2025 Annual Shareholder Meeting - Chair's Address

Good morning, fellow shareholders,

As Sky's Chairman, it is my pleasure to address you, our shareholders, at our 2025 Annual Meeting.

The past year has been another challenging one for the New Zealand economy and particularly for consumers. Most forecasts of a recovery made at this time last year have proved to be optimistic. Instead, we have seen discretionary spend continue to be squeezed by inflation running ahead of income growth. Consumer-facing businesses such as retailers faced weaker demand, and Sky was no exception. Recent forecasts now suggest an economic recovery in 2026 – hopefully these will prove more accurate than those last year.

At the same time, the local media landscape continued to evolve at an unprecedented rate, with both cyclical and structural shifts redefining the competitive landscape. Key impacts included the continued decline in linear TV advertising revenues, industry consolidation, and an increased focus by some global streaming platforms on the local market.

For Sky and our customers, the challenging year was compounded by the complexity of managing the migration from a prematurely end-of-life satellite under extremely tight timeframes.

FY25 performance

Against this backdrop, Sky delivered a solid set of results reflecting the clarity of our strategy, the resilience of our business model, and the disciplined execution by our team. As we reported in August, Management delivered results within revised market guidance ranges for the FY25 year. Adjusted Revenue was at the lower end of guidance whilst Adjusted EBITDA was at the mid-point of guidance, and cash generation was strong. These results enabled the Board to declare an increased fully imputed final dividend of 13.5 cents per share, lifting the full-year dividend by nearly 16 percent on the previous year.

Delivery against priorities

At last year's meeting, I highlighted two key priorities for FY25:

- Firstly, **satellite migration.** This was completed successfully, despite significant operational complexity, but at the cost of some disruption for a limited number of customers.
- Second, **renewal of New Zealand Rugby rights**. Negotiations concluded in August, and subject to your approval today, Sky has secured a further five-year agreement on improved commercial terms. This outcome ensures that our customers will enjoy an expanded suite of content including every big rugby moment for the next five years. At the same time the agreement allows New Zealand Rugby, with our support, to pursue supplemental free-to-air arrangements for provincial rugby.

The new agreement with NZ Rugby, along with other rights secured, including those for the Olympics, NZ Cricket and Formula One, cements our unrivalled coverage of sport that New Zealanders care about.

These achievements demonstrate the ability to execute successfully under pressure and have strengthened the Board's confidence in Management's capability to deliver on future opportunities that may emerge.

Strategic moves

One such opportunity this year was the acquisition of **Discovery New Zealand,** for a nominal consideration and on a debt-free basis. This transaction aligns with our strategy to grow advertising and digital revenues and strengthens Sky's position in the local media ecosystem. Sophie and I have received a significant amount of positive investor feedback since the transaction was announced. Put simply, the work undertaken to strengthen Sky's commercial position over recent years helped to create the conditions to secure this strategically important and carefully structured deal.

The integration of Discovery NZ into our new Sky Business division, and the delivery of significant cost synergies and potential revenue synergies is the key focus for Management in FY26 and a continuing focus in later years.

Shareholder returns & capital management

Over the financial year, Sky's share price appreciated by 27 percent which combined with fully imputed dividends paid of 20.5 cents per share, delivered total shareholder returns of 36 percent for FY25 – tangible evidence of value creation and our commitment to rewarding shareholders.

Having confirmed dividend guidance for FY26 of at least 30 cents per share Management is on course to deliver against the target first communicated back in August 2023. At the current share price of $3.60, a 30 cent payout this year represents an impressive 8.3% cash yield and will deliver a further increase of 36% in our dividend – importantly one paid out of free cash flow and not debt – which provides a clear illustration of the strength of Sky's cash generation and your Board's confidence in its sustainability.

Following the Discovery NZ acquisition, the Board has paused further capital management actions in the short term but will continue to review opportunities as synergies are delivered.

Governance & board matters

This has been a demanding year for your Board, with significant additional workload arising from satellite migration, the Rugby negotiations and the Discovery NZ acquisition. As with many NZX listed companies, our Audit and Risk Committee (supported by Management) also undertook considerable additional work on Sky's Climate-Related Disclosures. As a low carbon intensity business, we believe that the current cost-benefit and liability exposure of the present Disclosure regime is disproportionate, and we welcome the pragmatic decision from the Government to amend the CRD regime in 2026.

I would like to acknowledge the dedication and professionalism of my fellow Directors. Three of us on the Board, me included, are standing for re-election today, and we look forward to addressing you individually.

An internal Board effectiveness review confirmed that the Board continues to operate very effectively. We review the composition of the Board every year to assess whether the mix of skills, competences and experiences remains appropriate. The impact of the acquisition of Discovery NZ will be a new factor for consideration in FY26.

Acknowledgements

I would like to thank Sophie, her Leadership team, and the wider Sky team for their hard work and resilience in navigating a complex year. These efforts have delivered positive outcomes for customers, partners, and shareholders.

Finally, a thank you to you, our shareholders, for your trust and support. In this context it is good to be able to report a very positive Total Shareholder Return for FY25.

Closing

FY26 will be an exciting year as we integrate Discovery NZ and continue to lay the foundations for accelerating our growth across the broader business from 2027. Your Board and Management remain focused on delivering great value for customers and shareholders alike.

Thank you for your attention. Sophie and I look forward to your questions and to engaging with you during today's meeting.

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