to New Zealanders, including delivering closed captions

where they are available for our Neon, Sky and Sky Open content. We are committed to continuing to increase our level of captions, and to explore cost-effective options for the introduction of audio descriptions.

We take care to provide our customers with correct classifications to inform their viewing choices, and to ensure we uphold broadcasting standards across the two regimes our content is regulated under (the Broadcasting Standards Code and the Commercial Video on Demand Code). No complaints were referred to the BSA during the year.

Championing women in sport

Seeing is believing. That's why Sky is committed to showcasing women's sport – on the field, in the commentary box, and behind the scenes. FY25 has been a huge year for women's sport on Sky – including ICC T20 Cricket, Netball and FIFA World Cups, star studded tennis tournaments, Rugby, A-League football, basketball, golf championships and more. We marked record growth in women's sports audiences, and the Sky Super Rugby Aupiki final aired in prime time for the first time. More details of our See Your Possible commitment can be found on our website: www.sky.co.nz/see-your-possible

Sky for Good

We continue long-standing support for the Starship Foundation and Wellington Children's Hospital, where our Sky channels are provided in children's hospital rooms to give kids and their families some welcome entertainment. We are proud to continue to be a major partner of the Special Children's Christmas Parties, bringing joy to thousands of children across the country every year, and we support Auckland's Westpac Rescue Helicopter.

Our new 'Volunteer Day' for Sky crew enables them to take a day's paid leave to contribute to community initiatives.

Our People

Manaakitanga – creating a safe, inclusive, values-led workplace

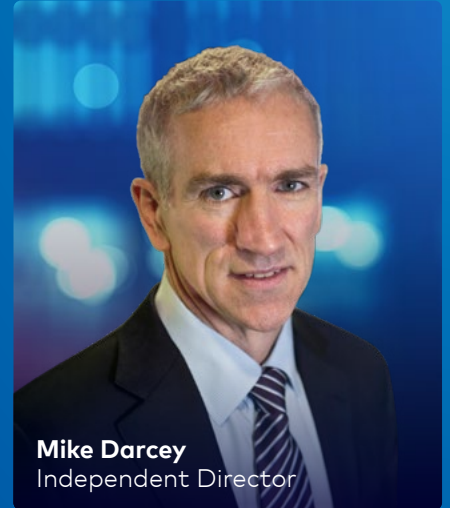
As outlined in our Corporate Governance Statement in the following pages, we have strengthened health and safety systems with external reviews, improved contractor engagement, and met our FY25 TRIFR target – halving injury rates year-on-year.

Our Māori Strategy team, *Te Hau o Rangiatea*, advanced our *Kia Rere* strategy across the business. We launched our te ao Māori learning app *Tuku*, also making it publicly available, and introduced *Kia Tika*, guidelines for using te reo Māori.

Our Inclusion Team leads initiatives across Pride, te ao Māori, Women in Sport, and Pasifika – from cultural events to policy changes.

1. The Exemption Notice provides relief to climate reporting entities (CRE) from the requirement to include a copy of or link to the climate statement in the CRE's annual report.

Board of Directors



Philip Bowman

Independent Chairman

Philip was appointed Chair of Sky in September 2019. Philip is a distinguished businessman who has led several major global companies and served on the board of a significant number of public and private companies. Philip brings knowledge of the media sector, including having served on the board of Sky UK for ten years. Other roles include Group Finance Director of Bass, CEO of Bass Retail, CEO of Allied Domecq, CEO of Scottish Power, CEO of Smiths Group, senior non-executive director of Burberry, Chair of Liberty, Chair of Coral Eurobet, Chair of Miller Group, and non-executive director of Scottish & Newcastle. He currently sits on the boards of two other listed companies, KMD Brands and Ferrovial SE. Philip has a degree with honours in Natural Sciences (University of Cambridge) and Master in Natural Sciences (University of Cambridge).

Keith Smith

Independent Director

Keith was appointed to the board in April 2020. He has a long-standing record of leadership as a director and advisor to companies in a diverse range of industries, including the energy sector, rural services, printing, media and exporting. Keith is a director of Goodman Property Services (NZ) Limited (the Manager of listed company, Goodman Property Trust) and a director of several other private companies. He is a past President of the Chartered Accountants Australia and New Zealand.

Dame Joan Withers

Independent Director

Dame Joan was appointed to the board in September 2019. She brings a wealth of experience spanning a 25-year career in the media industry, including CEO positions at Fairfax and the Radio Network, as well as being the former Chair of TVNZ. Joan's depth of governance experience includes her current roles as Chair of The Warehouse Group and a director of ANZ Bank New Zealand and Origin Energy Ltd. She has previously held Chair positions at Auckland International Airport and Mercury NZ Ltd. Joan is a Trustee of the Louise Perkins Foundation and was formerly Chair of a steering committee working to increase the percentage of South Auckland Māori and Pacific Island students taking up roles in the health sector. She holds a Master of Business Administration from the University of Auckland. In 2015, Joan was named Supreme Winner in the Women of Influence Awards and Chairperson of the Year in the Deloitte Top 200 Management Awards. In 2024, Joan was made a Dame Companion of the New Zealand Order of Merit.

Belinda Rowe

Independent Director

Belinda was appointed to the board in March 2023. She has held Global C Level business leadership roles in marketing, communications, digital and media, including with Publicis Media, Zenith, Mojo and O2 Telefonica. Belinda also successfully led the creation of a compelling content marketing and sport sponsorship practice across 32 markets. Belinda's governance experience includes current non-executive director roles at ASX-listed Australian media company ARN Media Ltd and Temple & Webster Group. She is also on the board of AFL club, Sydney Swans.

Mike Darcey

Independent Director

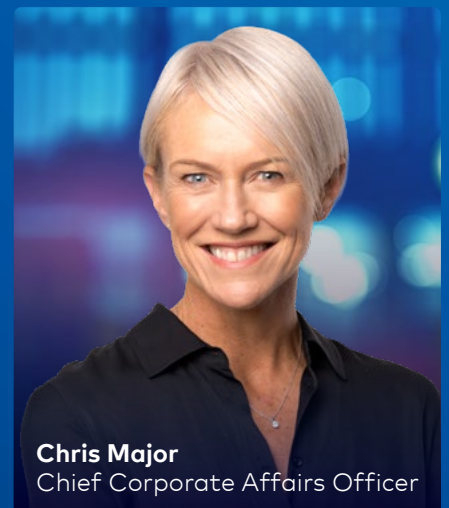
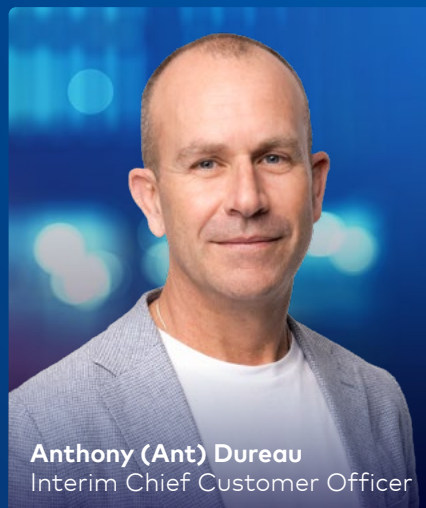
With an extensive track record of strategy and delivery across television, publishing and technology, Mike was appointed to the board in September 2017. A New Zealander, he has lived and worked in the UK since 1989. Fifteen of those years were spent at Sky UK, initially as the Director of Strategy, then six years as Chief Operating Officer. He played a prominent role in most of Sky UK's major strategic decisions and its major commercial and regulatory dealings during this period. From 2013 to 2015, Mike was CEO of News UK. Since 2015, Mike has had a series of non-executive roles and these currently include Chairman of British Gymnastics. He is also active as a strategy advisor to a series of major players in the media sector.

Mark Buckman

Independent Director

Mark was appointed to the board in March 2022. Mark is a highly skilled business leader based in Australia with a deep background in technology digital innovation, marketing, media and broadcasting, and customer engagement. His executive career has spanned North America, UK/Europe, and APAC, with roles at Foxtel, Telstra, the Commonwealth Bank of Australia and McCann. Mark was the Group Managing Director of Telstra Media overseeing the company's PayTV and digital platforms portfolio; and Delegate Director across Telstra's media investments. Mark is the Managing Partner, Leadership Advisory at Hourigan International and specialises in Board and c-suite advisory. Mark is actively involved as an Advisor in tech start-ups; and is a past Advisor to Tech Central. He is a Senior Advisor to Accenture, and his governance credentials include the boards of OzTAM, the Australian free-to-air television consortium, technology start-ups and social enterprises. Mark has also completed post-graduate studies in Sustainability and Circular Economy at Cambridge, AI at MIT and Cybersecurity at Harvard University.

Leadership Team



Corporate Governance Statement

Corporate Governance Statement

The following disclosures and compliance statements are provided in accordance with the NZX Corporate Governance Code (dated January 2025) (NZX Code). This corporate governance statement is current as at 22 August 2025, and has been approved by the Board. All key governance policies and charters referred to below are available on Sky's website www.sky.co.nz/investor-centre/corporate-governance.

Sky has a full listing on the NZX Main Board and a Foreign Exempt listing on the ASX. Sky confirms, for the purposes of ASX Listing Rule 1.15.3, that it has complied with and continues to comply with the Listing Rules of the NZX, which is its home exchange.

NZX Corporate Governance Best Practice Codes

The NZX Code sets standards for effective corporate governance in New Zealand and Sky is committed to reporting against these standards. The Board considers that Sky has complied with the NZX corporate governance best practice code in all material respects during the 2025 financial year.

1. Ethical standards

Directors should set high standards of ethical behaviours, model these behaviours, and hold management accountable for these standards being followed throughout the organisation.

Statement of Values

Sky's values were developed through a collaborative workshop process, led by Sky Culture Champions and endorsed by the Board. Collectively, the values "Be Yourself", "Create Something Amazing" and "Make Someone's Day" create a common understanding of the expectations directors, executives and employees have of each other and themselves.

Code of Ethics

Sky has a Code of Ethics which provides a practical set of guiding principles for a code of ethical behaviours in respect of various matters including conflicts of interest, gifts and entertainment, corporate opportunities, confidentiality, insider trading and dealing with corporate assets, in addition to highlighting the requirement to comply with applicable laws and regulations.

The Code of Ethics applies to Sky's directors, senior executives, employees and other people representing Sky or engaged to carry out work for Sky and is available on Sky's website. All potential breaches of the Code of Ethics are to be notified to Sky's Chief Financial Officer or Chief Executive (or the Chair of the Board if the Chief Financial Officer or Chief Executive are potentially implicated), and any material breaches will be notified to the Board. No breaches were notified in FY25.

Sky managers are responsible for providing appropriate training and ensuring that all Sky employees are aware of and adhere to Sky's Code of Ethics.

Whistleblowing/Protected Disclosures

Sky's Protected Disclosures Policy (or Whistleblower Policy) provides a process for staff and any other persons to report any serious wrongdoing and gives protection to the person making the disclosure in accordance with the policy. The policy outlines types of behaviour that may be considered serious wrongdoing, when and how a person can make a disclosure and how they are protected. This includes access to an independent third party, qualified to provide comprehensive advice and access to support. No allegations were made in FY25.

A review of the policy and underlying processes was undertaken in 2024 to review and strengthen the framework and ensure Sky's procedures continue to reflect best practice and compliance with the Protected Disclosures (Protection of Whistleblowers) Act 2022 introduced in July 2022. To ensure independence and enhance our internal promotion of the service this review was outsourced to Deloitte.

The Protected Disclosures Policy is posted on Sky's website. Any material incidents reported under the policy will be notified to Sky's People and Performance Committee and/or the Board and this process is formalised in the Protected Disclosures Policy.

Securities Trading

Sky has a formal Securities Trading Policy, which is posted on Sky's website. Sky's Securities Trading Policy includes robust procedures to minimise the risk of insider trading. The policy outlines that directors, officers, employees and contractors of Sky may not buy or sell securities in Sky, nor may they tip off others, while in the possession of material information which is not generally available to the market.

Additional restrictions apply to key management personnel who are prohibited from trading during prohibited periods (other than in exceptional circumstances) and must always (including outside prohibited periods) obtain written consent to trade from the Chief Financial Officer, Chair of the Board or the Chair of the Audit and Risk Committee (as applicable).

Sky's Securities Trading Policy affirms the law relating to insider trading contained in the Financial Markets Conduct Act 2013 and the Australian Corporations Act 2001 (Cth).

Anti-Bribery and Corruption Policy

Sky's Anti-Bribery and Corruption Policy sets out the minimum standards of conduct expected of all those representing Sky including directors, employees, contractors, consultants, and any other individuals engaged to act on behalf of Sky or its subsidiaries. The policy ensures compliance with all applicable anti-bribery and corruption laws across the jurisdictions in which Sky operates or has business dealings.

The policy builds on the strong foundations of Sky's Code of Ethics and reinforces our commitment to integrity and ethical conduct. It includes clear guidance and controls regarding the offering and acceptance of gifts and entertainment.

Breaches of the Anti-Bribery and Corruption Policy must be reported to the Chief Executive, with the Board notified of any material incidents. We are pleased to report that no breaches were recorded during the 2025 financial year.

Modern Slavery

Sky filed its fourth Modern Slavery Statement covering the period 1 July 2023 to 30 June 2024 with the Australian Border Force (under the Modern Slavery Act 2018 (Australia)), with the next filing due by 31 December 2025.

Throughout the 2025 financial year, Sky has continued to strengthen its efforts to reduce the risk of modern slavery practices across the Group's operations and supply chain by introducing further steps to build awareness and accountability. During the year, Sky introduced mandatory company-wide training focused specifically on modern slavery. In addition, we developed a targeted modern slavery questionnaire and engaged with selected external service providers both locally and offshore. Responses from this initiative were collated and assessed using a risk scoring methodology with the overall risk ratings indicating a low level of risk across the suppliers engaged. The information provided will be revisited in subsequent annual reviews, with new suppliers added where appropriate, to support and encourage continued improvement in supplier modern slavery practices.

Sky will continue engaging with key suppliers to understand their capacity to assess and address modern slavery risks. Insights gained from this work will inform future updates to Sky's Procurement Policy, internal risk management processes, and supplier management practices.

2. Board composition and performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board of Directors – Composition

Sky's Board is appointed or ratified by the shareholders of Sky by ordinary resolution. The NZX Listing Rules provide for a minimum of three directors, and Sky's constitution provides for a maximum of ten directors. As at 30 June 2025, the Board consisted of six directors whose relevant skills, experience and expertise are outlined in their biographies on page 21.

The Board operates under a written charter (Board Charter), which sets out the respective roles and responsibilities of the Board, the Chair and management, and (together with the Delegated Authorities Policy) those matters expressly reserved to the Board and those delegated to management. A copy of the Board Charter is available on Sky's website.

Nomination and Appointment

The Board considers the Board's skills, experience and diversity when evaluating potential board candidates. The objective is to have a mix of skills represented on the Board that are relevant to Sky's business and strategy. The Board is also responsible for board succession planning.

The Board may appoint directors to fill casual vacancies that occur or add persons to the Board up to the maximum number prescribed by Sky's constitution. At each annual meeting all directors appointed by the Board since the last annual meeting must retire and seek re-election, if eligible. Directors must not hold office (without re-election) past the third annual meeting following the director's appointment or 3 years, whichever is longer.

As at 30 June 2025 the Board is comprised of:

	Appointed
Philip Bowman Independent Chair	1 September 2019
Keith Smith Independent Director and Deputy Chair	21 April 2020
Mike Darcey Independent Director	19 September 2017
Dame Joan Withers Independent Director	17 September 2019
Mark Buckman Independent Director	21 March 2022
Belinda Rowe Independent Director	1 March 2023

Before appointing directors to the Board, or putting candidates forward at annual meetings for re-election, the Board ensures that appropriate checks are carried out to ensure candidates have the necessary skills to act for Sky. Material information that is relevant to a decision on whether to elect or re-elect a director is provided to shareholders. Written agreements are in place with each Board member and senior executive setting out the terms of their appointment.

New Board members receive induction training to gain an understanding of Sky's business and operations including its financial, strategic and risk management position as well as a director's rights, duties and responsibilities, the role of the Board, the Board committees and the executive management team. It is expected that all directors will be required to stay informed of changes to, and emerging issues in, director duties and responsibilities. In addition, visits to specific company operations, when appropriate, and briefings from key executives and industry experts will be arranged.

The Board will periodically review whether there is a need for existing directors and/or the Board as a whole to undertake professional development to maintain the skills and knowledge to perform their roles as directors effectively and to deal with new and emerging business and governance issues. Sky will reimburse directors for reasonable costs incurred in attending appropriate conferences and training courses.

Sky ensures that a majority of its Board are independent directors and that the role of Chair of the Board and Chief Executive are separate. At 30 June 2025 all of the directors of Sky were independent directors, having regard to the factors in NZX Recommendation 2.4 (none of which apply to the directors of Sky). The Chair of Sky's Board is Philip Bowman, an independent director (and is not the Chief Executive of Sky).

Delegations

To enable the effective functioning of the day-to-day business of Sky, the Board has delegated certain of its powers to Sky's Chief Executive and senior management. Those powers are set out in Sky's Delegated Authorities Policy (with treasury management delegations set out in the Treasury Policy) and relate to how Sky employees are able to authorise any transaction with a financial implication, or to perform other functions relating to human resource matters or finance and legal matters. Specifically, Board approval is required for:

- any action or transaction that exceeds the limits delegated to the Chief Executive; and
- appointing or removing authorised signatories to bank accounts, entering into overdraft facilities or similar credit arrangements, or entering into loans, mortgages, debentures or other financial instruments.

There is no delegation to any person to raise capital or to specifically borrow money by any means whatsoever. Such transactions may only be performed with Board approval. The Board is responsible for monitoring those delegations and approving all changes to the Delegated Authorities Policy and the Treasury Policy from time to time (the Board may amend or withdraw delegations at its sole discretion at any time). All delegated authorities are exercised on the Board's behalf in accordance with relevant company policies and procedures.

Meetings

The Board has regularly scheduled meetings and also meets when a matter of particular significance arises. During the year between 1 July 2024 and 30 June 2025, there were 10 Board meetings. Attendance was as follows:

	Board meetings held while a director	Attendance at Board meetings
Philip Bowman	10	10
Keith Smith	10	10
Mike Darcey	10	10
Dame Joan Withers	10	10
Mark Buckman	10	10
Belinda Rowe	10	10

Role of the Board

The Board oversees Sky's business and is responsible for its corporate governance. The Board sets corporate policies and the strategic direction of Sky and oversees management with the objective of enhancing the interests of shareholders. Management is responsible for the implementation of the corporate policies set by the Board, as well as the day-to-day running of Sky's business including risk management and controls and liaising with the Board about these matters.

Various information reports are sent to the Board in order to keep them informed about Sky's business including reports during the financial year ended 30 June 2025 on the effectiveness of the management of material legal and business risks. Directors also receive operating and financial reports, and have access to senior management at Board and committee meetings.

Directors Skills and Experience

The aim of the Board is to have a mix of skills represented on the Board that are relevant to Sky's business. The skills matrix for the directors is set out below:

● Primary skills ○ Secondary skills

Skills attribute	Philip Bowman	Dame Joan Withers	Keith Smith	Mike Darcey	Mark Buckman	Belinda Rowe
Pay Television and Media Industry – including experience in overseas markets	●	●	●	●	●	●
Strategic Content Partnerships	○		○	●	●	●
Customer Experience Development	●	●	○		●	●
Technology, Data and Innovation	●	○		○	●	●
Public Company Governance including Risk and Sustainability Management	●	●	●	○	●	●
Finance/Accounting and Commercial including Corporate Transactions	●	○	●	●	○	○
CEO and Executive Experience	●	●	○	●	●	●
People Management and Culture	●	●	○	○	●	●

Board Performance

Board performance, including the performance of Board committees and individual directors, is reviewed and evaluated periodically and as the need arises in accordance with the process set out in the Board Charter. A formal Board effectiveness programme was completed in FY25.

Executive Performance

Executive performance is reviewed and evaluated on a continual basis by the Board and Chief Executive, and periodically as the need arises, in accordance with the People and Performance Committee Charter and the Remuneration Policy, and more formally, annually at financial year end. Executive performance is assessed as input into annual salary reviews and through participation in Sky's short-term incentive (STI) and long-term incentive (LTI) scheme. Sky's STI scheme considers in the first instance a participation gateway regarding Health and Safety performance.

Assessment criteria for the STI and LTI are set out in the Remuneration section on pages 29-33. A formal evaluation of senior executive performance for the 2025 financial year has been undertaken following the completion of that period.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is Kirstin Jones.

Independent Advice

Sky has a procedure for Board members to seek independent professional advice at Sky's expense (as set out in the Board Charter).

Diversity

Sky recognises diversity and inclusion as a strategic asset for Sky's current and future success. Sky values diversity of gender, age, ethnic and cultural background, sexuality, experience and beliefs. Sky's Board and management believe that an organisation that reflects the diversity of its current and future customers will be able to deliver better, more personalised customer experiences and value, to continue to grow successfully, and to attract and retain the best talent.

Sky's commitment to both diversity and a company environment of inclusivity where all crew know they belong is reflected in Sky's Diversity and Inclusion Policy, which is reviewed every two years. Sky believes that a diverse workforce supports an inclusive culture. This starts with inclusive recruitment practices including the way we advertise.

The Board acknowledges the importance of diversity both on boards and within companies, and as noted in Sky's Board Charter. This is one of the characteristics that is considered when evaluating new director candidates. As at 30 June 2025, Sky's Board has two female directors and four male directors.

Sky's officers include the Chief Executive and the members of Sky's Executive Leadership team who report directly to the Chief Executive. This group comprises four female officers and three male officers.

Sky's diversity metrics include gender-balanced leadership. Under Sky's Champions for Change partnership, Sky is committed to our measurable objectives in this area of 40% men, 40% women and 20% of either gender in our senior leadership cohort. Sky's Board is currently 66% men, 33% women. Sky's officer cohort is currently 43% men, 57% women.

As set out on page 19, Sky has committed to embedding the principles of te ao Māori into everyday life at Sky. In addition to this commitment, Sky has focused on three inclusion priorities in FY25: Gender Balance, Pasifika and Pride.

The Kia Rere programme sets the strategic direction for Sky to normalise te reo, tikanga and Māori leadership on air, with Sky's people and in the community. Sky continues to uplift all leaders' cultural competence through the Te Kaa programme. Sky has fostered an authentic approach to Māori & Pasifika employee impact through the Kuaka leadership development programme, and by making indigenous cultures more visible to all crew through company-wide events and communication.

Sky's approach to workplace inclusion ensures appropriate enablement mechanisms are in place for all crew to demonstrate leadership that celebrates diversity and strengthens unity. Sky has continued to run regular company-wide events that celebrate the diversity of the crew, including celebrating Samoan, Tongan and Cook Island Language weeks, Sky is a Pride Pledge Gold supporter and has undertaken employee education and awareness raising activities in this area throughout FY25.

The chart below represents Sky's gender and age diversification as at 30 June 2025:

2025	Board Level	Officers	All staff
Women	2	5	266
Men	4	4	353
Gender diverse	0	0	7
Prefer not to say	0	0	12
Total number	6	9	638
Over 45	100%	100%	41%
2024	Board Level	Officers	All staff
Women	2	4	282
Men	4	3	392
Gender diverse	0	0	4
Prefer not to say	0	0	4
Total number	6	7	682
Over 45	100%	100%	41%

The table below provides a detailed breakdown of the age diversity of Sky's workforce:

Age	2025	2024
<30	14%	13%
30 – 39	26%	26%
40 – 49	32%	33%
50 – 59	22%	21%
60 – 69	6%	6%
>70	1%	1%

3. Board committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

The Board has established the following committees to act for, and/or make recommendations to, the full Board on certain matters as described below.

Audit and Risk Committee

The Audit and Risk Committee is responsible for overseeing the financial and accounting activities of Sky including accounting and reporting, external and internal auditors, tax planning and compliance, treasury and general risk management. The Committee operates under a formal Audit and Risk Committee Charter available on Sky's website.

The Charter also contains the External Audit Independence Group Policy, the object of which is to ensure that audit independence is maintained, such that Sky's external financial reporting is viewed as being highly reliable and credible.

As at 30 June 2025, the members of the Committee, who are independent directors, are Keith Smith (ARC Chair, Board Deputy Chair), Philip Bowman (Board Chair), and Dame Joan Withers. There are no non-independent committee members.

All directors who are not members of the Audit and Risk Committee may attend Audit and Risk Committee meetings without invitation. A standing invitation exists for the Chief Executive and the Chief Financial Officer to attend Audit and Risk Committee meetings.

People and Performance Committee

The People and Performance Committee is responsible for providing recommendations regarding the appointment, compensation levels and evaluation of Sky's directors, Chief Executive and senior executives, overseeing Sky's people and performance strategy and policies, including remuneration. The Committee also ensures that before appointing executives, appropriate checks are carried out to ensure candidates have the necessary skills to act for Sky.

As at 30 June 2025, the members of the Committee who are independent directors are Mark Buckman (PPC Chair), Dame Joan Withers and Belinda Rowe. There are no non-independent committee members.

The Committee's Charter is available on Sky's website. Sky management may only attend Committee meetings by invitation.

Content Rights Committee

The Content Rights Committee is responsible for (i) providing guidance, challenge, strategic input and counsel to Sky's management in relation to content rights arrangements; (ii) approving Sky's pursuit and negotiation of content rights arrangements; and (iii) where applicable authority has been delegated to the Committee by the Board, approving Sky's entry into and modification of content rights arrangements in accordance with such delegated authority.

As at 30 June 2025, the members of the Committee who are independent directors are Philip Bowman (CRC Chair, Board Chair), Keith Smith (Board Deputy Chair), and Mike Darcey. There are no non-independent committee members.

The Committee's Charter is available on Sky's website. Sky management may only attend Committee meetings by invitation.

Disclosure Committee

The Disclosure Committee is responsible for monitoring, determining, implementing and enforcing Sky's disclosure obligations under relevant legislation and stock exchange listing rules.

The Committee members are Philip Bowman (Board Chair) and Keith Smith (ARC Chair, Board Deputy Chair), or in the absence of either Chair, another director, along with the Chief Executive, Chief Financial Officer and Company Secretary.

Ad-hoc Committees

From time to time the Board may establish ad hoc or special purpose committees to examine, or have the delegated authority to deal with, specific matters on behalf of the Board. Where such a committee is required this is established by Board resolution (clearly prescribing the membership of the committee and the role of the committee) and required to regularly report back to the Board on proceedings. The Board retains ultimate responsibility for the relevant matters. No ad hoc committees were established during the 2025 financial year.

Board Membership

Sky's Board is responsible for ensuring the balance of skills, knowledge, experience, independence and diversity of directors remains relevant to Sky's business and strategy and enables the Board to discharge its duties and responsibilities effectively. The Board considers these factors when assessing Board succession and evaluating potential Board candidates.

The Board does not have a formal nomination committee constituted by a Board committee charter. The Board or a nominations sub-committee of the Board (which is distinct from the People and Performance Committee) evaluates potential Board candidates to be considered for appointment. To be eligible for appointment as directors, candidates must demonstrate appropriate qualities and experience. Directors will be selected based on all the above factors including the needs of the Board at the time.

Committee Meetings

During the financial year ended 30 June 2025 attendance at committee meetings were as reflected in the table below:

	Committee meetings held while a Committee member	Attendance at Committee meetings
Audit and Risk Committee		
Keith Smith (Chair)	5	5
Dame Joan Withers	5	4
Philip Bowman	5	5
People and Performance Committee		
Mark Buckman (Chair)	7	7
Dame Joan Withers	7	7
Belinda Rowe	7	7
Content Rights Committee		
Philip Bowman (Chair)	8	8
Keith Smith	8	8
Mike Darcey	8	7

Takeover Protocol

The Sky Board has approved a Takeover Protocol that outlines the procedures when dealing with takeover offers. This is available on Sky's website.

4. Reporting and disclosure

The Board should demand integrity in financial and non-financial reporting and in the timeliness and balance of corporate disclosures.

Sky endeavours to provide investors and stakeholders with financial and non-financial reporting that is clear, meaningful, timely and balanced. All key governance documents and policies, as well as all material stock exchange announcements, interim and annual reports and investor presentations are available online at www.sky.co.nz/investor-centre.

Financial Reporting

The Audit and Risk Committee oversees the preparation of Sky's financial statements, including materiality guidance and setting policy to ensure the information presented is useful for investors and other stakeholders.

Sky endeavours to prepare financial statements that are easy to read by using clear, precise language and by structuring the report so that it is logically presented, and that policies and related notes are combined in a format that is consistent and logical.

Directors, Chair and Board Committees' Confirmation of Financial Statements

Each year Sky's Chief Executive and Chief Financial Officer confirm in a written statement to the Board that the financial statements are true and correct, are prepared in accordance with applicable accounting standards and present fairly Sky's financial position.

Continuous Disclosure

Sky is committed to keeping shareholders and the wider market informed of material information relating to its business, financial performance and strategy to ensure that trading in Sky's securities takes place in an efficient well-informed market at all times.

When Sky provides a substantive investor or analyst presentation, such as those prepared for investor results briefings, shareholder meetings, or investor day events, a copy of the material to be presented is released to the NZX and ASX ahead of the presentation.

Sky has a Continuous Disclosure Policy that is available on Sky's website. The policy sets out Sky's responsibilities in relation to its continuous disclosure obligations under the NZX Listing Rules and the Financial Markets Conduct Act 2013. The policy establishes the procedures required to fulfil Sky's obligations and details the process to appropriately identify and determine any material information that may require disclosure.

In most circumstances, material market announcements are approved by the full Board prior to their release. Copies of all material market announcements are promptly circulated to the Board after they have been made.

5. Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

Sky's Remuneration Framework

Sky is committed to being a good employer: presenting fair, market comparable and inclusive remuneration strategies to ensure the strongest talent is attracted to, remains with and is committed to, the performance of the business.

Sky's approach to remuneration demonstrates the intention to ensure clear alignment between remuneration and sustainable, long-term stakeholder interests. Sky's Remuneration Policy provides detailed information regarding the company's remuneration framework and the approach to Board and key management personnel (KMP) remuneration. A copy of the policy is available on Sky's website.

Stakeholder views and interests were considered in the design of Sky's remuneration framework to ensure an appropriate focus on the performance that supports the delivery of Sky's business strategy. This is achieved through the delivery of commercial results and shareholder value accretion being a core component of Sky's senior leaders' compensation.

The People and Performance Committee is responsible for providing recommendations regarding the appointment, compensation levels and evaluation of Sky's directors, Chief Executive and senior executives, and overseeing Sky's People strategy, plans and policies, including remuneration.

The Board approves Sky's Remuneration Policy and all components of KMP remuneration, including director fees, fixed remuneration, and short and long term incentives.

Fixed Remuneration

Fixed remuneration includes base salary and KiwiSaver. The salary component of fixed remuneration is reviewed on an annual basis against New Zealand labour market benchmarks, while benefits are reviewed as appropriate. Executive team fixed remuneration is reviewed annually and tested against relevant independent external benchmark data, with any increases approved by the PPC and the Board. KiwiSaver is offered to employees in line with the New Zealand Government's recommendation.

Employee Benefits

Sky is committed to offering additional benefits that support employee wellbeing, customer service and both attract and retain great talent. These benefits are reviewed regularly to ensure their continued efficacy. Current benefits offered include:

- Paid parental leave
- Family support beyond parenting and leave associated with intergenerational family units to care for in the home
- One volunteer day per year
- Gender affirmation leave and support
- Free and discounted Sky services
- Discounted wellbeing services, including gym membership

Short Term Incentive Plan

Sky's Short Term Incentive plan (STI) provides a direct link between the delivery of commercial performance objectives (both financial and non-financial) and remuneration outcomes for senior roles. The Chief Executive, the executive team and direct reports to the executive team are eligible to take part in Sky's STI.

The STI framework and specific metrics and targets are considered by the People and Performance Committee and recommended to the Board for approval on an annual basis. The Board retains discretion to deny an award under Sky's STI plan, where it would reward conduct that is contrary to Sky's long-term performance, values or risk appetite.

The entitlement percentage for the FY25 period was set at 50% of base salary for the Chief Executive and 35% of base salary for other executives. Other eligible staff are entitled to 15% of base salary. The STI measures for FY25 were divided between Financial Performance, accounting for the majority of the award and non-financial, lead indicators. The measures used were: total revenue, EBITDA, content costs as a percentage of revenue, employee engagement, customer experience (3 month rolling average NPS), and advertising revenue growth (advertising diversification rating).

Sky's Short Term Incentive plan includes an overarching Health and Safety hurdle whereby the STI will be forfeited in the case of a successful prosecution under the Health and Safety at Work Act 2015.

Short Term Incentive (STI) achievement FY25				Overall Performance
Measure	Target	Weighting	Achievement	
Financial				52.0%
Revenue	\$775.4m	15%	0%	
EBITDA	\$160.2m	30%	75%	
Content Costs as % of Revenue	49.6%	15%	0%	
Advertising	\$61.5m	10%	60%	
Non-financial				
Employee Engagement	+4pp	10%	100%	
Customer Experience	+1pp	15%	50%	
Health and Safety	+20pp	5%	120%	

Long Term Incentive Plan

Sky's Long Term Incentive plan (LTI) was introduced in FY24 for the Chief Executive and executive team and was also offered to these participants in FY25. The purpose of the LTI is to incentivise the performance and retention of Sky's key executives and create further alignment with shareholders' interests, consistent with contemporary market standards.

The plan is structured as a performance rights plan with a three-year vesting period, with service rights conditions. The performance conditions are set by the Board, having regard to Sky's medium and longer-term performance objectives, with key measures being:

- 50% based on Absolute Total Shareholder Return CAGR performance of greater or equal to the company's cost of equity plus 1% (FY25: 12.9%) per annum to achieve 100% vesting with proportional straight-line vesting from 50% at performance of greater or equal to the company's cost of equity (FY25: 11.9%) per annum.
- 50% based on Relative Total Shareholder Return CAGR performance of greater or equal to the 75th percentile of the NZX50 performance¹ to achieve 100% vesting with proportional straight-line vesting from 50% at performance of greater or equal to 50th percentile.

Participants in the LTI are prohibited from entering into transactions to hedge or otherwise limit the economic risk of participating in the plan. The percentage of potential LTI varies by role with the Chief Executive's LTI set at a maximum of 50% of base salary and executive participation set at a maximum of 25% of base salary.

1. Based on the constituent companies of the S&P/NZX50 Index at the date options were granted, less any entities delisted during the Grant Period.

Sky Executive KMP Remuneration Objectives

Shareholder value creation through equity components

An appropriate balance of 'fixed' and 'at risk' components

Creation of reward differentiation to drive performance culture and behaviours

Attract, motivate and retain executive talent required at each stage of development

Total Annual Remuneration (TAR) or Total Target Remuneration (TTR) is set by reference to relevant market benchmarks

Fixed

Fixed Annual Remuneration (FAR)

Fixed remuneration is set based on relevant market relativities, as determined by the Board, but will reflect role and responsibilities, performance, qualifications, experience and geographic location

At Risk

Short Term Incentives (STI)

STI Key Performance Indicators (KPI) will be determined by the Board based on key financial and non-financial criteria aligned to deliver Sky's priority business strategies

Long Term Incentives (LTI)

Performance conditions will be set by the Board and linked to a selected matrix of Earnings, Total Shareholder Return or other objectives that the Board will use to align Executive KMP interests with shareholder interests

Remuneration will be delivered as

Base salary plus any allowances (includes Superannuation or equivalent)

Paid, as cash, on completion of the relevant performance period

Awarded as equity and will vest (or not) at the end of the performance period which will be a minimum of three years

Strategic intent and market positioning

FAR for Executive KMP will typically be positioned between the median and 75th percentile (+/-) compared to relevant market data considering expertise, competitive tensions and performance in the role

Performance incentive is directed to achieving key strategic or financial targets. FAR and STI opportunity is targeted to be positioned at about the 75th percentile of the relevant benchmark group

LTI is intended to align Executive KMP with shareholder interests. LTI opportunity should ideally be positioned at or about the 75th percentile

TAR or TTR

TAR or TTR is intended to be positioned in the upper 3rd quartile compared to relevant market based comparisons. 4th quartile TAR or TTR may be derived if demonstrable outperformance is achieved by Sky

Chief Executive Remuneration

Sky has a People & Performance Committee (PPC) comprised of 3 independent directors. Management attends PPC meetings by invitation. The PPC is responsible for reviewing and recommending Chief Executive remuneration to Sky's Board annually. In FY25, the PPC commissioned external and independent benchmark data on the Chief Executive's remuneration.

Sky's Chief Executive, Sophie Moloney has a permanent employment agreement with Sky. The agreement includes a period of notice from the individual of 6 months and allows for a provision of consultative agreed termination notice from the company, referred to as the "No Fault Termination Clause". This clause allows for the agreed termination of the contract with six months' pay and six months' notice. In addition, there is the provision for a redundancy payment of 44 weeks.

The Chief Executive's remuneration includes fixed remuneration of base salary plus KiwiSaver. Using external benchmark data, the Chief Executive's base salary was increased by 10% to place her remuneration within the benchmark. The variable benefits in the Chief Executive's remuneration are a Short Term Incentive plan (STI) and Long Term Incentive plan (LTI). The STI is set at 50% of base salary. The LTI plan was introduced in FY24, after consideration of the external advice sought, and repeated in FY25. The LTI is structured as a performance rights plan with a three-year vesting period with service rights conditions. The Chief Executive's maximum potential earnings from the LTI is 50% of base salary per annum.

The Chief Executive's remuneration for the role in each financial year since taking up the position on 1 December 2020¹ is set out in the table below:

\$	2025	2024	2023	2022	2021
Base salary ²	1,065,134	970,424	969,423	932,500	544,000
STI	546,349	182,785	293,737	330,568	236,000
Total remuneration	1,611,483	1,153,209	1,263,160	1,263,068	780,000

(1) Amounts shown are the actual paid during the period.

(2) In FY25 the Chief Executive's base salary was \$1,067,000 per annum. Other fixed benefits paid to the CEO were as follows: FY25 KiwiSaver employer contribution: \$48,344 (FY24: \$34,596, FY23: \$37,895, FY22: \$38,978).

The Chief Executive has a significant portion of remuneration 'at risk' and linked to Sky's commercial performance. For the financial year ended 30 June 2025 the Chief Executive's STI was awarded at 50% of base salary, which will be paid during FY26. Under the 2025 LTI plan the Chief Executive was granted 191,298 share rights on 1st October 2024, based on Sky's 10-day Volume Weighted Average Market Price following the release of Sky's FY24 financial results. This represents 50% of the Chief Executive's base salary, subject to achievement of agreed performance measures and a vesting period, as set out on page 30.

Pay Equity and Diversity

Sky has committed to paying all employees the living wage or more. At 30 June 2025 all permanent Sky employees were paid the living wage or more.

Median Pay Gap

The median pay gap indicates the number of times greater the Chief Executive's remuneration is to an employee paid at the median of all Sky employees. At 30 June 2024 the Chief Executive's base salary of \$1,067,000 (on an annualised basis) was 11.2 times that of the median employee at \$95,000. On a total earnings basis, including STI Earned, the median pay gap was 17 times.

Employee Remuneration

The following table shows the number of employees and former employees of Sky and its subsidiaries whose remuneration and benefits for the year ended 30 June 2025 were within the specified bands above \$100,000.

The remuneration figures shown in the table include all monetary payments actually paid during the year ended 30 June 2025, including severance and STI payments.

The table does not include amounts paid post 30 June 2025 that relate to the 2025 financial year, such as STI bonuses.

Remuneration Range (\$)	Number of employees
100,000 – 110,000	38
110,001 – 120,000	46
120,001 – 130,000	40
130,001 – 140,000	32
140,001 – 150,000	35
150,001 – 160,000	24
160,001 – 170,000	24
170,001 – 180,000	8
180,001 – 190,000	13
190,001 – 200,000	11
200,001 – 210,000	8
210,001 – 220,000	3
220,001 – 230,000	3
230,001 – 240,000	5
240,001 – 250,000	1
250,001 – 260,000	4
260,001 – 270,000	6
270,001 – 280,000	2
280,001 – 290,000	3
290,001 – 300,000	6
300,001 – 310,000	2
320,001 – 330,000	1
330,001 – 340,000	4
340,001 – 350,000	1
360,001 – 370,000	1
400,001 – 410,000	2
410,001 – 420,000	2
480,001 – 490,000	1
500,001 – 510,000	1
560,001 – 570,000	1
600,001 – 610,000	1
640,001 – 650,000	1
710,001 – 720,000	1
920,001 – 930,000	1
1,610,001 – 1,620,000	1
Total	333

Director Remuneration

Directors do not receive any performance or equity-based remuneration, superannuation or retirement benefits (for their role as directors). This reflects the role of the directors which is to provide oversight and guide strategy, whereas the role of management is to operate the business and execute Sky's strategy.

The directors' fee pool has been set at a maximum amount of \$1,115,000 per annum since it was last approved by shareholders on 14 November 2024, effective from 1 December 2024.

Annual Fee Structure (\$)	Year ended 30 June 2025 ¹	Year ended 30 June 2024
Board fees		
Board Chair	245,000	220,500
Deputy Chair	143,325	143,325
Independent Director	110,250	110,250
Board Committee Fees		
Audit and Risk Committee (ARC)		
Chair	20,000	20,000
Member	12,000	12,000
People and Performance Committee (PPC)		
Chair	16,000	12,000
Member	8,000	8,000
Content Rights Committee (CRC)		
Chair	16,000	5,000
Member	8,000	5,000

(1) FY25 fees payable prior to 1 December 2024 were paid on a pro-rata basis consistent with the FY24 fee schedule. The FY25 fee schedule came into effect from 1 December 2024.

Fees paid to Sky Directors in the year ended 30 June 2025 are set out in the table below:

Name	Board Fees	ARC	PPC	CRC	Total
Philip Bowman (Chair) ¹	234,791	-	-	2,083	236,874
Keith Smith (Deputy Chair)	143,325	20,000	-	6,750	170,075
Mike Darcey	110,250	-	-	6,750	117,000
Dame Joan Withers	110,250	12,000	8,000	-	130,250
Mark Buckman	110,250	-	14,333	-	124,583
Belinda Rowe	110,250	-	8,000	-	118,250
Totals	819,116	32,000	30,333	15,583	897,032

(1) The Board Chair is a member of the ARC and Chair of the CRC. Prior to 1 December 2024 he received a fee as Chair of the CRC, and effective 1 December this fee was incorporated into the Board Chair fee.

6. Risk management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Sky's risk management framework is overseen and monitored by both the Board and the Audit and Risk Committee. The Audit and Risk Committee in conjunction with management regularly report to the Board on the effectiveness of the management of Sky's risks and whether the risk management framework and systems of internal compliance and control are operating efficiently and effectively in all material respects.

Sky has a Controlling and Managing Risk Policy which provides an overview of Sky's risk management process. The Policy outlines Sky's risk management objectives and guidelines and provides a framework to identify, manage and report on risks both financial and non-financial. The Audit and Risk Committee reviews Sky's risk management framework with management at least annually to satisfy itself that it continues to be sound and to ensure that Sky is operating with due regard to the risk appetite set by the Board.

Sky recognises that having a robust and well-documented enterprise-wide risk management framework is critical to support the management of risks across Sky. Management, with oversight by the Audit and Risk Committee, continue to identify and implement improvements to Sky's risk management processes in line with the enterprise-wide risk management framework, while maintaining its focus on managing both near and long-term risks, including risks due to climate change, to best support Sky's current and future business and operating goals.

Sky's internal audit function is outsourced to Ernst & Young (EY). An annual internal audit plan is presented and approved by the Audit and Risk Committee and the Audit and Risk Committee receives internal audit reports during the year and monitors completion of action items that arise. Sky's internal audit function assists it to better accomplish its objectives by bringing a systemic, disciplined approach to evaluating and continually improving the effectiveness of Sky's risk management and internal control processes.

Sky has identified the following strategic risks that could affect results and performance:

Strategic risks	Description	Mitigation
Integration of Sky Free (formerly Discovery NZ)	Failure to successfully decouple from Warner Bros. Discovery and integrate the Sky Free business could impact Sky's strategic objectives.	Sky has a detailed transition, decoupling (particularly technology) and integration plan together with dedicated resource to ensure Sky's strategic objectives in acquiring Discovery NZ are achieved.
Technology infrastructure	Reliability of the provision of Technology infrastructure (including satellite) is critical to the provision of Sky services.	Sky has Business Continuity Management and Disaster Recovery plans which are regularly reviewed, updated and tested (where practicable).
Cybersecurity	Cybersecurity risk mitigation is critical for the safe and reliable operation of Sky's business, including to protect sensitive data.	Sky has a detailed cybersecurity programme that includes tools and systems designed to prevent and detect potential threats to cybersecurity, privacy and data breaches. This programme is continually monitored, tested and improved.
Accessing and securing market leading content	Accessing and securing great content at the right price is critical to Sky's future.	Providing customers with the content they value in a financially sustainable way is central to Sky's strategy. In recent years, Sky has secured significant multi-year content rights deals. It continually reviews the nature of the content acquired and its access to content. Sky is focused on what is important to its customers and utilises data-based insights and research to ensure its content strategy is achieved.
Negative impact of prolonged significant New Zealand economic downturn	A prolonged significant downturn of the New Zealand economy could have a major impact on Sky achieving its financial goals.	Sky continually monitors the macro-economic environment and utilises trend analysis of its own data to understand the current and possible future impacts of an economic downturn. Sky continually monitors value to customers, ensuring content is accessible and meeting customers where they are. Sky proactively and responsibly manages its own costs to ensure sustainability while maintaining an exceptional experience for our crew and customers.
Strategy execution	Failure to execute strategic initiatives could impact Sky's reputation and ability to meet financial goals.	In conjunction with the Board, Sky's executive team continue to refine Sky's strategic goals and have a clear path to achieving those goals. This includes engaging with the Sky team more broadly to ensure the whole business is aligned.
Adverse impact of geopolitical events	Sky's product and content supply chain could be negatively impacted by global geopolitical events.	Sky actively monitors for potential adverse impacts of geopolitical events and seeks to mitigate exposure through diversity of supply, alternate delivery methods, local stores of physical assets and close partnerships with its suppliers.
Legislative and regulatory compliance	The ever changing legal and regulatory landscape within which Sky operates together with Sky's evolving product mix and delivery methods, and obligations as a publicly listed company create a risk that Sky could inadvertently fail to comply.	Sky has robust policies and procedures covering compliance with key legal and regulatory requirements. Sky's internal legal team monitors changes and proposed amendments to its compliance obligations. Sky also engages external legal advisors to ensure it remains compliant.
Physical risks associated with natural disasters or climate change impacts	An increase in the intensity or frequency of natural disasters or climate related events could impact Sky's ability to deliver its content and lead to reduced demand for its services from impacted customers.	As noted above, Sky's Business Continuity and Disaster Recovery plans ensure it is best placed to withstand climatic events and natural disasters. Sky continues to develop its medium to long-term response to the potential impacts of climate change.
Health and safety of workers	Sky's health and safety protocols may be insufficient to prevent harm or injuries to its workers while they carry out their duties.	Sky takes the health, safety and wellbeing of its workers very seriously and is committed to ensuring that employees and those who work with Sky, do so in a safe environment. Sky continues to invest in its health, safety and wellbeing processes and procedures to ensure it is a safe place to work. This includes risk identification, mitigation and continuous improvement initiatives by in-house experts.

Table continued over page

Strategic risks	Description	Mitigation
Ability to attract, retain and engage specialist talent	Attracting, retaining and engaging specialist employees in key areas is critical to Sky delivering on its strategic goals.	Sky continues to invest in its people and culture programmes including building leadership capability across the business, improving access to the tools, systems and processes needed to enable employees to achieve their potential. Sky has utilised co-source and out-source partnerships as appropriate to access specialist resource at scale, where needed. Sky continues to focus on te ao Māori and the opportunities presented by embedding its principles within Sky.
Competition	Sky operates within an extremely competitive market with New Zealanders now able to access the content they want to watch more easily than ever before.	If Sky fails to respond to new competitors or changes to customers' needs, it could fail to meet strategic and financial goals. While Sky is focused on delivering its strategic goals, it continually monitors its market environment using customer feedback and data insights to ensure its content and delivery approach remain relevant and in demand. Sky remains focused on connecting New Zealanders with the sport and entertainment they love, in ways that work for them, right across the country.

Health and safety

Sky is committed to providing a safe, healthy workplace where all workers can thrive. In the last financial year, Sky reviewed and confirmed the Health and Safety strategy, priorities and plans. Sky's strategic approach to health and safety is to:

- safeguard the wellbeing of its people by providing a safe and inclusive workplace environment;
- fulfil all safety obligations within the business, in line with the strategic intent, corporate objectives and legislative requirements; and
- share a vision and commitment to a safety culture that drives continual improvement and organisational resilience at all levels within Sky.

Monthly reports, including actions taken and performance metrics, are provided to the Board, executive team, Health & Safety leadership team, and Health & Safety employee representatives to monitor Sky's performance towards keeping all its people healthy, safe and well and remaining compliant with all health and safety obligations. Key priorities delivered include: contractor management, critical risk management, overlapping duties and operational improvements in response to an external review of Sky's practices.

Sky's Total Recordable Incident Rate was 1.3, below the industry benchmark of 3.0. Sky had one lost time incident during the year which was also a notifiable incident.

the engagement of the external auditors, for reviewing any regulatory requirements, for agreeing the scope of the audit, ensuring no management restrictions are placed on the auditors and for evaluating the performance of the external auditors. Sky's Audit and Risk Committee Charter (available on Sky's website), contains the policy for External Audit Independence which sets out the framework for ensuring that independence of the external auditor is maintained.

A copy of the most recent audit report, relating to the 2025 financial year is included on page 90.

Sky undertakes an internal process of verification for periodic materials released to the NZX and ASX where these have not been audited or reviewed by the external auditor, to ensure the accuracy and integrity of the material prior to release.

This process includes the following:

- reports are prepared by or under the supervision of subject matter experts;
- material statements in the report are reviewed for accuracy and appropriately interrogated; and
- all announcements (other than administrative announcements) must be approved by Sky's Disclosure Committee.

Where considered appropriate, Sky requests an external review from a suitably qualified advisor to provide an additional level of independent review.

Internal audit

Sky currently outsources to EY its internal audit function which is tasked with monitoring Sky's internal control systems and risk management. Internal audit operates with and independently of management and reports directly to the Audit and Risk Committee.

The Audit and Risk Committee reviews the internal audit plan annually as well as the internal audit reports. The internal audit reports are made available to the external auditors.

7. Auditors

The Board should ensure the quality and independence of the external audit process.

External audit

The role of the external auditor is critical for the integrity of Sky's financial reporting. PricewaterhouseCoopers (PwC) is Sky's external auditor. The Audit and Risk Committee is responsible for reviewing and recommending to the Board

8. Shareholder rights and relations

The Board should respect the rights of the shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Investor communication

Sky is committed to facilitating effective two-way communication with its shareholders and other stakeholders. Sky's approach to investor relations is designed to keep both Sky's shareholders and the broader market properly informed.

Communications with investors may take the form of stock exchange releases, press releases, reports, presentations, teleconferences/webcasts, meetings and site visits. Sky's Management team meets with investors and analysts as appropriate, and provides periodic investor briefings to the Market. Sky's Chairman also engages with investors on governance matters.

Sky's Investor Communications Policy outlines the steps that it takes to enable shareholders to engage with Sky in an informed manner and to allow them to make informed assessments of Sky's value and future prospects. A copy of this policy is available on Sky's website.

In addition to information provided to the market via NZX and ASX, Sky uses the following methods to communicate with its investors:

Investor centre website

Sky's website (www.sky.co.nz/investor-centre) includes copies of documents that have been released to the market to enable investors and stakeholders access to all information about Sky and its governance in one place. This includes copies of annual reports, presentations, market announcements, media releases and corporate governance documents. In addition, information may be requested directly from Sky by emailing investorrelations@sky.co.nz to which Sky is committed to responding to in a timely manner.

Electronic communications

Sky is committed to ensuring the efficiency, timeliness, and sustainability of communications by encouraging shareholders to receive communications material electronically via Sky's share registry, Computershare Investor Services Limited.

Annual shareholder meeting

Shareholders are encouraged to attend Sky's Annual Shareholder Meeting, whether this is held in person, virtually or as a hybrid meeting. Details of the Annual Shareholder Meeting, and the ways that shareholders can participate, are available in the Notice of Meeting which is expected to be dispatched to shareholders at least 20 working days prior to the Meeting in accordance with NZX Corporate Governance recommendations, and made available on Sky's website. Sky ensures that shareholder meetings are held at a reasonable time and place and all resolutions at a shareholders' meeting are decided by a poll.

Notices of shareholder meetings include explanatory information regarding the resolutions to be considered by the meeting. These are provided in sufficient time to enable shareholders to form a reasoned judgement on the matters to be voted upon.

Sky's external auditors, legal representatives and share registrar attend the Annual Shareholder Meeting. Directors, management and external auditors are available to answer any questions from shareholders at the Annual Shareholder Meeting. Details of how shareholders unable to attend the Annual Shareholder Meeting can submit questions in advance are included in the Notice of Meeting.

Company Information

Interests Register

Disclosures of Interest

General Notices

Directors have given general notices disclosing interests in various entities pursuant to section 140(2) of the Companies Act 1993. Those notices which remain current as at 30 June 2025 are as follows:

Director	Entity	Relationship
Philip Bowman	KMD Brands Limited (listed)	Director
	Tegel Group Holdings Limited	Chair
	Ferrovial SE (listed)	Director
	Majid al Futtaim Holding LLC ²	Director
	Majid al Futtaim Properties LLC ²	Chair
	Majid al Futtaim Capital LLC ²	Director
	Tom Tom Holdings, Inc.	Director
	Vinula Pty. Limited	Director
Mike Darcey	Vinula Super Fund Pty. Limited	Director
	Arqiva Group Limited ²	Chair
	British Gymnastics	Chair
Keith Smith	Premier League Basketball UK	Shareholder
	Anderson & O'Leary Limited and associated companies	Chair
	Enterprise Group Holdings Limited and associated companies	Chair
	Goodman Property Services (NZ) Limited	Director
	H J Asmuss & Co Limited and associated companies	Chair
	Healthcare Holdings Limited and associated companies	Chair
	Mobile Health Group Limited	Chair
Dame Joan Withers	Gwendoline Holdings Limited (non-trading)	Director and Shareholder
	The Warehouse Group Limited and associated companies	Chair
	ANZ Bank New Zealand Limited	Director
	Louise Perkins Foundation	Trustee
	On Being Bold Limited	Director
Mark Buckman	Origin Energy Limited	Director
	OzTAM Pty. Limited	Chair
	Barangaroo Advisory Pty. Limited	Director
	Honed Real Estate Pty. Limited	Shareholder and advisor
	Ryke Clothing Pty. Ltd	Shareholder and advisor
	Zion Z Pty. Ltd trading as Zolo Corp	Shareholder and advisor
Belinda Rowe	Hourigan International ¹	Managing Partner
	ARN Media Limited	Non-Executive Director
	Sydney Swans Limited	Non-Executive Director
	Temple & Webster Group Limited	Non-Executive Director
	Belinda Rowe Consulting Pty. Limited	Director
	Rowe-Cuthbert Nominees Pty. Limited	Director
	3P Learning Limited ²	Non-Executive Director

(1) Entries added or updated during the period from 1 July 2024 to 30 June 2025.

(2) Entries removed by notices given by the directors during the period from 1 July 2024 to 30 June 2025.

Particular Transactions / Use of Company Information

During the financial year to 30 June 2025, in relation to Sky:

- no specific disclosures were made in the Interests Register under section 140(1) of the Companies Act 1993; and
- no entries were made in the Interests Register as to the use of company information under section 145 of the Companies Act 1993.

Relevant Interests in Securities

During the year to 30 June 2025, no disclosures were made in the Interests Register in relation to Sky's directors and senior managers acquiring a relevant interest in Sky's shares under section 148 of the Companies Act 1993 and under the Financial Markets Conduct Act 2013.

Insurance and Indemnities

Sky has in place directors' and officers' liability insurance to cover risks normally covered by such policies arising out of acts or omissions of Sky directors or employees in that capacity.

Sky has entered into a deed of indemnity pursuant to which it has agreed to indemnify directors, senior management and officers of Sky against liability incurred from acts or omissions of such directors, senior management or officers, subject to certain exceptions which are normal in such indemnities.

Sky Subsidiaries' Interests Registers

During the year to 30 June 2025, in relation to Sky's subsidiaries, no specific notices were made in the Interests Register pursuant to section 140 of the Companies Act 1993.

Company Information

Directors Holding, Commencing and Ceasing Office during the year

- Philip Bowman (Chair)
- Keith Smith (Deputy Chair)
- Mike Darcey
- Dame Joan Withers
- Mark Buckman
- Belinda Rowe

Statement of Directors' Interests

For the purposes of NZX Listing Rule 3.7.1(d), the following table sets out the quoted financial products in which each director had a relevant interest as at 30 June 2025:

Relevant interests	Shares
Philip Bowman	750,000
Mike Darcey	125,000
Keith Smith ¹	36,260
Belinda Rowe	23,000
Dame Joan Withers	Nil
Mark Buckman	Nil

(1) 6,256 shares jointly held by Keith Smith and his brother Robert Smith as trustees of the Gwendoline Trust (in which Keith Smith has no beneficial interest); 6,671 shares held by Gwendoline Holdings Limited (Keith Smith is a discretionary beneficiary of a trust which owns Gwendoline Holdings Limited); 8,333 shares held by Keith Smith's partner Lily Wong; and 15,000 shares held by Keith Smith as joint registered holder with John Richard Avery and Brian Mayo-Smith as trustees of the Selwyn Trust (in which Keith Smith has a beneficial interest).

Subsidiaries

At 30 June 2025, Sky had the following subsidiary companies:

Subsidiary	Director(s)	Business during FY25
Believe It Or Not Limited	Annabelle Lohead Brendan Lohead Christopher Shaw Antony Welton	Quizzes for the hotel entertainment industry.
Lightbox New Zealand Limited	Sophie Moloney	Streaming services within New Zealand.
Media Finance Limited	Sophie Moloney	Did not trade.
Non-Trading PS Limited	Sophie Moloney	Did not trade.
Screen Enterprises Limited	Sophie Moloney	Did not trade.
Sky DMX Music Limited	Sophie Moloney Malcolm McRoberts Antony Welton	Operated the Sky DMX music business.
Sky Investment Holdings Limited	Sophie Moloney	Did not trade.
Sky Network Services Limited	Sophie Moloney	Sky Broadband business.
Sky Ventures Limited	Sophie Moloney	Did not trade.
Sports Analytics Pty Ltd	Jonathon Errington Kevin Bouwer	Did not trade. ¹

(1) On 2 September 2024, Sports Analytics Pty Ltd was removed from the company register.

The remuneration of Sky's employees acting as directors of subsidiary companies is disclosed in the relevant banding for employee remuneration. In the case of Sophie Moloney remuneration is disclosed under the heading of "Chief Executive Remuneration".

No director of any subsidiary company received directors' fees or extra benefits by virtue of the fact that they are acting as directors of subsidiary companies.

Sky Shares and Shareholders

Sky Network Television Limited's shares are quoted on the NZX and on the ASX and trade under the 'SKT' ticker. The only class of equity securities on issue in Sky is ordinary shares. As at 30 June 2025 there were 6,542 holders of a total of 137,675,010 ordinary shares in Sky. Each Sky share confers on its holder the right to attend and vote at a shareholder meeting. On a poll, each ordinary share entitles the holder to one vote. Sky did not have any unquoted equity securities on issue at 30 June 2025.

At 1 July 2024 there was an on-market buyback in place. The programme was initiated on 1 April 2024, and an NZX announcement and ASX Appendix 3C notice were issued on 25 March 2024 to advise of the buyback programme. The programme was for a maximum aggregate of \$15 million in purchase price and up to a maximum of 7,033,120 shares. At 30 June 2024 a total of 2,622,436 shares had been acquired under this programme for total consideration of \$7,157,168. No further shares were acquired under this programme prior to the expiry date of 31 March 2025 as the programme was paused on 4 June 2024, and Sky then notified the market on 19 November 2024 that the buyback remained in pause due to ongoing negotiations with NZ Rugby.

Substantial Product Holders

According to notices given to Sky under the Financial Markets Conduct Act 2013 and the ASX Listing Rules the following persons were substantial product holders in Sky as at 30 June 2025:

Substantial Product Holder Name	Date of Substantial Product Holder Notice	Number of Shares in Substantial Product Holding ¹	% held ¹
Accident Compensation Corporation	3 December 2024	14,543,637	10.564
New Zealand Superannuation Fund	2 July 2025 ²	10,150,525	7.373

(1) Based on disclosures to the company.

(2) The date of the relevant event disclosed in this notice was 30 June 2025, with settlement on 2 July 2025.

At Sky's 30 June 2025 year end the total number of ordinary shares on issue was 137,675,010.

Twenty Largest Shareholders at 30 June 2025

Name	Number of Shares	% of Issued Capital
BNP Paribas Nominees (NZ) Limited (BPSS40)	15,948,191	11.6
Accident Compensation Corporation	14,682,635	10.7
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	10,051,525	7.3
Citibank Nominees (New Zealand) Limited	9,774,803	7.1
HSBC Nominees (New Zealand) Limited (HKBN90)	9,118,507	6.6
HSBC Custody Nominees (Australia) Limited	7,118,733	5.2
New Zealand Depository Nominee Limited	4,975,257	3.6
TEA Custodians Limited Client Property Trust Account	4,713,484	3.4
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct	3,700,230	2.7
Custodial Services Limited	3,497,569	2.5
JBWere (NZ) Nominees Limited	2,906,982	2.1
BNP Paribas Nominees (NZ) Limited	2,627,356	1.9
HSBC Nominees (New Zealand) Limited A/C State Street	2,548,682	1.9
JBWere (NZ) Nominees Limited	2,300,000	1.7
New Zealand Rugby Union Incorporated	1,816,777	1.3
BNP Paribas Nominees (NZ) Limited	1,779,773	1.3
Forsyth Barr Custodians Limited	1,381,946	1.0
Citicorp Nominees Pty Limited	1,289,540	0.9
Masfen Securities Limited	1,258,333	0.9
Rural Equities Limited	1,000,000	0.7
	102,490,323	74.4

Shareholder Distribution at 30 June 2025

Range	No. of Shareholders	Number of shares held	% of Issued Capital
1 – 1,000	4,307	1,129,328	0.8
1,001 – 5,000	1,328	3,306,346	2.4
5,001 – 10,000	380	2,795,880	2.0
10,001 – 100,000	456	12,219,346	8.9
100,001 and over	71	118,224,110	85.9
Total	6,542	137,675,010	100.0

Non-Marketable Parcels of Shares

As at 30 June 2025, 3,040 shareholders in Sky had non-marketable parcels of shares.

Donations

During the financial year ending 30 June 2025, Sky made cash donations totalling \$82,000. Sky's broader commitments under the 'Sky for Good' programme, as outlined on page 19, are predominantly 'in kind' services (such as complimentary Sky in Starship Children's Hospital rooms). No donations were made to political parties. Sky's subsidiaries did not make any donations.

Auditors

The auditors of Sky and its subsidiaries were PricewaterhouseCoopers. The amount paid to PricewaterhouseCoopers by Sky in the year to 30 June 2025 for statutory audit services and for other assurance services was:

	Statutory audit services (\$000)	Other assurance and non-assurance services (\$000)
Sky	893	136

Sky's subsidiaries did not pay PricewaterhouseCoopers any fees.

Waivers and Information

Current and Ongoing Waivers

The following is a summary of all waivers which were relied upon by Sky in the year to 30 June 2025. These were:

1. A waiver from ASX Listing Rule 6.10.3 to the extent necessary to permit Sky to set the "specified time" to determine whether a security holder is entitled to vote at a shareholders' meeting in accordance with the requirements of relevant New Zealand legislation.
2. A waiver from ASX Listing Rule 15.7 to permit Sky to provide announcements simultaneously to both ASX and NZX.
3. A waiver from ASX Listing Rule 14.3 to the extent necessary to allow Sky to receive director nominations between the date three months and the date two months before the annual meeting.

Share Information

Limitations on the acquisition of the company's securities

Sky is incorporated in New Zealand and therefore, it is not subject to chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (such as substantial holdings and takeovers). Limitations on acquisition of the securities are, however, imposed on Sky under New Zealand law by way of the New Zealand Takeovers Code, the Overseas Investment Act 2005 and the Commerce Act 1986. Sky does not otherwise have any additional restrictions.

Share Market and Other Information

Share Market Listing Details

New Zealand

Sky's ordinary shares are quoted on the NZX Main Board and trade under the code SKT. Sky's International Security Identification Number (ISIN) issued for the Company by the NZX is NZSKTE0001S6.

NZX Limited

Level 1, NZX Centre
11 Cable Street
Wellington 6011, New Zealand

Mailing address:

PO Box 2959
Wellington 6140, New Zealand

Tel: +64 4 472 7599

Website: nzx.com

Australia

Sky's ordinary shares are also quoted on the ASX and trade under the code SKT.

ASX Limited

Exchange Centre
20 Bridge Street, Sydney
NSW 2000, Australia

Mailing address

PO Box H224
Australia Square, Sydney
NSW 1215, Australia

Tel: +61 2 9338 0000

Registry Details

Shareholders should direct questions relating to share certificates, notify changes of shareholder details or address any administrative questions to Sky's share registrar.

Shareholders are able to independently manage a range of queries regarding their holdings by using Computershare's secure website: www.investorcentre.com/nz. This website enables holders to view balances, view and change address, payment and tax information, and update payment instructions and communication options.

Direct payment to a bank account is the only means available for shareholders to receive dividend payments. Shareholders are strongly encouraged to provide bank account details to ensure they are able to receive any future dividend payments.

Sky continually strives to improve the efficiency of its communications with investors and stakeholders and encourages all shareholders to elect to receive communications from Sky electronically. This minimises costs, ensures prompt delivery and importantly, supports Sky's efforts to reduce its environmental impact.

New Zealand

Computershare Investor Services Limited

Level 2/159 Hurstmere Road
Takapuna, Auckland
Private Bag 92119
Auckland 1142
New Zealand

Freephone within New Zealand: 0800 222 065

Telephone New Zealand: +64 9 488 8777

Australia

Computershare Investor Services Pty Limited

Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
GPO Box 2975
Melbourne, Vic 3000
Australia

Freephone within Australia: 1800 501 366

Telephone Australia: +61 3 9415 4083

Email: enquiry@computershare.co.nz

Website: www.computershare.com/nz

Our 2025 Financials

For the year ended
30 June 2025

Financial Overview

Summary

Sky has reported a solid result with all underlying key metrics delivered within the revised guidance ranges provided in February 2025, a positive achievement when considered against the backdrop of a tough economic climate as well as operational disruption resulting from a significant satellite migration project. The requirement to accelerate migration to a new satellite meant a number of planned revenue generating initiatives were delayed as we focused resources on this critical change. Despite these challenges, Sky continued its roll out of the new Sky Experience, accelerated opportunities in advertising and grew many revenue streams.

Sky's 2025 financial results include the impact of a number of one-off items making it more difficult to assess the underlying performance of the business during the current period. For this reason, in addition to Reported results, we have provided Adjusted numbers (Non-GAAP financial measures) that enable a like for like comparison. The following commentary provides an overview of Sky's performance on an Adjusted basis with detail on the adjusted items set out in a table on page 45.

Adjusted Total Revenue of \$755.1 million was 1.5% down on the prior year (Reported Total Revenue: \$750.7 million). Despite strong revenue results for Sky Sport Now, Sky Broadband and Advertising, this was not sufficient to offset a decline in Sky Box revenue, largely due to a lower opening customer number from 2024 and disruptions as a result of satellite migration. That said, average revenue per user (ARPU) increased, new customer acquisitions were in line with the prior year and disconnection levels improved, providing confidence as we continue the roll out of the new Sky Experience.

The challenging economic and trading conditions required careful management of Operating Expenses, and pleasingly these were reduced by 0.8% to \$609.4 million on an adjusted basis (Reported Operating Expenses \$637.8 million). Noting this total includes costs associated with growth in Broadband and Streaming and investment in Advertising, underlying operating expenses were significantly reduced during the year. This careful management enabled Sky to deliver Adjusted EBITDA of \$148.5 million, which was a solid result in the current climate, although 3.0% below the prior year.

Adjusted Net Profit After Tax of \$41.1 million was 16.5% lower than the prior year (Reported NPAT: \$20.6 million). This was in part due to a 6.3% increase in Adjusted Depreciation And Amortisation to \$88.5 million following a period of elevated capital investment in new products over recent years. Finance Income decreased due to the decline in the Official Cash Rate during the year, as well as lower unrealised gains. Finance Expenses also decreased following the successful bank facility renegotiations in July 2024 on more favourable terms and at a reduced facility limit from \$150 million to \$100 million, partially offset by higher Optus lease interest.

An interim dividend of 8.5 cents per share was paid in March 2025, and a final dividend of 13.5 cents per share will be paid in September 2025, bringing total FY25 dividends to 22.0 cents per share (fully imputed). This represents an increase of 15.8% year on year from the 19 cents per share (fully imputed) paid in FY24.

The on-market buyback programme was paused on 4 June 2024, and Sky then notified the market on 19 November 2024 that the buyback remained in pause due to ongoing negotiations with NZ Rugby, and was not recommenced before its expiry on 31 March 2025.

As at 30 June 2025 Sky had \$32.4 million in cash on hand and an undrawn banking facility of \$100 million.

Non-GAAP Financial Information

Sky uses non-GAAP profit measures when discussing financial performance. The directors and management believe that these measures provide useful information on the underlying performance of the Group. They are used internally to evaluate performance, analyse trends, and allocate resources. Non-GAAP financial measures are not prepared in accordance with NZ IFRS and are not uniformly defined and therefore should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

Group Consolidated Results for the years ended 30 June

In NZD millions	2025 Adjusted	2025 Reported	2024 Reported ¹	Adjusted % inc/(dec)
Financial performance data				
Total revenue	755.1	750.7	766.7	-1.5
Other income	2.8	7.7	0.5	451.6
Total operating expenses	609.4	637.8	614.2	0.8
EBITDA	148.5	120.6	153.0	3.0
Less				
Depreciation and amortisation	88.5	89.1	83.3	6.3
Net operating profit before finance income, finance expense and income tax	60.0	31.5	69.8	-14.1
Finance income	1.7	1.7	3.6	-52.8
Finance expense	4.3	4.3	4.7	-9.0
Profit before tax	57.4	28.9	68.7	-16.5
Income tax expense	16.3	8.3	19.5	-16.4
Profit after tax	41.1	20.6	49.2	-16.5

(1) No adjustments were made in 2024, as the reported figures were consistent with the underlying result.

Summary of Adjustments

Sky has made a number of adjustments to reflect the ongoing performance of the underlying business, including:

- Forgone revenue of \$4.4 million related to satellite migration, including discounts and credits provided to customers as compensation for service interruptions, and the impact of a delayed price increase.
- A non-cash benefit to other income of \$4.9 million related to the modification (shortening) of the previous O10 satellite lease to enable the transition to the current satellite.
- One-off expenses totaling \$29.0 million, including: \$18.3 million resulting from an acceleration of content amortisation following a methodology change for Neon and SoHo content and \$1.4 million of content impairments, \$3.4 million in relation to organisational change initiatives, \$2.9 million of one-off costs incurred as a result of satellite migration (such as additional Care Centre staffing, consultancy costs and marketing), \$2.3 million of transaction costs arising from the acquisition of Discovery NZ Limited, and \$0.6 million of additional depreciation as a result of satellite migration capital expenditure.

The majority of satellite migration revenue and costs items referred to above, as well as some additional migration related capital expenditure, are the subject of a claim under an agreement with Optus to compensate Sky for certain revenue and cost impacts associated with the requirement to accelerate migration to a new satellite during the year, as well as to provide compensation for customer service disruptions. The reimbursement to Sky under this claim will occur in FY26. This is in addition to a prior agreement relating to support for capital expenditure requirements of the migration programme.

There were no adjustments made in 2024.

In NZD millions	2025	2024
Statutory profit after tax	20.6	49.2
Adjustments to earnings as follows:		
Forgone revenue	4.4	-
Non-recurring income included in other income	(4.9)	-
Accelerated content amortisation and content impairment	19.7	-
Non-recurring costs	9.3	-
Tax effect of adjustments	(8.0)	-
Total adjustments	20.5	-
Adjusted profit after tax	41.1	49.2

Customers

Total customer relationships reduced by 1.4% year on year, due to softer Sky Box numbers, and despite growth in Sky Sport Now, Broadband, and modest growth in Neon.

Sky Box & Pod includes customers who access their Sky content through the classic Sky Box, the new Sky Box (with hybrid delivery via satellite and internet), and the new Sky Pod (via internet delivery). Customer relationships reduced to 448,290 in part due to the impact of economic headwinds on household incomes, as well as some churn as a result of customers experiencing service issues during satellite migration. Pleasingly, the percentage of customers using new Sky products increased to 37%, and despite the challenging trading conditions, annualised churn improved and both disconnections and acquisitions were slightly better than the prior year.

Streaming customer relationships increased to 409,582 up 7% from the prior year on a like-for-like basis for Sky Sport Now and Neon. Sky Sport Now customer relationships increased 20% based on monthly and annual pass holders on a 90-day look-back basis. Neon customer relationships grew by 0.4%, and while modest, this marks a return to year on year growth.

Sky Broadband customer relationships continued the strong growth trend of recent years, increasing by 43.1% to reach 50,867 customers, and with an increased Sky Box attachment rate of 10%.

Commercial customer relationships include licensed premises, pubs, clubs, accommodation providers and businesses such as gyms, retirement villages and retail outlets. Commercial customer relationships closed at 5,629, down 6.4% year on year, with some impact from challenges facing the retail and accommodation sectors.

	2025	2024	2023	2022	2021
Customer relationships					
Sky Box customers ¹	448,290	479,192	514,982	529,521	554,690
Total Streaming customers	409,582	383,764	430,752	403,292	372,831
Sky Sport Now ²	150,173	125,439	112,752	76,269	50,964
Neon	259,409	258,325	318,000	295,720	259,229
Other Streaming ³	-	-	-	31,303	62,638
Sky Broadband customers	50,867	35,557	26,089	17,975	1,930
Commercial customers	5,629	6,014	6,538	6,877	7,299
Total customer relationships	914,368	904,527	978,361	957,665	936,750
Customer metrics					
Sky Box net customer growth	(6%)	(7%)	(3%)	(5%)	(4%)
Sky Box acquisition	21,497	21,493	39,304	29,028	47,273
Sky Box churn	(52,399)	(57,283)	(53,848)	(54,197)	(69,287)
Sky Sport Now net customer growth	20%	11%	48%	50%	168%
Neon net customer growth	0%	(19%)	8%	14%	82%
Broadband net customer growth	43%	36%	45%	831%	-
Sky Broadband attachment rate ⁴	10%	7%	5%	3%	-
Average revenue per month (ARPU) (\$, ex-GST)					
Sky Box ⁵	84.19	83.09	81.05	78.84	78.40
Sky Sport Now	44.74	40.82	36.82	36.71	n/a
Neon	16.65	15.57	15.05	14.25	11.90
Sky Broadband ⁶	70.31	75.05	72.14	72.13	-

(1) Sky Box customers comprise residential Sky Box and Sky Pod customers, including Vodafone Reseller customers prior to migrating to a direct relationship with Sky during 2021.

(2) In January 2025 the sale of Sky Sport Now weekly passes was discontinued. Previous disclosure of Sky Sport Now customer numbers was reported on a 90-day look back basis including weekly monthly and annual pass customers. To enable a like for like comparison, historic information has been restated to show monthly and annual pass customers on a 90-day look back basis at each year end.

(3) Other Streaming customers comprise VTV/Retransmission customers receiving Sky content via VTV until its closure in March 2023, RugbyPass subscription customers until the sale of this business in October 2022.

(4) Sky Broadband attachment rate measures the percentage of Sky Box customers that also have Sky Broadband.

(5) Sky Box ARPU is the monthly average revenue for residential Sky Box and Sky Pod customers, calculated as the average ARPU for the period, excluding revenue related to access fees for new Sky products.

(6) Sky Broadband ARPU is monthly average revenue for Sky Broadband customers, including add-ons such as land line, calling plans, Wi-Fi boosters and static IP fees.

Revenue Analysis

Total adjusted revenue of \$755.1 million included growth in Streaming, Broadband, and Advertising, offset by reduction in Sky Box, Commercial, and Installation and other revenue, resulting in an overall adjusted revenue decrease of 1.5% year on year:

In NZD millions	2025 Adjusted	2025 Reported	2024 Reported	Adjusted % inc/(dec)
Sky Box ¹	469.9	465.5	498.7	- 5.8
Streaming ²	118.8	118.8	110.4	7.6
Commercial	54.0	54.0	54.5	- 1.0
Broadband	37.0	37.0	27.5	34.4
Total subscription revenue	679.6	675.3	691.1	- 1.7
Advertising	57.1	57.1	53.6	6.5
Installation and other revenue	18.4	18.4	22.0	- 16.5
Total other revenue	75.5	75.5	75.6	- 0.2
Total revenue	755.1	750.7	766.7	- 1.5

(1) Sky Box revenue relates to Sky Box and Sky Pod subscriptions and includes access fees associated with the new Sky products.

(2) Streaming revenue relates to Sky Sport Now and Neon and in FY23, includes VTV/Retransmission subscription revenue net of fees prior to these customers migrating to a Sky Box or Sky Pod product.

Sky Box adjusted revenue of \$469.9 million represented a 5.8% reduction year on year due to lower average customer numbers, partly offset by increased ARPU. Revenue benefitted from the full-year impact of a \$4 price increase to the sport package in February 2024, and a further \$5 price increase for sport from May 2025, noting increases are quoted inclusive of GST.

ARPU on an underlying basis, which is reported ex-GST, increased by 1.4% to \$84.19, benefitting from Sport package price increases, and higher average sports penetration of 72%, which more than offset an increase in discounting to FY23 levels after a lower level in FY24. These positive drivers more than offset slightly reduced penetration in entertainment and movie packages and add-ons.

Streaming revenue grew strongly, up 7.6% year on year to \$118.8 million. Sky Sport Now revenue rose 16.3%, benefiting from higher customer numbers within the year, the full-year impact of a \$5 price increase in February 2024, and the part-year benefit of a \$5 price increase in monthly passes introduced in March 2025. This more than offset a 2.1% reduction in Neon revenue due to an increase in the percentage of Neon customers choosing the Basic with Ads tier, however this product generates additional digital revenue recognised in the Advertising revenue line. The change in product mix partly offset the ARPU impact from Neon Standard tier increases of \$2 in January 2024 and \$4 in January 2025.

Sky Broadband revenue delivered significant growth, up 34.4% year on year to \$37.0 million, as a result of continued strong growth in customer relationships and the full-year benefit of customer growth in the prior year. A \$5 line fee increase (including GST) was passed on from October 2024 (excluding low-speed plans). ARPU decreased by 7.1% year on year, largely due to a change in mix with strong demand for the lower priced Broadband Starter plan, which grew to 18.5% of the base from 9.9%.

Commercial revenue decreased 1.0% year on year to \$54.0 million in challenging economic conditions. Despite ARPU growth, subscriber numbers reduced 4.7% year on year.

Advertising revenue delivered a strong performance in a challenging market, with growth of 6.5% to \$57.1 million. This included strong growth in new revenue from the launch of digital advertising on Sky Sport Now and the full-year impact of advertising on Neon Basic launched in January 2024. Sky's revenue market share¹ of Total TV linear advertising spend rose from 12.6% to 14.0% against the backdrop of a 12.0% decline in total market linear spend.

Installation and other revenues decreased by 16.5% to \$18.4 million, largely due to lower revenue associated with Sky Box and Sky Broadband installations and contra revenue.

1. Source: Quarterly Performance Comparison Report, PwC.

Expense Analysis

A breakdown of Sky's operating expenses is provided below:

In NZD millions	2025 Adjusted	2025 Reported	2024 Reported	Adjusted % inc/(dec)
Programming	384.4	404.1	391.6	- 1.8
Subscriber related costs	71.3	71.4	80.6	- 11.5
Broadcasting and infrastructure	101.1	104.0	87.2	15.9
Other costs	52.6	58.3	54.7	- 3.9
Depreciation and amortisation	88.5	89.1	83.3	6.3
Total operating expenses	697.9	726.9	697.4	0.1

Programming consists of two main cost categories: programming rights and programming operating costs. Programming rights costs include sports and entertainment rights, pass-through channel rights (e.g. ESPN, Living Channel, UKTV etc.), movies (including pay per view movies), streaming and on-demand rights, and music rights. Programming operating costs also include production costs for live sports events, expenses related to satellite and fibre linking, and costs associated with creating studio shows and Sky Originals productions.

Programming costs on an adjusted basis reduced by 1.8% to \$384.4 million, as we continued to focus on content cost optimisation, and was achieved despite 2025 including the rights and productions costs associated with the 2024 Paris Olympics. Adjusted Programming costs as a percentage of revenue reduced by 0.2 pp to 50.9%.

Subscriber related costs include the costs of servicing and monitoring equipment installed in customers' homes, indirect installation costs, the costs of Sky's customer care services, sales and marketing activities and general administrative costs associated with customer management.

Subscriber-related costs on an adjusted basis improved significantly, reducing by 11.5% to \$71.3 million, due to a strong focus on cost control and increased efficiency, including continued improvements in warehouse and logistics and the impact of operational improvements in customer care.

Broadcasting and infrastructure costs relate to the transmission and linking of Sky and Sky Open content from Sky's studios to devices in customers' homes. This includes both satellite transmission and streaming over the internet, as well as other distribution platforms. Local fibre company input costs for Sky's Broadband service are also included in this cost line, as well as costs associated with operating Sky's studio and office facilities in Central Auckland, Mt Wellington and Albany (excluding any lease costs).

Broadcasting and infrastructure costs on an adjusted basis increased by 15.9% to \$101.1 million, largely driven by the increase in variable direct costs as a result of significant growth in Sky Broadband and increased Streaming customer numbers.

Other costs of \$52.6 million on an adjusted basis were 3.9% lower than the prior period due to lower consultancy and other overhead costs.

Depreciation and amortisation costs include depreciation charges relating to capitalised installation costs, subscriber equipment such as satellite dishes, set-top boxes and pods owned by Sky, fixed assets such as office fitouts and broadcasting equipment, depreciation of the right-of-use lease assets created under NZ IFRS 16 and amortisation of computer software and intangible assets.

Depreciation of property, plant, and equipment relates to capitalised installation costs, investment in broadcast assets and acquisition of customer equipment such as Sky Boxes, Sky Pods and Broadband routers, with the increase reflecting ongoing investment in subscriber equipment in line with customer demand. The increase in amortisation of intangibles was due to the amortisation of ongoing development of the Sky Box and Pod Platforms as well as digital and data capability enhancements. Depreciation of right-of-use assets remained flat year on year.

Depreciation, amortisation, and impairment costs are summarised below:

In NZD millions	2025 Adjusted	2025 Reported	2024 Reported
Depreciation of property, plant and equipment	36.5	36.9	33.6
Amortisation of Intangibles	27.8	28.0	25.5
Depreciation of right-of-use assets	24.2	24.2	24.2
Total depreciation and amortisation	88.5	89.1	83.3

Capital Expenditure

Sky's capital expenditure for the year is summarized as follows:

In NZD millions	2025 Adjusted	2025 Reported	2024 Reported
Subscriber equipment	18.9	18.9	34.9
Installation costs	10.4	16.5	11.8
Projects under development	1.9	1.9	5.2
Software	24.1	30.2	20.9
Other	9.9	11.0	10.1
Capital expenditure	65.2	78.4	82.9

Adjusted capital expenditure of \$65.2 million excludes \$13.2 million of satellite migration related spend, which largely comprised capitalised installation and related hardware costs, as well as internal labour, equipment and software infrastructure costs.

Excluding satellite migration, Sky's capital expenditure remains weighted towards growth-focused spending, with continued investment in the rollout of new products and development of software enhancements and new features. Investment in new Sky Box and Pod hardware has reached a maintenance level following a period of accelerated capital investment to build inventory. Installation costs were lower due to greater efficiencies in logistics and operations. Investment in the Projects under development and Software categories remained similar year on year as we continue to focus on improvements in customer experience, investment in advertising technology, and digital and data capability enhancements.

Adjusted capital expenditure as a percentage of revenue was 8.6%, within the long run target range of 7% to 9% of revenue, and down from 10.2% in the prior year on a like for like basis (excluding FY24 satellite migration spend of \$4.5 million).

Programming Commitments

The table below outlines the Group's contractual commitments for programming rights not yet available for transmission and therefore not yet recognised as inventories on the Group's balance sheet. This information has previously been disclosed within the commitments note of the 30 June 2024 (and prior) financial statements. As it is not required under current IFRS disclosure standards, it has been removed from the audited financial statements for the current year, however, given the value placed on this information by stakeholders, we have chosen to provide this information within the Financial Commentary section.

In NZD 000	30-Jun-25	30-Jun-24
Contracts for future programmes:		
Year 1	264,603	343,919
Year 2	113,965	201,370
Year 3	61,774	109,866
Year 4	29,723	58,741
Year 5	2,612	14,585
Later than year 5	1,975	8,714
	474,652	737,195

Financial Performance Trends

In NZD 000	2025	2024	2023	2022	2021
For the year ended 30 June					
Income statement					
Total revenue and Other income	758,404	767,205	757,852	752,864	724,754
Total operating expenses	637,766	614,170	609,186	583,848	544,377
EBITDA¹	120,638	153,035	148,666	169,016	180,377
Depreciation, amortisation and impairment ²	89,141	83,271	74,098	80,171	106,496
Impairment of goodwill	-	-	-	2,000	-
Interest income	1,380	1,905	2,639	814	226
Interest expense	4,277	4,659	5,110	5,772	11,941
(Gains)/losses on currency and other	(321)	(1,697)	1,042	1,136	(1,179)
Net profit/(loss) before income tax	28,921	68,707	71,055	80,751	63,345
Balance sheet					
Property, plant and equipment, intangibles and right-of-use assets	252,491	193,769	192,599	180,394	215,621
Goodwill	244,264	244,264	244,264	244,264	255,245
Total assets	672,867	681,384	693,699	776,850	696,929
Interest bearing loans and liabilities	72,600	24,712	49,313	71,714	72,321
Working capital ³	39,457	58,364	47,953	21,918	23,842
Total liabilities	233,852	232,466	252,919	282,357	272,928
Total equity	439,015	448,918	440,780	494,493	424,001
Cash flow					
Net cash from operating activities	120,201	139,131	117,021	119,638	101,169
Net cash (used in)/from investing activities	(77,746)	(88,707)	(71,380)	17,897	(38,148)
Lease repayments	(17,693)	(26,742)	(29,109)	(32,144)	(37,503)
Free cash flow available to shareholders ⁴	24,762	23,682	16,532	105,391	25,518
Capital expenditure					
Capital expenditure	77,746	88,707	71,380	44,683	45,032
Assets acquired by way of business combination ⁵	-	-	-	-	203
Assets disposed of in the period ⁶	-	-	(11,000)	(34,195)	(9,095)
	77,746	88,707	60,380	10,488	36,140

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

(2) The FY25 year includes depreciation on right-of-use assets of \$24.2 million (FY24: \$24.2 million).

(3) Working capital excludes cash and cash equivalents, current borrowings, derivative financial instruments, available for sale financial assets, contract liabilities and lease liabilities.

(4) Free cash flow is after lease repayments for the period that are categorised in financing cash flows, but before other financing activities.

(5) Sky acquired Sports Analytics in 2021.

(6) RugbyPass was sold on 10 October 2022 for non-cash consideration. The Mt Wellington properties in Auckland were sold on 18 March 2022. The OSB business was sold in the 2021 financial year.

Directors' Responsibility Statement

The directors of Sky Network Television Limited (Sky) are responsible for ensuring that the consolidated financial statements of Sky and its subsidiaries (the Group) fairly present the financial position of the Group as at 30 June 2025 and the results of its operations and cash flows for the year ended on that date.

The directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

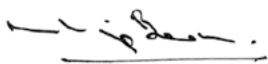
The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013.

The directors consider they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors present the consolidated financial statements of the Group for the year ended 30 June 2025.

The Board of Directors of Sky authorise these consolidated financial statements for issue on 22 August 2025.

For and on behalf of the Board of Directors.



Philip Bowman
Director and Chair

Date: 22 August 2025



Keith Smith
Director and Chair of Audit and Risk Committee

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Consolidated Income Statement

For the year ended 30 June 2025

In NZD 000	Notes	30-Jun-25	30-Jun-24
Revenue	4	750,723	766,734
Other income	5	7,681	471
Expenses			
Programming		404,124	391,630
Subscriber related costs		71,367	80,566
Broadcasting and infrastructure		103,971	87,239
Depreciation, amortisation and impairment of assets	6	89,141	83,271
Other costs		58,304	54,735
Total expenses		726,907	697,441
Finance income	18	1,700	3,602
Finance expense	18	4,276	4,659
Profit before tax		28,921	68,707
Income tax expense	8	8,331	19,484
Profit for the year		20,590	49,223
Attributable to			
Equity holders of the Company	7	20,228	48,964
Non-controlling interests		362	259
		20,590	49,223
Earnings per share			
Basic and diluted earnings per share (cents)	7	14.69	34.44

Consolidated Statement of Comprehensive Income

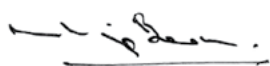
For the year ended 30 June 2025

In NZD 000	30-Jun-25	30-Jun-24
Profit for the year	20,590	49,223
Items that may be reclassified to profit or loss		
Deferred hedging losses transferred to operating expenses during the year	(490)	(2,499)
Changes in fair value of cash flow hedges	(2,988)	247
Income tax effect	974	630
Net other comprehensive loss to be reclassified to profit or loss, net of income tax	(2,504)	(1,621)
Items that may not be reclassified to profit or loss		
Deferred hedging gains transferred to non-financial assets during the year	181	848
Income tax effect	(51)	(237)
Net other comprehensive income not being reclassified to profit or loss, net of income tax	130	611
Total comprehensive income for the year	18,216	48,213
Attributable to:		
Equity holders of the Company	17,854	47,954
Non-controlling interest	362	259
	18,216	48,213

Consolidated Balance Sheet

As at 30 June 2025

In NZD 000	Notes	30-Jun-25	30-Jun-24
Current assets			
Cash and cash equivalents		32,410	37,799
Trade and other receivables	9	60,660	72,441
Programme rights inventory	10	70,927	125,644
Income tax receivable		3,788	-
Derivative financial instruments	21	640	1,333
		168,425	237,217
Non-current assets			
Trade and other receivables	9	7,467	4,928
Property, plant and equipment	12	126,958	116,930
Right-of-use assets	13	62,147	16,722
Intangible assets	14	63,386	60,117
Goodwill	15	244,264	244,264
Derivative financial instruments	21	220	1,206
		504,442	444,167
Total assets		672,867	681,384
Current liabilities			
Lease liabilities	17	22,720	9,335
Trade and other payables	11	95,918	133,747
Contract liabilities	11	56,903	56,535
Deferred obligation	11	-	8,126
Income tax payable		-	5,974
Derivative financial instruments	21	2,464	2,450
		178,005	216,167
Non-current liabilities			
Lease liabilities	17	49,880	15,377
Trade and other payables	11	1,029	583
Deferred tax liability	8	2,499	4
Derivative financial instruments	21	2,439	335
		55,847	16,299
Total liabilities		233,852	232,466
Equity			
Share capital	19	676,755	676,755
Reserves	20	(1,619)	359
Retained deficit		(237,570)	(229,575)
Total equity attributable to equity holders of the Company		437,566	447,539
Non-controlling interest		1,449	1,379
Total equity		439,015	448,918
Total equity and liabilities		672,867	681,384



Philip Bowman
Director and Chair

For and on behalf of the Board 22 August 2025



Keith Smith
Director and Chair of Audit and Risk Committee

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

In NZD 000	Notes	Attributable to owners of the parent				Non-controlling interest	Total equity
		Share capital	Reserves	Retained deficit	Total		
For the year ended 30 June 2025							
Balance at 1 July 2024		676,755	359	(229,575)	447,539	1,379	448,918
Net profit for the year		-	-	20,228	20,228	362	20,590
Cash flow hedges, net of tax	20	-	(2,374)	-	(2,374)	-	(2,374)
Total comprehensive income for the year		-	(2,374)	20,228	17,854	362	18,216
Transactions with owners in their capacity as owners							
Dividend paid ¹		-	-	(28,223)	(28,223)	(292)	(28,515)
Supplementary dividends		-	-	(1,636)	(1,636)	-	(1,636)
Foreign investor tax credits		-	-	1,636	1,636	-	1,636
Share based compensation reserve ⁴	27	-	396	-	396	-	396
		-	396	(28,223)	(27,827)	(292)	(28,119)
Balance at 30 June 2025		676,755	(1,619)	(237,570)	437,566	1,449	439,015
For the year ended 30 June 2024							
Balance at 1 July 2023		693,720	1,188	(255,554)	439,354	1,426	440,780
Net profit for the year		-	-	48,964	48,964	259	49,223
Exchange difference on translation of foreign operations		-	-	-	-	-	-
Cash flow hedges, net of tax	20	-	(1,010)	-	(1,010)	-	(1,010)
Total comprehensive income for the year		-	(1,010)	48,964	47,954	259	48,213
Transactions with owners in their capacity as owners							
Share Buyback ²	19	(16,931)	-	-	(16,931)	-	(16,931)
Transaction costs	19	(34)	-	-	(34)	-	(34)
Dividend paid ³		-	-	(22,985)	(22,985)	(306)	(23,291)
Supplementary dividends		-	-	(1,678)	(1,678)	-	(1,678)
Foreign investor tax credits		-	-	1,678	1,678	-	1,678
Share based compensation reserve ⁴	27	-	181	-	181	-	181
		(16,965)	181	(22,985)	(39,769)	(306)	(40,075)
Balance at 30 June 2024		676,755	359	(229,575)	447,539	1,379	448,918

(1) Sky paid dividends of 12.0 cents per ordinary share on 20 September 2024 and 8.5 cents per ordinary share on 21 March 2025.

(2) On 6 April 2023 and 1 April 2024 Sky commenced on-market share buyback programmes, refer to note 19.

(3) Sky paid dividends of 9.0 cents per ordinary share on 22 September 2023 and 7.0 cents per ordinary share on 22 March 2024.

(4) In August 2023 the Group approved a long term incentive plan and granted 408,415 shares to executives of the Group. In September 2024 a further 388,742 shares were granted to executives of the Group, with a further 21,738 shares granted in February 2025, refer to note 27.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

In NZD 000	Notes	30-Jun-25	30-Jun-24
Cash flows from operating activities			
Profit before tax		28,921	68,707
Adjustments for:			
Depreciation and amortisation	6	89,141	83,271
Impairment of programme rights	10	1,400	-
Accelerated amortisation of Neon and SoHo content	10	18,365	-
Unrealised foreign exchange loss/(gain)	18	63	(1,575)
Interest expense	18	4,276	4,659
Interest income	18	(1,380)	(1,905)
Bad debts and movement in provision for loss allowance	6	1,701	1,876
Other non-cash items ¹		(4,747)	753
Movement in working capital items:			
Decrease/(increase) in receivables		110	(23,529)
(Decrease)/increase in payables		(36,914)	12,069
Decrease in programme rights		34,819	10,559
Cash generated from operations		135,755	154,885
Interest paid		(4,251)	(4,631)
Interest received		1,380	1,905
Bank facility fees paid		(25)	(28)
Income tax paid		(12,658)	(13,000)
Net cash from operating activities		120,201	139,131
Cash flows from investing activities			
Acquisition of property, plant, and equipment	12	(45,817)	(63,835)
Acquisition of intangibles	14	(31,929)	(24,872)
Net cash used in investing activities		(77,746)	(88,707)
Cash flows from financing activities			
Acquisition of ordinary shares through on-market share buyback	19	-	(16,931)
Transactions costs incurred	19	-	(34)
Payments for lease liability principal	17	(17,693)	(26,742)
Dividend paid to minority shareholders		(292)	(306)
Dividends paid		(29,859)	(24,663)
Net cash used in financing activities		(47,844)	(68,676)
Net decrease in cash and cash equivalents		(5,389)	(18,252)
Cash and cash equivalents at beginning of year		37,799	56,051
Cash and cash equivalents at end of year		32,410	37,799

(1) Other non-cash items includes the gain on satellite lease modification (refer Note 5), and loss on disposal of fixed assets.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

1. General Information

This section sets out the Group's accounting policies that relate to the consolidated financial statements as a whole. These have been presented in a structure which is intended to make them more relevant to shareholders. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

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 financial statements for the year ended 30 June 2025 comprise Sky Network Television Limited 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. The consolidated financial statements of the Group have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Listing Rules.

The Group's primary activity is to operate as a provider of sport and entertainment media services and telecommunications in New Zealand.

These consolidated financial statements were authorised for issue by the Board on 22 August 2025.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These consolidated financial statements are prepared on the basis of historical cost except where otherwise identified.

The consolidated financial statements are presented in New Zealand dollars.

Group structure

The Group has a majority share in the following subsidiaries:

Name of Entity	Principal Activity	Country of Incorporation	Parent	Jun-25	Jun-24
Sky DMX Music Limited	Commercial music	New Zealand	Sky	50.50%	50.50%
Sky Ventures Limited	Did not trade	New Zealand	Sky	100.00%	100.00%
Media Finance Limited	Did not trade	New Zealand	Sky	100.00%	100.00%
Non Trading PS Limited (previously Outside Broadcasting Limited)	Did not trade	New Zealand	Sky	100.00%	100.00%
Screen Enterprises Limited	Did not trade	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	Did not trade	New Zealand	Sky	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) ¹	Did not trade	South Africa	Sky Investment Holdings Limited	-	81.00%

(1) On 2nd September 2024, Sports Analytics (Pty) Limited was removed from the company register.

Environmental, Social and Governance (ESG) Reporting

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (the Act) has established a climate related disclosure framework for New Zealand and makes climate-related disclosures mandatory for climate reporting entities. The Act provided a mandate for the External Reporting Board (XRB) to issue a climate-related disclosure framework.

In December 2022, the XRB published the final climate-related disclosure (CRD) framework for New Zealand, which is effective for the Group's financial year commencing 1 April 2023. The new standards are termed the Aotearoa New Zealand Climate Standards. The Group will publish its second mandatory Climate Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards at www.sky.co.nz/investor-centre/results-and-reports by 31 October 2025.

2. Basis of Consolidation

The Group financial statements consolidate the financial statements of Sky and its subsidiaries. The acquisition method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair value of the assets transferred and the liabilities incurred. Each identifiable asset and liability is generally measured at its acquisition date fair value except if another NZ IFRS requires another measurement basis. The excess of the consideration of the acquisition and the amount of any non-controlling interest in the acquired company, less the Group's share of the identifiable assets acquired, and the liabilities assumed, is recognised as goodwill. Acquisition related costs are expensed as incurred.

Subsidiaries

Subsidiaries are entities that are controlled, either directly or indirectly, by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns from its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains unless the transaction provides evidence of an impairment of the asset transferred.

Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. Material Accounting Policies and Critical Judgements and Estimates

Material accounting judgements, estimates and assumptions

In the application of the Group's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The table below lists areas of key estimates and judgements:

Key estimates and judgements	Note
Agent vs principal revenue recognition	4. Segment and Revenue Information
Revenue recognition for new Sky Box and Sky Pod	4. Segment and Revenue Information
Unused tax losses	8. Taxation
Programme rights amortisation*	10. Programme Rights Inventory
Estimated life of technical assets	12. Property, Plant and Equipment
Transmission lease reassessment*	13. Right of Use Assets
Impairment testing of definite useful intangible assets	14. Intangible Assets
Assumptions underlying annual goodwill impairment assessment	15. Goodwill
Determining the lease term	17. Lease Liabilities
Transmission lease reassessment*	17. Lease Liabilities

* These are new key estimates and judgements in FY25.

Material accounting policies

The accounting policies applied by the Group in these consolidated 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 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The significant accounting policies which are pervasive throughout the financial statements are set out below. Other significant accounting policies which are specific to transactions or balances are disclosed within the note to which they relate.

Foreign currency translation

Functional and presentation currency: The Group's consolidated financial statements are presented in New Zealand dollars (NZD or \$) which is the Group's functional and presentation currency.

Transactions and balances: Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs, except when deferred in other comprehensive income as qualifying cash flow hedges.

Goods and services tax (GST)

The consolidated statement of comprehensive income and consolidated statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the consolidated balance sheet are stated net of GST with the exception of receivables and payables, which include GST invoiced.

Going concern

The Group's consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the next 12 months from the date of signing.

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 financial statements, after taking into consideration the current trading results and that the Group has available cash of \$32.4 million and an undrawn banking facility of \$100 million at 30 June 2025.

4. Segment and Revenue Information

In NZD 000	30-Jun-25	30-Jun-24
Sky Box subscriptions ¹	465,541	498,668
Broadband subscriptions	36,954	27,508
Streaming subscriptions	118,805	110,390
Commercial revenue	53,950	54,548
Advertising	57,098	53,597
Other revenue	18,375	22,023
	750,723	766,734

(1) Sky Box includes set-top boxes and Sky Pod devices.

Description of revenue streams

The Group has several revenue streams within its operating business segment which include the following:

Sky Box revenue: This includes all revenue related to Sky's subscription services for its Sky Box customers. Subscription fees are invoiced to customers on a monthly basis in advance and customer contracts are normally for a period of 12 months with monthly renewals thereafter. Early termination fees apply to 12 month contracted customers only and subscription revenue is recognised over the period to which the subscription relates.

Unearned subscriptions and deferred revenues are revenues that have been invoiced relating to services not yet performed and are reported as contract liabilities (refer note 11). Contract liabilities also include the portion of one-off upfront fees whereby the customer's deemed contract period has not yet finished.

Broadband revenue: This includes revenue from Sky's Broadband service which is provided primarily to Sky Box customers. Customers are invoiced in advance on a monthly basis either on a twelve month or rolling monthly contract. Early termination fees apply to 12 month contracted customers only. Revenue is allocated across the performance obligations on a relative standalone-selling price basis, using market-based approaches as follows:

- The provision of broadband connectivity – recognised on a straight-line basis over the contract term (as billed monthly).
- Voice services – recognised either on a straight-line basis over the term (for bundles) or as incurred (additional calls), consistent with billing.
- Costs incremental to obtaining a contract are expensed as incurred.

Streaming revenue: This includes revenue from services such as Neon and Sky Sport Now. This revenue is recognised over time based on the timing of the services provided. Contracts vary in length, including daily, weekly, monthly, annually and are invoiced and payable in advance.

Contracts with wholesale customers, where some of the Group's services including Neon and Sky Sport Now, are combined with the customer's products and sold as part of a bundled service have differing provisions such that the Group has been determined to be either the principal or the agent depending on the wholesale contract terms.

Commercial revenue: This includes commercial revenue earned from Sky subscriptions at businesses throughout New Zealand. Customers are invoiced in advance on a monthly basis and contracts are normally for a period of 12 months with monthly renewals thereafter.

Advertising revenue: This relates to revenue received from customers in return for advertising placed on the Group's services. This revenue is recognised at point in time when the advertisement is screened. Contract terms and rates vary depending on the customer and services provided. Customers are billed monthly in arrears. The Group's advertising services include linear, sponsorship, digital and social media.

Other revenue: This includes revenue from installation services, transmission services, and various other non-subscriber related revenue. This revenue is recognised when the product or service has been delivered to the customer at a point in time or when the performance obligation is received by the customer.

Revenue from the lease of Broadband equipment to the customer is recognised on a straight-line basis over the contract term, consistent with monthly billing.

Key estimates and judgements

Agent vs principal revenue recognition

If the Group has control of goods or services when they are delivered to a customer, then the Group is the principal in the sale to the customer, otherwise the Group is acting as an agent. Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgements impact the amount of reported revenue and operating flows.

New Sky Box and Sky Pod revenue recognition

The following are the key judgements in determining how to recognise revenue:

- **Predetermined use** – both devices have a predetermined use governed by Sky which supports the fact the contract arrangement for use of the new Sky Box or Sky Pod does not constitute a lease arrangement.
- **Customer contract term** – judgement has been applied in determining each customer's contract term which becomes the period over which the access fee is recognised. Sky stopped charging the access fee from January 2024.
- **Existing customers on rolling monthly contracts** – do not gain a material right from obtaining a new Sky Box. If they were to gain a material right, then this would require consideration in determining the customer contract term.

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 telecommunication services in New Zealand.

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

In NZD 000	Sky Box subscriptions	Broadband subscriptions	Streaming subscriptions	Commercial revenue	Advertising	Other revenue	Total revenue from contracts with customers
For the year ended 30 June 2025							
Revenue from customers	465,541	36,954	118,805	53,950	57,098	18,375	750,723
Total revenue	465,541	36,954	118,805	53,950	57,098	18,375	750,723
Timing of revenue recognition							
At a point in time	2,458	-	-	-	57,098	9,438	68,994
Over time	463,083	36,954	118,805	53,950	-	8,937	681,729
	465,541	36,954	118,805	53,950	57,098	18,375	750,723
For the year ended 30 June 2024							
Revenue from customers	498,668	27,508	110,390	54,548	53,597	22,023	766,734
Total revenue	498,668	27,508	110,390	54,548	53,597	22,023	766,734
Timing of revenue recognition							
At a point in time	3,055	-	-	-	53,597	11,943	68,595
Over time	495,613	27,508	110,390	54,548	-	10,080	698,139
	498,668	27,508	110,390	54,548	53,597	22,023	766,734

5. Other Income

Other income includes:

In NZD 000	30-Jun-25	30-Jun-24
Government grant R&D tax credits	675	213
Gain on lease modification ¹	4,924	-
Optus redundancy satellite credit	1,291	-
Other	791	258
	7,681	471

(1) On 31 December 2024, the Group shortened the term of its previous transmission lease to enable the transition to the current satellite, which became available for use on 15 April 2025 (refer to Note 17). This lease modification resulted in a gain recognised in FY25.

Other income: Income not related to revenue from contracts with customers (which is required to be disclosed separately, refer note 4), and primarily includes Government grant R&D tax credits, investment income, gains or (losses) on the disposal of assets, and gains or (losses) on lease modifications/reassessments.

6. Operating Expenses

Profit before tax includes the following separate expenses:

In NZD 000	Notes	30-Jun-25	30-Jun-24
Depreciation, amortisation and impairment			
Depreciation and impairment of property, plant and equipment ¹	12	36,948	33,550
Amortisation and impairment of intangibles	14	27,974	25,501
Depreciation of right-of-use assets	13	24,219	24,220
Total depreciation, amortisation and impairment		89,141	83,271
Credit loss			
Movement in provision		(258)	239
Net write-off		1,959	1,637
Total credit loss	9	1,701	1,876
Audit and review of financial statements ²		893	819
Non-audit assurance services provided by principal auditors			
Non-audit assurance engagements ⁵		65	14
Non-audit non-assurance services provided by principal auditors			
Agreed upon procedures ⁶		71	11
Total fees to external auditors		1,029	844
Employee costs ³		72,832	70,511
KiwiSaver employer contributions		2,227	2,104
Donations ⁴		72	82
Operating lease and rental expenses		679	628

(1) The majority of depreciation and amortisation relates to broadcasting assets (refer note 12).

(2) The audit fee includes the fee for both the annual audit of the financial statements and the review of the interim financial statements.

(3) Employee costs include \$3.2 million of redundancy expenses (2024: \$1.6 million).

(4) In FY25, Sky donated to the Special Children's Christmas party (FY24: Special Children's Christmas party and We the South documentary).

(5) In relation to Telecommunications Development Levy and Greenhouse Gas (GHG) emissions limited assurance scope 1 and 2.

(6) In relation to the Broadcasting Standards Authority Levy and GHG pre-conditions assessment.

Employee costs

Employee entitlements include salaries, wages and annual leave settled within 12 months of the reporting date. They represent present obligations resulting from employee services provided up to the reporting date, calculated at undiscounted amounts based on remuneration rates that the Group expects to pay.

Incentive plans are recognised as a liability and an expense for discretionary short-term incentives (STIs) based on a formula that takes into account financial and non-financial targets during the reporting period. The Group recognises this provision where contractually obliged or where there is a past practice that has created a constructive obligation.

7. Earnings Per Share

Basic and diluted earnings per share

	30-Jun-25	30-Jun-24
Profit after tax attributable to equity holders of the parent (NZD 000)	20,228	48,964
Weighted average number of ordinary shares on issue (thousands)	137,675	142,169
Basic and diluted earnings per share (cents)	14.69	34.44
Issued ordinary shares at the beginning of the year	137,675,010	143,852,496
Ordinary share buyback ⁽¹⁾	-	(6,177,486)
Total number of shares on issue	137,675,010	137,675,010
Weighted average number of ordinary shares on issue	137,675,010	142,168,914

(1) On 9 November 2023, the Group recommended the buyback programme that commenced on 6 April 2023, and the Group acquired an additional 3,555,050 shares at an average purchase price of \$2.70 and total consideration of \$9,793,000 (including transaction fees) until the completion of the programme on 31 March 2024. On 1 April 2024, the Board approved a further share buyback programme over a period of up to 12 months, with a maximum aggregate of \$15 million in purchase price and up to a maximum of 7,033,000 shares. At 30 June 2024, 2,622,436 shares had been purchased at an average price of \$2.73 for total consideration of \$7,171,000 (including transaction fees). The share buyback programme was paused on 4 June 2024, and Sky then notified the market on 19 November 2024 that the buyback remained in pause due to ongoing negotiations with NZ Rugby, and was not recommenced before its expiry on 31 March 2025.

Basic earnings or loss per share

Basic earnings or loss per share is calculated by dividing the profit attributable to equity holders of Sky by the weighted average number of ordinary shares on issue during the year.

Diluted earnings per share

Diluted earnings or loss per share is calculated by adjusting the weighted average of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Sky had no dilutive potential ordinary shares during the current or prior period.

8. Taxation

Income tax expense

The total charge for the year can be reconciled to the accounting profit as follows:

In NZD 000	30-Jun-25	30-Jun-24
Profit before tax	28,921	68,707
Prima facie tax expense at 28%	8,098	19,238
Non-deductible expenses	570	291
Prior year adjustment	933	(40)
Recognise tax losses previously not recognised	(1,270)	(317)
Adjustment to derecognise deferred tax on buildings	-	312
Income tax expense	8,331	19,484
Allocated between:		
Current tax	4,913	15,538
Deferred tax	3,418	3,946
Income tax expense	8,331	19,484

Current income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax, except to the extent that it relates to items recognised directly in other comprehensive income, in which case the tax expense is also recognised in other comprehensive income. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the rates that have been enacted or substantively enacted by the balance date.

In the prior year, income tax expense was impacted by an adjustment to deferred tax at 30 June 2024 to reflect the Inland Revenue rate change to 0% of the tax depreciation rate on commercial buildings. This resulted in de-recognition of deferred tax asset by \$312,000.

Imputation credits

In NZD 000	30-Jun-25	30-Jun-24
Imputation credits available for subsequent reporting periods based on a tax rate of 28%	202,991	210,812

The above amounts represent the balance of the imputation credit account as at the end of the reporting period adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax.
- Imputation debits that will arise from the payment of dividends. Availability of these credits is subject to continuity of ownership requirements.

Deferred tax assets and (liabilities)

The following are the major deferred tax liabilities and assets and the movements thereon during the current and prior reporting periods.

In NZD 000	Fixed assets	Leased assets	Lease liabilities	Other	Losses	Recognised directly in equity	Total
For the year ended 30 June 2025							
At 1 July 2024	(5,722)	(4,455)	6,920	1,848	1,497	(92)	(4)
NZ IFRS 9 hedging adjustment recognised through other comprehensive income	-	-	-	-	-	923	923
Recognise tax losses previously not recognised	-	-	-	-	1,270	-	1,270
Prior period adjustments recognised	-	-	-	(491)	-	-	(491)
Credited/(charged) to profit and loss	(5,212)	(16,806)	14,712	3,432	(442)	119	(4,197)
Balance at 30 June 2025	(10,934)	(21,261)	21,632	4,789	2,325	950	(2,499)
For the year ended 30 June 2024							
At 1 July 2023	(2,488)	(11,032)	13,807	2,294	1,497	(529)	3,549
NZ IFRS 9 hedging adjustment recognised through other comprehensive income	-	-	-	-	-	393	393
Recognise tax losses previously not recognised	-	-	-	-	-	-	-
Prior period adjustments recognised	-	-	-	(238)	-	-	(238)
Credited/(charged) to profit and loss	(3,234)	6,577	(6,887)	(208)	-	44	(3,708)
Balance at 30 June 2024	(5,722)	(4,455)	6,920	1,848	1,497	(92)	(4)

Certain deferred tax assets and liabilities have been offset as allowed under NZ IAS 12 where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and liabilities are levied by the same taxation authority.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction neither affects accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Key estimates and judgements

Deferred tax assets are recognised for unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits.

During FY25, the Group recognised an additional \$4,537,000 (\$1,270,000 tax affected) of tax losses from Sky Network Services Limited (previously Igloo Limited). Total tax losses recognised at 30 June 2025 are \$8,303,000 (\$2,325,000 tax affected): 30 June 2024 were \$5,347,000 (\$1,497,000 tax affected). These losses are recognised based on Management's assessment of the entity's results in recent years together with estimates of customer base and profitability of the entity in the next three to five years. There are no unrecognised losses remaining in this entity. These tax losses will be carried forward for use against future taxable profits of the entity subject to meeting the requirements of the income tax legislation, including shareholder continuity.

9. Trade and Other Receivables

In NZD 000	Note	30-Jun-25	30-Jun-24
Trade receivables		38,308	37,273
Less provision for loss allowance		(646)	(904)
Trade receivables – net		37,662	36,369
Other receivables		5,307	16,186
Transmission ¹		1,197	5,980
Prepaid expenses		23,961	18,834
Balance at end of year		68,127	77,369
Current		60,660	72,441
Two to five years		7,467	4,928
		68,127	77,369
Deduct receivables not classified as financial assets ²		(24,065)	(18,938)
Financial instruments	25	44,062	58,431

(1) As at 30 June 2025, the Group held an unused credit of \$1.2 million from a broadcast service provider, relating to a one-off redundancy benefit associated with the previous satellite lease. This amount has been recognised as other income (refer Note 5). Additional credits received in April 2025 under the current satellite lease have been offset against the lease liability (refer Note 17), contrasting with the April 2024 credit, which was recorded as a receivable and amortised as utilised. The unused portion of the April 2024 credit at 30 June 2024 was \$6.0 million.

(2) Receivables not classified as financial instruments include prepaid expenses, tax receivable and facility fees.

Impairment of trade receivables

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses trade receivables have been grouped based on the shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of revenue over the prior 24 months and the corresponding historical credit losses experienced within this period.

The impairment provision/loss allowance of trade receivables as at 30 June 2025 is as follows:

	30-Jun-25		30-Jun-24	
	Gross	Impairment provision	Gross	Impairment provision
In NZD 000				
Residential subscribers	23,912	(473)	25,710	(675)
Commercial subscribers	5,106	(65)	4,621	(23)
Wholesale customers	920	-	769	-
Advertising	5,519	(81)	4,168	(30)
Other	2,851	(27)	2,005	(176)
	38,308	(646)	37,273	(904)

As at 30 June 2025, the ageing analysis of trade receivables is as follows:

	30-Jun-25			30-Jun-24		
	Expected loss rate ¹	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
In NZD 000						
Not past due	0.3%	33,747	(95)	0.2%	32,540	(70)
Past due 0-30 days	2.4%	3,031	(74)	2.4%	2,879	(69)
Past due 31-60 days	6.7%	915	(61)	16.6%	1,134	(188)
Past due 61-90 days	42.1%	321	(135)	48.7%	277	(135)
Greater than 90 days	95.6%	294	(281)	99.7%	443	(442)
	38,308	(646)		37,273	(904)	

(1) The differences in the expected loss rates reflect variations in the composition of trade receivables year on year.

Movements in the provision for impairment of receivables were as follows:

In NZD 000	Note	30-Jun-25	30-Jun-24
Opening balance		904	665
Charged during the year	6	1,701	1,876
Utilised during the year		(1,959)	(1,637)
Closing balance		646	904

The provision charged and the amount utilised for impaired receivables has been included in subscriber related costs in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of receiving additional cash, usually ninety days after a customer has been disconnected. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group holds collateral of \$0.9 million (30 June 2024: \$1.0 million) in the form of deposits for Sky Box customers.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade receivables is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. An impairment loss is recognised based on expected credit losses for each trade receivable group.

10. Programme Rights Inventory

In NZD 000	30-Jun-25	30-Jun-24
Opening balance	125,644	134,812
Acquired during the year	304,499	335,548
Charged to programming expenses ¹	(359,216)	(344,716)
Balance at end of year	70,927	125,644

(1) Represents programming rights costs only, excluding production and programming operations costs of \$44.9 million (FY24: \$46.9 million).

Consistent with the Group's policy to regularly review the method used to recognise programming expense, Neon streaming content, which has previously been amortised on a straight-line basis over the licence period, has been updated to better reflect the Group's understanding of current viewership behaviour. This represents a change in accounting estimate that has been adjusted prospectively. As a result of the change in amortisation methodology for Neon streaming content, an accelerated amortisation charge of \$18.3 million (including SoHo accelerated amortisation) is recognised in the current period. Additionally, \$1.4m of content was written off and recognised as an onerous provision (refer Note 26).

Programme rights for broadcast are stated at the lower of cost and net realisable value, and net of the accumulated expense charged to the income statement to date. Such programming rights are included as inventory when the legally enforceable licence period commences, and all of the following conditions have been met: (a) the cost of each programme is known or reasonably determinable; (b) the programme material has been accepted by the Group in accordance with the conditions of the rights; and (c) the programme is available for its first showing.

Prior to being included in inventories, the programming rights are classified as television programme rights not yet available for transmission and not recorded as inventories on the Group's balance sheet.

The cost of television programme inventory is recognised as programming rights in the Consolidated Income Statement, over the period the Group utilises and consumes the programming rights, applying linear-broadcast, viewership behaviour and time-based methods of amortisation depending on the type of programme right and taking into account the circumstances primarily as described below.

These circumstances may change or evolve over time and, as such, the Group regularly reviews and updates the method used to recognise programming expense.

Sports – the majority or all of the cost is recognised in the Consolidated Income Statement on the first broadcast or, where the rights are for multiple seasons or competitions, such rights are recognised principally on a straight-line basis across the contracted broadcast period or season.

Movies – the cost is recognised in the Consolidated Income Statement on an "as played" basis and over the period for which the broadcast rights are licensed.

Free-to-air channels – the cost is fully amortised on the first broadcast.

Pass through channels – the cost is amortised in the month of activity.

Entertainment streaming – Neon's streaming content was previously amortised on a straight-line basis over the licence period. In the current year, the streaming content amortisation methodology has been reviewed and updated to better reflect current viewership behaviour. This represents a change in accounting estimate that has been adjusted prospectively. The updated methodology is:

- Neon's New content¹ is amortised over 24 months, with 65% of the value expensed in the first 6 months, 15% in the subsequent 6 months, and 20% in the second year.
- Neon's Library content² which also includes Kids content and Sky Originals will continue to be amortised on a straight-line basis over the term of the licence.

The Group regularly reviews its programming rights for impairment. Where programme broadcast rights are surplus to the Group's requirements, and no gain is anticipated through a disposal of the rights, or where the programming will not be broadcast for any other reason, a write-down to the Consolidated Income Statement is made. Any reversals of inventory write-downs are recognised as reductions in operating expense.

(1) New is defined as any programming (whether part of a series or one-off, scripted or non-scripted) that meets both of the following requirements a) they have not been previously made available in New Zealand (via any service, including Sky services) other than via home video, TVOD and EST; and b) the date of first transmission on Neon is no later than 3 years after the worldwide premier date.

(2) Library is any programming that does not fall within the definition of New.

11. Trade and Other Payables and Contract Liabilities

In NZD 000	Notes	30-Jun-25	30-Jun-24
Trade payables		56,413	83,318
Employee entitlements		8,534	10,475
Tax payables		4,537	4,498
Accruals		25,586	31,857
Deferred obligation ¹		-	8,126
Provisions	26	1,877	4,182
Balance at end of year		96,947	142,456
Current		95,918	141,873
Two to five years		1,029	583
		96,947	142,456
Less			
Payables not classified as financial instruments ²		(14,948)	(19,155)
Financial instruments	25	81,999	123,301

(1) In April 2024, the Group received a credit from a broadcast service provider for capital expenditure related to satellite migration. This was held as a deferred obligation until the commencement of the satellite lease in September 2024, at which point it was offset against the right-of-use asset (refer Note 13). A similar credit received in April 2025 was netted against both the right-of-use asset and lease liability upon inception of the lease on 15 April 2025, resulting in a nil deferred obligation balance as at 30 June 2025.

(2) Tax payables, provisions and employee benefits do not meet the definition of a financial instrument and have been excluded from the "Financial instruments" category.

Trade and other payables, other than contingent consideration, which is measured at fair value, are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

Contract liabilities

In NZD 000	30-Jun-25	30-Jun-24
Deferred revenue	56,903	56,535

Contract liabilities of \$56,535,000 were released into revenue during the year ended 30 June 2025 (30 June 2024: \$57,532,000). Contract liabilities are not classified as financial instruments.

Contract liabilities are payments received from customers in advance and are recognised in revenue over the service period. Sky invoices customers in advance for Sky box, Broadband, Streaming, and Commercial subscriptions. Contract liabilities recognised at the end of the financial year are recognised as revenue in the following year.

12. Property, Plant and Equipment

In NZD 000	Land, buildings & leasehold improvements	Broadcasting & studio equipment	Customer premises equipment	Capitalised installation costs	Other plant & equipment	Projects under development	Total
For the year ended 30 June 2025							
Cost							
Balance at 1 July 2024	14,730	100,306	282,798	227,396	49,099	1,806	676,135
Transfer between categories	470	975	-	-	143	(1,588)	-
Additions ^{1,2}	1,212	8,602	18,883	16,495	1,154	807	47,153
Disposals ³	(585)	-	(1,231)	(32,090)	(4,328)	-	(38,234)
Balance at 30 June 2025	15,827	109,883	300,450	211,801	46,068	1,025	685,054
Accumulated depreciation							
Balance at 1 July 2024	5,366	89,186	227,292	197,861	39,500	-	559,205
Depreciation for the year (note 6)	1,262	3,664	14,855	12,868	4,299	-	36,948
Disposals ³	(493)	-	(1,219)	(32,090)	(4,255)	-	(38,057)
Balance at 30 June 2025	6,135	92,850	240,928	178,639	39,544	-	558,096
Net book value at 30 June 2025	9,692	17,033	59,522	33,162	6,524	1,025	126,958
For the year ended 30 June 2024							
Cost							
Balance at 1 July 2023	12,661	100,519	253,450	231,662	74,655	890	673,837
Transfer between categories	732	133	-	-	25	(890)	-
Impairment	-	-	(803)	-	-	-	(803)
Additions ^{1,2}	1,539	6,469	34,897	11,758	2,146	1,806	58,615
Disposals ³	(202)	(6,815)	(4,746)	(16,024)	(27,727)	-	(55,514)
Balance at 30 June 2024	14,730	100,306	282,798	227,396	49,099	1,806	676,135
Accumulated depreciation							
Balance at 1 July 2023	4,592	93,221	221,985	200,876	61,245	-	581,919
Depreciation for the year (note 6)	969	2,780	10,037	13,009	5,952	-	32,747
Disposals ³	(195)	(6,815)	(4,730)	(16,024)	(27,697)	-	(55,461)
Balance at 30 June 2024	5,366	89,186	227,292	197,861	39,500	-	559,205
Net book value at 30 June 2024	9,364	11,120	55,506	29,535	9,599	1,806	116,930

(1) Additions to customer premises equipment includes purchase of New Sky Box, Pod and Broadband devices.

(2) Total additions of \$47,153,000 includes an increase in comparative year creditor accruals of \$1,336,000 which are excluded in the \$45,817,000 disclosed as acquisition of PPE in the Consolidated Statement of Cash flows.

(3) Disposals include the removal of both the cost and accumulated depreciation of fully depreciated assets that are no longer utilised by the Group.

Land, buildings, and leasehold improvements at 30 June 2025 includes land with a cost of \$1,600,000 (30 June 2024: \$1,600,000).

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except land which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Capitalised installation costs are represented by the cost of satellite dishes, installation costs and direct labour costs. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The cost of additions to plant and other assets constructed by the Group consist of all appropriate costs of development, construction and installation, comprising material, labour, direct overhead and transport costs. For qualifying assets directly attributable interest costs incurred during the period required to complete and prepare the asset for its intended use are capitalised as part of the total cost. All other costs are recognised in the Consolidated Income Statement as an expense is incurred. Additions in the current year include \$1,264,000 of capitalised labour costs (30 June 2024: \$1,095,000).

Projects under development comprise expenditure on partially completed assets. The projects include items of property, plant and equipment and intangible assets. At completion of the project the costs are allocated to the appropriate asset categories and depreciation or amortisation commences.

Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recognised in other costs.

Depreciation

Property, plant and equipment are depreciated using the straight-line method so as to allocate the costs of assets to their residual values over their estimated useful lives as follows:

Leasehold improvements	5-50 years
Buildings	50 years
Broadcasting and studio equipment	5-10 years
Customer premises equipment	4-6 years
Other plant and equipment	3-10 years
Capitalised installation costs	5 years

Depreciation commences when the property, plant and equipment is considered available for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Key estimates and judgements

The estimated life of technical assets such as customer premises equipment and other broadcasting assets is based on management's best estimates. Changes in technology may result in the economic life of these assets being different from that estimated previously. The Board and management regularly review economic life assumptions of these assets as part of management reporting procedures.

13. Right-of-Use Assets

In NZD 000	Transmission	Property	Equipment	Motor Vehicles	Total
Right-of-use assets					
Balance at 1 July 2024	2,531	10,278	3,913	-	16,722
Additions ¹	76,042	-	10,696	622	87,360
Lease modification/reassessment ²	(19,762)	-	2,040	6	(17,716)
Depreciation	(14,813)	(2,232)	(7,067)	(107)	(24,219)
Balance at 30 June 2025	43,998	8,046	9,582	521	62,147
Right-of-use assets					
Balance at 1 July 2023	17,720	12,772	8,905	2	39,399
Additions	-	-	1,626	-	1,626
Lease modification/reassessment ¹	-	-	(53)	-	(53)
Terminations	-	(146)	116	-	(30)
Depreciation	(15,189)	(2,348)	(6,681)	(2)	(24,220)
Balance at 30 June 2024	2,531	10,278	3,913	-	16,722

(1) On 1 September 2024, the Group recognised a new lease reflecting its satellite arrangements commencing from that date, resulting in an addition of \$28.6m with a lease term ending on 31 December 2026. Subsequently, this lease was modified to end on 15 April 2025, which was the transition date to the Group's current satellite lease. The current lease is reflected above as an addition of \$47.4m, and has a termination date of 31 March 2028.

(2) On 31 December 2024, as a result of the renegotiation of the satellite transmission services agreement, the satellite lease was modified to have a lease term ending on 15 April 2025, which was the transition date to the current satellite (see additions line above).

Right-of-use assets are measured at cost which includes the initial measurement of the lease liability, plus any lease payment made before the commencement date, initial direct costs and restoration costs less any lease incentives received. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group leases various premises, transmission equipment, motor vehicles and sundry equipment. Rental contracts vary between one and five years with some office leases containing renewal options. The Group has incorporated renewal options into the lease term where it is reasonably certain that the lease will be extended.

14. Intangible Assets

In NZD 000	Software	Other intangibles	Projects under development	Total
For the year ended 30 June 2025				
Cost				
Balance at 1 July 2024	248,915	2,921	3,477	255,313
Transfer from projects under development	3,111	-	(3,111)	-
Additions ¹	30,188	-	1,076	31,264
Disposals ²	(43)	-	-	(43)
Balance at 30 June 2025	282,171	2,921	1,442	286,534
Accumulated amortisation				
Balance at 1 July 2024	192,275	2,921	-	195,196
Amortisation for the year	27,974	-	-	27,974
Disposals ²	(22)	-	-	(22)
Balance at 30 June 2025	220,227	2,921	-	223,148
Net book value at 30 June 2025	61,944	-	1,442	63,386
For the year ended 30 June 2024				
Cost				
Balance at 1 July 2023	239,986	2,921	2,800	245,707
Transfer from projects under development	2,346	-	(2,346)	-
Additions ¹	20,911	-	3,425	24,336
Disposals ²	(14,328)	-	-	(14,328)
Impairment	-	-	(402)	(402)
Balance at 30 June 2024	248,915	2,921	3,477	255,313
Accumulated amortisation				
Balance at 1 July 2023	181,504	2,921	-	184,425
Amortisation for the year	25,099	-	-	25,099
Disposals ²	(14,328)	-	-	(14,328)
Balance at 30 June 2024	192,275	2,921	-	195,196
Net book value at 30 June 2024	56,640	-	3,477	60,117

(1) Total additions of \$31,264,000 includes a decrease in comparative year creditor accruals of \$665,000 which are included in the \$31,929,000 disclosed as acquisition of intangibles in the Consolidated Statement of Cash flows.

(2) Disposals include the removal of both the cost and accumulated depreciation of fully depreciated assets that are no longer utilised by the Group.

Software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives (generally three to five years). Direct costs associated with the development of broadcasting and business software for internal use are capitalised where it is probable that the asset will generate future economic benefits. Capitalised costs include external direct costs of materials and services consumed and direct payroll-related costs for employees (including contractors) directly associated with the project and interest costs incurred during the development stage of a project. Additions in the current year to software include capitalised labour costs of \$9,420,000 (30 June 2024: \$8,186,000) and no interest was capitalised.

Costs associated with cloud computing arrangements not controlled by Sky are expensed as incurred. Customisation and configuration costs are capitalised if they are directly attributable to identifiable intangible assets which are controlled by Sky and are generated or acquired during implementation. These assets are amortised over their estimated useful lives (generally three to five years). Customisation and configuration costs are otherwise expensed as incurred unless they relate to services performed by the SaaS vendor which are assessed as not distinct from the SaaS offering, in which case they are capitalised as a prepayment and expensed over the service contract period.

Projects under development comprise expenditure on partially completed assets. The projects include items of property, plant and equipment and intangible assets. At completion of the project the costs are allocated to the appropriate asset categories and depreciation or amortisation commences.

Key estimates and judgements

Assets that are subject to amortisation and depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

15. Goodwill

In NZD 000	30-Jun-25	30-Jun-24
Opening balance	244,264	244,264
Closing balance	244,264	244,264

Assets that have an indefinite useful life are not subject to amortisation and are tested at each reporting date for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment tests are performed by assessing the recoverable amount of each individual asset or cash generating unit (CGU). The recoverable amount is determined as the higher amount calculated under a value-in-use or a fair value less costs of disposal calculation. Both methods utilise pre-tax future cash flows which are included in the Group's five-year business plan.

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition and the fair value of the non-controlling interest in the acquired subsidiary. Prior to 30 June 2020 the goodwill balance had been allocated to the Group's single reportable segment. The majority of goodwill arose as a result of the acquisition of Sky by Independent Newspapers Limited (INL) in 2005. Subsequent acquisitions have resulted in increases to goodwill, including in August 2019 with the acquisition of RugbyPass and associated goodwill of \$38.5 million. RugbyPass was sold on 10 October 2022 and the remaining Goodwill (\$9.0 million) was disposed in FY23.

In performing impairment testing, if the carrying values exceed the recoverable amounts for the CGU, then the goodwill is considered to be impaired and an impairment expense is recognised in the Consolidated Income Statement. The recoverable amount of the Sky CGU for the year ended 30 June 2025 has been determined based on fair value less cost of disposal calculation using a discounted cash flow (DCF) model. For the year ended 30 June 2025 management has utilised the same valuation approach in the prior year for calculating the recoverable amount of the Sky CGU. This valuation methodology uses level three inputs in terms of the fair value hierarchy in NZ IFRS 13.

The fair value less cost of disposal calculation includes benefits of future changes to the cost structure as the Group leverages new technologies and continues to refine its operating models. Some of these changes would not be included if value-in-use calculations were used to determine the recoverable amounts of the Sky CGU and therefore fair value less cost of disposal calculations leads to the highest recoverable amount for the Sky CGU.

Key estimates and judgements

The determination of CGUs and the allocation of goodwill to these CGUs requires a degree of judgement by management and this has been outlined above.

The forecasts used in impairment testing also requires assumptions and judgements about the future, such as discount rates, terminal growth rates, forecast revenues, and assumptions around programming rights, and other costs and capital expenditure to which the impairment models are very sensitive, and which are inherently uncertain. Actual results may differ materially from those forecast or implied. The forecasts are not, and should not be read as a forecast of, or guidance as to, the future financial performance and earnings of the Group.

Cash flows over the forecast period (FY26 to FY30)

Forecast cash flows are prepared based on management's current expectations with consideration given to internal information and relevant external industry data and analysis. The cash flow assumptions for the purposes of the impairment testing, referred to as the five-year business plan, were approved by the Board on 21 May 2025.

In determining the cash flows for the five-year business plan model, the Board acknowledges that there continues to be ongoing uncertainties surrounding factors such as:

- the heightened impact of the economic environment (inflation and interest rates) as customers rationalise household spending;
- the quantum and timing of subscription revenues including expected acquisition and retention rates for streaming and Sky Box customers;
- timing of live sports across the various sporting codes and delivery of rights according to contract, or delivery of equivalent content, and assumptions around the cost of renewing key rights agreements in the future;
- expansion of content delivery by means other than satellite, specifically the growth of broadband services.

While the core strategy and direction of the business remains broadly the same as the previous five-year plan, which was the basis of the impairment testing at 30 June 2024, the goodwill impairment test model reflects any changes in the business since that time, as well as areas where there has been a shift in focus such as:

- the expected trading performance for the year ended 30 June 2025;
- lower revenue reflecting the challenging economic environment, reduced Sky Box revenues reflecting challenges on household spend, and reduced Neon revenues as the flow of premium entertainment content remains lower than previously anticipated levels. These are partially offset by higher Sky Sport Now revenues reflecting continued customer preference toward streaming of sport; and
- changes to sport and entertainment costs to reflect new and/or revised rights deals and revised assumptions around content renewals in the future.

Valuation approach

For the year ended 30 June 2025, Management has utilised the same valuation approach used in the prior year, other than refreshing the discount rate and terminal growth rate and adopting a revised five-year plan scenario (Goodwill impairment case approved by the Board on 21 May 2025).

Key cash flow assumptions include the following:

Residential Sky Box and streaming revenues have been forecast based on management's current expectations of subscriber numbers and average revenues per user (ARPU). In forming these expectations, management has referenced past churn and acquisition performance, and factored in management interventions and planned growth strategies, specifically a more conservative view on the new Sky Box and Pod roll out due to the challenging economic environment, and initiatives focused on customer retention and loyalty. For streaming, continued growth with Sky Sport Now and reduced Neon revenues as the flow of premium entertainment content remains lower than previously anticipated levels.

Broadband revenues reflect continued growth from a strong opening subscriber position, with modest growth expected in future as the proposition matures.

Programming expenses include both programming rights and programming costs. Programming rights expenses have been forecast with reference to contractual arrangements for content currently in place and management's expectations of future renewal of content arrangements. Programming costs largely comprise of sports production costs and are forecast with reference to the latest sporting calendar and management's expectations of future events and renewal assumptions.

Broadcasting and infrastructure expenses are forecast with reference to historical trends with assumed cost savings as Sky continues to gain more efficiencies across streaming platforms.

Capital expenditure is forecast with reference to revenue consistent with historical trends and the changing nature of the Group's asset base, and specifically growth capital expenditure associated with the roll-out of the new Sky Box and Pod products.

Discount rates and terminal growth rates

The terminal growth rate and discount rate used in the 30 June 2025 impairment assessment calculations (and the equivalent assumptions for 30 June 2024) are detailed below. Costs of disposal are assumed to be 1% (30 June 2024: 1%) of the enterprise value.

	30-Jun-25	30-Jun-24
Terminal growth rate	1.5%	1.5%
Discount rate (post-tax)	10.7%	10.5%
Discount rate (pre-tax)	14.9%	14.6%

The terminal growth rate for the Sky CGU takes into account the surety of content supply from entering into long term content supply agreements in the current financial year, the changing balance of future revenues with streaming and other subscription revenue that are typically expected to offset any decline of residential Sky Box revenues. Risks of not achieving the long term growth rate have been adequately considered in the determination of the discount rate.

The discount rate represents the current assessment of the risks specific to the Sky CGU, considering the time value of money and risks of achieving the cash flow estimates. The discount rate calculation is based on the specific circumstances of Sky and is derived from its weighted average costs of capital (WACC).

The terminal growth rate and discount rate have been sourced from independent expert advice, and are based on prevailing economic, market and other conditions, which can change significantly over relatively short periods of time. Recent interest rate volatility and the current economic outlook have created increased uncertainty with respect to the valuation of the business. Recognising these factors, the valuation outcomes arrived at may be more susceptible to change than would normally be the case.

Market capitalisation comparison

The Group compares the carrying amount of net assets with its market capitalisation value at each reporting balance date. The share price as at 30 June 2025 was \$2.99 equating to a market capitalisation of \$411.6 million, and the share price on the day the financial statements were signed was \$2.98 equating to a market capitalisation of \$410.3 million. The market capitalisation value excludes any control premium and may not be reflective of the value of the Group's net assets. The carrying amount of the Group's net assets as at 30 June 2025 was \$439.0 million (\$3.19 per share). Management and the Directors have considered the market capitalisation and net assets and, consistent with the broader impairment assessment and valuation of the Sky CGU, has concluded there is no impairment.

Conclusion

Management and the directors have assessed the recoverable amount for the Sky CGU, and also considered whether there are any events or reasonably possible changes in assumptions that may indicate impairment. Management and the directors have concluded that there is no impairment.

16. Borrowings

Bank loans

On 29 July 2024 the Group renegotiated the 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 \$100 million ending on 30 September 2027. The full facility remained undrawn at 30 June 2025.

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

- a general security deed granted by each of Sky Network Television Limited, Sky Network Services Limited and Sky Investment Holdings Limited;
- real property mortgages granted over certain real property interests of Sky Network Television Limited.

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 in the 2025 financial year and no breaches are anticipated within the next 12 months.

Bank overdrafts of \$35,000 (30 June 2024: \$33,000) have been set off against cash balances.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less. Bank overdrafts that are repayable on demand and which form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

Changes in liabilities arising from financing activities

In NZD 000	1 July 2024	Additions	Repayment/ credits	Reclass	Other movements ¹	30 June 2025
Current liabilities						
Lease liabilities	9,335	-	-	37,480	(24,095)	22,720
Non-current liabilities						
Lease liabilities	15,377	95,498	(25,124)	(37,480)	1,609	49,880
	24,712	95,498	(25,124)	-	(22,486)	72,600

In NZD 000	1 July 2023	Additions	Repayment	Reclass	Other movements ¹	30 June 2024
Current liabilities						
Lease liabilities	25,665	-	-	(16,887)	557	9,335
Non-current liabilities						
Lease liabilities	23,648	1,675	(26,742)	16,887	(91)	15,377
	49,313	1,675	(26,742)	-	466	24,712

(1) Other movements include exchange differences, lease modifications (refer note 17), and changes in fair value (refer note 25).

17. Lease Liabilities

This note provides information for leases where the Group is a lessee.

In NZD 000	Transmission	Property	Equipment	Motor vehicles	Total
For the year ended 30 June 2025					
Balance at 1 July 2024	2,871	17,616	4,225	-	24,712
Additions ¹	84,156	18	10,700	624	95,498
Lease modifications/reassessments ²	(24,685)	-	2,040	5	(22,640)
Add interest for period	1,430	1,020	385	10	2,845
Less repayments	(9,075)	(3,772)	(7,575)	(116)	(20,538)
Less credits provided by lessor ³	(7,431)	-	-	-	(7,431)
Foreign currency revaluation	590	-	(436)	-	154
Balance at 30 June 2025	47,856	14,882	9,339	523	72,600
Current	14,744	2,055	5,669	252	22,720
Two to five years	33,112	9,452	3,670	271	46,505
More than five years	-	3,375	-	-	3,375
Balance at 30 June 2025	47,856	14,882	9,339	523	72,600
For the year ended 30 June 2024					
Balance at 1 July 2023	19,510	20,413	9,388	2	49,313
Additions for the period	-	49	1,626	-	1,675
Lease modifications/reassessments ¹	-	(175)	78	-	(97)
Terminations	-	-	-	-	-
Add interest for period	664	1,172	313	-	2,149
Less repayments	(17,860)	(3,843)	(7,186)	(2)	(28,891)
Foreign currency revaluation	557	-	6	-	563
Balance at 30 June 2024	2,871	17,616	4,225	-	24,712
Current	2,871	2,733	3,731	-	9,335
Two to five years	-	9,600	494	-	10,094
More than five years	-	5,283	-	-	5,283
Balance at 30 June 2024	2,871	17,616	4,225	-	24,712

(1) On 1 September 2024, the Group recognised a new lease reflecting its satellite arrangements commencing from that date, resulting in an addition of \$36.8m with a lease term ending on 31 December 2026. Subsequently, this lease was modified to end on 15 April 2025, which was the transition date to the Group's current satellite lease. This lease is reflected above as an addition of \$47.4m, with a termination date of 31 March 2028.

(2) On 31 December 2024, as a result of the renegotiation of the satellite transmission services agreement, the satellite lease was modified to have a lease term ending on 15 April 2025, which was the transition date to the current satellite (see additions line above).

(3) In April 2024, the Group received a credit from a broadcast service provider for capital expenditure required to manage migration across various satellites. In prior year, this credit was recognised as a receivable and unwound against the lease liability.

In the period ending 30 June 2025, Other Income includes a gain from the modification of a transmission lease of \$4,924,000.

Short term lease costs included in expenses in the consolidated statement of comprehensive income are \$445,000 (30 June 2024: \$326,000). No leases were terminated or assigned to other parties during the period or in the prior period.

The Group leases various properties, transmission equipment, motor vehicles and sundry equipment. Rental contracts vary between one and ten years with some office leases containing renewal options. Sky has incorporated renewal options into the lease term where it is reasonably certain that the lease will be extended.

For higher value contracts the Group adjusts the borrowing rate after considering the effect of the lease term, the currency and value of the lease, any security given, and the economic environment in which the Group operates.

For leases where there are renewal options the lease payments may change. When lease payments are adjusted, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Key estimates and judgements

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a renewal option. Renewal options are only included in the lease term if the option is reasonably certain to be exercised.

Most of the Group's property leases contain renewal options, and generally where it is likely that these options will be exercised, they have been included in the calculation of the lease liability. Management reassesses the likelihood of exercising termination options at each reporting date or when there is any significant change in circumstances. Any changes in the lease term or value affect the valuation of the liability and the right-of-use asset and are adjusted accordingly.

Allocation of lessor credits

In allocating lessor credits between the two transmission leases held during the year, management exercised judgement by considering all relevant facts and circumstances, including the underlying purpose and commercial rationale for the credits.

18. Finance Costs, Net

In NZD 000	30-Jun-25	30-Jun-24
Finance income		
Interest income	1,380	1,905
Unrealised exchange (gain)/loss – foreign currency payables	(511)	(3,923)
Unrealised exchange loss/(gain) – foreign currency hedges	574	2,348
Realised exchange (gain)/loss – foreign currency payables	(383)	(122)
Total foreign exchange (income)/expense	(320)	(1,697)
Total finance income	1,700	3,602
Finance expense		
Interest expense on bank loans	1,203	2,232
Lease interest	2,845	2,149
Bank facility finance fees	228	278
Total interest expense	4,276	4,659
Total finance expense	4,276	4,659

Interest income is recognised on a time-proportion basis using the effective interest method, which is the rate that exactly discounts estimated future cash flow receipts through the expected life of the financial asset to that asset's net carrying amount.

Borrowing costs directly attributable to acquisition, construction or production of an asset that takes a substantial period of time to prepare for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated to New Zealand dollars at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement except where hedge accounting is applied and foreign exchange gains and losses are deferred in other comprehensive income.

19. Share Capital

	30-Jun-25		30-Jun-24	
	Number of shares (000)	Ordinary shares (NZD 000)	Number of shares (000)	Ordinary shares (NZD 000)
Shares on issue at beginning of year	137,675	676,755	143,852	693,720
Share buyback ¹	-	-	(6,177)	(16,965)
	137,675	676,755	137,675	676,755

(1) The share buyback included transaction costs of \$33,861 in the 2024 financial year.

On 9 November 2023, the Group recommenced the buyback programme that commenced on 6 April 2023, and the Group acquired an additional 3,555,000 shares at an average purchase price of \$2.70 and total consideration of \$9,793,000 (including transaction fees) until the completion of the programme on 31 March 2024.

On 1 April 2024, the Board approved a further share buyback programme over a period of up to 12 months, with a maximum aggregate of \$15 million in purchase price and up to a maximum of 7,033,000 shares. At 30 June 2024 2,622,436 shares had been purchased at an average price of \$2.73 for total consideration of \$7,171,000 (including transaction fees). The share buyback programme was paused on 4 June 2024, and Sky then notified the market on 19 November 2024 that the buyback remained in pause due to ongoing negotiations with NZ Rugby, and was not recommenced before its expiry on 31 March 2025.

20. Reserves

In NZD 000	Notes	Hedge reserve	Share based compensation reserve	Total reserves
As at 30 June 2025				
Balance as at 1 July 2024		178	181	359
Share based compensation reserve	27	-	396	396
Cash flow hedges (net of tax)				
Revaluation		(2,988)	-	(2,988)
Reclassification to Consolidated Statement of Comprehensive Income		(490)	-	(490)
Reclassification to non-financial assets		181	-	181
Deferred tax	8	923	-	923
Balance at 30 June 2025		(2,196)	577	(1,619)
As at 30 June 2024				
Balance as at 1 July 2023		1,188	-	1,188
Share based compensation reserve	27	-	181	181
Cash flow hedges (net of tax)				
Revaluation		247	-	247
Reclassification to Consolidated Statement of Comprehensive Income		(2,499)	-	(2,499)
Reclassification to non-financial assets		849	-	849
Deferred tax	8	393	-	393
Balance at 30 June 2024		178	181	359

21. Derivative Financial Instruments

In NZD 000	Notes	30-Jun-25			30-Jun-24		
		Assets	Liabilities	Notional amounts	Assets	Liabilities	Notional amounts
Forward foreign exchange contracts – cash flow hedges	24	610	(3,660)	231,121	2,396	(2,149)	248,055
Forward foreign exchange contracts – dedesignated	24	250	(1,243)	44,534	143	(636)	45,437
Total forward foreign exchange derivatives		860	(4,903)	275,655	2,539	(2,785)	293,492
Analysed as:							
Current		640	(2,464)	161,755	1,333	(2,450)	218,956
Non-current		220	(2,439)	113,900	1,206	(335)	74,536
		860	(4,903)	275,655	2,539	(2,785)	293,492

Foreign exchange rates

Foreign exchange rates used at balance date for the New Zealand dollar are:

	30-Jun-25	30-Jun-24
USD	0.6083	0.6092
AUD	0.9291	0.9139
GBP	0.4431	0.4821
EUR	0.5187	0.5697
JPY	87.5243	97.7639

Sensitivity analysis for foreign exchange

A 10% strengthening or weakening of the NZD against the following currencies as at 30 June 2025 would have resulted in changes to equity (hedging reserve) and unrealised gain/losses (before tax) as shown below. Based on historical movements, a 10% increase or decrease in the NZD is considered to be a reasonable estimate. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the prior year.

In NZD 000 Gain/(loss)	10% rate increase		10% rate decrease	
	Equity	Profit or loss	Equity	Profit or loss
As at 30 June 2025				
Foreign currency payables				
USD	-	2,316	-	(2,830)
AUD	-	5,168	-	(6,316)
Foreign exchange hedges				
USD	(8,631)	(871)	10,549	1,065
AUD	(11,501)	-	14,057	-
	(20,132)	6,613	24,606	(8,081)
As at 30 June 2024				
Foreign currency payables				
USD	-	3,967	-	(4,848)
AUD	-	1,661	-	(2,030)
Foreign exchange hedges				
USD	(9,427)	(1,845)	11,522	2,255
AUD	(12,429)	(1,121)	15,192	1,371
	(21,856)	2,662	26,714	(3,252)

Interest rates

During the year ended 30 June 2025, interest rates on borrowings varied in the range of 4.48% to 6.65% (30 June 2024: 3.34% to 7.25%).

The Group's interest rate structure is as follows:

In NZD 000	Notes	30-Jun-25			30-Jun-24		
		Effective interest rate	Current	Non-current	Effective interest rate	Current	Non-current
Assets							
Cash and cash equivalents		3.25%	32,410	-	5.50%	37,799	-
Liabilities							
Lease liabilities	17	6.10%	(22,720)	(49,880)	6.10%	(9,335)	(15,377)
			9,690	(49,880)		28,464	(15,377)

Gains and losses on interest rate hedges recognised in the hedging reserve in equity (refer note 20) are released to profit or loss within finance cost until the repayment of the bank borrowings.

As at 30 June 2025 the Group does not hold any variable rate loans, nor any interest rate hedges.

Derivative financial instruments

Derivative financial instruments are used to hedge the Group's exposure to foreign exchange and interest rate risks. The Group does not hold or issue derivatives for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are re-measured at their fair value at subsequent reporting dates. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At inception, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. All derivatives are designated as hedges on a portfolio basis to specific firm commitments or forecast transactions. The Group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Derivatives consist of currency forwards and interest rate swaps. The fair value is recognised in the hedging reserve within equity until such time as the hedged items will affect the Consolidated Statement of Comprehensive Income. The amounts accumulated in equity are either released to the Consolidated Statement of Comprehensive Income or used to adjust the carrying value of assets purchased. For example, when hedging forecast purchase of programme rights in foreign currency, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the programme rights. The deferred amounts are ultimately recognised in programme rights' expenses in the Consolidated Statement of Comprehensive Income.

Amounts accumulated in the hedging reserve in equity on interest rate swaps are recycled in the Consolidated Statement of Comprehensive Income in the periods when the hedged item affects profit or loss (for example when the forecast interest payment that is hedged is made). The gain or loss relating to any ineffective portion is recognised in the Consolidated Statement of Comprehensive Income as "interest rate swaps – fair value" in finance costs. The gain or loss relating to interest rate swaps which do not qualify for hedge accounting is recognised in the Consolidated Statement of Comprehensive Income within the interest expense charge in "finance costs, net". Currently Sky does not hold any interest rate derivatives as it has no variable debt.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Comprehensive Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated Statement of Comprehensive Income. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Consolidated Statement of Comprehensive Income.

22. Financial Risk Management – Market Risk

Financial risk management objectives

The Group undertakes transactions in a range of financial instruments which include cash and cash equivalents, receivables, payables, derivatives and various forms of borrowings including bank loans.

These activities result in exposure to financial risks that include market risk (foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of currency and interest rate risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provides written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports monthly to the Board. The Audit and Risk Committee (a standing committee of the Board) is responsible for developing and monitoring the Group's risk management policies and advising the Board in this respect.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group buys and sells derivatives in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board. In general, the Group seeks to apply hedge accounting in order to manage income statement volatility.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian dollar and the United States dollar in relation to purchases of programme rights, Sky boxes and the lease of transponders on the satellite. Foreign exchange risk arises when purchases are denominated in a currency that is not the entity's functional currency. The net position in each foreign currency is managed by using forward currency contracts and foreign currency options and collars to limit the Group's exposure to currency risk.

The Group's risk management policy is to hedge foreign capital expenditure (Capex FX) and foreign operating expenditure (Transactional FX) in accordance with the following parameters. Twelve-month forecasts by currency are updated on a rolling monthly basis.

	Period	Percentage of net exposure hedged FEC ¹ Collars and Options	
		Minimum	Maximum
Year rolling 12 months	1	80%	100%
	2	50% ²	100%
	3	0%	90%
	4	0%	50%
	5	0%	50%
	6 – 10	0%	25%

(1) Forward exchange contracts

(2) During the current financial year, the Treasury policy was revised to incorporate a conditional adjustment. Specifically, if the currency cross spot rate falls below 10% of its corresponding seven-year rolling average, the minimum threshold for Period 2 can be reduced from 50% to 25%.

The Group's exposure to foreign currency risk that has been covered by forward foreign exchange contracts is as follows:

In NZD 000	30-Jun-25			30-Jun-24		
	USD	AUD	OTHER	USD	AUD	OTHER
Foreign currency payables	(15,496)	(52,814)	(64)	(26,581)	(16,697)	(483)
De-designated forward exchange contracts	17,135	27,399	-	27,823	17,614	-
Net balance sheet exposure	1,639	(25,415)	(64)	1,242	917	(483)
Forward exchange contracts (for forecasted transactions)	99,370	131,751	-	106,861	141,194	-
Total forward exchange contracts	116,505	159,150	-	134,684	158,808	-

(b) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain its borrowings in fixed rate instruments as follows:

	Period	Minimum hedging	Maximum hedging
Variable rate borrowings	1-3 years	30%	90%
	4-6 years	0%	75%
	7-10 years	0%	60%

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Group also enters into fixed-to-floating interest rate swaps to hedge fair value interest rate risk arising where it has borrowed at fixed rates.

23. Financial Risk Management – Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from cash and cash equivalents, deposits with banks, derivative financial instruments and the Group's receivables from customers. The carrying amount of these financial assets represents the maximum exposure to credit risk at year end.

Credit control assesses the credit quality of the customer, taking into account, its financial position, past experience and other factors. In monitoring customer credit risk, customers are grouped according to their classification and their credit characteristics and the existence of any previous financial difficulties.

Credit risk with respect to individual residential and commercial customer receivables is limited due to the large number of subscribers included in the Group's subscriber base. The credit risk for advertising and wholesale customers is assessed individually and trade receivables aging is reviewed monthly. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. The Group establishes an impairment loss that represents its estimate of expected credit losses in respect of trade receivables. The main component of the impairment loss is based on a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets (refer note 9).

As a result of the uncertain future outlook and the heightened impact of the economic environment (geopolitical tensions) the Group has maintained the increased expected loss rates adopted as a result of COVID-19 for its residential and commercial Sky Box and broadband customers.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution. The maximum exposure to credit risk on the derivative financial instruments is the value of the derivative assets' receivable portion of \$860,000 (30 June 2024: \$2,539,000).

24. Financial Risk Management – Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available. The Group continues to focus on managing working capital, including increase in control around accounts payable, more frequent review of cash balances, and a higher level of interaction with customers having overdue balances.

Management monitors the Group's cash requirements, on a daily basis, against expected cash flows based on a rolling daily cash flow forecast for at least 90 days in advance. In addition, management compares actual cash flow reserves against forecast and budget on a monthly basis.

The Group has an undrawn facility balance of \$100,000,000 as at 30 June 2025 (30 June 2024: \$150,000,000) that can be drawn down to meet short-term working capital requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments in respect of financial liabilities and the net settled interest rate derivatives that are in a loss position at balance date. Balances due within 12 months equal their carrying value as the impact of discounting is not significant.

In NZD 000	Notes	Carrying amount	Contractual cash flows	Less than one year	1-2 years	>3 years
At 30 June 2025						
Non derivative financial liabilities						
Lease liabilities	17	72,600	(80,394)	(26,018)	(45,304)	(9,072)
Trade and other payables	11	81,999	(81,999)	(80,970)	(1,029)	-
Derivative financial liabilities						
Forward exchange contracts used for hedging – net outflow/inflow ¹	21	4,903	(4,903)	(2,464)	(2,439)	-
		159,502	(167,296)	(109,452)	(48,772)	(9,072)
At 30 June 2024						
Non derivative financial liabilities						
Lease liabilities	17	24,712	(28,933)	(10,466)	(6,454)	(12,013)
Trade and other payables	11	123,301	(123,301)	(122,718)	(583)	-
Derivative financial liabilities						
Forward exchange contracts used for hedging – net outflow/inflow ¹	21	2,785	(2,785)	(2,450)	(335)	-
		150,798	(155,019)	(135,634)	(7,372)	(12,013)

(1) The table excludes the contractual cash flows of the forward exchange contracts which are included in assets.

The table below analyses the Group's foreign exchange derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Inflows have been calculated using balance date spot rates.

In NZD 000	Exchange rate	Contractual cash flows foreign exchange amount	Contractual cash flows	Less than one year	1-2 years	3-5 years
At 30 June 2025						
Forward foreign exchange contracts						
Outflow (at FX hedge rate)						
USD			(116,505)	(79,843)	(36,662)	-
AUD			(159,150)	(81,912)	(77,238)	-
Inflow (at year end market rate)						
USD	0.6083	70,310	115,585	79,994	35,591	-
AUD	0.9291	145,825	156,953	80,415	76,538	-
			(3,117)	(1,346)	(1,771)	-
At 30 June 2024						
Forward foreign exchange contracts						
Outflow (at FX hedge rate)						
USD			(134,684)	(102,351)	(32,333)	-
AUD			(158,808)	(116,605)	(42,203)	-
Inflow (at year end market rate)						
USD	0.6092	82,141	134,834	102,177	32,658	-
AUD	0.9139	144,017	157,585	115,130	42,455	-
			(1,073)	(1,649)	577	-

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure.

The capital structure of the Group consists of debt which includes the borrowings disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of Sky comprising share capital, reserves and retained earnings.

The Board reviews the Group's capital structure on a regular basis. The Group has a facility agreement in place with a syndicate of banks. The Group's bank loan facility is subject to a number of covenants, including fixed charges cover and net debt cover ratios, calculated, and reported semiannually, with which it has complied for the entire year reported (2024: complied).

As at 30 June 2025 the Group's debt excluding lease liabilities is nil (30 June 2024: nil).

Fair value estimation

The methods used to estimate the fair value of financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or 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.

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

In NZD 000	Note	30-Jun-25	30-Jun-24
Assets measured at fair value			
De-designated forward exchange contracts	21	250	143
Derivatives used for hedging – cash flow hedges	21	610	2,396
Total assets		860	2,539
Liabilities measured at fair value			
De-designated forward exchange contracts	21	(1,243)	(636)
Derivatives used for hedging – cash flow hedges	21	(3,660)	(2,149)
Total liabilities		(4,903)	(2,785)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Group uses a variety of methods and assumptions that are based on market conditions existing at each balance date. Techniques, such as estimated discounted cash flows, are used to determine the fair value of financial instruments. The fair value of forward exchange contracts is based on market forward foreign exchange rates at year end. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates, observable yield curves and the current creditworthiness of the swap counterparties.

25. Classification of Financial Instruments

Financial assets are classified in the following categories: those to be measured subsequently at fair value through other comprehensive income or profit or loss, and those to be measured at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risk and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Income Statement.

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

		30-Jun-25		30-Jun-24	
In NZD 000	Notes	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost					
Cash and cash equivalents		32,410	32,410	37,799	37,799
Trade and other receivables	9	44,062	44,062	58,431	58,431
Financial assets at fair value through profit or loss					
Derivatives designated as hedging instruments (cash flow hedges)	21	610	610	2,396	2,396
Derivatives not designated as hedging instruments	21	250	250	143	143
		77,332	77,332	98,769	98,769
Financial liabilities at amortised cost					
Lease liabilities	17	72,600	73,595	24,712	24,703
Trade and other payables	11	81,999	81,999	123,301	123,301
Financial liabilities at fair value through OCI					
Derivatives designated as hedging instruments (cash flow hedges)	21	3,660	3,660	2,149	2,149
Derivatives not designated as hedging instruments (fair value hedges)	21	1,243	1,243	636	636
		159,502	160,497	150,798	150,789

Prepaid expenses, contract liabilities, 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.

The fair values of financial assets and financial liabilities are determined as follows:

- Cash and cash equivalents, trade and other receivables carried at amortised cost, trade and other payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 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.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised costs and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (refer note 9 for further details).

26. Provisions

In NZD 000	Note	30-Jun-25	30-Jun-24
Provision for onerous contracts ¹		1,877	893
Customer credits ²		-	3,289
Balance at 30 June	11	1,877	4,182

(1) The onerous contract provision is for life of series entertainment content commitments.

(2) During FY25, the Group paid \$2.9 million of unclaimed customer funds to the Inland Revenue Department (IRD) in accordance with the requirements of the Unclaimed Money Act 1971. A remaining balance of \$0.4 million has been reclassified to trade and other payables. An annual review process has been established to assess this balance, with payment to the IRD to be made once the criteria under the Act are met.

The movements in provisions are as follows:

In NZD 000	Notes	Onerous contracts	Customer Credits	Total
Balance at 1 July 2024	11	893	3,289	4,182
Arising during the year		1,400	-	1,400
Transferred to trade and other payables		-	(400)	(400)
Utilised/paid out		(416)	(2,889)	(3,305)
Balance at 30 June 2025		1,877	-	1,877
Current – within one year	11	848	-	848
Long term – later than one year		1,029	-	1,029
		1,877	-	1,877

Provisions are recognised when:

- there is a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of economic resources will be required to settle the obligation;
- the amount can be reliably estimated.

Measurement is the present value of the expenditure expected to be required to settle the obligation.

27. Related Parties

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

Related party transactions include the following:

In NZD 000	30-Jun-25	30-Jun-24
Consolidated Statement of Comprehensive Income		
Remuneration of key personnel (included in employee costs) ¹	5,614	6,324
Dividend payments (included in dividends paid)	251	154
Directors' fees	897	880
Share based compensation reserve	396	181
Total related party transactions through consolidated income statement	7,158	7,539

(1) The year ending 30 June 2025 includes the cost of termination benefits paid to key personnel of \$578,000 (30 June 2024: nil).

The Group's directors and key management personnel collectively hold shareholdings of 1,223,737 shares (30 June 2024: 1,266,143 shares) which carry the normal entitlement to dividends. Share transactions undertaken by directors can be found as part of the statutory disclosures in the annual report.

Equity-settled share base compensation reserve

In August 2023 the Group approved a long-term incentive plan and granted 408,415 share rights to executives of the Group under the incentive plan. The grants were all accepted by the employees between 22 December 2023 and 10 January 2024. Each share right converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the share right. The share rights carry neither rights to dividends nor voting rights.

In September 2024 the Group granted 388,742 share rights to executives of the Group under the incentive plan. The grants were all accepted by the employees by 30 October 2024. A further 21,738 shares were granted and accepted in February 2025. Each share right converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the share right. The share rights carry neither rights to dividends nor voting rights.

The share rights are separated into two tranches, one tranche which vests over a three-year measurement period based on achieving certain total shareholder returns. The second tranche vests over a three-year measurement period based on achieving total shareholder returns relative to the constituent companies of the S&P/NZX50 Index at the Grant Date, less any entities delisted during the Grant Period. The executives must remain employed by the Group over the vesting period.

The share rights represent an equity-settled share-based payment with market conditions. The share rights approved in September 2024 and February 2025 had an estimated fair value of \$529,519 (August 2023: \$547,276). The fair value was determined using a monte-carlo simulation model and encompasses the market based vesting criteria. The key valuation assumptions are set out below:

Share based compensation valuation assumptions	
Grant date share price	\$2.79
Exercise price	-
Expected volatility	27.50%
Maturity vesting date	3rd September 2027
Dividend yield (over vesting period)	10.30%
Risk free rate	4.30%

The actual number of shares which ultimately vest will depend on performance over the measurement period. In the event performance conditions are not met (or only partially met) then there is the potential for no share rights (or less than the total allocated share rights) to ultimately vest. In such circumstance the total day one fair value would still be recognised over the vesting period.

28. Commitments

In NZD 000	30-Jun-25	30-Jun-24
Lease commitments:		
Year 1	-	10,371
Year 2	-	16,851
Year 3	4,036	18,047
Year 4	16,145	16,398
Year 5	16,145	16,398
Later than year 5	17,826	39,628
	54,152	117,693
Contracts for transmission services:		
Year 1	693	1,612
Year 2	95	680
Year 3	95	95
Year 4	95	95
Year 5	95	95
Later than year 5	167	262
	1,240	2,839
Capital expenditure commitments:		
Property, plant and equipment		
Year 1	14,626	20,280
	14,626	20,280

29. Contingent Assets and Liabilities

The Group has no undrawn letters of credit at 30 June 2025 (30 June 2024: nil).

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 financial statements in relation to its ongoing litigation and claims, the directors believe that such litigation and uncertainty of claims will not have a significant effect on the Group's financial position, results of operations or cash flows.

30. Subsequent Events

Dividend

On 21 August 2025 the Board of Directors resolved to pay a fully imputed dividend of 13.5 cents per share with the record date being 5 September 2025. A supplementary dividend of 2.3824 cents per share will be paid to non-resident shareholders subject to the foreign investor tax credit regime.

Discovery NZ acquisition

Sky acquired 100% of the shares in Discovery NZ Limited (Discovery NZ) from Warner Bros. Discovery, Inc (the ultimate holding company) on 1 August 2025 for \$1. Discovery NZ is a television broadcasting and advertising company in New Zealand. The assets acquired of Discovery NZ includes channels Three, Rush, Eden, HGTV, the ThreeNow BVOD platform, prepaid content rights and certain brands. Discovery NZ will operate as a wholly owned subsidiary of Sky. The accounting for the acquisition is not yet complete as a fair value assessment and purchase price allocation is still to be carried out, noting that Sky expects the acquisition accounting to result in a one-off bargain purchase gain. Effective 1 August 2025, Discovery NZ Limited has been renamed Sky Free Limited.

Optus claim

On 29 July 2025 Sky entered into a Settlement and Release Agreement with Optus Satellite Pty Ltd (Optus) that provides the basis for Sky to claim for certain revenue and costs impacts associated with the recent migration of satellites up to a maximum of NZD \$10 million. On 21 August 2025 Sky and Optus agreed to a compensation claim of NZD \$8.2 million.

NZ Rugby

On 22 August 2025 Sky entered into a renewed five-year broadcast partnership with New Zealand Rugby (on behalf of SANZAAR Unions), commencing 1 January 2026. The agreement, the terms of which are commercially sensitive, is subject to Sky shareholder approval, which will be sought at Sky's Annual Shareholder Meeting on 21 November 2025.



Independent auditor's report

To the shareholders of Sky Network Television Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Sky Network Television Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 30 June 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated balance sheet as at 30 June 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our capacity as auditor and assurance practitioner, our firm also provides review, other assurance and agreed-upon procedures services. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

PricewaterhouseCoopers
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T: +64 9 355 8000, www.pwc.co.nz

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group's total revenue for the year ended 30 June 2025 amounted to \$750.7 million (2024: \$766.7 million). There has been a continued focus by management on retaining and growing the customer base given the developing business model and the need to deliver revenue and profitability growth. Given this, revenue recognition is an area requiring significant audit attention and is therefore a key audit matter. Refer to Note 4 of the financial statements for disclosures on revenue streams.	In order to determine whether the revenue has been recognised in accordance with the relevant accounting standards, our procedures included: • updating our understanding of the systems, processes and controls in place over the recognition of revenue; • testing the operating effectiveness of certain controls in respect of the revenue recognition process; • performing a recalculation of certain revenue streams; and • testing a sample of unexpected journal entry combinations that impact revenue. On a sample basis, other procedures included: • verifying revenue against supporting documentation and customer contracts; • testing the completeness of revenue transactions recognised by haphazardly identifying Sky subscribers and checking they were active customers within the revenue billing system; • validating the pricing and payment of advertising and other revenue transactions to customer contracts; and • testing whether revenue transactions recorded near year end were recognised in the correct period.
Goodwill impairment assessment The carrying amount of the Sky cash generating unit (CGU) goodwill as at 30 June 2025, as included in Note 15, amounted to \$244.3 million (2024: \$244.3 million). The carrying value of goodwill is an area of focus for the audit and a key audit matter as it is a significant amount on the consolidated balance sheet, is dependent on future cash flows, and there is a high degree of management estimation involved. The Group used the fair value less costs of disposal (FVLCD) methodology to determine the recoverable amount of the Sky CGU. The forecasts in the impairment model prepared by the Group are based on the Group's strategy, some elements of which would be excluded under a value in use (VIU) methodology under NZ IAS 36 <i>Impairment of Assets</i>. Management has concluded that the FVLCD methodology results in a higher recoverable amount compared to VIU.	Our procedures included the following: • obtaining an understanding of the business processes and controls applied by management in performing the impairment tests; • assessing the appropriateness of using a FVLCD approach against NZ IAS 36; • considering whether the identification of CGUs, and the carrying value, including the allocation of goodwill, were appropriate; • understanding the key changes in the impairment model from the prior year; • agreeing the forecast cash flows used in the impairment assessment to the Board approved five year forecasts; • considering and challenging management on the reasonableness of key cash flow assumptions, including movements in subscriber numbers, ARPU, broadband revenues, programming expenses, broadcasting and infrastructure expenses and capital expenditure; • checking the mathematical accuracy of the models;

Description of the key audit matter

The future cash flows in the FVLCD models were prepared based on the Board approved five year forecast cash flows.

Key assumptions have been applied in the impairment model with respect to the following:

- residential Sky Box, Sky Pod and streaming revenues (including subscriber numbers and average revenue per user (ARPU));
- broadband revenues;
- programming expenses;
- broadcasting and infrastructure expenses;
- capital expenditure;
- discount rates;
- terminal growth rates; and
- cost of disposal assumption.

How our audit addressed the key audit matter

- engaging our auditor's valuation expert to assess management's valuation methodology and conclusions and key assumptions, including the discount rate, terminal growth rate and the reasonableness of the cost of disposal assumption;
- obtaining and evaluating management's sensitivity analyses to ascertain the impact of reasonably possible changes, and considering alternative possible scenarios;
- considering the appropriateness of the disclosures in Note 15 to the financial statements against the requirements of the accounting standards; and
- performing a look back procedure assessing historical performance against previous budgets, to consider the accuracy of management's forecasting.

Accounting for changes in satellite transmission lease agreements

On 1 September 2024, the Group recognised a new lease reflecting its satellite transmission arrangements commencing from that date, resulting in an addition to the right of use assets of \$28.6 million and \$36.8 million to the lease liabilities with a lease term ending on 31 December 2026. This lease was subsequently modified in December 2025 to end on 15 April 2025, which was the transition date to the Group's current satellite lease. On 15 April 2025, another satellite lease modification was recognised, resulting in an addition to the right of use assets and lease liabilities of \$47.4 million, with a termination date of 31 March 2028.

Given the magnitude of satellite transmission lease balances, the number of additions and modifications that occurred during the year and the level of judgement applied in determining the accounting treatment, this is an area that required significant audit attention and is therefore a key audit matter.

Refer to Notes 13 and 17 of the financial statements for disclosures on right of use assets and lease liabilities.

In order to determine whether the satellite transmission lease has been recognised and measured in accordance with the relevant accounting standards, our procedures included:

- updating our understanding of the systems, processes and controls in place over the recognition and measurement of right of use assets and lease liabilities;
- assessing, with the assistance of our own internal accounting experts, the appropriateness of the lease terms applied, including the impact of lease modifications, in lease accounting and challenging management on the judgements applied;
- considering and challenging management on the significant judgements applied in relation to the allocation of credits received from the lessor between the two new satellites leased during the year;
- assessing the appropriateness of the incremental borrowing rates used in the measurement of lease balances with the assistance of our internal experts;
- recalculating the 30 June 2025 satellite right of use asset and lease liability balances; and
- evaluating the disclosures made in the financial statements.

Our audit approach

Overview



Overall group materiality: \$3.8 million, which represents approximately 0.5% of revenue.

We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

Following our assessment of the risk of material misstatement we:

- selected the Sky Network Television Limited parent entity for full scope audit based on its financial significance;
- performed specified audit and analytical review procedures on the non-significant components.

As reported above, we have three key audit matters, being:

- Revenue recognition;
- Goodwill impairment assessment; and
- Accounting for changes in satellite transmission lease agreements.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Other than the Climate Disclosure Statement, which we will receive at a later date, we have received all the other information expected to be included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Climate Disclosure Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, in accordance with ISAs (NZ) and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are also responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:



PricewaterhouseCoopers
22 August 2025

Auckland

Directory

Directors

Philip Bowman (Chair)
Keith Smith (Deputy Chair)
Dame Joan Withers
Mike Darcey
Mark Buckman
Belinda Rowe

Officers

Sophie Moloney	Chief Executive
Andrew Hirst	Interim Chief Financial Officer
Jonathon Errington	Chief Content and Commercial Officer (to 4 July 2025)
Ant Dureau	Interim Chief Customer Officer
Chris Major	Chief Corporate Affairs Officer
Lauren Quaintance	Chief Media and Data Officer
Antony Welton	Chief Operations and People Officer
Kym Niblock	Chief Digital and Technology Officer and Interim Chief Content and Commercial Officer (from 4 July 2025)
Kirstin Jones	Company Secretary

New Zealand Registered Office

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Website: sky.co.nz

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Sydney NSW 2000, Australia
Tel: +61 2 9230 4000 Fax: +61 2 9230 5333

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Solicitors to Sky

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Auckland 1010, New Zealand
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Baker McKenzie
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Level 46, 100 Barangaroo Avenue
Sydney NSW 2000, Australia
Tel: +61 2 9225 0200 Fax +61 2 9225 1595

Annual Meeting

The next Annual Shareholders Meeting of Sky Network Television Limited will be held on Friday 21 November 2025. Sky will provide further details in due course through its Notice of Annual Meeting of Shareholders.



sky

Sky Network Television

Results Presentation

For the year ended 30 June 2025

22 August 2025



Agenda

- ▶ FY25 Overview
- ▶ Operational Performance
- ▶ Financial Performance
- ▶ Capital Management
- ▶ Acquisition update
- ▶ Outlook and Guidance
- ▶ Questions



Financial Summary

Results delivered within guidance

HIGHLIGHTS

- ▶ Successfully completed complex migration to a new satellite and other significant projects
- ▶ Despite economic headwinds and migration challenges, results are within updated guidance ranges
- ▶ Cash generation remains strong, delivering dividend growth
- ▶ Positioning to accelerate our growth strategy from FY27

REVENUE (Adj¹)

\$755.1m

FY24: \$766.7m **-1.5%**

EBITDA (Adj¹)

\$148.5m

FY24: \$153.0m **-3.0%**

NPAT (Adj¹)

\$41.1m

FY24: \$49.2m **-16.5%**

FREE CASH FLOW²

\$24.8m

FY24: \$23.7m **+4.6%**

CAPEX (Adj¹)

\$65.2m

FY24³: \$78.4m **-16.8%**

DIVIDEND

22.0cps

FY24: 19.0cps **+15.8%**



Delivery against 3-year targets

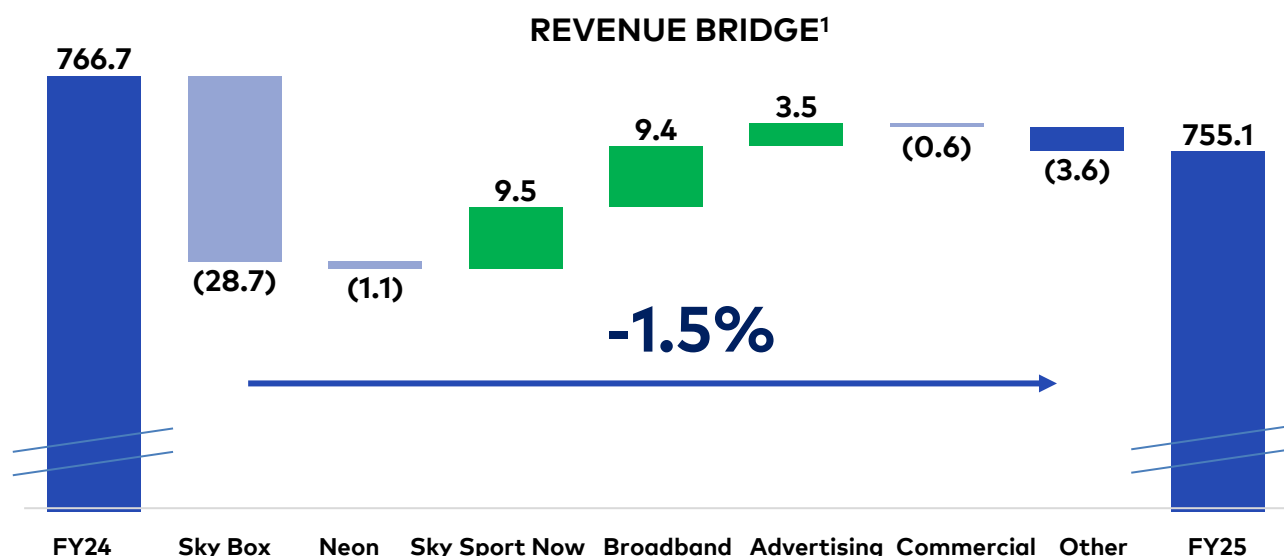
Focus maintained in the face of satellite migration disruption;
Firmly on track to deliver FY26 dividend target of 30 cps

	FY26 Target	Year 2 FY25 ¹		Year 1 FY24	3-Year status
Revenue Growth	1-2% pa	-1.5%	▼	+1.6%	●
Programming Costs to Revenue %	47% - 49%	50.9%	▼	51.1%	●
EBITDA Margin	21% - 23%	19.7%	▼	20.0%	●
Capex to Revenue % ²	7% - 9%	8.6%	▼	10.2%	●
Employee Engagement	+14 pts	+17pts	▲	+12 pts	●
Customer NPS	+19 pts	+7 pts	▲	+6 pts	●
Dividend	30 cps	22 cps	▲	19 cps	●

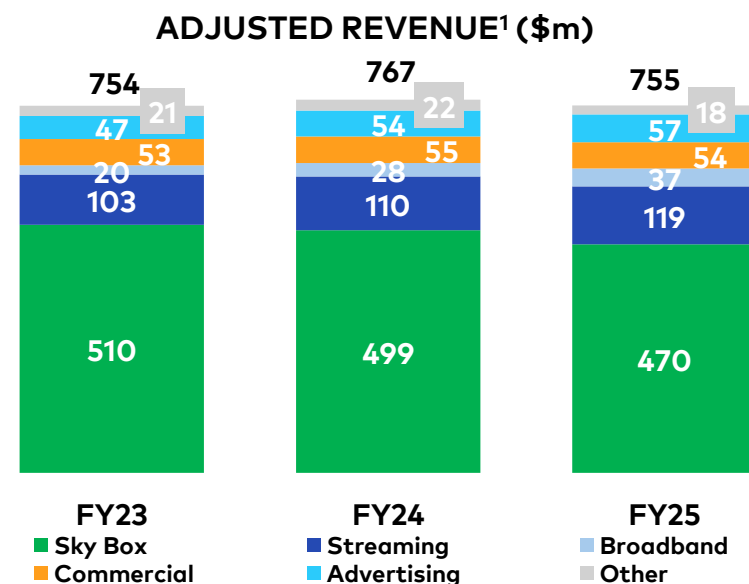
- FY25 performance in Capex as a percentage of Revenue and Employee Engagement categories is already consistent with or ahead of the FY26 target
- Revenue growth and EBITDA margin targets have come under pressure, and will likely be at the lower end of the range, however we remain confident in achieving the Revenue-linked targets for Programming and Capex

Revenue Bridge¹

Growth in Streaming, Broadband, and Advertising, partially offset softness in Sky Box in a challenging period; Revenue diversity expands



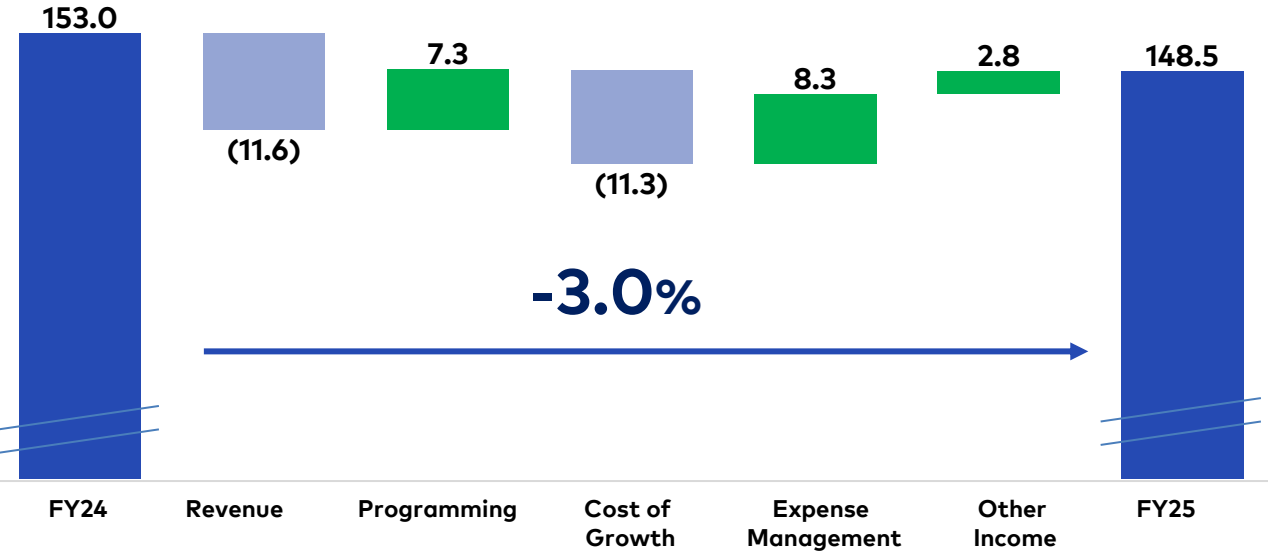
- Adjusted Revenue¹ came under pressure as economic headwinds continued
- Key growth engines of Sky Sport Now, Broadband and Advertising added \$22.4m
- Direct satellite migration impacts to Sky Box of \$4.4m are adjusted. Other related impacts on customer churn and delays in planned revenue generating initiatives across Sky Box, Advertising of at least \$5m are not quantified



- 'Growth engine' revenue lines continue to increase: Sky Sport Now +16%, Broadband +34%, and Advertising +7%
- Sky Box revenue accounts for 62% of total Adjusted Revenue in FY25

EBITDA Bridge¹

Disciplined cost management softened the EBITDA impact of revenue headwinds



- Adjusted FY25 EBITDA reduced as revenue pressure and investment in growth outpaced the impact of disciplined cost control efforts.
- \$15.6m benefit from lower programming costs and expense management saw total adjusted costs reduce by 0.8% despite including significant investment for growth

Sky's Supercharged Multi-Platform Strategy



Results Presentation
For the year ended 30 June 2025

1. Digital – Nielsen CMI AP15+. Weekly. Linear TV - Nielsen TAM, Jul 2024-Jun 2025, 18+.

Sky's sport content is unrivalled

No one else comes close to offering the quality and depth of year-round local and international sport – all the 'headline grabbing' content is on Sky

Disciplined content strategy drives investment decisions, guided by powerful viewership data

New partnerships include: NZ Cricket and First XV Rugby. Key renewals included: Cricket Australia; Tata IPL; Six Nations Rugby, A-League Soccer, PGA Tour, US PGA and subsequent to year end, a new five year partnership with NZR and SANZAAR Unions¹

Secured through long term agreements and hedged by content breadth and staggered renewals

Data shows fans watch a variety of sports, minimising Sky's exposure and increasing the value of the bundle



Results Presentation
For the year ended 30 June 2025

1. Conditional on Sky shareholder approval by special resolution

Entertainment content enhances the value of the bundle

Quality and breadth that keeps customers engaged

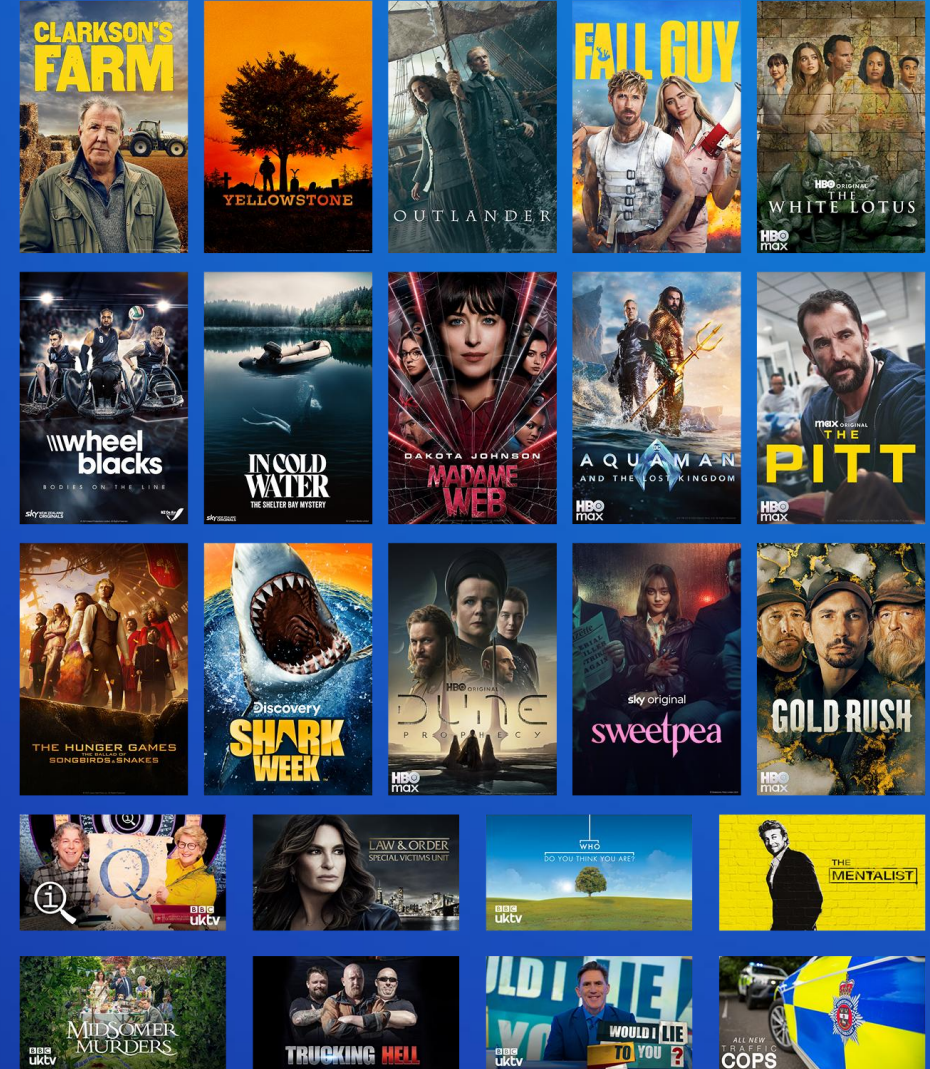
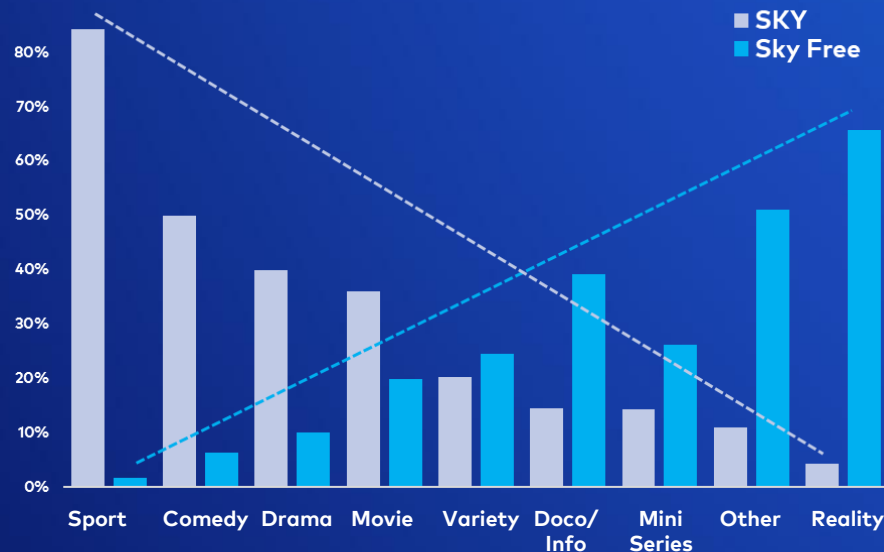
Strong content line up from multiple global and local partners and Sky Originals productions

Refreshed Entertainment strategy creates greater flexibility to secure and curate content that resonates

Complementary genre strengths of Sky Free to enhance Sky's position

Entertainment makes up a high proportion of sports fans viewing

PROGRAMME RATINGS IN MARKET
BY GENRE (% , 25-54)



Operational Performance

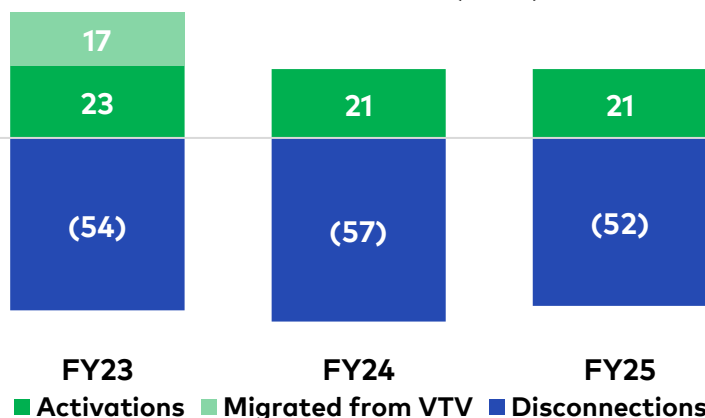


Sky Box and Sky Pod

Notwithstanding economic headwinds and satellite migration disruption, Acquisitions were stable and Disconnections improved



SKY BOX ACTIVATIONS / DISCONNECTIONS (000)



DISCONNECTS IMPROVED

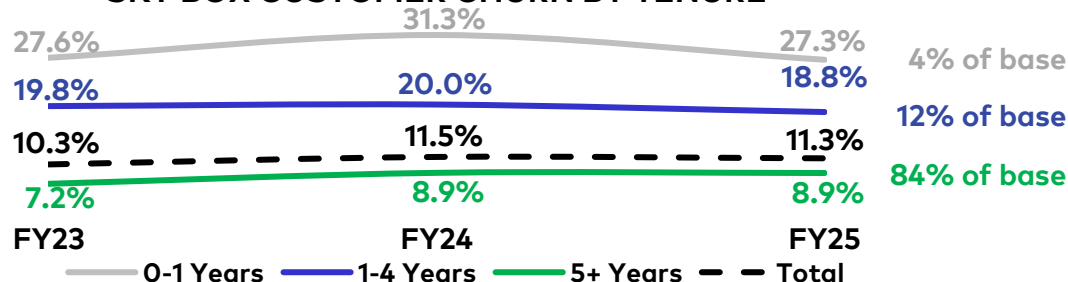
8.5%

CHURN REDUCED to

11.3%
from 11.5%

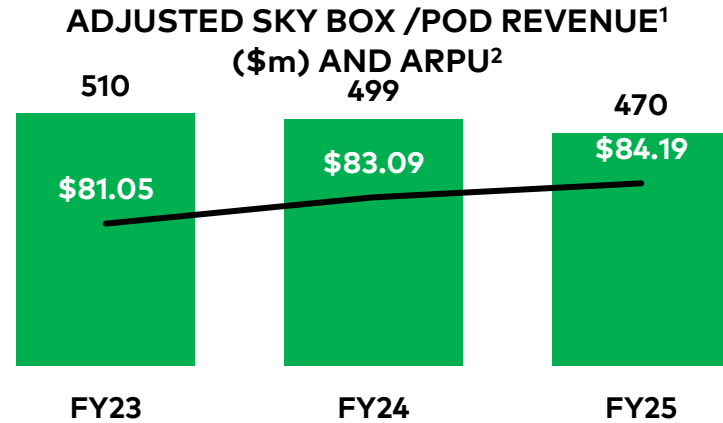
- Activations stable at 21k, an impressive result in a challenging period, and with heavily reduced marketing spend
- 54% lower churn for new Sky Box customers compared to the classic box, including 62% lower churn for customers with 5 year plus tenure
- Disconnections improved by 8.5%, a very strong performance in a year disrupted by Satellite Migration and continued economic challenges impacting household spending
- Annualised churn reduced to 11.3% (down from 11.5%). Significant improvement in the 0-1 year tenure group with stable performance in the 5 year plus group
- Discounts were weighted towards H2 retention and were in line with FY23 levels although higher than last year

SKY BOX CUSTOMER CHURN BY TENURE



Sky Box and Sky Pod

New Sky Experience reaches 37% of customers; revenue softens

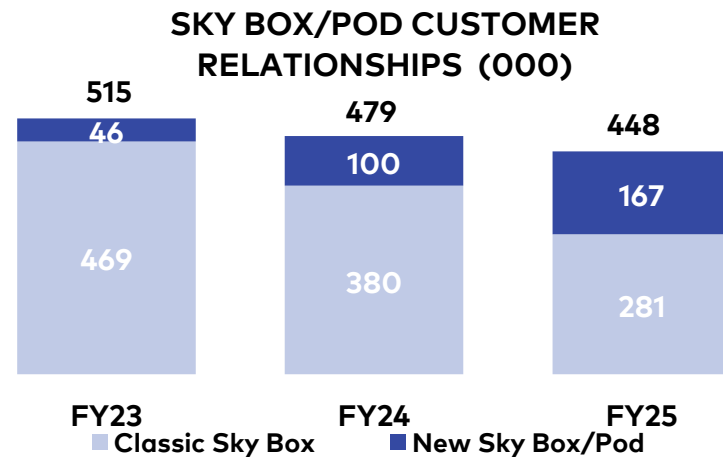


NEW DEVICE CUSTOMERS

37%
from 21%

SPORT SUBS PENETRATION

72.5%
from 71.0%

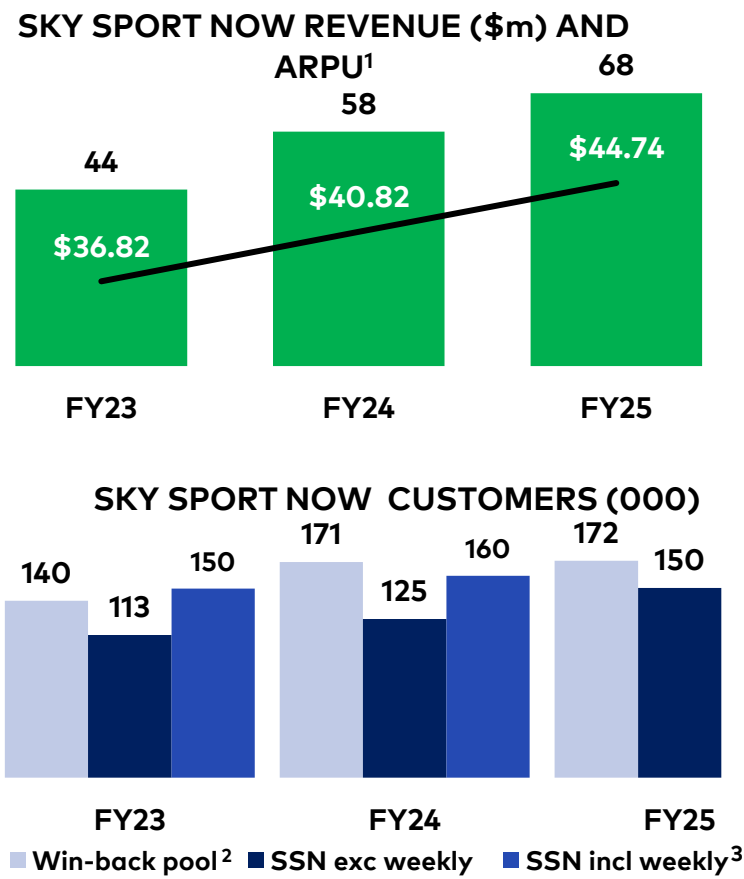


- New Sky Experience expands to 167k customers (148k Box / 18k Pod). Total new devices in use, including multiroom rises to 189k (163k Box / 26k Pod)
- Revenue softened 5.8% partly due to the lower starting customer base and in-year reduction which off-set the positive impact from higher ARPU
- ARPU growth of 1.3% (\$1.10) through:
 - Sports pack price increases in Feb 2024 and May 2025
 - Higher average sport penetration of 72.5% (up from 71.0%)
 - Full year impact of Entertainment pack increase in Oct 2023
 - Less: spin-down in non-sport packs/add-ons, and discounts



Streaming – Sky Sport Now

Another year of double-digit Revenue growth and strong audience engagement



RECURRING SUBS Increase
+20%
(mthly/annual)

ENGAGEMENT⁴
Stable at
79%

TENURE⁵
Increases to
27.8 mths
from 23.4

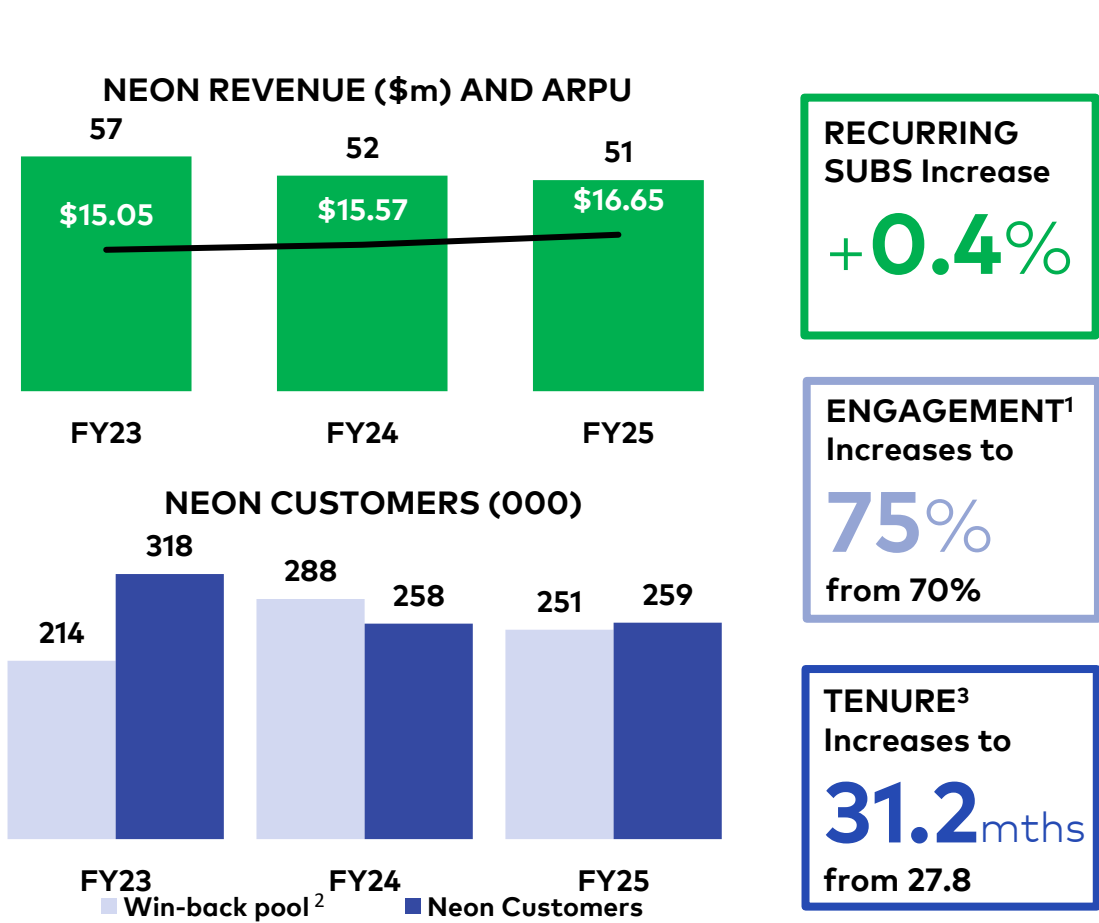
- Reconfigured subscription model to remove weekly passes (Jan 25), delivering good growth in recurring monthly subscriptions. Subsequent launch of day pass option at \$29.99 (May 25) is capturing transactional revenue opportunities
- 16% revenue growth driven by growth in recurring subscriber numbers, higher ARPU, and transactional pass sales. ARPU growth included a 10% price rise on monthly and annual passes to \$54.99 and \$549.99 respectively (Mar 25). Addition of dynamic ad insertion (DAI) adds new digital revenue (from Oct 24, not included in Sky Sport Now revenue)
- Customer numbers now reflect the recurring 90-day base of monthly/annual pass holders following the removal of weekly passes. All pass types are included in revenue



1. ARPU is based on Recurring Subscribers (Monthly/Annual pass holders), removing the impact of transactional passes, Includes PPV.
2. Win-back pool includes customers that subscribed in the past 18 months but were not in the active base at balance dates.
3. Customers reported on a 90-day lookback basis. 4. Engagement is defined as customers that viewed content during a week, using 12-month weighted average. 5. Tenure is cumulative average total tenure of the active base excluding transactional pass holders.

Streaming - NEON

Steady performance with product mix growth in Basic with Ads tier

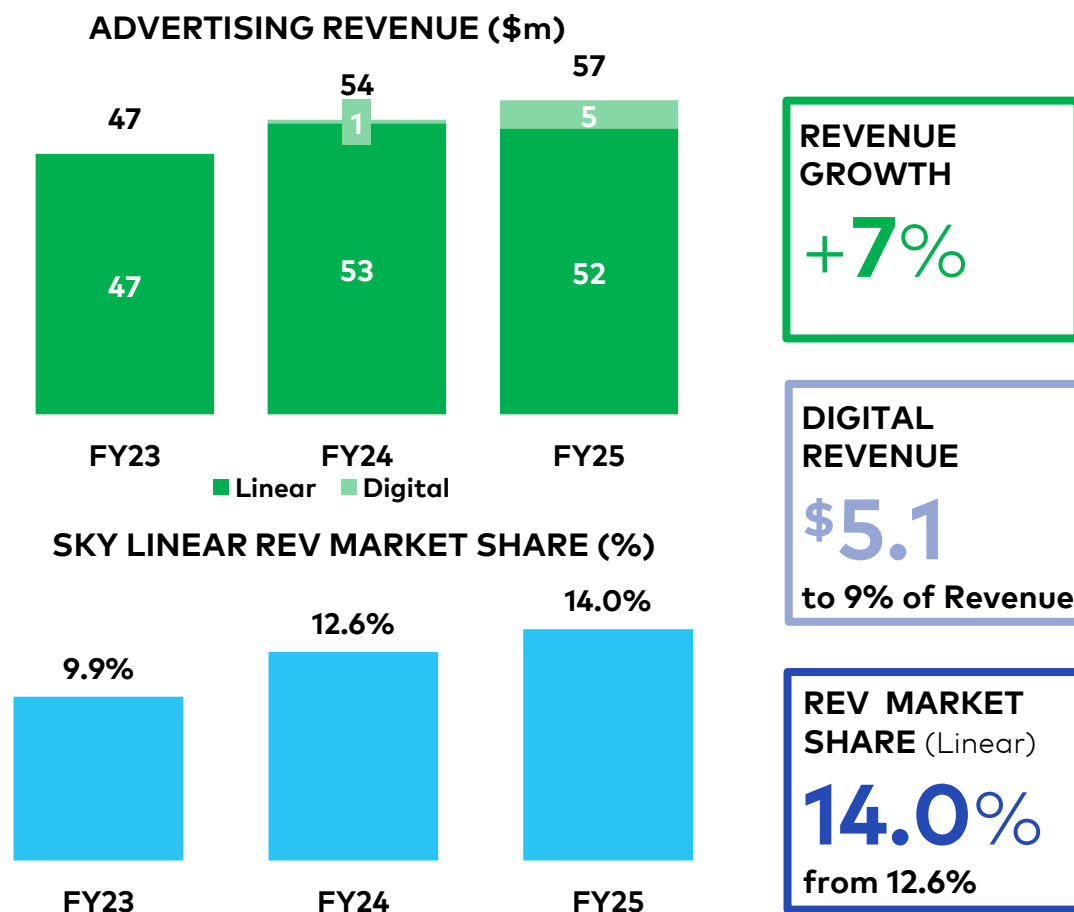


NEON

- Subscriber base delivered modest growth of 0.4%. Unique viewers were up 6% in the second half
- Product mix shift continues 18 months on from the launch of Neon Basic with Ads tier, to 77% Standard/23% Basic (from 86%/14% at FY24). A 20% price rise on Standard tier in April 2025 softened the ARPU impact of mix changes
- Growth in Basic with Ads tier delivers incremental digital Ad Revenue (not included in Neon revenue), increasing revenue diversity and offering customer's choice

Advertising

Revenue and Market share gains continue; Digital growing rapidly

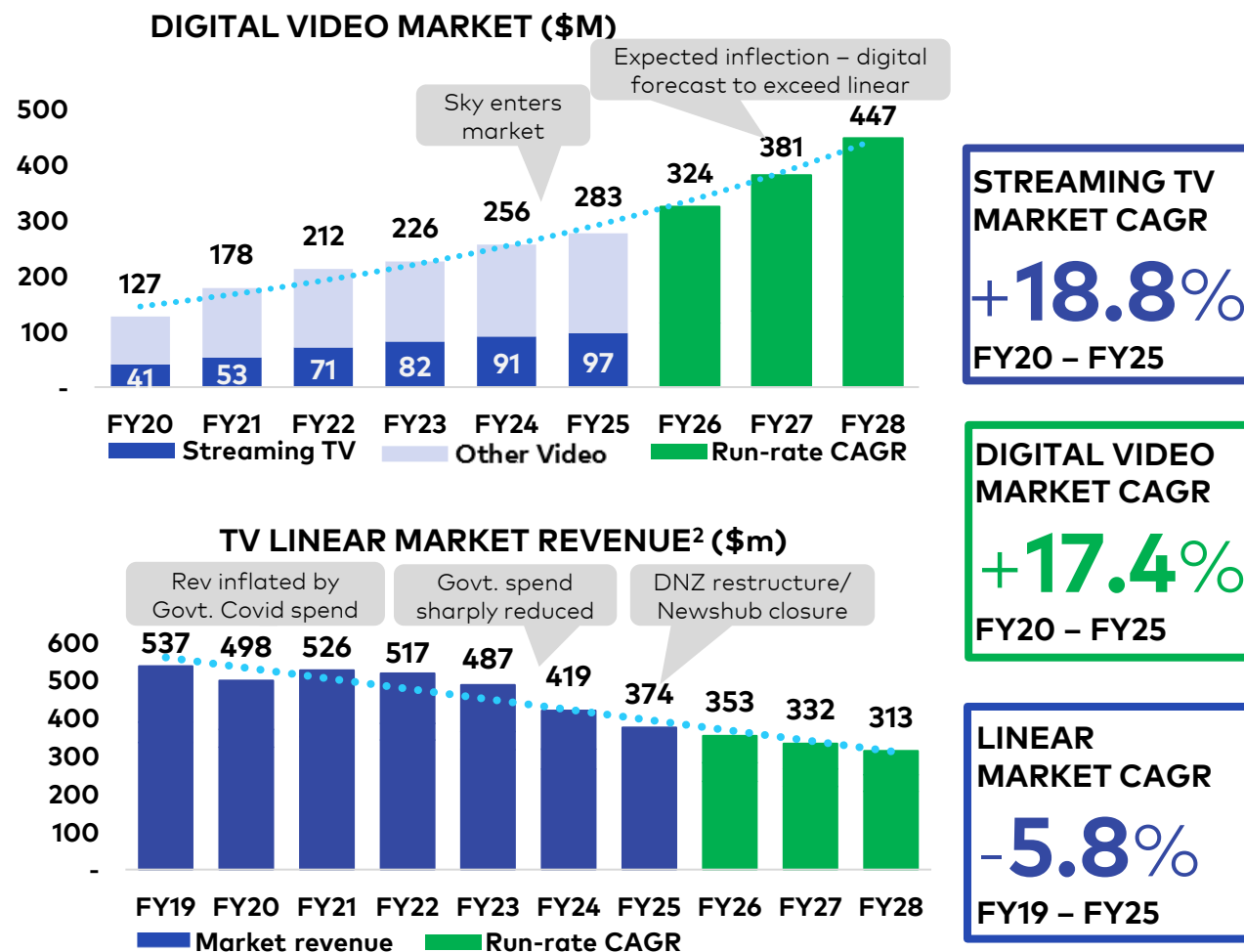


skySALES

- Delivered 7% revenue growth¹ including strong digital growth to \$5.1m or 9% of Total Ad Revenue compared to \$0.7m or 1% in FY24 through progressive rollout of Neon in Jan 25 and Sky Sport Now (from Oct 25)
- 11.1% increase in linear revenue share to 14.0%, achieved in a market that contracted 10.7%
- Revenue and share growth reflect the strength of Sky's content, inventory growth and innovation. Sky Sport now in particular had strong demand. Sponsorship and integration campaigns more than doubled. Client NPS also doubled and Sky Sales was named 2025 Sales Team of the Year at the Beacon Awards
- Digital revenue opportunities remain with some having been delayed due to migration prioritisation in FY25: dynamic Ad insertion (DAI) launch on Sky GO, Pod and Sky Box VOD. Social media growth and integration opportunities include extensions to sponsorship deals

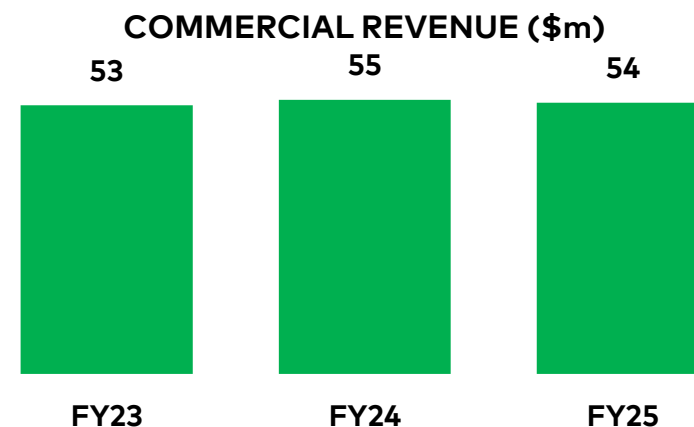
Advertising (cont.)

Market trends support digital growth



Commercial *sky*BUSINESS

Stable performance a solid result



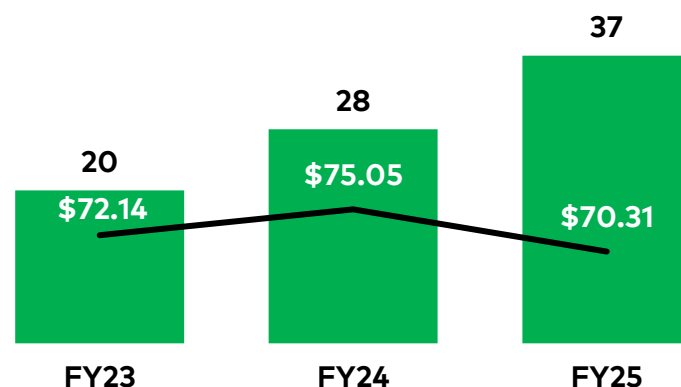
- Revenue growth in licensed premises, Believe It Or Not Quiz product (up 18%), and Samsung TV reseller partnership largely offset softness across sectors exposed to tourism and retail challenges
- Premium accommodation solution for casting and compendium services is strengthening hotel relationships, with 23 major hotels onboarded through exclusive partnership
- Product innovation accelerates with the launch of the Business Edition of the new Sky experience expected in H1 FY26 improved optionality with access to video on demand and 3rd party apps.

Sky Broadband

Surpassed 50k customer milestone following acceleration of customer growth

skyBROADBAND

BROADBAND REVENUE¹ (\$m) AND ARPU



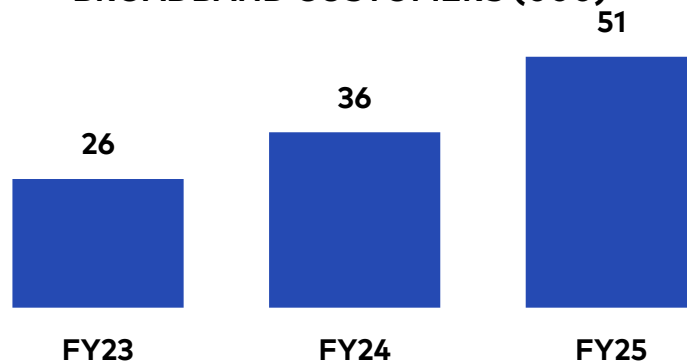
REVENUE
GROWTH

+34%

ATTACHMENT
TO SKY BOX

10%
from 7%

BROADBAND CUSTOMERS (000)

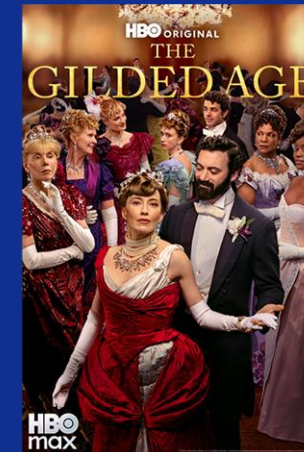


CUSTOMER
GROWTH

+43%

- 34% Revenue growth achieved through successful campaigns as customers seek value
- 10% bundled attachment to Sky Box customers and continued improvement in attachment at acquisition to 17% (up from 16%)
- 25% growth in Fibre Pro (1GB) plan now makes up 40% of the base (from 49%) as Fibre Starter (100Mbps) popularity increases, almost doubling to 29% of the base (from 16%) and changing the mix. Fibre Everyday grew 20%
- ARPU includes \$5 price increase for Pro and Everyday plans in Oct 2024, however the mix impact from growth in the Starter plan has resulted in lower average revenue per user

Financial Performance



Financial Performance

Solid performance with all underlying results within Guidance

\$m	FY25 (adjusted)	FY25 (reported)	FY24	% change (adjusted)	Within Guidance
Revenue	755.1	750.7	766.7	-1.5%	
Operating Expenses	609.4	637.8	614.2	-0.8%	n/a
EBITDA	148.5	120.6	153.0	-3.0%	
Depreciation & Amortisation	88.5	89.1	83.3	+6.3%	n/a
Net Profit after Tax	41.1	20.6	49.2	-16.5%	
Capex	65.2	78.4	82.9	-21.4%	
Free cash flow before distributions ¹	36.7	24.8	23.7	-2.4% ²	n/a

- All metrics delivered within revised guidance provided in February 2025
- **Revenue** result reflects economic headwinds and impacts from delayed initiatives due to focus on satellite migration
- **EBITDA** reduction on prior year is lower than revenue impact due to **strong focus on operating expenses**
- **Net Profit after Tax** impacted by higher depreciation which reflects period of elevated capex in new products in FY23 and FY24
- Reported results impacted by a **number of one-off items** which are excluded from Adjusted numbers (see next page)
- **Strong cashflow** of \$24.8m was 4.6% higher than the prior year (adjusted cashflow of \$36.7m was 2.4% lower than prior year).

Summary of adjustments

To enable a like for like comparison of Sky's underlying results

	\$m	Description
Revenue and Other Income	(0.5)	\$4.4m Revenue impact of satellite migration (see next slide) (\$4.9m) one-off, non-cash benefit to Other Income resulting from a modified (shortened) lease term on previous satellite lease
Operating Expenses	28.4	\$18.3m non-cash acceleration of content amortisation due to change in methodology for Neon \$1.4m content impairment in H2 FY25 \$3.4m of one-off transformation costs largely reflects redundancy \$2.3m of transaction costs related to the acquisition of Sky Free (formerly Discovery NZ Limited) \$2.9m Opex impact from satellite migration (see next slide)
Depreciation	0.6	\$0.6m of additional depreciation on satellite migration capex
Tax	(8.0)	(\$8.0m) tax effect of one-off items / adjustments
Net Profit after Tax impact	20.5	After tax effect of the revenue, other income, operating expenses and depreciation adjustments
Capex¹	13.2	\$13.2m impact from satellite migration Capex (see next slide)

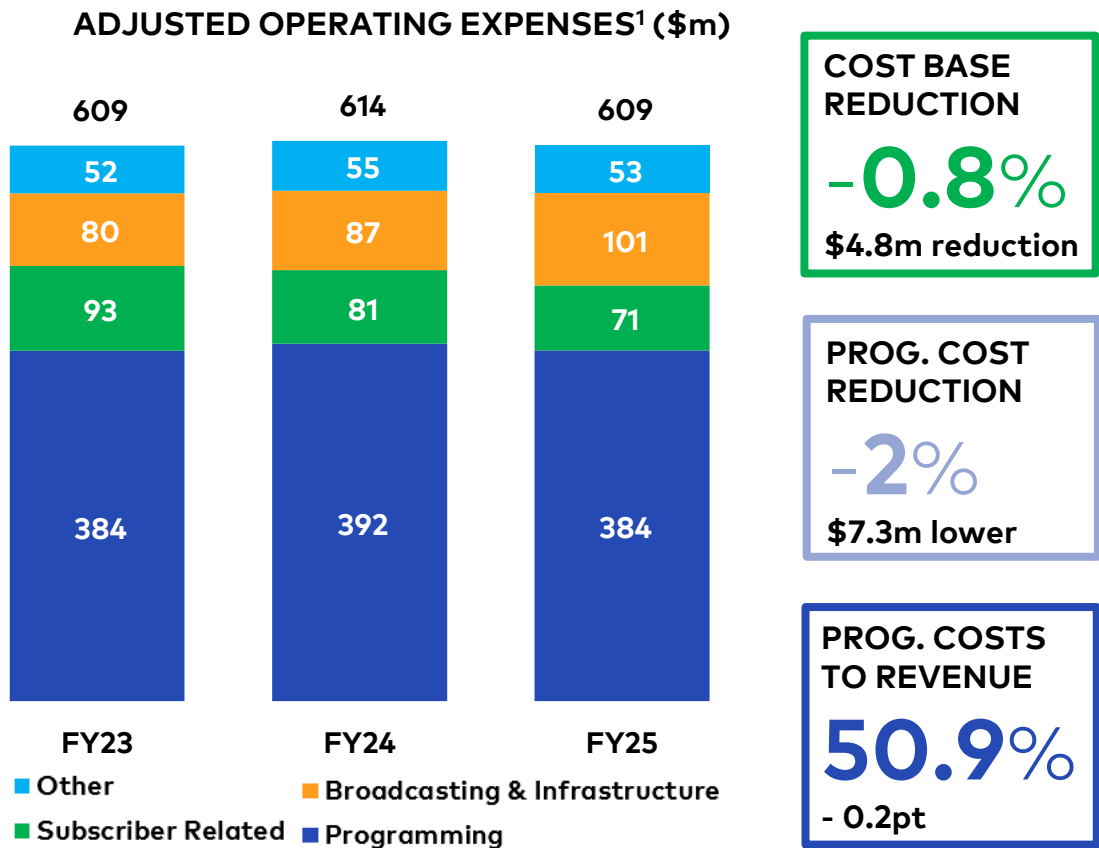
Project Migrate

Expected to be largely cash neutral by the end of FY26

\$m	FY24	FY25	FY26(E)	Total	Description
Capex costs	(4.5)	(13.2)	(2) – (4)	(19.7) – (21.7)	- Includes technology and software infrastructure, capitalised installation costs from customer tech visits, dish hardware and equipment - FY25 delivered within guidance provided of \$10-\$20 million - FY26 spend primarily relates to completion of dual LNB programme
Forgone revenue	-	(4.4)	-	(4.4)	Includes customer discounts and credits to reflect service interruptions, and impact of delaying Sky Box customer price increase
Opex costs	-	(2.9)	-	(2.9)	Increased costs associated with additional Care Centre staffing, consultancy costs and marketing
Total Impact	(4.5)	(20.5)	(2) – (4)	(27) – (29)	Total revenue, opex and capex costs of migration
<u>Support from Optus</u>					
Capex rebates	0.7	9.5	6.1	16.4	Credits reflected in lease cashflows, weighted to H1 in FY25 and FY26
Compensation for acceleration	-	-	8.2	8.2	Compensation claim for the majority of forgone Revenue, and Opex and Capex costs incurred as a result of acceleration of migration to new satellite and the resulting customer service issues. Reimbursement to be received in FY26 as Other Income
Net impact				(2.4) – (4.4)	Final outcome will depend on the level of capex costs in FY26

Expenses

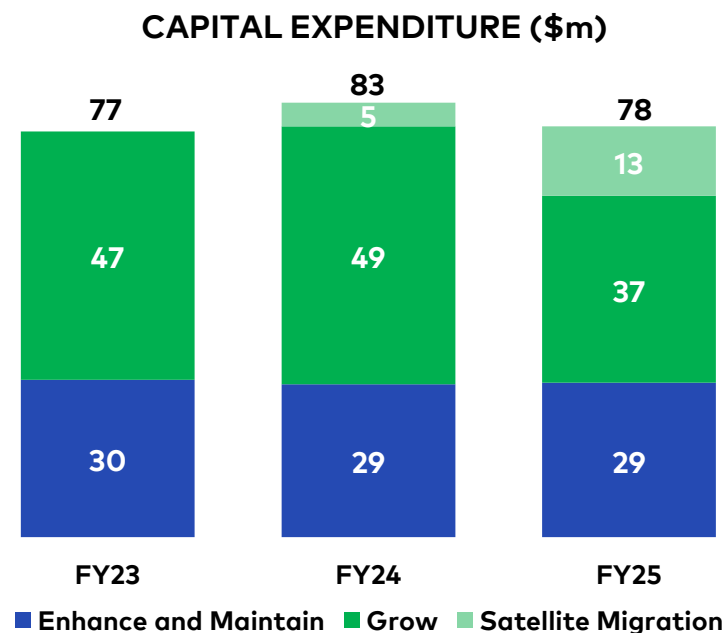
Disciplined cost management and strong focus on margin remain



- **Programming** costs reduced by \$7m, with savings achieved through data driven content renewal and acquisition choices, continued optimisation of programming operations, and realised gains on foreign currency. Both FY25 and FY24 included one-off events (FY25: Olympics and All Blacks Northern Tour; FY24: World cups for FIFA Womens, ICC Mens, Netball and Mens Rugby)
- **Subscriber Related** cost savings of 12% were driven by reduced marketing spend, continued efficiencies from outsource activities, people costs and operational savings
- **Broadcasting & Infrastructure** cost increases largely related to the cost of growth of Sky Broadband, as well as some increase from streaming growth
- **Other** cost reductions were largely driven by lower consultancy and people costs, which more than offset continued investment in Advertising

Capital Expenditure

Adjusted capex as a percentage of revenue returned to 7-9% target range following a period of accelerated investment



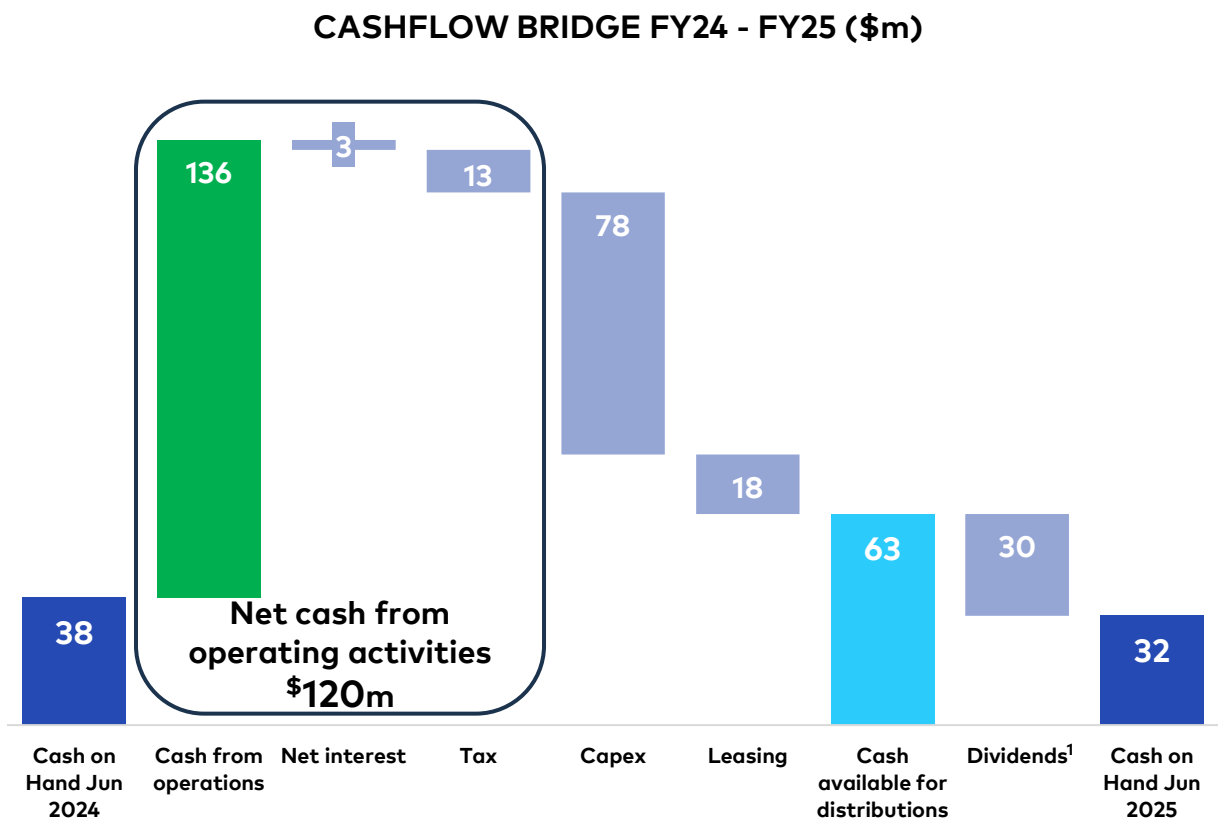
CAPEX¹ TO REVENUE
8.6%
From 10.2%

GROWTH CAPEX¹
56%
of spend

- Adjusted capex as a percentage of revenue returned to the 7-9% target range following a period of accelerated investment in new products in FY23 and FY24
- Investment in growth focused capex of 56% of non-migration spend. This included investment in new Sky Box, Pod and Broadband devices, installations and equipment associated with customer acquisitions; new feature releases for Sky products and digital Advertising
- Similar to Half Year, Enhance and Maintain capex spend included platform, digital and data capability enhancements and transmission equipment and system upgrades.

Free Cash Flow

Strong free cash flow generation despite challenging economic climate and cash impacts of satellite migration



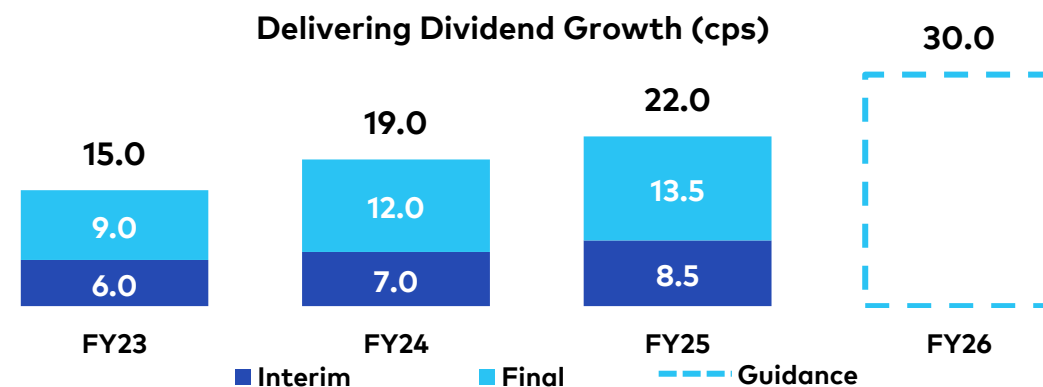
- Reported net cash from operations was strong at \$120m, albeit lower than FY24 due to working capital movements and costs associated with satellite migration and other one-off items
- Capex decreased by \$11m to \$78m, which included \$13m of satellite migration capex (vs \$4.5m in FY24), as spend reduced following accelerated investment in new products in FY23 and FY24
- Lease costs reduced by \$9m, largely due to migration capex rebates from Optus as noted on slide 21
- \$30m of distributions to shareholders¹ represents an 21% increase year on year
- Sky closed FY25 with a cash balance of \$32m and undrawn bank facility of \$100m

1. Dividends includes supplementary dividends.

Capital Management Update

Dividend growth continues through delivery of sustainable free cash flow

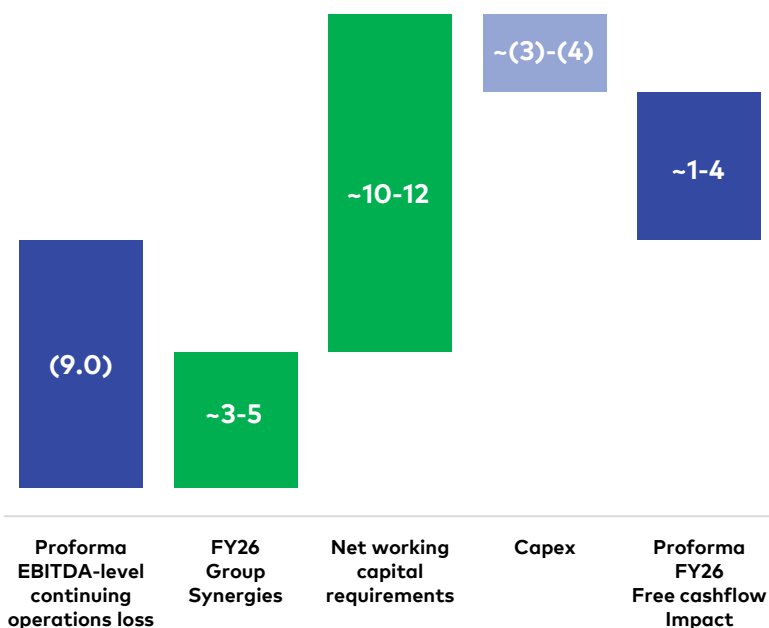
\$m	FY25
FY25 Free Cash Flow ¹	\$24.8
Add back: one-off satellite migration impacts, transformation costs and M&A transaction cash costs	\$21.5
Less: one-off benefit from Optus credits	(\$9.5)
Adjusted Free Cash Flow²	\$36.7
FY25 Dividend (fully imputed)	\$30.3
Cents per share (cps)*	22 cps
Dividend % of Adjusted FCF	82.5%
* Interim (March 2025)	8.5 cps
* Final (September 2025)	13.5 cps



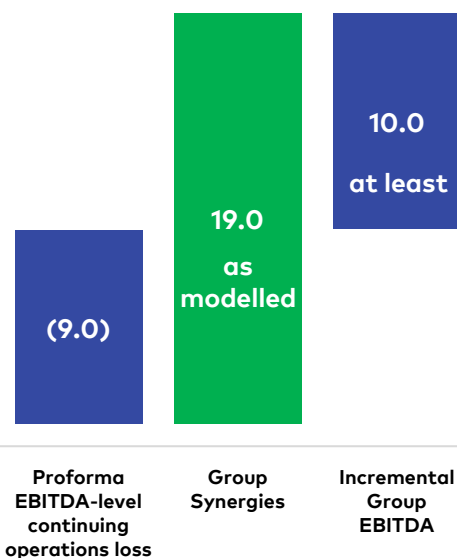
- **Dividends:** 15.8% increase in dividends year on year enabled through strong free cash flow generation
- **Buyback update:** Paused in June 2024, and remained in paused in November 2024 due to ongoing NZR negotiations. Programme expired 31 March 2025, with \$7.2m of the maximum \$15.0m deployed
- **Capital Management:** Sky's Board has resolved to pause further capital management actions in the short term as we prioritise the integration of Sky Free (formerly Discovery NZ). To be reviewed periodically as transaction synergies are delivered

Sky Free (formerly Discovery NZ) acquisition update

FY26 PROFORMA UNDERLYING FREE CASH FLOW IMPACT¹ (\$m)



FY28 ASSUMED INCREMENTAL GROUP EBITDA POST SYNERGIES¹ (\$m)



FY26 cashflow and future EBITDA impacts as referenced in transaction announcement

- FY26 revenue impact expected to be c. \$85 million, noting 11 month contribution
- Assumed FY26 (and ongoing) capex of c. \$3-4m p.a.
- FY26 proforma underlying free cash flow positive
- Integration costs (net of the contribution from WBD) of approx. \$6.5m to be incurred over FY26 & FY27
- Potential for at least \$10m p.a. of incremental EBITDA on a Group basis by end of FY28
- Purchase Price Accounting (PPA) to be completed within 12 months. Will have an impact on FY26 P&L (e.g. content amortisation), but not cash flow. Expected to result in a material 'bargain purchase' gain
- Further update to be provided at 1H / once PPA completed

Implementation Roadmap

- Chief Transition Officer appointed and governance framework in place
- Running independently for initial three month period. 12 month TSA agreement enables smooth transition pathway

Looking Ahead



Outlook and FY26 Guidance

\$m	FY26 guidance Sky stand alone basis ¹
Revenue	745 – 770
EBITDA	142 – 162
Capex	60 – 70
Dividend ²	at least 30 cps

At this time we are guiding for 'stand-alone' Sky only – with an update for Sky Free (formerly Discovery NZ) to be provided at HY26 following PPA process

- Revenue guidance reflects ongoing economic challenges, which are expected to continue at least through H1
- Cost reductions in programming largely offset by re-investment in people, marketing and customer experience after a challenging FY25 and to lay the groundwork for acceleration in FY27, and new rugby deal (6 months in FY26) which has some carry-over from current deal
- EBITDA and Dividend guidance exclude one-off transformation costs, Sky Free transaction and net integration costs, with Dividend guidance also excluding one-off capex (incl. final year of satellite migrate capex) and income from Optus compensation claim.
- No longer guiding on NPAT as not considered a meaningful metric for market valuation purposes
- Capex expected to remain within 7-9% of revenue target. Guidance excludes satellite migration spend of approx. \$2-4 million. Financial support from Optus for migration capex flows through leasing cash flows (netted off capex when calculating adjusted free cash flow for dividend purposes)
- Dividend guidance of at least 30 cps represents a 36% uplift on the 22.0 cps in FY25, delivering on our 3 year target of doubling the FY23 dividend

OUR PURPOSE

Share stories. Share possibilities. Share joy.

OUR AMBITION

To be Aotearoa NZ's most engaging and essential media company

STRATEGIC PATHWAYS

**Making Sky a
great place to
work**

**Giving customers
content they
love**

**Meeting
customers
where they are**

**Giving customers
the experience
they expect**

**Providing innovative
solutions for our
partners and clients**

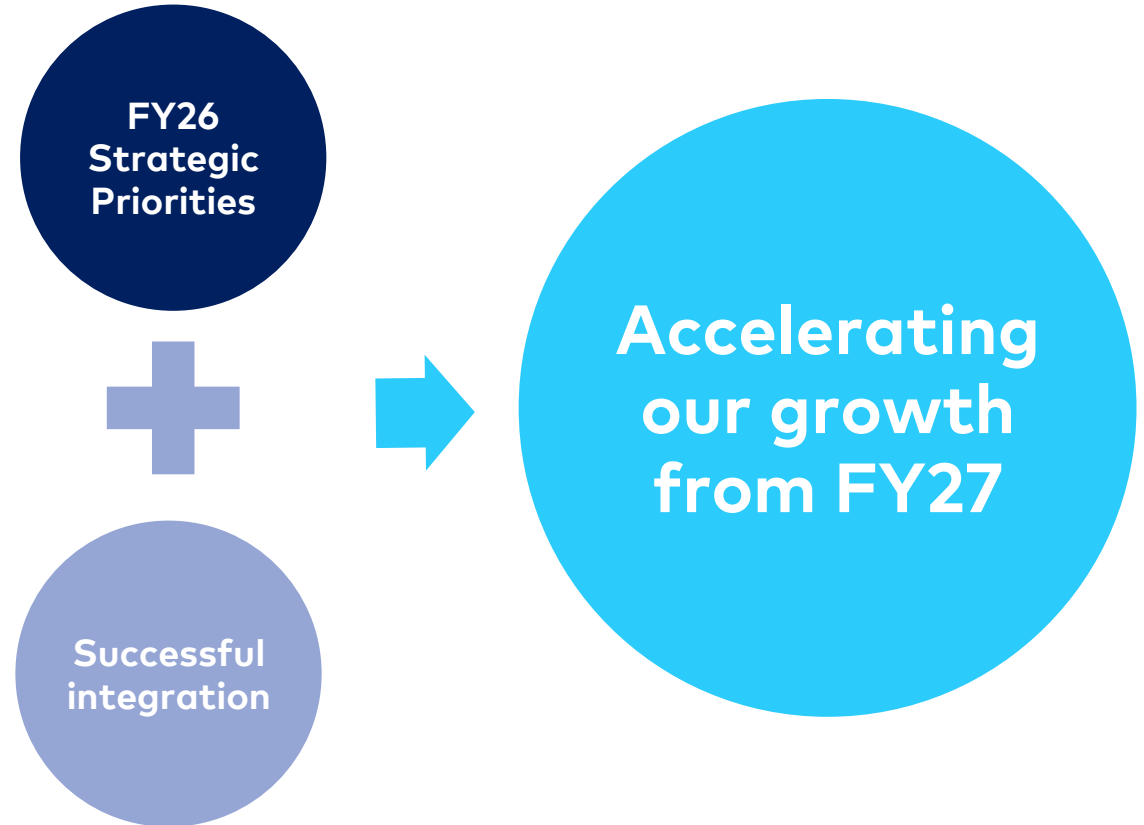
OUR ENDURING COMMITMENT

A responsible and sustainably profitable, Aotearoa-focused business



FY26 priorities provide the runway to accelerate growth

FY26 Priorities



Questions



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