

AGM SCRIPT – CHAIRMAN’S REMARKS – FINAL 13 OCT

Good morning everyone. My name is Philip Bowman, and it is my pleasure as Chairman to welcome you to our Annual General Meeting for 2020. Many of you are long-standing shareholders, and on behalf of the Board I would like to thank you for your continued support over the last year. We also welcome and thank those of you who have chosen to become new investors in Sky during this year.

It is disappointing that we are not meeting in person today, but I believe it was the right decision to meet in a virtual setting this year, given the ongoing uncertainties surrounding continued waves of the COVID-19 pandemic around the world. I very much hope that we will be able to return to a more normal physical meeting in 2021.

I am advised that we have a quorum present, and I therefore declare our Annual General Meeting open. I am also pleased to officially open online voting.

I am joined today by our Chief Executive Martin Stewart, and fellow board members both in person and online. I introduce and welcome:

- Joan Withers
- Keith Smith
- Mike Darcey, who is attending online
- Derek Handley
- Susan Paterson
- And Geraldine McBride, who is also attending online.

I also welcome representatives from our auditors, PricewaterhouseCoopers and our corporate solicitors, Chapman Tripp, as well as members of the Sky leadership team who are here in person today.

Structure

Turning to the format of today’s meeting:

- I will make some comments about the past year as well as the key priorities for the current fiscal year. I will also take the opportunity to recognise Susan Paterson’s contribution to Sky, as Susan is retiring from the Board today.
- I will then pass to Martin, who will provide more detail on the progress the management team made in fiscal 2020, including a summary of our financial performance and future strategy. Martin’s presentation will include an interview with Bernadine, who will ask Martin some questions around our short and medium term business initiatives.
- We will then move to the formal business of the meeting. There are three resolutions as set out in the Notice of Meeting, including the re-election of Keith Smith and Mike Darcey. I will ask Keith and Mike to make some brief remarks at that time.

- Finally, I will open the floor for questions from you, our shareholders. Bernadine has explained the process for submitting questions. Martin and I look forward to a good dialogue.

Chair's review

I will commence by reflecting on the past financial year. The 2020 fiscal year began well for Sky, with a new leadership team, a clear strategy and the signing of key sports rights contracts, providing direction and a renewed purpose to address the many challenges facing the business. In particular, the decision to accelerate our focus on streaming while improving our service to satellite customers saw Sky continue to achieve subscriber growth, both organically and through acquisitions that generated further positive momentum across the business.

The local and global impacts of COVID-19 inevitably draw our attention to the final quarter of the 2020 fiscal year. In light of these uncertain times, Sky refreshed its strategy in May 2020 and has made good progress on executing the strategy and delivering on the milestones that have been endorsed by the Board.

The refreshed growth strategy, as set out in our capital raise documentation in May, includes four pillars which Martin will expand upon in his remarks shortly. They can be summarised as:

1. Continuing to strengthen our core satellite business and improve customer service;
2. Delivering growth in entertainment and sport streaming;
3. Launching a broadband service to grow customer relationships and add more value to customers; and
4. Developing and growing an international rugby content business.

I noted in my remarks at last year's AGM that Sky is a business in transformation, positioning itself for future growth in a media sector that has evolved rapidly over the past five years. Whilst few of us could have predicted the disruption that COVID-19 would bring, the Sky team responded professionally and swiftly to the onset of the pandemic, adapting business operations to address the immediate implications of the lockdown, and ongoing restrictions on gatherings and cross-border movements. These actions ensured Sky was well positioned to operate as an essential service as we worked to minimise the impact on customers, staff and Sky's financial performance.

I previously signalled in my letter contained in the Interim Results that delivering on Sky's strategy would require a strengthened capital structure. Faced with the additional challenge of the COVID-19 pandemic, the Board moved decisively with a capital raise in May, in parallel securing and extending the company's banking facility. As a result, we have entered the 2021 fiscal year in a much stronger position, able to navigate through likely headwinds from the virus whilst continuing to implement the refreshed growth strategy. I thank all of you who participated in this capital raise.

You will know from our announcement of the Annual Results in September that one of the decisions we took at financial year end was to write off goodwill of \$177.5 million. This

decision was due to a combination of uncertainties arising from COVID-19, and reference to our share price at that time. It had a one-off, non-cash impact on our operating profit for the fiscal year, and Martin will take you through the numbers shortly.

We also undertook a careful assessment of our dividend policy, with the option of either returning to the payment of dividends or reinvesting capital in the business. We have decided to reinvest available free cash flow back into the business during fiscal 2021, but the Board has committed to re-evaluating the possibility of recommencing payment of dividends in fiscal 2022.

Management will continue to keenly focus on controlling the cost base of the Company and reducing its capital intensity, while investing appropriate resources to implement the strategic pillars I mentioned earlier in my remarks. The conditional sale of OSB, which is currently before the Commerce Commission for approval, is a good example of management's focus on allocating capital more efficiently. Once the OSB sale has settled, this alone will avoid future capital investment of some \$50 million in aggregate over the next few years.

Successfully delivering a compelling broadband proposition for Sky customers is a key priority for the management team, as is delivering our ongoing technology innovation programme, where we seek to enhance the experience of customers at every stage of their interaction with Sky.

We celebrate Sky's 30th anniversary this year, and for those three decades Sky has played a vital role in the sport ecosystem of New Zealand, supporting an increasing number of sports codes and bringing content with great production values to our customers across the country. New Zealand is not a large market, and we are very aware that there are limits to the amount that customers are prepared to pay for content, particularly in uncertain economic times. We recognise the careful balance required between meeting the ambitions of our sports codes and sustaining those partnerships, whilst prudently managing costs to ensure shareholder returns.

Sky's transition to a modern, customer-led, multi-media business has not only involved reorienting our strategic focus but also required us to deliver a leaner, more customer centric, and agile operating model. The major organisational changes are now complete, and Martin and his team have entered the new fiscal year with determination to deliver on the refreshed growth strategy.

On behalf of the Board, I would like to thank Martin for his leadership during what has been a complex and very challenging year. As I noted at the meeting last year, we are fortunate to have attracted a CEO of Martin's calibre and expertise, and it is a credit to Martin and the leadership team that the company has been able to make significant progress this year, despite the curve ball of COVID-19.

I would also like to extend our thanks to all Sky staff for their contribution and commitment to our company this year. To the technicians who attended our offices every day of the lockdowns to ensure we could keep delivering content as an essential service, to the

customer care operators who quickly pivoted to working from home and supported customers, through to our hundreds of kiwi staff who strive every day to entertain and delight our customers, thank you.

During the fiscal year we were fortunate to welcome Joan Withers and Keith Smith as we continued the Board refreshment process. Joan joined the board in September 2019 and was re-elected at last year's AGM while Keith joined in April of this year. As I mentioned earlier, Keith is standing for re-election today. Both Joan and Keith have made a positive impact around the board table, including as Acting Chair and Chair respectively of the Audit and Risk Committee.

I mentioned in my introduction that I wish formally to acknowledge the contribution of Susan Paterson who retires from the Board today. During her time as a director, Susan has served on the Audit and Risk Committee and is the outgoing Chair of our People and Performance Committee. We shall miss her challenge, her engagement, her collegiate approach and her humour. I hope that you will join the Board in thanking Susan for her service to the company and wish her well in her future endeavours.

In summary, fiscal 2020 was a tough year and there remain many challenges facing the company as the shape of the media sector continues to change at a rapid pace. However, the first quarter of the new fiscal year has delivered encouraging results, and your management team is determined to reinvent the business to be an effective competitor in this changing landscape.

With that, I will now hand over to Martin.