



Reconciliation of accounts

Following the acquisition of
Discovery NZ Limited by Sky

1 August 2025

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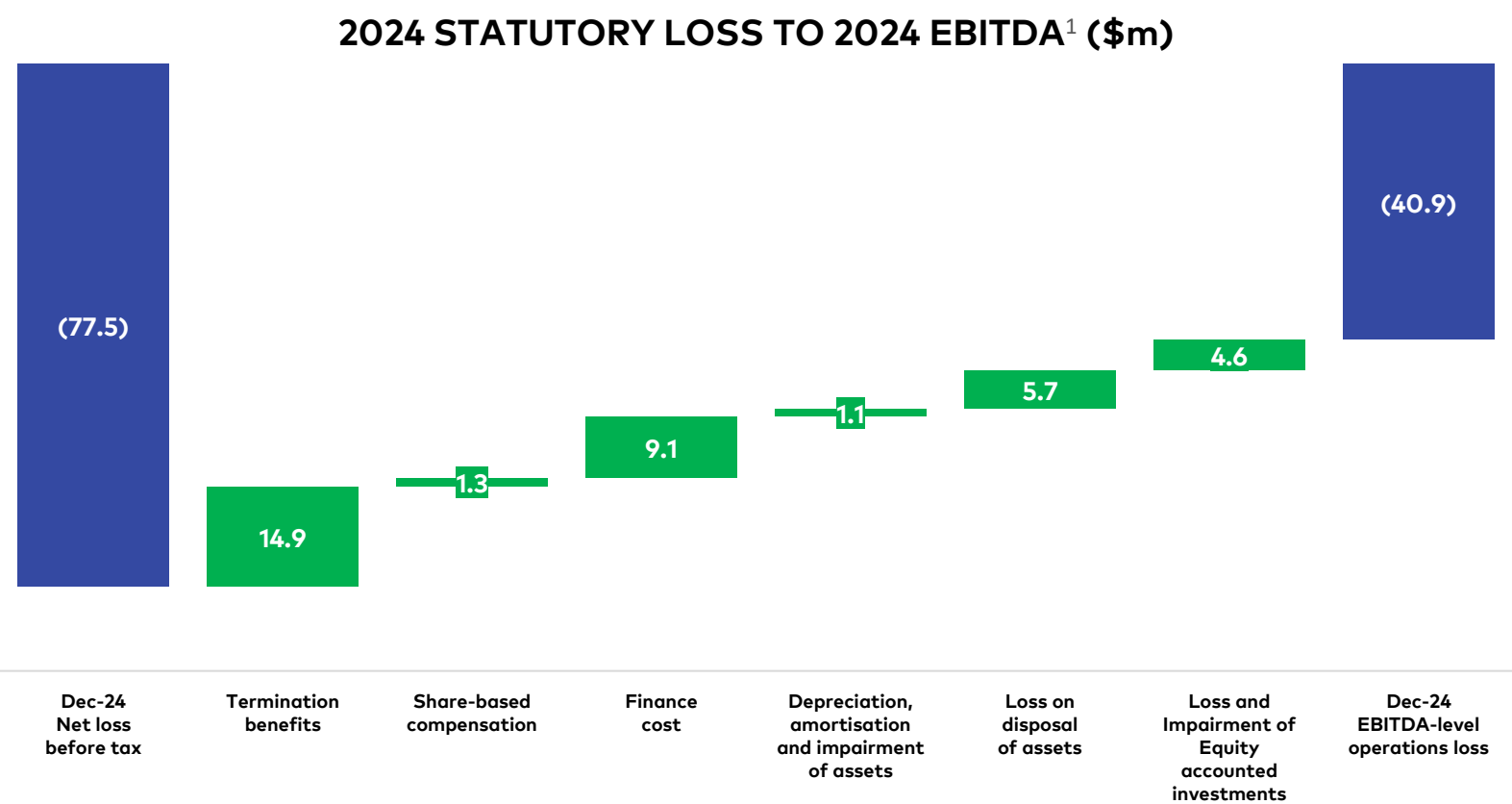
Sky has provided the following information to assist investors in understanding the underlying financial performance of Discovery NZ (DNZ)

Reconciliations ¹ :	Page:
• DNZ 2024 reported financial result at a reported EBITDA level	3
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• DNZ proforma EBITDA for continuing operations to Sky's assessment of incremental Sky Group EBITDA by FY28	5
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1. Sky has prepared the reconciliations based on its review of DNZ's FY24 financial statements and FY25 budget, and modelled potential synergies, as part of its due diligence prior to completing the transaction.

Discovery NZ's 2024 result at a reported EBITDA level

\$36.6m of reported costs in 2024 were either one-off or non-cash in nature

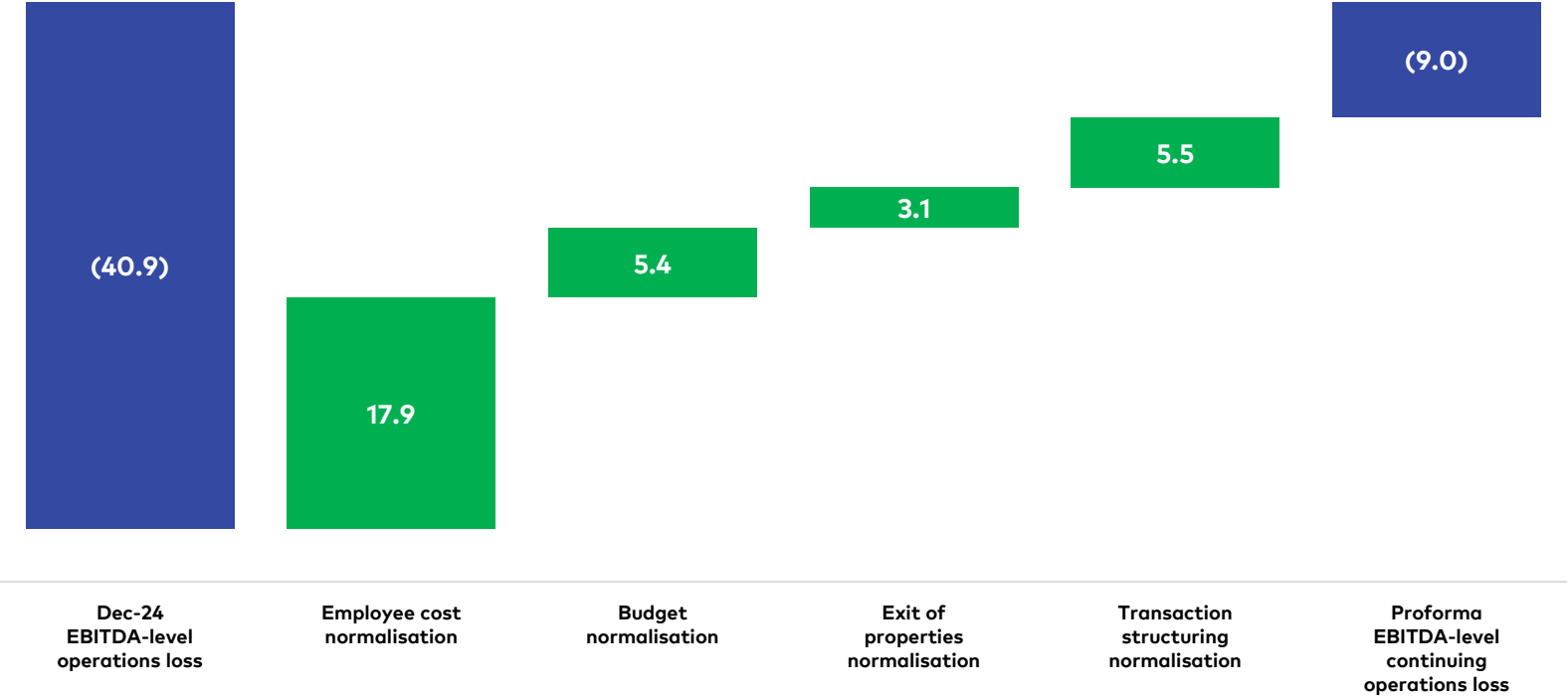


- One-off termination benefits regarding the closure of Newshub
- Share-based compensation is a non-cash accounting entry related to the WBD Group (and will not continue)
- Debt-free transaction and exit of property leases removes finance costs
- Depreciation, amortisation, and impairment charges are non-cash in nature and reported below EBITDA
- Loss on disposal of assets relates to the write-off of certain Newshub assets and the surrender of leases
- Equity investment impairment reflects the dissolution of a joint venture for Bravo TV with NBC Universal in December 2024

Continuing operations EBITDA in 2025

Further improvement observed in 2025 reflecting ongoing operations post Newshub closure, exit of property leases, and impact of revised content agreements as part of the transaction with Sky

FY24 EBITDA TO EBITDA OF CONTINUING OPERATIONS
IMMEDIATELY POST COMPLETION¹ (\$m)



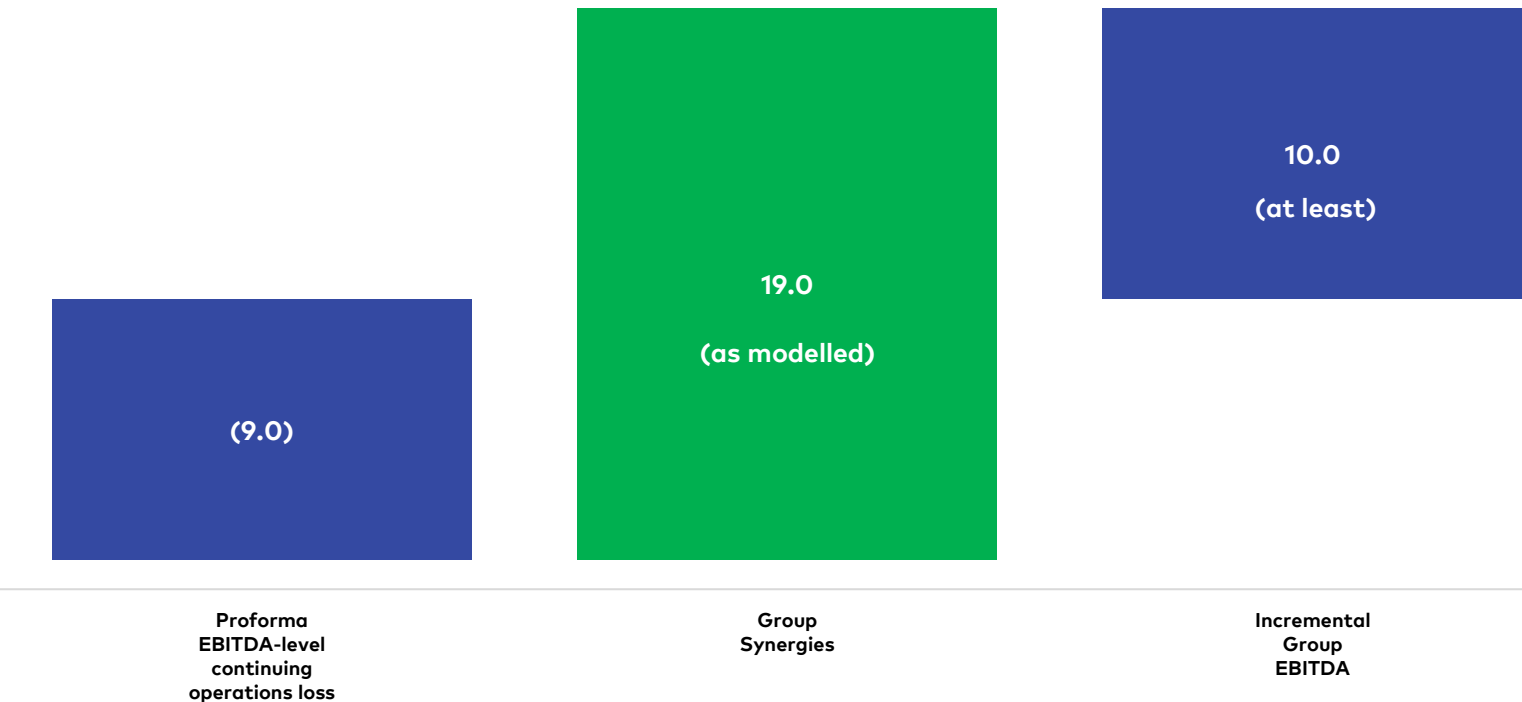
- 2024 employee costs are normalised to reflect the current run-rate post Newshub closure
- 2025 Budget normalisation reflects the downsizing of DNZ’s operations post Newshub closure
- Exit of property leases reduces costs vs 2024, primarily due to surrendering the Flower Street lease in June 2025
- Agreed content and revenue share arrangements reduce ongoing operating costs



At least \$10m of potential incremental EBITDA by FY28

Synergies across content, broadcast infrastructure and a number of overheads – to come from the combined Sky + DNZ cost base

ASSUMED ONGOING INCREMENTAL GROUP EBITDA POST SYNERGIES¹ (\$m)



- Incremental Group EBITDA reflects synergies across the combined cost base
- Cost synergies will be extracted across combined content, broadcast infrastructure, and overhead costs, with most to be delivered in year 2 and 3
- Revenue synergies from wider audience reach are unquantified

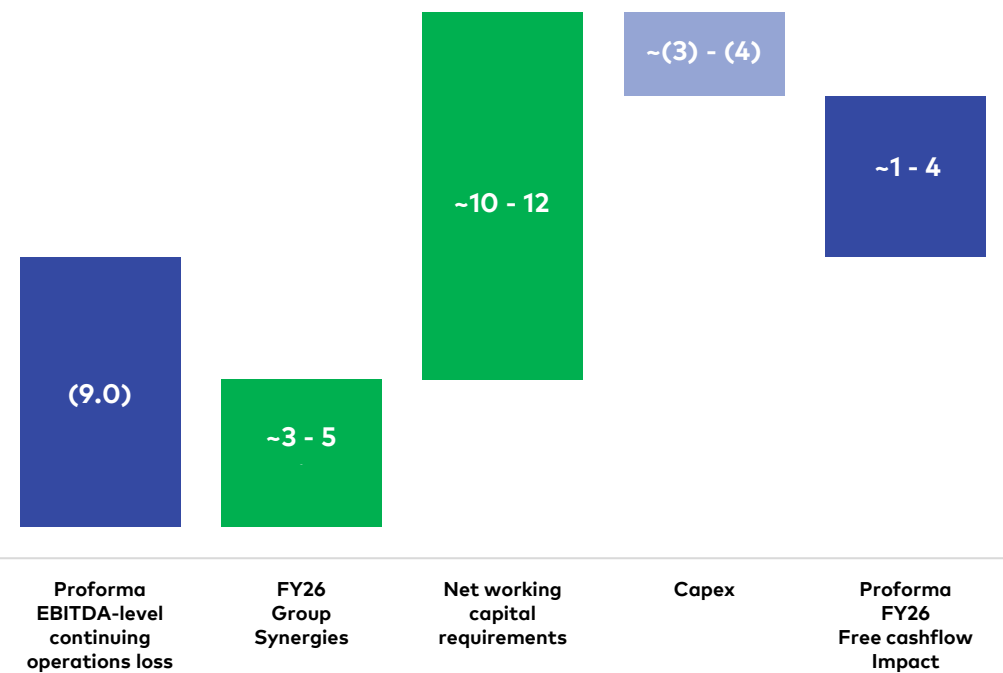


1. Source: Discovery NZ Ltd financial statements for the year ended 31 December 2024 and Sky analysis following due diligence. Note, purchase price allocation and fair valuation of identifiable net assets (e.g. content and platform) is yet to be completed.

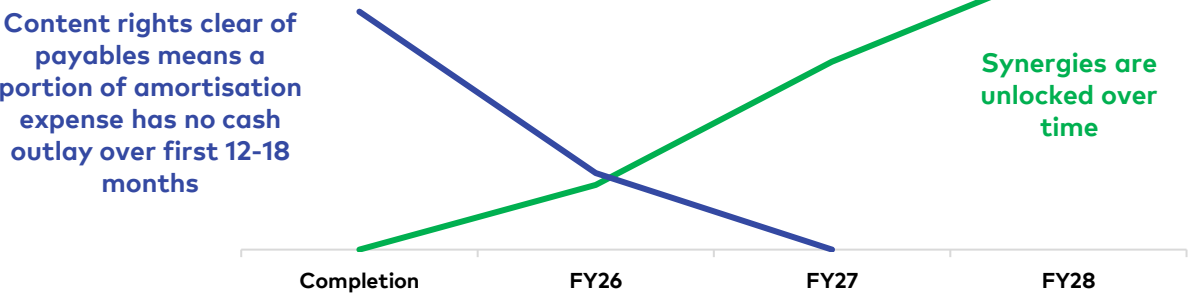
30 cent dividend target for FY26 not impacted

Debt-free balance sheet and content rights clear of payables at completion provides free-cash flow benefit over the first 12-18 months

FY26 PROFORMA UNDERLYING FREE CASH FLOW IMPACT¹ (\$m)



NET WORKING CAPITAL CASH FLOW BENEFIT IN FIRST 12-18 MONTHS¹



- Planned synergies in FY26 are highly targeted as we prioritise integration and technology separation
- Content rights on acquisition clear of payables reduces working capital requirements in the first 12-18 months
- Ongoing capex requirements, largely to maintain the ThreeNow platform, are below Sky's target level of 7% to 9% of revenue
- No drag on underlying free cash flow from the acquisition, meaning 30 cps dividend target for FY26 not impacted



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