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Share Stories.
Share Possibilities.
Share Joy.

SKY ANNUAL REPORT 2024

sky

Welcome to

Sky's Annual Report for 2024

Our cover shot of the Black Ferns Sevens winning the gold medal at the Paris Olympics beautifully encapsulates our purpose here at Sky:

To Share Stories,
To Share Possibilities,
To Share Joy.

Every day, we connect with special people across all aspects of our business, including customers, our crew and our partners.

This year's report includes testimonials from people who have shared the role that Sky plays in their lives and how it influences their experiences.

We hope you enjoy their stories, and we thank them for participating.

Sharing the thrill of sport with NZ.

"In the past year we've had the privilege of covering four World Cups and now the Paris Olympics. Witnessing the Black Ferns Sevens win their Gold Medal at Stade de France was a powerful reminder of the impact of sport. I'm incredibly proud to be part of the team that's delivering these moments for Kiwi audiences."

Will Meiklejohn

SKY SPORT PRODUCER

Contents

Rangiata, Sky.

You might have heard us referring to ourselves as Rangiata, Sky.

Rangiata is the Māori name crafted for Sky, by Pānia Papa and Leon Te Heketū Blake in 2020. Rangi means Sky and ata (as a compounded word for ataata) means reflections - encapsulating our ability to reflect the stories of Aotearoa New Zealand, across the Sky through our multi-platforms.

Chairman's Letter

Dear Shareholders,

Welcome to Sky's Annual Report for FY24.

We are pleased to present financial results that demonstrate solid performance and the resilience of our strategy despite the significant challenges facing the New Zealand economy.

Notwithstanding the tough economic conditions affecting many consumer-facing businesses, and the particular challenges facing the local media sector, the leadership team of your company has delivered a third consecutive year of revenue growth, and results within our Market guidance across all metrics.

Focussed actions to maximise revenue opportunities and to control costs to deliver margin growth have strengthened free cash flow, while at the same time we have continued to invest in the business. These actions have enabled your Board to increase shareholder income by delivering a 26.7% in increase in the FY24 dividend to 19 cents per share (fully imputed).

The advertising revenue growth and increased advertising market share achieved by the Sky Sales team is particularly welcome given very difficult market conditions. This reflects the increased capability and innovation of a refreshed team that has identified and actioned new opportunities, including those in digital advertising.

The year on year decline in overall customer numbers reflects the environment in which we are operating as well as specific events that Sophie addresses in her letter. These include the decision to pause the roll-out of new Sky Boxes in the first half of the fiscal year while software improvements were made, and the impact of the US writers' and actors' strikes on the entertainment content pipeline for Neon.

Importantly the strength of our sport streaming service, Sky Sport Now, enabled our streaming revenue to remain healthy, with the breadth and depth of the Sky Sport offer delivering customer value and appeal. Overall, our unrivalled content offering, and multi-platform strategy remain a key competitive advantage. Balancing the needs and meeting the expectations of our Sky Box subscribers whilst continuing to expand our digital reach to deliver new revenue streams is core to our strategy, and underpins our success in the year.

It is evident from trends in the global media sector that the 'dash to digital' has come with a very high price tag, and we are now seeing a swing back to bundling models, industry consolidation and companies grappling with challenging levels of debt. As many global providers now seek ways to stem losses and develop sustainable business models, the industry will likely see ongoing price increases, reductions in production and content investment, and further consolidation.

Closer to home, the health of the local media sector remains a concern. Strengthening the foundations of the sector is important for the wider community as well as all local participants.

While we can expect more structural change in the sector over the coming period, the value of local voices, stories and perspectives remain too important to lose. Whilst it is not the role of democratic Governments to intervene to resolve these issues, there is a need for modern, platform-neutral regulatory settings and appropriate mechanisms for Government to support local content creation, and to ensure a level playing field for local players competing against global media and technology companies. We welcome recent announcements from Government that indicate useful moves in this direction, and will continue to engage constructively with Ministers, officials and sector participants, playing our role as an essential local business in this important sector.

Whilst Sky has not historically supported a direct newsgathering role, we play a key role in providing access to news content, both local and international, to New Zealanders right across the country via satellite and the Sky Box. Through Sky Originals we support the production and sharing of local stories, and our investment in New Zealand sport remains a crucial source of funding for many local sports bodies and athletes.

Alongside the daily focus on delivering the sport and entertainment that our customers love, and executing on our strategy, Sophie and her team will need to navigate two significant matters in the coming year:

- The migration from the current Optus D-series satellite, which is now expected to reach the end of its commercial operation in May 2025, to an alternative solution to which Sky has contracted access. As we have communicated, we continue to receive assurance of security of satellite service from Optus to 2031.
- The negotiation of a new rights contract with New Zealand Rugby ("NZR") and SANZAAR to replace the existing contract that will expire in December 2025. We now have a much clearer view about the sport that our customers love to watch, how much they are willing to pay to do this, and the role that free-to-air plays in supporting rugby in New Zealand. Our significantly enhanced data analytics capabilities which enables us to model the economics of sports rights is now a key driver of negotiations. NZR is a longstanding and valued partner, and we look forward to constructive negotiations.

More broadly, we understand that the next 12 months will not be plain sailing for many of our customers, and for the New Zealand economy generally. Economists warn that conditions will continue to be challenging and may deteriorate further before economic activity picks up. The Board and Management are alive to this reality as we look ahead to the coming year. We remain focused on delivering great customer experiences, increasing the appeal of our content, enhancing the engagement of our crew, and growing new revenue streams – leading to increased returns for you, our shareholders.

Board Matters

Capital Management

Last year we set an ambitious target to double the dividend by FY26, and we are pleased with progress towards this target. This demonstrates our ongoing confidence in Sky's ability to generate sustainable levels of free cash flow, economic conditions notwithstanding.

The initial share buyback concluded at the end of March 2024, and whilst the receipt of a non-binding indicative offer necessitated an additional two-month pause, the final sum deployed was $14.2 million of a possible $15 million.

The Board continues to believe the company is undervalued by the Market and as a result approved a further share buyback programme. This second

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programme for up to $15 million commenced on 1 April with close to half this sum deployed when the programme was paused for the FY24 year-end blackout on 31 May. Having announced our FY24 results, we intend to recommence the programme depending on market conditions.

Subsequent to year end, Management successfully completed a competitive process to restructure Sky's Banking Facility, at the same time electing to reduce the Facility limit to $100m from $150m. This new agreement, running to September 2027, was concluded with the incumbent banks on more favourable and flexible terms, reflecting Sky's improving performance over successive financial years and the positive outlook for free cash generation.

As the current period of elevated capital investment on the new Sky Box begins to ease during FY25 and returns to long-term run levels during FY26, the Company should generate higher sustainable free cash to fund the growth in dividend to our previously communicated target level, and potentially create optionality for additional capital management activities.

Strong governance focus

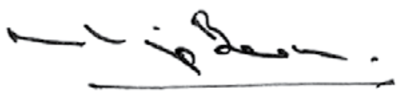
Towards the end of the financial year, an internal Board effectiveness review was completed, including structured interviews that I conducted with each Director and the CEO. In summary the review demonstrated that the refreshment of the Board undertaken over recent years has improved the mix of skills around the table, and the effectiveness of the Board. The dynamics of the Board and the openness of debate and constructive challenge have also improved, as against past reviews.

The formation last year of the Content Rights Committee has provided additional governance oversight and support to Management for this crucial aspect of Sky's business. It has also been effective in driving improved interrogation of data and modelling of the business cases to support rights investment which is the Company's largest area of cost.

I am grateful to Board colleagues for their significant additional work and diligence during the period where Sky was navigating the NBIO process. In this context I am mindful of the lack of headroom in the current director fee pool, which was last increased nine years ago in October 2015. In light of the very limited flexibility available within the current pool, your Board intends to seek an increase to allow an appropriate level of headroom. Details will be set out for shareholders in the Notice of Meeting which will be published in October.

In closing, I would like to thank Sophie for her excellent leadership of Sky, both strategically and operationally. Sophie, her Executive Leadership Team, and the wider Sky team have all worked hard to achieve positive outcomes during what has probably been the most testing economic environment since the Global Financial Crisis. My thanks also to my Board colleagues for their significant time commitment, good judgement, good humour, and collegiality as they exercised their roles in Sky's governance.

Finally, thank you, our shareholders, for your continued support of Sky. I look forward to addressing you, and meeting some of you, at our Annual Shareholder Meeting in November.



Philip Bowman

Chief Executive's Letter

Dear Shareholders,

As I write this letter the country is caught up in Olympics fever, delivered by Sky to all of Aotearoa New Zealand.

As the wonderful photo on the front cover shows, there is no better example of our Purpose here at Rangiata, Sky – 'to share stories, to share possibilities, to share joy'.

It has been a privilege to deliver the Olympics to all of New Zealand, and I am grateful to the entire Sky team for their hard work.

My team well know that I am a big fan of the following quote from Patrick Lencioni: *"Not finance. Not strategy. Not technology. It is teamwork that remains the ultimate competitive advantage, both because it is so powerful and so rare."*

This is indeed one of our competitive strengths, and is a recurring theme across the financial year. All of Team Sky have worked hard to deliver for our customers, for our partners, and for each other – resulting in the outcomes we report to you today.

However, unlike the Olympians that we have been so proud to showcase, while we strive for excellence ours is not a finite game with a gold medal or a trophy for the winner. Our focus is on long term sustained success – with our 'enduring commitment' to be a **responsible, sustainably-profitable, Aotearoa-focused business.**

How do we continue to achieve this? By being clear on our purpose, and on our ambition to be **Aotearoa NZ's most engaging, and an essential, media company.**

In this letter I share key insights on our FY24 financial performance, a brief report card on our FY24 priorities and a look ahead to our FY25 priorities and beyond, to our 3-year targets.

I hope that as you read it, we continually reinforce the strength of the Sky strategy and what sets us apart:

Our multi-product offer, maximising the value of our unrivalled content to meet New Zealanders where they are.

Our Sky Box business continues to provide enduring strength, while we pursue higher growth options from newer products and revenue streams.

Financial performance

FY24 Financial Highlights

Revenue	**$766.7m**
EBITDA	**$153m**
NPAT	**$49.2m**
Free cash flow	**$23.7m**
Dividend (cents per share)	**19c**

In what was an extremely tough environment, we produced a solid result with our third consecutive year of revenue growth.

Revenue was within the guidance range at $766.7m, with growth of $12.4m and 1.6% year on year. While I am the first to acknowledge that we wanted to deliver a higher level of revenue in FY24 (and as part of our 3-year targets, as I touch on the next page), in the current environment achieving any revenue growth is a significant achievement.

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While Sky Box revenue reduced 2%, all other revenue lines were in growth and speak to the portfolio effect of our business:

- Streaming +7%
- Broadband +40%
- Commercial +2%
- Advertising +13%[1]
- Other +9%

We are especially pleased with the strong outcomes achieved by Sky Sport Now (with H1 being a particular stand-out, thanks in large part to the Rugby World Cup 2023, and with strong revenue growth of 33%), and by our Sky Sales team in growing advertising revenue and increasing our market share in a challenged market.

Like the revenue story for FY24, our overall customer numbers at 938,760 are lower than where we would like to them to be, impacted by choices we made during FY24 and some events beyond our control:

- We chose to slow down marketing of our new Sky Box in H1 while we sought to make enhancements based on customer feedback and internal testing. It was the right thing to do, and we are pleased to see the increase in customer satisfaction and uptake in H2 resulting in 21% of our Sky Box base now on the new Box or Pod.
- The US writers' and actors' strikes had an unplanned and tough impact on the content pipeline, which particularly affected our entertainment streaming service Neon. Neon is also not immune from the now-ingrained consumer habit to switch off or between entertainment apps, especially when individuals' wallets are under pressure.
- And, of course, we are operating in an environment where many of our customers are struggling with the cost of living, which we remain mindful of as we head into FY25.

We report pleasing growth in Broadband customers of 36% year on year, offering additional value for customers. We are seeing 12% lower churn in those customers who have Sky Broadband with their Sky Box, confirming the value of the bundle.

Our continued focus on costs held the increase in operating expenses to just 0.8% or $5m year on year. This includes the $8m impact of the cost of growth, as we delivered real, permanent savings as planned.

This includes a significant reduction in costs stemming from the full year impact of FY23 transformational changes of $6m.

Our cost control efforts contributed to a creditable EBITDA result of $153m, an increase of $4.3m and just below the midpoint of guidance.

Pleasingly, even in a challenging year, the continued focus on growing revenue ahead of costs delivered another period of margin growth to 20%, as we move closer to our FY26 target of between 21% to 23%.

Net Profit After Tax of $49.2m was also just below the mid-point of guidance, and slightly down year on year (as expected) due to higher depreciation costs associated with our new products.

As we signalled, capital expenditure increased to $82.9m to accelerate the rollout of new products to more customers. This is an important investment that brings customers into a new and richer experience through a digital interface that also brings opportunity for Sky.

In addition to investing in the new Sky Experience we were pleased to deliver an increased return to you, our shareholders. And as Philip noted in his letter, the dividend result is pleasing with the 26.7% increase to 19 cents per share a sign of things to come as we move towards our FY26 target of 30 cents per share.

Progress against 3-year targets

Today's results confirm we are on track to deliver on all but one of our six 3-year targets – the one exception being the compound revenue growth target of 3-4% which largely reflects the incredibly challenging economic conditions in our first year of delivery. While we remain very determined to deliver growth in the revenue line, we will need to reset this target, all the while reinforcing that all other metrics are on track and without change, including those calculated as a percentage of revenue.

FY26 Targets

Revenue growth	+1–2% p.a.
EBITDA margin	21–23%
Programming costs	Between 47–49% of revenue
Capex	Returns to 7–9% of revenue
Customer NPS	+19 points
Employee engagement	+14 points
Dividend	Double the FY23 dividend of 15 cps

1. On a like-for-like basis, excluding RugbyPass revenue in the prior period

Delivery of FY24 priorities

The delivery of our solid financial result reflects our continued execution on our strategy, and was underpinned by our focus on our three key priorities for FY24:

1. Lift Employee Engagement

Making Sky a great place to work for our people, with a clear sense of purpose, and shared values and direction, is crucial to the success of our business. In FY24 we articulated our Purpose and Ambition and provided clarity and alignment on our strategic priorities alongside investing in the skills of our leadership group.

Our latest employee engagement results delivered a 12-percentage point increase over the past 12 months, which is a hugely significant shift with more emphasis to follow in FY25.

2. Roll out the new Sky experience

I am pleased to say that post the hard work of our teams, listening and responding to customer feedback, the new Sky Box and Sky Pod are performing well for customers – with the Olympics providing a brilliant opportunity to showcase the ease of access of the immense levels of on-demand content on offer. At year end, 88,000 customers were using the new Boxes and 11,000 the new Pods, with a total of over 112,000 new Sky Boxes and Sky Pods in active use in customer homes, including multi-room devices.

Importantly, we've seen a meaningful increase in the Net Promoter Score (NPS – a measure of a customer's willingness to recommend a product or service) across the Sky Box base, with the new Sky Box achieving a customer NPS 12 points higher than the wider base.

3. Grow new revenue streams

I am also extremely proud of the team's achievements in year one of a multi-year roadmap for growth in the advertising and new revenue areas, where we secured market share of 12.6% (up 2.7 percentage points on the previous year) and grew revenue by 13% in a market where TV advertising spend contracted 13.8% year on year. The success of our strategy is a recognition of the strength of our highly engaging content, particularly for sport, with independent research confirming the high-attention value of Sky content that has strong appeal for advertising customers.

Our goal is to deliver new and innovative opportunities for advertising clients, which included delivering an entirely new revenue line in digital advertising during H2, along with new formats and brand integrations.

We have firm ambitions in this space, and have the leadership talent and capability and a strengthened market position to go after it.

Looking ahead to FY25

All three FY24 priorities remain in focus for FY25 as we stay the course on the execution of our strategy during these turbulent economic times. We're bringing refreshed momentum (and refreshed wording that speaks to the next phase in our journey) as we continue to progress these important priorities. And we've added a fourth, which is to **deepen content engagement**.

Grow engagement together

Supercharge new Sky experience

Accelerate advertising

Deepen content engagement

All four are important lead indicators to the sustainable achievement of our strategy.

Deepening content engagement

Our new priority to 'deepen content engagement' is an extension of our content strategy as we look to ensure that our disciplined approach to our content investments – by using our rich data to ensure we're getting the right content for our sport and entertainment customers, at the right price – encompasses driving the engagement with, and performance of, our content during the life of each content deal.

It is vital that we continue to work with our key partners to promote and showcase their content, along with our own Sky Originals' shows (such as Dark City: The Cleaner), as we aim to maximise the value of our investment across each of our products, including via Sky Open, for the benefit of all of Aotearoa.

Delivering a successful satellite migration

As we have communicated this week, a major focus for my team in FY25 will be the successful migration from the Optus D2 satellite to an alternative satellite by May 2025. The team has been planning for this migration for some time, drawing on our knowledge and skill from previous successful migrations. So, while it's now an accelerated timeframe and technology projects are inherently challenging, I am confident that we have the experience and expertise to go after delivery of the project with a constant focus on a smooth transition for our customers. We know the importance of satellite delivery for New Zealanders, and are determined to deliver.

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Being a responsible, sustainably-profitable Aotearoa focused business

Along with our financial results and delivering on our priorities is our underlying commitment to be a responsible, Aotearoa-focused business. Our Sustainability section on page 36 sets this out in more detail, and I highlight a few of the ways that we are working to make a difference:

- Our role as a local broadcaster showcasing New Zealand voices, stories and diversity on screen through Sky Originals and through our sports production, and continuing our commitment to helping girls and women in sport to 'See The Possible'.
- Our important te ao Māori strategy which is becoming more deeply embedded, influencing the way we operate throughout Sky as well as playing out in the way we show up on screen through te reo Māori commentary and pronunciation.
- Our commitment to increasing accessibility for all New Zealanders, with a significant increase of captions on Neon to 55% of our catalogue (and more to come), and continuing to increase the captions available on Sky Open and Sky content.

Our first **Climate Disclosure Statement** will be published by 31 October, where we will report our progress and commitment to a more sustainable environmental future.

In closing

As Philip outlines in his letter, we recognise that FY25 continues to pose challenges due to a tough economic environment.

We continue to position the company to capture the growth opportunities presented, including new opportunities to accelerate in digital advertising, and to lean into our competitive strengths. With a clear strategy and buoyed by the progress made in FY24, you can be assured that my team and I will maintain our execution pace.

I am incredibly grateful to Philip and the Board for their supportive challenge and guidance.

I am proud to lead a superb team of people at Sky, and thank my Executive team, our Sky leaders and all Sky crew for their hard work and passion. We were thrilled to welcome Ciara McGuigan as Sky's Chief Financial Officer in the latter part of the financial year, and Ciara has swiftly made a positive impact beyond the considerable financial capability she brings to the role. I look forward to introducing Ciara to you at our Annual Shareholders Meeting, and soon after, welcoming Kym Niblock as Sky's new Chief Digital and Technology Officer.

As a team we faced conditions that challenged us during the year and I'm proud of the way the wider Sky team has maintained focus and stepped up to find new pathways to achieve for our customers, our partners, our investors and for each other.

Finally, my thanks to you, our investors, for your enduring support.

Yours sincerely,

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

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

FY25 PRIORITIES

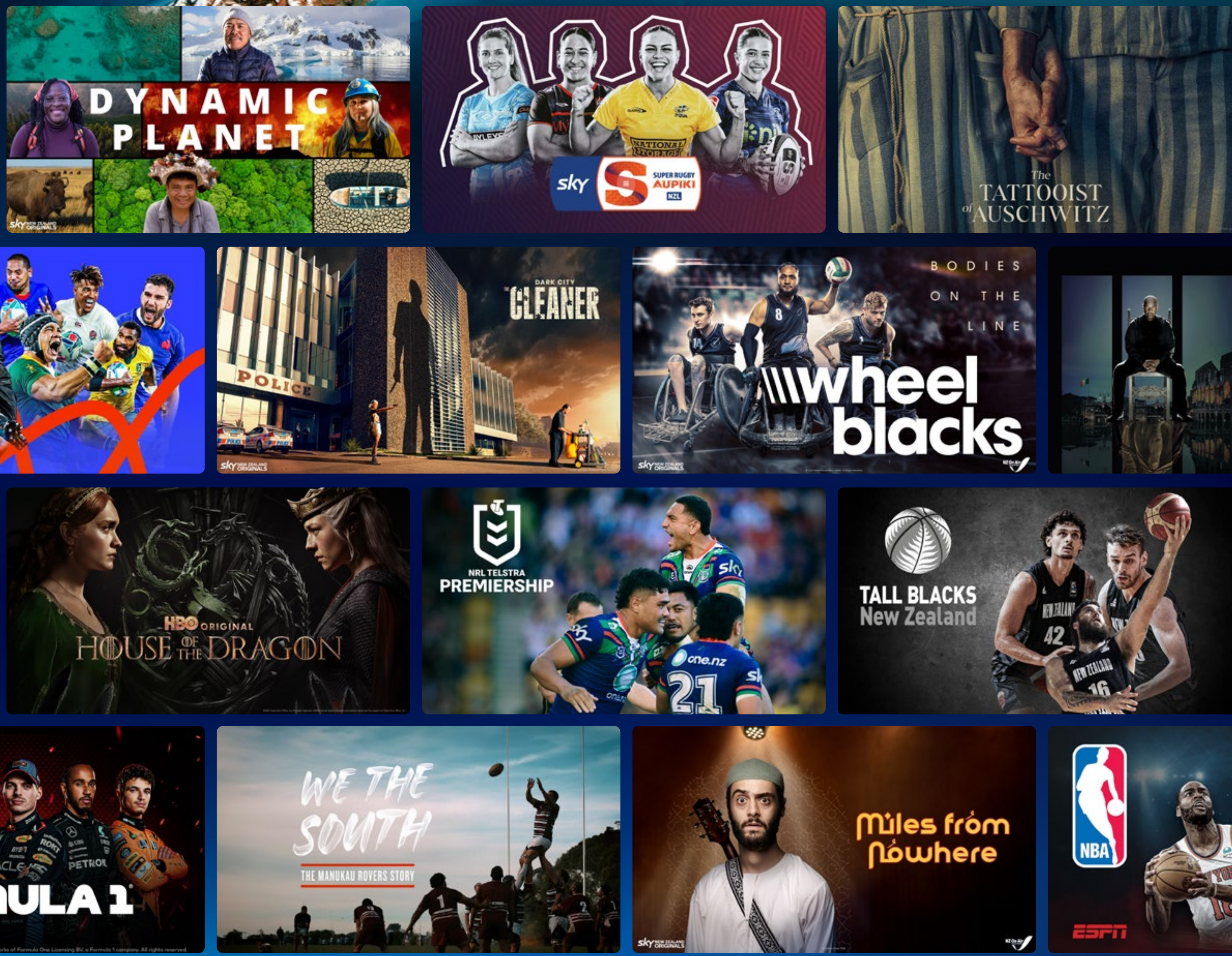
Grow engagement together	Supercharge new Sky experience	Accelerate advertising	Deepen content engagement

OUR ENDURING COMMITMENT

A responsible and sustainably profitable, Aotearoa-focused business

Sky brings the best in global and local sport and entertainment...

to New Zealanders all country in ways



around the
that work for them.

Sharing league moments.

"As big Wahs fans, we need league wherever we go, and Sky Sport Now is ideal for our busy family. With the ability to stream sport channels across many devices and browsers, we always have a way to get our sport fix, whether at home or out and about."

Maddock Price
SKY SPORT NOW

Our Content

As New Zealand's largest aggregator of sport and entertainment content, the breadth and depth of Sky's portfolio is unrivalled.

Our content strategy continues to be underpinned by our ability to meet New Zealanders where they are, and in ways that work for them. Whether by satellite, streaming or free-to-air, our product choice helps us to deliver value for our customers and partners.

We value what our customers value, and by strengthening our capability in the use of data and insights, we understand what our customers are watching and can ensure that what matters most is available to them across Sky's platforms. These insights informed our content rights and partnerships strategy through FY24 and beyond.

Sport

In another huge year for Sky Sport, we delivered world-class sporting action from across the globe and showcased New Zealanders in action here in Aotearoa New Zealand and on the world stage.

Our international offering included the Rugby World Cup, FIFA Women's World Cup, Netball World Cup, ICC Men's Cricket World Cup, English Premier League, Formula 1, Indycar, Supercars, Tour de France, Australian Open, Roland-Garros, NFL, NBA, MLB, UFC, NHL, PGA Tour, Masters, PGA Championship, U.S. Open, and The Open Championship.

Our focus on New Zealanders in action comprised extensive coverage of the All Blacks, Black Ferns, Silver Ferns, Black Caps, White Ferns, All Whites, Football Ferns, New Zealand Warriors, New Zealand Breakers and Wellington Phoenix. Popular competitions include DHL Super Rugby Pacific, Super Rugby Aupiki, NRL Premiership, ANZ Premiership Netball, Men's and Women's A-League, Sal's NBL and Tauihi Basketball Aotearoa.

World Rugby and the Rugby World Cup 2023

Sky was the official New Zealand broadcaster for the men's 2023 Rugby World Cup in France in September, as part of our wide-ranging World Rugby deal for exclusive rights to premium competitions through to the end of the decade. The partnership includes every men's and women's Rugby World Cup, the new WXV (international women's fifteens competition) and the HSBC World Rugby Sevens Series (involving the Black Ferns Sevens and All Blacks Sevens).

The Rugby World Cup was a pinnacle moment for Sky as New Zealanders across Aotearoa tuned in to support the All Blacks and watch world-class rugby action:

- Over 2.5 million New Zealanders watched the tournament on Sky Sport and free-to-air on Sky Open, with 1.5 million New Zealanders tuning in for the final between the All Blacks and South Africa.[1]
- There were over 7 million streams across Sky Go and Sky Sport Now.[2]

As part of our commitment to normalise the use of te reo Māori, we also offered te reo Māori commentary for All Blacks matches, enjoyed by over 71,000 New Zealanders who tuned in on Sky Sport, and a further 25,000 streams across Sky Go and Sky Sport Now.

2023 FIFA Women's World Cup

We were also delighted with the engagement from New Zealanders for the 2023 FIFA Women's World Cup in July, with over 2.2 million people watching across Sky Sport and Sky Open. This audience equates to 46.1% of all New Zealanders aged 5+, with half of those viewers female (1.1 million).[3]

New Zealanders were hooked from the first whistle with the Football Ferns' opening game against Norway delivering an historic first ever FIFA World Cup win for the Ferns and reaching nearly 900,000 viewers. With a win in the bag, the Football Ferns' last group match against Switzerland drew an even larger audience, reaching over 1 million New Zealanders across Sky and Sky Open, the highest viewership recorded in New Zealand for the tournament.

In what was a watershed event for women's sport in New Zealand, the FIFA Women's World Cup audience surpassed television audiences for the popular 2021 Women's Rugby World Cup (1.9 million), the ICC Women's World Cup (1.1 million) and last year's Commonwealth Games (1.9 million).[4]

The event was a special example of Sky's commitment to help girls and women 'See the Possible' in sport, and you can read more about this commitment on page 41.

1. Nielsen TAM, AP5+ reach, RWC Tournament
2. Sky Internal Data
3. Nielsen TAM, AP5+
4. Nielsen TAM, AP5+ reach

Sharing game day excitement.

“I am grateful for the opportunities Sky has given me, including joining a growing list of amazing wāhine toa who have worked on All Blacks test matches. It's not lost on me that production teams receive criticism for using women in sports coverage, but Sky makes a conscious effort to ignore gender bias and reward those who are deserving.

There is a Samoan proverb that resonates with my career at Sky; 'O le tele o sulu e maia ai figota, e mama se avega pe a ta amo fa'atasi', which translates to 'my strength does not come from me alone but from many'.”

Taylah Johnson
SKY SPORT PRESENTER

Olympic Games Paris 2024

The Olympics is an event like no other and as the exclusive New Zealand TV broadcast partner for the Games of the XXXIII Olympiad Paris 2024, we used all our platforms to deliver extensive coverage of this exceptional event to New Zealanders from July 2024.

Sky Sport, Sky Sport Now and Sky Go offered customers twelve channels of Olympics coverage, along with Sky's curated Gold channel providing coverage of the 'best of the best' and with a focus on New Zealanders in action. Customers were able to enjoy daily live coverage from 7pm to 9am, and replays, highlights and special features during non-competition times. Customers could also access an array of on-demand content, including key event highlights and replays, short clips, athlete reactions and feature pieces from the Sky team.

Additionally, Sky Open had extensive Olympics content free-to-air, including a breakfast review show and evening highlights show, alongside a selection of live content, and replays and highlights.

With Sky delivering the Paris Olympics across all of our platforms, including free-to-air, we were able to make strategic use of broadcast sponsorship and integrations. Key sponsors included Toyota, 2Degrees, Beef & Lamb as well as My Food Bag as a secondary sponsor.

With the event falling in the FY25 year and concluding in mid-August 2024, we will provide further details in the 2025 Annual Report.

In partnership with the International Olympic Committee and the New Zealand Olympic Committee, we were excited to bring this incredibly special event from the world stage to the shores of Aotearoa NZ.

Sharing Olympic moments.

"Growing up, I remember watching my heroes compete on Sky. Seeing their incredible achievements inspired me to chase my dreams in sport. Now, as I compete at the Olympic Games, as New Zealand's first ever male speed climber, it's surreal to think that I might be inspiring the next generation of athletes."

Julian David
OLYMPIAN

Sharing the stage with women's basketball.

Commercial innovation and our desire to drive an equitable playing field and achieve stronger commercial outcomes for women's sport is a core part of our 'See Your Possible' commitment.

In support of this, and as Commercial Partner and Broadcaster, in FY24 we were pleased to be part of a raft of changes to **Tauihi Basketball Aotearoa.** They included increasing player wages and opening up the opportunity for international teams and players to join the league.

Our stakeholders describe the impact:

" Teaming up with Sky has been instrumental for us players at Tauihi Basketball Aotearoa. The increased support and recognition have elevated our women's league, attracting international talent while also giving our New Zealand players a stage at home. This partnership has really enhanced our opportunities both on and off the court. "

Stella Beck

TOKOMANAWA QUEENS &
TALL FERNS CAPTAIN

" Our partnership with Sky marked a pivotal moment for women's basketball in Aotearoa, bringing equity to the game and introducing commercial innovations that benefit our fans, our players, our league, and Sky. This collaboration has set a new standard for basketball and the broader women's sporting landscape. "

Maree Taylor

GENERAL MANAGER
TAUIHI BASKETBALL AOTEAROA

Significant audience engagement for key competitions

Alongside the major global events that New Zealanders enjoyed on Sky, the strength of the Sky Sport offer is the season-long competitions that draw fans from across the country throughout the year. It is pleasing to report significant audience growth across some of the key competitions, including:

- A 12% viewership increase of the DHL Super Rugby Pacific 2024 competition, with nearly 2.1 million New Zealanders tuning in to watch the action on Sky Sport and free-to-air on Sky Open.[1] Almost 250,000 unique viewers also enjoyed the action on our digital channels Sky Sport Now and Sky Go.[2]
- A 14% increase in NRL viewership across the season to date, with nearly 1.6 million New Zealanders watching matches on Sky Sport and free-to-air on Sky Open after ten rounds of competition.[3] We also saw a very pleasing 19% increase[4] in streaming audiences, as rugby league fandom continues to grow.

- Over 680,000 New Zealanders watched the Sky Super Rugby Aupiki 2024 season on Sky Sport and free-to-air on Sky Open[5] and the competition was streamed over a quarter of a million times, thanks to over 72,000 unique viewers on Sky Sport Now and Sky Go.[2] In a world first, thanks to a partnership with 2degrees, the final was also broadcast live on TikTok.

Securing the content that matters to our customers

Sky customers value being able to watch the best of international cricket from around the world, particularly when it involves New Zealand teams in action, so we were very pleased to announce a new five-year deal with the **International Cricket Council (ICC)** in May. Sky is the exclusive New Zealand broadcaster for all ICC men's and women's events through to the end of 2028, meaning New Zealand cricket fans can watch the BLACKCAPS and WHITE FERNS compete around the globe in top tier events. The deal includes 16 international competitions, including ICC Men's and Women's Cricket World Cups, ICC Men's and Women's T20 World Cups, ICC Champions Trophies, the World Test Championship Finals and U19 World Cups. We will also continue the popular No Boundaries review show on selected international matches.

We also confirmed a three-year extension with **Roland-Garros** with Sky being the official and exclusive broadcaster in New Zealand for the Grand Slam until 2026. We know that Sky customers love tennis and the Roland-Garros tournament is an iconic highlight in the tennis calendar.

Netball will continue to be showcased on Sky in 2025 with a one-year extension to our existing broadcasting partnership, with at least ten international Silver Ferns games to be broadcast exclusively on Sky platforms, including live and delayed coverage on Sky Open, along with the ANZ Premiership competition. One match a weekend will also be shown free-to-air on TVNZ, through a partnership with Sport NZ and Netball NZ. We're pleased to continue to support women's sport through our longstanding partnership with Netball NZ, and look forward to continuing to work together to grow viewership and engagement and to strengthen fans' connection to the game in 2025.

In respect of each recent acquisition, we have deployed our data-driven approach to value what the content is worth to our customers and to Sky. Using our powerful viewership data allows us to determine the revenue attributable to the content of each deal, and where applicable, a production cost envelope that reflects the content's value. It is the disciplined use of this approach that sees Sky well on track to deliver on the three-year target of reducing programming costs to within 47% to 49% of revenue.

1. Nielsen TAM AP05+, Data: Cumulative reach, Super Rugby Pacific 2023 & 2024, Sky Sport 1-4 & Sky Open
2. Sky Internal Data
3. Nielsen TAM AP05+, Data: Cumulative reach, NRL 2023 & 2024, Sky Sport 1-4 & Sky Open
4. Sky Internal Data, NRL 2024
5. Nielsen TAM, Data: Cumulative reach, AP05+ for Super Rugby Aupiki 2024 total coverage, Sky Sports 1-4 & Sky Open

Entertainment

From edgy dramas to comedy, factual and lifestyle shows to 'easy watching' TV, our strong offering of global news services and our local slate of Sky Originals content, there's something for everyone across our platforms.

British content remains hugely popular with our audiences and in April we announced an expansion of our partnership with **BBC Studios** with a multi-year wide-ranging deal that gives Sky audiences access to the best British content across our platforms including Sky Box, Sky Pod, Sky Go, Neon and Sky Open.

As part of this expanded partnership, we are also looking forward to launching the new channel *BBC First* exclusively with Sky in the coming months, which will see us become home to the biggest dramas from the UK with a mix of brand-new titles such as *The Jetty* and *Return to Paradise* as well as the latest seasons of our audience favourites.

Importantly, this deal will also see **BBC UKTV**, Sky's number one entertainment channel, continue to offer our audiences the best British entertainment as well as Sky having priority access to premium British drama in New Zealand.

This partnership is an important step in our content and product strategies as we ensure we have the breadth and depth of content that our customers value across all our Sky products and will also further strengthen our advertising proposition across digital and linear.

Through our partnership with Warner Bros. Discovery we offered our customers **HBO**, **Max Originals** and **Warner Bros. Movies** titles, as well as a range of entertainment channels through FY24. Season two of *House of the Dragon* returned, and we welcomed Greta Gerwig's Golden Globe-winning hit, *Barbie*, with Margot Robbie, exclusively to Sky. Other key entertainment titles included HBO Original *The Regime*, starring Kate Winslet, and NBCU series *The Tattooist of Auschwitz*, both of which screened on SoHo and Neon.

The production of our *News First at 5.30pm* bulletin ended in July, due to the closure of Warner Bros. Discovery's Newshub. International news remains an important part of our Sky offer, with a strong selection of news and current affairs channels including **Sky News**, **CNN**, **Fox News**, **BBC World** and **CNBC**.

The impact of the prolonged writers' and actors' strikes has been felt throughout our industry in FY24, however our multi-product approach and depth of content that stretches well beyond acquired scripted entertainment provided some measure of insulation.

Sharing British Favourites.

"We are delighted to have strengthened our longstanding, collaborative partnership with Sky this year. New Zealand audiences have a significant appetite for British shows, and through our partnership, we're able to deliver compelling content to Sky customers, across its array of products and platforms, contributing to our shared success."

Fiona Lang

GENERAL MANAGER
BBC STUDIOS AUSTRALIA AND NEW ZEALAND

Sky Originals

Sky Originals continued to grow our slate of proud local content, commissioning more shows in FY24 than ever before for Sky's premium platforms and channels.

A swag of shows produced by some of Aotearoa's most talented creatives hit local screens this year, including *Dynamic Planet*, a blue-chip natural history series from the highly regarded NHNZ Worldwide production company, and the cautionary tale *Apartment Disasters* in the non-scripted world. These were followed by innovative comedy/dramas *Spinal Destination* and *Miles From Nowhere*, with both shows receiving financial backing from offshore distribution companies, clearly illustrating an appetite for local New Zealand content in international territories.

Our most successful Sky Originals show this year was *Dark City: The Cleaner*, a serial killer show based in Christchurch backed by NZ On Air, Screen Canterbury, the New Zealand Screen Production Rebate and Hollywood heavyweights, Lionsgate. The series premiered on Neon and SoHo, and was a resounding success, being the third most watched show on Neon in March 2024. Looking ahead, attracting international finance to support local New Zealand content is a funding model we are increasingly pursuing.

Our valued relationship with NZ On Air has continued to go from strength to strength, with the support of production funding for the following shows:

- *Red Rocks*: A premium family drama series co-funded between New Zealand and the USA.
- *The Ridge*: Psychological thriller produced in conjunction with BBC Scotland and Great Southern Film and Television, and co-funded by international partners from France and Finland along with the New Zealand Screen Production Rebate and Sky Originals.
- *The Choir Games*: A non-scripted series following two choirs from New Zealand and the USA as they embark on a journey to the World Choir Games held in New Zealand in 2024.
- *Mind Menders*: An in-depth series investigating psychedelic drugs and their use for the treatment of anxiety.
- *Wheel Blacks: Bodies on the Line*: A documentary series following New Zealand's wheelchair rugby team the Wheel Blacks as they battle to rise above declining resources for a chance to qualify for the 2024 Paris Paralympics.

NZ On Air aims to support the development of quality, inclusive and discoverable content and we believe these shows will be a valuable addition to the locally commissioned and produced content.

The reputation of our Sky Originals team and content continues to grow, with new shows being developed with creatives domestically and from around the world. The content we are commissioning is also picking up critical recognition with season one of *Not Even* winning Best Comedy Script at the 2023 New Zealand TV Awards.

Sharing local talent.

“Working on Dark City: The Cleaner was a gift and a rarity; a local production with international backing that had the confidence to place local talent at the front and centre, proving we can create world-class content when we have the resources. Sky Originals believed in the strength of the talent here in Aotearoa and put their money where their mouth is, providing a platform for our local content to go global. If New Zealand wants to contribute to this Golden Age of television, we need so much more of this.”

Chelsea Preston Crayford
ACTOR, DARK CITY: THE CLEANER

Sky New Zealand Originals

Sky Originals continued to grow our slate of proud local content, commissioning more shows in FY24 than ever before for Sky's premium platforms and channels.

Sharing my excitement.

"I'm absolutely thrilled with the new Sky Box. The new homepage is easy to navigate, and the layout makes you realise just how much Sky content there is to choose from, as well as having all my favourite apps. Being able to record five channels at once has been a game-changer for our household and we're loving the new feature of being able to watch a live event from the start if we miss it. This is more than an upgrade – it's a whole new Sky experience."

Christy Thompson
NEW SKY BOX CUSTOMER

New Sky Experience

Our multi-product, multi-platform strategy is a key competitive advantage in a market that is experiencing unprecedented change, as we provide customers with a range of viewing and price options to access Sky's unrivalled content.

The new Sky Box

The launch of the new Sky Box was a major milestone in the previous financial year, and our goal of enhancing customers' experience was a key focus for FY24.

As a 'hybrid' box, it combines the best of satellite TV and streaming, and is changing the way our customers engage with our content.

One of the key benefits of the new Sky experience is the way it showcases the breadth of content that is available to our Sky Box customers. The ease of content discovery and access to on-demand content highlights the depth and breadth of the Sky catalogue, delivering our customers more value from their subscription.

As we acknowledged at the Half Year results, the roll-out of the new Sky experience did not go entirely to plan. In the first half, following customer feedback and ongoing internal testing, we chose to slow down the new Sky Box roll-out while we resolved some final teething issues. We also used the time to improve the service experience and streamline logistics, designed to lift customer experience further. Customer feedback tells us we're on the right track, with satisfaction strongly increasing.

Taking the time to reset was an important and worthwhile action, and we actively returned to market from February 2024, promoting the new Sky Box with campaigns and offers to drive uptake. We are confident that we are delivering a much-improved customer experience, with advancements in the overall performance and feature capability of the new Sky Box.

At the full year, the number of new Sky Boxes in customer homes had risen to 88,000, with the bulk of the growth (65%) occurring between December 2023 and June 2024, driven by new direct marketing activity, on air advertising and increased sales and service support (including actively upgrading older devices through tech support).

Customer education has also been an important component of the campaign, with 'how to' videos to guide customers through the change and to support self-service, lifting self-installation to an impressive 95%. Removing barriers to entry was a focus in the second half, with a campaign to offer the new Sky Box at no upfront cost, and a simplified 'one click' online upgrade process.

About the new Sky Box

- The new Sky Box uses a combination of satellite and IP to deliver content into customers' homes.
- Customers can record up to five shows while watching another live programme, thanks to the 1TB hard drive.
- The voice remote enables users to search for content and access the homepage simply by using voice commands.
- The homepage provides a seamless and unified viewing experience, allowing customers to watch and stream their favourite Sky TV channels, along with the free-to-air channels and on-demand content using a single remote.
- Android-powered device which only requires an HDMI port via the TV, a Wi-Fi network or LAN connection, and satellite dish.
- 4k-HDR enabled for future deployment.

The Sky Pod

The internet-delivered **Sky Pod** that we launched in FY23 marked a first for Sky, providing access to the Sky experience without the need for a satellite dish. The Sky Pod is easy for customers to self-install by plugging directly into the HDMI socket of the TV, and with a fully digital sign-up and activation process.

Sky Go

Our companion app, **Sky Go**, continues to deliver to our Sky Box and Sky Pod customers who use it to watch on a second screen or when out and about, adding additional value to their Sky service.

Ahead of the Olympics, we made improvements to Sky Go by introducing user profiles so viewers can follow the content they love and continue watching shows they started at home on the go, as well as launching instant replays.

Close to half of our Sky Box customers had Sky Go linked to their Sky accounts in FY24, and we expect upcoming enhancements (including the choice to watch sport either live or from the start, and an easy new in-app registration process) will give customers even more reasons to sign up.

We've recently made changes to viewing concurrency (e.g. the number of streams of the same content at the same time for a single account), enabling customers to stream two different pieces of content at the same time, via Sky Go, along with watching on their Sky Box at home. The Sky Go app is free for Sky customers with a Sky Box or Pod in their home and like other streaming services around the world, we want to ensure households can enjoy Sky flexibly, while simultaneously discouraging password sharing.

Sharing easy setup.

"The Sky Pod is the ultimate in convenience – super quick and easy to get up and running, with no need for a satellite dish. Having everything in one place – including easy access to the apps I like - has made my experience a breeze."

Nick Healy

SKY POD FAN*

* AND SKY CREW FAMILY

Sharing friendly service.

“It’s incredibly satisfying to be able to resolve a customer’s issue or get their Sky experience off to a great start. Working directly with our customers, addressing their concerns, and simplifying their setups is so rewarding. I see myself as an ambassador for Sky and seeing their appreciation firsthand really makes my day.”

Utarenga Tinokura

SKY TECHNICIAN

Streaming

Sky Sport Now, Sky's sport streaming app, continues to go from strength to strength with Kiwi audiences, achieving impressive results this year with 33% revenue growth.

The delivery of key sporting moments in FY24, particularly the Rugby World Cup, saw customer growth and a very strong H1 performance. As expected, customer numbers pulled back from those highs in the quieter summer period, however Sky Sport Now is still showing strong year-on-year growth with the customer base increasing by 12% this year to 160,000 New Zealanders.[1] The strong slate of sport content enabled us to implement increases in the price of monthly and annual passes in FY24, as we continue to invest in the local and global sport content that customers love.

Our broad Sky Sport Now offering in FY24 was anchored by the Rugby World Cup, FIFA Women's World Cup, ICC Men's Cricket World Cup, English Premier League, NRL Premiership and Super Rugby Pacific.

In particular, we have seen the NRL and fandom of the One NZ Warriors resonate with streaming fans, as a younger demographic samples and enjoys Sky Sport Now. After 17 rounds of NRL competition in FY24, 120,590 unique viewers had streamed NRL matches more than 6 million times, up 30% on the prior year.

In August, with our technology partner Endeavor, we introduced a new platform for Sky Sport Now, seamlessly migrating customers to the enhanced version. This delivered better Video On Demand (VOD) catalogue presentation and easier content discoverability for customers, as well as the much appreciated option to watch live content from the start of the event. These feature enhancements have been well received by customers with strong engagement continuing at 79%.[2]

In addition to our core subscription tiers, bespoke event passes continue to be popular with casual audiences, whose fandom is ad hoc or event-specific, and during the year we have offered event passes for the Rugby World Cup, 2023 FIFA Women's World Cup and Netball World Cup, as well as the Olympic Games Paris 2024 in FY25.

1. Customer relationships reported on a 90-day lookback basis
2. Engagement is defined as customers that viewed content during a week, using 12-month weighted average

Neon, Sky's premium entertainment streaming service, is home to some of Aotearoa NZ's most popular and most watched programmes including *Barbie*, *The Tattooist of Auschwitz*, *House of the Dragon* and top performing Sky Originals local show, *Dark City: The Cleaner*.

The US writers' and actors' strikes, while finally settled in November 2023, contributed to a challenging year for Neon. The flow-on impact to the entertainment content delivery pipeline delayed the arrival of key acquisition-driving titles to the second half of FY24, or in some cases, through to FY25.

While this meant that our year-end customer numbers were lower than the prior year, the welcome return of mega-titles (starting with the long-awaited second season of *House of the Dragon* in mid-June) is now proving to be an important opportunity to win back customers who have previously enjoyed Neon.

In FY24, we continued to improve the Neon customer experience by releasing new features including Skip Intro, and new big screen TV apps. Neon competes strongly with local and global competitors in this space and is planning to deliver additional features including Quick Login, Likes and Hub Pages in the coming months.

Accessibility is also a priority and the team has been working hard to increase the amount of content with captioning available, with 55% of content on Neon now captioned, an increase of 22% in FY24. We will continue to increase this in FY25.

During the year, Neon became the first Subscription Video On Demand (SVOD) platform in New Zealand to offer premium digital advertising, partnering with over 50 top-tier brands who secured their place alongside some of the world's most popular content. The launch of the Neon Basic tier over 18 months ago occurred with this strategic roadmap in mind, enabling us to reposition this lower-priced tier to include a light ad load (of less than one minute of advertising per hour of content), along with low ad frequency caps that limit exposure to repeats - ensuring a high attention environment for advertisers and a seamless experience for viewers.

Upgrading the Neon Basic tier to HD and adding a second stream to enhance value, we also introduced profile demographics to coincide with the launch of Neon's advertising tier. This first-party data on customer gender and age allows users to have a more personalised experience, as well as offering a data-driven approach to advertisers.

Neon's win back strategy continues to be an area of focus and has increased the number of returning customers to Neon, showcasing the overall effectiveness of targeted marketing as key content titles including *Yellowstone*, *The Handmaids Tale*, *The White Lotus*, *Yellowjackets* and *Gangs of London* return in the coming months. Retention remains key, assisted by improvements to our features and personalisation offering.

Sharing couch time bliss.

“I love the range of content on Neon, from local gems to international titles. Season two of House of the Dragon has got me completely hooked. Neon has become my ultimate go-to for unwinding on the couch and ending my day with quality entertainment.”

Sendhil Rungasamy

NEON CUSTOMER

Sky Open

Free-to-air plays an important role in our strategy to deliver our awesome content to New Zealanders in ways that work for them, enabling us to deliver to more audiences, grow the fan base of sporting codes, and maximise our advertising revenue - while maintaining our premium service for our valued paying customers.

In FY24 we revitalised our free-to-air channel, Sky Open, with a bold and distinctive channel identity linked to the Sky master brand. The launch was timed to maximise the interest and opportunity generated by the 2023 Rugby World Cup, resulting in a 7% year-on-year increase in all day share vs all people 25-54.[1]

Sky Open brings together some of Sky's most exciting sporting moments, original programming from Sky Originals, late runs of some of Sky's most popular shows, plus a range of entertainment content for a broad audience.

Across the year Sky shared more top-flight sport on free-to-air than ever before, including extensive coverage of the FIFA Women's World Cup, and 12 matches from the 2023 Rugby World Cup.

From February 2024 through to the end of June, there was an average of 30 hours of primetime sport each month, including Friday Night NRL, Saturday Night Super Rugby Pacific, Super Rugby Aupiki and Sunday afternoon local basketball with the hugely engaging Sal's NBL.

During the year we introduced a new 'live start' initiative where a selection of NRL and Super Rugby matches on Sky Open on Friday and Saturday nights had the same live start time as premium Sky Sport broadcasts, but showed more advertising throughout the match, ending with an average delay of 18-20 minutes by the final whistle. This enabled us to create additional inventory for advertisers free-to-air while delivering a more premium experience with a lower ad load on our paid products.

Utilising the opportunity to promote our subscription services to our large free-to-air audience, we developed tactically-placed baselines and promos within Sky Open sport coverage to encourage viewers to upgrade to Sky Sport Now. Specially-developed offers were included in the baselines and promos and bespoke landing pages and QR codes used to track sales and audience behaviour.

As part of our broader revamp of the Sky Open schedule, and acknowledging the importance of consistency for audiences, we introduced themed nights across the week encompassing categories such as factual, male-skewed reality and action, female-skewed lifestyle and family movies.

Strong entertainment content is also vital to Sky Open, and in FY24 viewers have had the opportunity to sample some of Sky and Neon's best shows such as early seasons of *Yellowstone* and *Fear the Walking Dead*, airing 6-12 months after their original launch on Sky and Neon.

Local voices, local stories

Our commitment to local storytelling remains a key part of Sky's free-to-air promise. Through our long-standing relationship with NZ On Air, who have supported and funded a number of Sky Original series this year, we have proudly shared factual series *Designing Dreams*, *Lost In France*, *A Living Hell* and *Dynamic Planet*, as well as scripted content *Raised By Refugees*, *Miles from Nowhere*, *Spinal Destination* and *Dark City: The Cleaner* with New Zealand audiences, reaching up to 925,000 viewers.[2]

1. TV Map
2. Nielsen TAM - All People 5+ cume reach

Sky Sales

The growth of Sky's advertising business was a key strategic focus in FY24, as we looked to provide innovative solutions for our partners and clients, and succeeded in delivering remarkable results across the year.

With enhanced leadership and increased resource, Sky Sales has recorded a notable 2.7% increase in market share year-on-year, achieving 12.6% for FY24.[1] This success is underscored by a significant 13% increase in revenue for Sky, in a market where linear TV revenue reduced by 13.8%.[2]

Sport gave an impressive start to FY24 revenues with the FIFA Women's World Cup followed by a dream Warriors run in the NRL, leading into the Rugby World Cup.

The return of the Rugby World Cup to Sky in late 2023 was an important opportunity for our advertising team, adding value for customers while also providing revenue opportunities. In addition to advertising revenue, Sky welcomed two new broadcast sponsors, Uber and Temu, working closely with both brands to provide integration opportunities within broadcast. These integrations included product placement in studio with Uber Eats deliveries, as well as branded content initiatives such as 'Uber Rides with Legends' where we interviewed past All Blacks and Black Ferns legends during an Uber ride, driving significant brand alignment with the tournament.

We were thrilled when our partners EssenceMediacom and Uber won two silver awards for 'Best Use of Content' and 'Best Collaboration,' at the annual Beacon Awards which celebrate outstanding media thinking in Aotearoa NZ. This was a resounding endorsement of the campaign and Sky's Uber integration activity through our Rugby World Cup coverage.

This initiative was followed by the launch of advertising on Neon, becoming the first Subscription Video On Demand (SVOD) platform in New Zealand to offer premium digital advertising and partnering with over 50 top-tier brands – you can read more on page 28.

We have continued to expand our offering and commissioned independent analysis from Amplified Intelligence, to complete a study of the effectiveness of Sky's advertising platforms and content offering across both linear TV and streaming platforms. A key objective of the study was to measure the audience attention paid to both our content and advertising across the Sky network. The results have shown that sport is the **highest attention environment** for advertising, reinforcing the high value opportunity for brands to partner with Sky and access unrivalled live sport content.

Continued over page...

Sky's Uber integration activity through our Rugby World Cup coverage included 'Uber Rides with Legends'.

1. FY23 revenue share % and TV market revenue restated as per June 2024 PwC Quarterly Performance Report
2. Includes TV and digital revenue. Excludes RugbyPass revenue in prior periods.

As part of our commitment to provide innovative solutions to our clients we have launched squeezeback advertising in our NRL and Super Rugby Pacific coverage. This is a unique format in this market that allows brands to be displayed in an L-shaped graphic alongside live sport, ensuring audiences can continue to enjoy uninterrupted viewing while simultaneously providing premium brand opportunities for partners. Clients including KFC, One New Zealand and Bunnings have already jumped on board to partner with us.

As part of KFC's sponsorship of Super Rugby Pacific, a unique activation called 'Catch the Colonel' was introduced, with fans at Super Rugby matches racing a digital Colonel displayed on the LED sideline signage, and winners receiving a $500 KFC voucher. This activation resonated with rugby fans across New Zealand – one notable race featured fan Nathan, who initially lost to the Colonel despite a valiant effort in gumboots. The hashtag #JusticeForNathan trended on social media, leading to a rematch where Nathan triumphed and claimed his voucher, demonstrating the engaging nature of our creative partnerships.

Welcoming additional talent to our advertising team has enabled us to create new opportunities for content integration and a new major partnership with Entain, the operator of New Zealand's official sports betting agency TAB, has been established. This partnership includes betting odds incorporated into the pre-game build-up of select sporting events on our platforms, enhancing engagement and excitement for our audience. All integrations are clearly branded as segments produced by the New Zealand TAB and are accompanied by safe gambling precautions and R18 messaging.

Our trade marketing function has also expanded, becoming a critical component of our success with an 'always on' strategy targeting agencies and direct advertisers. This fresh approach has increased Sky's share of voice within the market, and included Sky in the consideration set for agencies and brands seeking advertising partnerships. Our involvement in events such as the Independent Media Agencies New Zealand (IMANZ) networking event, sponsorship of iMedia summit, and becoming a media partner of the Interactive Advertising Bureau (IAB) form part of this strategic focus, putting Sky firmly on the radar for major advertisers.

Sharing fun experiences with the fans.

"We've seen a real step change in the approach from Sky in the last 12 months. The team have done a fantastic job bringing KFC's broadcast sponsorship of Super Rugby to life. The half time 'Catch the Colonel' activations and a live cross to a world first KFC Gravy Train really delivered for us and added some fun for the fans."

Clark Wilson

GM MARKETING,
RESTAURANT BRANDS LIMITED

BUNNINGS SQUEEZBACK ADVERTISING

KFC CATCH THE COLONEL

Sky Broadband

Sky Broadband continues to grow with 36,000 customers nationwide at the end of FY24.

Sharing broadband with a village.

"Partnering with Sky Broadband has been a hugely positive experience for our Summerset Village. The Sky Broadband team made the entire process incredibly easy for us, from technology upgrades right through to service delivery, with our residents now enjoying improved connectivity. We are thrilled with the service provided."

Mark Ryan

VILLAGE MANAGER,
SUMMERSET AT BISHOPSCOURT

Bundling remains an important part of Sky Broadband's proposition, delivering on an experience that is 'made for entertainment' working seamlessly with Sky subscription services.

92% of Sky Broadband customers have a Sky Box, delivering 7% attachment to the Sky TV customer base. When it comes to new Sky Box acquisitions, 24% of these customers are also choosing to use Sky Broadband.

From October 2023, Sky Broadband monthly packages increased by $5.00, as a result of Local Fibre Companies (LFCs) increasing wholesale prices. This was the first price increase in two years, as we ensure the sustainability of our offering in a highly competitive market. Importantly, we have maintained focus on margin and have confidence in the value we are providing our customers with the high quality of service they expect from our award-winning Wi-Fi 6 technology offering.

Adding to Sky Broadband's Canstar Customer's Choice Award, a Consumer New Zealand survey also found that Sky Broadband had the highest level of overall satisfaction and was also the top scorer when it came to speed and reliability. Customer experience is at the heart of Sky Broadband's strategy, making this recognition even more special.

Looking ahead to FY25 and beyond, as we accelerate the rollout of the new Sky experience, our focus is to continue growing the Sky Broadband customer base through bundled offers, as well as exploring new partnership opportunities.

Sky Broadband Partnership with Summerset

In FY24, a key milestone for Sky Broadband was the final stage of the rollout of our partnership with Summerset, providing broadband for 10 retirement villages across the country.

Summerset was faced with outdated technology and needed to upgrade to fibre. Through collaboration with Local Fibre Companies (LFCs), Sky Broadband handled the removal of end-of-life cables and the installation of fibre, becoming Summerset's preferred partner for broadband services.

Requiring a comprehensive approach and ensuring smooth implementation, this collaboration confirmed valuable lessons about the capability of partnerships, and how to operationalise opportunities. Our team was involved in every aspect, from marketing and sales through to installation and delivery to residents within the villages.

Our focus was on making the transition easy for residents to understand with a no-fuss, seamless implementation. Pleasingly 70% of residents across the 10 villages took the opportunity to sign up with Sky Broadband.

This successful partnership serves as a template for future business opportunities, showcasing our ability to execute large-scale projects and deliver exceptional results.

Sharing quiz night cheers.

"Sky's Believe It or Not Quiz has become a weekly highlight at the Morningside Tavern. Every Monday draws in a lively crowd and an excuse to get together with friends. Our patrons love the challenge, and it's been awesome for business. BION has truly kept our community engaged and entertained."

Dave Gunn

MORNINGSIDE TAVERN MANAGER

Sky Business

Partnering with 6000+ commercial clients across the country, Sky Business provides licensed premises, hotels and motels, retirement villages, gyms, sports clubs and other venues access to our superb range of content, bringing New Zealanders together to enjoy sport and entertainment.

During challenging economic conditions, demand for our product grows as a drawcard for attracting patrons, and our content proves to be extremely valuable as people look to enjoy key sporting and entertainment moments for the price of a pint or a meal, a gym workout or as part of a night's stay.

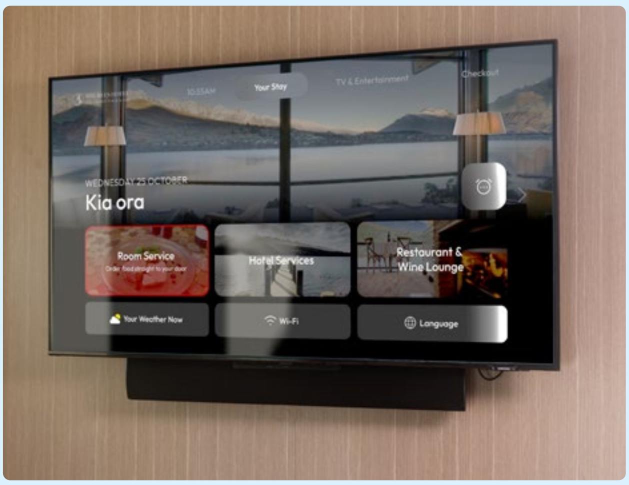
In FY24 Sky Business embarked on a strategy to upgrade and enhance our customer offering, creating new opportunities for them to showcase Sky's content to their guests and patrons.

This has particularly been the case in the accommodation sector where Sky's market share of hotel and motel rooms in New Zealand held steady in FY24. 90% of Sky's hotel and motel rooms are now fully digital, delivering a better experience for guests, and our most recent innovation – the launch of our premium accommodation 'compendium' solution – has got off to a great start, with 23 major hotels now offering this service through exclusive partnership. This provides a total in-room solution, combining on-screen access to services such as guest information, ordering and check-out alongside seamless access to Sky channels and secure casting capabilities.

Our increased digital presence and recent product innovations mean our unrivalled content is part of a more compelling solution for our accommodation sector customers. Adding to this, our recent Samsung reseller partnership offers additional appeal throughout our wider customer base, with each new service reducing the likelihood of churn while delivering a positive impact on revenue.

Looking ahead to FY25, Sky Business will continue to leverage our investment in the new Sky Box and Sky Pod, offering further improvements to digital services and showcasing the new Sky experience to a wider audience in rooms and venues throughout New Zealand.

Sky's quiz events company, Believe it or Not (BION), continues to grow with an average of 250 quiz events held every week, across the country with average weekly attendance of 24,000 people. BION provides a great excuse for friends and colleagues to meet up for some fun while also filling an otherwise quieter night at hospitality venues throughout New Zealand. As a post-script, Sky welcomed TV personality and BION brand ambassador Shaun Wallace back to New Zealand in July 2024, where he held five major BION charity quiz events across the country, raising money for various charities and surprising patrons at one of our BION venues with a memorable guest appearance.



The launch of Sky's 'compendium' solution has got off to a great start, with 23 major hotels now offering this service through exclusive partnership.

Sustainability at Sky

The bedrock of our strategy at Sky, and what we call our 'Enduring Commitment', is to be a responsible and sustainably profitable, Aotearoa-focused business.

This commitment underpins our approach to Environmental, Social and Governance topics – whether it's playing our part in the community or for the environment, championing the use of te reo Māori or helping young women and girls to 'see their possible' in sport and broadcasting.

We have been working to develop a **Sustainability Framework** that captures the Environmental, Social and Governance (ESG) matters that are most important and relevant to Rangiata, Sky and our stakeholders. The process has involved engaging with internal and external stakeholders to identify and prioritise the Material Factors that are most important for Sky. The outcomes of the prioritisation work will guide our future plans to ensure our sustainability efforts are focused on the areas where we can make a meaningful impact.

We are grateful for the high level of engagement from stakeholders in this process, and look forward to sharing the results as part of the Climate-Related Disclosure report that Sky is publishing later this year.

The core themes are shown on the next page.

In the following section we share a snapshot of Sky's work as a responsible, Aotearoa-focused business, with an emphasis on our Social and Environmental impacts (noting the Corporate Governance Statement on page 47 provides detail on our Governance commitments and policies).

Many of these initiatives are championed by Sky crew, and will continue to be built upon as Sky's sustainability journey continues.

Sustainability at Sky: what matters most

Environmental

MATERIAL FACTOR	OUR ASPIRATION
Environmental impact	**We care about the environment** Taking action to manage and reduce our environmental impact and reporting responsibly.
Environmental advocacy	**We advocate for a sustainable future** Raising awareness and positive action towards environmentally sustainable outcomes.
Responsible consumption	**We use resources wisely** Sourcing and using resources responsibly through efficient consumption choices and limiting our impact by reducing waste.

Social

MATERIAL FACTOR	OUR ASPIRATION
Affirming our commitment to te ao Māori (a Māori world view)	**We value our place in Aotearoa NZ** Our enduring commitment to Aotearoa NZ means that we're proud to be normalising te reo Māori (the Māori Language) in our content, products and experiences.
Cultural contribution	**We reflect the diverse communities of Aotearoa NZ** Ensuring our programming, production and talent reflect the diversity of our audiences and the peoples and cultures of Aotearoa NZ.
Social Impact and giving back	**We use our platform and our voice for good** Championing and supporting vibrant local sports and creative sectors within Aotearoa NZ. Sharing the moments that contribute to building community and connection. Supporting positive societal outcomes.
Passionate and responsible broadcaster	**We value our audience's trust** Caring for our audience and championing excellence in our craft. Taking responsibility to ensure the quality and accuracy of our content and productions. Upholding industry standards and enabling fair and equitable access.
Diversity, equity and inclusion	**We value the individual** Providing an inclusive working environment that encourages and values diversity and reflects the communities we serve. Developing and nurturing talent and empowering our people to be their authentic best selves.
Safety and wellbeing	**We care for our team** Providing a supportive and effective work place that safeguards employees from harm. Valuing crew wellbeing and creating an environment where all can thrive.

Governance

MATERIAL FACTOR	OUR ASPIRATION
Corporate governance and business ethics	**We ensure effective governance practice** Valuing and upholding ethical standards and striving to ensure governance policies and operational practices safeguard stakeholder interests.
Data privacy and integrity	**We protect stakeholder data** Respecting the trust our customers place in us and vigilantly protecting their information and privacy.
Responsible and principled procurement	**We source responsibly** Striving to ensure procurement practices are socially, economically and environmentally responsible, and acting ethically and fairly in business partnerships.

Environmental impact

Sky's environmental footprint and climate disclosure reporting

In FY23 Sky began tracking greenhouse gas (GHG) emissions to capture Scope 1, Scope 2 and selected Scope 3 emissions (including some non-mandatory) within our value chain. This formed our initial base-line inventory which was certified by Toitū Envirocare in accordance with ISO 14064-1, and confirmed Sky's accreditation as a Toitū carbonreduce certified organisation.

Sky is a climate-reporting entity (CRE) under the Financial Markets Conduct Act 2013. As such, from FY24 Sky is required to report against the Aotearoa New Zealand Climate Standards published by the External Reporting Board in December 2022.

During the year our efforts have focused on preparing for Sky's first disclosure under the new standards. This has included expanding the capture of additional Scope 3 emissions sources within our value chain. As an extension of this work we are exploring emissions reduction opportunities within our business and have a process in place to review emissions targets, including longer term targets. We are using the Science Based Target initiative's (SBTi's) tools to assess our emissions reduction pathways, although we are not currently seeking formal SBTi validation.

In preparing for our initial climate disclosure we have also completed scenario analysis to understand the plausible physical and transitional risks and opportunities for our business that may result from climate change.

Where appropriate, we have engaged expert support to assist us on this journey and we will communicate the results of this work in our first Climate Disclosure Statement. Sky is relying on the Financial Markets Conduct (Requirement to Include Climate Statements in Annual Report) Exemption Notice 2023[1] , with our first initial Climate Disclosure Statement due to be published by 31 October 2024. This will be available on Sky's website: www.sky.co.nz/investor-centre/results-and-reports.

Promoting climate awareness

We recognise Sky has a unique opportunity to share stories that inform, raise awareness and inspire positive outcomes – including stories that connect our audiences with the natural environment.

This year, we were pleased to support locally-based production company, NHNZ Worldwide, to share an epic new series: *Dynamic Planet* with Sky audiences across Sky Box, Neon and free-to-air on Sky Open. Filmed over three years, Dynamic Planet travels to the extremes on all seven continents to meet an extraordinary group of people and animals living and working on the front line of climate change, revealing how science, nature and tradition can prepare us for the future.

The series shines a light on animals' changing behaviour as they adapt to a warming world and explores cutting-edge science seeking solutions as local conservationists and indigenous leaders look to tackle the challenges presented by climate change impacts.

The expansion of our BBC partnership means that Sky audiences can continue to access world-class factual shows from some of the most inspiring and passionate experts in the world on BBC Earth including, David Attenborough's acclaimed *Planet Earth* and *Blue Planet* series. And for our younger viewers, BBC's CBeebies show *Ranger Hamza's Eco Quest* explores nature's wonders and the important role these play in our environment.

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

Social Impact

Affirming our commitment to te ao Māori

FY24 marked the first year of Rangiata, Sky's inaugural strategy Kia Rere to showcase national pride and identity through Māori leadership and the accurate and appropriate use of te reo Māori (the Māori language) and tikanga Māori (practices and values).

Kia Rere, meaning 'to fly' or 'take flight', is a commitment to promoting meaningful, authentic relationships with Māori and producing content that reflects the stories of our audiences and customers.

In FY24:

- We offered te reo Māori commentary on All Blacks matches during the Rugby World Cup, with 71,000 viewers tuning in on Sky Sport and 25,000 people streaming on Sky Go and Sky Sport Now.
- In another first, our coverage of the 2024 NRL All Stars matches between Indigenous and Māori men's and women's teams included bilingual commentary.
- We deepened our commitment through a collaborative partnership with Whakaata Māori (Māori Television) to normalise te reo, tikanga and Māori leadership on air. This partnership included sharing the broadcast of two Māori All Blacks v Japan XV rugby matches in June and July, with a shared te reo commentary team. By broadcasting the matches on Whakaata Māori, we made these important events accessible to new audiences.
- We also partnered with Te Māngai Pāho for the national Matariki commemoration broadcasts, reaching nearly 130,000 viewers.

Internally:

- We invested in a second year of the Te Kaa Māori cultural training programme for leaders across Sky, delivered by our partners Maurea Consulting, to support our people to deepen their understanding of te ao Māori and their cultural competency.
- Tikanga Māori was woven into our Customer Service Experience training modules with a core focus on principles of Manaakitanga (caring for others), Whanaungatanga (strengthening relationships) and Kotahitanga (acting in unison).
- We hosted Te Tiriti o Waitangi workshops in partnership with Maurea Consulting, to build greater understanding of the history and connection to Aotearoa NZ.

One key initiative of Kia Rere has been Kuaka, Sky's indigenous culture programme delivered by our partners, Indigenous Growth Limited. Kuaka takes participants on an immersive multi-day experience over a number of months to unlock and enhance their leadership potential. The programme is purposefully delivered through a te ao Māori (Māori worldview) lens that has resonated strongly.

Our goal is for our team at Rangiata Sky to reflect the diversity of Aotearoa NZ and in particular Māori, as part of our Kia Rere Strategy.

Rangiata, Sky honoured to receive Māori Language Award

It was an honour to be acknowledged for the way in which we are implementing and embedding te reo Māori into our workplace, with Sky receiving the Pakihi (Business) Award at the 2024 Ngā Tohu Reo Māori (Māori Language Awards). The Award recognised our efforts to integrate te reo Māori into our operations, products, and services, contributing to the normalisation of the language in the commercial sector.

Encouraging Inclusion

Sky's enthusiastic Inclusion Team is a group of dedicated Sky employees who champion diversity within Sky to nurture inclusivity in the workplace. Key annual activities are centred around four themes of Pride, te ao Māori, Women In Sport and Pasifika. Each series of events draws the team together in a way that is consistent with our purpose – to share stories, to share possibilities, to share joy – and to celebrate and learn more about the richness of diversity within Sky.

The Inclusion Team also encourages and empowers others to take the lead in promoting Sky's inclusive culture and expand visibility across the business. In FY24 this included crew-led Eid, Diwali, Pink Shirt Day, Tongan and Samoan Language Week events.

Sharing my voice.

"Before my Kuaka journey, I had no idea what Ko Au (me) was. The course pushed me beyond my comfort zone, and I have grown personally and professionally, finding my voice in meetings and embracing my cultural identity at work. Thank you, Sky for bringing te reo into my workplace and making it a norm."

Tisera Lelaulu

SKY KUAKA LEVEL 3 GRADUATE,
LEAD SAMOAN LANGUAGE WEEK

See Your Possible

Our commitment to helping girls and women to 'See Your Possible' in sport and broadcasting was reinforced with a superb year of women's sport on Sky in FY24. The FIFA Women's World Cup was watched by a phenomenal 2.2 million New Zealanders (across Sky and free-to-air on Sky Open), showcasing the best women football players from around the world, with key events like the Netball World Cup and rugby's WXV 1 tournament sitting alongside our full regular schedule of women's sport.

See Your Possible is also about showcasing the roles of women in sport broadcasting, and we have a formidable team of women on-air at Sky including Kirstie Stanway, Laura McGoldrick, Rikki Swannell, Kimberlee Downs, Storm Purvis, Courtney Tairi, Honey Hireme-Smiler, Ravinder Hunia, Taylah Johnson, Anna Wilcox, Taylor Curtis, Anna Stanley and Adine Wilson.

Our studio show *The Women's Game* had its first full season in 2024, with an almost entirely female crew, led by producer Ravinder Hunia and hosted by Laura McGoldrick. It delivers important conversations about women's sport, sharing experiences from the perspective of athletes, coaches and administrators. It has attracted support from sponsor 2degrees, who share our passion for this kaupapa (principle or philosophy).

Using our platform to tell women's stories in sport, our documentary *Game Changers* gave aspiring female rugby coaches a voice, showing audiences the barriers they have overcome for equity in the rugby coaching profession.

Increasing the amount of media coverage about female athletes and competitions is another way to encourage New Zealanders to See The Possible in women's sport, and we were pleased to extend our support for the excellent work of the **LockerRoom** platform again this year.

Commercial innovation and our desire to drive an equitable playing field and achieve stronger commercial outcomes for women's sport is part of our commitment to See Your Possible. In support of this, in FY24 we were pleased to be part of a raft of changes to Tauihi Basketball Aotearoa, as part of our involvement in the league as Commercial Partner and Broadcaster. This included increasing player wages and opening up the opportunity for international teams and players to join the league. We are thrilled to support the growth of the women's basketball game in Aotearoa NZ in a way that aligns with our mission to support girls and women across a range of sport.

Passionate and Responsible Broadcaster

We take our role as a trusted broadcaster very seriously, and we are privileged to be able to make a positive impact on our communities by reflecting the people and cultures we represent.

Broadcasting Standards

We are committed to upholding New Zealand broadcasting standards, including under the Broadcasting Standard Authority's (BSA) Code of Broadcasting Standards (for our Pay TV and free-to-air content), and the codes for Commercial Video On Demand (CVOD) for Neon).

In the 2024 financial year:

- We took such care to meet Broadcasting Standards that there were only seven complaints to the BSA across all of Sky's content, none of which were upheld. For context, the BSA received 169 complaints in its last reported year about all New Zealand broadcasters.
- We made significant efforts to achieve full compliance with the new CVOD regime, which we achieved ahead of schedule in December 2023. No complaints were made to the Office of Film and Literature Classification for Neon.

Increasing accessibility

We acknowledge the increasing number of New Zealanders who use captions and audio descriptions to aid their enjoyment of content, and are committed to an ongoing process of improving our accessibility options.

We have made a major push on our Neon service this year, reaching 55% of content captioned (an increase of 22% in the year), and will continue to work to increase this level, with an emphasis on our most-popular content. Closed captions are also available on selected on-demand content on the new Sky Box and Sky Pod.

Captioning is available on 40 of our popular channels on Sky, including BBC UKTV, Discovery and Nickelodeon as well as the free-to-air channels that we carry, and we offer live sport captions on some high priority sport events.

Through our valued partnership with Able, and with support from NZ On Air, we deliver around 50-60 hours of captioned content each week on Sky Open. We were pleased to provide captions on key content for the Paris Olympics, including the opening and closing ceremonies, daily highlights, and a selection of live and delayed coverage.

Reflecting the people and cultures we represent

Reflecting our audiences through our broadcasting platform and within our workforce presents a significant opportunity to fulfil our role as a responsible business.

We are proud to have world-class and globally-recognised presenters and commentators here in Aotearoa New Zealand who enable Kiwis to see and hear local role models that can inspire.

The stories we tell through our Sky Sport Productions, as well as those commissioned by our Sky Originals commissioning team (and supported by NZ on Air), showcase a range of diverse Kiwi voices and experiences.

Caring for the craft

Sky's Audio Engineering team recently passed the one-year milestone on an idea that had its beginnings back in 2022. It started with the team wanting to contribute to their profession by sharing their skills with a new generation of students. They identified an opportunity to encourage students studying with New Zealand's School of Audio Engineering Creative Media Institute (SAE) to include media and broadcast as a study component.

As a result, over the past year 12 SAE students have had the opportunity to gain experience at Sky's Mt Wellington broadcast facility, providing real world 'on the tools' work experience and the opportunity for coaching and feedback from Sky's team of audio engineers. Students work in pairs one day a week over a six-week block in an immersive learning environment covering post-production studio operations and the processes to create a broadcast sound mix as well as opportunities to sit in on live broadcasts at Sky's studio facilities.

The initiative has been a resounding win-win: the students found the experience extremely valuable, with two graduates going on to work professionally for Sky, and it was highly rewarding for the Sky team, who have agreed to extend the partnership to FY25.

Sky for Good

Sky supports a range of charitable initiatives aligned with our purpose and values to enhance the lives of New Zealanders in need. Our long-term relationships with some of these organisations include:

- **Starship:** New Zealand's first hospital built exclusively for children and young people, where Sky has been a sponsor since 2001. Our support includes providing free access to Sky content in all Starship bedrooms and giving the Starship Foundation airtime on our platforms for its campaigns.
- **Special Children's Christmas Parties:** These events, held throughout the country, involve nearly 10,000 Kiwi children with special needs or challenging life or health circumstances each year. Sky has been a sponsor since 2002, providing financial support and on-the-ground volunteer help from our crew at the charity's party events.
- **Te Wao Nui Child Health Service and Hospital (Wellington Children's Hospital):** A leading hospital dedicated to the health and well-being of children and young people. Our relationship started in August 2022, and like our agreement with Starship, we provide free access to Sky content in hospital bedrooms.
- **Halberg Foundation:** Sky has proudly supported the Halberg Foundation over many years. The ISPS Handa Halberg Awards, the country's preeminent event to honour and celebrate New Zealand sporting excellence, is broadcast on Sky and Sky Open. We sponsor the Sky Sport Emerging Talent award as well as delivering the event to New Zealanders right across the country. The Awards are the major fundraising event for the Halberg Foundation, which aims to enhance the lives of young physically disabled New Zealanders by enabling them to participate in sport and recreation.

We also use our platform and our story-telling skills to bring communities together and to inspire New Zealanders, with one special example in FY24 being:

- **We The South — Manukau Rovers:** A Sky-produced documentary that tells the story of the Manukau Rovers, a Mangere rugby club. A story of passion, sacrifice, and community recovery post-COVID. Sky for Good supported a special premiere screening at the Mangere Arts Centre as an opportunity to bring the community together to celebrate its achievements and give back to the people who had shared their story of hope.

Board of Directors

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6.


1. Philip Bowman
Independent Chairman

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

4. Keith Smith
Independent Director

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

2. Dame Joan Withers
Independent Director

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

5. Belinda Rowe
Independent Director

Belinda was appointed to the board in March 2023. She has held Global C Level business leadership roles in marketing, communications, digital and media, including with Publicis Media, Zenith, Mojo and O2 Telefonica. Belinda also successfully led the creation of a compelling content marketing and sport sponsorship practice across 32 markets. Belinda's governance experience includes current non-executive director roles at ASX-listed Australian media company ARN Media Ltd, Temple & Webster Group and 3P Learning Ltd. She is also on the board of AFL club, Sydney Swans.

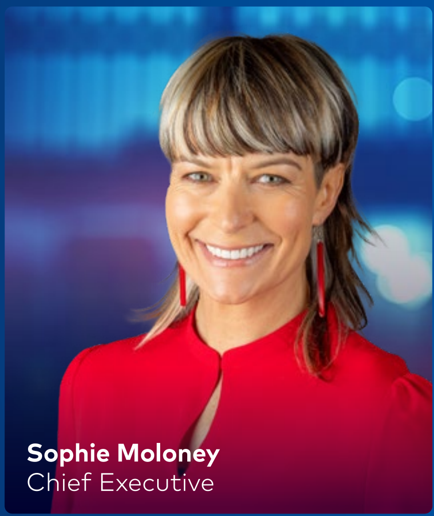
3. Mike Darcey
Independent Director

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

6. Mark Buckman
Independent Director

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

Leadership Team



Sophie Moloney
Chief Executive

Ciara McGuigan
Chief Financial Officer

Jonny Errington
Chief Content &
Commercial Officer

Daniel Kelly
Chief Customer Officer

Lauren Quaintance
Chief Media & Data Officer

Chris Major
Chief Corporate Affairs Officer

Antony Welton
Chief Operations &
People Officer

Corporate Governance Statement

Corporate Governance Statement

The following disclosures and compliance statements are provided in accordance with the NZX Corporate Governance Code (dated 1 April 2023) (NZX Code). This corporate governance statement is current as at 24 August 2024, 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 changed its ASX admission category from a standard ASX Listing to an ASX Foreign Exempt Listing with effect from 19 July 2024. The change means that Sky is primarily regulated by its home exchange, the NZX, and is exempt from complying with most of the ASX's Listing Rules. Sky continues to have a full listing on the NZX Main Board and to be listed on the ASX. The change in admission category delivers a reduction in compliance related costs and procedural efficiencies and does not affect shareholders' ability to trade their shares on the ASX.

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 2024 financial year.

1. A culture of acting lawfully, ethically and responsibly

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

Statement of Values

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

Code of Ethics

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

The Code of Ethics applies to Sky's directors, senior executives, employees and other persons 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 Sky Board of Directors if the Chief Financial Officer or Chief Executive are potentially implicated), and any material breaches will be notified to the Board. No breaches were notified in FY24.

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

Sky is in the process of designing a Conduct and Ethics framework, with input from internal stakeholders to clearly set out the expectations regarding behaviours of its people and stakeholders throughout the business. Sky anticipates that this framework will be adopted during the course of FY25. Sky's Code of Ethics will be updated where necessary to reflect this framework and Sky will provide training sessions for all employees on the new framework and revised Code of Ethics.

Whistleblowing/Protected Disclosures

Sky's Protected Disclosures Policy (or Whistleblower Policy) provides a process for staff and any other persons to report any serious wrongdoing and gives protection to the person making the disclosure in accordance with the policy. The policy outlines types of behaviour that may be considered serious wrongdoing, when and how a person can make a disclosure and how they are protected. This includes access to an independent third party, qualified to provide comprehensive advice and access to support. No allegations were made in FY24.

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

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

Securities Trading

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

Additional restrictions apply to key management personnel who are prohibited from trading during prohibited periods (other than in exceptional circumstances) and must at all times (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 introduced an Anti-Bribery and Corruption Policy during the 2022 financial year to specifically set the minimum standards of conduct expected of Sky (including its directors, senior managers, employees, contractors and consultants or any other person who represents Sky or is engaged to carry out work for Sky and its subsidiaries) to ensure Sky complies with all relevant anti-bribery and corruption legislation in all jurisdictions in which it operates or has dealings. This policy builds on the existing strong framework established through Sky's Code of Ethics to reinforce Sky's standards, including appropriate controls around offering and accepting gifts or entertainment.

Breaches of the Anti-Bribery and Corruption Policy must be reported to the Chief Executive, and the Board will be informed of any material incidents of bribery or corruption. No breaches of the Anti-Bribery and Corruption Policy were reported during the 2024 financial year.

Modern Slavery

Sky filed its third Modern Slavery Statement covering the period 1 July 2022 to 30 June 2023 with the Australian Border Force (under the Modern Slavery Act 2018 (Australia)), with the next filing due by 31 December 2024.

Throughout the 2024 financial year, Sky has continued to strengthen its efforts to reduce the risk of modern slavery practices across the Group's operations and supply chain. This has been achieved by proactively identifying and managing suppliers identified as being potential risks. In particular, Sky has further integrated the Supplier Code of Conduct into its procurement process, has deployed an enhanced Supplier Risk Assessment and upgraded its supplier data, affirming Sky's commitment to ethical, responsible and sustainable business conduct.

The next steps in this work will be to further engage with key suppliers to ascertain their ability to assess and address their modern slavery risks. All learnings from this process will be incorporated into Sky's Procurement Policy, processes and supplier management practices.

During the 2024 financial year, Sky provided enterprise-wide staff Procurement Training utilising the new Human Resources Information Portal (ELMO).

Sky is monitoring the progression of New Zealand's modern slavery legislation and remains committed to aligning its practices with any new regulatory requirements that may arise.

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 2024, the Board consisted of six directors whose relevant skills, experience and expertise are outlined in their biographies on page 45.

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 generally.

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 2024 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 or not to elect or re-elect the director is provided to shareholders. Written agreements are in place with each Board member and senior executive setting out the terms of their appointment.

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

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

Sky ensures that a majority of its Board are independent directors and that the role of Chair of the Board and Chief Executive are separate. At 30 June 2024 all of the directors of Sky were independent directors, having regard to the factors in NZX Recommendation 2.4 (none of which apply to the directors of Sky). The Chair of Sky's Board is Philip Bowman, an independent director (and is not the Chief Executive of Sky).

Delegations

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

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

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

Meetings

The Board has regularly scheduled meetings and also meets when a matter of particular significance arises. During the year between 1 July 2023 and 30 June 2024, there were 11 Board meetings. Attendance was as follows:

	Board meetings held while a director	Attendance at Board meetings
Philip Bowman	11	11
Keith Smith	11	11
Mike Darcey	11	11
Dame Joan Withers	11	11
Mark Buckman	11	11
Belinda Rowe	11	11

Role of the Board

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

Various information reports are sent to the Board in order to keep them informed about Sky's business including reports during the financial year ended 30 June 2024 on the effectiveness of the management of material legal and business risks. Directors also receive operating and financial reports, and have access to senior management at Board and committee meetings.

Directors Skills and Experience

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

● Primary skills ○ Secondary skills

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

Board Performance

Board performance, including the performance of Board committees and individual directors, is reviewed and evaluated periodically and as the need arises in accordance with the process set out in the Board Charter. A formal evaluation exercise was initiated during the 2024 financial year.

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. The components of Sky's STI and LTI scheme consider in the first instance a participation gateway regarding Health and Safety performance.

Assessment criteria for the STI and LTI are set out in the Remuneration section on pages 54-58. A formal evaluation of senior executive performance for the 2024 financial year has been undertaken following the completion of that period.

Company Secretary

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

Independent Advice

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

Diversity

Sky recognises diversity and inclusion as a strategic asset for Sky's current and future success. Sky values diversity of gender, age, ethnic and cultural background, sexuality, experience and beliefs. Sky's Board and management believe that an organisation that reflects the diversity of its current and future customers will be able to deliver better, more personalised customer experiences, and customer 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 annually. Sky believes that a diverse workforce supports an inclusive culture. This starts with inclusive recruitment practices including the way we advertise.

The Board acknowledges the importance of diversity both on boards and within companies, and as noted in Sky's Board Charter. This is one of the characteristics that is considered when evaluating new director candidates. As at 30 June 2024, Sky's Board has two female directors and four male directors.

Sky's officers (being a person who is concerned or takes part in the management of Sky and reports to the Board, or to a person who reports to the Board) includes four female officers and three male officers. The appointment of an additional female officer was announced in June 2024, with this person due to commence employment with Sky during the 2025 financial year. The officers include the Chief Executive and the members of Sky's Executive Leadership team who report directly to the Chief Executive.

Sky's diversity metrics include gender balanced leadership. Under Sky's Champions for Change partnership, Sky is committed to our measurable objectives in this area of 40% men, 40% women and 20% of either gender in our senior leadership cohort. Sky achieved these targets in FY24 with 53% female senior leaders and 47% male senior leaders.

As set out on page 39, Sky has committed to embedding the principles of te ao Māori into everyday life at Sky. In addition to this commitment, Sky has focused on three inclusion priorities of Gender Balance, Pasifika and Pride in FY24.

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 has fostered an authentic approach to Māori & Pasifika employee impact through the Kuaka leadership development programme, and by making indigenous cultures more visible to all crew through company-wide events and communication.

Sky's approach to workplace inclusion ensures appropriate enablement mechanisms are in place for all crew to demonstrate leadership that celebrates diversity and strengthens unity. Sky is a Pride Pledge Gold supporter and has undertaken employee education and awareness raising activities throughout FY24.

The chart below represents Sky's gender and age diversification as at 30 June 2024:

2024	Board Level	Officers[1]	All staff
Women	2	4	282
Men	4	3	392
Gender diverse	0	0	4
Prefer not to say	0	0	4
Total number	6	7	682
Over 45	100%	100%	41%
2023	**Board Level**	**Officers[1]**	**All staff**
Women	2	4	290
Men	4	4	372
Gender diverse	0	0	1
Prefer not to say	0	0	8
Total number	6	8	671
Over 45	100%	100%	41%

(1) For the purpose of Recommendation 1.5(c)(3) of the ASX Corporate Governance Principles and Recommendations (4th edition), "senior executives" has the same meaning as the "officers" referred to in the chart above as defined under the NZX Listing Rules.

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

Age	2024	2023
<30	13%	13%
30 – 39	26%	30%
40 – 49	33%	32%
50 – 59	21%	20%
60 – 69	6%	4%
>70	1%	1%

3. Board committees

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

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

Audit and Risk Committee

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

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

As at 30 June 2024, the members of the Committee, who are independent directors, are Keith Smith (ARC Chair, Board Deputy Chair), Philip Bowman (Board Chair), and Dame Joan Withers. There are no non-independent committee members.

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

People and Performance Committee

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

The current members, 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. The current members, who are independent directors, are Philip Bowman (CRC Chair, Board Chair), Keith Smith (Board Deputy Chair), and Mike Darcey. There are no non-independent committee members.

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

Disclosure Committee

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

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

Ad-hoc Committees

The Board established a number of ad-hoc committees during the 2024 financial year to assist the Board in fulfilling its responsibilities in relation to specific matters. Each such committee was 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.

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 2024 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
Mike Darcey[1]	3	3
Belinda Rowe[2]	3	3
Content Rights Committee		
Philip Bowman (Chair)	4	4
Keith Smith	4	4
Mike Darcey	4	4

(1) Mike Darcey retired from the People and Performance Committee on 1 December 2023.
(2) Belinda Rowe was appointed to the People and Performance Committee on 1 December 2023.

Takeover Protocol

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

4. Reporting and disclosure

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

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

Financial Reporting

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

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

Directors, Chair and Board Committees' Confirmation of Financial Statements

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

Continuous Disclosure

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

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

Sky has a Continuous Disclosure Policy that is available on Sky's website. The policy sets out Sky's responsibilities in relation to its continuous disclosure obligations under the NZX and ASX 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 an innovative employer, presenting fair, market comparable and inclusive remuneration strategies to ensure the strongest talent is attracted to, remains with and is committed to the performance of the business.

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

Stakeholder views and interests were considered in the design of Sky's remuneration framework to ensure an appropriate focus on performance supports the delivery of Sky's business strategy. This is achieved through targeting the delivery of commercial results with the main drivers of company performance 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 and performance strategy and policies, including remuneration.

The Board approves Sky's Remuneration Policy and all components of remuneration, including director fees, fixed remuneration, the quantum and terms of short term incentives (STI) and the quantum and terms of any long term incentives (LTI).

Fixed Remuneration

Fixed remuneration includes base salary and KiwiSaver. The salary component of fixed remuneration is reviewed on an annual basis against market benchmarks while benefits are reviewed as appropriate. Executive fixed remuneration is reviewed annually and tested against relevant independent external benchmark data, with any increases approved by the PPC and the Board.

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 on offer include:

- Paid parental leave of 3 months at full pay or 6 months at half pay with KiwiSaver contributions included.
- Family support beyond parenting, including flexible working arrangements above the legislative requirements and leave associated with intergenerational family units to care for in the home.
- The ability to give back to the community with a volunteer day.
- Gender affirmation leave and support.
- Free and discounted Sky services.
- Discounted wellbeing services, including gym membership.

Short Term Incentive Plan

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

The STI framework and specific metrics 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 values or risk appetite.

The entitlement percentage for the FY24 period was set at 50% of base salary for the Chief Executive and 35% of base salary for other executives. Other eligible staff are entitled to 15% of base salary. The STI measures for FY24 were divided between Financial Performance, accounting for 55% of the award and non-financial, lead indicators. The measures used were: Total Revenue, EBITDA, Content (content costs as a percentage of revenue), Employee Engagement, Customer Experience (3 month rolling average NPS), Advertising (advertising diversification rating).

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

Short Term Incentive (STI) achievement FY24

Measure	Target	Weighting	Achievement	Overall Performance
Financial				
Revenue	$787.1m	15%	95%	
EBITDA	$160m	25%	83%	
Content Costs as % of Revenue	51.1%	15%	100%	
Non-financial				112.6%
Employee Engagement	+6pp	15%	150%	
Customer Experience	+4pp	20%	150%	
Advertising	+13%	10%	100%	

Long Term Incentive Plan

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

The plan is structured as a performance rights plan with a three-year vesting period to September 2026, with service rights conditions. The performance conditions are set by the Board, having regard to Sky's medium and longer-term performance objectives with key measures being:

- 50% based on Absolute Total Shareholder Return CAGR performance of greater or equal to 12.9% per annum to achieve 100% vesting with proportional straight-line vesting from 50% at performance of greater or equal to 11.9% per annum.
- 50% based on Relative Total Shareholder Return CAGR performance of greater or equal to 75th percentile 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.

Sky Executive Key Management Personnel 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	At Risk	
Fixed Annual Remuneration (FAR)	**Short Term Incentives (STI)**	**Long Term Incentives (LTI)**
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.	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.	Performance conditions will be set by the Board and linked to total shareholder returns and relative shareholder return.
Remuneration will be delivered as		
Base salary plus any allowances (includes Superannuation or equivalent).	Paid, as cash, on completion of the relevant performance period. Deferral of a portion of the STI into equity (performance rights) will be considered.	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.

Total Annual Remuneration (TAR) or Total Target Remuneration (TTR)

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

Chief Executive Remuneration

Sky has a People & Performance Committee (PPC) comprised of 3 independent directors. Management attends PPC meetings by invitation. The PPC is responsible for reviewing and recommending Chief Executive remuneration to Sky's Board annually. In FY24, the PPC sought external and independent advice, including benchmark data, from Crichton & Associates on the Chief Executive's remuneration.

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

The Chief Executive's remuneration includes fixed remuneration of base salary plus KiwiSaver. In the context of the introduction of a Long Term Incentive plan, the Chief Executive's fixed remuneration was unchanged in FY24. The variable benefits in the Chief Executive's remuneration are a Short Term Incentive (STI) plan and Long Term Incentive (LTI) plan. The STI is set at 50% of base salary. The LTI plan was introduced in FY24, after consideration of the external advice sought. The LTI is structured as a performance rights plan with a three-year vesting period with service rights conditions. The Chief Executive's maximum potential earnings from the LTI is 50% of base salary per annum.

The Chief Executive's remuneration for the role in each financial year since taking up the position on 1 December 2020[1] is set out in the table below:

$	2024	2023[2]	2022	2021[4]
Base salary[3]	970,424	969,423	932,500	544,000
STI	182,785	293,737	330,568	236,000
Total remuneration	**1,153,209**	**1,263,160**	**1,263,068**	**780,000**

(1) Amounts shown are the actual paid during the period.
(2) Sky's 2023 Annual Report included STI on the basis of the amount 'earned', this has been restated to show the amount 'paid' during the period.
(3) In FY24 the Chief Executive's base salary was $970,000 per annum. Other benefits paid to the CEO were as follows: FY24 KiwiSaver employer contribution: $34,596 (FY23: $37,895, FY22: $38,978, $FY21 $22,532).
(4) FY21 remuneration includes 6 months tenure in the CEO position.

The Chief Executive has a significant portion of remuneration 'at risk' and linked to performance. For the financial year ended 30 June 2024 the Chief Executive's STI was awarded at 50% of base salary, which will be paid during FY25. Under the 2024 LTI plan the Chief Executive was granted 198,329 share rights on 20th October 2023, based on the value weighted average price calculated from 24 August to 6 September 2023. This represents 50% of the Chief Executive's base salary, subject to achievement of agreed performance measures and a vesting period, as set out on page 55.

Pay Equity and Diversity

Sky has committed to paying all employees the living wage or more. At 30 June 2024 all permanent Sky employees were paid the living wage or more.

Median Pay Gap

The median pay gap indicates the number of times greater the Chief Executive's remuneration is to an employee paid at the median of all Sky employees. At 30 June 2024 the Chief Executive's base salary of $970,000 (on an annualised basis) was 10.6 times that of the median employee at $91.700. On a total earnings basis, including STI Earned, the median pay gap was 12 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 2024 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 2024, including severance and STI payments.

The table does not include amounts paid post 30 June 2024 that relate to the 2024 financial year, such as STI bonuses.

Remuneration Range ($)	Number of employees
100,000 – 110,000	44
110,001 – 120,000	40
120,001 – 130,000	37
130,001 – 140,000	35
140,001 – 150,000	20
150,001 – 160,000	34
160,001 – 170,000	16
170,001 – 180,000	7
180,001 – 190,000	7
190,001 – 200,000	6
200,001 – 210,000	4
210,001 – 220,000	6
220,001 – 230,000	2
230,001 – 240,000	2
240,001 – 250,000	4
250,001 – 260,000	6
260,001 – 270,000	4
280,001 – 290,000	3
290,001 – 300,000	2
300,001 – 310,000	2
320,001 – 330,000	3
330,001 – 340,000	1
340,001 – 350,000	1
400,001 – 410,000	1
430,001 – 440,000	1
440,001 – 450,000	1
450,001 – 460,000	1
460,001 – 470,000	1
560,001 – 570,000	1
1,150,001 – 1,160,000	1
Total	**293**

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 $950,000 per annum since it was last approved by shareholders in October 2015.

Annual Fee Structure ($)	Year ended 30 June 2024	Year ended 30 June 2023
Board fees		
Board Chair	$220,500	$210,000
Deputy Chair	$143,325	$136,500
Independent Director	$110,250	$105,000
Board Committee Fees		
Audit and Risk Committee		
Chair	$20,000	$20,000
Member	$12,000	$12,000
People and Performance Committee		
Chair	$12,000	$12,000
Member	$8,000	$8,000
Content Rights Committee		
Member	$5,000	$5 000

Fees paid to Sky Directors in the year ended 30 June 2024 are set out in the table below:

Name	Board Fees	Audit and Risk Committee	People and Performance Committee	Content Rights Committee	Total Remuneration
Philip Bowman (Chair)[1]	220,500	-	-	5,000	225,500
Keith Smith (Deputy Chair)	143,325	20,000	-	5,000	168,325
Mike Darcey[2]	110,250	-	3,333	5,000	118,583
Dame Joan Withers	110,250	12,000	8,000	-	130,250
Mark Buckman	110,250	-	12,000	-	122,250
Belinda Rowe[3]	110,250	-	4,667	-	114,917
Totals	**804,825**	**32,000**	**28,000**	**15,000**	**879,825**

(1) The Board Chair is a member of the Audit and Risk Committee, (and is not the Chair of the Committee), however he does not receive a separate fee for this role.
(2) Mike Darcey retired from the People and Performance Committee on 1 December 2023.
(3) Belinda Rowe was appointed to the People and Performance Committee on 1 December 2023.

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 relevant 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
Satellite migration	Sky's current satellite (Optus D2) will reach end of life in 2025, requiring migration to an alternative satellite. There are inherent technology risks to the successful migration to a new satellite, with on-the-ground technology updates also required.	Sky has two satellite path options to replace Optus D2 and has successfully undertaken satellite migrations in the past. A comprehensive migration programme is in place to ensure a smooth transition for customers, including by undertaking significant testing and customer communications ahead of any migration steps. As a further immediate mitigant to customer disruption, Sky provides all Sky Box customers with the companion app, Sky Go, which provides IP access to their Sky content without dependence on a satellite signal. Sky will continue its accelerated rollout of the new, internet-connected Sky Box and the IP-only Sky Pod which will serve to further derisk any potential disruption.
Technology infrastructure	Reliability of the provision of Technology infrastructure is critical to the provision of Sky services.	Sky has robust 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 comprehensive cybersecurity programme that includes tools and systems designed to prevent and detect potential threats to cybersecurity, privacy and data breaches. This programme is continually monitored, tested and improved.
Accessing and securing market leading content	Accessing and securing great content at the right price is critical to Sky's future.	Providing customers with the content they value in a financially sustainable way is central to Sky's strategy. In recent years, Sky has secured significant multi-year content rights deals. It continually reviews the nature of the content acquired and its access to content. Sky is focused on what is important to its customers and utilises data-based insights and research to ensure its content strategy is achieved.
Negative impact of prolonged significant New Zealand economic downturn	A prolonged significant downturn of the New Zealand economy could have a major impact on Sky achieving its financial goals.	Sky continually monitors the macro-economic environment and utilises trend analysis of its own data to understand the current and possible future impacts of an economic downturn. Sky has a robust strategy to respond to future impacts by continually monitoring value to customers, ensuring content is accessible and meeting customers where they are. Sky proactively and responsibly manages its own costs to ensure sustainability while maintaining an exceptional experience for our crew and customers.

Table continued over page

Strategic risks	Description	Mitigation
Strategy execution	Failure to execute strategic initiatives could impact Sky's reputation and ability to meet financial goals.	In conjunction with the Board, Sky's executive team continue to refine Sky's strategic goals and have a clear path to achieving those goals. This includes engaging with the Sky team more broadly to ensure the whole business is aligned.
Adverse impact of geopolitical events	Sky's product and content supply chain could be negatively impacted by global geopolitical events.	Sky actively monitors for potential adverse impacts of geopolitical events and seeks to mitigate exposure through diversity of supply, alternate delivery methods, local stores of physical assets and close partnerships with its suppliers.
Legislative and regulatory compliance	The ever changing legal and regulatory landscape within which Sky operates together with Sky's evolving product mix and delivery methods, and obligations as a publicly listed company create a risk that Sky could inadvertently fail to comply.	Sky has robust policies and procedures covering compliance with key legal and regulatory requirements. Sky's internal legal team monitors changes and proposed amendments to its compliance obligations. Sky also engages external legal advisors to ensure it remains compliant.
Physical risks associated with natural disasters or climate change impacts	An increase in the intensity or frequency of natural disasters or climate related events could impact Sky's ability to deliver its content and lead to reduced demand for its services from impacted customers.	As noted above, Sky has robust Business Continuity and Disaster Recovery plans to 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 and external expert review.
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 imbedding its principles within Sky.
Competition	Sky operates within an extremely competitive market with New Zealanders now able to access the content they want to watch more easily than ever before.	If Sky fails to respond to new competitors or changes to customers' needs, it could fail to meet strategic and financial goals. While Sky is focused on delivering its strategic goals, it continually monitors its market environment using customer feedback and data insights to ensure its content and delivery approach remain relevant and in demand. Sky remains focused on connecting New Zealanders with the sport and entertainment they love, in ways that work for them, right across the country.

Health and safety

Sky is committed to providing a safe, healthy workplace where all workers can thrive. In the last financial year, Sky has been working on a strategic health and safety plan and an annual action plan for the next three years. Sky's strategic approach to health and safety is to:

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

A Health and Safety update is provided at Sky's monthly Risk Management Steering Committee meeting, and regular reports are provided to the Executive team, Audit and Risk Committee, People and Performance Committee, and Board to ensure that Sky remains compliant with its health and safety obligations.

Sky continued audits of its field services provided by service providers in FY24. In conjunction with its field services technicians and installer companies, Sky completed 510 audits in the field.

Sky had zero notifiable injuries in the 2024 financial year.

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 2024 financial year is included on page 120.

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 relations

The Board should respect the rights of the shareholders and foster 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 Chairman engages with investors on governance matters. Sky's Management team meets with investors and analysts as appropriate, and provides periodic investor briefings to the Market.

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 and vote on major decisions where appropriate. A copy of this policy is available on Sky's website.

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

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

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

Annual shareholder meeting

Shareholders are encouraged to attend Sky's Annual Shareholder Meeting, whether this is held in person, virtually or as a hybrid meeting. Details of the Annual Shareholder Meeting, and the ways that shareholders can participate, are available in the Notice of Meeting which is expected to be dispatched to shareholders at least 20 working days prior to the Annual Shareholder 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 ensures that 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 2024 are as follows:

Director	Entity	Relationship
Philip Bowman	Better Capital PCC Limited[2]	Director
	KMD Brands Limited (listed)	Director
	Tegel Group Holdings Limited	Chair
	Ferrovial SE (listed)	Director
	Majid al Futtaim Holding LLC	Director
	Majid al Futtaim Properties LLC	Chair
	Majid al Futtaim Capital LLC	Director
	Tom Tom Holdings, Inc.	Director
	Vinula Pty. Limited	Director
	Vinula Super Fund Pty. Limited	Director
Mike Darcey	Arqiva Group Limited[1]	Chair
	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[1]	Director
	Goodman (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
	Tax Traders Limited[2]	Member of Advisory Board
	Gwendoline Holdings Limited (non-trading)	Director and Shareholder
Dame Joan Withers	The Warehouse Group Limited and associated companies	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[1]	Shareholder and advisor
	Zion Z Pty. Ltd trading as Zolo Corp[1]	Shareholder and advisor
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
	3P Learning Limited	Non-Executive Director

(1) Entries added or updated during the period from 1 July 2023 to 30 June 2024.
(2) Entries removed by notices given by the directors during the period from 1 July 2023 to 30 June 2024.

Particular Transactions / Use of Company Information

During the financial year to 30 June 2024, in relation to Sky:

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

Relevant Interests in Securities

During the year to 30 June 2024, the following disclosures were made in the Interests Register in relation to Sky's directors and senior managers acquiring a relevant interest in Sky's shares under section 148 of the Companies Act 1993 and under the Financial Markets Conduct Act 2013:

- Philip Bowman (Director and Chair) made the following disclosures on (i) 15 November 2023 regarding the acquisition of 72,065 ordinary shares in Sky; (ii) 15 November 2023 regarding the acquisition of 127,935 ordinary shares in Sky); (iii) 7 March 2024 regarding the acquisition of 36,264 ordinary shares in Sky; (iv) 7 March 2024 regarding the acquisition of 13,736 ordinary shares in Sky; (v) 30 April 2024 regarding the acquisition of 50,000 ordinary shares in Sky; and (vi) 30 May 2024 regarding acquisition of 50,000 ordinary shares in Sky.
- Keith Smith (Director and Deputy Chair) 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) disclosed on 25 March 2024 regarding the acquisition of 15,000 ordinary shares in Sky.
- Belinda Rowe as beneficiary of Rowe-Cuthbert Nominee Pty Limited as trustee of the Rowe-Cuthbert Super Fund made the following disclosures on (i) 21 November 2023 regarding the acquisition of 2000 ordinary shares in Sky; (ii) 21 November 2023 regarding the acquisition of 10,000 ordinary shares in Sky; and (iii) 31 May 2024 regarding the acquisition of 11,000 ordinary shares in Sky.
- Sophie Moloney (CEO) made the following disclosures on (i) 13 November 2023 regarding the acquisition of 20,000 ordinary shares in Sky; and (ii) 1 March 2024 regarding the acquisition of 30,000 ordinary shares in Sky.

Insurance and Indemnities

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

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

Sky Subsidiaries' Interests Registers

During the year to 30 June 2024, in relation to Sky's subsidiaries, no specific notices were made in the Interests Register pursuant to section 140 of the Companies Act 1993.

Company Information

Directors Holding, Commencing and Ceasing Office during the year

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

Statement of Directors' Interests

For the purposes of NZX Listing Rule 3.7.1(d), the following table sets out the quoted financial products in which each director had a relevant interest as at 30 June 2024:

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

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

Subsidiaries

At 30 June 2024, Sky had the following subsidiary companies:

Subsidiary	Director(s)	Business during FY24
Believe It Or Not Limited	Annabelle Lochead Brendan Lochead Christopher Shaw Jonathon Errington	Quizzes for the hotel entertainment industry.
Lightbox New Zealand Limited	Sophie Moloney	Streaming services within New Zealand.
Media Finance Limited	Sophie Moloney	Did not trade.
Non-Trading PS Limited	Sophie Moloney	Did not trade.
Screen Enterprises Limited	Sophie Moloney	Did not trade.
Sky DMX Music Limited	Sophie Moloney Malcolm McRoberts Jonathon Errington	Operated the Sky DMX music business.
Sky Investment Holdings Limited	Sophie Moloney	Did not trade.
Sky Network Services Limited	Sophie Moloney	Sky Broadband business.
Sky Ventures Limited	Sophie Moloney	Did not trade.
Sports Analytics Pty Ltd (incorporated in South Africa)	Jonathon Errington Kevin Bouwer	Did not trade (In the process of being wound up).

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

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

Sky Shares and Shareholders

Sky Network Television Limited's shares are quoted on the NZX and on the ASX and trade under the 'SKT' ticker. The only class of equity securities on issue in Sky is ordinary shares. As at 30 June 2024 there were 7,066 holders of a total of 137,675,010 ordinary shares in Sky. Each Sky share confers on its holder the right to attend and vote at a shareholder meeting. On a poll, each ordinary share entitles the holder to one vote. Sky did not have any unquoted equity securities on issue at 30 June 2024.

At 30 June 2024 there was an on-market buyback in place. The programme was initiated on 1 April 2024, and an NZX announcement and ASX Appendix 3C notice were issued on 25 March 2024 to advise of the buyback programme. The programme is for a maximum aggregate of $15 million in purchase price and up to a maximum of 7,033,120 shares. At 30 June 2024 a total of 2,622,436 shares had been acquired under this programme for total consideration of $7,157,168.

Substantial Product Holders

According to notices given to Sky under the Financial Markets Conduct Act 2013 and the ASX Listing Rules the following persons were substantial product holders in Sky as at 30 June 2024:

Substantial Product Holder Name	Date of Substantial Product Holder Notice	Number of Shares in Substantial Product Holding[1]	% held[1]
Accident Compensation Corporation[2]	9 December 2022	13,845,508	9.511
New Zealand Superannuation Fund	26 June 2024	8,728,752	6.340

(1) Based on disclosures to the company.
(2) Since the date of this disclosure Sky has initiated two share buyback programmes that have so far resulted in a reduction of the number of shares on issue to 137,675,010 by 31 May 2024 and this total remained unchanged at the company's balance date of 30 June 2024 .

At Sky's 30 June 2024 year end the total number of ordinary shares on issue was 137,675,010.

Twenty Largest Shareholders at 30 June 2024

Name	Number of Shares	% of Issued Capital
BNP Paribas Nominees (NZ) Limited (BPSS40)	14,696,021	10.7
Accident Compensation Corporation	14,231,894	10.3
HSBC Nominees (New Zealand) Limited (HKBN90)	11,656,118	8.5
Citibank Nominees (New Zealand) Limited	11,094,779	8.1
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited	9,328,752	6.8
HSBC Custody Nominees (Australia) Limited	6,855,650	5.0
New Zealand Depository Nominee Limited	4,972,934	3.6
TEA Custodians Limited Client Property Trust Account	4,219,944	3.1
JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct	4,065,490	3.0
BNP Paribas Nominees (NZ) Limited	3,123,253	2.3
HSBC Nominees (New Zealand) Limited A/C State Street	2,938,431	2.1
BNP Paribas Nominees (NZ) Limited	2,495,689	1.8
Custodial Services Limited	2,324,321	1.7
JBWere (NZ) Nominees Limited	2,249,007	1.6
Forsyth Barr Custodians Limited	1,843,919	1.3
New Zealand Rugby Union Incorporated	1,816,777	1.3
FNZ Custodians Limited	1,604,735	1.2
BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client)	1,372,384	1.0
Masfen Securities Limited	1,258,333	0.9
BNP Paribas Nominees Pty Ltd (Clearstream)	1,110,234	0.8
	103,258,665	**75.0**

Shareholder Distribution at 30 June 2024

Range	No. of Shareholders	Number of shares held	% of Issued Capital
1 – 1,000	4,646	1,236,578	0.90
1,001 – 5,000	1,483	3,654,863	2.65
5,001 – 10,000	411	3,006,309	2.18
10,001 – 100,000	457	12,007,211	8.72
100,001 and over	67	117,770,049	85.54
Total	**7,064**	**137,675,010**	**100.00**

Non-Marketable Parcels of Shares

As at 30 June 2024, 3,625 shareholders in Sky had non-marketable parcels of shares.

Donations

During the financial year ending 30 June 2024, Sky made cash donations totalling $82,000. Sky's broader commitments under the 'Sky for Good' programme, as outlined on page 43, 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 2024 for statutory audit services and for other assurance services was:

	Statutory audit services ($000)	Other assurance and non-assurance services ($000)
Sky	819	25

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 2024. These were:

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

Share Information

Limitations on the acquisition of the company's securities

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

Share Market and Other Information

Share Market Listing Details

New Zealand

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

NZX Limited

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

Mailing address:
PO Box 2959
Wellington 6140, New Zealand

Tel: +64 4 472 7599
Website: nzx.com

Australia

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

ASX Limited

Exchange Centre
20 Bridge Street, Sydney
NSW 2000, Australia

Mailing address
PO Box H224
Australia Square, Sydney
NSW 1215, Australia

Tel: +61 2 9338 0000

Registry Details

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

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

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

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

New Zealand

Computershare Investor Services Limited
Level 2/159 Hurstmere Road,
Takapuna, Auckland
Private Bag 92119
Auckland 1142

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

Freephone within Australia: 1800 501 366
Telephone Australia: +61 3 9415 4083

Email: enquiry@computershare.co.nz
Website: www.computershare.com/nz

Our 2024 Financials

For the year ended 30 June 2024

Financial Overview

Summary

Sky continued to deliver solid financial results during a period of economic pressure on consumer spending, whilst also advancing a number of significant strategic and operational initiatives, including rolling out the new Sky experience, lifting employee engagement, and delivering new revenue streams.

Sky demonstrated its ability to deliver solid revenue uplift with a third consecutive year of growth despite a reduction in customer relationships. Total reported revenue of $766.7 million was 1.6% higher than the prior year, driven by strong performance in growth categories including Sky Sport Now, Advertising and Broadband.

The company continues to focus on margin growth, with operating expense increase held to 0.8% year on year to $614.2 million, with expected net increases in programming costs partially offset by permanent savings at an operating cost level. This improved performance delivered an increase in EBITDA of $4.3 million, to $153.0 million, YoY growth of 2.9%. EBITDA margin improved by 0.3pp to 20.0%.

Reported profit after tax of $49.2 million was $1.9 million lower than prior year (3.7%), as higher depreciation costs, associated with new products, offset EBITDA growth.

A final FY24 dividend of 12 cents per share will be paid in September 2024, bringing the total for FY24 dividends to 19 cents per share (fully imputed). This represents an increase of 26.7% year on year from 15 cents per share (fully imputed) paid in FY23.

Capital management activity during the period included the deployment of $16.9 million to buy back Sky shares. This included $9.8 million associated with the buyback programme initiated in March 2023 and a further $7.2 million related to a new buyback programme initiated in April 2024 for up to $15 million in consideration.

Subsequent to year end, Sky completed a competitive process to restructure its Banking Facility, at the same time electing to reduce the Facility limit to $100 million from $150 million. The renegotiated agreement, to September 2027, was successfully concluded with the incumbent banks on more favourable and flexible terms, reflecting the company's improved performance and positive cash generation outlook.

As at 30 June 2024 Sky had $37.8 million of cash on hand and an undrawn banking facility.

Non-GAAP Financial Information

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

Group Consolidated Results for the years ended 30 June

In NZD millions	2024	2023[1]	% inc/(dec)
Financial performance data			
Total revenue	766.7	754.3	1.6
Other income	0.5	3.5	(86.6)
Total operating expenses	614.2	609.2	0.8
EBITDA	**153.0**	**148.7**	**2.9**
Less			
Depreciation amortisation and impairment	83.3	74.1	12.4
Net operating profit before interest, income tax and impairment of goodwill	**69.8**	**74.6**	**(6.4)**
Finance Income	3.6	2.6	36.5
Finance expense	4.7	6.2	(24.3)
Profit before tax	**68.7**	**71.1**	**(3.3)**
Income tax expense	19.5	19.9	(2.2)
Profit after tax	**49.2**	**51.1**	**(3.7)**

(1) Comparative balances have been restated as set out in note 30 of the Financial Statements.

Customers

	2024	2023	2022	2021	2020
Customer relationships					
Sky Box customers[1]	479,192	514,982	529,521	554,690	576,704
Total Streaming customers	417,997	467,516	436,388	393,179	404,321
Sky Sport Now	159,672	149,516	109,365	71,312	30,460
Neon	258,325	318,000	295,720	259,229	142,592
Other Streaming[2]	-	-	31,303	62,638	231,269
Sky Broadband customers	35,557	26,089	17,975	1,930	-
Commercial customers	6,014	6,538	6,877	7,299	8,544
Total customer relationships	**938,760**	**1,015,125**	**990,761**	**957,098**	**989,569**
Customer metrics					
Sky Box net customer growth	(7%)	(3%)	(5%)	(4%)	(5%)
Sky Box acquisition	21,493	39,304	29,028	47,273	41,510
Sky Box churn	(57,283)	(53,848)	(54,197)	(69,287)	(74,443)
Streaming net customer growth (Sky Sport Now and Neon)	(11%)	15%	23%	91%	49%
Broadband net customer growth	36%	45%	831%		
Sky Broadband attachment rate[3]	7%	5%	3%	-	-
Average revenue per month (ARPU) ($, ex-GST)					
Sky Box[4]	83.09	81.05	78.84	78.40	82.03
Sky Sport Now	40.82	36.82	36.71	n/a	n/a
Neon	15.57	15.05	14.25	11.90	11.91
Sky Broadband[5]	75.05	72.14	72.13	-	-

(1) Sky Box customers comprise residential Sky Box and Sky Pod customers, including Vodafone Reseller customers prior to migrating to a direct relationship with Sky during 2021.
(2) Other Streaming customers comprise VTV/Retransmission customers receiving Sky content via VTV until its closure in March 2023, RugbyPass subscription customers until the sale of this business in October 2022 and Lightbox wholesale customers in 2020.
(3) Sky Broadband attachment rate measures the percentage of Sky Box customers that also have Sky Broadband.
(4) Sky Box ARPU is the monthly average revenue for residential Sky Box and Sky Pod customers, calculated as the average ARPU for the period, excluding revenue related to access fees for new Sky products.
(5) Sky Broadband ARPU is monthly average revenue for Sky Broadband customers, including add-ons such as land line, calling plans, Wi-Fi boosters and static IP fees.

Total customer relationships reduced by 7.5% year on year, due to softer Sky Box and Neon customer numbers and despite growth in Sky Sport Now and Broadband.

Sky Box & Pod includes customers who access their Sky content through the traditional Sky Box, the new Sky Box (with hybrid delivery via satellite and internet), and the new Sky Pod (internet, 'IP' delivery).

Customer relationships reduced to 479,192 in part due to a decision to pause the roll-out of new Sky Boxes in H1 and impacts of economic headwinds on household wallets. Annualised Sky Box churn was slightly higher than the prior year with relatively stable acquisition levels and a slightly higher number of disconnections.

Streaming customer relationships decreased to 417,997 from the prior year or 10.6%, despite continued growth in Sky Sport Now customer relationship which rose 6.8% and with higher numbers reported within the year. Neon customer relationships decreased by 18.8% due to residual impacts from industry strikes affecting the delivery of acquisition-driving content in FY24.

Sky Broadband customer relationships grew strongly, rising to 35,557, up 36.3% and with an increased attachment rate to Sky Box customers of 7%.

Commercial customer relationships include licensed premises, accommodation providers and other commercial businesses such as gyms, retirement villages and retail outlets. Commercial customer relationships closed at 6,014, down 8% year on year.

Revenue Analysis

Total revenue of $766.7 million included growth in almost all revenue lines, delivering an increase of 1.6% year on year:

In NZD millions	2024	2023[1]	% inc/(dec)
Sky Box[2]	498.7	509.8	(2.2)
Streaming[3]	110.4	103.2	7.0
Commercial	54.5	53.5	2.0
Broadband	27.5	19.6	40.2
Total subscription revenue	**691.1**	**686.0**	**0.7**
Advertising	53.6	48.1	11.5
Installation and other revenue	22.0	20.2	8.9
Total other revenue	**75.6**	**68.3**	**10.7**
Total revenue	**766.7**	**754.3**	**1.6**

(1) Comparative balances have been restated as set out in note 30 of the Financial Statements.
(2) Sky Box revenue relates to Sky Box and Sky Pod subscriptions and includes access fees associated with the new Sky products.
(3) Streaming revenue relates to Sky Sport Now and Neon and in FY23, includes VTV/Retransmission subscription revenue net of fees prior to these customers migrating to a Sky Box or Sky Pod product.

Sky Box revenue of $498.7 million represented a 2% reduction year on year due to lower average customer numbers, partly offset by increased average revenue per user (ARPU). FY24 revenue benefitted from the full-year impact of a $3 price increase to the sport package from May 2023, and a part-period impact from a $2.50 increase to the Entertainment package from October 2023 and a further $3 price increase for Sport from February 2024, noting increases are quoted inclusive of GST.

ARPU, which is reported ex-GST, increased by 3% to $83.09, benefitting from package price rises, higher average sports penetration above 71%, and a 34% reduction in foregone revenue from discounts. These positive drivers more than offset slightly lower penetration in non-sports packs and add-ons.

Streaming revenue grew strongly, up 7% year on year to $110.4 million. Sky Sport Now revenue rose 33%, benefiting from significant higher customer numbers within the year numbers and the part-year benefit of a $5 price increase in monthly passes, introduced in February 2024. This more than offset an 8% reduction in Neon revenue due to a lower base as the residual impact of US writers' and actors' strikes delayed the return of acquisition driving content until late in the financial year and through to FY25.

Sky Broadband revenue delivered strong growth, up 40% year on year to $27.5 million, as a result of continued growth in the number of customer relationships and the full-year benefit of customer growth from the prior year. A $5 line fee increase (including GST) was passed on from October 2023 (excluding low-speed plans). ARPU increased by 4% year on year due to the price increase, with continued high penetration levels for the Fibre Pro (1GB) plan and consistent attachment levels of add-ons such as landlines and calling plans.

Commercial revenue grew 2% year on year to $54.5 million despite a challenging economy, with solid overall performance in accommodation and hospitality. Sky content continued to provide a point of difference for customers, supporting increased ARPU to more than offset the decline in base.

Advertising revenue delivered a strong performance in a challenging market, with growth of 11.5% to $53.6 million (and rising to 13.0% excluding RugbyPass). This growth reflected strong content, increased innovation and included a new revenue stream from the launch of digital advertising on Neon. Sky's revenue market share[1] of Total TV advertising spend rose to 12.6% from 9.9% in the prior year against a backdrop of a 13.8% decline in total market spend in the TV category, noting that total market spend on advertising of $3.4bn[2] (including digital) recorded a year on year decrease of 0.9% for the 12 months ending December 2023.

Installation and other revenues relates to items such as satellite access fees, customer billing charges, on-sold programming rights and on-charged installation and operational fees. The year on year increase of 9% to $22.0 million included incremental increases across several of these categories.

(1) Source: Quarterly Performance Comparison Report, PwC.
(2) Source: Advertising Turnover Report 2023, Advertising Standards Authority.

Expense Analysis

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

	2024	2023[1]	
In NZD millions	**Reported**	**Reported**	**% inc/(dec)**
Programming	391.6	383.9	2.0
Subscriber related costs	80.6	93.2	(13.5)
Broadcasting and infrastructure	87.2	79.8	9.4
Other costs	54.7	52.3	4.6
Depreciation, amortisation and impairment	83.3	74.1	12.4
Total operating expenses	**697.4**	**683.3**	**2.1**

(1) Comparative balances have been restated as set out in note 30 of the Financial Statements.

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

Programming cost increases were held to 2%, at $391.6 million as savings including data driven content choices and optimisation of programming operations were delivered to partially offset previously signalled increases. These related to known rights deals previously communicated (such as the NRL, World Rugby and Formula 1) and the net impact of one-off sports events in FY24 (such as the FIFA Women's World Cup and Netball World Cup) offset by events in FY23 (such as the Commonwealth Games and Northern Tour).

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

Subscriber-related costs improved significantly, down 14% to $80.6 million due to a strong focus on cost control and increased efficiency, including continued improvements in warehouse and logistics efficiency following outsourcing and the impact of transformation initiatives from the partial outsourcing of customer care.

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

Broadcasting and infrastructure costs increased by 9%, to $87.2 million, largely driven by the rise in input costs stemming from significant growth in Sky Broadband customer numbers and growth in streaming.

Other costs of $54.7 million were 5% higher than the prior period due to higher employee-related costs including investment in Sky Sales (advertising) and investment in people.

Depreciation, amortisation and impairment includes depreciation charges relating to capitalised installation costs, subscriber equipment for satellite dishes and decoders owned by Sky, fixed assets such as the studio facilities, amortisation of the right-of-use lease assets created under NZ IFRS 16 and amortisation of computer software and intangible assets.

Depreciation of property, plant, and equipment relates to the capitalised installation costs of broadcast assets such as Sky Boxes and Pods and Broadband routers, with the year-on-year increase reflecting the introduction of new products where the existing fleet was largely fully depreciated. The increase in amortisation of intangibles was due to the amortisation of the Sky Box and Pod Platforms, which started to depreciate in March 2023. A decrease in depreciation of right-of-use assets reflects the application of pre-existing discount terms and an initial small technology credit for satellite mitigation related to the Optus lease.

Depreciation, amortisation, and impairment costs are summarised below:

In NZD millions	**2024**	**2023**
Depreciation of property, plant and equipment	33.6	26.6
Amortisation of Intangibles	25.5	20.7
Depreciation of right-of-use assets	24.2	26.8
Total depreciation, amortisation and impairment	**83.3**	**74.1**

Finance income and finance expense

Finance income increased to $3.6 million from $2.6 million in the prior year, while finance expenses reduced to $4.7 million from $6.2 million.

Capital Expenditure

Sky's capital expenditure is summarised as follows:

In NZD millions	2024	2023
Subscriber equipment	34.9	28.7
Installation costs	11.8	12.0
Projects under development	5.2	2.0
Software	20.9	30.0
Other	10.1	4.7
Capital expenditure	**82.9**	**77.4**

Capital expenditure was weighted towards growth focused spending in FY24 as Sky continued to invest in the development and rollout of new products. As a result, and as signalled to the market, capital expenditure as a percentage of revenue rose by 0.6pp to 10.9%. Investment in hardware increased as expected while operational efficiencies and a higher than expected self-installation rates enabled a small reduction in installation costs.

Software costs were lower following a period of increased activity in the prior year lead up to the release of the new products. FY24 spending focused on the delivery of improved customer experience and additional features as well as platform and Advertising technology investments to enable new advertising revenue opportunities. An increase in Other costs included planned replacement of studio and broadcast equipment.

Financial Performance Trends

In NZD 000	2024	2023[7]	2022	2021	2020
For the year ended 30 June					
Income statement					
Total revenue and Other income	767,205	757,852	752,864	724,754	747,646
Total operating expenses	614,170	609,186	583,848	544,377	583,395
EBITDA[1]	**153,035**	**148,666**	**169,016**	**180,377**	**164,251**
Depreciation, amortisation and impairment[2]	83,271	74,098	80,171	106,496	119,318
Impairment of goodwill	-	-	2,000	-	177,500
Interest income	1,905	2,639	814	226	161
Interest expense	4,659	5,110	5,772	11,941	16,020
(Gains)/losses on currency and other	(1,697)	1,042	1,136	(1,179)	(2,120)
Net profit/(loss) before income tax	**68,707**	**71,055**	**80,751**	**63,345**	**(146,306)**
Balance sheet					
Property, plant,and equipment, intangibles and right-of-use assets	193,769	192,599	180,394	215,621	287,962
Goodwill	244,264	244,264	244,264	255,245	256,312
Total assets	681,384	693,699	776,850	696,929	837,936
Interest bearing loans and liabilities	24,712	49,313	71,714	72,321	212,513
Working capital[3]	58,364	47,953	21,918	23,842	(20,386)
Total liabilities	232,466	252,919	282,357	272,928	462,966
Total equity	448,918	440,780	494,493	424,001	374,970
Cash flow					
Net cash from operating activities	139,131	117,021	119,638	101,169	157,300
Net cash (used in)/from investing activities	(88,707)	(71,380)	17,897	(38,148)	(74,627)
Lease repayments[4]	(26,742)	(29,109)	(32,144)	(37,503)	(36,901)
Free cash flow available to shareholders[5]	23,682	16,532	105,391	25,518	45,772
Capital expenditure					
Capital expenditure	88,707	71,380	44,683	45,032	56,458
Assets acquired by way of business combination[6]	-	-	-	203	16,354
Assets disposed of in the period[6]	-	(11,000)	(34,195)	(9,095)	-
	88,707	**60,380**	**10,488**	**36,140**	**72,812**

(1) Earnings before income tax, interest expense, depreciation, amortisation and impairment, unrealised gains and losses on currency and interest rate swaps.
(2) The FY24 year includes depreciation on right-of-use assets of $24.2 million (FY23: $26.8 million).
(3) Working capital excludes cash and cash equivalents, current borrowings, derivative financial instruments, available for sale financial assets, contract liabilities and lease liabilities.
(4) Lease repayments prior to FY20, and the adoption of NZ IFRS 16, were included within net cash from operating activities.
(5) Free cash flow is after lease repayments for the period that are categorised in financing cash flows, but before other financing activities.
(6) RugbyPass and Lightbox acquired in FY20 were the only substantial acquisitions in the last five years. RugbyPass was sold on 10 October 2022 for non-cash consideration (refer note 27). The Mt Wellington properties in Auckland were sold on 18 March 2022. The OSB business was sold in the 2021 financial year.
(7) Comparative figures have been restated, refer to note 30.

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 2024 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 2024.

The Board of Directors of Sky authorise these consolidated financial statements for issue on 20 August 2024.

For and on behalf of the Board of Directors.

Philip Bowman
Director and Chair

Date: 20 August 2024

Keith Smith
Director and Chair of Audit and Risk Committee

Contents

Consolidated Income Statement

For the year ended 30 June 2024

In NZD 000	Notes	30-Jun-24	30-Jun-23[1]
Revenue	4	766,734	754,337
Other income	5	471	3,515
Expenses			
Programming		391,630	383,906
Subscriber related costs		80,566	93,163
Broadcasting and infrastructure		87,239	79,777
Depreciation, amortisation and impairment of assets	6	83,271	74,098
Other costs		54,735	52,340
Total expenses		**697,441**	**683,284**
Finance income	18	3,602	2,639
Finance expense	18	4,659	6,152
Profit before tax		**68,707**	**71,055**
Income tax expense	8	19,484	19,928
Profit for the year		**49,223**	**51,127**
Attributable to			
Equity holders of the Company	7	48,964	50,868
Non-controlling interests		259	259
		49,223	**51,127**
Earnings per share			
Basic and diluted earnings per share (cents)	7	34.44	32.45

(1) Comparative balances have been restated, refer to note 30.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

In NZD 000	30-Jun-24	30-Jun-23[1]
Profit for the year	49,223	51,127
Items that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations	-	(247)
Deferred hedging gains transferred to operating expenses during the year	247	1,651
Income tax effect	(69)	(462)
Net other comprehensive income to be reclassified to profit or loss, net of income tax	**178**	**942**
Items that may not be reclassified to profit or loss		
Deferred hedging losses transferred to non-financial assets during the year	(1,649)	(12,786)
Income tax effect	461	3,579
Net other comprehensive loss not being reclassified to profit or loss, net of income tax	**(1,188)**	**(9,207)**
Total comprehensive profit for the year	**48,213**	**42,862**
Attributable to:		
Equity holders of the Company	47,954	42,603
Non-controlling interest	259	259
	48,213	**42,862**

(1) Comparative balances have been restated, refer to note 30.

Consolidated Balance Sheet

As at 30 June 2024

In NZD 000	Notes	30-Jun-24	30-Jun-23[1]
Current assets			
Cash and cash equivalents		37,799	56,051
Trade and other receivables	9	72,441	55,716
Programme rights inventory	10	125,644	134,812
Derivative financial instruments	21	1,333	5,234
		237,217	**251,813**
Non-current assets			
Trade and other receivables	9	4,928	-
Property, plant and equipment	12	116,930	91,918
Right-of-use assets	13	16,722	39,399
Intangible assets	14	60,117	61,282
Deferred tax asset	8	-	3,549
Goodwill	15	244,264	244,264
Derivative financial instruments	21	1,206	1,474
		444,167	**441,886**
Total assets		**681,384**	**693,699**
Current liabilities			
Lease liabilities	17	9,335	25,665
Trade and other payables	11	133,747	137,718
Contract liabilities	11	56,535	57,532
Deferred obligation	11	8,126	-
Income tax payable		5,974	4,857
Derivative financial instruments	21	2,450	2,201
		216,167	**227,973**
Non-current liabilities			
Lease liabilities	17	15,377	23,648
Trade and other payables	11	583	601
Deferred tax liability	8	4	-
Derivative financial instruments	21	335	697
		16,299	**24,946**
Total liabilities		**232,466**	**252,919**
Equity			
Share capital	19	676,755	693,720
Reserves	20	359	1,188
Retained deficit		(229,575)	(255,554)
Total equity attributable to equity holders of the Company		**447,539**	**439,354**
Non-controlling interest		1,379	1,426
Total equity		**448,918**	**440,780**
Total equity and liabilities		**681,384**	**693,699**

(1) Comparative balances have been restated, refer to note 30.

Philip Bowman
Director and Chair

Keith Smith
Director and Chair of Audit and Risk Committee

For and on behalf of the Board 20 August 2024.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

In NZD 000	Notes	Attributable to owners of the parent Share capital	Reserves	Retained deficit	Total	Non-controlling interest	Total equity
For the year ended 30 June 2024							
Balance at 1 July 2023		693,720	1,188	(255,554)	439,354	1,426	440,780
Net profit for the year		-	-	48,964	48,964	259	49,223
Cash flow hedges, net of tax	20	-	(1,010)	-	(1,010)	-	(1,010)
Total comprehensive income for the year		**-**	**(1,010)**	**48,964**	**47,954**	**259**	**48,213**
Transactions with owners in their capacity as owners							
Share Buyback[1]	19	(16,931)	-	-	(16,931)	-	(16,931)
Transaction costs	19	(34)	-	-	(34)	-	(34)
Dividend paid[2]		-	-	(22,985)	(22,985)	(306)	(23,291)
Supplementary dividends		-	-	(1,678)	(1,678)	-	(1,678)
Foreign investor tax credits		-	-	1,678	1,678	-	1,678
Share based compensation reserve	28	-	181	-	181	-	181
		(16,965)	181	(22,985)	(39,769)	(306)	(40,075)
Balance at 30 June 2024		**676,755**	**359**	**(229,575)**	**447,539**	**1,379**	**448,918**
For the year ended 30 June 2023							
Balance at 1 July 2022		768,766	9,453	(284,995)	493,224	1,269	494,493
Prior period restatement	30	-	-	60	60	-	60
Restated balance at 1 July 2022		768,766	9,453	(284,935)	493,284	1,269	494,553
Net profit for the year		-	-	50,868	50,868	259	51,127
Exchange difference on translation of foreign operations		-	(247)	-	(247)	-	(247)
Cash flow hedges, net of tax	20	-	(8,018)	-	(8,018)	-	(8,018)
Total comprehensive income for the year		**-**	**(8,265)**	**50,868**	**42,603**	**259**	**42,862**
Transactions with owners in their capacity as owners							
Share capital returned[3]	19	(69,876)	-	-	(69,876)	-	(69,876)
Share Buyback[4]	19	(4,490)	-	-	(4,490)	-	(4,490)
Transaction costs	19	(680)	-	-	(680)	-	(680)
Dividend paid[5]		-	-	(21,487)	(21,487)	(102)	(21,589)
Supplementary dividends		-	-	(1,727)	(1,727)	-	(1,727)
Foreign investor tax credits		-	-	1,727	1,727	-	1,727
		(75,046)	-	(21,487)	(96,533)	(102)	(96,635)
Balance at 30 June 2023		**693,720**	**1,188**	**(255,554)**	**439,354**	**1,426**	**440,780**

(1) The share buyback commenced on 6 April 2023, recommenced on 9 November 2023 and the company acquired an additional 3,555,000 shares at an average price of $2.70 and a total consideration of $9,774,000 (excluding transaction fees), this on-market buyback completed on 31 March 2024. Sky commenced another on-market share buyback on 1 April 2024 for in aggregate $15 million in purchase price and up to a maximun of 7,033,000 shares. At 30 June 2024 the company had acquired 2,622,000 shares at an average price of $2.73 per share and total consideration of $7,157,000 (excluding transaction fees) (refer note 19).
(2) Sky paid dividends of 9.0 cents per ordinary share on 22 September 2023 and 7.0 cents per ordinary share on 22 March 2024.
(3) Sky implemented a capital return of $69.9 million on 21 November 2022, with 1 ordinary share for every 6 ordinary shares held by shareholders on 21 November 2022 cancelled.
(4) On 6 April 2023 Sky commenced an on-market share buyback (refer note 19). The buyback programme was for in aggregate $15 million in purchase price and up to a maximun of 8,734,416 shares and completed on 31 March 2024. The Company acquired shares through the NZX and ASX at the prevailing market price from time to time in that period. At 30 June 2023 1,720,695 shares had been acquired at an average price of $2.61 and a total consideration of $4,490,000 (excluding transaction fees).
(5) Sky paid dividends of 7.3 cents per ordinary share on 23 September 2022 and 6.0 cents per ordinary share on 24 March 2023.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

In NZD 000	Notes	30-Jun-24	30-Jun-23[1]
Cash flows from operating activities			
Profit before tax		68,707	71,055
Adjustments for:			
Depreciation and amortisation	6	83,271	74,098
Unrealised foreign exchange (gain)/loss	18	(1,575)	3,055
Interest expense	18	4,659	5,110
Interest income	18	(1,905)	(2,639)
Bad debts and movement in provision for loss allowance	6	1,876	1,351
Other non-cash items		753	(1,092)
Movement in working capital items:			
Increase in receivables		(23,529)	(1,640)
Increase/(decrease) in payables		12,069	(15,032)
Decrease/(increase) in programme rights		10,559	(4,574)
Cash generated from operations		**154,885**	**129,692**
Interest paid		(4,631)	(5,085)
Interest received		1,905	2,639
Bank facility fees paid		(28)	(25)
Income tax paid		(13,000)	(10,200)
Net cash from operating activities		**139,131**	**117,021**
Cash flows from investing activities			
Acquisition of property, plant, and equipment	12	(63,835)	(42,010)
Acquisition of intangibles	14	(24,872)	(29,370)
Net cash used in investing activities		**(88,707)**	**(71,380)**
Cash flows from financing activities			
Capital returned to shareholders	19	-	(69,876)
Acquisition of ordinary shares through on-market share buyback	19	(16,931)	(4,490)
Transactions costs incurred	19	(34)	(680)
Repayment of other borrowings	16	-	(1,035)
Payments for lease liability principal	17	(26,742)	(29,109)
Dividend paid to minority shareholders		(306)	(102)
Dividends paid		(24,663)	(23,214)
Net cash used in financing activities		**(68,676)**	**(128,506)**
Net decrease in cash and cash equivalents		(18,252)	(82,865)
Cash and cash equivalents at beginning of year		56,051	138,916
Cash and cash equivalents at end of year		**37,799**	**56,051**

(1) Comparative balances have been restated, refer to note 30.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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 2024 comprise Sky Network Television Limited and its subsidiaries (the Group).

Sky is a company registered under the Companies Act 1993 and is a reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The consolidated financial statements of the Group have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Listing Rules.

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

These consolidated financial statements were authorised for issue by the Board on 20 August 2024.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The Group is a for-profit entity for the purpose of complying with NZ GAAP. The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The consolidated financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS).

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

The consolidated financial statements are presented in New Zealand dollars.

Group structure

The Group has a majority share in the following subsidiaries:

Name of Entity	Principal Activity	Country of Incorporation	Parent	Interest held	
				Jun-24	Jun-23
Sky DMX Music Limited	Commercial music	New Zealand	Sky	50.50%	50.50%
Sky Ventures Limited	Did not trade	New Zealand	Sky	100.00%	100.00%
Media Finance Limited	Did not trade	New Zealand	Sky	100.00%	100.00%
Non Trading PS Limited (previously Outside Broadcasting Limited)	Did not trade	New Zealand	Sky	100.00%	100.00%
Screen Enterprises Limited	Did not trade	New Zealand	Sky	100.00%	100.00%
Sky Network Services Limited (previously Igloo Limited)	Broadband services	New Zealand	Sky	100.00%	100.00%
Believe It Or Not Limited	Entertainment quizzes	New Zealand	Sky	51.00%	51.00%
Sky Investment Holdings Limited	Did not trade	New Zealand	Sky	100.00%	100.00%
Lightbox New Zealand Limited	Streaming services	New Zealand	Sky	100.00%	100.00%
Sports Analytics Pty Limited (acquired 1 January 2021)[1]	Did not trade	South Africa	Sky Investment Holdings Limited	81.00%	81.00%

(1) In April 2023, Sports Analytics (Pty) Limited commenced a Business Rescue Process, a statutory procedure under South African Law which facilitates the winding up of company structures. This process remained ongoing at 30 June 2024.

Environmental, Social and Governance (ESG) reporting

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

In December 2022, the XRB published the final climate-related disclosure (CRD) framework for New Zealand, which is effective for the Group's financial year commencing 1 April 2023. The new standards are termed the Aotearoa New Zealand Climate Standards. The Group will publish its first mandatory Climate Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards at www.sky.co.nz/investor-centre/results-and-reports by 31 October 2024.

2. Basis of Consolidation

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

Subsidiaries

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

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

Transactions with non-controlling interests

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

3. Material Accounting Policies and Critical Judgements and Estimates

Material accounting judgements, estimates and assumptions

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

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

The table below lists areas of key estimates and judgements:

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

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 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Foreign currency translation

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

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

Foreign operations: The income statements of foreign operations are translated into the Group's reporting currency at average exchange rates for the period and the assets and liabilities of foreign operations are translated into NZD at the exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated into NZD at the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

Goods and services tax (GST)

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

Going concern

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

The directors are satisfied that there will be adequate cash flows generated from operating and financing activities to meet the obligations of the Group for the foreseeable future from approving the consolidated financial statements, after taking into consideration the current trading results and that the Group has available cash of $37.8 million and an undrawn banking facility of $150 million at 30 June 2024. The Group has also renegotiated the bank facility post reporting date to extend the facility to September 2027 and a material limit reduction to $100 million (refer note 16 & 32). The directors have also considered the operational risk resulting from the upcoming satellite migration in FY25 (refer note 32).

Comparatives

Certain comparatives amounts have been adjusted to better reflect consistency with the current period (refer note 30).

The Group had identified that cost relating to the creation of promotional material have been incorrectly disclosed within programming expenses in the prior periods while they should have been disclosed as subscriber related costs. To correct this, Sky has adjusted Programming expenses (30 June 2023: $2,708,000) and subscriber related costs (30 June 2023: $2,708,000).

The Group has restated contracts for future Programme Commitments at 30 June 2023 (refer note 29).

4. Segment and Revenue Information

In NZD 000	30-Jun-24	30-Jun-23
Sky Box subscriptions	498,668	509,771
Broadband subscriptions	27,508	19,623
Streaming subscriptions	110,390	103,174
Commercial revenue	54,548	53,465
Advertising	53,597	48,087
Other revenue	22,023	20,217
	766,734	**754,337**

Description of revenue streams

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

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

During the 2023 year, the new Sky Box and Pod were launched and offered to new and existing customers. As Sky continues to own the Sky Box and Sky Pod hardware over the subscription period, customers were required to pay a non-refundable, upfront access fee, or they could choose to pay the access fee monthly in order to access the subscription services. The upfront access fee is recognised on a straight line basis over the customer's deemed contract period and the monthly fee is recognised on a monthly basis as invoiced. In January 2024 the Group ceased to charge the access fee.

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

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

- The provision of broadband connectivity – recognised on a straight-line basis over the contract term (as billed monthly).
- Disney+ voucher – previously recognised at a point in time when the voucher is issued, there are no Disney+ vouchers remaining at 30 June 2024.
- Voice services – recognised either on a straight-line basis over the term (for bundles) or as incurred (additional calls), consistent with billing.
- Costs incremental to obtaining a contract are expensed as incurred.

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

Contracts with wholesale customers, where some of the Group's services including Neon and Sky Sport Now, are combined with the customer's products and sold as part of a bundled service have differing provisions such that the Group has been determined to be either the principal or the agent depending on the wholesale contract terms. Customers are invoiced in advance on a monthly basis and contracts are normally for a period of 12 months with monthly renewals thereafter.

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

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

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

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

Key estimates and judgements

Agent vs principal revenue recognition

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

New Sky Box and Sky Pod revenue recognition

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

- **Predetermined use** – both devices have a predetermined use governed by Sky which supports the fact the contract arrangement for use of the new Sky Box or Sky Pod does not constitute a lease arrangement.
- **Customer contract term** – judgment was initially applied to customers based on access fee paid, a limited number of customers remain under that assessment at 30 June 2024. Sky has stopped charging the access fee from January 2024.
- **Existing customers on rolling monthly contracts** – do not gain a material right from obtaining a new Sky Box. If they were to gain a material right, then this would require consideration in determining the customer contract term.

Operating segments are reported in a manner consistent with the internal reporting provided to Sky's executive team who are the chief operating decision-makers. Sky's executive team is responsible for allocating resources and assessing performance of the operating segments. Sky operates in a single operating segment comprising the provision of sport, entertainment media and telecommunication services in New Zealand.

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

In NZD 000	Sky Box subscriptions	Broadband subscriptions	Streaming subscriptions	Commercial revenue	Advertising	Other revenue	Total revenue from contracts with customers
For the year ended 30 June 2024							
Revenue from customers	498,668	27,508	110,390	54,548	53,597	22,023	766,734
Total revenue	**498,668**	**27,508**	**110,390**	**54,548**	**53,597**	**22,023**	**766,734**
Timing of revenue recognition							
At a point in time	3,055	-	-	-	53,597	11,943	68,595
Over time	495,613	27,508	110,390	54,548	-	10,080	698,139
	498,668	**27,508**	**110,390**	**54,548**	**53,597**	**22,023**	**766,734**
For the year ended 30 June 2023							
Revenue from customers	509,771	19,623	103,174	53,465	48,087	20,217	754,337
Total revenue	**509,771**	**19,623**	**103,174**	**53,465**	**48,087**	**20,217**	**754,337**
Timing of revenue recognition							
At a point in time	4,507	162	-	-	48,087	9,892	62,648
Over time	505,264	19,461	103,174	53,465	-	10,325	691,689
	509,771	**19,623**	**103,174**	**53,465**	**48,087**	**20,217**	**754,337**

5. Other Income

Other income includes:

In NZD 000	30-Jun-24	30-Jun-23
Government grant R&D tax credits	213	1,219
Other	258	2,296
	471	**3,515**

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 and gains or (losses) on the disposal of assets.

6. Operating Expenses

Profit before tax includes the following separate expenses:

In NZD 000	Notes	30-Jun-24	30-Jun-23
Depreciation, amortisation and impairment			
Depreciation and impairment of property, plant and equipment[1]	12	33,550	26,623
Amortisation and impairment of intangibles	14	25,501	20,654
Depreciation of right-of-use assets	13	24,220	26,821
Total depreciation, amortisation and impairment		**83,271**	**74,098**
Credit loss			
Movement in provision		239	(923)
Net write-off		1,637	2,274
Total credit loss	9	**1,876**	**1,351**
Audit and review of financial statements[2]		819	859
Non-audit assurance services provided by principal auditors			
Non-audit assurance engagement in relation to the Telecommunications Development Levy		14	13
Non-audit non-assurance services provided by principal auditors			
Agreed upon procedures in relation to the Broadcasting Standards Authority Levy		11	10
Director fee benchmarking		-	17
Chief Executive Officer and executive remuneration benchmarking		-	35
Total fees to external auditors		**844**	**934**
Employee costs[3]		70,511	76,620
KiwiSaver employer contributions		2,104	2,275
Donations[4]		82	260
Operating lease and rental expenses		628	1,069

(1) The majority of depreciation and amortisation relates to broadcasting assets (refer note 12).
(2) The audit fee includes the fee for both the annual audit of the financial statements and the review of the interim financial statements.
(3) Employee costs include $1.6 million of redundancy expenses (2023: $3.9 million).
(4) During the year Sky donated to the Special Children's Christmas party and We the South documentary.

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 the economic value added by employees together with 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.

In August 2023 the Group approved a long-term share based incentive plan which encompasses share rights based on certain incentives to executives. This plan was valued in August 2023 and has no rights to vote or share in dividends (refer note 28).

7. Earnings Per Share

Basic and diluted earnings per share

	30-Jun-24	30-Jun-23
Profit after tax attributable to equity holders of the parent (NZD 000)	48,964	50,868
Weighted average number of ordinary shares on issue (thousands)	142,169	156,778
Basic and diluted earnings per share (cents)	**34.44**	**32.45**
Issued ordinary shares at the beginning of the year	143,852,496	174,688,323
Ordinary shares cancelled on 21 November 2022[1]	-	(29,115,132)
Ordinary share buyback[2]	(6,177,486)	(1,720,695)
Total number of shares on issue	137,675,010	143,852,496
Weighted average number of ordinary shares on issue	**142,168,914**	**156,778,235**

(1) On 21 November 2022 Sky cancelled 29,115,000 ordinary shares as part of a capital return (refer note 19).
(2) On 6 April 2023 Sky commenced an on-market share buyback (refer note 19). At 30 June 2023 1,720,695 shares had been acquired at an average price of $2.61 and a total consideration of $4,490,000. From 1 July 2023 to 31 March 2024 Sky recommenced the on-market share buyback and acquired 3,555,050 shares at an average price of $2.75 for total consideration of $9,774,000 (excluding transaction fees). On 1 April 2024 an additional board approved share buyback scheme commenced, and 2,622,436 shares were purchased at an average price of $2.73 and total consideration of $7,171,000 (excluding transaction fees).

Basic earnings or loss per share

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

Diluted earnings per share

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

8. Taxation

Income tax expense

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

In NZD 000	30-Jun-24	30-Jun-23
Profit before tax	68,707	71,055
Prima facie tax expense at 28%	19,238	19,895
Non-assessable income	-	(1,004)
Non-deductible expenses	291	1,377
Prior year adjustment	(40)	489
Recognise tax losses previously not recognised	(317)	(1,497)
Adjustment to derecognise deferred tax on buildings	312	-
Tax loss not recognised	-	298
Effect of foreign tax rates	-	370
Income tax expense	**19,484**	**19,928**
Allocated between:		
Current tax	15,538	15,441
Deferred tax	3,946	4,487
Income tax expense	**19,484**	**19,928**

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.

Income tax expenses were impacted by an adjustment to deferred tax at 30 June 2024 to reflect the Inland Revenue rate change to 0% of the tax depreciation rate on commercial buildings. This resulted in de-recognition of deferred tax asset by $312,000.

Imputation credits

In NZD 000	30-Jun-24	30-Jun-23
Imputation credits available for subsequent reporting periods based on a tax rate of 28%	210,812	200,733

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

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

Deferred tax assets and (liabilities)

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

In NZD 000	Fixed assets	Leased assets	Lease liabilities	Other[1]	Recognised directly in equity	Total
For the year ended 30 June 2024						
At 1 July 2023	(2,488)	(11,032)	13,807	3,791	(529)	3,549
NZ IFRS 9 hedging adjustment recognised through other comprehensive income	-	-	-	-	393	393
Prior period adjustments recognised	-	-	-	(238)	-	(238)
Credited/(charged) to profit and loss	(3,234)	6,577	(6,887)	(208)	44	(3,708)
Balance at 30 June 2024	**(5,722)**	**(4,455)**	**6,920**	**3,345**	**(92)**	**(4)**
For the year ended 30 June 2023						
At 1 July 2022	721	(15,917)	19,656	4,037	(3,578)	4,919
NZ IFRS 9 hedging adjustment recognised through other comprehensive income	-	-	-	-	3,117	3,117
Recognise tax losses previously not recognised	-	-	-	1,497	-	1,497
Prior period adjustments recognised	(518)	-	-	(353)	(68)	(939)
Credited/(charged) to profit and loss	(2,691)	4,885	(5,849)	(1,390)	-	(5,045)
Balance at 30 June 2023	**(2,488)**	**(11,032)**	**13,807**	**3,791**	**(529)**	**3,549**

(1) At 30 June 2024 the 'Other' category of deferred tax assets included deferred tax assets recognised from previously unrecognised tax losses of $1.5 million (30 June 2023: $1.5 million).

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 FY23, the Group recognised $5,347,000 ($1,497,000 tax affected) of previously unrecognised tax losses from Sky Network Services Limited (previously Igloo Limited) based on estimates of customer base and profitability of the entity in the next three to five years. Management have assessed that no change to previously recognised tax losses is required in financial year 2024. There are a further $4,537,000 ($1,270,000 tax affected) of unrecognised losses remaining in this entity (30 June 2023: $5,672,000 ($1,588,000 tax affected)). These tax losses will be carried forward for use against future taxable profits of the entity subject to meeting the requirements of the income tax legislation, including shareholder continuity.

An adjustment was made to deferred tax at 30 June 2024 to reflect the Inland Revenue rate change to 0% of the tax depreciation rate on commercial buildings. This resulted in de-recognition of deferred tax asset of $312,000.

9. Trade and Other Receivables

In NZD 000	Notes	30-Jun-24	30-Jun-23
Trade receivables		37,273	37,036
Less provision for loss allowance		(904)	(665)
Trade receivables – net		**36,369**	**36,371**
Other receivables		16,186	9,956
Transmission[1]		5,980	-
Prepaid expenses		18,834	9,389
Balance at end of year		**77,369**	**55,716**
Current		72,441	55,716
Two to five years		4,928	-
		77,369	**55,716**
Deduct receivables not classified as financial assets[2]		(18,938)	(12,796)
Financial instruments	25	**58,431**	**42,920**

(1) The Group received a credit from a broadcast service provider for capital expenditure required to manage migration across various satellites.
(2) Receivables not classified as financial instruments include prepaid expenses, tax receivable and facility fees.

Impairment of trade receivables

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

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

The impairment of trade receivables as at 30 June 2024 is as follows:

	30-Jun-24		30-Jun-23	
In NZD 000	**Gross**	**Impairment**	**Gross**	**Impairment**
Residential subscribers	25,710	(675)	24,612	(493)
Commercial subscribers	4,621	(23)	4,864	(39)
Wholesale customers	769	-	832	-
Advertising	4,168	(30)	3,795	-
Other	2,005	(176)	2,934	(133)
	37,273	**(904)**	**37,037**	**(665)**

As at 30 June 2024, the ageing analysis of trade receivables is as follows:

	30-Jun-24			30-Jun-23		
In NZD 000	**Expected loss rate[1]**	**Gross carrying amount**	**Loss allowance**	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
Not past due	0.2%	32,540	70	0.2%	33,106	72
Past due 0-30 days	2.4%	2,879	69	2.6%	2,794	72
Past due 31-60 days	16.6%	1,134	188	7.3%	464	34
Past due 61-90 days	48.7%	277	135	50.1%	361	181
Greater than 90 days	99.7%	443	442	98.1%	312	306
		37,273	**904**		**37,037**	**665**

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

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

In NZD 000	Notes	30-Jun-24	30-Jun-23
Opening balance		665	1,588
Charged during the year	6	1,876	1,351
Utilised during the year		(1,637)	(2,274)
Closing balance		**904**	**665**

The provision charged and the amount utilised for impaired receivables has been included in subscriber related costs in the Consolidated Income Statement. Amounts charged to the allowance account are generally written off when there is no expectation of receiving additional cash, usually sixty 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 $1.0 million (30 June 2023: $1.0 million) in the form of deposits for Sky Box customers.

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

10. Programme Rights Inventory

In NZD 000	30-Jun-24	30-Jun-23
Opening balance	134,812	121,407
Acquired during the year	335,548	343,365
Charged to programming expenses	(344,716)	(329,960)
Balance at end of year	**125,644**	**134,812**

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

Prior to being included in inventories, the programming rights are classified as television programme rights not yet available for transmission and not recorded as inventories on the Group's Consolidated Balance Sheet and are instead disclosed as contractual commitments (refer note 29).

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

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

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

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

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

Entertainment streaming content is amortised on a straight-line basis over the licence period.

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

11. Trade and Other Payables and Contract Liabilities

In NZD 000	Notes	30-Jun-24	30-Jun-23
Trade payables		83,318	90,108
Employee entitlements		10,475	8,331
Tax payables		4,498	4,548
Accruals		31,857	30,798
Deferred obligation[1]		8,126	-
Provisions	26	4,182	4,534
Balance at end of year		**142,456**	**138,319**
Current		141,873	137,718
Two to five years		583	601
		142,456	**138,319**
Less			
Payables not classified as financial instruments[2]		(19,155)	(17,413)
Financial instruments	24	**123,301**	**120,906**

(1) The Group received a credit from a broadcast service provider for capital expenditure required to manage migration across various satellites.
(2) Tax payables, provisions and employee benefits do not meet the definition of a financial instrument and have been excluded from the "Financial instruments" category.

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

Contract liabilities

In NZD 000	30-Jun-24	30-Jun-23
Deferred revenue	56,535	57,532

Contract liabilities of $57,532,000 were released into revenue during the year ended 30 June 2024 (30 June 2023: $52,505,000).

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.

12. Property, Plant and Equipment

In NZD 000	Land, buildings & leasehold improvements	Broadcasting & studio equipment	Decoders & associated equipment	Capitalised installation costs	Other plant & equipment	Projects under development	Total
For the year ended 30 June 2024							
Cost							
Balance at 1 July 2023	12,661	100,519	253,450	231,662	74,655	890	673,837
Transfer between categories	732	133	-	-	25	(890)	-
Impairment	-	-	(803)	-	-	-	(803)
Additions[1,2]	1,539	6,469	34,897	11,758	2,146	1,806	58,615
Disposals	(202)	(6,815)	(4,746)	(16,024)	(27,727)	-	(55,514)
Balance at 30 June 2024	**14,730**	**100,306**	**282,798**	**227,396**	**49,099**	**1,806**	**676,135**
Accumulated depreciation							
Balance at 1 July 2023	4,592	93,221	221,985	200,876	61,245	-	581,919
Depreciation for the year (note 6)	969	2,780	10,037	13,009	5,952	-	32,747
Disposals	(195)	(6,815)	(4,730)	(16,024)	(27,697)	-	(55,461)
Balance at 30 June 2024	**5,366**	**89,186**	**227,292**	**197,861**	**39,500**	**-**	**559,205**
Net book value at 30 June 2024	**9,364**	**11,120**	**55,506**	**29,535**	**9,599**	**1,806**	**116,930**
For the year ended 30 June 2023							
Cost							
Balance at 1 July 2022	10,278	111,915	246,686	239,370	76,485	2,978	687,712
Transfer between categories	796	1,616	510.00	-	1,110	(4,032)	-
Additions[1,2]	1,587	1,031	28,659	12,034	1,905	1,944	47,160
Disposals	-	(14,043)	(22,405)	(19,742)	(4,845)	-	(61,035)
Balance at 30 June 2023	**12,661**	**100,519**	**253,450**	**231,662**	**74,655**	**890**	**673,837**
Accumulated depreciation							
Balance at 1 July 2022	3,854	104,839	241,189	206,650	59,787	-	616,319
Depreciation for the year (note 6)	738	2,414	3,201	13,968	6,302	-	26,623
Disposals	-	(14,032)	(22,405)	(19,742)	(4,844)	-	(61,023)
Balance at 30 June 2023	**4,592**	**93,221**	**221,985**	**200,876**	**61,245**	**-**	**581,919**
Net book value at 30 June 2023	**8,069**	**7,298**	**31,465**	**30,786**	**13,410**	**890**	**91,918**

(1) Additions to Decoders and associated equipment includes purchase of new Sky Box, Pod and Broadband equipment.
(2) Total additions of $58,615,000 exclude comparative year creditor accruals of $5,220,000 which are included in the $63,835,000 disclosed as acquisition of PPE in the Consolidated Statement of Cash flows.

Land, buildings, and leasehold improvements at 30 June 2024 includes land with a cost of $1,600,000 (30 June 2023: $1,600,000). Depreciation related to broadcasting assets (including decoders and capitalised installation costs) of $26,629,000 (30 June 2023: $19,583,000) accounts for the majority of the total depreciation charge.

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

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 $1,095,000 of capitalised labour costs (30 June 2023: $225,000).

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

Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recognised in other costs.

Depreciation

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

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

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

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

Key estimates and judgements

The estimated life of technical assets such as decoders 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.

Management assessed the estimated useful life of the new Sky Box and Sky Pod in the prior year, this assessment remains at 6 years. This customer premise equipment is classified under Decoders and associated equipment.

13. Right-of-Use Assets

In NZD 000	Transmission	Property	Equipment	Motor Vehicles	Total
Right-of-use assets					
Balance at 1 July 2023	17,720	12,772	8,905	2	39,399
Additions	-	-	1,626	-	1,626
Lease modification/reassessment	-	-	(53)	-	(53)
Terminations	-	(146)	116	-	(30)
Depreciation	(15,189)	(2,348)	(6,681)	(2)	(24,220)
Balance at 30 June 2024	**2,531**	**10,278**	**3,913**	**-**	**16,722**
Right-of-use assets					
Balance at 1 July 2022	28,530	16,154	12,581	36	57,301
Additions	-	-	3,006		3,006
Lease modification/reassessment[1]	6,413	(782)	288	(61)	5,858
Terminations	-	-	-	55	55
Depreciation	(17,223)	(2,600)	(6,970)	(28)	(26,821)
Balance at 30 June 2023	**17,720**	**12,772**	**8,905**	**2**	**39,399**

(1) On 1 April 2023 the Group performed a reassessment of its current satellite lease which led to a change in payments profile and a change to the current lease term, which impacted the Transmission right-of-use asset (refer note 17).

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

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

14. Intangible Assets

In NZD 000	Software	Other intangibles	Projects under development	Total
For the year ended 30 June 2024				
Cost				
Balance at 1 July 2023	239,986	2,921	2,800	245,707
Transfer from projects under development	2,346	-	(2,346)	-
Additions[1]	20,911	-	3,425	24,336
Disposals	(14,328)	-	-	(14,328)
Impairment	-	-	(402)	(402)
Balance at 30 June 2024	**248,915**	**2,921**	**3,477**	**255,313**
Accumulated amortisation				
Balance at 1 July 2023	181,504	2,921	-	184,425
Amortisation for the year	25,099	-	-	25,099
Disposals	(14,328)	-	-	(14,328)
Balance at 30 June 2024	**192,275**	**2,921**	**-**	**195,196**
Net book value at 30 June 2024	**56,640**	**-**	**3,477**	**60,117**
For the year ended 30 June 2023				
Cost				
Balance at 1 July 2022	207,436	2,921	11,674	222,031
Transfer from projects under development	9,192	-	(9,192)	-
Additions	29,918	-	318	30,236
Disposals	(6,560)	-	-	(6,560)
Balance at 30 June 2023	**239,986**	**2,921**	**2,800**	**245,707**
Accumulated amortisation				
Balance at 1 July 2022	167,484	2,847	-	170,331
Amortisation for the year	20,580	74	-	20,654
Disposals	(6,560)	-	-	(6,560)
Balance at 30 June 2023	**181,504**	**2,921**	**-**	**184,425**
Net book value at 30 June 2023	**58,482**	**-**	**2,800**	**61,282**

(1) Total additions of $24,336,000 exclude comparative year creditor accruals of $536,000 which are included in the $24,872,000 disclosed as acquisition of intangibles in the Consolidated Statement of Cash flows.

Software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives (generally three to five years). Direct costs associated with the development of broadcasting and business software for internal use are capitalised where it is probable that the asset will generate future economic benefits. Capitalised costs include external direct costs of materials and services consumed and direct payroll-related costs for employees (including contractors) directly associated with the project and interest costs incurred during the development stage of a project. Additions in the current year to software include capitalised labour costs of $8,186,000 (30 June 2023: $13,393,000) and no interest was capitalised.

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

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

Key estimates and judgements

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

15. Goodwill

In NZD 000	30-Jun-24	30-Jun-23
Opening balance	244,264	244,264
Closing balance	**244,264**	**244,264**

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

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition and the fair value of the non-controlling interest in the acquired subsidiary. Prior to 30 June 2020 the goodwill balance had been allocated to the Group's single reportable segment. The majority of goodwill arose as a result of the acquisition of Sky by Independent Newspapers Limited (INL) in 2005. Subsequent acquisitions have resulted in increases to goodwill, including in August 2019 with the acquisition of RugbyPass and associated goodwill of $38.5 million. RugbyPass was sold on 10 October 2022 and the remaining Goodwill ($8,981,000) was disposed in FY23 (refer note 27).

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 2024 has been determined based on fair value less cost of disposal calculation using the discounted cash flow (DCF) model. For the year ended 30 June 2024 management has utilised the same valuation approach in the prior year for calculating the recoverable amount of the Sky CGU. This valuation methodology uses level three inputs in terms of the fair value hierarchy in NZ IFRS 13.

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

Key estimates and judgements

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

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

Cash flows over the forecast period (FY25 to FY29)

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 2024.

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

- the heightened impact of the economic environment (inflation and interest rates) as customers rationalise household spending;
- the quantum and timing of subscription revenues including expected acquisition and retention rates for streaming and Sky Box customers;
- timing of live sports across the various sporting codes and delivery of rights according to contract, or delivery of equivalent content, and assumptions around the cost of renewing key rights agreements in the future; and
- 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 2023, the five-year business plan model reflects any changes in the business since that time, as well as areas where there has been a shift in focus such as:

- the expected trading performance for the year ended 30 June 2024;
- lower revenue reflecting the challenging economic environment, delayed Sky Box stabilisation reflecting the challenge on household spend and reduced Neon revenues as the flow of premium entertainment content remains lower than previously anticipated levels. These are partially offset by higher Sky Sport Now revenues reflecting continued customer preference toward streaming of sport;
- a softened growth outlook in broadband;
- changes to sport and entertainment costs to reflect new and/or revised rights deals and revised assumptions around content renewals in the future; and
- other structural changes, including the offshoring of certain operational functions.

Valuation approach

For the year ended 30 June 2024, management has utilised the same valuation approach used in the prior year, other than refreshing the discount rate and terminal growth rate and adopted the five-year plan approved by the Board on 24 June 2024.

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 plans for a new Sky Box and Pod, initiatives focused on customer retention and loyalty, and 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 following the launch of the business in the 2021 financial year and are estimated based on management's expectations of Sky's market penetration with reference to relevant industry data and Sky's expected ARPU.

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 refine its operational activities through a period of transformational change and right-sizes its cost base.

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

Discount rates and terminal growth rates

The terminal growth rate and discount rate used in the 30 June 2024 impairment assessment calculations (and the equivalent assumptions for 30 June 2023) are detailed below. Costs of disposal are assumed to be 1% (30 June 2023: 1%) of the enterprise value.

	30-Jun-24	30-Jun-23
Terminal growth rate	1.5%	2.0%
Discount rate (post-tax)	10.5%	11.1%
Discount rate (pre-tax)	14.6%	15.4%

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 likely to more than offset any decline of residential Sky Box revenues. Any risks of not achieving long term growth rate have been adequately factored into the discount rate.

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

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

Conclusion

Management and the directors have assessed the recoverable amount for the Sky CGU, and also considered whether there are any events or changes in circumstances that may indicate impairment and have concluded that no such indicators of impairment exist.

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 2024 was $2.35 equating to a market capitalisation of $324 million, and the share price on the day the financial statements were signed was $2.86 equating to a market capitalisation of $394 million. This market value excludes any control premium and may not reflect the value of the Group's net assets. The carrying amount of the Group's net assets as at 30 June 2024 was $449 million ($3.26 per share). Management and the directors have considered the market capitalisation and net assets and concluded there is no indicator of impairment of the Sky CGU.

16. Borrowings

Bank loans

The Group has a revolving credit bank facility of $150 million expiring 31 July 2025 from a syndicate of banks comprising Bank of New Zealand, Commonwealth Bank of Australia, and Westpac New Zealand Limited. On 29 July 2024 the Group completed renegotiations to extend the bank facility to 30 September 2027 and reduce the facility limit to $100 million (refer note 32).

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

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

As is customary for facilities of this nature, the loan facility is subject to certain covenant clauses whereby the Group is required to meet certain key financial ratios and other performance indicators.

There have been no breaches of covenant clauses in the 2024 financial year and no breaches are anticipated within the next 12 months.

Bank overdrafts of $33,000 (30 June 2023; $771,000) have been set off against cash balances.

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

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

Changes in liabilities arising from financing activities

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

In NZD 000	1 July 2022	Additions	Repayment	Reclass	Other movements [1]	30 June 2023
Current liabilities						
Third party loan	1,035	-	(1,035)	-	-	-
Lease liabilities	31,244	-	-	(5,563)	(16)	25,665
Non-current liabilities						
Third party loan	-	-	-	-	-	-
Lease liabilities	39,435	3,103	(29,109)	5,563	4,656	23,648
	71,714	**3,103**	**(30,144)**	**-**	**4,640**	**49,313**

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

17. Lease Liabilities

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

In NZD 000	Transmission	Property	Equipment	Motor vehicles	Total
For the year ended 30 June 2024					
Balance at 1 July 2023	19,510	20,413	9,388	2	49,313
Additions for the period	-	49	1,626	-	1,675
Lease modifications/reassessments[1]	-	(175)	78	-	(97)
Add interest for period	664	1,172	313	-	2,149
Less repayments	(17,860)	(3,843)	(7,186)	(2)	(28,891)
Foreign currency revaluation	557	-	6	-	563
Balance at 30 June 2024	**2,871**	**17,616**	**4,225**	**-**	**24,712**
Current	2,871	2,733	3,731	-	9,335
Two to five years	-	9,600	494	-	10,094
More than five years	-	5,283	-	-	5,283
Balance at 30 June 2024	**2,871**	**17,616**	**4,225**	**-**	**24,712**
For the year ended 30 June 2023					
Balance at 1 July 2022	33,958	23,894	12,789	38	70,679
Additions for the period	-	93	3,010	-	3,103
Lease modifications and terminations[2]	4,801	(782)	288	9	4,316
Terminations	-	-	-	(16)	(16)
Add interest for period	939	1,328	469	-	2,736
Less repayments	(20,388)	(4,120)	(7,308)	(29)	(31,845)
Foreign currency revaluation	200	-	140	-	340
Balance at 30 June 2023	**19,510**	**20,413**	**9,388**	**2**	**49,313**
Current	16,652	2,846	6,165	2	25,665
Two to five years	2,858	9,522	3,223	-	15,603
More than five years	-	8,045	-	-	8,045
Balance at 30 June 2023	**19,510**	**20,413**	**9,388**	**2**	**49,313**

(1) On 30 April 2024 the Group performed a reassessment of its current satellite lease which led to reduction in lease liability to zero, this impacted the transmission lease liability.
(2) On 1 April 2023 the Group performed a reassessment of its current satellite lease which led to a change in payments profile and a change to the current lease term, which impacted the transmission lease liability.

Short term lease costs included in expenses in the consolidated statement of comprehensive income are $1,848,000 (30 June 2023: $2,365,000). No leases were terminated or assigned to other parties during the period or in the prior period.

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

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

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

Key estimates and judgements

Determining the lease term

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

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

18. Finance Costs, Net

In NZD 000	30-Jun-24	30-Jun-23
Finance income		
Interest income	1,905	2,639
Finance expense		
Interest expense on bank loans	2,232	2,056
Lease interest	2,149	2,749
Bank facility finance fees	278	305
Total interest expense	**4,659**	**5,110**
Unrealised exchange (gain)/loss – foreign currency payables	(3,923)	(455)
Unrealised exchange loss/(gain) – foreign currency hedges	2,348	3,510
Realised exchange (gain)/loss – foreign currency payables	(122)	(2,013)
Total foreign exchange (income)/expense	**(1,697)**	**1,042**
Total finance expense	**2,962**	**6,152**

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 with the borrowing of funds.

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

19. Share Capital

	30-Jun-24		30-Jun-23	
	Number of shares (000)	Ordinary shares (NZD 000)	Number of shares (000)	Ordinary shares (NZD 000)
Shares on issue at beginning of year	143,852	693,720	174,688	768,766
Ordinary shares returned on 21 November 2022[1]	-	-	(29,115)	(70,547)
Share Buyback[2]	(6,177)	(16,965)	(1,721)	(4,499)
	137,675	**676,755**	**143,852**	**693,720**

(1) Capital return included $671,000 of transaction costs.
(2) The share buyback includes transaction costs of $33,861 in the 2024 financial year ($9,000 in FY23).

On 21 November 2022 the Group completed a capital return resulting in 29,115,132 ordinary shares being cancelled for a cash sum of $70.5 million (including transaction fees).

On 6 April 2023 Sky commenced an on-market share buyback programme for a maximum aggregate of $15 million in purchase price and up to a maximum of 8,734,416 shares. At 30 June 2023 the company had acquired 1,720,695 shares at an average price of $2.61 and total consideration of $4,499,000 (including transaction fees).

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

On 1 April 2024, the board commenced a further share buyback with a maximum aggregate of $15 million in purchase price and up to a maximum of 7,033,000 shares. At 30 June 2024 2,622,000 shares had been purchased at an average price of $2.73 for total consideration of $7,171,000 (including transaction fees).

The share buyback programme was paused on 31 May 2024 and will recommence on the 22 August 2024, post the release of Sky's 2024 financial results.

20. Reserves

In NZD 000	Notes	Hedge reserve	Share based compensation reserve	Currency translation reserve	Total reserves
As at 30 June 2024					
Balance as at 1 July 2023		1,188	-	-	1,188
Share based compensation reserve	28	-	181	-	181
Cash flow hedges (net of tax)					
Revaluation		247	-	-	247
Reclassification to Consolidated Statement of Comprehensive Income		(1,649)	-	-	(1,649)
Deferred tax	8	392	-	-	392
Balance at 30 June 2024		**178**	**181**	**-**	**359**
As at 30 June 2023					
Balance as at 1 July 2022		9,206	-	247	9,453
Translation of subsidiary		-	-	(247)	(247)
Cash flow hedges (net of tax)					
Revaluation		1,651	-	-	1,651
Reclassification to Consolidated Statement of Comprehensive Income		(12,786)	-	-	(12,786)
Deferred tax	8	3,117	-	-	3,117
Balance at 30 June 2023		**1,188**	**-**	**-**	**1,188**

21. Derivative Financial Instruments

		30-Jun-24			30-Jun-23		
In NZD 000	Notes	Assets	Liabilities	Notional amounts	Assets	Liabilities	Notional amounts
Forward foreign exchange contracts - cash flow hedges	24	2,396	(2,149)	248,055	5,369	(2,770)	303,846
Forward foreign exchange contracts - dedesignated	24	143	(636)	45,437	1,339	(128)	56,712
Total forward foreign exchange derivatives		**2,539**	**(2,785)**	**293,492**	**6,708**	**(2,898)**	**360,558**
Analysed as:							
Current		1,333	(2,450)	218,956	5,234	(2,201)	254,258
Non-current		1,206	(335)	74,536	1,474	(697)	106,300
		2,539	**(2,785)**	**293,492**	**6,708**	**(2,898)**	**360,558**

Foreign exchange rates

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

	30-Jun-24	30-Jun-23
USD	0.6092	0.6086
AUD	0.9139	0.9181
GBP	0.4821	0.4823
EUR	0.5697	0.5602
JPY	97.7639	87.9346

Sensitivity analysis for foreign exchange

A 10% strengthening or weakening of the NZD against the following currencies as at 30 June 2024 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.

	10% rate increase		10% rate decrease	
In NZD 000 Gain/(loss)	Equity	Profit or loss	Equity	Profit or loss
As at 30 June 2024				
Foreign currency payables				
USD	-	3,967	-	(4,848)
AUD	-	1,661	-	(2,030)
Foreign exchange hedges				
USD	(9,427)	(1,845)	11,522	2,255
AUD	(12,429)	(1,121)	15,192	1,371
	(21,856)	**2,662**	**26,714**	**(3,252)**
As at 30 June 2023				
Foreign currency payables				
USD	-	4,012	-	(4,904)
AUD	-	3,915	-	(4,785)
Foreign exchange hedges				
USD	(13,253)	(2,117)	16,199	2,587
AUD	(13,880)	(1,692)	16,965	2,069
	(27,133)	**4,118**	**33,164**	**(5,033)**

Interest rates

During the year ended 30 June 2024, interest rates on borrowings varied in the range of 3.34% to 7.25% (30 June 2023: 3.34% to 7.25%).

The Group's interest rate structure is as follows:

		30-Jun-24			30-Jun-23		
In NZD 000	**Notes**	**Effective interest rate**	**Current**	**Non-current**	**Effective interest rate**	**Current**	**Non-current**
Assets							
Cash and cash equivalents		5.50%	37,799	-	5.50%	56,051	-
Liabilities							
Lease liabilities	17	6.10%	(9,335)	(15,377)	5.99%	(25,665)	(23,648)
			28,464	**(15,377)**		**30,386**	**(23,648)**

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

As at 30 June 2024 the Group does not hold any variable rate loans, nor any interest rate hedges.

Derivative financial instruments

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

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

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

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

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

22. Financial Risk Management – Market Risk

Financial risk management objectives

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

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

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

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

Market risk

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

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

(a) Foreign exchange risk

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

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

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

(1) Forward exchange contracts.

In May 2024 the Board approved a three month exemption to operate outside the period 2 hedging policy.

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

	30-Jun-24			30-Jun-23		
In NZD 000	**USD**	**AUD**	**Other**	**USD**	**AUD**	**Other**
Foreign currency payables	(26,581)	(16,697)	(483)	(26,862)	(39,537)	(313)
De-designated forward exchange contracts	27,823	17,614	-	23,476	33,236	-
Net balance sheet exposure	**1,242**	**917**	**(483)**	**(3,386)**	**(6,301)**	**(313)**
Forward exchange contracts (for forecasted transactions)	106,861	141,194	-	147,793	156,053	-
Total forward exchange contracts	**134,684**	**158,808**	**-**	**171,269**	**189,289**	**-**

(b) Cash flow and fair value interest rate risk

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

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

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

23. Financial Risk Management – Credit Risk

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

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

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

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

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution. The maximum exposure to credit risk on the derivative financial instruments is the value of the derivative assets' receivable portion of $2,539,000 (30 June 2023: $6,708,000).

24. Financial Risk Management – Liquidity Risk

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

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

The Group has an undrawn facility balance of $150,000,000 as at 30 June 2024 (30 June 2023: $150,000,000) that can be drawn down to meet short-term working capital requirements.

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

In NZD 000	Notes	Carrying amount	Contractual cash flows	Less than one year	1-2 years	>3 years
At 30 June 2024						
Non derivative financial liabilities						
Lease liabilities	17	24,712	(28,933)	(10,466)	(6,454)	(12,013)
Trade and other payables	11	123,301	(123,301)	(122,718)	(583)	-
Derivative financial liabilities						
Forward exchange contracts used for hedging – net outflow/inflow[1]	21	2,785	(2,785)	(2,450)	(335)	-
		150,798	**(155,019)**	**(135,634)**	**(7,372)**	**(12,013)**
At 30 June 2023						
Non derivative financial liabilities						
Lease liabilities	17	49,313	(55,577)	(27,763)	(12,786)	(15,028)
Trade and other payables	11	120,906	(120,524)	(119,923)	(425)	(176)
Derivative financial liabilities						
Forward exchange contracts used for hedging – net outflow/inflow[1]	21	2,898	(2,898)	(2,201)	(697)	-
		173,117	**(178,999)**	**(149,887)**	**(13,908)**	**(15,204)**

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

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

In NZD 000	Exchange rate	Contractual cash flows foreign exchange amount	Contractual cash flows	Less than one year	1-2 years	3-5 years
At 30 June 2024						
Forward foreign exchange contracts						
Outflow (at FX hedge rate)						
USD			(134,684)	(102,351)	(32,333)	-
AUD			(158,808)	(116,605)	(42,203)	-
Inflow (at year end market rate)						
USD	0.6092	82,141	134,834	102,177	32,658	-
AUD	0.9139	144,017	157,585	115,130	42,455	-
			(1,073)	**(1,649)**	**577**	**-**
At 30 June 2023						
Forward foreign exchange contracts						
Outflow (at FX hedge rate)						
USD			(171,270)	(127,289)	(43,981)	-
AUD			(189,288)	(126,970)	(62,318)	-
Inflow (at year end market rate)						
USD	0.6086	103,920	170,753	125,822	44,931	-
AUD	0.9181	166,898	181,786	120,386	61,400	-
			(8,019)	**(8,051)**	**32**	**-**

Capital risk management

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

The capital structure of the Group consists of debt which includes the borrowings disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of Sky comprising share capital, reserves and retained earnings as disclosed in note 20.

The Board reviews the Group's capital structure on a regular basis. The Group has a facility agreement in place with a syndicate of banks. The Group's bank loan facility is subject to a number of covenants, including interest and debt cover ratios, calculated, and reported quarterly, with which it has complied for the entire year reported (2023: complied).

As at 30 June 2024 the Group's debt excluding lease liabilities is $nil (30 June 2023: $nil).

Fair value estimation

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

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs), for example discounted cash flow.

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

In NZD 000	Notes	30-Jun-24	30-Jun-23
Assets measured at fair value			
De-designated forward exchange contracts	21	143	1,339
Derivatives used for hedging - cash flow hedges	21	2,396	5,369
Total assets		**2,539**	**6,708**
Liabilities measured at fair value			
De-designated forward exchange contracts	21	(636)	(128)
Derivatives used for hedging - cash flow hedges	21	(2,149)	(2,770)
Total liabilities		**(2,785)**	**(2,898)**

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

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

25. Classification of Financial Instruments

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

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

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

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

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

		30-Jun-24		30-Jun-23	
In NZD 000	**Notes**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at amortised cost					
Cash and cash equivalents		37,799	37,799	56,051	56,051
Trade and other receivables	9	58,431	58,431	42,920	42,920
Financial assets at fair value through profit or loss					
Derivatives designated as hedging instruments (cash flow hedges)	21	2,396	2,396	5,369	5,369
Derivatives not designated as hedging instruments	21	143	143	1,339	1,339
		98,769	**98,769**	**105,679**	**105,679**
Financial liabilities at amortised cost					
Lease liabilities	17	24,712	24,703	49,313	48,989
Trade and other payables	11	123,301	123,301	120,906	120,906
Financial liabilities at fair value through OCI					
Derivatives designated as hedging instruments (cash flow hedges)	21	2,149	2,149	2,770	2,770
Derivatives not designated as hedging instruments (fair value hedges)	21	636	636	128	128
		150,798	**150,789**	**173,117**	**172,793**

Prepaid expenses, contract liabilities, unearned subscriptions, tax payables and employee benefits do not meet the definition of a financial instrument and have been excluded from the 'Trade and other receivables' and 'Trade and other payables' categories above.

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

- Cash and cash equivalents, trade and other receivables carried at amortised cost, trade and other payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of loans from banks and lease liabilities is estimated on a level 3 basis by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Impairment of financial assets

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

26. Provisions

In NZD 000	Notes	30-Jun-24	30-Jun-23
Holidays Act 2003 compliance provision		-	327
Provision for onerous contracts[1]		893	856
Customer credits		3,289	3,351
Balance at 30 June	11	**4,182**	**4,534**

(1) The onerous contract provision is for a life of series entertainment content commitment which management consider to be an onerous contract.

Customer credits

The Group has recognised a provision for $3,289,000 at 30 June 2024 (30 June 2023, $3,351,000) in respect of money received by Sky that it intends to pay to customers and the Commissioner of Inland Revenue pursuant to the Unclaimed Money Act 1971.

The movements in provisions are as follows:

In NZD 000	Notes	Holidays Act 2003 compliance provision	Onerous contracts	Customer Credits	Total
Balance at 1 July 2023	11	327	856	3,351	4,534
Arising during the year		-	299	54	353
Utilised/paid out		(327)	(262)	(116)	(705)
Balance at 30 June 2024		**-**	**893**	**3,289**	**4,182**
Current – within one year	11	-	310	3,289	3,599
Long term – later than one year		-	583	-	583
		-	**893**	**3,289**	**4,182**

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

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

27. Business Acquisitions and Disposals

Disposals

There were no business disposals in 2024 financial year.

Financial year 2023 – RugbyPass

On 10 October 2022 Sky entered into an agreement with World Rugby to sell the shares of RugbyPass Limited and RugbyPass UK Limited (RugbyPass Entities) for $11.0 million. The consideration was part of the media rights agreement for exclusive rights to premium competitions, including Rugby World Cups for seven years with World Rugby (the licence period 29 June 2023 to 30 June 2030).

The cost of the programming rights acquired (which are held at the lower of cost and net realisable value as per note 10) comprises both cash paid in the deal and the fair value of the shares in the RugbyPass Entities transferred to World Rugby as non-cash consideration.

The RugbyPass Entities accumulated losses remain with RugbyPass after disposal. No deferred tax asset had been recognised for those losses so no disposal adjustment to deferred tax is required.

The book values of the assets and liabilities derecognised as a result of the disposal are as follows:

	In NZD 000
Disposal consideration	
Contracted price	11,000
Less costs to sell	(547)
Net selling price	**10,453**
Assets and liabilities disposed of	
Cash	235
Trade receivables	777
Goodwill	8,981
Other intangible assets	1,765
Trade payables	(777)
Deferred tax	(309)
Net assets disposed of	**10,672**
Disposal price	**10,453**
Loss on sale	**219**

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 000	30-Jun-24	30-Jun-23
Consolidated Statement of Comprehensive Income		
Remuneration of key personnel (included in employee costs)	6,324	4,959
Dividend payments (included in dividends paid)	154	83
Directors' fees	880	803
Share based compensation reserve	181	
Total related party transactions through consolidated income statement	**7,539**	**5,845**

The Group's directors and key management personnel collectively hold shareholdings of 1,266,143 shares (30 June 2023: 809,211 shares) which carry the normal entitlement to dividends. Share transactions undertaken by directors can be found as part of the statutory disclosures in the annual report.

Equity-settled share base compensation reserve

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

The share rights are separated into two tranches, one tranche which vests over a three-year measurement period based on achieving certain total shareholder returns. The second tranche vests over a three-year measurement period based on achieving total shareholder returns relative to other market participants on the NZX50. The executives must remain employed by the Group over the vesting period.

The share rights represent an equity-settled share-based payment with market-based vesting conditions. The share rights approved in August 2023 had an estimated fair value of $547,276. The fair value was determined using a Monte-Carlo simulation model and encompasses the market-based vesting criteria. The key valuation assumptions are set out below:

Share based compensation valuation assumptions	
Grant date share price	$2.70
Exercise price	-
Expected volatility	33.70%
Maturity vesting date	4th September 2026
Dividend yield (over vesting period)	9.00%
Risk free rate	4.46%

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

29. Commitments

In NZD 000	30-Jun-24	30-Jun-23
Lease commitments		
Year 1	10,371	-
Year 2	16,851	16,872
Year 3	18,047	22,861
Year 4	16,398	22,861
Year 5	16,398	22,861
Later than year 5	39,628	80,012
	117,693	**165,467**
Contracts for transmission services:		
Year 1	1,612	2,254
Year 2	680	1,753
Year 3	95	771
Year 4	95	95
Year 5	95	95
Later than year 5	262	357
	2,839	**5,325**
Contracts for future programmes:		
Year 1	343,919	337,318
Year 2	201,370	278,785
Year 3	109,866	153,636
Year 4	58,741	85,953
Year 5	14,585	49,138
Later than year 5	8,714	33,428
	737,195	**938,258**
Capital expenditure commitments:		
Property, plant and equipment		
Year 1	20,280	41,474
	20,280	**41,474**
Other services commitments:		
Year 1	81,093	57,159
Year 2	47,992	29,536
Year 3	20,903	22,683
Year 4	12,458	14,968
Year 5	8,334	13,641
Later than year 5	50,505	38,100
	221,285	**176,087**

30. Prior Period Restatements

Non-returned Equipment Charges

During the year, the Group has discovered that customer payments for non-returned equipment charges remained in the Trade Receivables balance and were not recognised as revenue. This has led to unrecognised revenue and an understatement of Trade Receivables in the previous periods. To correct this error, Sky has adjusted the customer payments previously offsetting trade receivables (30 June 2023: $3,593,000; 30 June 2022: $3,356,000) to Other Revenue for the comparative years (30 June 2023: $237,000; 30 June 2022: $732,000) and Retained Earnings for the comparative years (30 June 2023: $2,587,000; 30 June 2022: $2,416,000). This adjustment also results in a decrease to Deferred Tax Assets (30 June 2023: $1,006,000; 30 June 2022: $940,000).

Customer Credits

As part of its review of customer account management, the Group has identified inactive customer credits that have previously been written off to the statement of comprehensive income. Accordingly, the Group has become aware that these credits should have been remitted under the Unclaimed Money Act 1971 once these have not been interacted with for 5 years.

As a result, the Group has recognised a provision in Trade Payables for unclaimed money payable by Sky (30 June 2023: $3,351,000; 30 June 2022: $3,272,000) that had previously been recorded against subscriber related costs for the comparative years (30 June 2023: $79,000; 30 June 2022: $83,000) and against Retained Earnings for the comparative years (30 June 2023: $2,413,000; 30 June 2022: $2,356,000). This adjustment also results in an increase to Deferred Tax Assets (30 June 2023: $938,000; 30 June 2022: $916,000).

These two restatements have a combined impact on basic and diluted earnings per share (in cents) by increasing it from 32.37 to 32.45 at 30 June 2023 and increasing from 35.57 to 35.84 at 30 June 2022.

31. Contingent Assets and Liabilities

The Group has no undrawn letters of credit at 30 June 2024 (30 June 2023: $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.

32. Subsequent Events

Dividend

On 20 August 2024 the Board of Directors resolved to pay a fully imputed dividend of 12.0 cents per share with the record date being 6 September 2024. A supplementary dividend of 2.1176 cents per share will be paid to non-resident shareholders subject to the foreign tax credit regime.

Bank Facility

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 (refer note 16).

Status of satellite supply

As announced on NZX on 19 August 2024, the Group has an agreement in place with Optus that provides the Group with security of supply over satellite services to 2031. The Optus agreement provides for Group's transition from its current D-Series satellite (Optus D2), which reaches end-of-life in 2025, to alternative satellite options, including a new software-enabled satellite (Optus 11) at a future date. The Optus 11 satellite that was expected to be ready for service in late 2025 has experienced further manufacturing delays, and the earliest Optus expects to offer access to this spacecraft is during 2027. Optus has notified the Group that, following recent fuel assessments, the end of commercial operation of the Optus D2 satellite has been brought forward to May 2025. Optus has offered two satellite path options to replace Optus D2 and the Group will now accelerate its migration plans to meet this new deadline. The Group continues to receive assurance of security of supply from Optus through to 2031.

Independent auditor's report

To the shareholders of Sky Network Television Limited

Our opinion

In our opinion, the accompanying consolidated 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 2024, 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 consolidated financial statements comprise:

- the consolidated balance sheet as at 30 June 2024;
- 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 consolidated 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 consolidated financial statements section of our report.

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

Independence

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

Our firm carries out a non-audit assurance engagement in relation to the Telecommunications Development Levy and an agreed upon procedures engagement in relation to the Broadcasting Standards Authority Levy. 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 Group. The provision of these other services and relationships have not impaired our independence as auditor of 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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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 2024 amounted to $767 million (2023: $754 million). There has been a significant focus by management on retaining and growing the customer base given the developing business model and the need to deliver revenue and profitability growth. Given this, revenue recognition is an area requiring significant audit attention and is therefore a key audit matter. Refer to Note 4 of the consolidated financial statements for disclosures on revenue streams.	Our audit approach for revenue testing is a combination of controls and substantive testing. In order to determine whether the revenue has been recognised in accordance with the relevant accounting standards, our audit procedures included: ● updating our understanding of the systems, processes and controls in place over the recognition of revenue; ● testing the access controls to the revenue billing system and review and approval control for subscriber activations, disconnections, and refunds. ● performing a recalculation of Sky Box and broadband subscription revenue; and ● testing a sample of unexpected journal entry combinations that impact revenue. On a sample basis, other revenue procedures included: ● verifying revenue against supporting documentation and customer contracts; ● testing the completeness of revenue transactions recognised by haphazardly identifying Sky subscribers and checking they were active customers within the revenue billing system during the year; ● validating the pricing and payment of advertising and other revenue transactions to customer contracts; ● testing whether revenue transactions recorded near year end were recognised in the correct period; and ● checking customer arrangements to validate management's conclusion on whether the Group is a principal or an agent and the timing of when revenue is recognised.
Goodwill impairment assessment The carrying amount of Sky CGU goodwill as at 30 June 2024, as included in Note 15, amounted to $244 million (2023: $244 million). The carrying value of goodwill is an area of focus for the audit and a key audit matter as it is a significant amount on the consolidated balance sheet, it is dependent on future cash flows, and there is a high degree of management estimation involved.	We obtained the impairment model prepared by management and held discussions with them to understand the assumptions used in the goodwill impairment assessment. We gained an understanding of the current and forecast outlook for the industry and the strategic direction of the business and considered management's assessment of FVLCD based on market capitalisation at balance date. Our audit procedures included the following: ● obtaining an understanding of the business processes and controls applied by management in performing the impairment tests;

Description of the key audit matter	How our audit addressed the key audit matter
The Group used the Fair Value Less Costs of Disposal (FVLCD) methodology to determine the recoverable amount of the Sky CGU. The forecasts in the impairment model prepared by the Group are based on the Group's strategy, some elements of which would be excluded under a Value In Use (VIU) methodology under NZ IAS 36, Impairment of assets. Management has concluded that the FVLCD methodology results in a higher recoverable amount compared to VIU. The future cash flows in the FVLCD models were prepared based on the Board approved five year forecast cash flows. Key assumptions have been applied in the impairment model with respect to the following: ● residential Sky Box, Sky Pod and streaming revenues (including subscriber numbers and average revenue per user (ARPU)); ● broadband revenues; ● programming expenses; ● broadcasting and infrastructure expenses; ● capital expenditure; ● discount rates; ● terminal growth rates; and ● cost of disposal assumption.	● assessing the appropriateness of using a FVLCD approach against NZ IAS 36; ● considering whether the identification of CGUs, and the carrying value, including the allocation of goodwill, were appropriate; ● understanding the key changes in the impairment model from the prior year; ● challenging management on the reasonableness of key cash flow assumptions, including movements in subscriber numbers, average revenue per user (ARPU), broadband revenues, programming expenses, broadcasting and infrastructure expenses and capital expenditure; ● checking the mathematical accuracy of the models and reviewing the sensitivities prepared by management; ● engaging our auditor's valuation expert to assess management's valuation methodology and conclusions and key assumptions, including the discount rate, terminal growth rate and the reasonableness of the cost of disposal assumption; ● obtaining and evaluating management's sensitivity analyses to ascertain the impact of reasonably possible changes, and considering alternative possible scenarios; ● considering the appropriateness of the disclosures in Note 15 to the consolidated financial statements against the requirements of the accounting standards; and ● performing a look back procedure assessing the prior year budget versus the actual figures for the prior three financial periods to assess the accuracy of management's forecasting.

Our audit approach

Overview

Overall group materiality: $3.4 million, which represents approximately 5% of profit before tax.

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

Following our assessment of the risk of material misstatement, we:

- selected the Sky Network Television Limited parent entity for a full scope audit; and
- performed specified audit and analytical review procedures on the remaining 10 entities.

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

- Revenue recognition
- Goodwill impairment assessment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated 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 consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated 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 aggregate, on the consolidated 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 consolidated 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 consolidated financial statements and our auditor's report thereon), and the Climate Disclosure Statement to be published at a later date. Other than the climate statement which we will receive at a later date, we have received all the other information expected to be included in the annual report.

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

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

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

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

Responsibilities of the Directors for the consolidated financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit, in accordance with ISAs (NZ), 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 consolidated 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 the auditor has 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 Keren Blakey.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants

20 August 2024

Auckland

Directory

Directors

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

Officers

Sophie Moloney	Chief Executive
Ciara McGuigan	Chief Financial Officer
Jonathon Errington	Chief Content and Commercial Officer
Daniel Kelly	Chief Customer Officer
Chris Major	Chief Corporate Affairs Officer
Lauren Quaintance	Chief Media and Data Officer
Antony Welton	Chief Operations and People Officer and Interim Chief Digital and Technology Officer
Kirstin Jones	Company Secretary

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Annual Meeting

The next Annual Shareholders Meeting of Sky Network Television Limited will be held on Thursday 14 November 2024. Sky will provide further details in due course through its Notice of Annual Meeting of Shareholders.


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