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28 August 2026

Expanded Sky business delivers strong FY26 result

Sky Network Television Limited (Sky) has delivered a strong FY26 result, with Underlying Revenue of \$826.1m, up 9%, and Underlying EBITDA¹ of \$157.0m, up 6% and at the higher end of guidance.

The Board has declared a full imputed final dividend of 17 cps, bringing the total FY26 dividend to 32 cps, up 45% year-on-year and 113% over three years, comfortably exceeding Sky's target to double the FY23 dividend.

Financial Highlights²

Underlying Revenue: \$826.1m, up 9%, driven by the acquisition of Sky Free

Underlying EBITDA: \$157.0m, up 6%, at the higher end of guidance

Statutory NPAT³ of \$59.8m, up 190% and **Underlying NPAT:** \$41.8m, up 2%

Normalised Free cash flow: \$58.9m, up 60%, contributing to a closing cash balance of \$79.1m

Final Dividend: 17.0cps (fully imputed), full year dividend of 32 cps (fully imputed)

Capital Management: Targeting 10% p.a. growth in dividends for the next three years, with dividends now to be paid quarterly.

Sophie Moloney, Sky Chief Executive, said: "Three years ago, we set ambitious targets reflecting our confidence in Sky and the opportunity ahead. Since then, we have navigated a challenging economic environment while completing two significant projects - the accelerated satellite migration in FY25 and the acquisition and integration of Sky Free in FY26."

"We finish this period a stronger Sky - larger, more diversified and increasingly digital, with greater audience scale and more opportunities for growth."

"The benefits of the expanded business are already evident. We now reach more New Zealanders across paid and free-to-air, broadcast and digital, giving audiences more choice in how they engage with Sky, while advertisers can connect with larger and more diverse audiences through a single integrated offering."

"With the critical building blocks now in place - including a match-fit team with a demonstrated ability to drive margin and free cash flow, long-term sports rights secured, a flexible and audience-led entertainment strategy, greater audience scale and reach, and increasingly sophisticated use of data to inform our decisions - we are turning our focus to the next phase."

¹ EBITDA is a non-GAAP measure. Sky uses this measure when discussing financial performance as the Company believes it provides useful information on Sky's performance.

² Sky has provided underlying numbers to enable a like-for-like comparison. A reconciliation and information on adjustments is available on page 8 of the Annual Report.

³ Including one off items, such as a \$31.4m Gain on Bargain Purchase

"Development of our strategy through to FY31 is well advanced, with an ambition to significantly grow revenue, including 20-30% from non-subscription sources, alongside margin expansion and earnings growth. At the heart of this strategy is a shift from thinking about products and subscribers to audiences connected through one Sky ecosystem, with data and technology helping us unlock growth and simplify the business."

Key business highlights

Expanded audiences and advertising revenue: The acquisition and integration of Sky Free has significantly increased Sky's audience scale and diversified its revenue base. Advertising revenue more than doubled to \$131.7m, with digital now contributing 22% of advertising revenue.

Sky also delivered \$8m of year-one integration synergies, well above the \$3m to \$5m signalled, and remains confident of delivering at least \$10m of incremental Group EBITDA in FY28 through further optimisation of the combined business.

Sport: Sky strengthened its premium sports portfolio with long-term agreements including NZ Rugby through to 2030 and the Olympic Games through to Brisbane 2032. More recently, Sky secured the hugely popular NRL for a further seven years, taking the partnership through to the end of 2034, subject to shareholder approval.

As of today, Sky has also secured a six-year extension of exclusive Premier League rights through to 2034, locking in one of the world's most-watched sporting competitions for New Zealand fans. Combined with Sky's existing rights portfolio, the strength and duration of these partnerships secure the sport our audiences love and provide certainty for Sky well into the next decade.

Entertainment: Sky reshaped its entertainment strategy during FY26, moving to a more flexible model that draws on a multi-studio approach. Partnerships with leading global studios including Paramount, Sony Pictures Television, NBCUniversal and BBC Studios provide a steady pipeline of premium entertainment, complemented by a strengthened commitment to distinctive local New Zealand programming.

Capital management

The Board's confidence in Sky's outlook and ongoing cash generation underpins a target to deliver 10% annual growth in dividends over the next three years. Sky will also move to quarterly dividend payments to provide a more frequent income stream for shareholders, with the first FY27 quarterly dividend expected to be paid in December 2026.

Sky's strong balance sheet, including \$79.1m of cash on hand at 30 June 2026, provides further capital management flexibility. Subject to there being no superior opportunities to deploy capital, the Board will consider initiating an on-market share buyback following the announcement of FY27 Interim Results.

Outlook

Trading conditions are expected to remain challenging in the first half of FY27, with the timing and strength of economic recovery uncertain.

Sky's FY27 guidance is for Revenue of between \$825m and \$840m, EBITDA of between \$155m and \$165m, and Capital Expenditure of between \$60m and \$65m. In line with Sky's target to deliver 10% annual dividend growth, dividend guidance is for at least 35 cents per share.

Ends

Authorised by: Kirstin Jones, Company Secretary

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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 2026	
Previous Reporting Period	12 months to 30 June 2025	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$824,845	9.9% increase
Total Revenue	\$824,845	9.9% increase
Net profit/(loss) from continuing operations	\$59,375	193.5% increase
Total net profit/(loss)	\$59,375	193.5% increase
Final Dividend		
Amount per Quoted Equity Security	\$0.17000000	
Imputed amount per Quoted Equity Security	\$0.06611111	
Record Date	11 September 2026	
Dividend Payment Date	25 September 2026	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$ 1.14626	\$0.95417
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	David Mackrell	
Contact person for this announcement	David Mackrell	
Contact phone number	+64 21 311 911	
Contact email address	David.Mackrell@sky.co.nz	
Date of release through MAP	28/08/2026	

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	11/09/2026			
Ex-Date (one business day before the Record Date)	10/09/2026			
Payment date (and allotment date for DRP)	25/09/2026			
Total monies associated with the distribution	\$23,404,752			
Source of distribution (for example, retained earnings)	Retained Earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution	\$0.23611111			
Gross taxable amount	\$0.23611111			
Total cash distribution	\$0.17000000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	\$0.03000000			
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	\$0.06611111			
Resident Withholding Tax per financial product	\$0.01180555			

Section 5: Authority for this announcement	
Name of person authorised to make this announcement	David Mackrell
Contact person for this announcement	David Mackrell
Contact phone number	+64 21 311 911
Contact email address	David.Mackrell@sky.co.nz
Date of release through MAP	28/08/2026



Annual Report 2026

sky

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FY26 at a Glance

REVENUE (REPORTED)

\$824.8m

FY25: \$750.7m

▲ 10%

REVENUE (UNDERLYING¹)

\$826.1m

FY25: \$755.1m

▲ 9%

EBITDA² (REPORTED)

\$170.2m

FY25: \$120.6m

▲ 41%

EBITDA² (UNDERLYING¹)

\$157.0m

FY25: \$148.5m

▲ 6%

NPAT (REPORTED)

\$59.8m

FY25: \$20.6m

▲ 190%

NPAT (UNDERLYING¹)

\$41.8m

FY25: \$41.1m

▲ 2%

Dividend

FINAL DIVIDEND (CENTS PER SHARE)

17cps

▲ 26%

FULL YEAR DIVIDEND (CENTS PER SHARE)

32cps

▲ 45%

PAYABLE ON 25 SEPTEMBER 2026

1. Sky has provided underlying numbers to enable a like-for-like comparison. Information on adjustments is available on page 8 of this Annual Report.

2. EBITDA is a non-GAAP measure. Sky uses this measure when discussing financial performance, as the Company believes it provides useful information on Sky's performance.

Chairman and Chief Executive Letter



Dear Shareholders, Welcome to Sky's Annual Report for FY26.

Three years ago, we set and communicated ambitious targets as a reflection of our belief in the outlook for this business. Since then, we have successfully navigated one of the toughest economic environments in recent memory despite the impacts of two significant projects - an accelerated migration to a new satellite in FY25, and the acquisition of Discovery NZ, now Sky Free, in FY26.

Throughout this period, our overarching focus has been firmly on delivering for our customers, strengthening Sky for the future, and creating long-term value for our shareholders.

Delivery against the three-year targets that we communicated to the market is testament to the hard work of the entire Sky team. In this final year of our three-year plan, our improved ability to execute came to the fore as we successfully completed the complex technical and operational integration of Sky Free into the Sky Group. At the same time, we implemented our refreshed entertainment strategy while continuing disciplined investment in the sport and entertainment content that matters most to New Zealanders.

The result is a stronger Sky. Today we are a larger, a more diversified

and an increasingly digital business, with greater scale and strengthened competitive advantage. The acquisition and integration of Sky Free has provided a significant growth opportunity. Through a series of products spanning paid and free-to-air, linear and digital, we now reach more New Zealanders than ever before. Audiences have more choice as to how they engage with us, while advertisers can connect with larger, more diverse and better targeted audiences through a single integrated offering.

FY26 In Review

During the year, we secured several significant and strategically important long-term rights agreements. These include renewing our partnership with New Zealand Rugby through to December 2030 and extending our rights to the Olympic Games through to Brisbane 2032.

More recently, securing an exclusive seven-year broadcast partnership to the end of 2034 for the New Zealand NRL rights with the Australian Rugby League Commission represents a massive milestone for Sky.

Subject to shareholder approval, this is a highly strategic long-term rights win for Sky, which incorporates our disciplined, data-led approach to the rights valuation and reflects the importance of our ability to engage a larger, more diverse audience, as a result of our Sky Free acquisition alongside the enduring strength of our Sky Sport customer base.

As of today, Sky has also secured a six-year extension of exclusive Premier League rights through to 2034, locking in one of the world's most-watched sporting competitions for New Zealand fans.

Combined with our existing portfolio of premium sports rights, these rights reinforce our unrivalled position to deliver a steady and compelling, year-round schedule for customers. In parallel, we will continue to broaden access through our free-to-air platforms to help grow audiences, to build fandom, and to strengthen the long-term value we can provide our customers through our aggregated offering of these partnerships.

This year also marked a significant evolution in our entertainment strategy which gives us greater control over our content destiny, ensuring that we invest where we can create the greatest value for audiences and shareholders alike. This refreshed strategy enabled our announcement in February that we would not be renewing our agreement with Warner Bros. Discovery for HBO Max content. At the same time, we announced an expanded partnership with Paramount, strengthening our entertainment offering with premium high-demand content including the much-sought after *Yellowstone* spin-offs, *Dutton Ranch* and *The Madison*.

We have also built a broader and more flexible content pipeline through partnerships with leading global studios, including Sony Pictures Television, NBCUniversal and BBC Studios to name a few. These international studio deals are complemented by a strengthened commitment to local New Zealand programming across Three, ThreeNow and Sky, with the ongoing and vital support for such engaging local storytelling from NZ On Air.

FY26 Financial Results

The strategic wins of FY26 have also contributed to a strong set of financial results. These include the now fully integrated Sky Free and represent a 10% uplift in reported revenue to \$824.8m, and evidence of increased revenue diversity from scaling advertising. Reported earnings increased by 41% with reported EBITDA of \$170.2m reflecting a continued focus on

costs together with a number of one-off benefits accruing largely from the Discovery NZ acquisition. In this year's Annual Report, we have included additional commentary on the financial performance of the business on pages 6-8, and we encourage you to read this analysis.

Based on the strong FY26 result combined with confidence in the ongoing cash generation profile of the business, the Board has declared a fully imputed final dividend of 17 cents per share, payable on 25 September 2026. This brings total dividends for the year to 32 cents per share, a year-on-year increase of 45%, and a three-year increase of 113% which is comfortably ahead of our stated target to double the FY23 dividend over this period.

The year ahead

We have three key priorities for FY27. The first is to finalise our strategic plan for the next five years, as described in more detail later in this letter. The second is to optimise the expanded business by unlocking more of the opportunities created through bringing Sky and Sky Free together. This optimisation work aligns with our continued focus on delivering at least \$10 million of incremental Group EBITDA from this business combination in FY28. The third is to increase our focus on accelerating the uptake of the New Sky Experience (NSE) by our valuable Sky Box customer base. The enhanced user experience is reflected in improved Net Promoter Scores and lower churn results for customers who have adopted the NSE, as well as providing more opportunities for digital advertising.

Chairman and Chief Executive Letter continued

Capital Management

Our Capital Management policy reflects the ongoing confidence of the Board in the leadership team's ability to deliver strong free cash flow. This confidence underpins our target to deliver 10% annual growth in dividends over the next three years. In addition, we will move to paying dividends on a quarterly basis to provide a more frequent income stream for shareholders, with the first quarterly dividend expected to be paid in December 2026.

The health of Sky's balance sheet, which included \$79.1m of cash on hand at 30 June, also enables your Board to consider additional capital management action. Subject to there being no superior opportunities to deploy capital, the Board will consider initiating an on-market share buyback following the announcement of FY27 Interim Results.

Looking to the Future

Development of our refreshed strategy through to FY31 is well advanced, informed by extensive analysis of customer behaviour, major global media and entertainment trends, the evolving competitive landscape, and the impact of emerging technology – all overlaid by the insight and experience of the leadership team and the input and challenge of the Board.

Based on the growth opportunities identified to date, we have aligned around an ambition to grow

revenue significantly by FY31, with 20–30% of revenues coming from non-subscription sources. At the same time, we will remain focused on margin expansion, earnings growth, and disciplined capital management to deliver sustainable value for shareholders.

At the heart of the strategy is a fundamental shift from thinking about products and subscribers to thinking about audiences, connected by one Sky ecosystem powered by our people, data and technology.

Premium, high-attention video content will remain our shopfront and the reason audiences choose to spend time with us. However, data and technology will increasingly provide the operating leverage behind the business – helping us to better understand and monetise our audiences, to use AI and IP-based solutions to simplify our technology environment and progressively reduce complexity. This will be achieved within a tighter capex envelope of 6% to 8% of revenue.

With the critical building blocks including long term strategic rights acquisitions now in place, we are excited to plot a clear path to our FY31 ambitions while delivering sustainable revenue growth and margin expansion to support 10% p.a. growth in dividends to FY29.

In closing

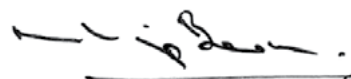
As we reflect on the past year and the progress that we have made, we are grateful for the collective efforts of many people.

To our Sky crew, thank you. You have embraced significant change while continuing to deliver for our customers every day. Your commitment and willingness to challenge yourselves has transformed Sky into the stronger business it is today.

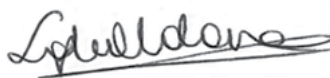
We also thank our strengthened Leadership team for successfully navigating another period of significant change and the Board for its stewardship, guidance and constructive challenge.

To our partners, thank you for your collaboration and shared ambition. Together we continue to share stories, share possibilities and share joy, connecting audiences with the sport and entertainment they love.

Finally, to our shareholders, thank you for your continued confidence and support. Sky is entering this next chapter from a position of strength, and we look forward to sharing that journey with you. While there is still much to do, we are excited by the opportunities ahead and confident in Sky's ability to continue delivering sustainable growth and long-term shareholder value.



Philip Bowman
Independent Chairman



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

FY26 PRIORITIES

Successful integration of Sky Free

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

OUR ENDURING COMMITMENT

A responsible and sustainably profitable, Aotearoa-focused business

Financial Commentary

Sky's strong FY26 results highlight a significant increase in advertising revenue, a reshaping of the programming cost line, and the relative resilience of the business in the face of challenging economic and consumer conditions.

EBITDA¹ (REPORTED)

\$170.2m

FY25: \$120.6m

EBITDA¹ (UNDERLYING)

\$157.0m

FY25: \$148.5m

NPAT (REPORTED)

\$59.8m

FY25: \$20.6m

NPAT (UNDERLYING)

\$41.8m

FY25: \$41.1m

Sky's Earnings before interest, tax, depreciation and amortisation (EBITDA¹) increased to \$170.2m compared to \$120.6m in the prior year, and Net Profit after Tax (NPAT) increased to \$59.8m, up from \$20.6m a year earlier.

These results included a number of one-off items such as a \$31.4m 'gain on bargain purchase' resulting from the acquisition of Discovery NZ for \$1. As one-off items can affect comparability, we have provided underlying numbers to enable a like for like view of business performance. Information on the adjusted items is provided on page 8.

On an underlying basis, EBITDA increased by 6% to \$157.0m, from \$148.5m in the prior year. Net Profit After Tax was \$41.8m compared to \$41.1m in FY25.

Revenue

Underlying revenue grew 9% to \$826.1m. The first 11 months of Sky Free ownership made a significant contribution, driving a 131% lift in advertising revenue whilst also expanding the diversification of revenue streams.

Total advertising revenue of \$131.7m is evidence of Sky's increased scale in this important segment which now represents 16% of total revenue. This result was achieved while unifying the Sky and Sky Free sales teams together, and despite softer market conditions that only began to improve in the second half. Importantly, 22% of advertising revenue now comes from the fast-growing digital segment that provides high-value targeted opportunities for advertising partners.

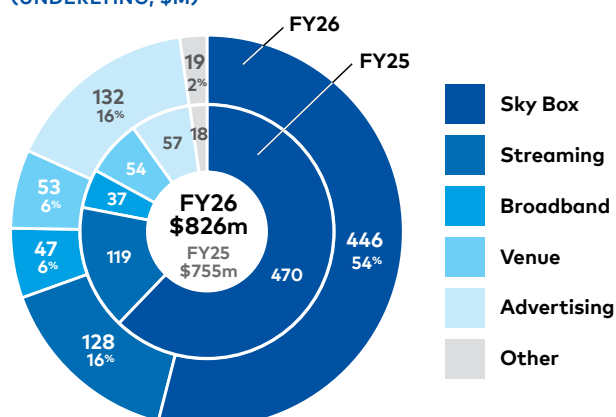
Discovery NZ acquisition

The acquisition of Discovery NZ (now Sky Free), opened up new audiences and accelerated advertising revenue streams at a time when Sky's content strategy and disciplined viewer led decisions are restoring balance in programming costs. Combined with a strong pipeline of premium rights, this creates opportunity for Sky to maximise the value of its content investment across a wider audience while offering customers more choice and greater value.

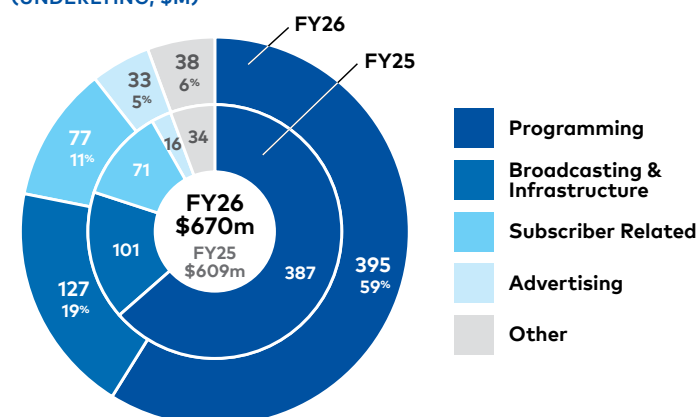
1. EBITDA is a non-GAAP measure. Sky uses this measure when discussing financial performance as the Company believes it provides useful information on Sky's performance.

REVENUE

(UNDERLYING, \$M)

**EXPENSES**

(UNDERLYING, \$M)



Streaming revenue increased 8% to \$128.3m, through growth in both Sport and Entertainment. Sky Sport Now revenue grew 13% to \$76.3m driven by continued subscriber growth and higher average monthly revenue per customer. After a challenging first half Neon customers rebounded strongly, with 5 consecutive months of growth to close the year at over 252,000, only fractionally behind FY25. This saw Neon revenue up 2% on the prior year to \$52.0m.

In total, subscription revenue across Streaming, Sky Box and Broadband customers generated \$622.2m, down just 0.6% or \$3.5m. This was due to a reduction in Box customers, although the decline slowed significantly from FY25. As a result of added revenue diversification through growth in Advertising, Streaming and Broadband, Box revenue of \$446.5m now makes up 54% of total revenue, down from 62% a year ago.

Broadband customers grew 15%, contributing to a 28% increase in revenue to \$47.4m. Sky's Venue business delivered a revenue of \$52.8m, down 2% year on year in a challenging trading environment.

Expenses

Underlying operating expenses increased 10% to \$670.3m, reflecting the acquisition of Sky Free, partly offset by cost reductions in the Sky Standalone business and year

one integration synergies of \$8.0m delivered across the Group.

Programming expenses, which include rights and production costs across the expanded business, increased by just 2% or \$7.9m on an underlying basis to total \$394.8m. This included estimated savings of \$32.4m in Sky Standalone, delivered through disciplined negotiation and content choices as well as the timing of one-off sporting events. As a result, standalone programming costs as a percentage of revenue are estimated at 47.3%, well within the 3-year target of 47% - 49% set in FY23.

Broadcasting and infrastructure cost, which include transmission of content to customers, broadband input costs and operating costs for Sky facilities, increased by 26% to \$127.5m on an underlying basis. The incremental spend largely reflected the addition of the Three and ThreeNow platforms, growth in Broadband, and additional technology costs.

Underlying subscriber related costs which include customer care and equipment services, sales and marketing, were limited to an increase of 8% to \$77.0m. This included marginally lower costs in the Sky Standalone business despite additional marketing activity for Neon.

Underlying advertising costs to support revenue were 108% higher

at \$33.0m as a result of the larger, unified sales team and agency fees.

Capital Expenditure

Underlying capital expenditure reduced by 9% to \$59.1m in part driven by technology capacity constraints as the Company prioritised resources to support the integration of Sky Free. Capital expenditure was 7.2% of revenue, at the low end of our 7% to 9% target range.

Cash and Cashflow

Sky finished the year with a cash balance of \$79.1m, up 144% from \$32.4m in the prior year. The strong cash position reflected an increase in net cash from operations to \$152.8m including Optus compensation, a positive working capital movement, lower capex, leasing, and tax payments, partly offset by a 38% increase in dividend distributions. It also included \$24.9m of cash acquired on the acquisition of Sky Free including a cash contribution towards integration and to settle payables.

Dividends

On the basis of a strong 2026 result, balance sheet strength and confidence in the ongoing cash generation profile of the business, the Board declared a fully imputed final dividend of 17 cents per share, payable on or about 25 September 2026. This brings total dividends for the year to 32 cents per share, an increase of 45%.

Additional Information for Shareholders

Sky's 2026 Results include the impact of a number of one-off items in the current and prior year. The following information is provided to enable a like for like comparison of results.

There are three main categories of one-off items:

- **Sky Free:** relates to the acquisition of Discovery NZ and includes the impact of the gain on bargain purchase, integration and transaction costs.
- **Optus migration:** relates to financial impacts and resulting compensation due to accelerated migration to the new satellite in early April 2025.
- **Accelerated content amortisation:** is a non-cash cost resulting from changes in amortisation methodology.

Other cost adjustments include those relating to organisational change. The following information is provided as supplementary information to the 2026 Financial Statements:

In NZD millions	FY26 Underlying	FY25 Underlying	% change Underlying	FY26 Reported	FY25 Reported
Revenue	826.1	755.1	9.4%	824.8	750.7
Other Income	1.3	2.8	(53.4%)	40.9	7.7
Operating Expenses	670.3	609.4	(10.0%)	695.5	637.8
EBITDA	157.0	148.5	5.8%	170.2	120.6
Interest, FX (gain)/loss	5.8	2.6	(125.1%)	5.8	2.6
Taxation	12.4	16.3	24.1%	7.6	8.3
Depreciation & Amortisation	97.0	88.5	(9.6%)	97.0	89.1
Net Profit after Tax	41.8	41.1	1.8%	59.8	20.6
Capex	59.1	65.2	(9.4%)	64.5	78.4

Adjustments Table

In NZD millions	2026	2025
Statutory profit after tax	59.8	20.6
Adjustments to earnings as follows:		
Gain on Bargain purchase ¹	(31.4)	
Sky Free integration & transaction costs ²	13.9	2.3
Recovery of satellite migration costs from Optus ³	(8.2)	
Gain on satellite lease modification ³		(4.9)
Accelerated content amortisation and content impairment ⁴	7.0	19.7
Foregone Revenue ⁵	1.2	4.4
Organisational changes	4.2	6.9
Tax effect on above adjustments	(4.8)	(8.0)
Total Adjustments	(18.0)	20.5
Underlying profit after tax	41.8	41.1

1. Assessed fair value of assets acquired for \$1. Refer to Note 5 in the Financial Statements.

2. Sky Free Integration costs of \$12.8m. Transaction costs of \$1.1m (FY25: \$2.3m) relating to the acquisition.

3. Compensation received from Optus. Refer to Note 6 in the Financial Statements.

4. FY26 Accelerated amortisation methodology change \$2.7m (FY25: \$18.3m). Content impairment \$4.3m (FY25: \$1.4m). Refer to Note 11 in the Financial Statements.

5. Customer credits related to Optus migration.





Content

Across sport, entertainment and news, we invest in the moments, stories and experiences that matter most to New Zealanders.

The addition of Three and ThreeNow has strengthened our ability to reach and engage Kiwi audiences while creating greater value for our content partners and advertisers.

Drawing on data-driven insights, we have a deep understanding of what people value, how viewing habits are evolving, and where we can create even better experiences. Those insights shape our content strategy and guide where we invest.

Entertainment

As viewing habits continue to evolve, so too has our approach to entertainment. Across Sky, Neon and our free-to-air channels, we have sharpened our content strategy to deliver more of what audiences want, when they want it.

During the year, we completed a significant reset of our entertainment strategy, using data-driven insights to inform our investment decisions. This gives us greater control over how we build our content offering and supports a more agile and sustainable approach to content acquisition.

A key priority has been building a consistent flow of relevant, audience-focused entertainment throughout the year, reducing reliance on individual tentpole titles. Our entertainment strategy is designed to deliver a steady drumbeat of compelling content that attracts new customers, deepens engagement and strengthens long-term retention.

Our approach is underpinned by a range of partnerships with leading international studios

including Paramount, Sony Pictures Television, BBC Studios and StudioCanal, alongside other world-class content providers. Together, this provides the flexibility to respond to changing audience tastes while ensuring New Zealand viewers can be part of the cultural conversations surrounding global hit shows as they unfold.

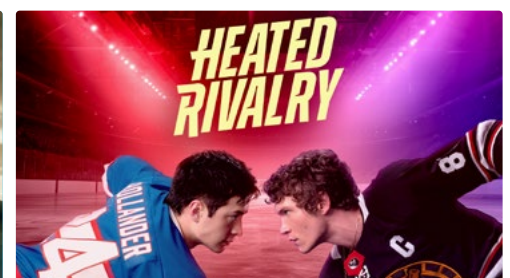
The strength of our strategy was reflected in the performance of titles across Sky and Neon in FY26. From fan-favourite franchises to premium drama and local, standout titles including *Yellowstone*, *Heated Rivalry*, *The Agency*, *Bust Up*, *The Audacity*, *Outlander*, *The Madison* and *Dutton Ranch* resonated strongly with viewers.

As part of this evolution, Neon has undergone a significant brand and content refresh, with a clearer

identity and a sharper curated mix of premium international and local programming. We also continued to strengthen our channel portfolio, including the launch of new Sky-built channels Sky Drama, Sky Kids and Sky Comedy, creating a more distinctive and locally relevant entertainment experience for our customers.



During the year, we introduced a range of improvements to the Neon customer experience, including better content discovery and the launch of shared watchlists that allow users to create and share viewing recommendations. Together, with our new 'Something to Stream About' brand position, these initiatives encourage audiences to discover, share and discuss Neon's deep array of content.



Neon has undergone a significant brand and content refresh, with a clearer identity and a sharper curated mix of premium international and local programming.



**SOMETHING
TO STREAM
ABOUT**

NEON



Local Content

The addition of Three and ThreeNow to the Sky portfolio has significantly expanded our local content offering, strengthening our ability to bring distinctive Aotearoa New Zealand stories to audiences across free-to-air, streaming and pay platforms. Alongside premium international entertainment, we continued to invest in local storytelling, recognising the important role it plays in connecting with audiences.

High-performing titles across Three and ThreeNow in FY26 included *David Lomas: Breakthrough*, *The Traitors NZ*, *7 Days* and *Nadia's Farm Kitchen*. *Devotion: The Gloriavale Story* and premium scripted show *Tangata Pai* also performed well on ThreeNow, attracting new audiences to the platform.

Alongside our expanded free-to-air offering, we continued to commission distinctive Aotearoa New Zealand storytelling through Sky Originals. Standout FY26 commissions included premium drama *The Ridge* and comedy series *Bust Up* and *Small Town Scandal*. Alongside their free-to-air windows, all three resonated strongly with viewers across our pay platforms, ranking among Neon's top 10 programmes during their release periods.

Sky Originals also demonstrated the global appeal of New Zealand stories through international partnerships and co-production opportunities, that attracted additional investment, supported higher production values, and extended the reach of local stories to global audiences.

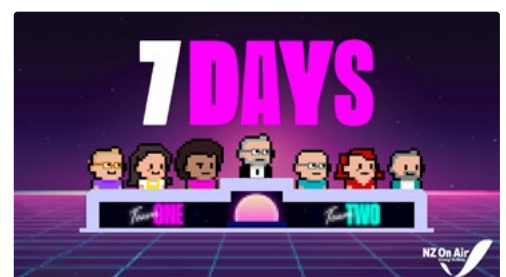
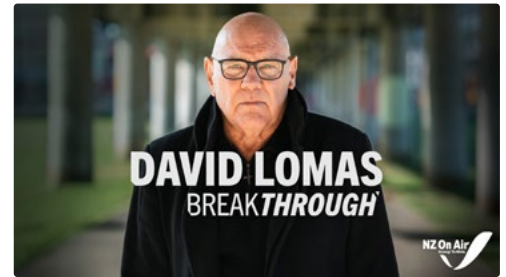
Happiness became the first New Zealand series to screen on a United States public television network, while *Ms X* achieved international success, securing

distribution deals in Australia, Ireland and the US.

Our local productions earned recognition in New Zealand and internationally throughout FY26, reflecting the strength of our storytelling and the growing reach of our productions.

Happiness received a Best Supporting Actor win at the New Zealand Screen Awards and was shortlisted for Best Comedy at three prestigious international awards: the Asian Academy Creative Awards, C21 Drama Awards and Rose d'Or Awards. *Secrets at Red Rocks* won a Children's & Family Emmy Award for Outstanding Music Direction and Composition, while *Choir Games* won both Best Unscripted Pilot and the Unscripted Audience Award at SeriesFest. *Paddy Gower Has Issues* received the New Zealand Media Award for Best Current Affairs for its Bowel Cancer Investigation, and *7 Days* - produced in-house by Sky - became New Zealand's longest running television comedy, surpassing 400 episodes and reaching its 18th season.

We thank NZ On Air and Te Māngai Pāho for their continued partnership and investment in New Zealand storytelling, helping bring local stories, voices and perspectives to audiences across our platforms.



Unrivalled Sport Offering

FY26 was a landmark year for Sky Sport, with a series of major rights agreements strengthening our long-term content pipeline and reinforcing our position as Aotearoa New Zealand's leading destination for live sport.

Early in FY26, we announced an expanded five-year partnership with **New Zealand Rugby** and its SANZAAR partners, securing an unparalleled rugby portfolio through to 2030. The agreement includes every All Blacks match played in SANZAAR countries, the Black Ferns' expanded international programme, Super Rugby Pacific, Super Rugby Aupiki, the NPC, Farah Palmer Cup and Heartland Championship finals, as well as marquee events including the 2029 British and Irish Lions Tour. Adding to the excitement are new fixtures including the Greatest Rivalry series against South Africa and the Nations Championship, the new international competition featuring leading teams from the northern and southern hemispheres.

Another defining milestone was securing the exclusive New Zealand broadcast rights to the **Olympic Games** through to Brisbane 2032. This agreement included the Milano Cortina 2026 Winter Olympics, and continues with Los Angeles 2028, French Alps 2030 Winter Olympics and Brisbane 2032, ensuring New Zealanders can experience the world's biggest sporting event across Sky's paid and free-to-air channels. It also reflects the strength of Sky's multi-platform offering, enabling us to deliver events of national significance to audiences across the country

with Three and ThreeNow playing an important role from both an audience and financial perspective.

More recently, we announced a new exclusive seven-year partnership with the **Australian Rugby League Commission**, securing New Zealand **NRL** broadcast rights from 2028 to 2034. As one of the most significant rights agreements in Sky's portfolio, the partnership provides long-term certainty for one of New Zealand's most popular sports and reflects the strength of our expanded multi-platform business. From 2028, fans will continue to enjoy exclusive live coverage of every NRL and NRLW match, the NRL Finals Series and Grand Final, and every State of Origin match across Sky Sport, Sky Sport Now, and Sky Venue, with select content available on free-to-air, bringing rugby league to more New Zealanders than ever before. The agreement is subject to shareholder approval at Sky's 2026 Annual Shareholder Meeting.

We also secured exclusive New Zealand broadcast rights for the 2026 **Rugby League World Cup**, bringing comprehensive coverage of the men's, women's and wheelchair tournaments to customers across our platforms.

Beyond these rights agreements, we strengthened our portfolio across cricket, motorsport, golf and

international sport. This included expanding our England and Wales Cricket rights and adding the Black Caps' tour of Bangladesh, extending partnerships with Formula 1, Supercars, the DP World Tour and UFC, securing a new broadcast and production agreement for the New Zealand Open, renewing our distribution agreement with ESPN, and Silver Ferns netball. Together, these agreements ensure customers continue to enjoy a year-round line-up of live sport from New Zealand and around the world.

As Sky's ecosystem has grown, so too has our ability to deliver premium sport to more New Zealanders. Free-to-air has long played an important role in our strategy, and the addition of Three and ThreeNow has further expanded our reach. Alongside Sail GP, which joined Sky's rights portfolio through the acquisition, we are making more of our premium sports available free-to-air.

During the year, Three broadcast the All Blacks' Nations Championship Test, expanding free-to-air access to one of New Zealand's biggest sporting moments of the year. This was followed by Rugby's Greatest Rivalry Tour on Three and ThreeNow, and a further expansion of access, with all remaining All Blacks matches and Tests in the 2026 season available on Three and ThreeNow, and all Black Ferns matches available on Three. We will continue to grow audiences, build fandom and make more world-class and homegrown sport accessible in FY27, with selected Tauihi basketball games, every Sal's NBL and Rapid League game, and selected NRL and NRLW matches streaming on ThreeNow.

More recently, we announced a new exclusive seven-year partnership with the **Australian Rugby League Commission**, securing New Zealand **NRL** broadcast rights from 2028 to 2034.



Delivering World-Class Sport

One of the standout moments of FY26 was the Milano Cortina Winter Olympic Games, where our team delivered comprehensive multi-platform coverage.

Through dedicated channels, on-demand content and more than 100 hours of free-to-air coverage on Sky Open and, for the first time, ThreeNow, audiences were able to follow every New Zealand athlete throughout the Games. Our Olympic coverage combined world-class event delivery with a distinctly human, athlete-first storytelling approach.

Sky also delivered the international production of the All Blacks v Ireland test at Chicago's Soldier Field after securing the international production tender ahead of leading global broadcasters, reinforcing our reputation for delivering premium rugby coverage on the world stage.



Our Olympic coverage combined world-class event delivery with a distinctly human, athlete-first storytelling approach.



Throughout the year, we continued to enhance the viewing experience through production innovation, the launch of 4K Ultra High Definition (UHD) coverage, more dynamic and creative graphics and immersive storytelling. Introduced in time for the Boxing Day 2025 Ashes Test, 4K UHD delivers sharper picture quality and greater detail across selected premium sporting events, bringing fans even closer to the action.

Innovations such as Raptor Cam, augmented graphics and expanded wraparound programming at the Super Round and A-League grand final elevated the viewing experience for fans, while our remote production hub also enabled efficient delivery of live sport at a competitive cost without compromising broadcast quality.

Our creative capability extends beyond live broadcasting. During the year, we partnered with New Zealand Rugby to produce an All Blacks brand campaign, narrated by Temuera Morrison,

further strengthening our reputation as a leading creative partner. The launch of *Late Braking*, a fully remote motorsport show hosted by Greg Murphy, also demonstrated how we can deliver engaging, cost-effective content through innovative production approaches.

Our creative work also received industry recognition at the New Zealand Screen Awards with Marcus Kennedy winning Best Multi-Camera Director for Sky's coverage of the Bledisloe Cup, and *We The South: The Manukau Rovers Story* winning the NZ On Air Best Pasifika Programme award.

Beyond production innovation, we continued to invest in expert talent, content and experiences that connect fans with the sports they love. Warriors' legend Shaun Johnson joined Sky Sport in an expanded role for the 2026 NRL season, leading our rugby league coverage and a second season of *Ford League Lounge with Shaun Johnson*. We also welcomed Roger

Tuivasa-Sheck to our NRL coverage and Quade Cooper to our rugby broadcasts, further strengthening our expert commentary teams.

Original programming remained an important part of our sports offering. *Crowd Goes Wild* entered its 21st year in 2026, hosted by Andrew Mulligan and Storm Purvis. We also produced *Dave Rennie & Paddy*, an exclusive interview between newly appointed All Blacks Head Coach Dave Rennie and journalist and broadcaster Patrick Gower, complementing our live coverage with distinctive local storytelling.

We continued to create memorable fan experiences including bringing the Premier League Trophy to New Zealand for the first time and delivering the Sky Fan Zone at Eden Park for the All Blacks v Wallabies Test, bringing fans together through interactive activities, live entertainment and family-friendly experiences.

Growing Audiences

Audience growth across our sports portfolio reflects the enduring appeal of live sport and the continued growth of streaming.

Sky Sport Now delivered 10% average subscriber growth during FY26, supported by initiatives designed to introduce new audiences to the platform, including trialling free one-day access to major events such as The Ashes, ASB Classic, Winter Olympics and Super Rugby Super Round. During the year, we also enhanced the Sky Sport Now experience with new features such as instant replays alongside additional subscription options including a Premium Month Pass and a Sky Sport Now + Neon bundle.



Big Sport Viewing

During the 2026 Super Rugby Pacific season, more than **1.9 million viewers** watched the competition across Sky Sport and Sky Open¹, while more than **750,000 viewers** tuned in via Sky Go, Sky Sport Now and ThreeNow². The season demonstrated the strength of Sky's multi-platform offering, with digital audiences continuing to grow alongside broadcast viewing.

The 2025 All Blacks domestic Test series attracted a combined audience of **1.8 million viewers**³ across Sky Sport and Sky Open, alongside more than **750,000 viewers** on Sky's digital channels⁴. This recorded Sky Sport's highest engaged audience for an All Blacks match since the 2023 Rugby World Cup Final.

Driven in part by the emergence of Kiwi driver Liam Lawson, Formula 1 also delivered strong audience growth during the 2025 season. More than **1.1 million viewers** tuned in across Sky Sport and Sky Open, with a further **470,000 viewers** engaging via Sky Sport Now and Sky Go, highlighting its appeal across Sky's platforms⁵.

1. Nielsen TAM, AP05+, Cume Reach, Sky Sport + Sky Open

2. Sky Internal data. Viewers based on Sky internal Unique Account data and a co-viewing factor of 2.3 (Source Glasshouse Consulting streaming co-viewing study)

3. Nielsen TAM, AP05+, Cume Reach, Sky Sport, Sky Open, All Blacks domestic tests 2025

4. Sky Internal data. Co-viewers based on Sky internal Unique Account data and a co-viewing factor of 2.8 (Source Glasshouse Consulting streaming co-viewing study)

5. Sky Internal data. Viewers based on Sky internal Unique Account data and a co-viewing factor of 2.3 (Source Glasshouse Consulting streaming co-viewing study)

Te Reo Māori Commentary

Supporting the normalisation of te reo Māori remains an important part of how Sky tells Aotearoa New Zealand's stories.

During FY26, we continued to expand its use across our sports coverage, with more than 450,000 New Zealanders choosing the te reo Māori commentary option across major sporting moments including the All Blacks, Black Ferns, Māori All Blacks and the Winter Olympic Games.

Our first Olympic Games glossary, *Te Reo Māori ki Parī 2024*, was recognised with Te Tira Kaiwhakamāori – the Language Vitality Award at Ngā Tohu Reo Māori 2025, recognising its contribution to supporting and championing te reo Māori.

Beyond sport, Sky partnered with Whakaata Māori and TVNZ to broadcast live te reo Māori simulcasts of Waitangi Day, Anzac Day and Matariki events on Sky Open, strengthening the visibility of te reo Māori and sharing stories that connect and celebrate the unique identity of Aotearoa New Zealand.



A Collaborative Approach to Trusted News

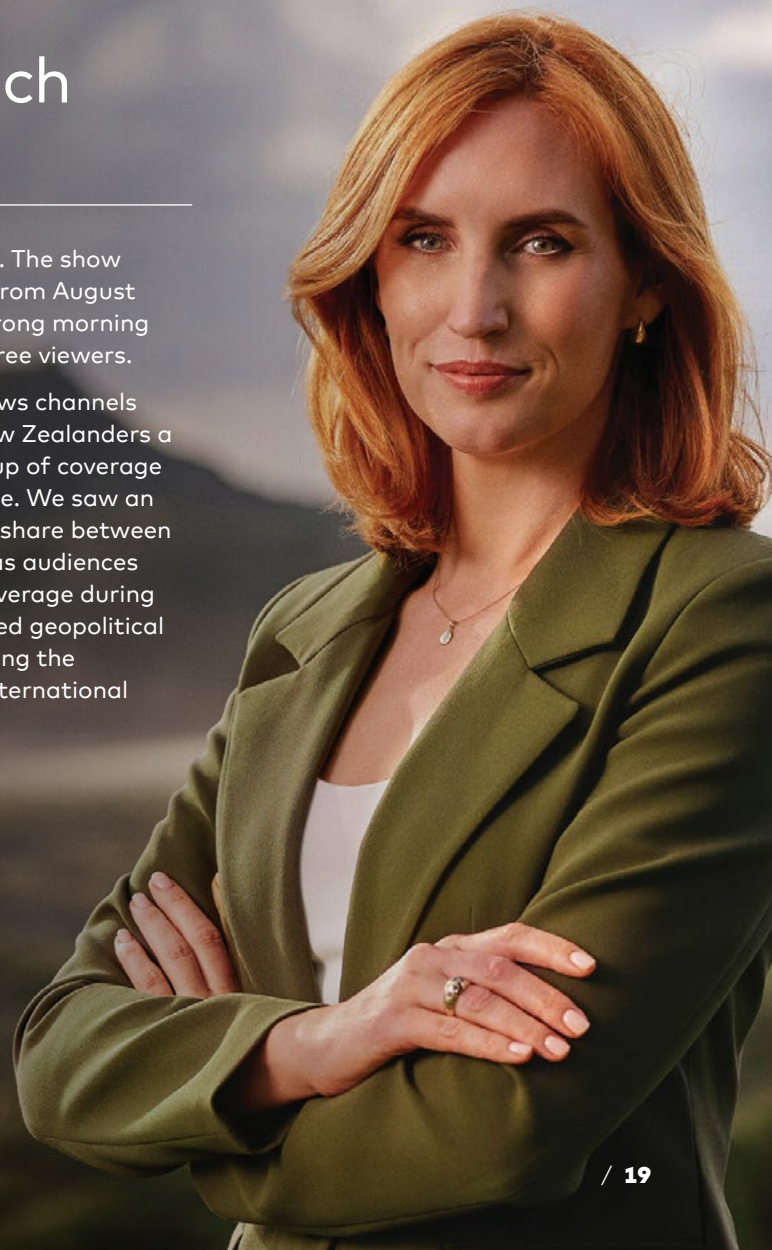
Access to trusted, high-quality news is an important part of Sky's role in New Zealand's media landscape. Through partnerships with leading New Zealand news organisations, we deliver trusted news and current affairs across Three and ThreeNow.

Daily news bulletin *ThreeNews* is produced through a partnership with Stuff, providing local reporting alongside comprehensive international coverage.

During FY26, we further strengthened our local news offering through a strategic partnership with New Zealand Media and Entertainment (NZME), bringing daily breakfast show *Ryan Bridge*

TODAY to ThreeNow. The show is also live on Three from August 2026, delivering a strong morning news offering for Three viewers.

Our international news channels continue to offer New Zealanders a comprehensive line-up of coverage from across the globe. We saw an increase in audience share between February and April, as audiences turned to trusted coverage during a period of heightened geopolitical uncertainty, reinforcing the importance of our international news offering.





Sky's Expanded Audience

Sky connects with audiences across New Zealand, spanning subscription television, free-to-air, streaming, and social media.

Together, these platforms create multiple opportunities for New Zealanders to discover and engage with our content, whether they're watching live sport, bingeing the latest must-see show, catching up on news or connecting with us online.

STREAMING				BROADCAST		SOCIALS	
							
Sky Sport Now	Neon	ThreeNow	Sky Go	Sky Box	Three/Sky Open	Venues	Social Media
1.2m MONTHLY VIEWERS ¹				2.2m MONTHLY VIEWERS ²	2.5m MONTHLY VIEWERS ²	5k CUSTOMERS ³	4.1m FOLLOWERS ⁴
ADVERTISING							

Our reach is a key competitive advantage, enabling us to build deeper relationships with audiences throughout their viewing journey, while creating greater value for advertisers through a single, scaled media offering.

The acquisition of Discovery NZ marked a transformational milestone for Sky, significantly expanding our reach and strengthening our position as a leading multi-platform media business.

By bringing together Sky, Three and ThreeNow, we've created a broader portfolio spanning subscription television, free-to-air and streaming, enabling us to reach more New Zealanders than ever before while creating greater value for customers, advertisers and content partners. The acquisition also allows us to strengthen and optimise our investment in premium content across a wider audience and diversify

our revenue base, particularly through advertising and digital.

The integration of Sky and Sky Free (formerly Discovery NZ) occurred at pace throughout FY26, including bringing our advertising sales teams together into a single team across our expanded portfolio. Together, our combined business now reaches more than 2.4 million New Zealanders every week, providing advertisers with a single point of access to audiences across our ecosystem.

During the year, we amplified this proposition through the development of a new trade website introducing Sky's Unified Digital Ad Network which launched in August 2026. The platform enables advertisers to buy and reach audiences across our digital platforms through an integrated offering. These initiatives simplify engagement with Sky while positioning the business for continued growth in digital advertising.

Our commercial momentum was publicly recognised with the Sky Business Sales team receiving the Team Digital Sales Excellence Award at the 2026 IAB New Zealand Digital Advertising Awards, recognising its outstanding performance in digital advertising sales.

A significant milestone was Sky's first combined Advertiser Upfront, held in February 2026. Attended by advertisers, agencies, partners and industry leaders, the event showcased the scale and opportunities of the unified Sky, Three and ThreeNow portfolio, highlighting our 2026 content slate across sport, entertainment and news, alongside our expanded multi-platform advertising proposition.

The Upfront generated strong commercial momentum, creating significant lead opportunities that the team have been able to translate into new partnerships and sales, and strong industry engagement.

Sky Venue

In FY26 we launched Guest+ for accommodation providers, a bespoke business solution combining Sky content, video on demand and selected third-party streaming apps in a secure in-room entertainment solution.

Since launching in October 2025, 191 motels have either contracted or installed the service,

demonstrating strong early demand. Guest+ provides an easy upgrade path for accommodation providers while ensuring guests' personal streaming credentials are securely cleared between stays.

Demand for premium entertainment solutions remained strong across accommodation and hospitality with Sky Venue delivering integrated solutions for major developments including

the 231-room DoubleTree by Hilton Auckland, and premium installations for regional operators such as Edgewater Wānaka.

Sky also partnered with TVNZ to deliver the FIFA World Cup 2026™ to Sky Venue customers through a dedicated commercial solution, enabling venues to show all 104 matches via a dedicated channel, reinforcing Sky Venue's role as a trusted partner for premium in-venue sports viewing.

1. Nielsen CMI Q2 2025 to Q1 2026 AP15+ (weekly)

2. Sky Box and Free to Air - Nielsen TAM, AP5+ Average monthly reach for July 2025 to June 2026

3. Sky customer data

4. Sprout Social Report June 2026



Sky's first combined Advertiser Upfront in February 2026 brought the industry together to showcase the strength of the unified Sky, Three and ThreeNow offering.





Our Environment, Our Communities, and Our People

Sky is committed to being a responsible, sustainably profitable business that makes a positive impact on Aotearoa New Zealand.

Grounded in our purpose and guided by te ao Māori principles, our Sustainability Framework is built around three pillars: Our Environment (Kaitiakitanga), Our Communities (Whanaungatanga), and Our People (Manaakitanga), where we can make the most meaningful difference.

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

During FY26, we continued to build awareness and understanding of environmental sustainability across Sky through initiatives led by our Sustainability Champions network.

We marked Earth Week for the first time with a speaker event hosted by *ThreeNews* presenter, Samantha Hayes, featuring the talent and creators behind Sky commissioned shows *Tane Tarlton's Ocean Adventures* and *Wild Heroes*. The session highlighted the power of storytelling to raise awareness of environmental issues and inspired several emissions reduction projects across Sky. We also used our platforms to highlight important environmental stories across Sky, Sky Go and Neon, including Earth Week content collections that celebrated the natural world and encouraged audiences to engage with environmental issues.

Other Earth Week inspired initiatives included our '60 Seconds on

Sustainability' videos. These were shared with crew to showcase projects that are helping to reduce our resource and emissions footprint.

Serving as a way to educate and inspire, these stories have sparked new ideas for projects that 'Reduce, Reuse or Recycle'



Utarenga Tinokura, Customer Care Technician, reporting on Sky Box recycling with our partners Echo



Andreia Pinto, Logistics Manager, discussing manufacturing and packaging initiatives

Reducing our environmental footprint

Supporting the goals of our Sustainability Framework, we continue to reduce our environmental footprint while improving the customer experience.

During the year, we redesigned our customer bills to make account information easier to access and understand, while encouraging more customers to switch to digital billing and reduce paper use.

Through this initiative, online communication take-up increased by 17%. For customers who continue to prefer physical copies, the redesigned format reduced printed pages by 43% each month. Together, these changes have significantly reduced paper use and transport-related emissions, with a growing number of customers choosing to receive their bills online.

Our Environment continued

Emissions reporting

Sky published our second Climate Statement in October 2025, outlining our approach to climate-related risks, opportunities and emissions management. While subsequent changes to New Zealand's climate reporting regime mean Sky is no longer required to publish climate disclosures, we remain committed

to transparency and will continue to report our Scope 1 and Scope 2 greenhouse gas emissions. Other aspects of the climate reporting requirements such as our approach to managing risks and opportunities arising from climate impacts remain in focus as part of Sky's enterprise risk management process.

Following the acquisition of Sky Free, historical emissions data has been restated back to our FY23 baseline, in line with GHG Protocol recommendations, to provide a consistent basis for tracking performance over time.

Reported GHG emissions (tCO ₂ e) ¹						
Emissions Source	FY26	Performance against FY25	FY25	FY24	FY23 Base Year	Performance against FY23
Scope 1 Direct emissions (restated ¹)	142	4%	137	255	702	-80%
Previously reported			137	224	307	
Scope 2 Indirect emissions from imported energy (restated ¹ , location based)	568	-37%	896	998	689	-18%
Previously reported			698	718	419	
Total gross Scope 1 and Scope 2	710	-31%	1,033	1,253	1,391	-49%

Actual Electricity usage (kWh), removing the impact of changes in MfE ² factors related to the efficiency of the electricity generation network						
Total Scope 2 (kWh) (restated¹)	7,987,951	-11%	9,007,220	10,015,039	11,917,066	-33%
Previously reported			6,978,538	7,186,142	8,486,817	

1. FY23 base year, FY24 and FY25 data has been restated to include emissions from Discovery NZ following the acquisition of this business on 1 August 2025. FY26 emission reporting includes 12 months of data for the acquisition in line with GHG Protocol guidance.

2. Sky uses emissions factor data provided by the Ministry for the Environment (MfE) to calculate the impact of emissions, expressed as equivalent tons of carbon dioxide (tCO₂e).

Reporting for the first time as a Group, Sky's total scope 1 and scope 2 emissions profile has reduced over time, with a combined 49% reduction recorded since the FY23 base line year.

Scope 1 emissions improved 80% against the base year. This included the impact of reducing emissions from fuels used in leased vehicles, largely through the FY24 closure of Discovery NZ's NewsHub operations. In FY26 70% of scope 1 emissions related to leased vehicles used by Sky customer care technicians and sports production crew. The

remainder related to generator and air conditioning system top-ups.

An 18% improvement in scope 2 emissions from imported electricity includes a reduction in the building footprint across both Sky and Sky Free and efficiency gains through reduction initiatives against the base year. From October 2025 all Sky Free employees relocated to Sky premises, further reducing combined electricity emissions.

To remove the impact of changes in the MfE factors related to the efficiency of New Zealand's

electricity generation network, we have provided additional information on Actual Electricity usage, measured in kilowatt hours (kWh). On this basis, the actual reduction in electricity usage is 33% against the base year, including an 11% reduction in FY26.

Our Communities

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

Sky For Good

Our Sky For Good programme is about using our platforms, our content and our people to make a meaningful difference in the communities we serve. Aligned with our focus of connecting New Zealanders with the sport and entertainment they love, in ways that work for them, we support a range of community initiatives and charitable organisations across Aotearoa New Zealand.

One way we deliver this impact is through in-kind support for organisations including the Starship Foundation, Wellington children's hospital rooms and Auckland's Westpac Rescue Helicopter. This includes complimentary Sky services in children's hospital rooms, helping improve the experience of children and their whānau during their stay.

During the year, more than 60 Sky crew volunteered at the Special Children's Christmas Parties, helping create memorable experiences for

thousands of children. Through our Volunteer Day programme, crew also gave their time to community organisations including Auckland City Mission.

Shaun Wallace returned to New Zealand in November 2025, supporting eight Cure Kids quiz events, in partnership with our Sky quiz business, Believe it Or Not (BION), that raised more than \$180,000.

Our commitment to celebrating sporting excellence and supporting future talent is brought to life through our involvement with the Halberg Awards. Broadcasting the event and sponsoring the Sky Sport Emerging Talent Award enables Sky to celebrate the achievements of athletes while supporting the Halberg Foundation's work to increase opportunities for young people with physical disabilities to participate in sport and recreation. In 2026, the award was presented to track athlete Sam Ruthe.

Championing the craft – next generation

Supporting the next generation of talent remains an important commitment for Sky.

We are proud to sponsor the Sky Julian Walker Award for Outstanding Achievement, presented annually to the top Screen graduate at the New Zealand Broadcasting School. The 2026 award recognised Kieren McPeake for outstanding achievement and potential in New Zealand's screen industry.

We also launched Tākaro Pāpāho in collaboration with Whakaata Māori and TVNZ under the leadership of Ngā Aho Whakaari, Māori in Screen Society.

This initiative is developing the next generation of te reo Māori sports broadcasters by providing emerging talent with experience in live broadcasting environments, growing their capability and confidence.



60 Sky crew volunteered at the Special Children's Christmas Parties



Sam Ruthe, winner of the Sky Sport Emerging Talent Award at the Halberg Awards



Tākaro Pāpāho

Responsible broadcasting

We are committed to making our content as accessible as possible, including through the provision of closed captions across Sky, Neon, Three, ThreeNow and Sky Open

where available, and we continue to explore practical and sustainable ways to improve accessibility.

We support audiences to make informed viewing choices through clear content classifications and maintain strong compliance practices across the Broadcasting Standards Code and Commercial

Video on Demand Code. We also adhere to the Advertising Standards Authority codes across relevant activities.

Across all of Sky's channels, four complaints were referred to the Broadcasting Standards Authority during the year, of which two were upheld.

Our People

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

Our commitment to our people is reflected in employee engagement, which remains a key priority for Sky. This year, we were pleased to surpass our three-year engagement target.

Measured through our six-monthly Life@Sky survey, the June 2026 result showed a 22-point increase since June 2023, well ahead of our target improvement of 14 points. The result is particularly encouraging given engagement continued to improve throughout the year as we integrated the Sky and Sky Free teams.

Within the team setting, investment in leadership training through our company-wide Leadership Boost programme has contributed to engagement results across the business.

Quarterly Sky Kōrero events provide an opportunity to bring our crew together, strengthening connection to our strategy and fostering a shared understanding of the role we all play in delivering for our customers. These events also provide an important forum for recognising the outstanding contributions of individuals and teams across the business.

During the year, we launched our Playbook, a behavioural framework that outlines how we work together at Sky and the behaviours we expect of ourselves and each other. Grounded in our values and informed by te ao Māori concepts including Whanaungatanga (relationships), Manaakitanga (care for others), Kotahitanga (unity) and Ngākau Pono (integrity), it guides how we make decisions, collaborate and show up for our customers, partners, communities and crew. Supported by our policies and ways of working, the Playbook helps foster a positive, inclusive and high-performing culture across Sky.

Diversity and inclusion

Creating an inclusive workplace where all crew feel they belong remains a priority for Sky and is supported by our Diversity and Inclusion Policy. We believe an organisation that reflects the diversity of its current and future customers will be able to deliver better, more personalised customer experience while adding value to our business.

Sky crew diversity

Our diversity metrics include gender-balanced leadership, where we aim to have 40% men, 40% women and 20% of either gender in senior leadership positions. Our Board continues to maintain over 30% female representation, consistent with FY25, while women comprised 57% of our Executive team in FY26.

Across our workforce, gender representation is well balanced, with women comprising 45% of employees, men 52%, and approximately 3% identifying as gender diverse or preferring not to disclose their gender.

Our crew proudly represent over 60 ethnicities. At Rangiata Sky, Māori and Pasifika peoples make up 17% of the workforce, reflecting the diversity of the communities in which we operate.

Inclusivity is measured through the six-monthly Life@Sky survey, with our June 2026 results showing an inclusivity favourability score of 85% while 90% of employees agreed that Sky values diversity.



Celebrating Eid together



Marking Diwali as a crew



Matariki, welcoming the Māori New Year

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. Philip currently sits on the boards of two other listed companies, as the recently appointed Chair of KMD Brands, and as a director of Ferrovia 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 governance and leadership as a director and advisor to companies in a diverse range of industries, including the energy sector, retail, rural services, printing, media and exporting. Keith is a director of several private companies and is a past director and Chair of Goodman Property Services (NZ) Limited. He is also 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 role as a director of ASX-listed Origin Energy Ltd, and she has previously held Chair positions at The Warehouse Group, Auckland International Airport and Mercury NZ Ltd, and as a director of many large NZ companies, most latterly at ANZ Bank New Zealand.

Joan is a Trustee of the Louise Perkins Foundation and was formerly Chair of a steering committee focused on increasing the number of South Auckland Māori and Pacific students entering the health sector. She holds a Master of Business Administration from the University of Auckland.

Joan was named Supreme Winner at the Women of Influence Awards and Chairperson of the Year at the Deloitte Top 200 Management Awards in 2015. In 2024, she was made a Dame Companion of the New Zealand Order of Merit, and in 2025 was admitted to the New Zealand Business Hall of Fame.

Belinda Rowe**Independent Director**

Belinda was appointed to the board in March 2023. Belinda has extensive experience in C Level roles across marketing, digital, marketing communications and the media sector in Global, UK and Australian companies. She brings a strong commercial focus on customer-centric growth, digital innovation and expertise in strategy, leadership and business transformation. Belinda also successfully led the creation of a compelling content marketing and sport evaluation and activation 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. Active member in Chief Executive Women, Minerva Network, AICD, Marketing Group Great Britain, WACL UK.

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 governance roles and these currently include Chair of British Gymnastics. He is an internationally recognised authority on media matters through his Tellynomics blog, and 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, 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.

Mark is the Managing Partner, Leadership Advisory at Hourigan International and specialises in Board and c-suite advisory; is a past Advisor to Tech Central; and for a decade served as a Senior Advisor to Accenture's Communications, Media and Technology practice. Mark's governance credentials include the Chair of OzTAM, the Australian free-to-air television consortium and was formerly the Delegate Director across Telstra's media investments. He is actively involved in several technology start-ups and social enterprises. Mark holds an MBA from Macquarie Business School and has completed post-graduate studies in Digital Strategy at Kellogg Business School, 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 March 2026) (NZX Code). This corporate governance statement is current as at 27 August 2026 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 2026 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 "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.

Sky managers are responsible for 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.

The Protected Disclosures Policy is posted on Sky's website. Any serious wrongdoing 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 available on Sky's website. Sky's Securities Trading Policy includes robust procedures to minimise the risk of insider trading and these were reviewed and further strengthened in FY26. 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 prohibited persons 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 purpose of the policy is to set minimum standards of conduct for Sky to ensure it can comply with all applicable anti-bribery and corruption laws.

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.

Modern Slavery

Sky has continued to strengthen its efforts to reduce the risk of modern slavery practices across the Group's operations and supply chain through building awareness and accountability, with all Sky employees required to complete annual mandatory training on identifying and avoiding modern slavery risks.

Sky's Supplier Code of Conduct sets out the requirements and expectations of suppliers, including specific expectations regarding human rights, labour standards and modern slavery. Sky will continue engaging with key suppliers, including new relationships entered into through the acquisition of the Sky Free business, to understand their capacity to assess and address modern slavery risks. Previously, Sky has developed a targeted modern slavery questionnaire and engaged with selected 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.

Sky is following the progress of New Zealand's Modern Slavery legislation and expects to be well positioned to meet the requirements once passed into law.

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 2026, the Board consisted of six directors whose relevant skills, experience and expertise are outlined in their biographies on page 29.

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 2026 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 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 2026 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
- 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 2025 and 30 June 2026, there were 13 Board meetings. Attendance was as follows:

	Board meetings held while a director	Attendance at Board meetings
Philip Bowman	13	13
Keith Smith	13	13
Mike Darcey	13	13
Dame Joan Withers	13	13
Mark Buckman	13	12
Belinda Rowe	13	12

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 to keep them informed about Sky's business including reports during the financial year ended 30 June 2026 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	Keith Smith	Mike Darcey	Dame Joan Withers	Mark Buckman	Belinda Rowe
Media Industry Leadership – including experience in overseas markets	●	●	●	●	●	●
Strategic Content Partnerships	●	○	●	○	●	●
Customer Insight and Experience	●	○	●	●	●	●
Technology, Data, Digital and AI	●	○	○	●	●	●
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 survey was completed in FY26.

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 page 38. Formal evaluation of senior executive performance for the 2026 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, nationality, ethnic and cultural background, sexuality, experience and beliefs. Sky's Board and management believe that an organisation which 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 measures its inclusivity six-monthly as part of a company-wide engagement survey. As of June 2026, inclusivity has an 85% favorability score which means that employees believe Sky is an inclusive workplace. Further, 90% of employees believe Sky values diversity which is a critical element to supporting an inclusive culture. Sky believes that a diverse workforce supports an inclusive culture, starting with inclusive recruitment practices including the way we advertise.

The Board acknowledges the importance of diversity both on boards and within companies, 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 2026, 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 five 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 the 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 38% men, 62% women. At 30 June 2026 Sky's senior leadership team (the top three tiers of the organisation) comprised 55% men and 45% women.

As set out on page 27, Sky has committed to embedding the principles of te ao Māori into Sky's ways of working. In addition to this commitment, Sky has focused on three inclusion priorities over the last three years, including in FY26: Gender Balance, Pasifika and Rainbow Communities.

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 which 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 FY26.

The chart below represents Sky's gender and age diversification as at 30 June 2026:

2026	Board Level	Officers	All staff
Women	2	4	334
Men	4	3	390
Gender diverse	0	0	5
Prefer not to say	0	0	19
Total number	6	7	748
Over 45	100%	100%	39%
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%

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 2026, the members of the Committee, who are independent directors, are Keith Smith (ARC Chair, Board Deputy Chair), Philip Bowman (Board Chair, CRC 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. Sky management may only attend Committee meetings by invitation.

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 2026, 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 2026, the members of the Committee who are independent directors are Philip Bowman (CRC Chair, Board Chair), Keith Smith (Board Deputy Chair, ARC 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, CRC 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, Chief Corporate Affairs Officer and Company Secretary. Sky management may only attend Committee meetings by invitation.

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 2026 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 2026 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)	4	4
Dame Joan Withers	4	4
Philip Bowman	4	4
People and Performance Committee		
Mark Buckman (Chair)	6	6
Dame Joan Withers	6	6
Belinda Rowe	6	6
Content Rights Committee		
Philip Bowman (Chair)	6	6
Keith Smith	6	6
Mike Darcey	6	6

Takeover Protocol

The Sky Board has appropriate protocols in place that outline the procedures to be followed if there is an offer to take a controlling interest in the Company. A committee of independent Directors would be formed which would have responsibility for managing the takeover process in accordance with the Board protocols and the New Zealand Takeovers Code.

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 is committed to providing 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: offering 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 returns 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, executive fixed remuneration, and short- and long-term incentives.

Fixed Remuneration

Fixed remuneration for executives and all employees 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 regularly. Sky's employee benefits were reviewed in FY26. 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. Sky lifted its KiwiSaver employee contribution to 3.5% of base salary on 1 April 2026.

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
- Free and discounted Sky products
- Discounted wellbeing services.

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 FY26 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 an award at target equal to 15% of base salary. The STI measures for FY26 were divided between financial performance, accounting for the majority of the award, and non-financial, lead performance indicators. The financial measures used were: total revenue, EBITDA and content costs as a percentage of revenue. The non-financial performance indicators were: People (measured by employee engagement, and Health & Safety culture), Customer Experience (as measured by 3 month rolling average Net Promotor Score), and Viewership (measured by Average Viewer Hours per month, 12 month rolling).

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

Short Term Incentive (STI) achievement FY26				Overall Award
Performance Indicator	Target	Weight	Achievement	
Financial (set on a Sky Standalone basis)				96%
Revenue	\$765m	15%	0%	
EBITDA	\$155m	30%	117%	
Programming costs as % of revenue	47.3%	10%	150%	
Non-financial				
People: Engagement	+4pts	10%	125%	
People: Health & safety culture	+5pts	5%	125%	
Customer experience	+8pts	20%	75%	
Viewership	+2.3pts	10%	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 and FY26. The purpose of the LTI is to incentivise the performance and retention of Sky's key executives and create strong alignment with shareholders' interests, consistent with contemporary market standards.

The plan is structured as a performance share 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 two equally weighted measures:

- 50% based on Absolute Total Shareholder Return as measured by CAGR performance of greater or equal to the company's cost of equity plus 1% (FY26: 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 (FY26: 11.9%) per annum.
- 50% based on Relative Total Shareholder Return as measured by Sky's 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's People & Performance Committee (PPC) is responsible for reviewing and recommending Chief Executive remuneration to Sky's Board annually. In FY26, 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 provision for a redundancy payment of 44 weeks.

The Chief Executive's remuneration includes fixed remuneration of base salary plus KiwiSaver. Based on independent benchmark data, the Chief Executive's base salary was increased by 3% in line with forecast market movements provided by Sky's external advisor. The actual market movement for FY26 was confirmed to be 4% for relevant CEO roles in April 2026.

The Chief Executive has a significant portion of remuneration 'at risk' and linked to Sky's commercial performance. The variable remuneration components are a Short Term Incentive plan (STI) and Long Term Incentive plan (LTI). The STI is set at 50% of base salary. The LTI was introduced in FY24 and is structured as a performance share rights plan with a three-year vesting period with service rights conditions (as set out on page 38). At 30 June 2026 the Chief Executive held a total of 563,918 share rights. The maximum potential earnings from the LTI is 50% of base salary per annum. No Share Rights had vested at 30 June 2026.

At the conclusion of the three-year vesting period, Share Rights allocated to the Chief Executive in FY24 will be tested against the LTI performance criteria. The test period begins immediately following the release of FY26 Annual Results. Subject to the test results, the Performance Share Rights could be partially or fully exercised. The conversion to ordinary shares and/or lapse of Share Rights will be advised by a Market release to the NZ and Australian Stock Exchanges.

Subsequent to 30 June 2026 the Board agreed to make an additional incentive award to the Chief Executive in recognition of an exceptional contribution over the three-year period to FY26, including successful delivery of satellite migration, the acquisition of Discovery NZ and securing strategically important sports rights.

Pay Equity and Diversity

Sky has committed to paying all employees the living wage or more. At 30 June 2026 all permanent Sky employees were paid the living wage or more.

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 2026 the Chief Executive's base salary of \$1,099,010 (on an annualised basis) was 11.0 times that of the median employee at \$100,000.

On a total earnings basis, including STI paid, the median pay gap was 13.8 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 2026 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 2026, including KiwiSaver severance and STI payments. The table does not include amounts paid post 30 June 2026 that relate to the 2026 financial year, such as STI payments.

Remuneration Range (\$)	Number of employees
100,000 - 110,000	40
110,001 - 120,000	36
120,001 - 130,000	46
130,001 - 140,000	38
140,001 - 150,000	25
150,001 - 160,000	29
160,001 - 170,000	41
170,001 - 180,000	23
180,001 - 190,000	10
190,001 - 200,000	12
200,001 - 210,000	12
210,001 - 220,000	11
220,001 - 230,000	6
230,001 - 240,000	5
240,001 - 250,000	6
250,001 - 260,000	9
260,001 - 270,000	2
270,001 - 280,000	4
280,001 - 290,000	4
290,001 - 300,000	4
300,001 - 310,000	1
310,001 - 320,000	6
320,001 - 330,000	4
330,001 - 340,000	1
340,001 - 350,000	3
350,001 - 360,000	2
360,001 - 370,000	1
370,001 - 380,000	1
380,001 - 390,000	1
400,001 - 410,000	1
420,001 - 430,000	1
440,001 - 450,000	1
510,001 - 520,000	1
600,001 - 610,000	1
630,001 - 640,000	1
670,001 - 680,000	1
1,050,001 - 1,060,000	1
1,410,001 - 1,420,000	1
Grand Total	392

Chief Executive Officer's Remuneration (earned)¹

	Base Salary	KiwiSaver	STI	STI as a % of target	Incentive Award	Total Earned	Share rights allocated ²
2026	1,099,010	63,268	526,425	96%	\$300,000	1,988,703	174,291
2025	1,067,000	40,318	276,935	52%		1,384,253	191,298
2024	970,000	45,490	546,349	113%		1,561,839	198,329
2023	970,000	34,584	182,785	42%		1,187,369	
2022	932,500	36,787	293,737	90%		1,263,024	

(1) Amounts shown are the amounts earned during the period. STI and Incentive award payments earned are paid in the following financial year.

(2) Share Rights allocated refers to the number of Share Rights allocated under the LTI during the financial year and remaining at risk. No Share Rights had vested at 30 June 2026.

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. Directors received a CPI-aligned fee increase of 3% to the base fee on 1 July 2025. This fee had remained unchanged since July 2023.

Annual Fee Structure (\$)	Year ended 30 June 2026	Year ended 30 June 2025 ¹
Board fees		
Board Chair	252,350	245,000
Deputy Chair	147,625	143,325
Independent Director	113,558	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	16,000
Member	8,000	8,000
Content Rights Committee (CRC)		
Chair	16,000	16,000
Member	8,000	8,000

(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 2026 are set out in the table below:

Name	Board Fees	ARC	PPC	CRC	Total
Philip Bowman (Chair) ¹	252,350	-	-	-	252,350
Keith Smith (Deputy Chair)	147,625	20,000	-	8,000	175,625
Mike Darcey	113,558	-	-	8,000	121,558
Dame Joan Withers	113,558	12,000	8,000	-	133,558
Mark Buckman	113,558	-	16,000	-	129,558
Belinda Rowe	113,558	-	8,000	-	121,558
Totals	854,205	32,000	32,000	16,000	934,205

(1) The Board Chair is a member of the ARC and Chair of the CRC. The Chair does not receive a separate fee for committee roles.

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
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. Sky continually reviews the nature of the content acquired and its access to content. Sky is focused on delivering content that is important to its customers and utilises data-based insights and research to ensure its content strategy is achieved.
Negative impact of ongoing significant New Zealand economic downturn	An ongoing 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 constantly 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 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 disrupted and Sky's cost structure 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.
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.

Table continued over page

Strategic risks	Description	Mitigation
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 and/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. Sky's strategic approach to health and safety is to:

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

Sky's Board plays an active role in Sky's safety culture and Health & Safety matters are discussed at every meeting. In addition to monthly updates covering initiatives and performance, directors receive quarterly legislative briefings, undertake six-monthly safety visits and participate in an annual Health & Safety capability uplift session with an external advisor.

As part of its commitment to workplace health and safety, Sky commissioned an external Health & Safety Audit in 2024 and has taken action on the recommendations. The next audit is scheduled for August 2026.

Sky has two primary measures of health & safety performance. The first is the lag indicator of Total Recordable Injury Rate. The second is a lead indicator of Sky's health and safety culture as measured in Sky's six-monthly engagement survey. Both measures continue to perform above target in FY26.

The below table shows performance in these measures over the past three years:

	2026	2025	2024
Total Recordable Injury Rate	2.8	0.9	N/A
Health & Safety Culture	90	89	85

The importance placed on health and safety is reflected in Sky's remuneration framework through the Short Term Incentive (STI) hurdle whereby no annual award is made if Sky has been successfully prosecuted under the Health & Safety Act 2015. In FY26 Sky had no notifiable incidents, 3 lost-time injuries and no incidents in activities involving Sky's critical risks.

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 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 2026 financial year is included on page 89.

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.

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. Information provided to stock exchanges of an administrative or compliance nature will not necessarily be posted on the website.

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 in person or online, via a shareholder meeting platform. 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 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 2026 are as follows:

Director	Entity	Relationship
Philip Bowman	KMD Brands Limited (listed) ¹	Chair
	Tegel Group Holdings Limited	Chair
	Ferrovial N.V. (listed)	Director
	Tom Tom Holdings, Inc.	Director
	Vinula Pty. Limited	Director
	Vinula Super Fund Pty. Limited	Director
Mike Darcey	British Gymnastics	Chair
	Premier League Basketball UK	Shareholder
Keith Smith	Anderson & O'Leary Limited and associated companies	Chair
	Enterprise Group Holdings Limited and associated companies	Chair
	Goodman Property Services (NZ) Limited ²	Director
	H J Asmuss & Co Limited and associated companies	Chair
	Healthcare Holdings Limited and associated companies	Chair
	Mobile Health Group Limited	Chair
	Gwendoline Holdings Limited (non-trading)	Director and Shareholder
Dame Joan Withers	The Warehouse Group Limited and associated companies ²	Chair
	ANZ Bank New Zealand Limited	Director
	Louise Perkins Foundation	Trustee
	On Being Bold Limited	Director
	Origin Energy Limited	Director
Mark Buckman	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
	Hourigan International	Managing Partner
Belinda Rowe	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

(1) Entries added or updated during the period from 1 July 2025 to 30 June 2026.

(2) Entries removed by notices given by the directors during the period from 1 July 2025 to 30 June 2026.

Particular Transactions / Use of Company Information

During the financial year to 30 June 2026, 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.

Company Information

Directors' and senior managers' interests in securities and trading

The table below sets out directors' and senior managers' relevant interests in Sky's quoted financial products as at 30 June 2026 (as defined in the Financial Markets Conduct Act 2013) for the purposes of NZX Listing Rule 3.7.1(d), together with transactions recorded during FY26:

Director	Total number of Ordinary Shares in which relevant interest is held at 30 June 2026	Interest	Transaction Date	Number of Ordinary Shares acquired/ (disposed of)
Philip Bowman	850,000	Beneficial ownership	25 August 2025	44,932
			26 August 2025	5,068
			18 March 2026	5,807
			20 March 2026	220
			23 March 2026	643
			12 May 2026	43,330
Keith Smith	152,260	Beneficial ownership and other ¹	20 May 2026	116,000
Dame Joan Withers	10,500	Beneficial ownership	27 August 2025	10,500
Mark Buckman	5,000	Beneficial ownership	11 November 2025	5,000
Belinda Rowe	23,000	Beneficial ownership ²	-	-
Mike Darcey	125,000	Beneficial ownership	-	-
Senior Manager				
Sophie Moloney (CEO)	331,861	Beneficial ownership	25 August 2025	50,000
			24 March 2026	768
			25 March 2026	1702
			26 March 2026	29,030

(1) Includes: 100,000 shares held by Keith Smith; 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); 24,333 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).

(2) 23,000 shares held by Belinda Rowe as beneficiary of Rowe-Cuthbert Nominee Pty Limited as trustee of the Rowe-Cuthbert Super Fund.

Subsidiaries

At 30 June 2026, Sky had the following subsidiary companies:

Subsidiary	Director(s)	Principal Activity
Believe It Or Not Limited	Annabelle Lohead Brendan Lohead Christopher Shaw Antony Welton	Entertainment quizzes
Lightbox New Zealand Limited	Sophie Moloney	Streaming services
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	Commercial music
Sky Free Limited (previously Discovery NZ Limited) ¹	Sophie Moloney (appointed 1 August 2025) David Mackrell (appointed 1 April 2026) ¹	Media services
Sky Investment Holdings Limited	Sophie Moloney	Did not trade
Sky Network Services Limited	Sophie Moloney	Broadband services
Sky Ventures Limited	Sophie Moloney	Did not trade

(1) David Mackrell replaced Juliet Peterson, who was appointed on 5 July 2024 and retired 1 April 2026.

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 subsidiaries' interests registers

In the year to 30 June 2026, in relation to Sky's subsidiaries, no specific notices were made in the Interests Register pursuant to section 140 of the Companies Act 1993.

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 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 2026 there were 6,145 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 voting products on issue at 30 June 2026.

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 at 30 June 2026:

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
FirstCape Group Limited	21 October 2025	7,946,751	5.772
New Zealand Superannuation Fund	19 May 2026	12,085,086	8.778
Investment Services Group Limited	19 June 2026	7,383,763	5.363

(1) Based on disclosures to the company.

At Sky's 30 June 2026 year end the total number of ordinary shares on issue was 137,675,010.

Twenty Largest Shareholders at 30 June 2026

Name	Number of Shares	% of Issued Capital
BNP Paribas Nominees (NZ) Limited (BPSS40)	19,912,487	14.5
Accident Compensation Corporation	13,393,806	9.7
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	11,279,274	8.2
HSBC Nominees (New Zealand) Limited (HKBN90)	10,616,244	7.7
Citibank Nominees (New Zealand) Limited	6,319,316	4.6
Custodial Services Limited	5,641,205	4.1
New Zealand Depository Nominee Limited	4,696,093	3.4
APEX Custodians Nominees (NZ) Limited (TEAC40)	3,513,425	2.6
JBWere (NZ) Nominees Limited	3,464,679	2.5
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct	3,147,867	2.3
HSBC Custody Nominees (Australia) Limited	2,857,397	2.1
BNP Paribas Nominees (NZ) Limited	2,605,313	1.9
HSBC Nominees (New Zealand) Limited A/C State Street	2,329,811	1.7
Rural Equities Limited	2,050,000	1.5
Citicorp Nominees Pty Limited	1,912,892	1.4
New Zealand Rugby Union Incorporated	1,816,777	1.3
JBWere (NZ) Nominees Limited	1,700,000	1.2
PT (Booster Investments) Nominees Limited	1,662,000	1.2
BNP Paribas Nominees (NZ) Limited	1,624,187	1.2
Forsyth Barr Custodians Limited	1,456,583	1.1
	101,999,356	74.1

Shareholder Distribution at 30 June 2026

Range	Number of Shareholders	Number of shares held	% of Issued Capital
1 – 1,000	3,989	1,028,141	0.75
1,001 – 5,000	1,226	3,095,471	2.25
5,001 – 10,000	381	2,836,169	2.06
10,001 – 100,000	479	13,728,213	9.97
100,001 and over	70	116,987,016	84.97
Total	6,145	137,675,010	100.00

Non-Marketable Parcels of Shares

As at 30 June 2026, 2,704 shareholders in Sky had non-marketable parcels of shares.

Donations

During the financial year ending 30 June 2026, Sky made cash donations totaling \$72,000. Sky's broader commitments under the 'Sky for Good' programme, as outlined on page 26, 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 2026 for statutory audit services and for other assurance services was:

	Statutory audit services (\$000)	Other assurance and non-assurance services (\$000)
Sky	1,289	27

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 2026. 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
39 Martin Place, 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 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 2026 Financials

For the year ended
30 June 2026

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 2026 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.

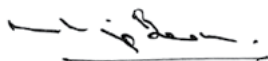
The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013.

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 2026.

The Board of Directors of Sky authorise these consolidated financial statements for issue on 27 August 2026.

For and on behalf of the Board of Directors.



Philip Bowman
Director and Chair

Date: 27 August 2026



Keith Smith
Director and Chair of Audit and Risk Committee

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Consolidated Income Statement

For the year ended 30 June 2026

In NZD '000s	Notes	30-Jun-26	30-Jun-25
Revenue	4	824,845	750,723
Gain on bargain purchase – Discovery NZ Limited	5	31,407	-
Other income	6	9,444	7,681
Expenses			
Programming		401,856	404,124
Broadcasting and infrastructure		133,452	103,971
Subscriber related costs		76,987	71,367
Advertising costs ¹		33,023	18,477
Depreciation, amortisation and impairment of assets	7	97,020	89,141
Other costs		50,175	39,827
Total expenses		792,513	726,907
Finance income	19	1,753	1,700
Finance expense	19	7,552	4,276
Profit before tax		67,384	28,921
Income tax expense	9	7,586	8,331
Profit for the year		59,798	20,590
Attributable to			
Equity holders of the Company	8	59,375	20,228
Non-controlling interests		423	362
		59,798	20,590
Earnings per share			
Basic earnings per share (cents)	8	43.13	14.69
Diluted earnings per share (cents)	8	42.84	14.61

(1) Advertising costs of \$33.0m have been disaggregated from Other costs (30 June 2025: \$18.5m).

Consolidated Statement of Comprehensive Income

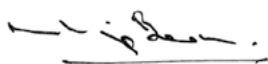
For the year ended 30 June 2026

In NZD '000s	30-Jun-26	30-Jun-25
Profit for the year	59,798	20,590
Items that may be reclassified to profit or loss		
Deferred hedging gains / (losses) transferred to operating expenses during the year	1,898	(490)
Changes in fair value of cash flow hedges	11,149	(2,988)
Income tax effect	(3,653)	974
Net other comprehensive income / (loss) to be reclassified to profit or loss, net of income tax	9,394	(2,504)
Items that may not be reclassified to profit or loss		
Deferred hedging gains transferred to non-financial assets during the year	-	181
Income tax effect	-	(51)
Net other comprehensive income not being reclassified to profit or loss, net of income tax	-	130
Total comprehensive income for the year	69,192	18,216
Attributable to:		
Equity holders of the Company	68,769	17,854
Non-controlling interest	423	362
	69,192	18,216

Consolidated Balance Sheet

As at 30 June 2026

In NZD '000s	Notes	30-Jun-26	30-Jun-25
Current assets			
Cash and cash equivalents		79,140	32,410
Trade and other receivables	10	67,860	60,660
Programme rights inventory	11	90,264	70,927
Income tax receivable		1,153	3,788
Derivative financial instruments	22	11,424	640
		249,841	168,425
Non-current assets			
Trade and other receivables	10	6,765	7,467
Property, plant and equipment	13	122,673	126,958
Right-of-use assets	14	45,682	62,147
Intangible assets	15	67,338	63,386
Goodwill	16	244,264	244,264
Derivative financial instruments	22	2,289	220
		489,011	504,442
Total assets		738,852	672,867
Current liabilities			
Lease liabilities	18	30,521	22,720
Trade and other payables	12	139,203	95,918
Contract liabilities	12	56,847	56,903
Derivative financial instruments	22	24	2,464
		226,595	178,005
Non-current liabilities			
Lease liabilities	18	31,962	49,880
Trade and other payables	12	2,518	1,029
Deferred tax liability	9	8,464	2,499
Derivative financial instruments	22	37	2,439
		42,981	55,847
Total liabilities		269,576	233,852
Equity			
Share capital	20	676,755	676,755
Reserves	21	8,245	(1,619)
Retained deficit		(217,432)	(237,570)
Total equity attributable to owners of the Parent		467,568	437,566
Non-controlling interest		1,708	1,449
Total equity		469,276	439,015
Total equity and liabilities		738,852	672,867



Philip Bowman
Director and Chair

For and on behalf of the Board 27 August 2026.



Keith Smith
Director and Chair of Audit and Risk Committee

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

In NZD '000s	Notes	Attributable to owners of the parent				Non-controlling interest	Total equity
		Share capital	Reserves	Retained deficit	Total		
For the year ended 30 June 2026							
Balance at 1 July 2025		676,755	(1,619)	(237,570)	437,566	1,449	439,015
Net profit for the year		-	-	59,375	59,375	423	59,798
Cash flow hedges, net of tax	21	-	9,394	-	9,394	-	9,394
Total comprehensive income for the year		-	9,394	59,375	68,769	423	69,192
Transfer of cash flow hedge reserves to non financial assets							
Cash flow hedges, net of tax	21	-	34	-	34	-	34
Total transfers of cashflow hedges to non financial assets		-	34	-	34	-	34
Transactions with owners in their capacity as owners							
Dividend paid ¹		-	-	(39,237)	(39,237)	(164)	(39,401)
Supplementary dividends		-	-	(1,994)	(1,994)	-	(1,994)
Foreign investor tax credits		-	-	1,994	1,994	-	1,994
Share based compensation reserve	28	-	436	-	436	-	436
Total transactions with owners		-	436	(39,237)	(38,801)	(164)	(38,965)
Balance at 30 June 2026		676,755	8,245	(217,432)	467,568	1,708	469,276
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	21	-	(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 ²		-	-	(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	28	-	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

(1) Sky paid dividends of 13.5 cents per ordinary share on 5 September 2025 and 15.0 cents per ordinary share on 23 March 2026.

(2) 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.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

In NZD '000s	Notes	30-Jun-26	30-Jun-25
Cash flows from operating activities			
Profit before tax		67,384	28,921
Adjustments for:			
Depreciation, amortisation and impairment of assets	7	97,020	89,141
Gain on Bargain Purchase – Discovery NZ Limited	5	(31,407)	-
Impairment of programming rights	11	4,300	1,400
Accelerated amortisation of programming rights	11	2,730	18,365
Unrealised foreign exchange loss	19	4,585	63
Interest expense	19	5,431	4,276
Interest income	19	(1,753)	(1,380)
Customer credit losses	7	2,174	1,701
Other non-cash items ¹		(282)	(4,747)
Movement in working capital items:			
Decrease in receivables		2,118	110
Increase / (decrease) in payables		13,885	(36,914)
(Increase) / decrease in programme rights		(9,757)	34,819
Cash generated from operations		156,428	135,755
Interest paid		(5,395)	(4,251)
Interest received		1,753	1,380
Bank facility fees paid		(36)	(25)
Income tax paid		-	(12,658)
Net cash from operating activities		152,750	120,201
Cash flows from investing activities			
Net cash inflow on acquisition of Discovery NZ Limited	5	24,876	-
Acquisition of property, plant, and equipment	13	(33,492)	(45,817)
Acquisition of intangibles	15	(29,935)	(31,929)
Net cash used in investing activities		(38,551)	(77,746)
Cash flows from financing activities			
Payments for lease liability principal	18	(26,074)	(17,693)
Dividends paid		(41,231)	(29,859)
Dividend paid to minority shareholders		(164)	(292)
Net cash used in financing activities		(67,469)	(47,844)
Net increase / (decrease) in cash and cash equivalents		46,730	(5,389)
Cash and cash equivalents at beginning of year		32,410	37,799
Cash and cash equivalents at end of year		79,140	32,410

(1) Other non-cash items for the year ended 30 June 2025 includes a gain on satellite lease modification, (refer Note 6).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. General Information

This section sets out the Group's accounting policies that relate to the consolidated financial statements as a whole. They 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 2026 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, advertising and telecommunications in New Zealand.

These consolidated financial statements were authorised for issue by the Board on 27 August 2026.

Basis of preparation

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

- NZ IFRS Accounting Standards,
- 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 have been prepared under the historical cost convention except for the revaluation of certain financial instruments (including derivative instruments) and the identifiable assets acquired and liabilities assumed on the acquisition of Discovery NZ Limited. (Refer Note 5).

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	Interest held	
				Jun-26	Jun-25
Sky DMX Music Limited	Commercial music	New Zealand	Sky	50.50%	50.50%
Sky Network Services Limited (previously Igloo Limited)	Broadband services	New Zealand	Sky	100.00%	100.00%
Sky Free Limited (previously Discovery NZ Limited) ¹	Media Services	New Zealand	Sky	100.00%	0.00%
Believe It Or Not Limited	Entertainment quizzes	New Zealand	Sky	51.00%	51.00%
Lightbox New Zealand Limited	Streaming services	New Zealand	Sky	100.00%	100.00%
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 Investment Holdings Limited	Did not trade	New Zealand	Sky	100.00%	100.00%

(1) On 1st August 2025, Sky acquired 100% of the shares in Discovery NZ Limited (refer Note 5).

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. Conversely where the identifiable assets acquired and liabilities assumed is greater than the consideration paid, the difference is recognised as a gain on acquisition. 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
Fair value of assets and liabilities acquired from Discovery NZ Limited ¹	5. Acquisition of Discovery NZ Limited
Revenue recognition for new Sky Box and Sky Pod	4. Segment and Revenue Information
Unused tax losses	9. Taxation
Programme rights amortisation	11. Programme Rights Inventory
Estimated life of technical assets	13. Property, Plant and Equipment
Impairment testing of finite useful life intangible assets	15. Intangible Assets
Assumptions underlying annual goodwill impairment assessment	16. Goodwill
Determining the lease term	18. Lease Liabilities

(1) These are new key estimates and judgements in FY26.

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. There are no material impacts arising from new accounting standards or amendments that came into effect during the period.

NZ IFRS 18 Presentation and Disclosure in Financial Statements is effective for the Group for the year ending 30 June 2028. NZ IFRS 18 will replace NZ IAS 1 and introduces new presentation and disclosure requirements, including changes to the structure of the statement of profit or loss, new defined subtotals, management-defined performance measure disclosures, and enhanced aggregation and disaggregation requirements. The Group is continuing to assess the impact of NZ IFRS 18. The standard is expected to impact presentation and disclosure only and is not expected to impact recognition or measurement. Management does not currently expect any other issued but not yet effective standards or amendments to have a material impact on the Group's consolidated financial statements.

3. Material Accounting Policies and Critical Judgements and Estimates (continued)

The significant accounting policies which are consistent 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 financial statements have been prepared on a going concern basis. In making this assessment, the Directors have considered the Group's forecast cash flows, liquidity position, available financing arrangements and covenant compliance for at least 12 months from the date of approval of these financial statements.

Based on this assessment, the Directors are satisfied that the Group has adequate resources to continue operating and to meet its obligations as they fall due. No material uncertainty related to going concern has been identified.

4. Segment and Revenue Information

In NZD '000s	30-Jun-26	30-Jun-25
Sky Box subscriptions	445,218	465,541
Streaming subscriptions	128,279	118,805
Advertising	131,723	57,098
Venue revenue ¹	52,835	53,950
Broadband subscriptions	47,427	36,954
Other revenue	19,363	18,375
	824,845	750,723

(1) In the prior year Venue revenue was referred to as Commercial revenue.

Description of revenue streams

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

Sky Box and Sky Pod revenue: This includes all revenue related to Sky's subscription services for its Sky Box and Sky Pod 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 12). Contract liabilities also include the portion of one-off upfront fees whereby the customer's deemed contract period has not yet finished.

Streaming revenue: This includes revenue from 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.

Advertising revenue: This relates to revenue received from customers in return for advertising placed on the Group's services. This revenue is recognised at the 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.

Venue 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.

4. Segment and Revenue Information (continued)

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.

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

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 and Sky retains control over key functionality, software updates and replacement of devices. This supports the fact the contract arrangement for use of the new Sky Box or Sky Pod does not constitute a lease arrangement. Sky Box and Sky Pod devices are accounted for as customer premises equipment in Property, Plant and Equipment, refer Note 13.
- **Existing customers on rolling monthly contracts** – do not gain a material right from obtaining a new Sky Box. Sky Box customer contracts are normally for 12 months, with monthly renewals thereafter. Providing a new Sky Box or Sky Pod to an existing customer on a rolling monthly contract enables the customer to continue accessing their existing subscription service. It does not provide a discounted future service, create a separate performance obligation, or provide another right that changes the enforceable customer contract term. Providing the device does not extend the customer contract term or change the period over which subscription revenue is recognised.

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 '000s	Sky Box subscriptions	Streaming subscriptions	Advertising	Venue revenue	Broadband subscriptions	Other revenue	Total revenue from contracts with customers
For the year ended 30 June 2026							
Revenue from customers	445,218	128,279	131,723	52,835	47,427	19,363	824,845
Total revenue	445,218	128,279	131,723	52,835	47,427	19,363	824,845
Timing of revenue recognition							
At a point in time	1,571	-	131,723	-	-	12,212	145,506
Over time	443,647	128,279	-	52,835	47,427	7,151	679,339
	445,218	128,279	131,723	52,835	47,427	19,363	824,845
For the year ended 30 June 2025							
Revenue from customers	465,541	118,805	57,098	53,950	36,954	18,375	750,723
Total revenue	465,541	118,805	57,098	53,950	36,954	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	118,805	-	53,950	36,954	8,937	681,729
	465,541	118,805	57,098	53,950	36,954	18,375	750,723

5. Acquisition of Discovery NZ Limited

On 1 August 2025, Sky Network Television Limited acquired 100% of the issued share capital of Discovery NZ Limited (Discovery NZ). The acquisition of Discovery NZ, which operates national free-to-air channels (Three, Eden, Rush, HGTV) and a digital streaming service (ThreeNow), positions Sky to accelerate growth and diversify revenue streams, particularly in advertising and digital, as well as generating cost savings. Sky has acquired a business that is a strong strategic fit in a manner which it believes is value accretive for shareholders.

The fair value amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

In NZD '000s	01-Aug-25
Cash and cash equivalents	16,893
Trade and other receivables	11,365
Trade and other payables	(13,356)
Programme rights inventory	16,299
Property, plant and equipment ¹	863
Intangible assets – Software	2,800
Intangible assets – Brand	2,800
Deferred tax asset/(liability)	(784)
Indemnification asset	228
Other assets and liabilities	(3,855)
Programme rights payable	(4,991)
Payables due to Warner Bros. Discovery Inc	(3,049)
Provision for decommissioning costs	(228)
Withholding Tax payables	(570)
Employee benefits payable	(991)
Total identifiable assets acquired and liabilities assumed	23,424
Total consideration	
Satisfied by:	
Cash	0
Total consideration transferred	0
Net debt and working capital adjustments received	7,983
Gain on bargain purchase	31,407
Net cash inflow arising on acquisition	
Cash consideration received	7,983
Cash and cash equivalent balances acquired	16,893
	24,876

The cash consideration received of \$7.983 million comprises the following elements:

- Share purchase price of \$1, which is rounded to \$0 in the table above;
- A final net working capital adjustment of \$3.749 million received to achieve the contractually agreed target level; and
- A \$4.234 million adjustment received to achieve a debt-free basis, clear of programme rights payable.

The \$3.749 million working capital adjustment was granted to extinguish the liabilities that were previously required to be settled prior to acquisition date. The cash and cash equivalent balance acquired of \$16.893 million includes a contribution to the Group's future integration costs, and to adjust for the debt-free basis and minimum working capital commitments of the acquisition. The fair value of the financial assets includes Trade and other receivables with a fair value and gross contractual value of \$11.365 million. The best estimate at acquisition date of contractual cashflows not to be collected is \$nil.

Acquisition-related costs included in Other Costs for the 12 months ended 30 June 2026 amount to \$1.131 million.

(1) During the measurement period following the acquisition, the Group completed its assessment of the fair values of the assets acquired. As part of this assessment, computer equipment and software acquired that had a provisional carrying value of \$3.026 million in the interim financial statements were determined to have a fair value of nil at the acquisition date. Accordingly, the provisional gain on bargain purchase of \$34.433 million was reduced by \$3.026 million to a final gain on bargain purchase of \$31.407 million, recognised at 30 June 2026.

5. Acquisition of Discovery NZ Limited (continued)

The fair value of the identifiable net assets acquired exceeded the total consideration transferred, resulting in a gain on bargain purchase of \$31.407 million. This gain has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2026. In the event of the recognition of a gain on bargain purchase in the income statement, IFRS 3 requires that a reassessment be conducted of the measurement process, with the purpose of verifying the completeness and correctness of the process of identification and measurement of all the assets acquired and the liabilities assumed. This reassessment exercise confirmed the correctness and reasonableness of the conclusions reached previously.

The transaction resulted in a gain as Sky was able to acquire Discovery NZ on a debt free basis at a significant discount to net asset value given the history of losses and growing indebtedness of the company over recent years under the ownership of the vendor. This situation influenced the Group's decision to acquire Discovery NZ with the objective of using the skills of its management team to deliver potential revenue synergies and cost savings with the existing business to generate positive profits and cash flow from a deleveraged asset.

Key estimates and judgements

The fair value of the acquired Programme rights inventory of \$16.3 million was determined using management judgement and estimation. The key judgements and assumptions applied include:

- Management's experience and internal knowledge of content acquisition, as there are no observable external benchmarks or independent valuation expertise in New Zealand for the procurement and valuation of broadcast content rights.
- Consideration of current market conditions
- A valuation approach undertaken from the perspective of a hypothetical market participant, assessing the value of the programme rights available after the acquisition date. This assessment considered, among other factors:
 - the number of remaining broadcast runs,
 - whether the remaining licence period could be sold or sub licensed,
 - the timing of first broadcast, and
 - whether the genre or type of content influenced the remaining economic value.
- The extent to which the programme rights were expected to generate advertising revenues across the Group's platforms, including Three and ThreeNow.

On the date of acquisition 1 August 2025, the name of Discovery NZ Limited was changed to Sky Free Limited (Sky Free). Discovery NZ has accumulated tax losses which are able to be carried forward and offset against future profits of Sky Free provided the legislative requirements of the Business Continuity Test are met. Tax losses incurred after 1 August 2025 are able to be offset against the profits of Sky Network Television Limited. Sky Free's tax losses that arose prior to 1 August 2025 are not available to be offset within the Group. No deferred tax asset is recognised on the basis that it is not sufficiently probable that taxable profit will be available against which the losses and other deductible temporary differences can be utilised. Sky Free has an unrecognised deferred tax asset of \$64m at 30 June 2026, of which \$57.7m relates to losses carried forward and \$6.3m relates to other temporary differences.

Discovery NZ contributed \$77.164 million revenue and a negative contribution of \$6.372 million to the Group's net profit before tax for the period between the date of acquisition and the reporting date (11 months of operations). If the acquisition of Discovery NZ Limited had been completed on the first day of the financial year (1 July 2025), contribution to Group revenues for the 12-month period would be estimated to have been \$84.178 million with negative contribution to Group net profit before tax estimated to have been \$6.952 million, both calculated on a pro-rata basis to the 11-month result.

6. Other Income

Other income includes:

In NZD '000s	30-Jun-26	30-Jun-25
Government grant R&D tax credits	1,121	675
Recovery of satellite migration costs ²	8,159	-
Gain on lease modification ¹	-	4,924
Optus redundancy satellite credit	-	1,291
Other	164	791
	9,444	7,681

(1) On 31 December 2024, the Group shortened the term of its previous transmission lease with Optus to enable the transition to the current satellite, which became available for use on 15 April 2025 (refer Note 18). This lease modification resulted in a gain recognised in FY25.

(2) Agreed satellite migration costs recovered from Optus in the year ended 30 June 2026 total \$8.2m (30 June 2025: nil).

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.

7. Operating Expenses

Profit before tax includes the following separate expenses:

In NZD '000s	Notes	30-Jun-26	30-Jun-25
Depreciation, amortisation and impairment			
Depreciation and impairment of property, plant and equipment ¹	13	39,952	36,948
Amortisation of intangible assets	15	31,228	27,974
Depreciation of right-of-use assets	14	25,840	24,219
Total depreciation, amortisation and impairment		97,020	89,141
Credit loss			
Movement in provision		335	(258)
Net write-off		1,839	1,959
Total credit loss	10	2,174	1,701
Audit and review of financial statements ²		1,289	893
Other assurance services provided by PwC New Zealand			
Other assurance service engagements ³		15	65
Other agreed upon procedures provided by PwC New Zealand			
Other agreed upon procedures ⁴		12	71
Total fees to external auditors		1,316	1,029
Employee costs ⁵		90,517	72,832
KiwiSaver employer contributions		2,803	2,227
Donations ⁶		72	72
Operating lease and rental expenses		771	679

(1) Of the net depreciation and impairment charge for property, plant and equipment of \$39.952m for the year ended 30 June 2026, \$1.063m relates to the loss on disposal for assets no longer in use. \$38.889m relates to the depreciation charge for the year.

(2) The audit fee includes the fee for the annual audit of consolidated financial statements, the review of consolidated interim financial statements and the stand-alone audit of Sky Free Limited for the period ended 31 December 2025.

(3) In relation to Telecommunications Development Levy and Greenhouse Gas (GHG) emissions limited assurance scope 1 and 2 (FY25 assurance performed across FY25).

(4) In relation to the Broadcasting Standards Authority Levy and GHG pre-conditions assessment in the prior year.

(5) Employee costs include \$5.2 million of redundancy expenses (2025: \$3.2 million).

(6) In FY26, Sky donated to the Special Children's Christmas party (FY25: Special Children's Christmas Party).

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.

8. Earnings Per Share

Basic and diluted earnings per share

	Note	30-Jun-26	30-Jun-25
Earnings for the purpose of basic and diluted earnings per share:			
Profit after tax attributable to equity holders of the parent (NZD '000s)		59,375	20,228
Weighted average number of ordinary shares on issue ('000s)			
Weighted average number of ordinary shares for basic earnings per share		137,675	137,675
Effect of dilutive ordinary shares:			
– Share rights outstanding ¹	28	927	736
Weighted average number of ordinary shares for diluted earnings per share		138,602	138,411
Basic earnings per share (cents)		43.13	14.69
Diluted earnings per share (cents)		42.84	14.61
Issued ordinary shares at the beginning of the year		137,675,010	137,675,010
Total number of shares on issue		137,675,010	137,675,010
Weighted average number of ordinary shares on issue		137,675,010	137,675,010

(1) As at 30 June 2025 the basic earnings per share of 14.69 cents has been adjusted for share rights outstanding of 735,611 resulting in diluted earnings per share of 14.61 cents.

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 per share assumes conversion of all dilutive potential ordinary shares in determining the denominator. As at 30 June 2026, 927,091 (30 June 2025: 735,611) share rights constituting dilutive potential ordinary shares were outstanding under the Group's long-term incentive plan (refer Note 28).

9. Taxation

Income tax expense

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

In NZD '000s	30-Jun-26	30-Jun-25
Profit before tax	67,384	28,921
Prima facie tax expense at 28%	18,868	8,098
Non-assessable income	(314)	-
Non-deductible expenses	388	570
Non-assessable gain on bargain purchase	(8,794)	-
Other	(2,927)	-
Prior year adjustment	(346)	933
Recognise tax losses previously not recognised	-	(1,270)
Derecognise deferred tax from Sky Free	711	-
Income tax expense	7,586	8,331
Allocated between:		
Current tax	6,072	4,913
Deferred tax	1,514	3,418
Income tax expense	7,586	8,331

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.

9. Taxation (continued)

Imputation credits

In NZD '000s	30-Jun-26	30-Jun-25
Imputation credits available for subsequent reporting periods based on a tax rate of 28%	191,558	202,991

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 '000s	Fixed assets	Leased assets	Lease liabilities	Other	Losses	Recognised directly in equity	Total
For the year ended 30 June 2026							
At 1 July 2025	(10,934)	(21,261)	21,632	4,789	2,325	950	(2,499)
NZ IFRS 9 hedging adjustment recognised through other comprehensive income	-	-	-	-	-	(3,667)	(3,667)
Recognised as a result of business combinations	-	-	-	(784)	-	-	(784)
Credited/(charged) to profit and loss	(2,500)	4,844	(3,909)	480	(560)	131	(1,514)
Balance at 30 June 2026	(13,434)	(16,417)	17,723	4,485	1,765	(2,586)	(8,464)
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)

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 FY26, the Group utilised \$2,000,000 (\$560,000 tax affected) of tax losses from Sky Network Services Limited (previously Igloo Limited), reducing the deferred tax asset recognised on the balance sheet by \$560,000 to \$1,765,000 (\$2,325,000 30 June 2025). 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 Sky Network Services Limited subject to meeting the requirements of the income tax legislation, including shareholder continuity and business continuity.

10. Trade and Other Receivables

In NZD '000s	Note	30-Jun-26	30-Jun-25
Trade receivables		47,009	38,308
Less provision for loss allowance		(981)	(646)
Trade receivables – net		46,028	37,662
Other receivables		4,744	5,307
Transmission ¹		-	1,197
Prepaid expenses		23,853	23,961
Balance at end of year		74,625	68,127
Current		67,860	60,660
Two to five years		6,765	7,467
		74,625	68,127
Deduct receivables not classified as financial assets ²		(24,117)	(24,065)
Financial instruments	26	50,508	44,062

(1) In the prior year 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 its previous satellite lease. This amount had been recognised as other income (refer Note 6). Additional credits received in April 2025 under the current satellite lease have been offset against the lease liability (refer Note 18). There are no unused credits from broadcast service providers at 30 June 2026.

(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 12 months and the corresponding historical credit losses experienced within this period.

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

In NZD '000s	30-Jun-26		30-Jun-25	
	Gross	Impairment provision	Gross	Impairment provision
Residential subscribers	21,868	(355)	23,912	(473)
Commercial subscribers	5,441	(141)	5,106	(65)
Wholesale customers	690	-	920	-
Advertising	17,027	(396)	5,519	(81)
Other	1,983	(89)	2,851	(27)
	47,009	(981)	38,308	(646)

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

In NZD '000s	Note	30-Jun-26	30-Jun-25
Opening balance		646	904
Charged during the year	7	2,174	1,701
Utilised during the year		(1,839)	(1,959)
Closing balance		981	646

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 \$0.8 million (30 June 2025: \$0.9 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.

11. Programme Rights Inventory

In NZD '000s	30-Jun-26	30-Jun-25
Opening balance	70,927	125,644
Acquired during the year	375,236	304,499
Charged to programming expenses ¹	(355,899)	(359,216)
Balance at end of year	90,264	70,927

(1) Represents programming rights costs only, excluding production and programming operations costs of \$46.0 million (FY25: \$44.9 million).

The Group has completed a comprehensive review of the programming expense recognition policy, ensuring that the adopted methodology is aligned with prevailing global practices. The review was informed by enhanced availability of Neon viewership data, and global benchmarking which facilitated a thorough analysis of our content amortisation across all our genres. The updated policy reflects evolving viewership behaviour for each specific content genre, with the trigger for the review being the strategic acquisition of Discovery NZ Limited and its associated content.

It is currently anticipated that the revised policy will not require further significant modifications in the coming years. Based on the completed review, the amortisation methodology for all programme rights, except for Neon, Sport, Movies and Local Production, has been updated to better reflect the Group's understanding of current viewership behaviour. The previous amortisation methodology was based on the type of programme right combined with the platform or channel the content was distributed on. The revised amortisation methodology is based on the genre of the programme right. The revised methodology for each genre is described below.

This represents a change in accounting estimate that has been adjusted prospectively. As a result of the change in amortisation methodology for the programme rights, except for Neon and Sport, an accelerated amortisation charge of \$2.7m is recognised in the current period. In the prior year ended 30 June 2025, the accelerated amortisation charge for Neon was \$18.3m. An impairment of the rights associated to the Commonwealth Games in Glasgow July 2026 was recognised in the programming charge for the year of \$4.3m. The impairment arose primarily due to the change in venue and time zone from Victoria, Australia and reduced number of competition events, which impacted the ability to commercialise the event through advertising and sponsorship revenues. In the prior year ended 30 June 2025 impairments for onerous content of \$1.4m were recognised.

Programming rights inventory

The cost of television programme inventory is recognised in the Consolidated Income Statement, with reference to the period over which the Group utilises the programming rights, viewership behaviour, and time-based methods of amortisation depending on the genre of programme right. These circumstances may change or evolve over time. The various genres of programme rights now have the following amortisation methodology:

- **Sport (Unchanged)** – the majority or all of the cost is recognised in the Consolidated Income Statement on the dates when the events occur. 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. This remains consistent with the year ended 30 June 2025.
- **Neon (Unchanged)** – New content – The cost is amortised over 24 months, with 65% of the cost recognised in the first 6 months, 15% in the subsequent 6 months, and 20% in the second year. This remains consistent with the year ended 30 June 2025.
- **Local Entertainment Production (Unchanged)** – the cost is recognised as incurred.
- **Movies (Unchanged)** – the cost is recognised on an "as played" basis or over time (depending on the nature of the rights agreement).
- **Entertainment Current Affairs/Events/Reality/Competition** – 90% of the cost is recognised in the Consolidated Income Statement in the first year, with the remaining 10% of cost recognised in the second year.
- **Entertainment – Premium** – The cost is amortised over 24 months, with 65% of the cost recognised in the first 6 months, 15% in the subsequent 6 months, and 20% in the second year. Premium refers to content where the license period falls within 3 years of the original release date.
- **Entertainment – Evergreen** – The cost is amortised on a straight-line basis over the license period, capped at a maximum of 3 years. Evergreen refers to content where the viewership behaviour is consistent over the license period.
- **Entertainment – Other** – The cost is recognised on a straight-line basis over the license period, capped at a maximum of 2 years. Other refers to content which is not otherwise classified above.

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

12. Trade and Other Payables and Contract Liabilities

In NZD '000s	Notes	30-Jun-26	30-Jun-25
Trade payables		81,794	56,413
Employee entitlements		11,688	8,534
Tax payables		7,413	4,537
Accruals		36,157	25,586
Provisions	27	4,669	1,877
Balance at end of year		141,721	96,947
Current		139,203	95,918
Two to five years		2,518	1,029
		141,721	96,947
Less			
Payables not classified as financial instruments ¹		(23,770)	(14,948)
Financial instruments	26	117,951	81,999

(1) 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 are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

Contract liabilities

In NZD '000s	30-Jun-26	30-Jun-25
Deferred revenue	56,847	56,903

Contract liabilities of \$56,903,000 were released into revenue during the year ended 30 June 2026 (30 June 2025: \$56,535,000). 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 both residential and commercial subscriptions. Contract liabilities recognised at the end of the financial year are recognised as revenue in the following year.

13. Property, Plant and Equipment

In NZD '000s	Land, buildings & leasehold improvements	Broadcasting & studio equipment	Customer premises equipment	Capitalised installation costs	Other plant & equipment ¹	Projects under development	Total
For the year ended 30 June 2026							
Cost							
Balance at 1 July 2025	15,827	109,883	300,450	211,801	46,068	1,025	685,054
Transfer between categories	1,129	2,177	-	-	711	(4,017)	-
Additions ^{1,2}	582	237	15,519	8,710	945	8,811	34,804
Business Combination	-	401	-	-	159	303	863
Disposals ³	(1,794)	(4,173)	(1,565)	(19,230)	(2,011)	-	(28,773)
Balance at 30 June 2026	15,744	108,525	314,404	201,281	45,872	6,122	691,948
Accumulated depreciation							
Balance at 1 July 2025	6,135	92,850	240,928	178,639	39,544	-	558,096
Depreciation for the year (Note 7)	1,377	4,701	16,852	12,709	3,250	-	38,889
Disposals ³	(1,328)	(4,173)	(972)	(19,230)	(2,007)	-	(27,710)
Balance at 30 June 2026	6,184	93,378	256,808	172,118	40,787	-	569,275
Net book value at 30 June 2026	9,560	15,147	57,596	29,163	5,085	6,122	122,673
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 7)	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

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

(2) Total additions of \$34,804,000 includes a decrease in comparative year creditor accruals of \$1,312,000 which are excluded in the \$33,492,000 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 2026 includes land with a cost of \$1,600,000 (30 June 2025: \$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 \$1,464,000 of capitalised labour costs (30 June 2025: \$1,264,000).

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.

13. Property, Plant and Equipment (continued)

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	3-6 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.

14. Right-of-Use Assets

In NZD '000s	Notes	Transmission	Property	Equipment	Motor Vehicles	Total
Right-of-use assets						
Balance at 1 July 2025		43,998	8,046	9,582	521	62,147
Additions		-	-	8,554	-	8,554
Lease modification/reassessment		-	-	786	35	821
Depreciation	7	(16,000)	(1,849)	(7,736)	(255)	(25,840)
Balance at 30 June 2026		27,998	6,197	11,186	301	45,682
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	7	(14,813)	(2,232)	(7,067)	(107)	(24,219)
Balance at 30 June 2025		43,998	8,046	9,582	521	62,147

(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. This 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.

15. Intangible Assets

In NZD '000s	Notes	Software	Brands	Other intangibles	Projects under development	Total
For the year ended 30 June 2026						
Cost						
Balance at 1 July 2025		282,171	-	2,921	1,442	286,534
Transfer from projects under development		21,192	-	-	(21,192)	-
Additions ¹		2,353	-	-	27,293	29,646
Business Combination		2,800	2,800	-	-	5,600
Disposals ²		(104)	-	-	-	(104)
Balance at 30 June 2026		308,412	2,800	2,921	7,543	321,676
Accumulated amortisation						
Balance at 1 July 2025		220,227	-	2,921	-	223,148
Amortisation for the year	7	30,973	255	-	-	31,228
Disposals ²		(38)	-	-	-	(38)
Balance at 30 June 2026		251,162	255	2,921	-	254,338
Net book value at 30 June 2026		57,250	2,545	-	7,543	67,338
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	7	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

(1) Total additions of \$29,646,000 included an increase in comparative year creditor accruals of \$289,000 which are included in the \$29,935,000 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 in line with the recognition criteria under NZ IAS 38. 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 on software include capitalised labour costs of \$9,517,000 (30 June 2025: \$9,420,000) 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.

16. Goodwill

In NZD '000s	30-Jun-26	30-Jun-25
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.

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 2026 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 2026 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 the number of distinct CGUs and the allocation of goodwill to these CGUs requires a degree of judgement by management and this has been outlined above. For the year ended 30 June 2026 and consistent with the prior year, management has determined that a single CGU exists, the "Sky CGU". The full goodwill balance has been allocated to the Sky CGU which now includes the acquired business of Discovery New Zealand (refer Note 5). Management has reached this conclusion given the integration and cohesion of the acquired business into the group's existing activities, for example via a single executive structure, ad-sales team, technology stack and cost base, to ultimately realise the future EBITDA growth outlined in the acquisition business case.

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 (FY27 to FY31)

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 24 June 2026.

In determining the cash flows for the goodwill impairment test 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 2025, 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 trading performance for the year ended 30 June 2026;
- the acquisition of Discovery NZ Limited and associated operating cashflows (refer Note 5);
- lower Sky Box revenue reflecting the challenging economic environment;
- higher Sky Sport Now revenues reflecting continued customer preference toward streaming of sport;
- changes to sport and entertainment costs to reflect new and/or revised rights deals and revised assumptions around content renewals in the future.

16. Goodwill (continued)

Valuation approach

For the year ended 30 June 2026, management has utilised the same valuation approach used in the prior year, other than revising the five-year plan scenario (Goodwill impairment case approved by the Board on 24 June 2026).

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 in 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 2026 impairment assessment calculations (and the equivalent assumptions for 30 June 2025) are detailed below. Costs of disposal are assumed to be 1% (30 June 2025: 1%) of the enterprise value.

	30-Jun-26	30-Jun-25
Terminal growth rate	1.5%	1.5%
Discount rate (post-tax)	10.7%	10.7%
Discount rate (pre-tax)	14.9%	14.9%

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 held consistent with the prior year rates which were sourced from independent expert advice, based on prevailing economic, market and other conditions. Management deemed the conditions in FY26 substantially consistent with the prior year and supported this conclusion with a sensitivity analysis on both rates which derived alternative valuation outcomes none of which created indicators of impairment.

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 2026 was \$3.27 equating to a market capitalisation of \$450.2 million, and the share price on the day the financial statements were signed was \$3.36 equating to a market capitalisation of \$462.6 million. The market capitalisation value excludes any control premium and may not be reflective of the value of the Group's net assets as at 30 June 2026. The carrying amount of the Group's net assets as at 30 June 2026 was \$469.3 million (\$3.41 per share) which exceeded market capitalisation before considering any control premium. Management and the Directors considered this as a potential impairment indicator as part of the goodwill impairment assessment. Market capitalisation reflects the traded value of the Group's listed shares and does not include a control premium that may be relevant in assessing the value of the Group as a whole. Management considered the market capitalisation comparison, including the impact of a potential control premium, alongside the discounted cash flow valuation and other valuation cross-checks. Based on this assessment, the recoverable amount of the Sky CGU exceeded its carrying amount and no impairment was recognised.

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.

17. 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 2026.

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, Lightbox New Zealand Limited, Sky Free 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 2026 financial year, and no breaches are anticipated within the next 12 months.

Bank overdrafts of \$318,000 (30 June 2025: \$35,000) 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 '000s	1 July 2025	Additions	Repayments	Reclass	Other movements ¹	30 June 2026
Current liabilities						
Lease liabilities	22,720	-	-	398	7,403	30,521
Non-current liabilities						
Lease liabilities	49,880	8,554	(26,074)	(398)	-	31,962
	72,600	8,554	(26,074)	-	7,403	62,483

In NZD '000s	1 July 2024	Additions	Repayments /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

(1) Other movements include exchange differences, lease modifications (refer Note 18), and changes in fair value (refer Note 26).

18. Lease Liabilities

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

In NZD '000s	Transmission	Property	Equipment	Motor vehicles	Total
For the year ended 30 June 2026					
Balance at 1 July 2025	47,856	14,882	9,339	523	72,600
Additions	-	-	8,554	-	8,554
Lease modifications/reassessments	-	-	786	35	821
Add interest for period	2,778	878	527	19	4,202
Less repayments	(18,945)	(2,933)	(8,125)	(273)	(30,276)
Foreign currency revaluation	6,290	-	292	-	6,582
Balance at 30 June 2026	37,979	12,827	11,373	304	62,483
Current	22,769	2,274	5,285	193	30,521
Two to five years	15,210	9,255	6,088	111	30,664
More than five years	-	1,298	-	-	1,298
Balance at 30 June 2026	37,979	12,827	11,373	304	62,483
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

(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 the prior year, this credit was recognised as a receivable and unwound against the lease liability.

In the prior period ending 30 June 2025, Other Income included 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 \$315,000 (30 June 2025: \$445,000). 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 on renewal. 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.

18. Lease Liabilities (continued)

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. 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.

19. Finance Costs, Net

In NZD '000s	Note	30-Jun-26	30-Jun-25
Finance income			
Interest income		1,753	1,380
Unrealised (gain) – foreign currency payables		-	(511)
Unrealised exchange loss – foreign currency hedges		-	574
Realised exchange (gain) – foreign currency payables		-	(383)
Total foreign exchange (income)		-	(320)
Total finance income		1,753	1,700
Finance expense			
Line fees on bank facilities		999	1,203
Lease interest	18	4,202	2,845
Bank facility finance fees		230	228
Total interest expense		5,431	4,276
Unrealised exchange loss – foreign currency payables		3,108	-
Unrealised exchange loss – foreign currency hedges		1,477	-
Realised exchange (gain) – foreign currency payables		(2,464)	-
Total foreign exchange expense		2,121	-
Total finance expense		7,552	4,276

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 the Consolidated Statement of Comprehensive Income.

20. Share Capital

	30-Jun-26		30-Jun-25	
	Number of shares ('000s)	Ordinary shares (NZD '000s)	Number of shares ('000s)	Ordinary shares (NZD '000s)
Shares on issue at beginning of year	137,675	676,755	137,675	676,755
Shares on issue at end of year	137,675	676,755	137,675	676,755

21. Reserves

In NZD '000s	Notes	Hedge reserve	Share based compensation reserve	Total reserves
As at 30 June 2026				
Balance as at 1 July 2025		(2,196)	577	(1,619)
Share based compensation reserve	28	-	436	436
Cash flow hedges (net of tax)				
Revaluation		11,149	-	11,149
Reclassification to Consolidated Statement of Comprehensive Income		1,898	-	1,898
Reclassification to non-financial assets		48	-	48
Deferred tax	9	(3,667)	-	(3,667)
Balance at 30 June 2026		7,232	1,013	8,245
As at 30 June 2025				
Balance as at 1 July 2024		178	181	359
Share based compensation reserve	28	-	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	9	923	-	923
Balance at 30 June 2025		(2,196)	577	(1,619)

22. Derivative Financial Instruments

In NZD '000s	Notes	30-Jun-26			30-Jun-25		
		Assets	Liabilities	Notional amounts	Assets	Liabilities	Notional amounts
Forward foreign exchange contracts – cash flow hedges	25	10,101	(56)	189,603	610	(3,660)	231,121
Forward foreign exchange contracts – dedesignated	25	3,612	(5)	45,780	250	(1,243)	44,534
Total forward foreign exchange derivatives		13,713	(61)	235,383	860	(4,903)	275,655
Analysed as:							
Current		11,424	(24)	168,551	640	(2,464)	161,755
Non-current		2,289	(37)	66,832	220	(2,439)	113,900
		13,713	(61)	235,383	860	(4,903)	275,655

22. Derivative Financial Instruments (continued)

Foreign exchange rates

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

	30-Jun-26	30-Jun-25
USD	0.5654	0.6083
AUD	0.8223	0.9291
GBP	0.4270	0.4431
EUR	0.4961	0.5187
JPY	91.7406	87.5243

Sensitivity analysis for foreign exchange

A 10% strengthening or weakening of the NZD against the following currencies as at 30 June 2026 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 '000s Gain/(loss)	10% rate increase		10% rate decrease	
	Equity	Profit or loss	Equity	Profit or loss
As at 30 June 2026				
Foreign currency payables				
USD	-	1,853	-	(2,264)
AUD	-	5,018	-	(6,133)
Foreign exchange hedges				
USD	(9,049)	-	11,059	-
AUD	(8,500)	-	10,388	-
	(17,549)	6,871	21,447	(8,397)
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)

Interest rates

During the year ended 30 June 2026, interest rates on lease liabilities varied in the range of 3.97% to 6.64% (30 June 2025: 4.48% to 6.65%).

The Group's interest rate structure is as follows:

In NZD '000s	Notes	30-Jun-26			30-Jun-25		
		Effective interest rate	Current	Non-current	Effective interest rate	Current	Non-current
Assets							
Cash and cash equivalents		2.25%	79,140	-	3.25%	32,410	-
Liabilities							
Lease liabilities	18	5.96%	(30,521)	(31,962)	6.10%	(22,720)	(49,880)
			48,619	(31,962)		9,690	(49,880)

As at 30 June 2026 the Group does not hold any variable rate loans, nor any interest rate hedges (30 June 2025: nil).

22. Derivative Financial Instruments (continued)

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. 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 a 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.

23. 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.

23. Financial Risk Management – Market Risk (continued)

(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 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 prior financial year, the Treasury policy was revised to incorporate a conditional adjustment that 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 '000s	30-Jun-26			30-Jun-25		
	USD	AUD	Other	USD	AUD	Other
Foreign currency payables	(11,703)	(45,048)	(115)	(15,496)	(52,814)	(64)
De-designated forward exchange contracts	14,246	31,534	-	17,135	27,399	-
Net balance sheet exposure	2,543	(13,514)	(115)	1,639	(25,415)	(64)
Forward exchange contracts (for forecasted transactions)	98,876	90,727	-	99,370	131,751	-
Total forward exchange contracts	113,122	122,261	-	116,505	159,150	-

(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.

24. 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 10).

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 \$13,713,000 (30 June 2025: \$860,000).

25. 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 2026 (30 June 2025: \$100,000,000) 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 '000s	Notes	Carrying amount	Contractual cash flows	Less than one year	1-2 years	>3 years
At 30 June 2026						
Non derivative financial liabilities						
Lease liabilities	18	62,483	(67,164)	(33,070)	(26,106)	(7,988)
Trade and other payables	12	117,951	(117,951)	(115,432)	(2,519)	-
Derivative financial liabilities						
Forward exchange contracts used for hedging – net outflow/inflow ¹	22	61	(61)	(24)	(37)	-
		180,495	(185,176)	(148,526)	(28,662)	(7,988)
At 30 June 2025						
Non derivative financial liabilities						
Lease liabilities	18	72,600	(80,394)	(26,018)	(45,304)	(9,072)
Trade and other payables	12	81,999	(81,999)	(80,970)	(1,029)	-
Derivative financial liabilities						
Forward exchange contracts used for hedging – net outflow/inflow ¹	22	4,903	(4,903)	(2,464)	(2,439)	-
		159,502	(167,296)	(109,452)	(48,772)	(9,072)

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

25. Financial Risk Management – Liquidity Risk (continued)

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 '000s	Exchange rate	Contractual cash flows foreign exchange amount	Contractual cash flows	Less than one year	1-2 years	3-5 years
At 30 June 2026						
Forward foreign exchange contracts						
Outflow (at FX hedge rate)						
USD			(113,122)	(68,625)	(44,497)	-
AUD			(122,261)	(99,926)	(22,335)	-
Inflow (at year end market rate)						
USD	0.5654	67,238	118,928	72,397	46,531	-
AUD	0.8223	109,283	132,899	109,252	23,647	-
			16,444	13,098	3,346	-
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)	-

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 17, 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 covenants, including fixed charges cover and net debt cover ratios, calculated and reported quarterly, with which it has complied for the entire year reported (2025: complied).

As at 30 June 2026 the Group's debt excluding lease liabilities is \$nil (30 June 2025: \$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.

25. Financial Risk Management – Liquidity Risk (continued)

In NZD '000s	Note	30-Jun-26	30-Jun-25
Assets measured at fair value			
De-designated forward exchange contracts	22	3,612	250
Derivatives used for hedging – cash flow hedges	22	10,101	610
Total assets		13,713	860
Liabilities measured at fair value			
De-designated forward exchange contracts	22	(5)	(1,243)
Derivatives used for hedging – cash flow hedges	22	(56)	(3,660)
Total liabilities		(61)	(4,903)

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.

26. 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 reevaluates 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:

In NZD '000s	Notes	30-Jun-26		30-Jun-25	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortised cost					
Cash and cash equivalents		79,140	79,140	32,410	32,410
Trade and other receivables	10	50,508	50,508	44,062	44,062
Financial assets at fair value through profit or loss					
Derivatives designated as hedging instruments (cash flow hedges)	22	10,101	10,101	610	610
Derivatives not designated as hedging instruments (fair value hedges)	22	3,612	3,612	250	250
		143,361	143,361	77,332	77,332
Financial liabilities at amortised cost					
Lease liabilities	18	62,483	62,517	72,600	73,595
Trade and other payables	12	117,951	117,951	81,999	81,999
Financial liabilities at fair value through OCI					
Derivatives designated as hedging instruments (cash flow hedges)	22	56	56	3,660	3,660
Derivatives not designated as hedging instruments (fair value hedges)	22	5	5	1,243	1,243
		180,495	180,529	159,502	160,497

26. Classification of Financial Instruments (continued)

Prepaid expenses, deferred revenue, provisions, 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 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 10 for further details).

27. Provisions

In NZD '000s	Note	30-Jun-26	30-Jun-25
Provision for onerous contracts ¹		4,669	1,877
Balance at 30 June	12	4,669	1,877

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

The movements in provisions are as follows:

In NZD '000s	Notes	Onerous contracts	Customer Credits	Total
Balance at 1 July 2025	12	1,877	-	1,877
Arising during the year		3,670	-	3,670
Utilised/paid out		(878)	-	(878)
Balance at 30 June 2026		4,669	-	4,669
Current – within one year	12	2,151	-	2,151
Long term – later than one year		2,518	-	2,518
		4,669	-	4,669
Balance at 1 July 2024	12	893	3,289	4,182
Arising during the year		1,400	-	1,400
Transferred to trade & 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	12	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.

28. 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 '000s	30-Jun-26	30-Jun-25
Consolidated Statement of Comprehensive Income		
Remuneration of key management personnel (included in employee costs) ¹	6,950	5,614
Dividend payments (included in dividends paid)	375	251
Directors' fees	934	897
Share based compensation reserve	436	396
Total related party transactions through consolidated income statement	8,695	7,158

(1) The year ending 30 June 2026 includes the cost of termination benefits paid to key personnel of \$698,000 (30 June 2025: \$578,000).

The Group's directors and key management personnel collectively hold shareholdings of 1,513,010 shares (30 June 2025: 1,223,737 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-based 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.

In September 2025 the Group granted 348,968 share rights to executives of the Group under the incentive plan. The grants were all accepted by the employees by 30 October 2025, a further 42,423 share rights under the same issue was granted in March 2026. 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 under the 2025, 2024 and 2023 grants 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 2025 had an estimated fair value of \$630,140 (2024: \$529,519). 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	FY26 Grant	FY25 Grant	FY24 Grant
Date of first issue	October 2025	October 2024	August 2024
Grant date share price	\$3.59	\$2.79	\$2.70
Granted Share Rights	391,391	410,480	408,415
Less Lapsed Share Rights	(34,890)	(122,049)	(126,256)
Share rights at 30 June 2026	356,501	288,431	282,159
Dividend yield (over vesting period)	10.00%	10.30%	9.00%
Risk free rate	2.90%	4.30%	4.46%

The number of share rights that ultimately vest depends on performance over the measurement period. Failure to meet a market-based vesting condition may result in fewer or no rights vesting. However, the expense measured using the grant-date fair value is recognised over the vesting period regardless of whether the market condition is met, provided the service condition and any other non-market vesting conditions are satisfied.

29. Commitments

In NZD '000s	30-Jun-26	30-Jun-25
Programme rights commitments:		
Less than 1 year	307,604	264,603
1 - 5 years	536,455	208,074
Later than 5 years	18,427	1,975
	862,486	474,652
Lease commitments:		
Less than 1 year	-	-
1 - 5 years	57,765	36,326
Later than 5 years	3,420	17,826
	61,185	54,152
Contracts for transmission services:		
Less than 1 year	1,113	693
1 - 5 years	872	380
Later than 5 years	-	167
	1,985	1,240
Capital expenditure commitments:		
Property, plant and equipment		
Less than 1 year	17,085	14,626
	17,085	14,626

30. Contingent Assets and Liabilities

The Group has no undrawn letters of credit at 30 June 2026 (30 June 2025: 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.

31. Subsequent Events

NRL Rights Renewal

On 7 July 2026 Sky secured an exclusive seven-year broadcast partnership for New Zealand NRL rights with the Australian Rugby League Commission, commencing January 2028 to December 2034. The agreement is conditional on Sky shareholder approval by special resolution, which will be sought at Sky's Annual Shareholder Meeting. Sky shareholder approval is required under section 129 of the Companies Act 1993 because the value of the assets to be acquired by Sky over the seven-year period is more than half the value of Sky's assets before the acquisition and because Sky will incur obligations or liabilities (being principally the obligation to pay for the broadcast rights and related production obligations) in excess of half the value of Sky's assets before the transaction.

Premier League Rights Renewal

On 27 August 2026 Sky secured an exclusive six-year broadcast partnership for New Zealand rights with the Premier League, commencing from the 2028-2029 season to 2034.

Dividend

On 27 August 2026 the Board of Directors resolved to pay a fully imputed dividend of 17.0 cents per share with the record date being 11 September 2026. A supplementary dividend of 3.0 cents per share will be paid to non-resident shareholders subject to the foreign investor tax credit regime.



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 2026, 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 2026;
- 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)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

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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.

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 2026 amounted to \$824.8 million (2025: \$750.7 million). Revenue is material to the Group and comprises a high volume of transactions across a range of revenue streams processed through multiple billing systems. Management remains focused on retaining and growing the Group's customer base and delivering revenue and profitability growth. Given the scale and volume of revenue, and the changes arising from the acquisition of Discovery NZ Limited (then renamed to Sky Free Limited), revenue recognition required significant audit attention and is therefore a key audit matter. Refer to Note 4 of the consolidated 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; and • performing a recalculation of certain revenue streams. On a sample basis, other procedures included: • testing unexpected journal entry combinations that impact revenue; • for selected revenue transactions, agreeing recognised amounts to supporting documentation, such as customer contracts and invoices; and • for selected advertising and other revenue transactions, agreed pricing to the relevant customer contracts and agreed recorded receipts to bank records, where applicable. We also assessed whether the revenue recognition accounting policies and related disclosures in Note 4 were appropriate and met the disclosure requirements of NZ IFRS.
Acquisition accounting for Sky Free Limited (Sky Free) On 1 August 2025, the Group acquired 100% of Sky Free for a share purchase price of \$1. The acquisition resulted in the recognition of a gain on bargain purchase of \$31.4 million. We considered the acquisition accounting to be a key audit matter because of the significance of the transaction and the judgement involved in identifying and measuring the acquired assets and liabilities. Significant auditor attention was required particularly in relation to acquired programme rights. Refer to Note 5 of the consolidated financial statements for disclosures relating to the acquisition.	In order to determine whether the acquisition was accounted for in accordance with relevant accounting standards, our procedures included: • obtaining an understanding over the processes and controls in place over the acquisition; • gaining an understanding of management's approach to identifying separately identifiable intangible assets and determining the fair value of the assets and liabilities acquired; • considering whether all material identifiable assets and liabilities had been recognised in accordance with the requirements of NZ IFRS 3 <i>Business Combinations</i>; • obtaining an understanding of the acquisition by reading the relevant contractual agreements and supporting documents; • assessing the Group's application of the acquisition method, including whether the assets acquired and liabilities assumed had been appropriately identified and valued; • on a sample basis, agreeing the acquired assets and liabilities balances to supporting documentation; • agreeing the cash balances received to supporting documentation; • assessing the valuation methods and significant

	assumptions used to determine the fair value of acquired programme rights. This included assessing the remaining licence periods and the expected future economic benefits from the content acquired;
	• our valuation expert assisted us in evaluating the valuation methodologies and key assumptions applied to the acquired brands, developed technology, and software, and in considering the valuation approach applied to programme rights; • recalculating the resulting gain on bargain purchase; and • considering the appropriateness of the disclosures in the consolidated financial statements.

Our audit approach

Overview

Materiality	Overall group materiality: \$6.15 million, which represents approximately 0.75% of total 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.
Group Scoping	Following our assessment of the risk of material misstatement, we performed full scope audits for two entities within the Group, the Parent entity and Sky Free entity, based on their financial significance.
Key Audit Matters	As reported above, we have two key audit matters, being: • Revenue recognition • Acquisition accounting for Sky Free Limited (Sky Free)

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.

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.

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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 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 consolidated 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
27 August 2026

Auckland

Directory

Directors

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

Officers

Sophie Moloney	Chief Executive
David Mackrell	Chief Financial Officer and Interim Chief Sales Officer
Nikki Goodman	Chief Customer Officer
Kym Niblock	Chief Transformation Officer (Project Role)
Chris Major	Chief Corporate Affairs Officer
Antony Welton	Chief Operating Officer
Katie Williams	Chief People Officer
Oleg Gribanov	Interim Chief Technology Officer

New Zealand Registered Office

10 Panorama Road, Mt Wellington,
Auckland 1060, New Zealand
Tel: +64 9 579 9999 Fax: +64 9 579 8324
Website: sky.co.nz

Australian Registered Office

c/- Baker McKenzie

Tower One – International Towers Sydney
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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

Buddle Findlay

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188 Quay Street
Auckland 1010, New Zealand
Tel: +64 9 358 2555 Fax: +64 9 358 2055

Chapman Tripp

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Auckland 1010, New Zealand
Tel: +64 9 357 9000 Fax: +64 9 357 9099

Baker McKenzie

Tower One – International Towers Sydney
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 20 November 2026. Sky will provide further details in due course through its Notice of Annual Meeting of Shareholders.

sky

Sky Network Television

FY26 Results Presentation

For the year ended
30 June 2026

28 August 2026



Agenda

- ▶ Results highlights
- ▶ Financial and operational performance
- ▶ Outlook, guidance and capital management
- ▶ Looking ahead
- ▶ Questions



Result Highlights

A year of strategic wins and strong financial performance

- ▶ Strong financial performance achieved in a difficult market delivers EBITDA¹ growth
- ▶ Strengthened Sports portfolio with key sports locked in through expanded, longer term deals. Refreshed entertainment strategy and content agreements enabling flexible, audience-focused decisions
- ▶ Strategically significant acquisition of Sky Free. Successful completion of stage one integration creating an operationally and culturally unified business. Delivered \$8.0m of synergies across the Group and was cashflow positive for the year
- ▶ Strong cash generation from operations underpin increased final dividend of 17 cps, bringing fully imputed dividends for the year to 32 cps
- ▶ Healthy cash balance, including one-off benefits accruing from the acquisition, and confidence in Sky's ongoing cash generation profile enable targeted dividend growth of 10% p.a. for FY27 to FY29 and introduction of quarterly dividend payments from FY27.

Financial Highlights

Strong results delivered by a match fit team

\$826.1m **+9%**

UNDERLYING REVENUE¹

FY26 Sky Standalone: \$748.9m **(1%)**

FY25: \$755.1m

\$157.0m **+6%**

UNDERLYING EBITDA¹

FY25: \$148.5m

\$59.8m **+190%**

STATUTORY NPAT

FY25: \$20.6m

FY26 Underlying NPAT¹: \$41.8m **+2%**

FY25 Underlying NPAT¹: \$41.1m

\$59.1m **(9%)**

UNDERLYING CAPEX¹

FY25: \$65.2m

\$58.9m **+60%**

NORMALISED FREE CASH FLOW

FY25: \$36.7m

32cps **+45%**

DIVIDEND

FY25: 22cps

- Revenue¹ up 9%, driven by contribution from Sky Free and continued growth in Broadband and Streaming
- EBITDA¹ up 6% and towards the upper end of guidance, supported by revenue growth and reduction in combined programming spend across the Group
- Statutory NPAT¹ includes the one off impact of a Gain on bargain purchase and Optus compensation
- Capital Expenditure¹ was 9% lower, returning to a more normal level
- Free cash flow¹ grew significantly through improved operating cash flows including favourable working capital and lower capex
- Dividend up 45%, to 32 cps (fully imputed), above guidance and the target set in FY23

Three-year targets largely achieved

Proven ability to drive margin despite challenging economy

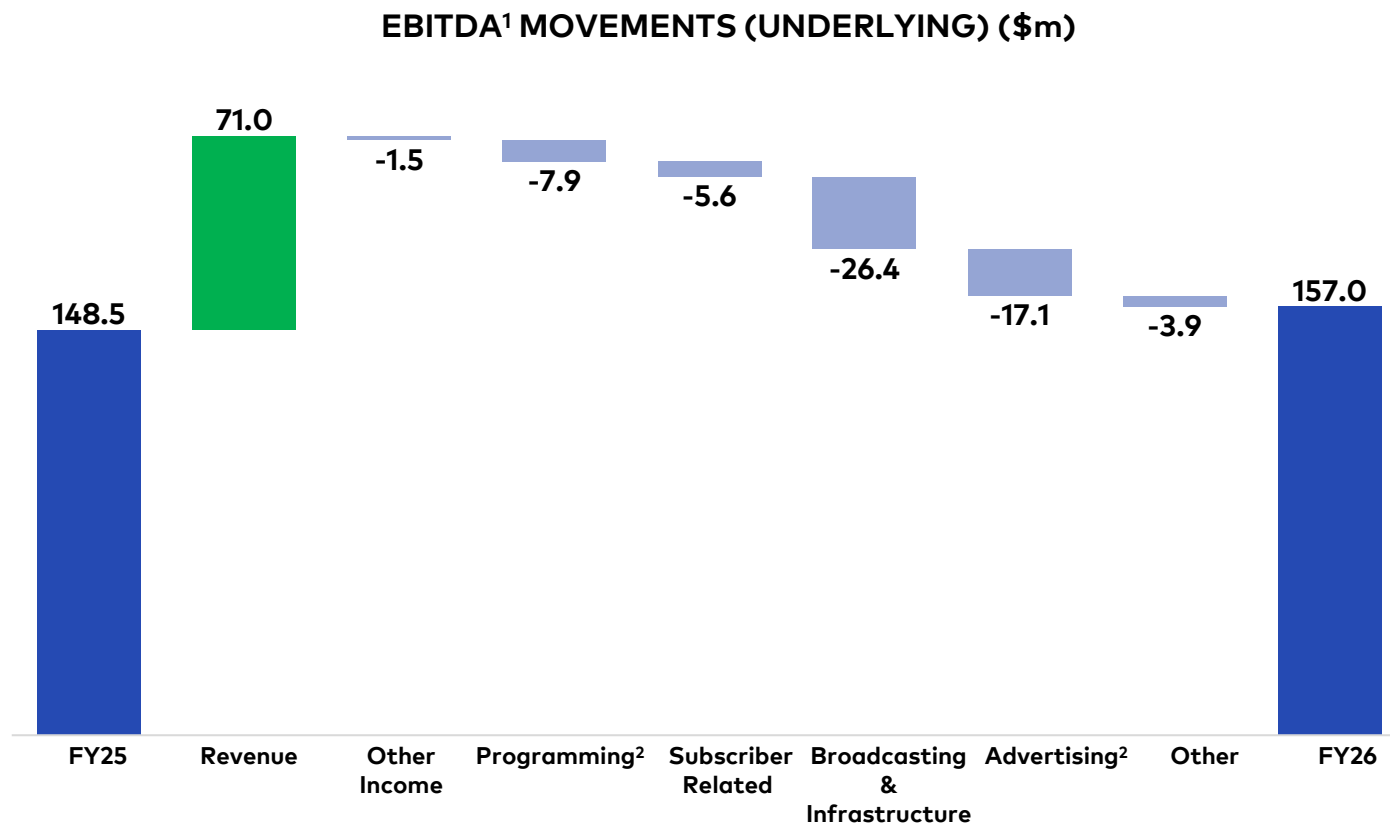
	FY26 Target	Year 3 FY26 ¹	Year 2 FY25 ¹	Year 1 FY24	3-Year status	Comments
Revenue Growth ²	1-2% pa	-0.8%	-1.5%	+1.6%	●	Not yet where we planned on a stand alone basis
Programming Costs to Revenue % ²	47% - 49%	47.3%	51.2% ²	51.4% ²	●	Delivered
EBITDA Margin ²	21% - 23%	21%-22%	19.7%	20.0%	●	Delivered
Capex to Revenue %	7% - 9%	7.5%	8.6%	10.2%	●	Delivered
Employee Engagement	+14 pts	+22pts	+17pts	+12 pts	●	Exceeded our own expectations
Customer NPS	+19 pts	+11pts	+7 pts	+6 pts	●	We're not done yet
Double the FY23 Dividend	30 cps	32.0	22 cps	19 cps	●	Delivered



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Key Drivers of EBITDA¹ improvement

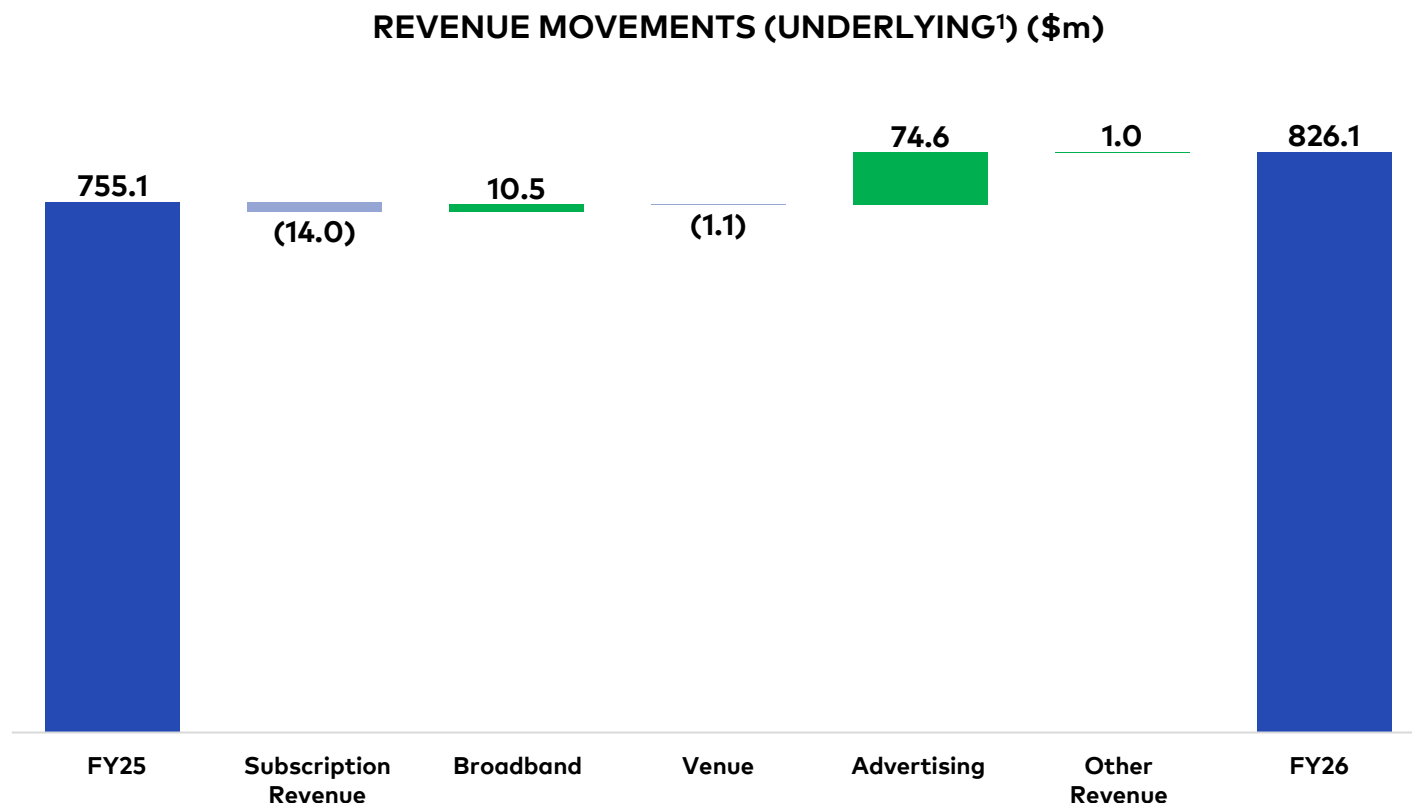
6% increase in underlying EBITDA driven by revenue uplift and focus on costs



- Growth in underlying EBITDA of 6% reflects:
 - Incremental revenue contribution from Sky Free in the first 11-months of ownership
 - Significantly reduced Programming costs for Sky Standalone and largely offset content cost additions for Sky Free
 - Increased revenue has been partially offset by costs related to Sky Free and costs associated with the growth in Broadband customers

Revenue¹

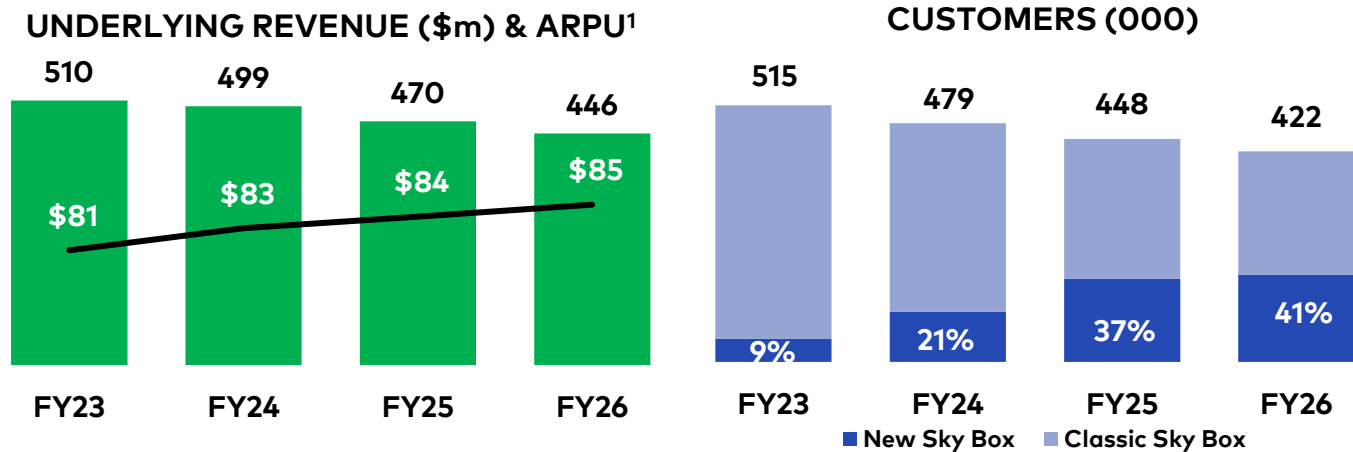
9% increase in underlying Revenue as Sky Free adds diversity and scale



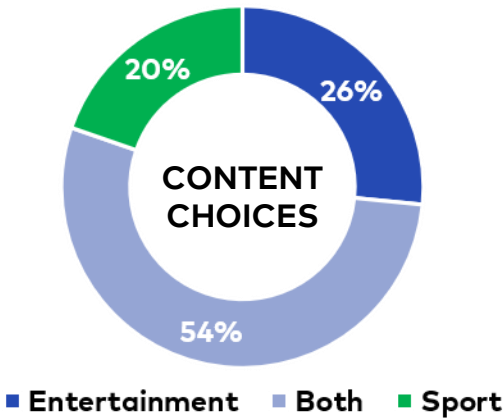
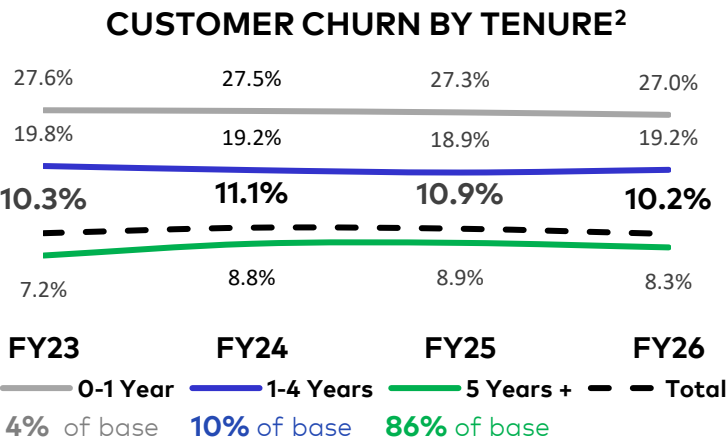
- 9% increase in underlying Revenue was driven by the Sky Free acquisition, with a modest net reduction for Sky standalone of (0.8%) with improving trend in H2
- Lower Subscription revenue reflects continued growth in Streaming offset by the impact of lower Sky Box customer numbers
- Streaming revenue increased 8% in the year driven by strong growth in Sky Sport Now of 13% and a 2% increase for Neon
- The 11 month revenue contribution from Sky Free totaled \$77.2m, including \$74.2m advertising revenue and \$3.0m of service fee income
- Sky Standalone advertising recorded modest growth despite the prior period benefitting from the Paris Olympics

REVENUE

Sky Box customer retention continues to improve

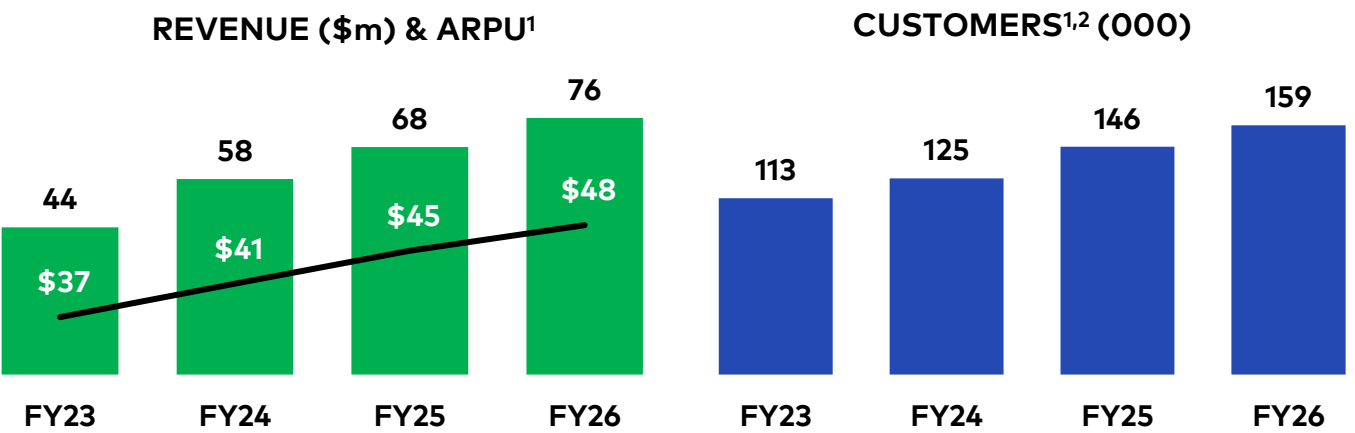


- Sky Box customer retention continued to improve with annualised churn of 10.2% the lowest since FY22 acting to slow customer and revenue decline
- Take up of new digital devices rose to 41% of the base. Accelerating adoption is a priority for the year ahead given enhanced viewer experience and positive impact on NPS and churn
- ARPU increased by 1.4% to \$85.45 included: Sports price increases in May 2025 and April 2026; higher average sport customers to 73.4% (from 72.7% in FY25); partly offset by discounts and some non-sport spin-down



REVENUE

Sky Sport Now revenue grows by 13%



- Revenue growth of 13% was driven by 9% customer growth, price increases, and incremental revenue from day pass sales
- Removal of weekly pass in Jan 2025 contributed to 31% increase in monthly pass sales between July and Jan in the respective periods
- 7% growth in ARPU reflects price rises for month and annual passes in March 2025 and April 2026 (10% and 9%), and the launch of a Premium Pass in Nov 2025

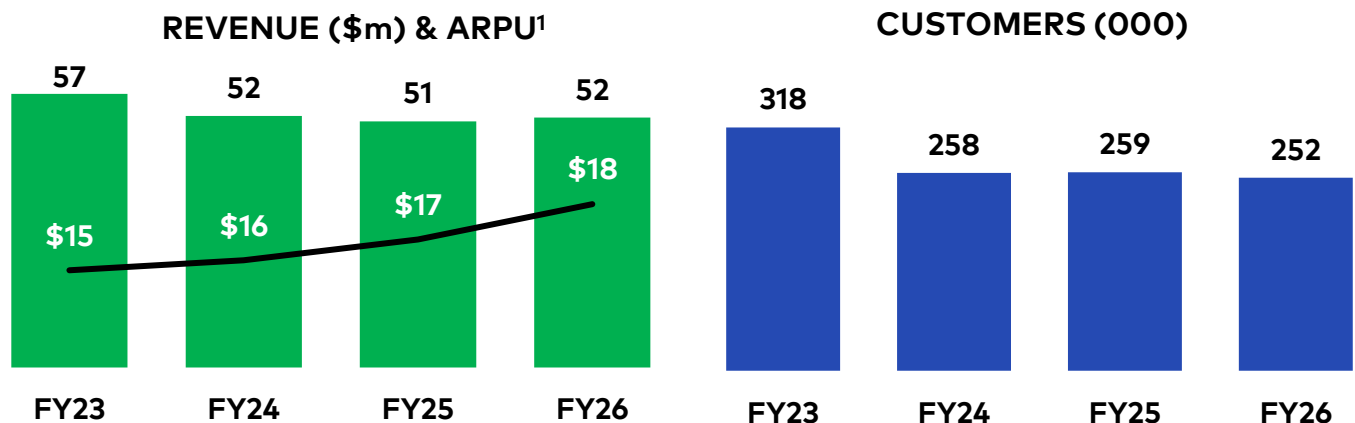
MOST FLEXIBLE	MOST POPULAR	MONTH PASS WITH 4K UHD	BEST VALUE
Day Pass \$29.99 ONE-OFF	Month Pass \$59.99 PER MONTH	Premium Month Pass \$64.99 PER MONTH	Annual Pass \$549.99 PER YEAR
Sky Sport in Full HD, ESPN in HD 24 hours of access only One-off payment	Sky Sport in Full HD, ESPN in HD Monthly subscription, auto-renews Cancel any time	Sky Sport in Full HD, ESPN in HD Includes access to 4K UHD content Monthly subscription, auto-renews	Sky Sport in Full HD, ESPN in HD Includes access to 4K UHD content Annual subscription, auto-renews
Get Day Pass	Get Month Pass	Get Premium Month Pass	Get Annual Pass



1. Sky Sport now customers and ARPU are based on recurring monthly and annual subscribers, removing the impact of transactional passes, includes Pay Per View. 2. Customers are reported on a 90-day lookback basis. FY25 customers are restated from 150k.

REVENUE

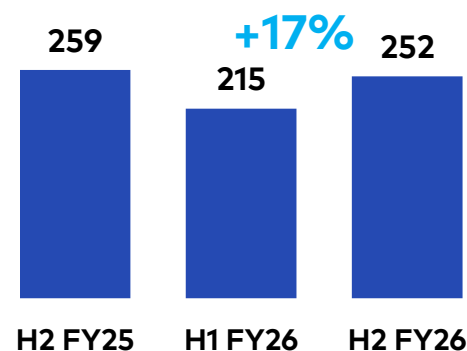
Neon revenue increases 2% through H2 rebound



- Neon's customer base rebounded 17% in the second half of FY26 (from 215k in H1), delivering 5 consecutive months of customer growth
- Revenue and ARPU uplift included a 20% increase in Standard tier pricing in Apr 2025 and 15% for Basic tier in Oct 2025, and despite 9% lower average subscribers
- New brand Identity launched May 2026 with steady pipeline of premium content

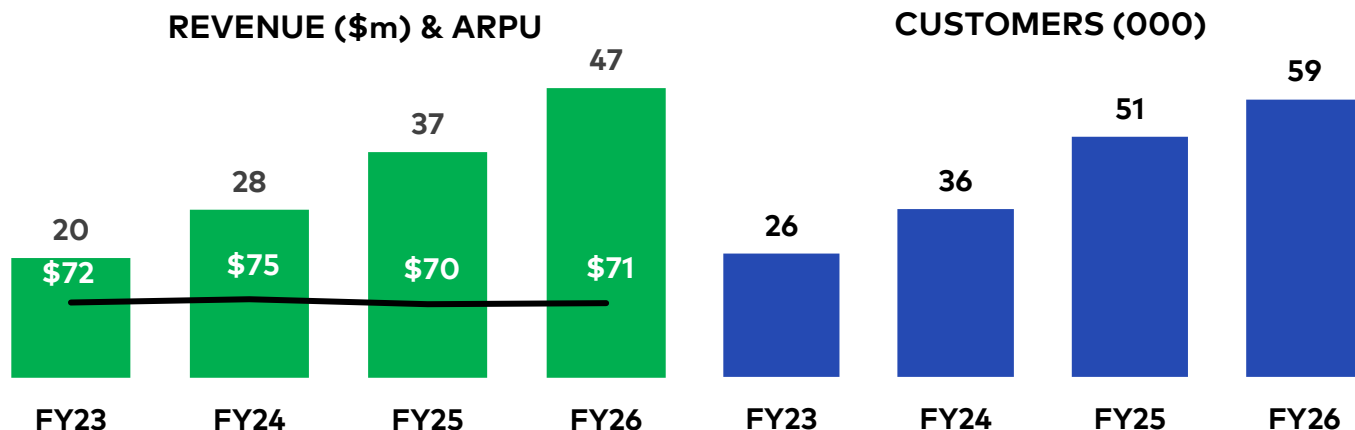


STRONG CUSTOMER REBOUND (000)



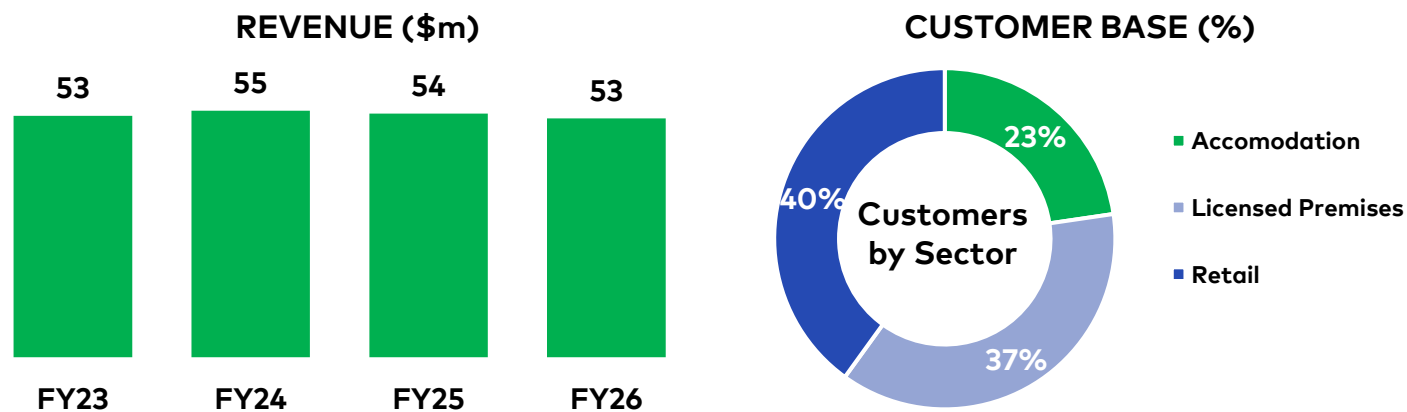
REVENUE

Broadband delivers double digit revenue and customer growth



- Broadband revenue growth of 28% reflects 15% higher average customer numbers in a competitive market
- ARPU increased 1.4% to \$71.32 through a \$5 price increase in Oct 2025. This partly offset a mix shift favouring the lower price Starter plan, now 38% of base from 29% a year ago
- 11% of Sky Box customers have bundled broadband, rising to 14% for Box customers acquired in FY26

Venue business responding to challenging market dynamics

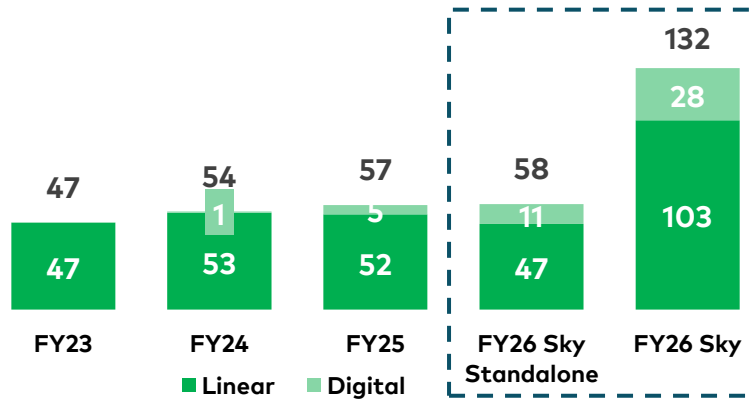


- Sector pressure led to softer revenue from Accommodation and Retail customers that outpaced revenue growth in the Licensed Premise segment, resulting in a 2% reduction year on year
- Encouraging early adoption of bespoke new Sky Box business edition launched in the first half, including 22% conversion of Accommodation sector devices

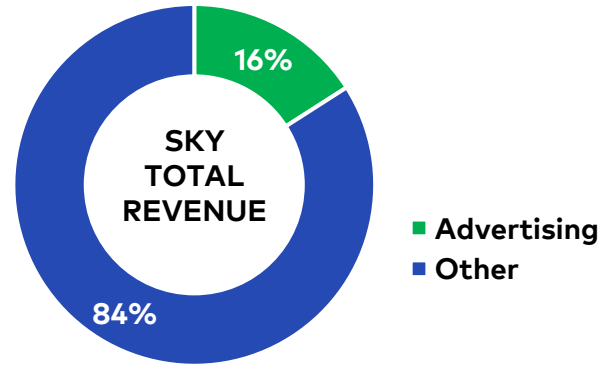
REVENUE

Advertising Revenue 131% higher through acquisition

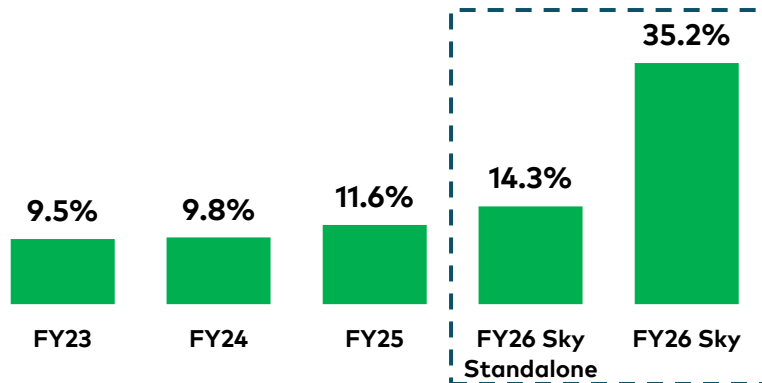
REVENUE (\$m)



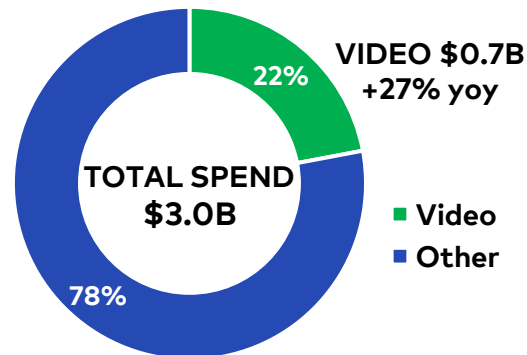
ADVERTISING NOW 16% OF TOTAL REVENUE (FROM 8%)



REVENUE MARKET SHARE¹ (Linear)



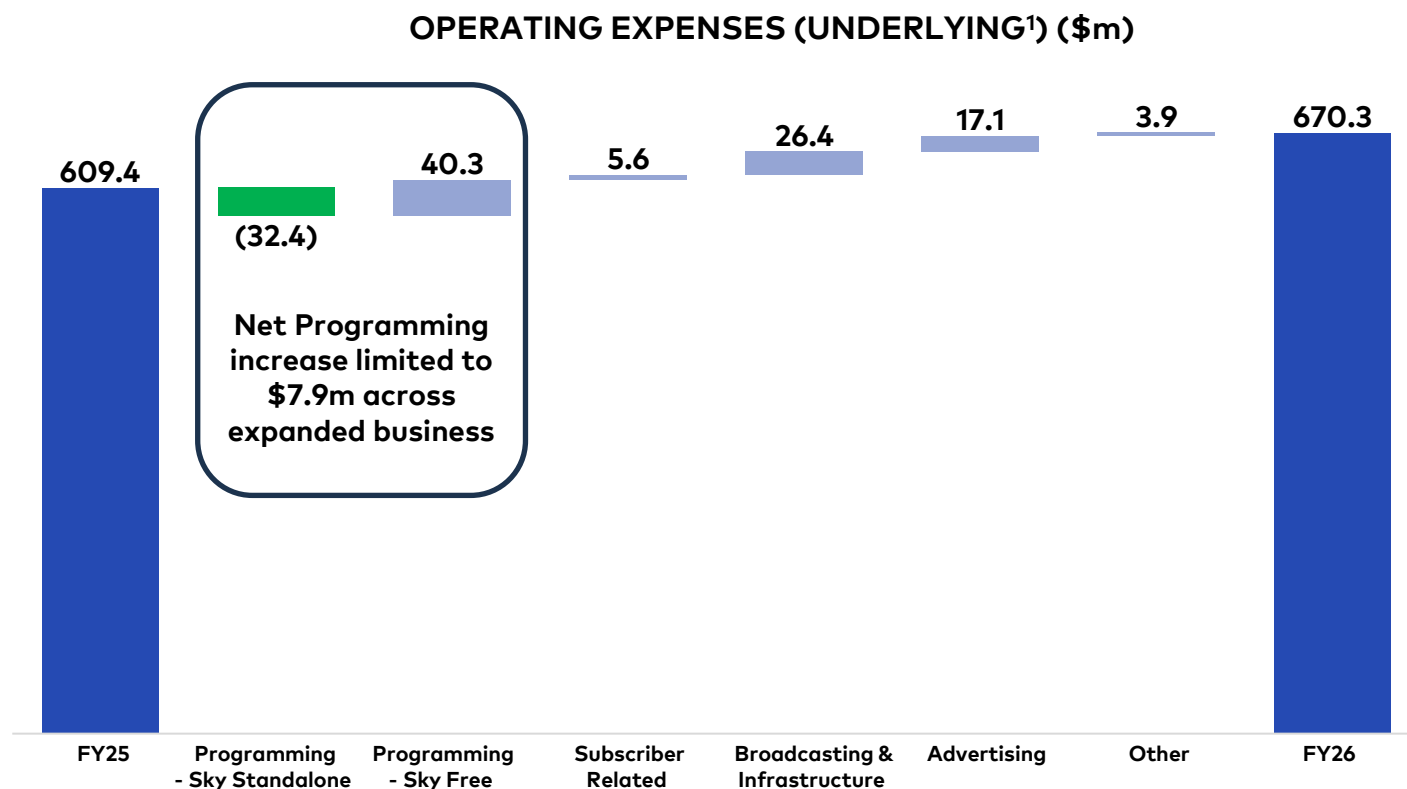
MARKET OPPORTUNITY: NZ DIGITAL AD SPEND 2025²



- Significant revenue growth reflects 11 months of Sky Free ownership and modest growth from Sky standalone, a positive result given FY25 included revenue related to Paris Olympics
- 22% of revenue is from fast-growing digital, with Sky standalone delivering 113% digital growth year on year – well ahead of 27% year on year growth in NZ digital video segment. This includes new digital advertising products on Sky Go and the new Sky Box launched in Q2 and Q3
- NZ digital ad spend of \$3.0Bn in 2025 (+12%), with 22% share for Video, the fastest growing segment (+27% yoy)²
- Broadcast revenue market share more than doubled to 35% (in-line with acquisition modelling), and with signs of market improvement in Q4 FY26
- 31% growth in sponsorships and integration as more opportunities were created for brands to participate
- Unified sales team has been in place from H2 creating advertising opportunities for our customers

Operating Expenses

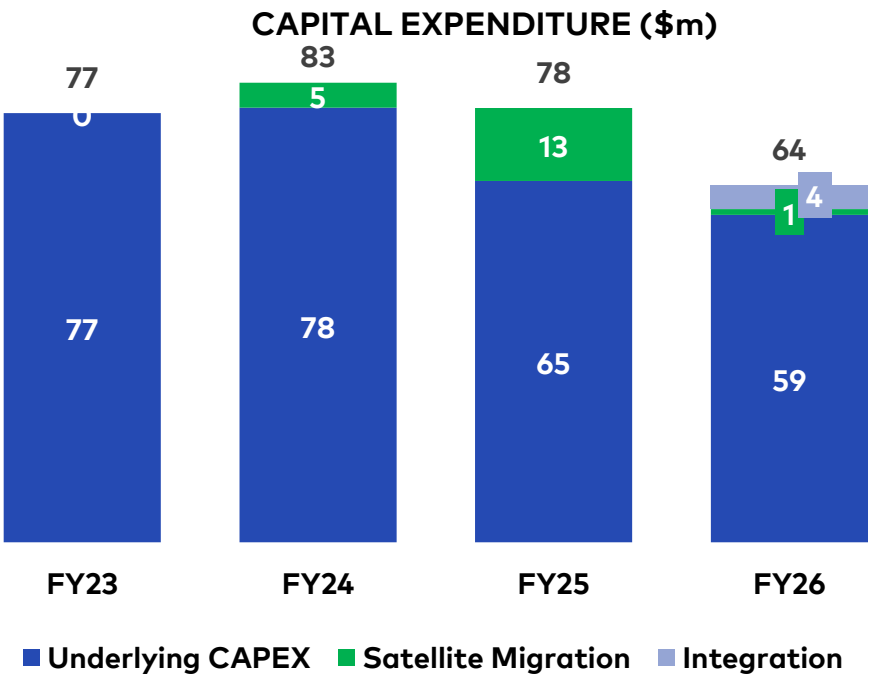
Programming cost reduction contains expanded business cost base



- Lower programming costs in the Standalone business and above plan delivery of year one group synergies limited the total cost increase to 10% following acquisition, with further optimisation opportunities ahead
- **Programming Costs²:** 8% reduction in Sky Standalone costs to \$354.5m which is 47.3% of revenue and reflects:
 - timing of one-off events (Paris Olympics in FY25 vs Winter Olympics and ICC Cricket World Cup in FY26);
 - disciplined negotiations and content choices (including non-renewals), across entertainment and sport, that more than offset new commitments, including additional entertainment in H2
- **Subscriber Related:** Largely reflects additional Sky Free costs including investment in brand and marketing across paid and free products weighted to H2
- **Broadcasting & Infrastructure:** Increase reflects cost of growth in Broadband and Sky Free related expenses
- **Advertising³:** Reflects the increased scale and activity that underpins significant revenue growth
- **Other:** Largely related to inclusion of Sky Free

Capital Expenditure

Returned to a lower, more normal profile



CAPEX TO REVENUE %
SKY STANDALONE:

7.5%

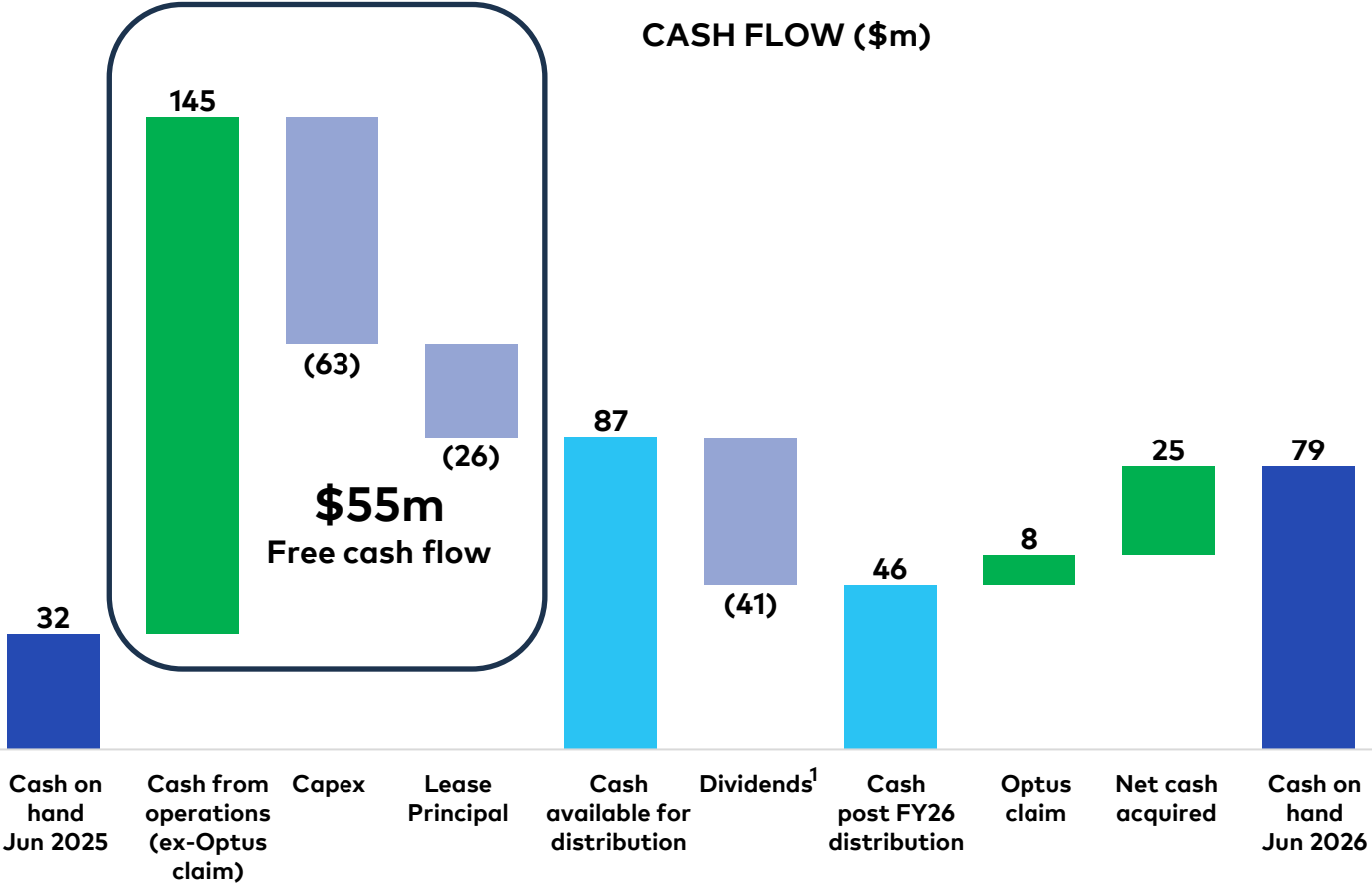
CAPEX TO REVENUE %
CONSOLIDATED GROUP:

7.2%

- Underlying capex spend reduced 9% to \$59.1m due to:
 - Lower spend on customer equipment
 - Early replacement of transmission equipment in FY25 to support satellite migration
 - Deferral of some projects given focus on integration
- Capital expenditure related to the Integration of Sky Free was \$4.4m

Cash Flow

Increased free cash flow



- The core business generated \$55.1m of free cash flow, up 122% from \$24.8m in FY25
- Free cash flow benefitted from improved earnings, lower capex, no tax payments, and favourable working capital movements, partially offset by higher lease principal
- Cash on hand benefitted from \$24.9m received on completion of the Sky Free acquisition (less some working capital unwind to settle liabilities and part-funding integration costs), and \$8.2m of Optus compensation related to spend in prior periods
- The net cash impact of integration costs in FY26 was \$7.1m, with around \$4.8m expected in FY27
- Closing cash balance of \$79.1m, a \$46.7m on last year

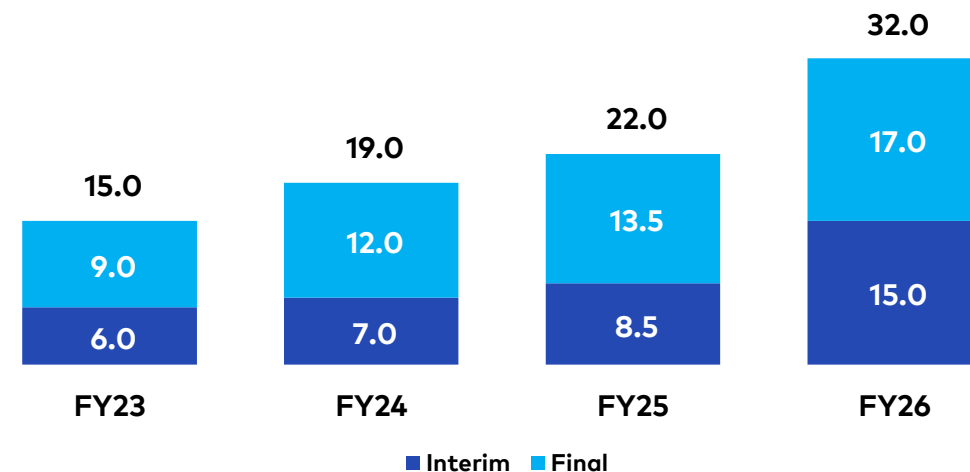
1. Includes supplementary dividends.

Dividends

Three year dividend target exceeded: 113% growth since FY23

\$m	FY26
FY26 Free Cash Flow	\$55.1
Add backs for one-off items:	
Sky Free integration incl capex	\$17.3
Organisational Change	\$4.2
Optus Customer credits and capex	\$2.3
Optus lease credits	(\$4.8)
Normalisation: Tax	(\$15.2)
Normalised Free Cash Flow¹	\$58.9
FY26 Dividend (fully imputed)	\$44.1
Cents per share (cps)*	32.0 cps
Dividend % of Normalised FCF	74.9%
* Interim ² (March 2026)	15.0 cps
* Final (September 2026)	17.0 cps

DELIVERING DIVIDEND GROWTH (cps)



- Final dividend of 17.0 cps (fully imputed), represents a 26% increase year on year and brings total FY26 dividends to 32.0cps, a 45% increase from the prior year
- Sky has delivered dividend growth of 113% (29% CAGR) since FY23

Outlook, guidance and capital management

CNBC
ORIGINALS

THE
DAILYSHOW

With Garth Bray

LOUIS THEROUX
The Settlers

BBC EARTH

ALJAZEERA

NEWS
LIVE

CNN NEWSROOM

A YEAR ON
PLANET EARTH

BBC EARTH

Now
BUSINESS

With Garth Bray

+HR=E
News

LOUIS THEROUX
The Settlers

WILD
NEW ZEALAND

BBC EARTH

sky NEW ZEALAND
ORIGINALS

BRAVE
NEW ZEALAND
WORLD

ALJAZEERA

RYAN BRIDGE
TODAY

LOUIS THEROUX
The Settlers

Outlook and FY27 Guidance Update

\$m	FY27 guidance ¹
Revenue	825 – 840
EBITDA	155 – 165
Capex	60 – 65
Dividend	At least 35 cps

Outlook

- Trading conditions continue to be challenging in the first half FY27 and economic recovery remains uncertain
- Optimisation opportunities remain a focus in FY27 following the successful integrations of Sky Free with further synergies to be delivered

FY27 Guidance

- **Revenue:** reflects our view on the prevailing economic conditions
- **EBITDA:** reflects Revenue expectations, synergy delivery and disciplined cost base management
- **Capex:** is expected to be similar to FY26 and within the range of 6% to 8% of revenue
- **Dividend:** represents targeted growth of 10% p.a.

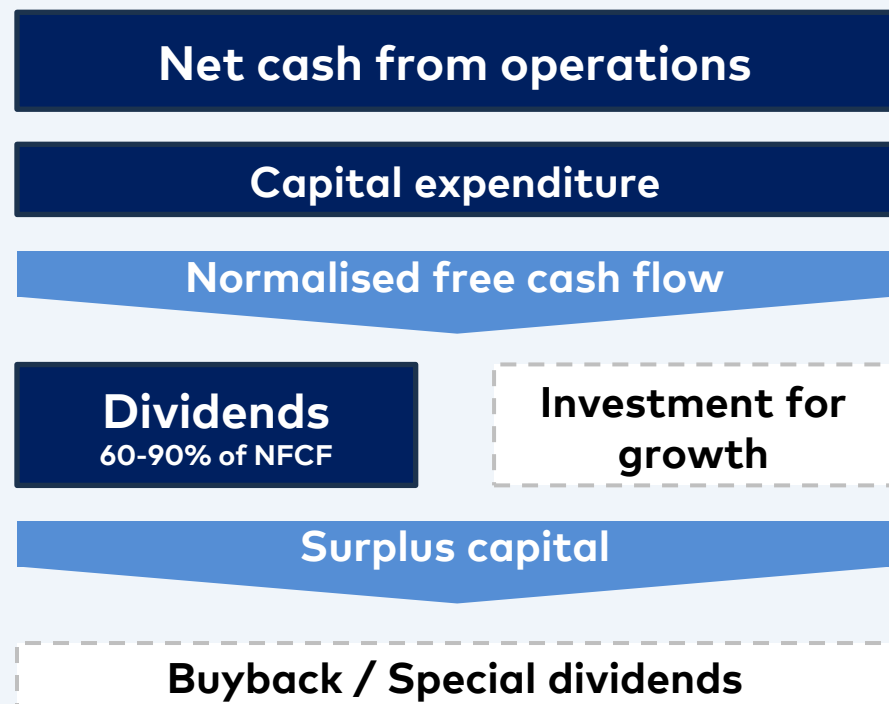
Beyond FY27

- We remain confident in our ability to deliver at least \$10m of incremental EBITDA in FY28 through delivery of synergies across the Group

CAPITAL MANAGEMENT:

10% p.a. dividend growth target through to FY29, and paid quarterly

SKY'S APPROACH TO CAPITAL ALLOCATION:



**10% p.a. dividend growth target
from FY27 - FY29 and paid quarterly**

Our policy is to distribute 60 – 90% of normalised free cash flow¹

Potential for further capital management action
by way of a buyback following FY27 Interim Results

Lower capital intensity planned at 6 - 8% of revenue

Investment for growth will continue to be measured against alternative uses of capital including returning funds to shareholders. In the absence of superior opportunities to deploy capital, consideration will be given to initiating buybacks or special dividends (to maximise the benefit of imputation credits)

Looking ahead Beyond FY27



Our growth ambition to FY31

Informed by the growth opportunities identified to date:

- ✓ Aligned ambition to grow revenue significantly by FY31
- ✓ 20 – 30% of revenue to come from non-subscription sources
- ✓ Remaining focused on margin expansion, earnings growth, and disciplined capital management
- ✓ Planned delivery within a tighter capex envelope of 6% – 8% of revenue
- ✓ To deliver sustainable value for shareholders

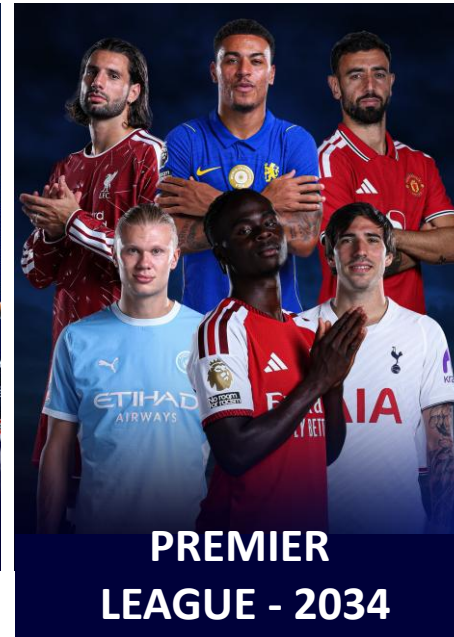
Confidence in Sky's growth ambition is driven by:

- ✓ **Match fit team** with demonstrated ability to **drive margin and free cash flow**, despite revenue pressure
- ✓ Strategic, **long-term sports rights** secured
- ✓ Flexible, **audience-led entertainment strategy** with diversified studio relationships
- ✓ **Greater audience scale and reach** with Sky Free and social media
- ✓ Increasing **digital audience and revenue** opportunities
- ✓ **Disciplined, data-led** decision-making

CONTENT:

Sky's unrivaled position in Sport is stronger than ever

- Secured the strategically-important rights deals for key sports for the longer term, enabled by our strong financial position and with renewals staggered
- Compelling, premium sport bundle, with value not built around one code or one season



CONTENT:

If you're a sports fan, or a sport partner, there is simply no better place to be

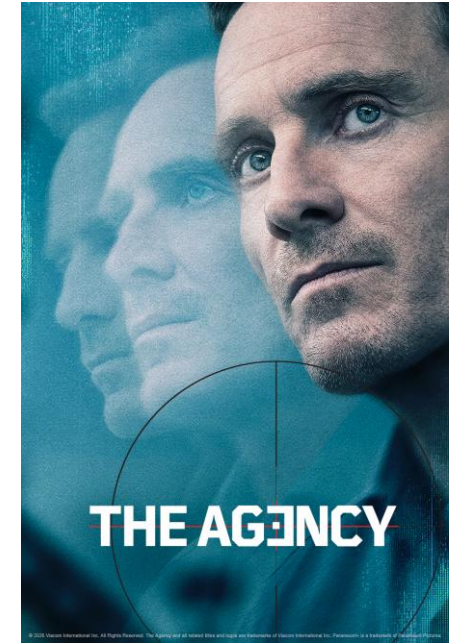
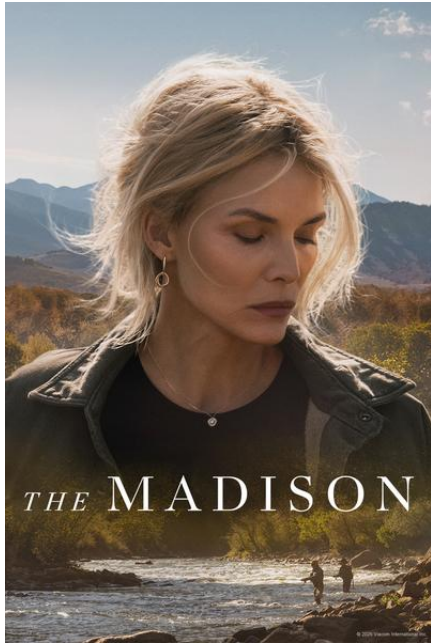
- Unmatched, year-round calendar of local and global sporting action across multiple codes and competitions – with the average fan following multiple sports
- We go 'beyond the whistle', showcasing compelling content via premium paid services, strategic use of free and via social media



CONTENT:

Refreshed Entertainment strategy to control our destiny

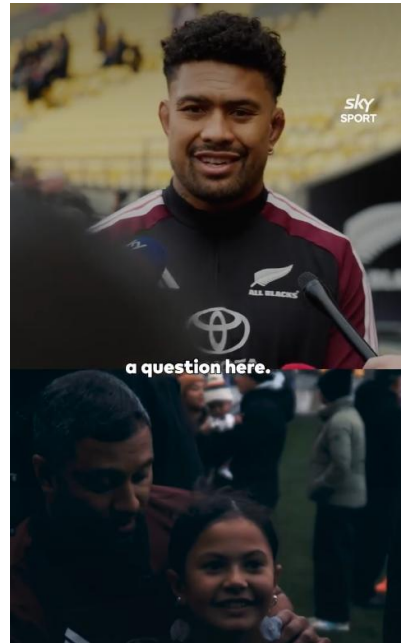
- Refreshed multi-studio strategy reduces supply risk, increases access and creates agility
- Audience-led and data-driven steady drumbeat of quality content
- Acquiring content across both free and paid enhances flexibility and increases utility
- Sky's curated 'built' channels enable audience-led decisions with increased viewership for new Sky Drama channel



CONTENT

Local content and curation delivers for our audiences

- Sky and Three commissioned titles up more than 150% in FY26, supported by NZ on Air funding
- 81% of New Zealanders like seeing ourselves on screen¹
- Increasing presence in news through partnerships, as an essential media business playing our part



AUDIENCE:

We're reaching more New Zealanders than ever before

- Delivering more choice across paid and free, broadcast and digital and via social media
- Able to optimise and monetise content across a wider product set/ecosystem
- Advertisers able to connect through a single integrated offering

STREAMING				BROADCAST		SOCIALS	
							
Sky Sport Now	Neon	ThreeNow	Sky Go	Sky Box	Three / Sky Open	Venue	Social Media
1.2m monthly viewers				2.2m monthly viewers	2.5m monthly viewers	5k customers	4.1m followers
ADVERTISING							



DIGITAL:

Sky's digital transition is well advanced

- 70% of paid customers access Sky content via digital (including 41% via new Sky Box)
- ThreeNow scale in fast-growing BVOD¹ extends reach to new and more diverse audiences as does 4.1 million social media followers (up 52% since FY25).
- Increased digital engagement means enhanced audience insights, and greater revenue unlock
- Sky's digital revenue growth to come from segment growth and increased share

70%

of paying customers are digital (up 40% since FY23)

56% increase

in Sky's digital revenue since FY23 (+16% CAGR)

\$0.7Bn

NZ's 2025 spend on digital video advertising (+27%)²

Leading to:

**One audience-led, connected Sky ecosystem,
enabled by data and technology, with less cost and complexity**

UNDERPINNED BY:

Our Purpose:

to share stories, share possibilities, and to share joy

Our Enduring Commitment:

to be a sustainably profitable, Aotearoa NZ-focused business

Questions



Appendix



Financial Performance

\$m	FY26 Underlying ¹	FY25 Underlying ¹	% change Underlying ¹	FY26 Statutory	FY25 Statutory
Revenue	826.1	755.1	9.4%	824.8	750.7
Sky (Sky Standalone)	748.9	755.1	(0.8%)	747.7	750.7
Sky Free (11 mths)	77.2	-	-	77.2	-
Other Income	1.3	2.8	(53.4%)	40.9	7.7
Operating Expenses	670.3	609.4	(10.0%)	695.5	637.8
EBITDA	157.0	148.5	5.8%	170.2	120.6
Interest, FX (gains)/losses	5.8	2.6	(125.1%)	5.8	2.6
Taxation	12.4	16.3	24.1%	7.6	8.3
Depreciation & Amortisation	97.0	88.5	(9.6%)	97.0	89.1
Net Profit after Tax	41.8	41.1	1.8%	59.8	20.6
Earnings per share (cents)	30.08	29.58	1.7%	43.13	14.69

- Underlying EBITDA improved 5.8% and underlying NPAT was up 1.8% FY25.
- **Statutory Other Income** includes a \$31.4m gain on bargain purchase (revised from \$34.4m at H1) and \$8.2m compensation from Optus relating to accelerated migration. The Underlying movement includes a lease modification of \$4.9m in FY25.
- **Interest and FX** movement largely relates to the full 12 month impact of the new satellite lease
- **Depreciation and Amortisation** increase reflects uplift for Sky Free, customer equipment, prior year spend on satellite migration and moving to a new satellite lease in FY25
- **Statutory EPS** increase of 193.5% elevated by gain on bargain purchase and impact of accelerated amortization in prior year. Underlying EPS grew 1.7%

Summary of Adjustments

Non-recurring items (largely Sky Free acquisition¹ and Optus satellite migration) have been adjusted to allow a like for like comparison of underlying performance

\$m	FY26	Description	FY25	
Revenue	\$1.2m	Optus: Customer credits	\$4.4m	Optus: Customer credits
Other Income	(\$39.6m)	Sky Free: (\$31.4m) Gain on Bargain Purchase ¹ Optus: (\$8.2m) Compensation for accelerated migration to new satellite	(\$4.9m)	Optus: modified lease term for previous satellite
Expenses	\$25.2m	Sky Free: \$1.1m Transaction costs, \$12.8m Gross Integration costs Other: \$2.7m Accelerated amortisation ² ; \$4.3m content impairment; \$4.2m Organisational change costs	\$28.4m	Sky Free: \$2.3m Transaction costs Optus: \$2.9m Opex impact of migration Other: \$18.3m Accelerated amortisation ² ; \$3.4m Organisational change costs; \$1.4m content impairment
Capex	\$5.4m	Sky Free: \$4.4m Integration costs Optus: \$1.0m	\$13.2m	Optus: \$13.2m technology and capitalised costs

Reconciliation of Underlying Expenses

Table of underlying expenses¹ by category (restated):

\$m	H1FY25	H2FY25	FY25	H1FY26	H2 FY26	FY26
Programming Costs	210.3	176.7	386.9	202.4	192.4	394.8
Broadcasting & Infrastructure	49.3	51.8	101.1	62.3	65.1	127.5
Subscriber Related	38.7	32.7	71.3	37.0	39.9	77.0
Advertising	8.5	7.4	15.9	15.2	17.8	33.0
Other	18.8	15.3	34.1	20.7	17.3	38.0
Operating Expenses	325.6	283.8	609.4	337.7	332.6	670.3

Reclassification Movements

\$m	H1 FY25	H2 FY25	FY25	H1 FY26
Programming	1.0	1.6	2.6	8.1
Advertising	(1.0)	(1.6)	(2.6)	(8.1)
Operating Expenses	0.0	0.0	0.0	0.0

Revenue share costs have been reclassified to better reflect the underlying nature of these arrangements. This review was prompted by higher levels of revenue share associated with Sky Free, that are more appropriately classified as a content cost rather than advertising expenses

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