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### **Sky ASM Chairman's and Chief Executive's Address and Presentation**

The 2024 Annual Meeting of Shareholders of Sky Network Television Limited (Sky) will be held today, Thursday 14 November 2024, commencing at 10:30am (NZDT) at the Maritime Room, Princes Wharf, Auckland and via the Computershare online meeting platform at <https://meetnow.global/nz>. Sky shareholders are warmly encouraged to participate.

Copies of the Chairman's and Chief Executive's addresses and presentation are attached and will be available on Sky's website [www.sky.co.nz/investor-centre](http://www.sky.co.nz/investor-centre).

At today's meeting, Sky Chairman Philip Bowman will provide an overview of Sky's FY24 Financial Results, including commenting on the ongoing difficult economic conditions facing New Zealand businesses, and the solid performance Sky has delivered in this context. Philip will outline the two key priorities for the company in the coming period: the migration to a new satellite by May 2025, and the negotiation of a new rights partnership with New Zealand Rugby and SANZAAR. In this regard, while the Exclusive Negotiating Period with NZR Commercial (NZRC) has concluded, Sky and NZRC remain in constructive and ongoing negotiations. Philip will also provide an update on capital management matters.

Sky Chief Executive Sophie Moloney will expand on Sky's programme to migrate from the current Optus D2 satellite in the coming months. The key points:

- As outlined in Sky's update on satellite supply on 19 August 2024, Sky has an agreement in place with Optus that provides Sky with security of supply over satellite services to 2031.
- Noting the expedited requirement to transition from the Optus D2 satellite to a new satellite by May 2025, Optus has offered Sky two satellite path options, one of which will be available at the existing orbital position (160 degrees East) and is preferred as it offers a smoother customer transition, and the other at 156 degrees East.
- Significant testing and customer communications are already underway and will continue to build, with the goal of ensuring Sky customers have a seamless experience during the migration process.
- Sky has previously undertaken successful satellite migrations and is confident it can achieve the migration to either of the two options by May 2025. There remains an inherent technology and logistical risk to the successful migration to an alternative satellite, with on-the-ground technology updates also required.

- From a cost of delivery perspective, commercial arrangements with Optus mean the programme will remain largely cash neutral by FY26. While the preferred satellite option comes at a lower cost, the final cost of the alternative option cannot yet be precisely quantified. Sky has taken a conservative approach to forecasting, including significant contingency, and has increased the upper limit of the satellite migration capex to \$20m (from the capex envelope of \$10m to \$15m outlined at Sky's FY24 Results). Sky and Optus have agreed confidential terms regarding support for incremental costs incurred to ensure a seamless satellite transition.
- Satellite migration capex is excluded from FY25 Capex Guidance, and in both scenarios the dividend is protected.

Sophie will provide an update on Sky's progress to date in FY25, noting that with the continued economic pressure and rephasing of revenue-generating initiatives due to the satellite migration, Sky is seeing some softening in customer and advertising revenues. Costs will be weighted to the first half, largely driven by programming, given the timing of the Paris Olympics early in H1, and with a one-off acceleration of amortisation related to the expanded agreement with Warner Bros. Discovery, announced on 22 October. The firm focus on costs will continue with a number of initiatives underway.

Noting that one-off accelerated amortisation is excluded from guidance forecasts, Sky confirms there is no change to guidance<sup>1</sup> provided on 21 August 2024, including conviction on delivering the FY25 dividend of at least 21 cents per share. Sky continues to monitor trading conditions closely.

ENDS

Authorised by Kirstin Jones, Company Secretary

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<sup>1</sup> Subject to no adverse change in operating conditions, including future economic headwinds. EBITDA, NPAT and dividend guidance exclude one-off transformation costs. Capex guidance excludes one-off capital expenditure related to satellite migration. Free cash flow used for the purposes of dividend guidance excludes satellite migration capex and one-offs.